

PUBLIC BANK BERHAD
Company Registration No.: 196501000672 (6463-H)
(Incorporated in Malaysia)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023

	Note	Group		Bank	
		30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
ASSETS					
Cash and balances with banks		11,347,947	21,766,900	7,141,121	16,045,318
Reverse repurchase agreements		1,452	4,193	1,452	53,618
Financial assets at fair value through profit or loss	A8	1,794,751	949,325	1,238,000	926,938
Derivative financial assets	A28	561,432	446,564	536,348	439,742
Financial investments at fair value through other comprehensive income	A9	56,768,214	54,867,289	35,723,518	37,154,286
Financial investments at amortised cost	A10	30,819,084	25,570,231	21,066,848	15,561,016
Loans, advances and financing	A11	389,315,874	372,583,116	291,665,970	282,577,665
Other assets	A12	3,518,952	3,749,865	3,185,055	3,500,877
Statutory deposits with Central Banks		7,617,054	6,882,404	5,088,097	4,395,985
Deferred tax assets		545,980	630,201	334,795	392,775
Collective investments		-	-	6,400,665	6,245,825
Investment in subsidiary companies		-	-	6,794,603	6,794,166
Investment in associated companies		129,096	120,164	67,500	67,500
Investment properties		763,866	669,570	-	-
Right-of-use assets		1,262,988	1,287,639	1,023,842	1,051,072
Property and equipment		1,128,675	1,196,283	479,226	562,076
Intangible assets		2,627,953	2,539,021	695,393	695,393
TOTAL ASSETS		508,203,318	493,262,765	381,442,433	376,464,252
LIABILITIES					
Deposits from customers	A13	408,627,409	394,718,757	302,374,761	293,505,435
Deposits from banks and other financial institutions	A14	16,695,115	13,774,842	14,519,524	14,511,266
Obligations on securities sold under repurchase agreements		3,039,911	6,776,410	2,866,343	6,630,718
Bills and acceptances payable		222,684	314,168	220,692	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	205,662	496,045	240,206	535,790
Debt securities issued and other borrowed funds	B9	11,211,210	12,023,484	8,553,826	9,403,356
Lease liabilities		911,631	912,967	1,074,312	1,090,367
Other liabilities	A15	7,197,013	6,608,224	5,343,660	5,019,205
Provision for tax expense and zakat		244,798	928,858	189,226	729,118
Deferred tax liabilities		85,522	83,187	-	-
TOTAL LIABILITIES		453,540,970	441,736,957	339,382,565	335,736,338

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.

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UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
EQUITY				
Share capital	9,417,653	9,417,653	9,417,653	9,417,653
Regulatory reserves	651,282	314,153	585,967	257,054
Other reserves	2,232,020	1,188,430	472,356	269,926
Retained profits	40,909,955	39,258,985	31,583,892	30,783,281
Equity attributable to equity holders of the Bank	53,210,910	50,179,221	42,059,868	40,727,914
Non-controlling interests	1,451,438	1,346,587	-	-
TOTAL EQUITY	54,662,348	51,525,808	42,059,868	40,727,914
TOTAL LIABILITIES AND EQUITY	508,203,318	493,262,765	381,442,433	376,464,252
COMMITMENTS AND CONTINGENCIES	A27	110,009,967	104,721,984	96,826,030
CAPITAL ADEQUACY	A30			
<u>Before deducting interim dividends</u> *				
Common Equity Tier I Capital Ratio		14.487%	14.862%	13.260%
Tier I Capital Ratio		14.506%	14.912%	13.260%
Total Capital Ratio		17.448%	17.925%	16.444%
<u>After deducting interim dividends</u> *				
Common Equity Tier I Capital Ratio		14.487%	14.552%	13.260%
Tier I Capital Ratio		14.506%	14.603%	13.260%
Total Capital Ratio		17.448%	17.616%	16.444%
Net assets per share attributable to ordinary equity holders of the Bank (RM)		2.74	2.59	2.17
		2.10		

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

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PUBLIC BANK BERHAD
Company Registration No.: 196501000672 (6463-H)
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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF PROFIT OR LOSS
FOR THE 3RD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2023

<u>Group</u>	Note	3rd Quarter Ended		Nine Months Ended	
		30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Operating revenue		6,480,518	5,503,106	18,867,049	15,364,016
Interest income	A16	4,603,856	3,858,604	13,368,989	10,720,458
Interest expense	A17	(2,318,471)	(1,471,230)	(6,613,575)	(4,011,092)
Net interest income		2,285,385	2,387,374	6,755,414	6,709,366
Net income from Islamic banking business	A31 (b)	410,765	448,556	1,203,230	1,265,623
		2,696,150	2,835,930	7,958,644	7,974,989
Fee and commission income	A18 (a)	760,452	705,732	2,208,075	2,150,669
Fee and commission expense	A18 (b)	(258,419)	(242,510)	(745,688)	(708,429)
Net fee and commission income	A18	502,033	463,222	1,462,387	1,442,240
Net gains and losses on financial instruments	A19	5,400	17,605	36,851	68,565
Other operating income	A20	114,466	144,856	374,593	302,234
Net income		3,318,049	3,461,613	9,832,475	9,788,028
Other operating expenses	A21	(1,120,734)	(1,077,514)	(3,313,153)	(3,195,094)
Operating profit before impairment losses		2,197,315	2,384,099	6,519,322	6,592,934
Allowance for impairment on loans, advances and financing	A22	(33,960)	(95,914)	(59,697)	(275,544)
Writeback of allowance / (Allowance) for impairment on other assets	A23	554	(2,297)	5,525	(7,131)
		2,163,909	2,285,888	6,465,150	6,310,259
Share of profit / (loss) after tax of equity accounted associated companies		2,803	1,317	6,013	(151)
Profit before tax expense and zakat		2,166,712	2,287,205	6,471,163	6,310,108
Tax expense and zakat	B5	(459,599)	(682,956)	(1,413,231)	(1,861,492)
Profit for the period		1,707,113	1,604,249	5,057,932	4,448,616
Profit for the period attributable to:					
- Equity holders of the Bank		1,701,319	1,590,311	5,033,857	4,405,822
- Non-controlling interests		5,794	13,938	24,075	42,794
		1,707,113	1,604,249	5,057,932	4,448,616
Earnings per share:					
- basic / diluted (sen)	B12	8.76	8.19	25.93	22.70

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PUBLIC BANK BERHAD
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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE 3RD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2023

Group	3rd Quarter Ended		Nine Months Ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	RM'000	RM'000	RM'000	RM'000
Profit for the period	<u>1,707,113</u>	<u>1,604,249</u>	<u>5,057,932</u>	<u>4,448,616</u>
Other comprehensive (loss) / income:				
<u>Items that will not be reclassified subsequently to profit or loss:</u>				
Net change in revaluation of				
- Equity instruments	(155)	2,322	12,705	18,253
- Property and equipment	160	-	44,640	-
	<u>5</u>	<u>2,322</u>	<u>57,345</u>	<u>18,253</u>
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Currency translation differences in respect of:				
- Foreign operations	(5,173)	373,698	567,350	810,522
- Net investment hedge	(11,560)	(223,034)	(213,633)	(444,266)
Net change in revaluation of financial investments at fair value through other comprehensive income	(45,941)	(90,959)	466,518	(987,915)
Net change in cash flow hedges	13,053	79,479	8,679	264,691
	<u>(49,621)</u>	<u>139,184</u>	<u>828,914</u>	<u>(356,968)</u>
Income tax effect	9,430	(5,600)	(87,782)	149,176
Share of changes in associated companies' reserves	(120)	935	2,917	(1,379)
Other comprehensive (loss) / income for the period, net of tax	<u>(40,306)</u>	<u>136,841</u>	<u>801,394</u>	<u>(190,918)</u>
Total comprehensive income for the period	<u>1,666,807</u>	<u>1,741,090</u>	<u>5,859,326</u>	<u>4,257,698</u>
Total comprehensive income for the period attributable to:				
- Equity holders of the Bank	1,654,675	1,668,823	5,749,186	4,098,417
- Non-controlling interests	12,132	72,267	110,140	159,281
	<u>1,666,807</u>	<u>1,741,090</u>	<u>5,859,326</u>	<u>4,257,698</u>

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UNAUDITED STATEMENTS OF PROFIT OR LOSS
FOR THE 3RD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2023

Bank	Note	3rd Quarter Ended		Nine Months Ended	
		30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Operating revenue		4,507,243	3,667,645	12,905,394	10,214,382
Interest income	A16	4,030,983	3,402,502	11,704,206	9,459,615
Interest expense	A17	(2,140,904)	(1,371,409)	(6,078,441)	(3,768,195)
Net interest income		1,890,079	2,031,093	5,625,765	5,691,420
Fee and commission income	A18 (a)	331,098	301,074	946,739	858,190
Fee and commission expense	A18 (b)	(141,604)	(131,929)	(409,969)	(339,271)
Net fee and commission income	A18	189,494	169,145	536,770	518,919
Net gains and losses on financial instruments	A19	3,742	17,592	33,323	67,049
Other operating income / (loss)	A20	147,694	(44,066)	561,928	255,218
Net income		2,231,009	2,173,764	6,757,786	6,532,606
Other operating expenses	A21	(677,177)	(666,674)	(2,037,098)	(1,997,789)
Operating profit before impairment losses		1,553,832	1,507,090	4,720,688	4,534,817
Writeback of allowance / (Allowance) for impairment on loans, advances and financing	A22	10,265	(18,706)	155,807	(91,894)
(Allowance) / Writeback of allowance for impairment on other assets	A23	(205)	(1,953)	6,995	(5,525)
Profit before tax expense and zakat		1,563,892	1,486,431	4,883,490	4,437,398
Tax expense and zakat	B5	(344,296)	(491,053)	(1,036,228)	(1,304,494)
Profit for the period		1,219,596	995,378	3,847,262	3,132,904

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<u>Bank</u>	3rd Quarter Ended		Nine Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Profit for the period	<u>1,219,596</u>	<u>995,378</u>	<u>3,847,262</u>	<u>3,132,904</u>
Other comprehensive (loss) / income:				
<u>Items that will not be reclassified subsequently to profit or loss:</u>				
Net change in revaluation of equity instruments	<u>(19)</u>	<u>2,514</u>	<u>12,768</u>	<u>18,322</u>
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Currency translation differences in respect of foreign operations	<u>(22,162)</u>	<u>(78,829)</u>	<u>(4,612)</u>	<u>(125,240)</u>
Net change in revaluation of financial investments at fair value through other comprehensive income	<u>(46,526)</u>	<u>(44,016)</u>	<u>248,820</u>	<u>(687,478)</u>
Net change in cash flow hedges	<u>2,812</u>	<u>63,296</u>	<u>6,487</u>	<u>135,383</u>
	<u>(65,876)</u>	<u>(59,549)</u>	<u>250,695</u>	<u>(677,335)</u>
Income tax effect	<u>10,491</u>	<u>(4,627)</u>	<u>(61,274)</u>	<u>132,503</u>
Other comprehensive (loss) / income for the period, net of tax	<u>(55,404)</u>	<u>(61,662)</u>	<u>202,189</u>	<u>(526,510)</u>
Total comprehensive income for the period	<u>1,164,192</u>	<u>933,716</u>	<u>4,049,451</u>	<u>2,606,394</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 30 SEPTEMBER 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>Shareholders' Equity</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	-	-	-	5,033,857	5,033,857	24,075	5,057,932	
Other comprehensive income for the period	-	-	715,329	-	715,329	86,065 *	801,394	
Total comprehensive income for the period	-	-	715,329	5,033,857	5,749,186	110,140	5,859,326	
Transactions with owners / other equity movements:								
Transfer to statutory reserves	-	-	241	(241)	-	-	-	
Transfer to regulatory reserves	-	337,129	-	(337,129)	-	-	-	
Transfer to general reserves	-	-	328,020	(328,020)	-	-	-	
Dividends paid	-	-	-	(2,717,497)	(2,717,497)	(5,289)	(2,722,786)	
	-	337,129	328,261	(3,382,887)	(2,717,497)	(5,289)	(2,722,786)	
At 30 September 2023	<u>9,417,653</u>	<u>651,282</u>	<u>2,232,020</u>	<u>40,909,955</u>	<u>53,210,910</u>	<u>1,451,438</u>	<u>54,662,348</u>	

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

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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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	-	-	-	4,405,822	4,405,822	42,794	4,448,616
Other comprehensive (loss) / income for the period	-	-	(307,405)	-	(307,405)	116,487 *	(190,918)
Total comprehensive (loss) / income for the period	-	-	(307,405)	4,405,822	4,098,417	159,281	4,257,698
Transactions with owners / other equity movements:							
Transfer to statutory reserves	-	-	157	(157)	-	-	-
Transfer to regulatory reserves	-	3,277	-	(3,277)	-	-	-
Transfer to general reserves	-	-	185,310	(185,310)	-	-	-
Transfer from Profit Equalisation Reserve of the Islamic banking institution	-	-	(172)	172	-	-	-
Dividends paid	-	-	-	(3,047,479)	(3,047,479)	(8,675)	(3,056,154)
	-	3,277	185,295	(3,236,051)	(3,047,479)	(8,675)	(3,056,154)
At 30 September 2022	<u>9,417,653</u>	<u>251,508</u>	<u>1,313,776</u>	<u>38,230,663</u>	<u>49,213,600</u>	<u>1,413,351</u>	<u>50,626,951</u>

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UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

