



Public Bank Group
Unaudited Q1 Group Results
31 March 2010



Release Date: 15 April 2010



Quarter 1 2010 Results

EXECUTIVE SUMMARY

FINANCIAL PERFORMANCE

GROWTH PERFORMANCE

BUSINESS PERFORMANCE

OTHER HIGHLIGHTS



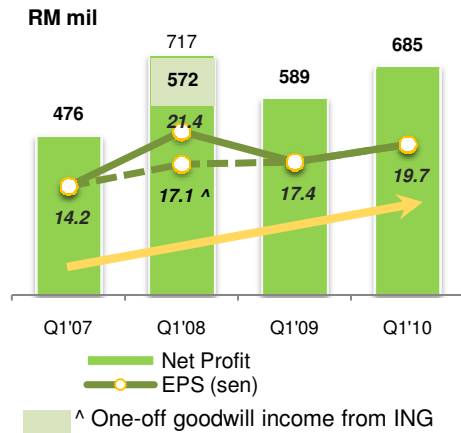


Overview of Performance- Another Strong Set of Results

Performance

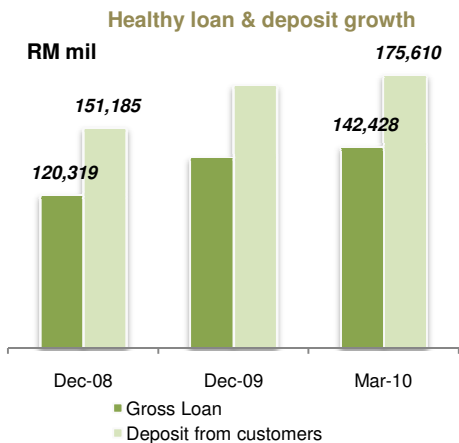
	Q1 2010	Q1 2009	Change
Net interest & financing income	1,259.8 mil	1,100.1 mil	↑ 14.5%
Pre-tax profit	922.6 mil	744.9 mil	↑ 23.8%
Net profit	685.3 mil	589.3 mil	↑ 16.3%
ROE	25.3%	25.5%	↓ -0.2%

Net Profit Avg Qtr Growth 16.4%
EPS Avg Qtr Growth 15.1%



Growth

	Mar 2010	Dec 2009	Change
Gross loans and advances	142.4 bil	137.6 bil	↑ 3.5%
Deposits from customers	175.6 bil	170.9 bil	↑ 2.8%
Total assets	219.0 bil	217.1 bil	↑ 0.9%
Shareholders' equity	11.3 bil	11.0 bil	↑ 2.8%



Group loan growth	19.0%	14.4%	14.0%*
Group deposit growth	20.0%	13.0%	11.2%*

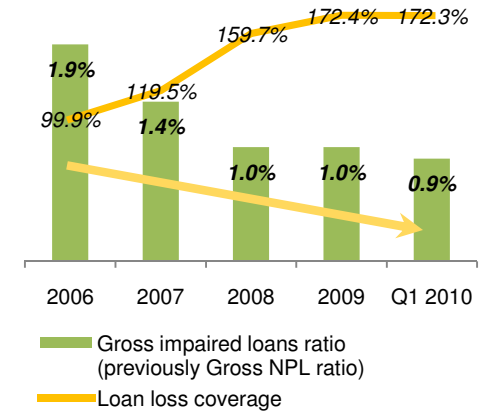
* Annualised



Overview of Performance- Another Strong Set of Results

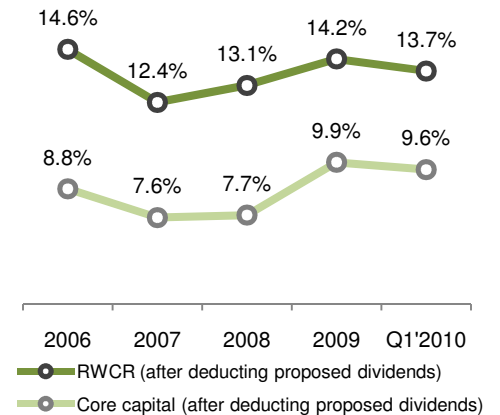
		Mar 2010	Dec 2009	Change
Asset Quality	Gross impaired loans ratio	0.9%	1.0%	↓ -0.1%
	Loan loss coverage	172.3%	172.4%	↓ -0.1%

Continuous improvement in asset quality & high reserves



		Mar 2010	Dec 2009	Change
Capital / Liquidity	Risk weighted capital ratio (RWCR)	13.7%	14.2%*	↓ -0.5%
	Tier-1 capital ratio	9.6%	9.9%*	↓ -0.3%
	Net loan deposit ratio	79.8%	79.2%	↑ 0.6%

Stable capital ratios



* After deducting second interim dividend

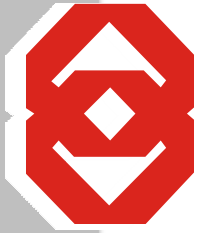


Adoption of FRS 139: Financial Instruments

- Positive impact on opening reserves

	Shareholders' equity
As at 1 January 2010, as previously stated	11,023.2 mil
Effect of adopting FRS 139	266.2 mil
As at 1 January 2010, as restated	11,289.4 mil
Enhancement to reserves	2.4%

- Improvement to overall opening shareholders' equity by 2.4%
- No significant impact on current earnings due to 1.5% collective impairment on loans as required under the transitional provisions of the BNM guidelines on Classification and Impairment Provisions for Loans/Financing issued in January 2010



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Earnings Performance

RM'mil	Q1 2010	Q1 2009	Change
Net interest & Islamic Banking income	1,264.7	1,103.7	14.6%
Non-interest income	386.9	294.3	31.5%
Operating expenses	590.1	497.1	18.7%
Operating profit	1,061.5	900.8	17.8%
Loan impairment allowances	139.8	156.4	10.6%
Pre-tax profit	922.6	744.9	23.8%
Net profit	685.3	589.3	16.3%

Income:

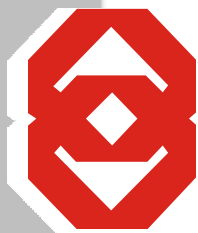
- Strong growth in net interest and financing income and non-interest income

Expenses:








- Higher operating expenses were incidental to business expansion and growing loan base

Allowance:

- Declining loan impairment allowances despite the strong loan growth, reflecting continued strengthening of asset quality



Key Earnings Indicators

	Q1 2010	FY 2009	Change
Earnings per share (sen)	78.8	73.3	 7.5%
Net return on equity*	25.3%	26.1%	 -0.8%
Pre-tax return on average assets	1.7%	1.6%	 0.1%
Net interest margin on yielding assets**	3.4%	3.2%	 0.2%
Non interest income/Total net income	23.4%	22.8%	 0.6%
Cost to income ratio	35.7%	34.4%	 1.3%
Overheads over average assets	1.1%	1.0%	 0.1%

Note: Key earning indicators, including EPS, have been annualised for comparison purposes

* Based on average equity after deducting proposed dividend, if any.