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

<u>Bank</u>	<u>Non-distributable</u>		<u>Distributable</u>		<u>Total</u> <u>Equity</u> <u>RM'000</u>
	<u>Share</u> <u>Capital</u> <u>RM'000</u>	<u>Regulatory</u> <u>Reserves</u> <u>RM'000</u>	<u>Other</u> <u>Reserves</u> <u>RM'000</u>	<u>Retained</u> <u>Profits</u> <u>RM'000</u>	
At 1 January 2023	9,417,653	257,054	269,926	30,783,281	40,727,914
Profit for the period	-	-	-	3,847,262	3,847,262
Other comprehensive income for the period	-	-	202,189	-	202,189
Total comprehensive income for the period	-	-	202,189	3,847,262	4,049,451
Transactions with owners / other equity movements:					
Transfer to statutory reserves	-	-	241	(241)	-
Transfer to regulatory reserves	-	328,913	-	(328,913)	-
Dividends paid	-	-	-	(2,717,497)	(2,717,497)
	-	328,913	241	(3,046,651)	(2,717,497)
At 30 September 2023	9,417,653	585,967	472,356	31,583,892	42,059,868

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

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

<u>Bank</u>	<u>Non-distributable</u>			<u>Distributable</u>	<u>Total</u> <u>Equity</u> <u>RM'000</u>
	<u>Share</u> <u>Capital</u> <u>RM'000</u>	<u>Regulatory</u> <u>Reserves</u> <u>RM'000</u>	<u>Other</u> <u>Reserves</u> <u>RM'000</u>	<u>Retained</u> <u>Profits</u> <u>RM'000</u>	
At 1 January 2022	9,417,653	211,063	605,282	29,804,266	40,038,264
Profit for the period	-	-	-	3,132,904	3,132,904
Other comprehensive loss for the period	-	-	(526,510)	-	(526,510)
Total comprehensive (loss) / income for the period	<u>-</u>	<u>-</u>	<u>(526,510)</u>	<u>3,132,904</u>	<u>2,606,394</u>
Transactions with owners / other equity movements:					
Transfer to statutory reserves	-	-	157	(157)	-
Transfer from regulatory reserves	-	(3,553)	-	3,553	-
Dividends paid	-	-	-	(3,047,479)	(3,047,479)
	<u>-</u>	<u>(3,553)</u>	<u>157</u>	<u>(3,044,083)</u>	<u>(3,047,479)</u>
At 30 September 2022	<u>9,417,653</u>	<u>207,510</u>	<u>78,929</u>	<u>29,893,087</u>	<u>39,597,179</u>

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PUBLIC BANK BERHAD
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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

	Group		Bank	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Cash Flows from Operating Activities				
Profit before tax expense and zakat	6,471,163	6,310,108	4,883,490	4,437,398
Adjustments for non-cash items:				
Share of (profit) / loss after tax of equity accounted associated companies	(6,013)	151	-	-
Allowance / (Writeback of allowance) for impairment on loans, advances and financing	209,439	443,309	(71,803)	194,065
Depreciation of right-of-use assets and property and equipment	279,070	276,314	203,427	203,926
Net gain on financial instruments	(27,115)	(72,638)	(24,533)	(71,636)
Dividend income	(3,088)	(2,584)	(512,041)	(508,859)
(Writeback of allowance) / Allowance for impairment on other assets	(5,525)	7,131	(6,995)	5,525
Other non-cash items	(5,357)	2,759	(6,016)	(260)
Operating profit before working capital changes	<u>6,912,574</u>	<u>6,964,550</u>	<u>4,465,529</u>	<u>4,260,159</u>
Changes in working capital:				
Increase in operating assets	(17,075,416)	(16,203,199)	(8,816,079)	(7,646,230)
Increase in operating liabilities	13,224,400	16,425,073	5,119,532	7,072,349
Cash generated from operations	<u>3,061,558</u>	<u>7,186,424</u>	<u>768,982</u>	<u>3,686,278</u>
Tax expense and zakat paid	(2,122,247)	(1,596,437)	(1,579,413)	(1,067,916)
Net cash generated from / (used in) operating activities	<u>939,311</u>	<u>5,589,987</u>	<u>(810,431)</u>	<u>2,618,362</u>
Cash Flows from Investing Activities				
Purchase of property and equipment	(117,831)	(89,929)	(61,012)	(55,226)
Purchase of leasehold land	-	(39,285)	-	-
Addition to investment properties	(350)	(18)	-	-
Proceeds from disposal of properties	45,907	28,169	42,391	22,161
Net purchase of financial investments	(6,620,621)	(3,769,111)	(3,758,856)	(584,914)
Investment in collective investments	-	-	(154,840)	(113,667)
Additional investment in a subsidiary company	-	-	(437)	(300,000)
Dividends received	3,088	2,584	582,715	613,968
Net cash used in investing activities	<u>(6,689,807)</u>	<u>(3,867,590)</u>	<u>(3,350,039)</u>	<u>(417,678)</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 30 SEPTEMBER 2023

	Group		Bank	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	RM'000	RM'000	RM'000	RM'000
Cash Flows from Financing Activities				
Dividends paid	(2,722,786)	(3,056,154)	(2,717,497)	(3,047,479)
Net proceeds from issuance of debt securities	-	2,500,000	-	2,000,000
Net proceeds from term loan facilities	-	3,047,227	-	2,459,237
Repayment of term loan facilities	-	(3,058,430)	-	(2,467,895)
Repayment of lease liabilities	(65,271)	(65,223)	(46,635)	(47,479)
Redemption of debt securities	(1,010,000)	(2,500,000)	(1,010,000)	(2,000,000)
Net cash used in financing activities	<u>(3,798,057)</u>	<u>(3,132,580)</u>	<u>(3,774,132)</u>	<u>(3,103,616)</u>
Net change in cash and cash equivalents	(9,548,553)	(1,410,183)	(7,934,602)	(902,932)
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	390,179	829,852	-	-
Cash and cash equivalents at end of the period	<u>9,636,797</u>	<u>13,467,874</u>	<u>7,141,121</u>	<u>10,475,284</u>
Note:				
Cash and balances with banks	11,347,947	17,188,879	7,141,121	12,975,284
Less: Balances with banks with original maturity more than three months	(1,711,150)	(3,721,005)	-	(2,500,000)
Cash and cash equivalents at end of the period	<u>9,636,797</u>	<u>13,467,874</u>	<u>7,141,121</u>	<u>10,475,284</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)
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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 3rd quarter and nine months ended 30 September 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)
- International Tax Reform - Pillar Two Model Rules (Amendments to MFRS 112 Income Taxes)

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.

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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.

International Tax Reform - Pillar Two Model Rules (Amendments to MFRS 112 Income Taxes) - The amendments give entities temporary relief from recognising and disclosing accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform; and introduces targeted disclosure requirements to help investors better understand an entity's exposure to income taxes arising from the reform, particularly before legislation implementing the rules is in effect.

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 as the general insurance subsidiary company's business and operations are not material to the Group.

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)
- Supplier Finance Arrangements (Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures)

Effective for annual periods commencing on or after 1 January 2025

- Lack of Exchangeability (Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates)

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.

Supplier Finance Arrangements (Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures) - The amendments require entities to disclose information that would enable users of financial statements to assess the effects of supplier finance arrangements on an entity's liability, cash flows and exposures to liquidity risk.

Lack of Exchangeability (Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates) - The amendments provide guidance on the spot exchange rate to use when a currency is not exchangeable into another currency and the disclosures entities need to provide to enable users of financial statements to understand the impact of a currency not being exchangeable.

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A1. Basis of Preparation (continued)

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.

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.

During the financial period ended 30 September 2023:

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

On 7 April 2023, the Bank had redeemed the sixth (6th) tranche of Senior MTNs amounting to RM910 million in nominal value together with accrued interest.

RM10.0 Billion Basel III Compliant Additional Tier I Capital Securities ("ATICS") Programme

On 26 June 2023, the Bank had early redeemed the first (1st) tranche of ATICS amounting to RM100 million in nominal value together with accrued distribution.

Subsequent to the financial period ended 30 September 2023 which has not been reflected in the financial statements for the current period:

RM20.0 Billion Subordinated Medium Term Notes ("Sub-Notes") Programme

The Bank, as the Issuer, has on 12 September 2023 through Public Investment Bank Berhad, lodged with the Securities Commission Malaysia the required information and relevant documents for the establishment of the RM20.0 billion Sub-Notes Programme.

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A6. Debt and Equity Securities (continued)

RM20.0 Billion Subordinated Medium Term Notes ("Sub-Notes") Programme (continued)

The RM20.0 billion Sub-Notes Programme have a tenure of thirty (30) years from the date of first issuance of the Sub-Notes. The Sub-Notes to be issued under the Sub-Notes Programme will qualify as Tier II capital for the computation of the regulatory capital of Group and the Bank in accordance with the Capital Adequacy Framework (Capital Components) issued by Bank Negara Malaysia ("BNM").

On 25 October 2023, the Bank issued the first (1st) tranche of RM1,000 million in aggregate nominal amount of Subordinated Notes which is due in 2033 and callable in 2028. The Notes bear interest at 4.27% per annum.

RM10.0 Billion Basel III - Compliant Tier II Subordinated Medium Term Notes Programme

On 30 October 2023, the Bank had early redeemed the fifth (5th) tranche of Subordinated Notes amounting to a total of RM1,000 million 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.

A first interim dividend of 9.0 sen per share for the financial year ending 31 December 2023 amounting to RM1,746,962,256 was paid on 22 September 2023.

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

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
At fair value				
Government securities and treasury bills:				
Malaysian Government Treasury Bills	526,583	214,801	526,583	214,801
Malaysian Government Securities	132,265	302,620	132,265	302,620
Malaysian Government Investment Issues	<u>281,366</u>	<u>40,662</u>	<u>239,914</u>	<u>40,662</u>
	<u>940,214</u>	<u>558,083</u>	<u>898,762</u>	<u>558,083</u>
Money market instruments:				
Negotiable instruments of deposit and negotiable Islamic debt certificates	<u>494,709</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-money market instruments:				
Equity securities:				
- Unquoted shares in Malaysia	359,828	391,242	339,238	368,855
Total financial assets at FVTPL	<u>1,794,751</u>	<u>949,325</u>	<u>1,238,000</u>	<u>926,938</u>

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

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
At fair value				
Government securities and treasury bills:				
Malaysian Government Treasury Bills	219,163	618,797	219,163	349,765
Malaysian Government Securities	18,295,531	20,562,422	17,440,689	19,815,634
Malaysian Government Investment Issues	30,723,239	26,923,746	15,901,311	14,121,212
Other foreign government securities	254,152	167,201	-	-
	<u>49,492,085</u>	<u>48,272,166</u>	<u>33,561,163</u>	<u>34,286,611</u>
Money market instruments:				
Negotiable instruments of deposit and negotiable Islamic debt certificates	<u>1,450,701</u>	842,032	<u>1,450,701</u>	1,722,871
Non-money market instruments:				
Equity securities:				
- Quoted shares and convertible loan stocks outside Malaysia	1,509	1,675	-	-
- Unquoted shares	428,700	413,287	421,460	406,384
Debt securities:				
- Cagamas bonds / sukuk	211,782	443,938	-	301,389
- Unquoted corporate bonds / sukuk	5,183,437	4,894,191	290,194	437,031
	<u>5,825,428</u>	<u>5,753,091</u>	<u>711,654</u>	<u>1,144,804</u>
Total financial investments at FVOCI	<u>56,768,214</u>	<u>54,867,289</u>	<u>35,723,518</u>	<u>37,154,286</u>

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

The following expected credit losses ("ECL") for debt instruments are recognised in other comprehensive income. Such ECL do not reduce the carrying amount 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	3,552	-	-	3,552
Net allowance made	289	-	-	289
Amount derecognised	(3,542)	-	-	(3,542)
Exchange differences	23	-	-	23
At 30 September 2023	<u>16,691</u>	<u>-</u>	<u>-</u>	<u>16,691</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	2,759	-	-	2,759
Net allowance made	32	-	-	32
Amount derecognised	(3,079)	-	-	(3,079)
At 30 September 2023	<u>6,112</u>	<u>-</u>	<u>-</u>	<u>6,112</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>

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A10. Financial Investments at Amortised Cost

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
At amortised cost				
Government securities and treasury bills:				
Malaysian Government Securities	3,820,406	1,099,289	3,780,756	1,059,635
Malaysian Government Investment Issues	10,344,944	8,075,557	4,858,352	3,654,151
Foreign Government Treasury Bills	1,587,616	1,485,035	53,386	32,313
Other foreign government securities	170,598	608,130	2,030	2,636
	<u>15,923,564</u>	<u>11,268,011</u>	<u>8,694,524</u>	<u>4,748,735</u>
Money market instruments:				
Negotiable instruments of deposit and negotiable Islamic debt certificates	<u>2,244,185</u>	<u>1,827,367</u>	<u>1,750,170</u>	<u>708,670</u>
Non-money market instruments:				
Debt securities:				
- Cagamas bonds / sukuk	6,627,655	5,146,601	5,515,836	4,043,212
- Unquoted corporate bonds / sukuk	6,028,995	7,332,574	5,110,283	6,063,380
	<u>12,656,650</u>	<u>12,479,175</u>	<u>10,626,119</u>	<u>10,106,592</u>
Allowance for impairment	(5,315)	(4,322)	(3,965)	(2,981)
Total financial investments at amortised cost	<u>30,819,084</u>	<u>25,570,231</u>	<u>21,066,848</u>	<u>15,561,016</u>

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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	1,765	-	-	1,765
Net allowance written back	(173)	-	-	(173)
Amount derecognised	(624)	-	-	(624)
Exchange differences	25	-	-	25
At 30 September 2023	<u>5,296</u>	<u>-</u>	<u>19</u>	<u>5,315</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	1,171	-	-	1,171
Net allowance written back	(3)	-	-	(3)
Amount derecognised	(184)	-	-	(184)
At 30 September 2023	<u>3,946</u>	<u>-</u>	<u>19</u>	<u>3,965</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>

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A11. Loans, Advances and Financing

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
At amortised cost				
Overdrafts	9,262,925	9,116,969	6,040,278	6,025,328
Term loans / financing				
- Housing loans / financing	160,528,890	152,915,174	119,375,554	114,661,406
- Syndicated term loans / financing	4,101,171	4,238,211	883,513	1,153,793
- Hire purchase receivables	65,782,057	60,933,018	51,162,135	47,420,073
- Other term loans / financing	134,275,006	129,578,837	101,839,603	100,395,985
Credit card receivables	2,652,300	2,528,424	2,531,186	2,438,998
Bills receivables	72,489	141,162	64,695	134,422
Trust receipts	132,686	174,668	86,442	101,184
Claims on customers under acceptance credits	2,887,519	3,093,295	2,658,281	2,882,387
Revolving credits	11,678,717	11,976,772	8,053,704	8,560,112
Staff loans *	2,205,961	2,195,407	1,870,509	1,876,822
Gross loans, advances and financing	<u>393,579,721</u>	<u>376,891,937</u>	<u>294,565,900</u>	<u>285,650,510</u>
Allowance for impairment on loans, advances and financing:				
- Expected credit losses	(4,263,847)	(4,308,821)	(2,899,930)	(3,072,845)
- Stage 1: 12-Month ECL	(1,347,197)	(2,074,558)	(852,262)	(1,392,936)
- Stage 2: Lifetime ECL not credit-impaired	(2,427,069)	(1,858,411)	(1,742,733)	(1,443,023)
- Stage 3: Lifetime ECL credit-impaired	(489,581)	(375,852)	(304,935)	(236,886)
Net loans, advances and financing	<u>389,315,874</u>	<u>372,583,116</u>	<u>291,665,970</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 RM14,247,000 (2022: RM8,480,000) and RM7,299,000 (2022 - RM7,791,000) respectively.

a) By class

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
Retail loans / financing *				
- Housing loans / financing	160,528,895	152,915,181	119,375,554	114,661,406
- Hire purchase	65,490,017	60,672,636	51,162,135	47,420,073
- Credit cards	2,652,300	2,528,424	2,531,186	2,438,998
- Other loans / financing ^	117,070,423	114,931,108	84,810,998	84,173,303
	<u>345,741,635</u>	<u>331,047,349</u>	<u>257,879,873</u>	<u>248,693,780</u>
Corporate loans / financing	47,838,086	45,844,588	36,686,027	36,956,730
	<u>393,579,721</u>	<u>376,891,937</u>	<u>294,565,900</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.

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A11. Loans, Advances and Financing (continued)

b) By type of customer

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
Non-bank financial institutions				
- Stock-broking companies	4,883	5,115	4,883	5,115
- Others	16,478,066	15,584,596	14,025,592	14,393,888
Business enterprises				
- Small and medium enterprises	72,793,506	71,764,392	57,834,510	57,053,743
- Others	25,669,078	26,598,868	18,475,777	19,583,288
Government and statutory bodies	2,037,356	1,017,220	18,566	15,604
Individuals	271,393,497	258,144,587	200,682,290	192,439,610
Other entities	29,705	20,272	17,796	15,343
Foreign entities	5,173,630	3,756,887	3,506,486	2,143,919
	<u>393,579,721</u>	<u>376,891,937</u>	<u>294,565,900</u>	<u>285,650,510</u>

c) By interest/profit rate sensitivity

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
Fixed rate				
- Housing loans / financing	1,100,596	1,145,645	46,284	35,408
- Hire purchase receivables	62,829,544	58,111,038	51,010,239	47,292,216
- Other fixed rate loans / financing	24,674,014	23,221,035	11,843,576	12,406,183
Variable rate				
- Base rate / base lending rate plus	251,963,383	242,732,800	200,534,117	194,321,075
- Cost plus	38,734,088	37,822,072	30,957,042	31,428,956
- Other variable rates	14,278,096	13,859,347	174,642	166,672
	<u>393,579,721</u>	<u>376,891,937</u>	<u>294,565,900</u>	<u>285,650,510</u>

d) By residual contractual maturity

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
Maturity within one year	31,613,485	32,003,265	20,722,271	21,747,532
More than one year to three years	32,859,539	28,799,158	25,193,133	21,667,013
More than three years to five years	32,845,815	32,868,993	27,035,763	27,409,810
More than five years	296,260,882	283,220,521	221,614,733	214,826,155
	<u>393,579,721</u>	<u>376,891,937</u>	<u>294,565,900</u>	<u>285,650,510</u>

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A11. Loans, Advances and Financing (continued)

e) By geographical distribution

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
Malaysia	367,169,889	352,065,239	294,037,635	285,141,923
Hong Kong SAR and the People's Republic of China	14,412,724	14,064,723	-	-
Cambodia	6,525,007	5,605,533	-	-
Other countries	5,472,101	5,156,442	528,265	508,587
	<u>393,579,721</u>	<u>376,891,937</u>	<u>294,565,900</u>	<u>285,650,510</u>

f) Gross loans, advances and financing by economic purpose

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
Purchase of securities	3,799,469	4,151,491	3,302,005	3,690,597
Purchase of transport vehicles	66,025,410	61,165,783	51,413,087	47,657,702
Purchase of properties	250,448,783	241,152,228	192,584,746	187,135,065
(of which: - residential	<u>166,076,112</u>	<u>158,506,338</u>	<u>124,053,432</u>	<u>119,386,908</u>
- non-residential)	<u>84,372,671</u>	<u>82,645,890</u>	<u>68,531,314</u>	<u>67,748,157</u>
Purchase of fixed assets (excluding properties)	439,142	434,072	64,595	74,061
Personal use	15,286,447	13,793,372	8,019,825	6,884,049
Credit card	2,652,300	2,528,424	2,531,186	2,438,998
Purchase of consumer durables	716	785	243	308
Construction	7,500,577	7,396,488	5,024,590	5,151,885
Working capital	43,878,923	42,173,138	28,809,051	29,383,925
Other purpose	3,547,954	4,096,156	2,816,572	3,233,920
	<u>393,579,721</u>	<u>376,891,937</u>	<u>294,565,900</u>	<u>285,650,510</u>

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A11. Loans, Advances and Financing (continued)

g) Gross loans, advances and financing by sector

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
Agriculture, hunting, forestry and fishing	3,035,522	3,036,518	2,435,416	2,468,206
Mining and quarrying	253,025	236,131	148,402	128,535
Manufacturing	11,261,708	11,664,437	8,057,676	8,179,013
Electricity, gas and water	84,770	83,294	38,271	39,268
Construction	17,957,676	17,835,469	13,772,305	13,738,521
Wholesale & retail trade and restaurants & hotels	34,090,315	33,251,044	27,133,624	26,851,993
Transport, storage and communication	4,858,696	4,655,463	2,431,461	2,515,932
Finance, insurance and business services	20,623,879	19,736,990	17,350,581	17,567,542
Real estate	24,094,878	24,075,734	18,160,364	18,393,218
Community, social and personal services	4,204,491	3,308,015	1,875,274	1,925,417
Households	271,700,609	257,708,575	203,157,374	193,835,806
Others	1,414,152	1,300,267	5,152	7,059
	<u>393,579,721</u>	<u>376,891,937</u>	<u>294,565,900</u>	<u>285,650,510</u>

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

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 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	2,100,266	1,563,157	924,532	992,022
Reclassified as non-impaired	(752,178)	(453,297)	(497,569)	(308,069)
Recoveries	(335,130)	(316,789)	(124,711)	(211,222)
Amount written off	(277,500)	(270,376)	(104,296)	(105,953)
Loans / financing converted to foreclosed properties	(59,482)	(46,886)	(53,322)	(39,485)
Exchange differences	21,621	6,364	1,153	(5,187)
Closing balance	<u>2,281,693</u>	<u>1,584,096</u>	<u>1,209,561</u>	<u>1,063,774</u>
Gross impaired loans and financing as a percentage of gross loans, advances and financing	<u>0.58%</u>	<u>0.42%</u>	<u>0.41%</u>	<u>0.37%</u>

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A11. Loans, Advances and Financing (continued)

i) Impaired loans, advances and financing by geographical distribution

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
Malaysia	1,434,216	1,186,647	1,181,650	1,028,531
Hong Kong SAR and the People's Republic of China	569,984	181,644	-	-
Cambodia	115,543	95,034	-	-
Other countries	161,950	120,771	27,911	35,243
	<u>2,281,693</u>	<u>1,584,096</u>	<u>1,209,561</u>	<u>1,063,774</u>

j) Impaired loans, advances and financing by economic purpose

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
Purchase of securities	39,473	36,545	39,424	36,545
Purchase of transport vehicles	216,477	172,580	121,358	112,553
Purchase of properties	1,456,118	878,840	808,635	684,006
(of which: - residential	589,518	398,837	346,188	259,800
- non-residential)	866,600	480,003	462,447	424,206
Purchase of fixed assets (excluding properties)	12,202	8,702	285	285
Personal use	122,295	114,555	29,613	22,209
Credit card	17,516	17,364	16,324	16,414
Purchase of consumer durables	5	9	5	9
Construction	21,916	13,810	7,650	7,747
Working capital	394,209	339,279	184,820	181,622
Other purpose	1,482	2,412	1,447	2,384
	<u>2,281,693</u>	<u>1,584,096</u>	<u>1,209,561</u>	<u>1,063,774</u>

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A11. Loans, Advances and Financing (continued)

k) Impaired loans, advances and financing by sector

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
Agriculture, hunting, forestry and fishing	8,343	13,084	8,292	13,026
Mining and quarrying	12,493	11,044	12,319	11,044
Manufacturing	77,960	88,494	42,950	41,573
Electricity, gas and water	5,633	5,362	59	5
Construction	111,766	96,278	91,500	86,948
Wholesale & retail trade and restaurants & hotels	229,532	142,330	102,901	113,292
Transport, storage and communication	17,224	14,679	10,742	8,770
Finance, insurance and business services	53,077	106,364	20,212	25,253
Real estate	731,495	355,283	364,935	331,503
Community, social and personal services	7,166	1,446	6,969	1,368
Households	989,716	731,229	548,682	430,991
Others	37,288	18,503	-	1
	<u>2,281,693</u>	<u>1,584,096</u>	<u>1,209,561</u>	<u>1,063,774</u>

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A11. Loans, Advances and Financing (continued)

l) 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:	314,686	(332,293)	17,607	-
- Transfer to Stage 1: 12-Month ECL	336,657	(325,231)	(11,426)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(19,181)	38,704	(19,523)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(2,790)	(45,766)	48,556	-
New loans, advances and financing originated	85,651	36,372	25,979	148,002
Net remeasurement due to changes in credit risk	(1,087,380)	933,283	285,800	131,703
Loans, advances and financing derecognised (other than write-off)	(43,754)	(37,306)	(16,021)	(97,081)
Modifications to contractual cash flows of loans, advances and financing	(1,933)	(34,411)	67,644	31,300
Amount written off	-	-	(277,500)	(277,500)
Amount transferred to allowance for impairment loss on foreclosed properties	-	-	(11)	(11)
Exchange differences	5,369	3,013	10,231	18,613
At 30 September 2023	<u>1,347,197</u>	<u>2,427,069</u>	<u>489,581</u>	<u>4,263,847</u>

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A11. Loans, Advances and Financing (continued)

- l) 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>

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A11. Loans, Advances and Financing (continued)

l) 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:	241,937	(241,558)	(379)	-
- Transfer to Stage 1: 12-Month ECL	257,029	(249,526)	(7,503)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(14,750)	28,919	(14,169)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(342)	(20,951)	21,293	-
New loans and advances originated	48,611	16,781	1,514	66,906
Net remeasurement due to changes in credit risk	(810,221)	579,531	122,973	(107,717)
Loans and advances derecognised (other than write-off)	(20,210)	(23,810)	(11,367)	(55,387)
Modifications to contractual cash flows of loans and advances	(1,433)	(31,234)	59,615	26,948
Amount written off	-	-	(104,296)	(104,296)
Amount transferred to allowance for impairment loss on foreclosed properties	-	-	(11)	(11)
Exchange differences	642	-	-	642
At 30 September 2023	852,262	1,742,733	304,935	2,899,930

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A11. Loans, Advances and Financing (continued)

- l) 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	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
Deferred handling fees	283,408	258,491	220,818	203,529
Interest / Income receivable	114,020	82,242	23,499	30,448
Other receivables, deposits and prepayments	2,275,907	2,399,026	1,873,238	2,059,811
Collateral pledged for derivative transactions	115,895	198,436	115,895	198,436
Employee benefits	151,237	158,128	148,646	155,393
Amount due from trust funds	188,218	176,012	-	-
Foreclosed properties	235,536	209,247	204,256	180,978
Outstanding contracts on clients' accounts	154,731	268,283	-	-
Amount due from subsidiary companies	-	-	39,789	42,695
Distribution receivable from collective investments	-	-	34,614	32,295
Dividend receivable from subsidiary companies	-	-	524,300	597,292
	<u>3,518,952</u>	<u>3,749,865</u>	<u>3,185,055</u>	<u>3,500,877</u>