** Excluding Negotiable Instrument of Deposits and Money Market Deposits which are on-lent to banks.

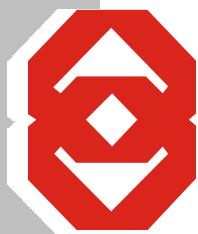


Pre-tax Profit Contribution by Entities of the Group

RM'mil	Q1 2010	Q1 2009	Change
Public Bank & Public Islamic Bank	716.1	604.4	18.5%
Public Mutual	63.2	50.6	24.9%
Public Investment Bank	12.4	7.8	59.0%
Public Bank (L)	28.7	20.5	40.0%
Overseas Operations (mainly Public Financial Holding Group (in Hong Kong) and Cambodian Public Bank Plc)	81.3	65.7	23.7%
Others	20.9	(4.1)	N/A
Total	922.6	744.9	23.8%

- Higher interest and financing income and non-interest income largely contributed to the increase in Public Bank's and Public Islamic Bank's profits
- Public Mutual's improved earnings was due to higher management fee income in tandem with the higher net asset value of funds under management
- Higher brokerage income earned contributed to improved results of Public Investment Bank
- Pre-tax profit of overseas operations improved with decline in credit charges

Note: Pre-tax profit contribution by entities were taken excluding intercompany dividend and all other inter-company profit/loss which are eliminated at Group level.



Pre-tax Profit Contribution by Business Segment

	RM'mil	Q1 2010	Q1 2009	Change
Retail operations		452.6	392.7	15.3%
Hire purchase		166.9	123.9	34.7%
Corporate lending		61.5	20.0	207.5%
Treasury & capital market operations		110.4	74.0	49.2%
Fund management		63.2	50.6	24.9%
Overseas operations		81.3	65.7	23.7%
Investment banking		12.4	7.8	59.0%
Others*		(25.7)	10.2	N/A
Total		922.6	744.9	23.8%

- Double digit growth across all business segments and profits from corporate lending tripled compared to corresponding quarter
- Supported by favourable 18% rise in overall net income earned coupled with lower credit charges

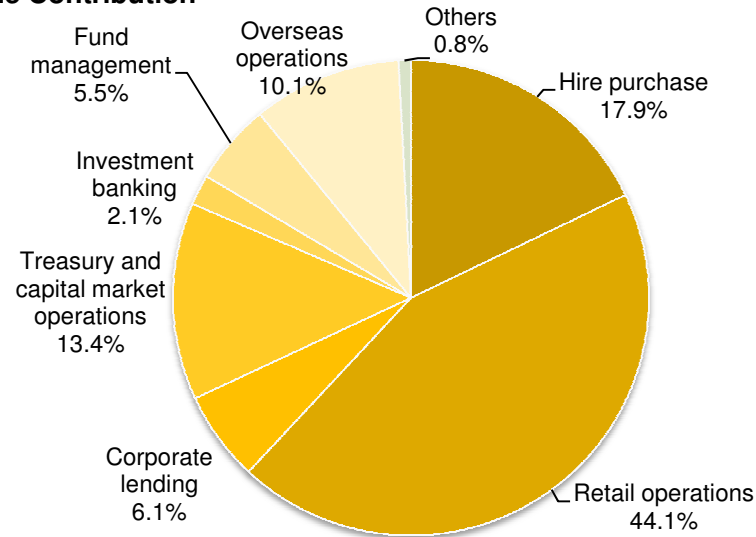
Note: Profit contribution by segments are based on pre-tax profit including share of results of associated companies.

* Others comprise mainly of head office and other miscellaneous segment



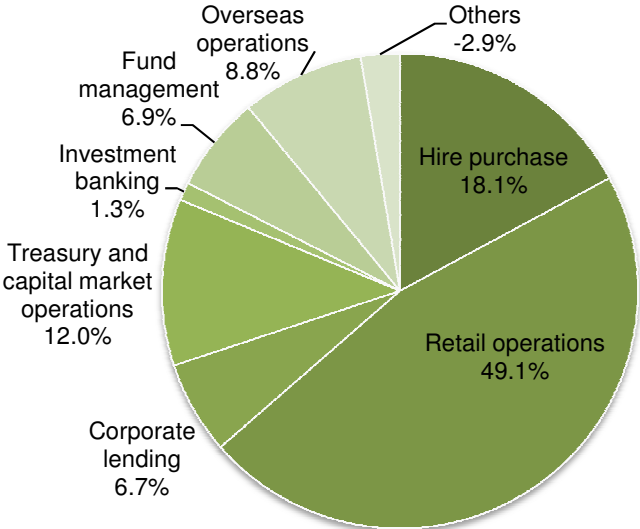
Contribution to Revenue & Pre-tax Profit – by Business

Revenue Contribution



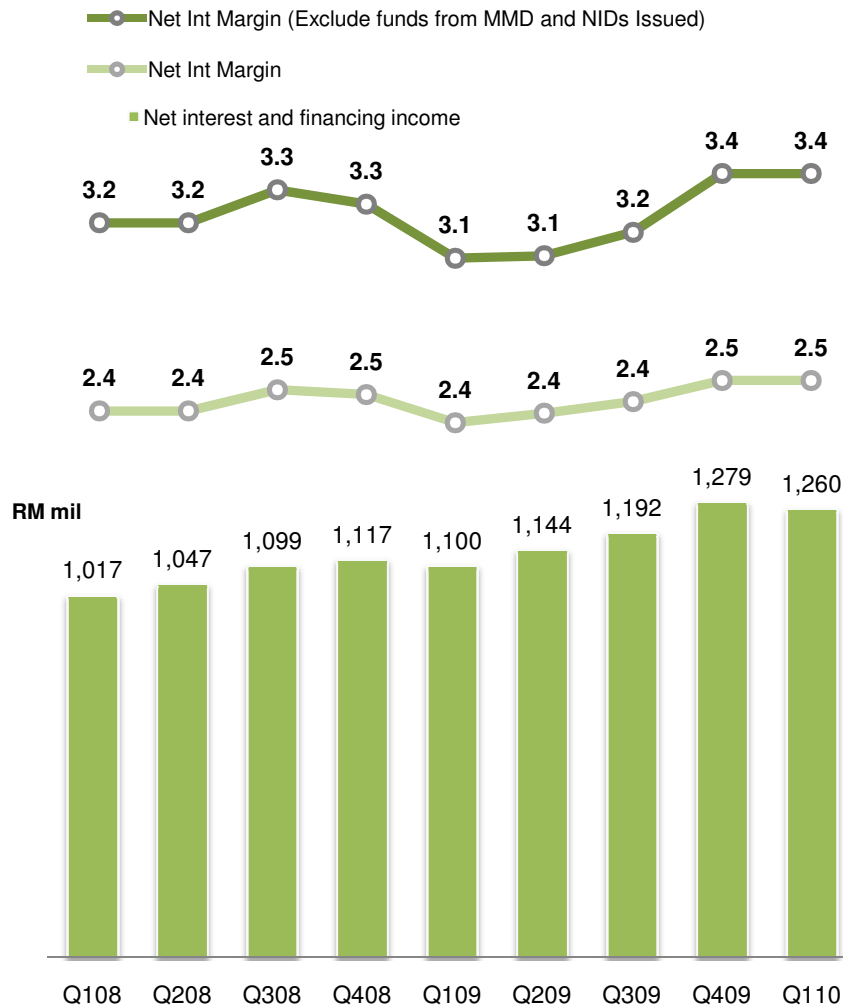
- Retail operations and hire purchase segment continue to be the major contributor to revenue and profits of the Group