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A13. Deposits from Customers

a) By type of deposit

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
At amortised cost				
Core deposits:				
- Demand deposits	68,956,874	68,676,154	55,411,192	55,820,713
- Savings deposits	47,619,330	49,356,557	33,063,210	34,258,061
- Fixed deposits	232,663,836	217,537,372	165,244,433	160,124,646
	<u>349,240,040</u>	<u>335,570,083</u>	<u>253,718,835</u>	<u>250,203,420</u>
Money market deposits	59,336,003	59,081,617	48,616,564	43,251,118
Other deposits	51,366	67,057	39,362	50,897
	<u>408,627,409</u>	<u>394,718,757</u>	<u>302,374,761</u>	<u>293,505,435</u>

b) By type of customer

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
Federal and state governments	7,602,497	7,995,307	866,582	953,927
Local government and statutory authorities	3,765,283	3,417,572	2,112,216	2,288,005
Business enterprises	109,977,910	113,813,691	87,897,165	91,223,265
Individuals	218,089,379	209,056,024	162,208,079	161,180,717
Foreign customers	20,778,007	12,957,849	15,732,053	8,126,545
Others	48,414,333	47,478,314	33,558,666	29,732,976
	<u>408,627,409</u>	<u>394,718,757</u>	<u>302,374,761</u>	<u>293,505,435</u>

c) The maturity structure of fixed deposits and money market deposits are as follows:

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
Due within six months	233,867,020	233,910,652	170,107,495	173,842,926
More than six months to one year	56,720,666	38,342,917	43,694,145	29,418,128
More than one year to three years	1,406,824	4,360,349	54,841	109,984
More than three years to five years	4,648	5,071	3,835	4,726
More than five years	681	-	681	-
	<u>291,999,839</u>	<u>276,618,989</u>	<u>213,860,997</u>	<u>203,375,764</u>

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A14. Deposits from Banks and Other Financial Institutions

	Group		Bank	
	30 September	31 December	30 September	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
At amortised cost				
Licensed banks	6,799,268	4,456,035	3,843,857	2,864,790
Licensed Islamic banks	1,327,772	400,000	-	-
Licensed investment banks	906,149	705,894	357,437	357,416
Bank Negara Malaysia	2,198,278	2,269,606	2,135,319	2,204,920
Other financial institutions	5,463,648	5,943,307	8,182,911	9,084,140
	<u>16,695,115</u>	<u>13,774,842</u>	<u>14,519,524</u>	<u>14,511,266</u>

A15. Other Liabilities

	Group		Bank	
	30 September	31 December	30 September	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Interest / Income payable	2,944,406	1,896,870	2,055,241	1,354,424
Other payables and accruals	3,402,084	3,814,228	2,742,704	3,208,513
Collateral received for derivative transactions	358,550	295,771	358,550	295,771
Amount due to trust funds	98,292	75,703	-	-
Unprocessed sales and / or redemptions	73,388	92,660	-	-
Accrued restoration costs	72,346	72,711	70,540	70,957
Allowance for impairment on loan / financing commitments and financial guarantees	71,530	75,953	59,898	62,451
Outstanding contracts on clients' accounts	154,205	251,610	-	-
Dividend payable to shareholders	22,212	32,718	22,203	14,444
Amount due to subsidiary companies	-	-	34,524	12,645
	<u>7,197,013</u>	<u>6,608,224</u>	<u>5,343,660</u>	<u>5,019,205</u>

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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:	5,687	(5,790)	103	-
- Transfer to Stage 1: 12-Month ECL	7,331	(7,253)	(78)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(1,591)	1,745	(154)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(53)	(282)	335	-
New loan / financing commitments and financial guarantees originated	3,659	1,720	24	5,403
Net remeasurement due to changes in credit risk	(9,196)	744	(29)	(8,481)
Loan / financing commitments and financial guarantees derecognised	(1,543)	(723)	(25)	(2,291)
Modifications to contractual cash flows of loan / financing commitments and financial guarantees	(28)	937	(25)	884
Exchange differences	61	1	-	62
At 30 September 2023	48,497	21,688	1,345	71,530
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	49,857	24,799	1,297	75,953

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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:	3,855	(3,917)	62	-
- Transfer to Stage 1: 12-Month ECL	5,271	(5,205)	(66)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(1,363)	1,462	(99)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(53)	(174)	227	-
New loan commitments and financial guarantees originated	2,830	1,508	23	4,361
Net remeasurement due to changes in credit risk	(6,598)	1,009	(118)	(5,707)
Loan commitments and financial guarantees derecognised	(1,293)	(611)	(25)	(1,929)
Modifications to contractual cash flows of loan commitments and financial guarantees	(16)	831	(93)	722
At 30 September 2023	40,582	18,342	974	59,898
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

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A16. Interest Income

	3rd Quarter Ended		Nine Months Ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
Loans and advances	3,919,281	3,271,135	11,373,729	9,065,655
Balances with banks	96,634	61,927	319,573	157,145
Financial investments at fair value through other comprehensive income	327,317	334,204	969,503	930,719
Financial investments at amortised cost	233,268	175,183	632,503	513,758
Others	17,486	13,262	49,224	34,058
	<u>4,593,986</u>	<u>3,855,711</u>	<u>13,344,532</u>	<u>10,701,335</u>
Financial assets at fair value through profit or loss	9,870	2,893	24,457	19,123
	<u>4,603,856</u>	<u>3,858,604</u>	<u>13,368,989</u>	<u>10,720,458</u>
Of which:				
Interest income earned on impaired loans and advances	<u>29,805</u>	<u>18,314</u>	<u>81,996</u>	<u>45,200</u>
	3rd Quarter Ended		Nine Months Ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
Loans and advances	3,455,948	2,891,976	10,032,817	7,998,995
Balances with banks	83,110	53,802	262,166	134,991
Financial investments at fair value through other comprehensive income	263,740	274,249	794,787	759,530
Financial investments at amortised cost	204,757	156,348	553,157	474,546
Others	13,630	23,234	37,472	72,430
	<u>4,021,185</u>	<u>3,399,609</u>	<u>11,680,399</u>	<u>9,440,492</u>
Financial assets at fair value through profit or loss	9,798	2,893	23,807	19,123
	<u>4,030,983</u>	<u>3,402,502</u>	<u>11,704,206</u>	<u>9,459,615</u>
Of which:				
Interest income earned on impaired loans and advances	<u>13,227</u>	<u>8,474</u>	<u>36,831</u>	<u>19,266</u>

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A17. Interest Expense

	3rd Quarter Ended		Nine Months Ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
Deposits from banks and other financial institutions	70,268	84,667	237,404	225,657
Deposits from customers	2,092,462	1,250,792	5,904,634	3,365,419
Loans sold to Cagamas	46,378	27,702	137,622	97,157
Debt securities issued and other borrowed funds	96,679	95,505	293,191	285,567
Others	12,684	12,564	40,724	37,292
	<u>2,318,471</u>	<u>1,471,230</u>	<u>6,613,575</u>	<u>4,011,092</u>
	3rd Quarter Ended		Nine Months Ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
Deposits from banks and other financial institutions	95,969	83,197	282,628	216,073
Deposits from customers	1,896,282	1,154,855	5,342,679	3,138,113
Loans sold to Cagamas	46,378	27,702	137,622	97,157
Debt securities issued and other borrowed funds	87,583	90,874	269,125	276,671
Others	14,692	14,781	46,387	40,181
	<u>2,140,904</u>	<u>1,371,409</u>	<u>6,078,441</u>	<u>3,768,195</u>

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A18. Net Fee and Commission Income

	3rd Quarter Ended		Nine Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
<u>Group</u>				
(a) Fee and commission income:				
Commissions	220,751	199,846	630,842	548,421
Service charges and fees	77,969	78,532	231,969	230,292
Guarantee fees	8,751	9,833	25,469	24,761
Commitment fees	15,444	16,952	45,559	51,062
Unit trust management fees	323,267	305,792	942,052	945,676
Fee on sale of trust units	68,552	59,940	188,133	224,606
Brokerage and commissions from stockbroking activities	28,436	20,375	99,635	81,318
Other fee and commission income	17,282	14,462	44,416	44,533
	<u>760,452</u>	<u>705,732</u>	<u>2,208,075</u>	<u>2,150,669</u>
(b) Fee and commission expense:				
Unit trust agency fee	(112,018)	(106,074)	(319,745)	(357,327)
Debit / credit card related fee	(135,625)	(126,333)	(392,238)	(323,016)
Loan related fee	(4,135)	(4,379)	(11,629)	(10,813)
Other fee and commission expense	(6,641)	(5,724)	(22,076)	(17,273)
	<u>(258,419)</u>	<u>(242,510)</u>	<u>(745,688)</u>	<u>(708,429)</u>
Net fee and commission income	<u>502,033</u>	<u>463,222</u>	<u>1,462,387</u>	<u>1,442,240</u>
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
<u>Bank</u>				
(a) Fee and commission income:				
Commissions	238,160	211,053	677,557	590,936
Service charges and fees	60,250	56,388	178,194	172,434
Guarantee fees	8,117	9,259	23,731	23,324
Commitment fees	14,506	15,680	42,619	46,714
Other fee and commission income	10,065	8,694	24,638	24,782
	<u>331,098</u>	<u>301,074</u>	<u>946,739</u>	<u>858,190</u>
(b) Fee and commission expense:				
Debit / credit card related fee	(135,583)	(126,303)	(392,080)	(322,973)
Loan related fee	(4,045)	(3,307)	(11,443)	(8,140)
Other fee and commission expense	(1,976)	(2,319)	(6,446)	(8,158)
	<u>(141,604)</u>	<u>(131,929)</u>	<u>(409,969)</u>	<u>(339,271)</u>
Net fee and commission income	<u>189,494</u>	<u>169,145</u>	<u>536,770</u>	<u>518,919</u>

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A19. Net Gains and Losses on Financial Instruments

	3rd Quarter Ended		Nine Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Group				
Net gain / (loss) arising on financial assets at fair value through profit or loss:				
- net gain / (loss) on disposal	736	(4,092)	4,551	(7,754)
- gross dividend income	524	525	2,097	1,097
- unrealised revaluation (loss) / gain	(50)	4,690	(32,553)	23,399
	<u>1,210</u>	<u>1,123</u>	<u>(25,905)</u>	<u>16,742</u>
Net gain arising on trading derivatives				
- unrealised revaluation gain	-	49	1	92
Net gain arising on financial investments at fair value through other comprehensive income:				
- net gain on disposal	3,702	16,587	58,175	48,906
- gross dividend income	285	479	3,088	2,584
	<u>3,987</u>	<u>17,066</u>	<u>61,263</u>	<u>51,490</u>
Net gain arising on financial investments at amortised cost				
- net gain on disposal	-	-	-	1,456
Net gain / (loss) representing ineffective portions of hedging derivatives:				
- fair value hedge	224	(510)	1,562	(1,782)
- cash flow hedge	(21)	(123)	(70)	567
	<u>203</u>	<u>(633)</u>	<u>1,492</u>	<u>(1,215)</u>
Net gains and losses on financial instruments	<u>5,400</u>	<u>17,605</u>	<u>36,851</u>	<u>68,565</u>

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

	3rd Quarter Ended		Nine Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 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	758	(4,098)	4,316	(7,771)
- gross dividend income	494	494	1,977	977
- unrealised revaluation (loss) / gain	(243)	4,690	(30,716)	22,135
	<u>1,009</u>	<u>1,086</u>	<u>(24,423)</u>	<u>15,341</u>
Net gain arising on trading derivatives				
- unrealised revaluation gain	-	49	1	92
Net gain arising on financial investments at fair value through other comprehensive income:				
- net gain on disposal	2,754	16,248	55,318	47,408
- gross dividend income	-	334	2,497	2,207
	<u>2,754</u>	<u>16,582</u>	<u>57,815</u>	<u>49,615</u>
Net gain arising on financial investments at amortised cost				
- net gain on disposal	-	-	-	1,456
Net (loss) / gain representing ineffective portions of hedging derivatives:				
- fair value hedge	-	(2)	-	(22)
- cash flow hedge	(21)	(123)	(70)	567
	<u>(21)</u>	<u>(125)</u>	<u>(70)</u>	<u>545</u>
Net gains and losses on financial instruments	<u>3,742</u>	<u>17,592</u>	<u>33,323</u>	<u>67,049</u>

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A20. Other Operating Income / (Loss)

	3rd Quarter Ended		Nine Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
<u>Group</u>				
Other income:				
Foreign exchange profit	82,206	114,958	280,991	216,962
Rental income from:				
- investment properties	5,635	5,337	16,426	13,994
- other properties	2,715	2,826	8,382	8,482
Net gain on disposal of property and equipment	1,142	109	1,367	2,922
Net gain on disposal of foreclosed properties	687	635	3,172	955
Net gain / (loss) on revaluation of investment properties	36	(19)	3,788	(1,207)
Others	22,045	21,010	60,467	60,126
Total other operating income	<u>114,466</u>	<u>144,856</u>	<u>374,593</u>	<u>302,234</u>
	3rd Quarter Ended	30 September	Nine Months Ended	30 September
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
Distribution income from collective investments	56,383	43,469	157,159	116,067
Dividend income from subsidiary companies				
- quoted outside Malaysia	-	-	14,385	22,585
- unquoted in Malaysia	-	-	338,000	368,000
	<u>56,383</u>	<u>43,469</u>	<u>509,544</u>	<u>506,652</u>
Other income / (loss):				
Foreign exchange income / (loss)	67,420	(107,757)	(15,446)	(311,371)
Rental income from other properties	3,105	3,237	9,561	9,610
Net gain on disposal of property and equipment	1,057	108	1,282	155
Net gain on disposal of foreclosed properties	687	635	3,172	955
Others	19,042	16,242	53,815	49,217
	<u>91,311</u>	<u>(87,535)</u>	<u>52,384</u>	<u>(251,434)</u>
Total other operating income / (loss)	<u>147,694</u>	<u>(44,066)</u>	<u>561,928</u>	<u>255,218</u>

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A21. Other Operating Expenses

Group	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	685,146	636,725	2,012,054	1,896,142
- Pension costs	94,244	90,233	265,693	267,487
- Others	32,090	43,157	115,179	131,374
	811,480	770,115	2,392,926	2,295,003
Establishment costs				
- Depreciation	94,568	92,567	279,070	276,314
- Insurance	6,231	6,092	19,111	19,186
- Water and electricity	14,334	12,792	40,896	35,832
- General repairs and maintenance	17,239	16,390	48,069	45,691
- Information technology expenses	49,363	39,412	149,259	123,105
- Others	26,897	26,165	78,226	74,577
	208,632	193,418	614,631	574,705
Marketing expenses				
- Advertisement and publicity	9,432	12,250	29,741	36,079
- Others	18,937	19,145	56,629	52,717
	28,369	31,395	86,370	88,796
Administration and general expenses				
- Communication expenses	16,483	31,448	54,257	85,276
- Legal and professional fees	12,405	10,927	37,942	32,834
- Others	43,365	40,211	127,027	118,480
	72,253	82,586	219,226	236,590
Total other operating expenses	1,120,734	1,077,514	3,313,153	3,195,094

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A21. Other Operating Expenses (continued)

Bank	3rd Quarter Ended		Nine Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Personnel costs				
- Salaries, allowances and bonuses	519,463	483,016	1,523,350	1,438,927
- Pension costs	80,564	77,922	225,757	231,267
- Others	22,401	34,383	84,878	103,741
	<u>622,428</u>	<u>595,321</u>	<u>1,833,985</u>	<u>1,773,935</u>
Establishment costs				
- Depreciation	68,039	67,786	203,427	203,926
- Insurance	5,166	5,075	15,651	15,514
- Water and electricity	9,086	8,230	26,289	23,900
- General repairs and maintenance	10,426	12,353	31,471	33,082
- Information technology expenses	36,891	29,702	113,264	94,251
- Others	13,220	13,196	38,671	36,340
	<u>142,828</u>	<u>136,342</u>	<u>428,773</u>	<u>407,013</u>
Marketing expenses				
- Advertisement and publicity	4,302	4,068	13,315	13,326
- Others	10,663	10,336	33,032	27,297
	<u>14,965</u>	<u>14,404</u>	<u>46,347</u>	<u>40,623</u>
Administration and general expenses				
- Communication expenses	12,062	15,975	41,600	49,080
- Legal and professional fees	7,126	6,695	23,198	20,889
- Others	16,573	20,315	58,585	58,701
	<u>35,761</u>	<u>42,985</u>	<u>123,383</u>	<u>128,670</u>
Cost of resource sharing charged to Public Islamic Bank Berhad *	(138,805)	(122,378)	(395,390)	(352,452)
Total other operating expenses	<u>677,177</u>	<u>666,674</u>	<u>2,037,098</u>	<u>1,997,789</u>

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

	3rd Quarter Ended		Nine Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Credit related	(59,608)	(51,755)	(172,529)	(151,552)
Non-credit branch support	(51,945)	(45,744)	(149,628)	(130,906)
Other administration function	(27,252)	(24,879)	(73,233)	(69,994)
	<u>(138,805)</u>	<u>(122,378)</u>	<u>(395,390)</u>	<u>(352,452)</u>

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

	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
Expected credit losses made	83,545	155,405	209,439	443,309
Impaired loans and financing written off	19	8	56	125
Impaired loans and financing recovered	<u>(49,604)</u>	<u>(59,499)</u>	<u>(149,798)</u>	<u>(167,890)</u>
	<u><u>33,960</u></u>	<u><u>95,914</u></u>	<u><u>59,697</u></u>	<u><u>275,544</u></u>
	3rd Quarter Ended	30 September	Nine Months Ended	30 September
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
Expected credit losses made / (written back)	15,475	53,950	(71,803)	194,065
Impaired loans written off	18	8	54	125
Impaired loans recovered	<u>(25,758)</u>	<u>(35,252)</u>	<u>(84,058)</u>	<u>(102,296)</u>
	<u><u>(10,265)</u></u>	<u><u>18,706</u></u>	<u><u>(155,807)</u></u>	<u><u>91,894</u></u>

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

	3rd Quarter Ended		Nine Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Group				
Expected credit losses made / (written back) on:				
- Financial investments at fair value through other comprehensive income	374	681	299	1,617
- Financial investments at amortised cost	410	(238)	968	(254)
- Deposits and placements with banks and other financial institutions	(789)	(193)	923	80
Allowance (written back) / made on:				
- Foreclosed properties	(562)	2,047	(7,765)	5,688
- Other receivables	13	-	50	-
	<u>(554)</u>	<u>2,297</u>	<u>(5,525)</u>	<u>7,131</u>

	3rd Quarter Ended		Nine Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Bank				
Expected credit losses made / (written back) on:				
- Financial investments at fair value through other comprehensive income	249	181	(288)	424
- Financial investments at amortised cost	339	(263)	984	(316)
Allowance (written back) / made on:				
- Foreclosed properties	(383)	2,035	(7,691)	5,417
	<u>205</u>	<u>1,953</u>	<u>(6,995)</u>	<u>5,525</u>

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A24. Segment Information

3rd Quarter Ended 30 September 2023	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	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
External revenue	761,583	3,248,809	539,076	347,391	47,033	392,337	2,687	531,262	5,870,178	610,340	-	6,480,518
Revenue from other segments	4,196	373,498	11,898	515,029	254	14,422	12,748	124,274	1,056,319	39,575	(1,095,894)	-
	<u>765,779</u>	<u>3,622,307</u>	<u>550,974</u>	<u>862,420</u>	<u>47,287</u>	<u>406,759</u>	<u>15,435</u>	<u>655,536</u>	<u>6,926,497</u>	<u>649,915</u>	<u>(1,095,894)</u>	<u>6,480,518</u>
Net interest income / (expense) and Islamic banking income	234,255	1,400,087	154,201	(24,298)	6,091	4,510	(5,305)	564,679	2,334,220	362,769	(839)	2,696,150
Other income / (expense)	819	200,024	9,332	93,688	17,334	262,892	2,797	(10,041)	576,845	44,727	327	621,899
Net income / (expense)	<u>235,074</u>	<u>1,600,111</u>	<u>163,533</u>	<u>69,390</u>	<u>23,425</u>	<u>267,402</u>	<u>(2,508)</u>	<u>554,638</u>	<u>2,911,065</u>	<u>407,496</u>	<u>(512)</u>	<u>3,318,049</u>
Other operating expenses	(68,565)	(601,045)	(5,276)	(15,072)	(13,129)	(62,178)	(8,134)	(139,778)	(913,177)	(208,069)	512	(1,120,734)
Writeback of allowance / (Allowance) for impairment on loans, advances and financing	19,163	4,438	(8,956)	-	(282)	4	-	-	14,367	(48,327)	-	(33,960)
Writeback of allowance / (Allowance) for impairment on other assets	-	563	-	(97)	30	-	(13)	(708)	(225)	779	-	554
Profit / (Loss) by segments	<u>185,672</u>	<u>1,004,067</u>	<u>149,301</u>	<u>54,221</u>	<u>10,044</u>	<u>205,228</u>	<u>(10,655)</u>	<u>414,152</u>	<u>2,012,030</u>	<u>151,879</u>	<u>-</u>	<u>2,163,909</u>
Reconciliation of segment profits to consolidated profits: Share of profit after tax of equity accounted associated companies									2,803	-		2,803
Profit before tax expense and zakat									<u>2,014,833</u>	<u>151,879</u>		<u>2,166,712</u>

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A24. Segment Information (continued)

3rd Quarter Ended 30 September 2022	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	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
External revenue	665,607	2,689,842	416,084	271,653	37,897	366,245	2,993	510,321	4,960,642	542,464	-	5,503,106
Revenue from other segments	2,575	260,978	8,309	333,273	175	12,873	12,778	79,119	710,080	12,366	(722,446)	-
	668,182	2,950,820	424,393	604,926	38,072	379,118	15,771	589,440	5,670,722	554,830	(722,446)	5,503,106
Net interest income / (expense) and Islamic banking income	212,675	1,522,116	147,021	19,613	8,065	3,184	(4,003)	603,108	2,511,779	325,087	(936)	2,835,930
Other income	683	182,604	6,153	76,363	13,009	247,130	3,138	2,084	531,164	103,216	(8,697)	625,683
Net income / (expense)	213,358	1,704,720	153,174	95,976	21,074	250,314	(865)	605,192	3,042,943	428,303	(9,633)	3,461,613
Other operating expenses	(64,854)	(582,430)	(4,832)	(12,707)	(11,819)	(62,107)	(7,485)	(154,429)	(900,663)	(186,484)	9,633	(1,077,514)
Writeback of allowance / (Allowance) for impairment on loans, advances and financing	69,083	11,104	(150,859)	-	(379)	-	-	-	(71,051)	(24,863)	-	(95,914)
(Allowance) / Writeback of allowance for impairment on other assets	-	(2,047)	-	(300)	(36)	-	-	(113)	(2,496)	199	-	(2,297)
Profit / (Loss) by segments	217,587	1,131,347	(2,517)	82,969	8,840	188,207	(8,350)	450,650	2,068,733	217,155	-	2,285,888
Reconciliation of segment profits to consolidated profits: Share of profit after tax of equity accounted associated companies									1,317	-		1,317
Profit before tax expense and zakat									2,070,050	217,155		2,287,205

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A24. Segment Information (continued)

Nine Months Ended 30 September 2023	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	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
External revenue	2,206,032	9,319,494	1,526,407	1,037,567	137,486	1,131,748	8,015	1,690,114	17,056,863	1,810,186	-	18,867,049
Revenue from other segments	6,864	1,104,685	32,446	1,514,455	716	42,048	38,173	445,089	3,184,476	109,725	(3,294,201)	-
	<u>2,212,896</u>	<u>10,424,179</u>	<u>1,558,853</u>	<u>2,552,022</u>	<u>138,202</u>	<u>1,173,796</u>	<u>46,188</u>	<u>2,135,203</u>	<u>20,241,339</u>	<u>1,919,911</u>	<u>(3,294,201)</u>	<u>18,867,049</u>
Net interest income / (expense) and Islamic banking income	692,455	4,232,362	449,636	(119,896)	18,383	12,750	(15,001)	1,649,480	6,920,169	1,041,025	(2,550)	7,958,644
Other income	1,563	578,285	19,578	265,316	49,050	765,217	8,370	19,678	1,707,057	167,934	(1,160)	1,873,831
Net income / (expense)	<u>694,018</u>	<u>4,810,647</u>	<u>469,214</u>	<u>145,420</u>	<u>67,433</u>	<u>777,967</u>	<u>(6,631)</u>	<u>1,669,158</u>	<u>8,627,226</u>	<u>1,208,959</u>	<u>(3,710)</u>	<u>9,832,475</u>
Other operating expenses	(206,083)	(1,793,246)	(15,800)	(44,207)	(38,637)	(185,226)	(24,355)	(410,836)	(2,718,390)	(598,473)	3,710	(3,313,153)
Writeback of allowance / (Allowance) for impairment on loans, advances and financing	105,914	(31,349)	(11,801)	-	41	71	-	-	62,876	(122,573)	-	(59,697)
Writeback of allowance / (Allowance) for impairment on other assets	-	7,765	-	(131)	6	-	(50)	(1,135)	6,455	(930)	-	5,525
Profit / (Loss) by segments	<u>593,849</u>	<u>2,993,817</u>	<u>441,613</u>	<u>101,082</u>	<u>28,843</u>	<u>592,812</u>	<u>(31,036)</u>	<u>1,257,187</u>	<u>5,978,167</u>	<u>486,983</u>	<u>-</u>	<u>6,465,150</u>
Reconciliation of segment profits to consolidated profits: Share of profit after tax of equity accounted associated companies									6,013	-		6,013
Profit before tax expense and zakat									<u>5,984,180</u>	<u>486,983</u>		<u>6,471,163</u>
Cost income ratio	29.7%	37.3%	3.4%	30.4%	57.3%	23.8%	n/a	24.6%	31.5%	49.5%		33.7%

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A24. Segment Information (continued)

Nine Months Ended 30 September 2023	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	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
Gross loans, advances and financing	62,969,393	259,335,180	44,300,474	-	444,185	119,057	1,600	-	367,169,889	26,409,832		393,579,721
Loans growth	8.1%	3.3%	4.9%	-	3.0%	-0.4%	8.0%	-	4.3%	6.4%		4.4%
Impaired loans, advances and financing	159,797	829,024	444,537	-	-	858	-	-	1,434,216	847,477		2,281,693
Impaired loan and financing ratio	0.25%	0.32%	1.00%	-	-	0.72%	-	-	0.39%	3.21%		0.58%
Deposits from customers	-	308,461,811	203,830	70,236,136	846,382	-	-	-	379,748,159	28,879,250		408,627,409
Deposits growth	-	4.9%	-22.0%	-2.1%	-19.6%	-	-	-	3.4%	4.7%		3.5%
Segment assets	62,418,108	317,487,207	43,245,754	88,193,724	2,609,588	453,577	827,650	55,228,182	570,463,790	43,255,442	(110,862,795)	502,856,437
Reconciliation of segment assets to consolidated assets:												
Investment in associated companies									129,077	19		129,096
Unallocated assets									2,589,832	-		2,589,832
Intangible assets									775,493	1,852,460		2,627,953
Total assets									573,958,192	45,107,921		508,203,318

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A24. Segment Information (continued)