Pre-tax Profit Contribution





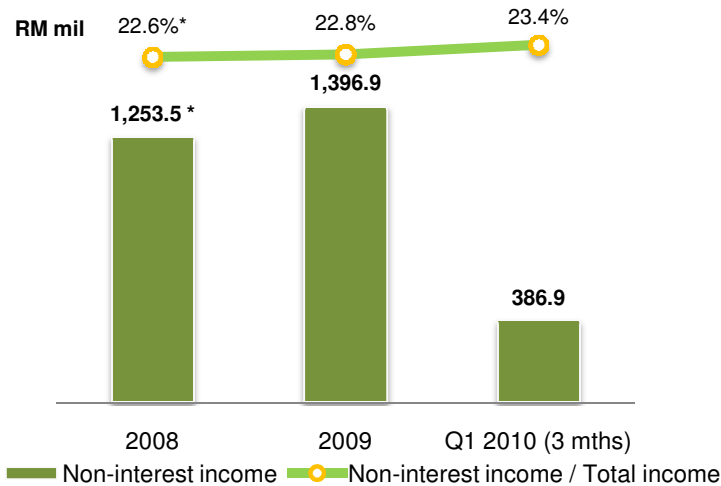
Stable and Sustainable Growth in Interest & Margins



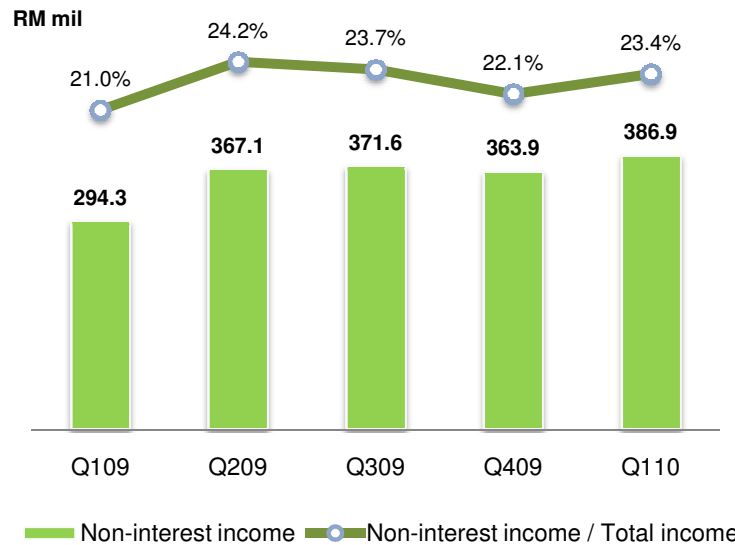
- NIM for Q12010 remained stable as compared to the preceding quarter
- NIM continue to improve and stabilise since the last drop in Q12009 due to OPR drop
- Favourable impact of the OPR rise in March 2010 has not been fully reflected in the Q1 2009's results. Net interest and financing income for the current quarter remains strong despite the short month in February
- Sterling growth in net interest and financing income was driven by the Group's strong fundamentals and commitment in expanding its loan and deposit base
- Net interest and financing income is expected to continue to grow in coming quarters due to expanding loan and deposit base, coupled with expected further hike in OPR



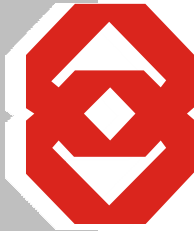
Steady Non-Interest Income Contribution



* Exclude RM200 million one-off goodwill income from ING



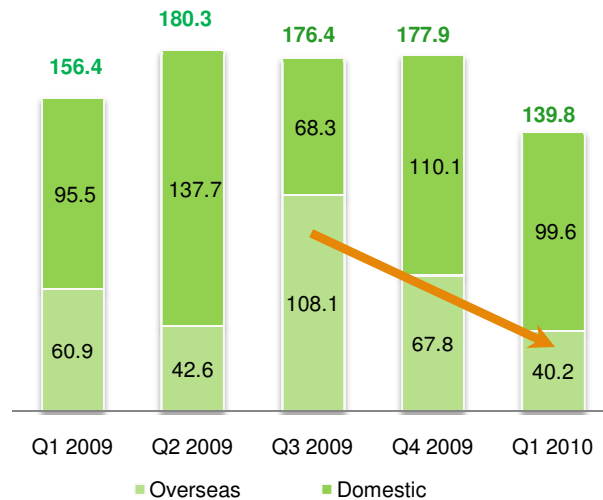
- Non-interest income of the Group see growth from the previous years, on the back of the Group's initiative to grow its fee-based businesses
- Improved contribution of non-interest income in Qtr1 2010 was mainly contributed by the Group's unit trust and stockbroking businesses in line with the stronger equity market.



Improving Loan Impairment Allowances

Quarterly Loan Impairment Allowances (including general/collective allowance)

RM mil



Note: For Q1 2010 onwards, domestic loan impairment allowance is computed based on the revised BNM guidelines, which incorporates the FRS 139 accounting principles

Collective allowance for domestic loans is computed based on 1.5% requirement under the transitional provisions of the BNM guidelines on Classification and Impairment Provisions for Loans/Financing issued in January 2010

- Compared to the preceding and corresponding quarters, loan impairment allowance for Q1 2010 has favourably declined by 21.4% and 10.6% respectively
- Decreasing trend in overseas loan impairment allowance since Q4 2009 was in line with the improved asset quality, particularly in Hong Kong
- In comparison to preceding quarter Q4 2009, overseas loan impairment allowance for Q1 2010 improved by 40.7%. On annualised basis, overseas loan impairment allowance shows a decline by 42.5% as compared to 2009



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Robust Financial Position

RM'bil	Mar 2010	Dec 2009	Change
Total assets	219.0	217.1	↑ 0.9%
Gross loans and advances	142.4	137.6	↑ 3.5%
<i>Of which:</i>			
Domestic loans and advances	129.8	124.4	↑ 4.4%
Overseas loans and advances	12.6	13.2	↓ -4.5%
Deposits from customers	175.6	170.9	↑ 2.8%
Shareholders' funds	11.3	11.0	↑ 2.8%
Net assets per share (RM)	3.23	3.19	↑ 1.3%
Net loans to deposits (LD) ratio (%)	79.8	79.2	↑ 0.6%

Assets:

- Assets expansion driven by strong loan growth and deposit base

Loan:

- Domestic loan growth is strong at 4.4% (annualised 17.6%) for Q1 2010
- The contraction of overseas loan growth was due to the impact of exchange rate i.e. strengthening of RM against USD

Equity:

- Shareholders' fund grew in tandem with the strong underlying profits recorded for the quarter