Nine Months Ended 30 September 2022	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	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
External revenue	1,952,816	7,351,361	1,147,530	735,357	128,490	1,171,903	7,584	1,501,317	13,996,358	1,367,658	-	15,364,016
Revenue from other segments	3,688	1,047,928	19,568	916,214	479	35,938	37,661	254,472	2,315,948	21,710	(2,337,658)	-
	<u>1,956,504</u>	<u>8,399,289</u>	<u>1,167,098</u>	<u>1,651,571</u>	<u>128,969</u>	<u>1,207,841</u>	<u>45,245</u>	<u>1,755,789</u>	<u>16,312,306</u>	<u>1,389,368</u>	<u>(2,337,658)</u>	<u>15,364,016</u>
Net interest income / (expense) and												
Islamic banking income	646,127	4,447,216	441,763	90,097	26,292	7,243	(10,720)	1,399,080	7,047,098	930,877	(2,986)	7,974,989
Other income	1,433	560,872	16,082	213,141	52,881	767,731	10,622	57,178	1,679,940	160,229	(27,130)	1,813,039
Net income / (expense)	<u>647,560</u>	<u>5,008,088</u>	<u>457,845</u>	<u>303,238</u>	<u>79,173</u>	<u>774,974</u>	<u>(98)</u>	<u>1,456,258</u>	<u>8,727,038</u>	<u>1,091,106</u>	<u>(30,116)</u>	<u>9,788,028</u>
Other operating expenses	(190,650)	(1,709,935)	(14,349)	(42,564)	(35,744)	(194,627)	(21,909)	(470,303)	(2,680,081)	(545,129)	30,116	(3,195,094)
Writeback of allowance /												
(Allowance) for impairment on												
loans, advances and financing	87,598	(142,785)	(153,546)	-	(211)	20	-	-	(208,924)	(66,620)	-	(275,544)
Allowance for impairment												
on other assets	-	(5,688)	-	(357)	(29)	-	-	(976)	(7,050)	(81)	-	(7,131)
Profit / (Loss) by segments	<u>544,508</u>	<u>3,149,680</u>	<u>289,950</u>	<u>260,317</u>	<u>43,189</u>	<u>580,367</u>	<u>(22,007)</u>	<u>984,979</u>	<u>5,830,983</u>	<u>479,276</u>	<u>-</u>	<u>6,310,259</u>
Reconciliation of segment profits												
to consolidated profits:												
Share of loss after tax												
of equity accounted associated												
companies									(151)	-		(151)
Profit before tax expense and zakat									<u>5,830,832</u>	<u>479,276</u>		<u>6,310,108</u>
Cost income ratio	29.4%	34.1%	3.1%	14.0%	45.1%	25.1%	n/a	32.3%	30.7%	50.0%		32.6%

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A24. Segment Information (continued)

Nine Months Ended 30 September 2022	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	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
Gross loans, advances and financing	57,417,425	248,115,689	41,700,476	-	432,261	120,885	1,502	-	347,788,238	25,789,108		373,577,346
Loans growth	7.4%	3.7%	0.6%	-	10.7%	0.0%	3.4%	-	3.9%	10.3%		4.3%
Impaired loans, advances and financing	126,573	531,414	219,801	-	-	228	-	-	878,016	372,579		1,250,595
Impaired loan and financing ratio	0.22%	0.21%	0.53%	-	-	0.19%	-	-	0.25%	1.44%		0.33%
Deposits from customers	-	297,968,484	222,841	65,327,791	1,040,833	-	-	-	364,559,949	28,748,294		393,308,243
Deposits growth	-	3.4%	21.0%	3.3%	7.6%	-	-	-	3.4%	3.5%		3.4%
Segment assets	<u>56,514,649</u>	<u>306,578,592</u>	<u>40,668,045</u>	<u>78,249,335</u>	<u>2,601,410</u>	<u>438,403</u>	<u>821,913</u>	<u>50,539,076</u>	<u>536,411,423</u>	<u>42,373,504</u>	<u>(102,301,898)</u>	<u>476,483,029</u>
Reconciliation of segment assets to consolidated assets:												
Investment in associated companies									113,897	18		113,915
Unallocated assets									2,706,318	-		2,706,318
Intangible assets									775,493	1,834,342		2,609,835
Total assets									<u>540,007,131</u>	<u>44,207,864</u>		<u>481,913,097</u>

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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.

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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	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
Contingent liabilities				
Direct credit substitutes	910,128	904,534	858,415	853,422
Transaction-related contingent items	1,816,066	1,736,851	1,486,408	1,395,517
Short term self-liquidating trade-related contingencies	741,924	593,742	252,693	157,871
	3,468,118	3,235,127	2,597,516	2,406,810
Commitments				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- exceeding one year	35,330,434	33,021,059	27,547,364	25,634,872
- not exceeding one year	25,840,079	24,727,099	20,760,651	19,887,896
Unutilised credit card lines	9,766,637	9,152,427	9,243,723	8,766,415
Forward asset purchases	274,165	114,875	124,558	114,875
	71,211,315	67,015,460	57,676,296	54,404,058
Derivative financial instruments				
Foreign exchange related contracts:				
- up to one year	28,392,902	28,235,903	26,772,220	27,842,160
- more than one year to five years	1,095,362	1,255,118	1,095,362	1,255,118
Interest / Profit rate related contracts:				
- up to one year	50,000	25,000	50,000	25,000
- more than one year to five years	5,275,898	4,652,413	8,033,820	7,430,683
- more than five years	515,556	302,733	600,000	200,000
Commodity related contracts:				
- up to one year	816	230	816	230
	35,330,534	34,471,397	36,552,218	36,753,191
	110,009,967	104,721,984	96,826,030	93,564,059

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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 30 September 2023												
Trading derivatives:												
Foreign exchange contracts												
- Forwards	1,333,150	-	-	1,333,150	9,180	-	-	9,180	7,365	-	-	7,365
- Swaps	25,995,163	-	-	25,995,163	277,182	-	-	277,182	102,041	-	-	102,041
- Options	139,060	-	-	139,060	-	-	-	-	-	-	-	-
Precious metal contracts												
- Forwards	816	-	-	816	-	-	-	-	-	-	-	-
	<u>27,468,189</u>	<u>-</u>	<u>-</u>	<u>27,468,189</u>	<u>286,362</u>	<u>-</u>	<u>-</u>	<u>286,362</u>	<u>109,406</u>	<u>-</u>	<u>-</u>	<u>109,406</u>
Hedging Derivatives:												
Fair Value Hedge												
Interest rate related contracts												
- Swaps	-	342,078	215,556	557,634	-	18,472	20,698	39,170	-	-	-	-
Cash Flow Hedge												
Interest / Profit rate related contracts												
- Swaps	50,000	2,150,000	3,083,820	5,283,820	524	49,180	186,196	235,900	-	-	-	-
Net Investment Hedge												
Foreign exchange contracts												
- Forwards	925,529	1,095,362	-	2,020,891	-	-	-	-	68,671	27,585	-	96,256
	<u>975,529</u>	<u>3,587,440</u>	<u>3,299,376</u>	<u>7,862,345</u>	<u>524</u>	<u>67,652</u>	<u>206,894</u>	<u>275,070</u>	<u>68,671</u>	<u>27,585</u>	<u>-</u>	<u>96,256</u>
Total	<u>28,443,718</u>	<u>3,587,440</u>	<u>3,299,376</u>	<u>35,330,534</u>	<u>286,886</u>	<u>67,652</u>	<u>206,894</u>	<u>561,432</u>	<u>178,077</u>	<u>27,585</u>	<u>-</u>	<u>205,662</u>

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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>

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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 30 September 2023												
Trading derivatives:												
Foreign exchange contracts												
- Forwards	1,291,551	-	-	1,291,551	9,157	-	-	9,157	7,343	-	-	7,343
- Swaps	24,416,080	-	-	24,416,080	274,217	-	-	274,217	98,428	-	-	98,428
- Options	139,060	-	-	139,060	-	-	-	-	-	-	-	-
Precious metal contracts												
- Forwards	816	-	-	816	-	-	-	-	-	-	-	-
	<u>25,847,507</u>	<u>-</u>	<u>-</u>	<u>25,847,507</u>	<u>283,374</u>	<u>-</u>	<u>-</u>	<u>283,374</u>	<u>105,771</u>	<u>-</u>	<u>-</u>	<u>105,771</u>
Hedging Derivatives:												
Cash Flow Hedge												
Interest rate related contracts												
- Swaps	50,000	4,650,000	3,983,820	8,683,820	524	62,257	190,193	252,974	-	29,068	9,111	38,179
Net Investment Hedge												
Foreign exchange contracts												
- Forwards	925,529	1,095,362	-	2,020,891	-	-	-	-	68,671	27,585	-	96,256
	<u>975,529</u>	<u>5,745,362</u>	<u>3,983,820</u>	<u>10,704,711</u>	<u>524</u>	<u>62,257</u>	<u>190,193</u>	<u>252,974</u>	<u>68,671</u>	<u>56,653</u>	<u>9,111</u>	<u>134,435</u>
Total	<u>26,823,036</u>	<u>5,745,362</u>	<u>3,983,820</u>	<u>36,552,218</u>	<u>283,898</u>	<u>62,257</u>	<u>190,193</u>	<u>536,348</u>	<u>174,442</u>	<u>56,653</u>	<u>9,111</u>	<u>240,206</u>

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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 December 2022												
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>

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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 RM561,432,000 (2022: RM446,564,000) and RM536,348,000 (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 RM115,895,000 (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.

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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
30 September 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	-	940,214	-	940,214
- Money market instruments	-	494,709	-	494,709
- Non-money market instruments	-	-	359,828	359,828
	-	1,434,923	359,828	1,794,751
Financial investments at fair value through other comprehensive income				
- Government securities and treasury bills	-	49,492,085	-	49,492,085
- Money market instruments	-	1,450,701	-	1,450,701
- Non-money market instruments	1,509	5,395,219	428,700	5,825,428
	1,509	56,338,005	428,700	56,768,214
Derivative financial assets	-	561,432	-	561,432
Total financial assets measured at fair value	1,509	58,334,360	788,528	59,124,397
Non-financial assets				
Investment properties	-	-	763,866	763,866
Financial liabilities				
Derivative financial liabilities	-	205,662	-	205,662
Total financial liabilities measured at fair value	-	205,662	-	205,662

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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

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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
30 September 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	-	898,762	-	898,762
- Non-money market instruments	-	-	339,238	339,238
	-	898,762	339,238	1,238,000
Financial investments at fair value through other comprehensive income				
- Government securities and treasury bills	-	33,561,163	-	33,561,163
- Money market instruments	-	1,450,701	-	1,450,701
- Non-money market instruments	-	290,194	421,460	711,654
	-	35,302,058	421,460	35,723,518
Derivative financial assets	-	536,348	-	536,348
Total financial assets measured at fair value	-	36,737,168	760,698	37,497,866
Financial liabilities				
Derivative financial liabilities	-	240,206	-	240,206
Total financial liabilities measured at fair value	-	240,206	-	240,206

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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).

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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 ->			Total RM'000
	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	
At 1 January 2023	391,242	413,287	669,570	1,474,099
Recognised in profit or loss				
- unrealised revaluation (loss) / gain	(31,414)	-	3,788	(27,626)
Recognised in other comprehensive income				
- unrealised revaluation gain	-	12,871	44,640	57,511
Addition	-	-	350	350
Transfer from owner occupied property	-	-	31,076	31,076
Exchange differences	-	2,542	14,442	16,984
At 30 September 2023	<u>359,828</u>	<u>428,700</u>	<u>763,866</u>	<u>1,552,394</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>

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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 profit or loss			
- unrealised revaluation loss	(29,617)	-	(29,617)
Recognised in other comprehensive income			
- unrealised revaluation gain	-	12,768	12,768
Exchange differences	-	2,308	2,308
At 30 September 2023	<u>339,238</u>	<u>421,460</u>	<u>760,698</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>

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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.

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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	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
<u>Before deducting interim dividends *</u>				
Common Equity Tier I ("CET I") capital ratio	14.487%	14.862%	13.260%	13.472%
Tier I capital ratio	14.506%	14.912%	13.260%	13.513%
Total capital ratio	<u>17.448%</u>	<u>17.925%</u>	<u>16.444%</u>	<u>16.722%</u>
<u>After deducting interim dividends *</u>				
CET I capital ratio	14.487%	14.552%	13.260%	13.072%
Tier I capital ratio	14.506%	14.603%	13.260%	13.113%
Total capital ratio	<u>17.448%</u>	<u>17.616%</u>	<u>16.444%</u>	<u>16.322%</u>

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

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 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	2,003,199	998,895	456,291	235,063
Retained profits	38,584,121	38,962,590	30,416,333	30,762,417
Qualifying non-controlling interests	772,727	721,467	-	-
Less: Goodwill and other intangible assets	(2,627,953)	(2,539,021)	(695,393)	(695,393)
Less: Deferred tax assets, net	(545,980)	(630,201)	(334,795)	(392,775)
Less: Defined benefit pension fund assets	(151,237)	(158,128)	(148,847)	(155,613)
Less: Investment in banking / insurance subsidiary companies and associated companies deducted from CET I capital	<u>(167,727)</u>	<u>(154,918)</u>	<u>(6,505,741)</u>	<u>(6,505,741)</u>
Total CET I capital	47,284,803	46,618,337	32,605,501	32,665,611
Additional Tier I capital securities	-	99,942	-	99,942
Qualifying CET I and additional Tier I capital instruments held by third parties	<u>60,791</u>	<u>58,268</u>	<u>-</u>	<u>-</u>
Total Tier I capital	<u>47,345,594</u>	<u>46,776,547</u>	<u>32,605,501</u>	<u>32,765,553</u>

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A30. Capital Adequacy (continued)

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

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
<u>Tier II capital:</u>				
Stage 1 and Stage 2 expected credit loss allowances #	3,698,049	3,575,757	2,666,039	2,782,854
Qualifying regulatory reserves	-	-	164,011	-
Subordinated notes	4,999,255	4,999,096	4,999,255	4,999,096
Qualifying CET I and additional Tier I and Tier II capital instruments held by third parties	748,387	734,353	-	-
Others	155,549	140,839	-	-
Total Tier II capital	<u>9,601,240</u>	<u>9,450,045</u>	<u>7,829,305</u>	<u>7,781,950</u>
Total capital	<u>56,946,834</u>	<u>56,226,592</u>	<u>40,434,806</u>	<u>40,547,503</u>

Excludes expected credit loss allowances restricted from Tier II capital of the Group and of the Bank of RM170,619,000 (2022: RM453,732,000) and RM Nil (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.