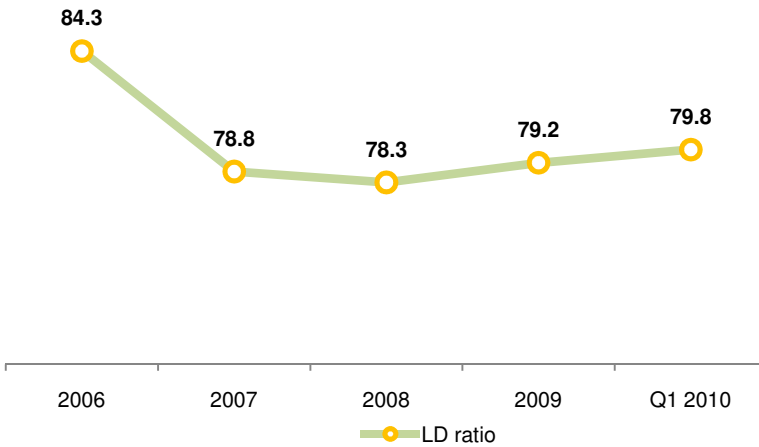
Liquidity:

- Remained at healthy level of below 80%



Strong Liquidity With Healthy Loan & Deposit Growth

Net Loan Deposit Ratio

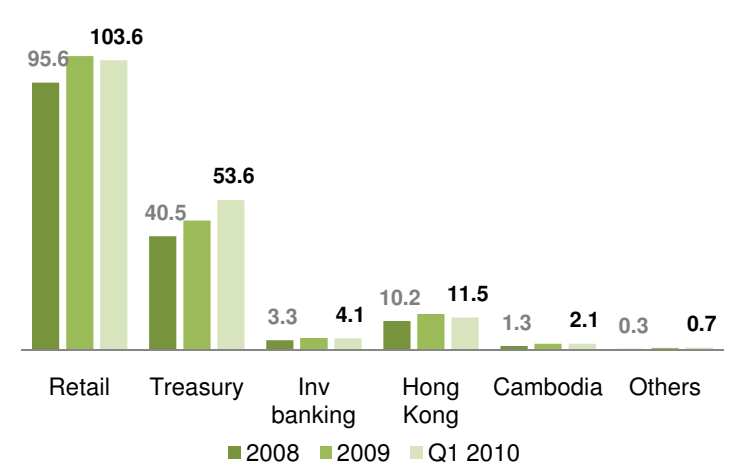


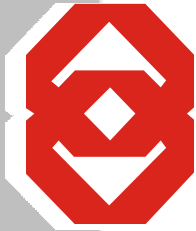
- Net loan deposit ratio remain healthy, reflecting strong liquidity position of the Group
- Loan growth continues to be supported through the Group's retail and hire purchase segment whilst retail deposits remain the main contributor to the deposit growth of the Group

Loan Composition by Segment



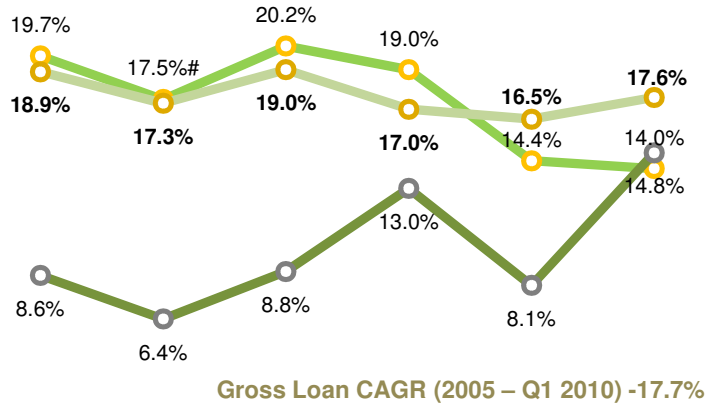
Deposit Composition by Segment



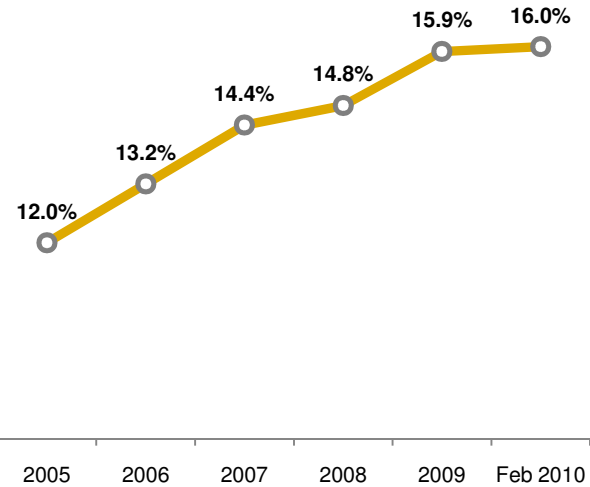


Consistently Above-industry Loan Growth

Loan Growth vs Industry



Domestic Loan Market Share

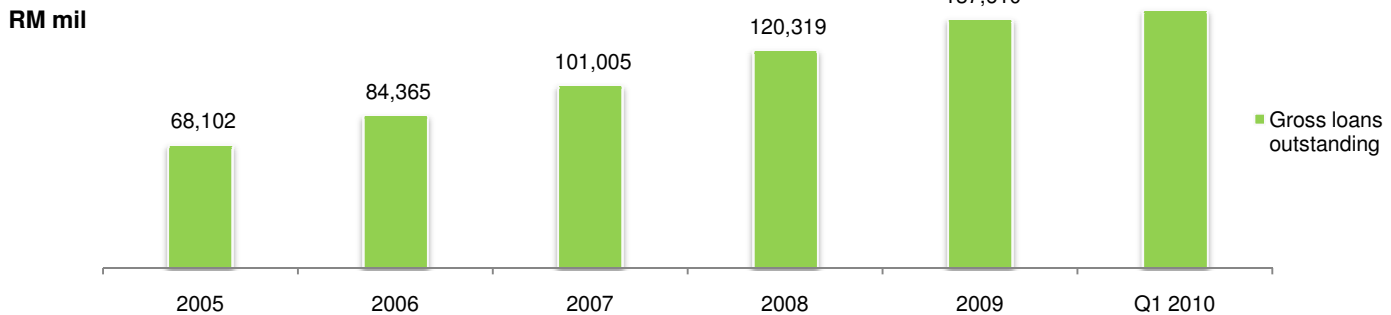


2005 2006 2007 2008 2009 Q1 2010 (annualised)

- Group Loan Growth
- Domestic Loan Growth
- Industry Average (latest available)

Excluding acquisition of Public Bank (Hong Kong)
 Note: Loan growth for Q1 2010 has been annualised based on quarter growth. Industry average growth is based on 12-month extrapolation of industry statistics as of Feb 2010

Gross loans, advances and financing – Outstanding



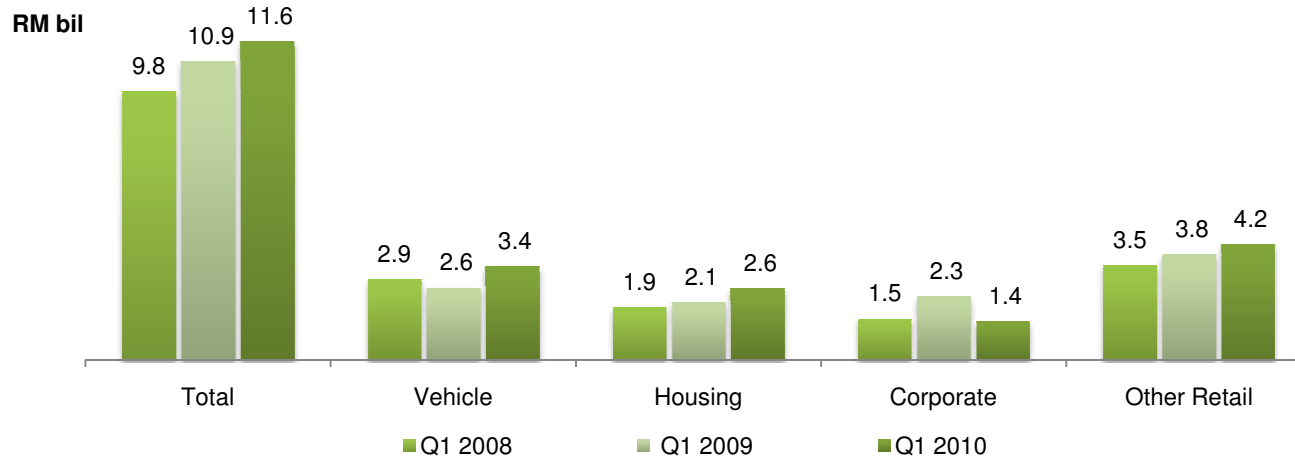


Expect Loan Growth Momentum to Continue

Loan Approvals

RM'mil	Q1 2010	Q1 2009	Change
Vehicle financing	3,451	2,624	↑ 31.5%
Housing loans	2,586	2,100	↑ 23.1%
Corporate loans	1,417	2,306	↓ -38.5%
Other retail loans	4,192	3,846	↑ 9.0%
<i>Of which:</i>			
<i>SME loans</i>	2,657	2,383	↑ 11.5%
Total loans	11,646	10,876	↑ 7.1%

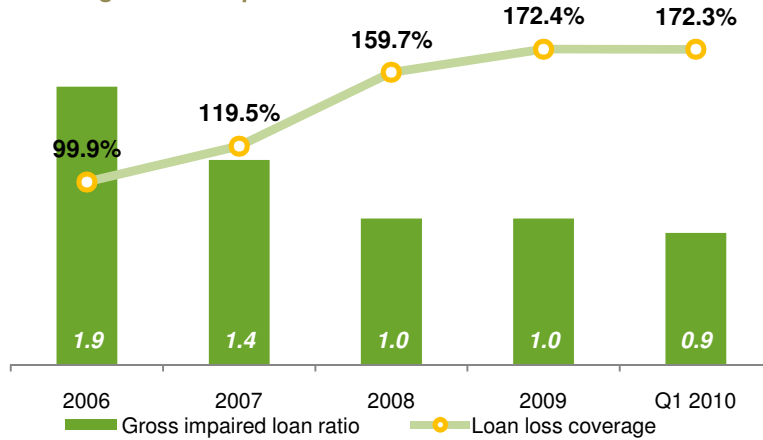
- Loan approval rate for vehicle financing and housing loan for Q1 2010 has shown strong increase from last corresponding quarter
- The strong loan approvals in Q1 2010 will continue to support loan growth momentum for the coming quarters
- SME lending represented 22.8% of the total loans approved in Q1 2010



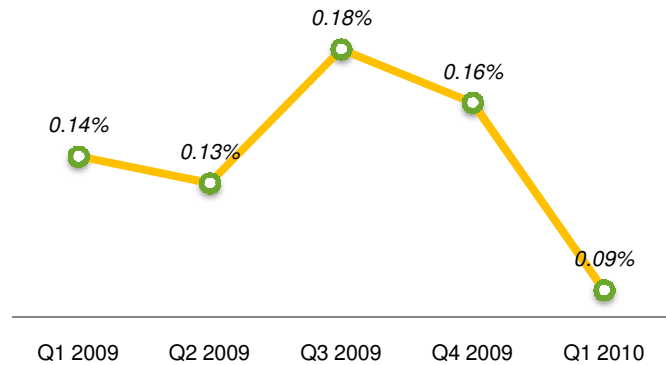


Asset Quality Remained Strong

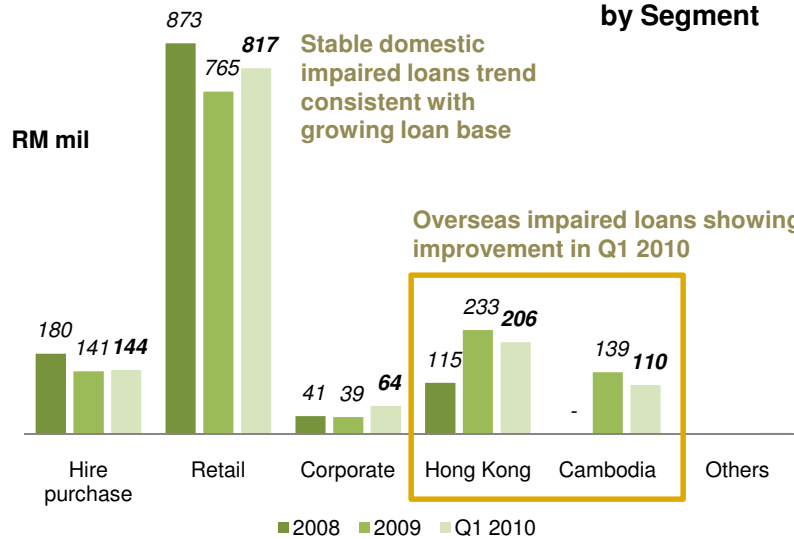
Improving gross impaired loan ratios with higher loan impairment reserves



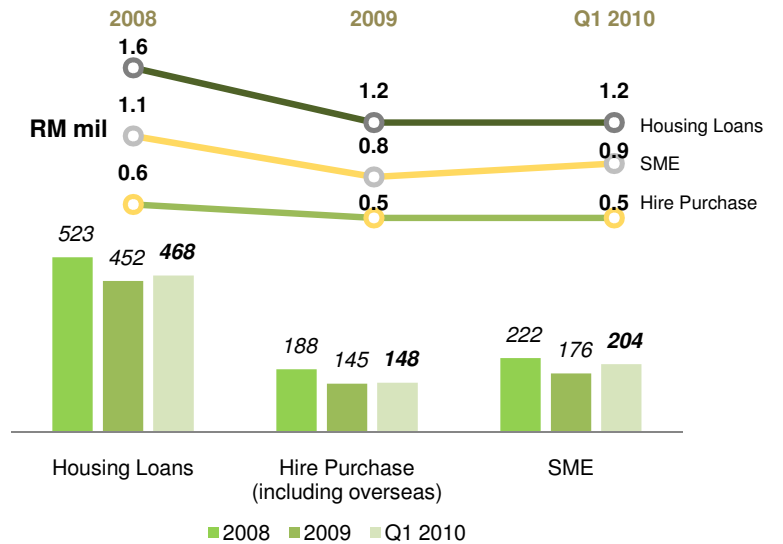
New impaired loans formation showing continuing improvement in the last 2 quarters