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A30. Capital Adequacy (continued)

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

Regulatory capital requirements

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

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

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

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
Credit risk	295,843,951	286,060,596	226,404,010	222,628,352
Market risk	6,309,470	4,552,498	3,095,210	4,218,024
Operational risk	23,645,103	22,457,709	15,823,261	15,042,201
Large exposure risk	588,440	607,456	567,850	585,069
	<u>326,386,964</u>	<u>313,678,259</u>	<u>245,890,331</u>	<u>242,473,646</u>

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A30. Capital Adequacy (continued)

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

	Public Islamic Bank Berhad¹	Public Investment Bank Berhad²	Public Bank (L) Ltd.³	Public Bank (Hong Kong) Limited⁴	Public Finance Limited⁴	Cambodian Public Bank Plc⁵	Public Bank Vietnam Limited⁶
30 September 2023							
<u>Before deducting interim dividends: *</u>							
CET I capital ratio	12.695%	36.217%	23.786%	22.771%	29.142%	N/A	N/A
Tier I capital ratio	12.695%	36.217%	23.786%	22.771%	29.142%	N/A	N/A
Total capital ratio	15.717%	36.977%	23.879%	23.542%	30.206%	27.319%	21.852%
<u>After deducting interim dividends: *</u>							
CET I capital ratio	12.695%	36.217%	23.786%	22.771%	29.142%	N/A	N/A
Tier I capital ratio	12.695%	36.217%	23.786%	22.771%	29.142%	N/A	N/A
Total capital ratio	15.717%	36.977%	23.879%	23.542%	30.206%	27.319%	21.852%
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.

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A30. Capital Adequacy (continued)

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

- ¹ The risk-weighted assets of Public Islamic Bank Berhad ("PIBB") are computed based on 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.

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A30. Capital Adequacy (continued)

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

- ⁵ 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%.

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A31. Operations of Islamic Banking

a) Statement of Financial Position As At 30 September 2023

	Note	Group	
		30 September 2023 RM'000	31 December 2022 RM'000
ASSETS			
Cash and balances with banks		417,882	3,065,329
Financial assets at fair value through profit or loss		505,139	-
Derivative financial assets		38,179	42,922
Financial investments at fair value through other comprehensive income		14,175,880	12,076,612
Financial investments at amortised cost		6,465,754	5,635,686
Financing and advances	A31(d)	71,755,481	65,637,072
Other assets		261,742	217,946
Statutory deposits with Bank Negara Malaysia		1,744,830	1,746,100
Deferred tax assets		119,500	148,606
Collective investment		604,559	589,838
Investment in an associated company		67,500	67,500
Right-of-use assets		18,701	19,846
Property and equipment		3,340	3,492
Total Assets		96,178,487	89,250,949
LIABILITIES AND ISLAMIC			
BANKING FUNDS			
Deposits from customers	A31(e)	80,099,418	76,088,570
Deposits from banks and other financial institutions		4,910,872	2,715,451
Bills and acceptances payable		1,992	3,100
Recourse obligations on financing sold to Cagamas		1,100,000	1,100,000
Derivative financial liabilities		17,074	23,914
Senior Sukuk Murabahah		1,000,000	1,000,000
Subordinated Sukuk Murabahah		1,000,000	1,000,000
Lease liabilities		19,195	20,101
Other liabilities		755,468	463,445
Provision for zakat and taxation		-	92,947
Total Liabilities		88,904,019	82,507,528
Islamic Banking Funds		7,274,468	6,743,421
Total Liabilities and Islamic Banking Funds		96,178,487	89,250,949
COMMITMENTS AND CONTINGENCIES		14,033,681	13,328,439

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A31. Operations of Islamic Banking (continued)

b) Statement of Profit or Loss for the 3rd Quarter and Nine Months Ended 30 September 2023

	3rd Quarter Ended		Nine Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
<u>Group</u>				
Income derived from investment of depositors' funds and others	929,188	729,957	2,658,226	2,006,048
Income derived from investment of Islamic Banking Funds	79,490	61,921	229,736	168,305
Writeback of allowance / (Allowance) for impairment on financing and advances	3,622	(25,819)	(9,561)	(51,681)
Writeback of allowance / (Allowance) for impairment on other assets	105	(167)	(408)	(655)
Total distributable income	1,012,405	765,892	2,877,993	2,122,017
Income attributable to depositors and others	(640,947)	(373,514)	(1,816,029)	(994,885)
Total net income	371,458	392,378	1,061,964	1,127,132
Other operating expenses	(163,519)	(154,126)	(465,289)	(433,969)
Profit before zakat and taxation	207,939	238,252	596,675	693,163
Zakat	(1,064)	(705)	(2,359)	(2,115)
Taxation	(48,543)	(78,280)	(140,130)	(226,550)
Profit for the period	158,332	159,267	454,186	464,498

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

	3rd Quarter Ended		Nine Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Income derived from investment of depositors' funds and others	929,188	729,957	2,658,226	2,006,048
Income derived from investment of Islamic Banking Funds	79,490	61,921	229,736	168,305
Income attributable to depositors and others	(640,947)	(373,514)	(1,816,029)	(994,885)
	367,731	418,364	1,071,933	1,179,468
Elimination of inter-company income and expenses	43,034	30,192	131,297	86,155
Net income from Islamic banking business	410,765	448,556	1,203,230	1,265,623
Of which:				
Financing income earned on impaired financing	2,438	1,248	6,356	3,120

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A31. Operations of Islamic Banking (continued)

c) Statement of Comprehensive Income for the 3rd Quarter and Nine Months Ended 30 September 2023

	3rd Quarter Ended		Nine Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
<u>Group</u>				
Profit for the period	<u>158,332</u>	<u>159,267</u>	<u>454,186</u>	<u>464,498</u>
Other comprehensive (loss) / income:				
<u>Items that may be reclassified</u> <u>subsequently to profit or loss:</u>				
Net change in revaluation of financial investments at fair value through other comprehensive income	<u>(4,315)</u>	<u>(10,766)</u>	<u>98,941</u>	<u>(172,419)</u>
Net change in cash flow hedges	<u>10,241</u>	<u>16,183</u>	<u>2,192</u>	<u>129,308</u>
	<u>5,926</u>	<u>5,417</u>	<u>101,133</u>	<u>(43,111)</u>
Income tax effect	<u>(1,422)</u>	<u>(1,301)</u>	<u>(24,272)</u>	<u>10,346</u>
Other comprehensive income / (loss) for the period, net of tax	<u>4,504</u>	<u>4,116</u>	<u>76,861</u>	<u>(32,765)</u>
Total comprehensive income for the period	<u><u>162,836</u></u>	<u><u>163,383</u></u>	<u><u>531,047</u></u>	<u><u>431,733</u></u>

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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
30 September 2023							
At amortised cost							
Cash line	1,483,197	-	181,920	-	-	-	1,665,117
Term financing							
- House financing	4,932,787	-	-	29,221,697	-	-	34,154,484
- Syndicated financing	1,371,282	-	-	-	-	-	1,371,282
- Hire purchase receivables	-	11,447,983	-	-	-	-	11,447,983
- Other term financing	6,865,272	-	1,384,171	14,705,768	-	22,535	22,977,746
Credit card receivables	-	-	-	-	-	98,333	98,333
Bills receivables	-	-	-	-	1,284	-	1,284
Trust receipts	-	-	-	-	2,052	-	2,052
Claims on customers under acceptance credits	-	-	-	-	224,656	-	224,656
Revolving credits	568,400	-	-	-	-	-	568,400
Staff financing	-	16,537	-	113,156	-	-	129,693
Gross financing and advances	15,220,938	11,464,520	1,566,091	44,040,621	227,992	120,868	72,641,030
Allowance for impairment on financing and advances:							
- Expected credit losses							(885,549)
- Stage 1: 12-Month ECL							(179,695)
- Stage 2: Lifetime ECL not credit-impaired							(635,361)
- Stage 3: Lifetime ECL credit-impaired							(70,493)
Net financing and advances							71,755,481

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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							<u>65,637,072</u>

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A31. Operations of Islamic Banking (continued)

d) Financing and Advances (continued)

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

	Group	
	30 September 2023 RM'000	31 December 2022 RM'000
At 1 January	154,367	132,260
Impaired during the period / year	464,296	183,719
Reclassified as non-impaired	(211,101)	(89,625)
Recoveries	(127,207)	(35,025)
Amount written off	(24,971)	(29,561)
Financing converted to foreclosed properties	(6,160)	(7,401)
Closing balance	<u>249,224</u>	<u>154,367</u>
Gross impaired financing and advances as a percentage of gross financing and advances	<u>0.34%</u>	<u>0.23%</u>

e) Deposits from Customers

	Group	
	30 September 2023 RM'000	31 December 2022 RM'000
By type of deposit and contract		
At amortised cost		
Savings deposit		
- Qard	9,521,700	9,797,611
Demand deposit		
- Qard	8,170,220	7,653,155
Term deposit		
- Commodity Murabahah	50,735,803	42,025,215
- Special term deposit account		
- Commodity Murabahah	11,671,695	16,612,589
	<u>80,099,418</u>	<u>76,088,570</u>

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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	
	Nine Months Ended			
	30 September 2023	30 September 2022	RM'000	%
	RM'000	RM'000		
Profit before tax expense and zakat	6,471,163	6,310,108	161,055	2.6
Net profit attributable to equity holders of the Bank	5,033,857	4,405,822	628,035	14.3
Other comprehensive income / (loss) (net)	801,394	(190,918)	992,312	> 100.0

Key Balance Sheet Items:	Group		Variance	
	As At			
	30 September 2023	30 September 2022	RM'000	%
	RM'000	RM'000		
Gross loans, advances and financing	393,579,721	373,577,346	20,002,375	5.4
Gross impaired loan and financing (%)	0.58%	0.33%	n/a	0.25
Deposits from customers	408,627,409	393,308,243	15,319,166	3.9

The Group's pre-tax profit for the nine months ended 30 September 2023 increased by RM161.1 million or +2.6% to RM6,471.2 million as compared to RM6,310.1 million in the previous year corresponding period. For the period under review, loan impairment allowance decreased by RM215.8 million (+78.3%) as adequate pre-emptive allowance has been made in prior years. Non-interest/financing income improved by RM60.8 million (+3.4%) mainly due to higher foreign exchange income and stock-broking income but was partially offset by lower investment income. Other operating expenses increased by RM118.1 million (-3.7%) whereas net interest income and Islamic banking income decreased marginally by RM16.3 million (-0.2%), which was mainly due to interest/financing margin compression despite healthy loans growth achieved during the period.

Net profit attributable to equity holders increased by RM628.0 million or 14.3% over the same period mainly due to the effect from the absence of prosperity tax as compared to the previous year.

Other comprehensive income (net) of the Group for the current period was RM801.4 million as compared to other comprehensive loss (net) of RM190.9 million in the previous corresponding period, which was an increase of other comprehensive income of RM992.3 million. This was mainly attributable to the reversal of losses on revaluation of financial investments recognised previously, partially offset by lower gain 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 RM20.0 billion or 5.4% to RM393.6 billion as at 30 September 2023 as compared to RM373.6 billion a year ago, mainly contributed by growth in mortgage financing, hire purchase financing and commercial property financing. Total deposits from customers increased by 3.9% or RM15.3 billion to RM408.6 billion as at 30 September 2023. The Group's gross impaired loan ratio remained relatively low at 0.58% as at 30 September 2023 as compared to the average industry's gross impaired loan ratio of 1.72%.

The Group's Common Equity Tier I capital ratio, Tier I capital ratio and total capital ratio stood at a healthy level of 14.5%, 14.5% and 17.4% respectively. The Group's liquidity position also remained stable and healthy with liquidity coverage ratio standing at 131.4% as at 30 September 2023.

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B1. Performance Review (continued)

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

The performance of the respective operating segments for the nine months ended 30 September 2023 as compared to the previous year corresponding period is analysed as follows:-

	Group			
	Nine Months Ended			
Profit Before Tax by Segments:	30 September 2023	30 September 2022	Variance	
	RM'000	RM'000	RM'000	%
Retail operations	2,993,817	3,149,680	(155,863)	(4.9)
Hire purchase	593,849	544,508	49,341	9.1
Corporate lending	441,613	289,950	151,663	52.3
Treasury and capital market operations	101,082	260,317	(159,235)	(61.2)
Investment banking	28,843	43,189	(14,346)	(33.2)
Fund management	592,812	580,367	12,445	2.1
Head office, funding center and others	1,232,164	962,821	269,343	28.0
Total domestic operations	<u>5,984,180</u>	<u>5,830,832</u>	<u>153,348</u>	2.6
Overseas operations	486,983	479,276	7,707	1.6
	<u><u>6,471,163</u></u>	<u><u>6,310,108</u></u>	<u><u>161,055</u></u>	2.6

- 1) Retail operations – Pre-tax profit decreased by RM155.9 million (-4.9%) to RM2,993.8 million which was due to lower net interest and financing income arising from margin compression and higher other operating expenses. These were partially mitigated by lower impairment allowance on loans and other assets and higher fee income.
- 2) Hire purchase – Pre-tax profit increased by RM49.3 million (+9.1%) to RM593.8 million. The improved performance was due to higher net interest and financing income on higher average gross loans achieved and higher writeback of loan impairment allowance. These were partially offset by higher other operating expenses.
- 3) Corporate lending – Pre-tax profit improved by RM151.7 million (+52.3%) to RM441.6 million, mainly due to lower loan impairment allowance.
- 4) Treasury and capital market operations – Pre-tax profit decreased by RM159.2 million (-61.2%) to RM101.1 million which was mainly due to lower interest and financing income arising from unfavourable interest gapping activities, partially offset by higher investment income.
- 5) Investment banking – Pre-tax profit decreased by RM14.3 million (-33.2%) to RM28.8 million, due to lower net interest income, lower stock-broking and investment income and higher other operating expenses.
- 6) Fund management – Pre-tax profit increased by RM12.4 million (+2.1%) to RM592.8 million mainly due to lower other operating expenses, higher net interest and management fee income, partially offset by lower fee on sale of trust units.
- 7) Head office, funding center and others – Pre-tax profit increased by RM269.3 million (+28.0%) to RM1,232.2 million, mainly due to higher net interest and financing income arising from the positive effect of OPR hikes since last year.
- 8) Overseas operations – Pre-tax profit increased by RM7.7 million (+1.6%) to RM487.0 million which was due to higher net interest income but partially offset by higher loan impairment allowance and higher other operating expenses.