Gross Impaired Loans by Segment



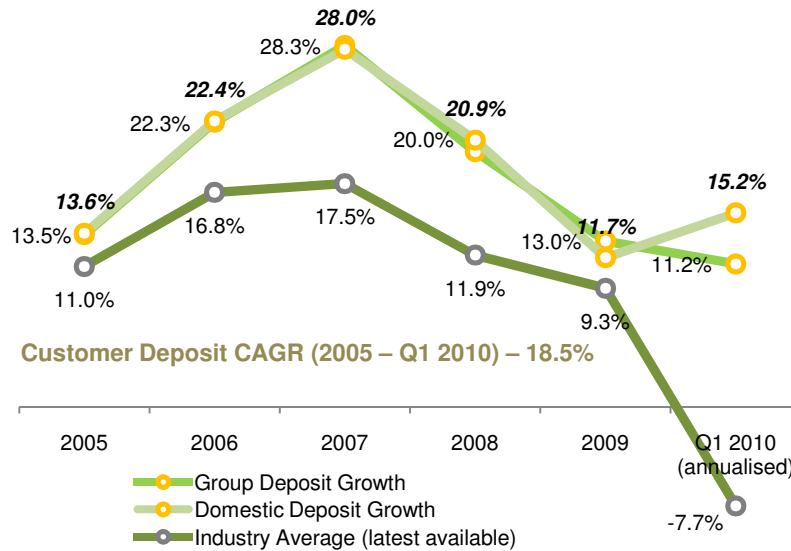
Gross Impaired Loans & Impaired Loans Ratio by Key Sectors



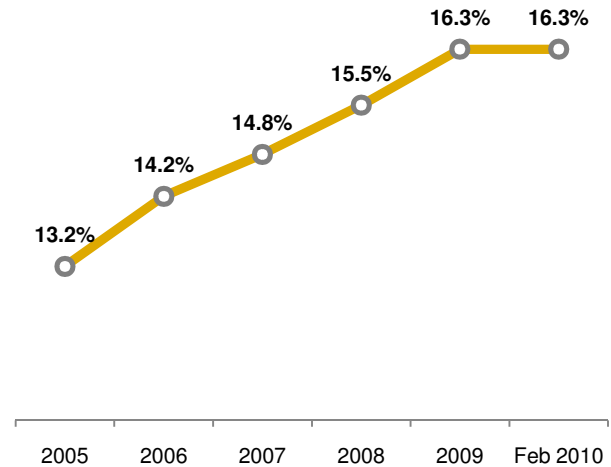


Healthy Deposit Growth in Support of Liquidity

Deposit Growth vs Industry

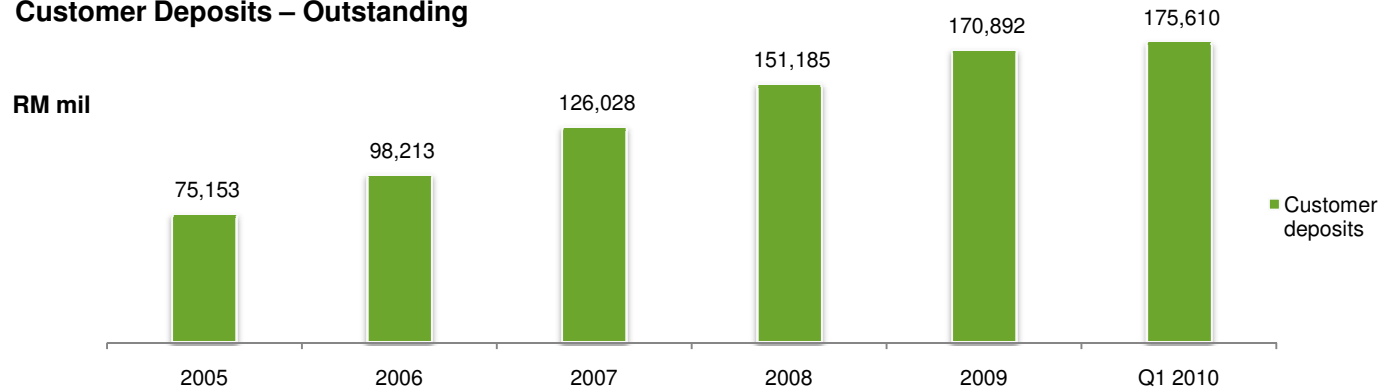


Domestic Customer Deposit Market Share



Note: Deposit growth for Q1 2010 is annualised based on quarter growth. Industry average growth is based on 12-month extrapolation of industry statistics as of Feb 2010

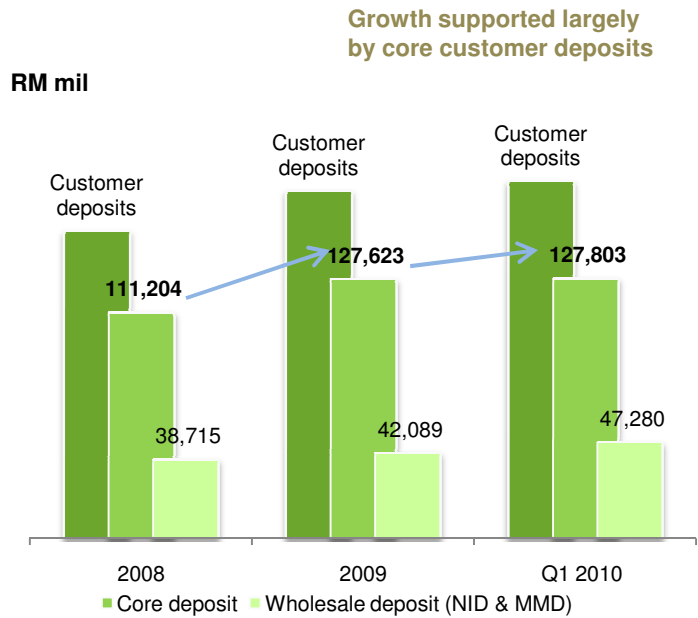
Customer Deposits – Outstanding



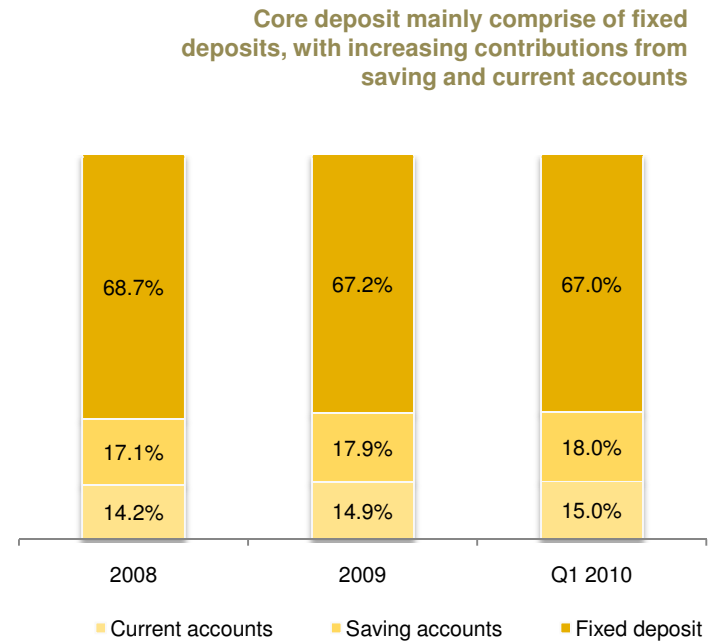


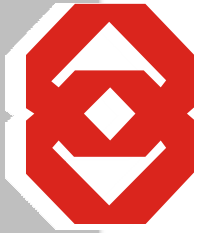
Diversified Source of Customer Deposit

Type of Deposit



Source of Core Deposit



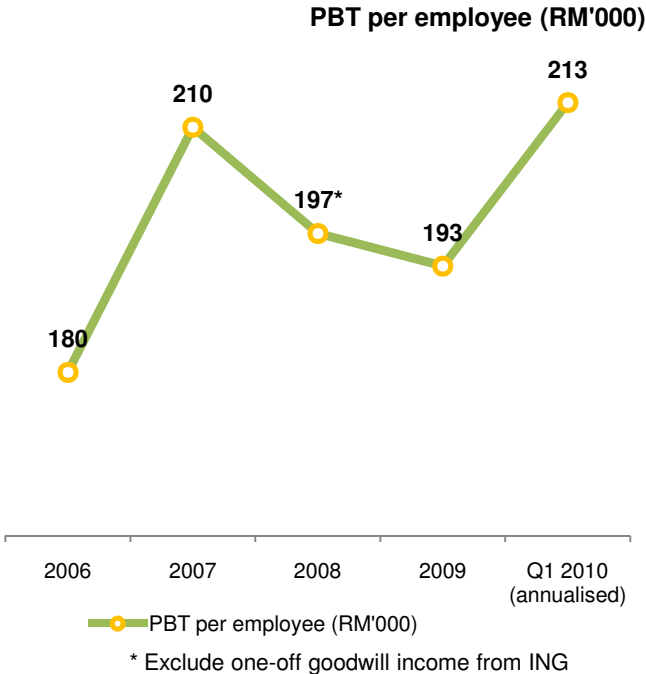
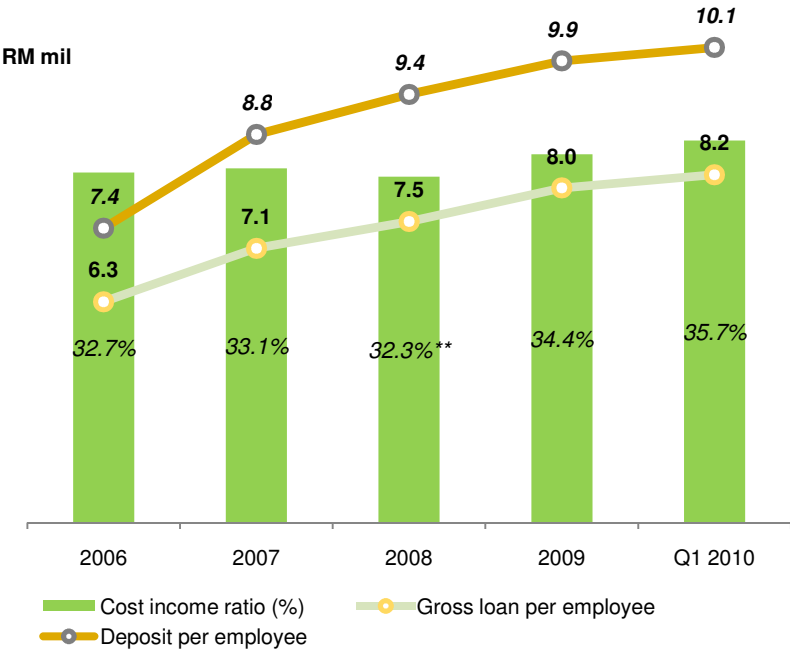


Continued High Productivity & Cost Efficiency

	RM'mil	Q1 2010	2009	Industry Average
Gross loan per employee (RM mil)		8.2	8.0	6.9
Deposit per employee (RM mil)		10.1	9.9	9.0
PBT per employee ^ (RM'000)		213	193	146
Cost Income Ratio (%)		35.7	34.4	48.4

- Improved productivity across the various indicators
- Cost income ratio increased slightly but remain the lowest in the industry

^ Annualised



** Exclude one-off goodwill income from ING

* Exclude one-off goodwill income from ING



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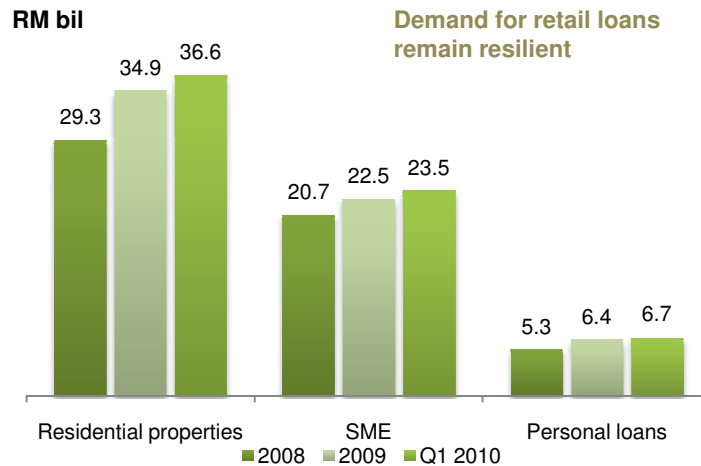
OTHER HIGHLIGHTS



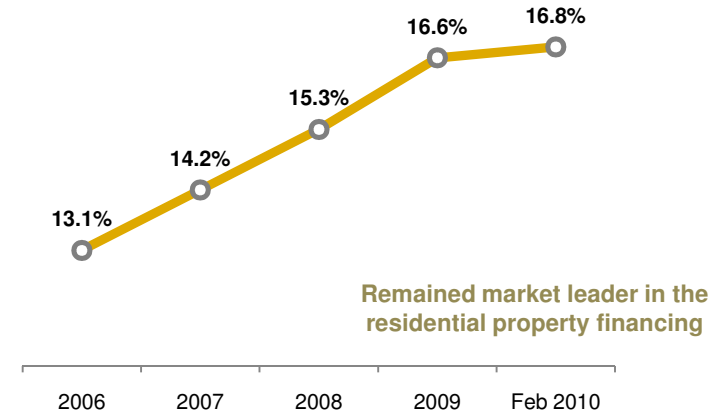


Business Performance - Retail Operations

Gross loan & financing in Domestic Operations



Market Share in Retail Mortgage



Key Drivers in Domestic Retail Banking & Financing Operations

Residential properties financing:

- Attractive loan package under the HOME and MORE plans
- Strong sales force and marketing network with reputable developers, real estate agents and solicitors

SME:

- Comprehensive SWIFT loan plans and full range of trade financing facilities offered
- Support government initiated financing schemes