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B1. Performance Review (continued)

Current Quarter vs. Previous Year Corresponding Quarter

Key Profit or Loss Items:	Group			
	3rd Quarter Ended			
	30 September 2023	30 September 2022	Variance RM'000	%
	RM'000	RM'000	RM'000	%
Profit before tax expense and zakat	2,166,712	2,287,205	(120,493)	(5.3)
Net profit attributable to equity holders of the Bank	1,701,319	1,590,311	111,008	7.0
Other comprehensive (loss) / income (net)	(40,306)	136,841	(177,147)	> (100.0)

The Group's pre-tax profit for the 3rd quarter ended 30 September 2023 decreased by RM120.5 million or -5.3% to RM2,166.7 million as compared to the previous year corresponding quarter of RM2,287.2 million. For the quarter under review, net interest income and Islamic banking income decreased by RM139.8 million (-4.9%) which was due to the positive effect of Overnight Policy Rate ("OPR") hikes in the previous year corresponding quarter. Other operating expenses increased by RM43.2 million (-4.0%) whereas non-interest and financing income decreased marginally by RM3.8 million (-0.6%). These were partially mitigated by the decrease in loan impairment allowance by RM62.0 million (+64.6%), as adequate pre-emptive allowance has been made previously.

Net profit attributable to equity holders has however increased by RM111.0 million or 7.0% to RM1,701.3 million over the same period due to the effect of additional tax charge arising from prosperity tax in the previous year.

Other comprehensive loss (net) of the Group for the current quarter was RM40.3 million as compared to other comprehensive income (net) of RM136.8 million in the previous year corresponding quarter, which was mainly due to loss on foreign currency translation in respect of foreign operations in the current quarter as compared to a gain in the corresponding quarter of the previous year, and lower gain on cash flow hedges. These were partially mitigated by lower loss on revaluation of financial investments in the current quarter.

Performance of the respective operating segments for the 3rd quarter ended 30 September 2023 as compared to the previous year corresponding quarter is analysed as follows:-

Profit / (Loss) Before Tax by Segments:	3rd Quarter Ended			
	30 September			
	2023	2022	Variance RM'000	%
	RM'000	RM'000	RM'000	%
Retail operations	1,004,067	1,131,347	(127,280)	(11.3)
Hire purchase	185,672	217,587	(31,915)	(14.7)
Corporate lending	149,301	(2,517)	151,818	> 100.0
Treasury and capital market operations	54,221	82,969	(28,748)	(34.6)
Investment banking	10,044	8,840	1,204	13.6
Fund management	205,228	188,207	17,021	9.0
Head office, funding center and others	406,300	443,617	(37,317)	(8.4)
Total domestic operations	<u>2,014,833</u>	<u>2,070,050</u>	<u>(55,217)</u>	<u>(2.7)</u>
Overseas operations	151,879	217,155	(65,276)	(30.1)
	<u>2,166,712</u>	<u>2,287,205</u>	<u>(120,493)</u>	<u>(5.3)</u>

1) Retail operations – Pre-tax profit decreased by RM127.3 million (-11.3%) to RM1,004.1 million, due to lower net interest and financing income and higher other operating expenses, partially mitigated by higher fee and other income.

2) Hire purchase – Pre-tax profit decreased by RM31.9 million (-14.7%) to RM185.7 million, mainly due to lower net writeback of loan impairment allowance, but partially mitigated by higher net interest and financing income.

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B1. Performance Review (continued)

Current Quarter vs. Previous Year Corresponding Quarter (continued)

- 3) Corporate lending – Pre-tax profit increased by RM151.8 million (+>100.0%) which was attributed to lower loan impairment allowance.
- 4) Treasury and capital market operations – Pre-tax profit decreased by RM28.7 million (-34.6%) to RM54.2 million, mainly due to lower net interest and financing income arising from unfavourable interest gapping activities, but mitigated by higher investment income.
- 5) Investment banking – Pre-tax profit increased by RM1.2 million (+13.6%) to RM10.0 million, mainly due to higher stock-broking income but partially offset by lower net interest income and higher other operating expenses.
- 6) Fund management – Pre-tax profit increased by RM17.0 million (+9.0%) to RM205.2 million which was due to higher management fee from higher average net asset value of funds, higher fee on sale of trust units and higher interest income.
- 7) Head office, funding center and others – Pre-tax profit decreased by RM37.3 million (-8.4%) to RM406.3 million, due to lower net interest and financing income resulting from the tapering effect of OPR hikes and lower investment income. These were partially mitigated by lower other operating expenses.
- 8) Overseas Operations – Pre-tax profit decreased by RM65.3 million (-30.1%) to RM151.9 million. The lower profit was mainly due to lower fee and other income, higher loan impairment allowance and higher other operating expenses. These were partially mitigated by higher net interest income.

B2. Variation of Results Against Preceding Quarter

	Group			
	Quarter Ended			
	30 September 2023 RM'000	30 June 2023 RM'000	Variance RM'000	%
Key Profit or Loss Items:				
Profit before tax expense and zakat	2,166,712	2,095,468	71,244	3.4
Net profit attributable to equity holders of the Bank	1,701,319	1,618,575	82,744	5.1
Other comprehensive (loss) / income (net)	(40,306)	458,997	(499,303)	> (100.0)

For the 3rd quarter ended 30 September 2023, the Group registered a pre-tax profit of RM2,166.7 million, an increase of RM71.2 million or +3.4% as compared to the pre-tax profit of RM2,095.5 million for the immediate preceding quarter ended 30 June 2023. Net profit attributable to equity holders increased by RM82.7 million or +5.1% to RM1,701.3 million over the same period. For the quarter under review, net interest and Islamic banking income increased by RM90.2 million (+3.5%) whereas non-interest and financing income improved by RM16.6 million (+2.7%). These were partially offset by higher other operating expenses (RM22.5 million or -2.0%) and higher loan impairment allowance (RM9.8 million or -40.4%).

Other comprehensive loss (net) of the Group for the current quarter was RM40.3 million as compared to other comprehensive income (net) of RM459.0 million in the immediate preceding quarter, mainly due to revaluation loss on foreign currency translation and financial investments in the current quarter, and lower revaluation gain on property and equipment.

B3. Prospects for 2023

The global economy is expected to remain challenging. China's economic activities are expected to grow following the reopening of its economy, although growth would be slower-than-expected. And to some extent, the banking stress in several advanced economies has been managed with heightened regulatory focus, especially on liquidity management. The slower-than-expected global growth is expected to be weighed by the downtrend in external trades, slower momentum in major economies, protracted geopolitical tensions and sharp tightening in financial market conditions.

The Malaysian economy is expected to continue to expand driven by domestic demand, improving labour market conditions, tourism activities and further progress of investment projects. Meanwhile, downside risks mainly stem from weaker-than-expected global growth and more volatile global financial market conditions. Domestic financial conditions also remain conducive to financial intermediation with the resilience in Malaysian banking system 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 contribute to national development and economic growth. 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 Public Bank Group is committed in embracing sustainability in its business strategy and operations. 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 are collaborating on property financing of green and sustainable development projects in Malaysia.

On digitalisation and technological innovation, the Public Bank Group continues to apply relevant roadmap and strategies for the development of digital initiatives. 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 continue to 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 initiatives 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 will continue to perform in tandem with financial market conditions that is expected to experience heightened volatility. 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 in Indochina, while leveraging on its strong branding and prudent management practices. In particular, the Group continues to expand its business in Vietnam, capitalising on the robust economic environment.

The Public Bank Group continues to ensure that it remains well-capitalised and well-funded at all times to support its business growth, 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 profit through challenging times and business cycles.

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B4. Profit Forecast or Profit Guarantee

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

B5. Tax Expense and Zakat

The analysis of the tax expense for the 3rd quarter and nine months ended 30 September 2023 are as follows:

<u>Group</u>	3rd Quarter Ended		Nine Months Ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	471,828	710,258	1,332,869	1,830,027
Overseas income tax	33,100	34,821	105,680	98,860
	504,928	745,079	1,438,549	1,928,887
Over provision in prior years				
- Malaysian income tax	(20,600)	(16,444)	(23,838)	(12,556)
- Overseas income tax	(8)	(67)	(2,918)	(922)
	484,320	728,568	1,411,793	1,915,409
Deferred tax (income) / expense				
- Relating to origination and reversal of temporary differences	(29,751)	(49,638)	(4,887)	(55,336)
- Under / (Over) provision	3,966	3,321	3,966	(696)
Tax expense	458,535	682,251	1,410,872	1,859,377
Zakat	1,064	705	2,359	2,115
	459,599	682,956	1,413,231	1,861,492

The Group's effective tax rate for the 3rd quarter and nine months ended 30 September 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 3rd quarter and nine months ended 30 September 2022 was higher mainly due to one-off prosperity tax of 33% for Malaysian companies with chargeable income exceeding RM100 million in Year of Assessment 2022.

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B5. Tax Expense and Zakat (continued)

<u>Bank</u>	3rd Quarter Ended		Nine Months Ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	388,505	532,874	1,056,697	1,336,108
Overseas income tax	2,463	3,929	7,684	5,504
	390,968	536,803	1,064,381	1,341,612
Over / (Under) provision in prior years				
- Malaysian income tax	(20,457)	(8,834)	(22,805)	(4,852)
- Overseas income tax	-	-	(2,055)	3,024
	370,511	527,969	1,039,521	1,339,784
Deferred tax (income) / expense				
- Relating to origination and reversal of temporary differences	(30,204)	(40,210)	(7,282)	(34,602)
- Under / (Over) provision	3,989	3,294	3,989	(688)
	344,296	491,053	1,036,228	1,304,494

The Bank's effective tax rate for the 3rd quarter and nine months ended 30 September 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 3rd quarter and nine months ended 30 September 2022 was higher mainly due to one-off prosperity tax 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.

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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 30 September 2023							
Hong Kong Dollar ("HKD") term loan	657,384	-	-	-	657,384	-	657,384
United States Dollar ("USD") term loan	934,681	-	-	-	934,681	-	934,681
USD syndicated term loan	1,729,987	-	-	-	1,729,987	-	1,729,987
RM Senior Medium Term notes / sukuk murabahah	-	1,889,903	-	-	-	1,889,903	1,889,903
RM Subordinated notes / sukuk murabahah	-	4,999,255	-	1,000,000	-	5,999,255	5,999,255
	3,322,052	6,889,158	-	1,000,000	3,322,052	7,889,158	11,211,210
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 30 September 2022							
HKD term loan	648,632	-	-	-	648,632	-	648,632
USD term loan	923,397	-	-	-	923,397	-	923,397
USD syndicated term loan	1,709,187	-	-	-	1,709,187	-	1,709,187
RM Senior Medium Term notes / sukuk murabahah	-	889,840	-	909,953	-	1,799,793	1,799,793
RM Subordinated notes / sukuk murabahah	-	5,999,043	-	-	-	5,999,043	5,999,043
RM Additional Tier I capital securities	-	-	-	99,912	-	99,912	99,912
	3,281,216	6,888,883	-	1,009,865	3,281,216	7,898,748	11,179,964

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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 30 September 2023							
USD term loan	934,681	-	-	-	934,681	-	934,681
USD syndicated term loan	1,729,987	-	-	-	1,729,987	-	1,729,987
RM Senior Medium Term notes	-	889,903	-	-	-	889,903	889,903
RM Subordinated notes	-	3,999,255	-	1,000,000	-	4,999,255	4,999,255
	2,664,668	4,889,158	-	1,000,000	2,664,668	5,889,158	8,553,826
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 30 September 2022							
USD term loan	923,397	-	-	-	923,397	-	923,397
USD syndicated term loan	1,709,187	-	-	-	1,709,187	-	1,709,187
RM Senior Medium Term notes	-	889,840	-	909,953	-	1,799,793	1,799,793
RM Subordinated notes	-	4,999,043	-	-	-	4,999,043	4,999,043
RM Additional Tier I capital securities	-	-	-	99,912	-	99,912	99,912
	2,632,584	5,888,883	-	1,009,865	2,632,584	6,898,748	9,531,332
Exchange rates used:	HKD	USD					
As at 30 September 2023	0.59855	4.68600					
As at 31 December 2022	0.56525	4.40725					
As at 30 September 2022	0.59035	4.63275					

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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 3rd quarter ended 30 September 2023.

B12. Earnings Per Share

	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2023	2022	2023	2022
Net profit attributable to equity holders (RM'000)	<u>1,701,319</u>	<u>1,590,311</u>	<u>5,033,857</u>	<u>4,405,822</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>8.76</u>	<u>8.19</u>	<u>25.93</u>	<u>22.70</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.