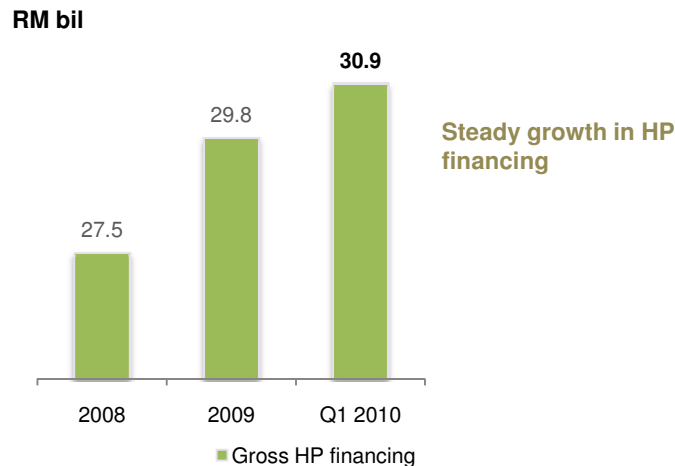
Personal loans:

- Mainly driven by Public Islamic Bank with its Bai'-Al-Einah (BAE) Personal Financing-i offered to staff of government agencies, quasi government corporations, institutions of higher learning and GLCs
- Expect enlarged potential customer base with the tie up with Accountant General of Malaysia to enable BAE Personal Financing-I to be offered to federal government employees

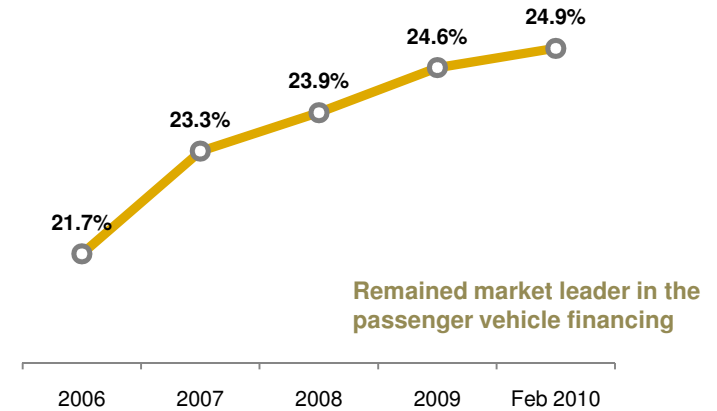


Business Performance – Hire Purchase

HP Financing in Domestic Operations



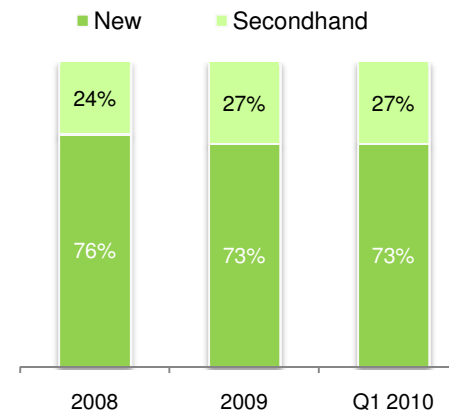
Market Share in Passenger Vehicle Financing



Key Drivers in Domestic Hire Purchase Financing

- Strategy to capture bigger market share in the HP financing of used and commercial vehicles
- Improvement in overall vehicle sales
- Strong business support from major vehicle distributors and panel car dealers
- Better customer service delivery through the 27 Hire Purchase centres in key locations nationwide and continuous improvement in credit processing turnaround time
- Experienced and dedicated HP centre staff force of more than 1,000

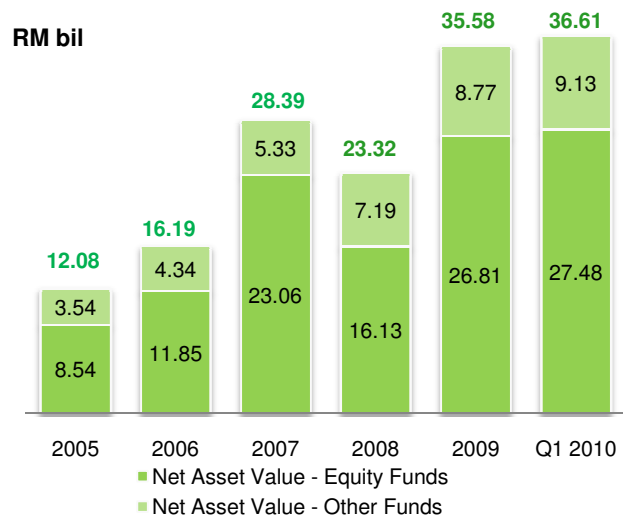
Hire Purchase Composition



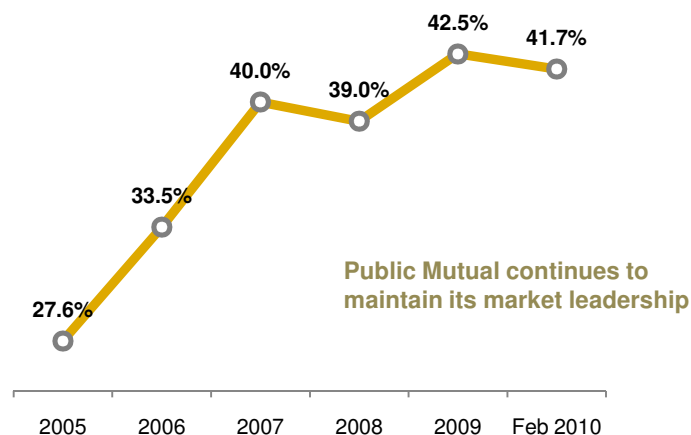


Business Performance – Wealth Management

Net Asset Value of Funds under management



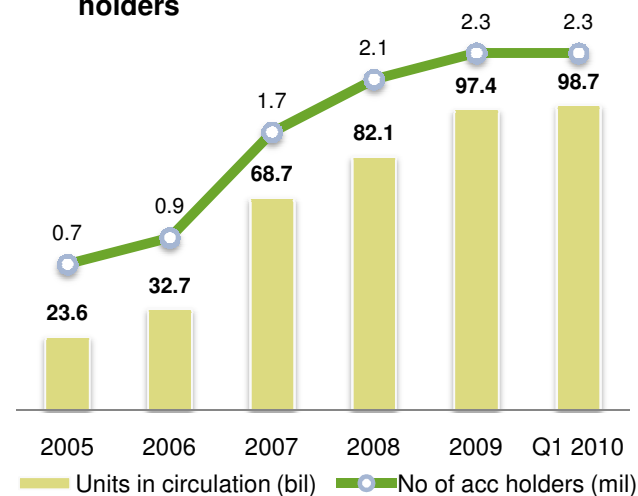
Market Share in Private Unit Trust Industry



Key Drivers in Fund Management Business

- Outstanding fund performance with robust returns with numerous funds outperforming benchmarked indices
- Innovative range of funds under management with a total of 74 funds being offered.
- Large agency force with value-added financial planning services
- Public Mutual online e-commerce portal with full-fledged transactions and customer service platform

Expansion in units in circulation and account holders





Business Performance – Wealth Management (Contd)

Bancassurance

- 2010 - 3rd year of the 10-year exclusive distribution agreement with the ING Group
- Continue to focus on building infrastructures, staff force and business volumes
- Driven by both single premium investment linked insurance, regular premium unit linked insurance and credit-related insurance products

Structured Investment Products (SIP)

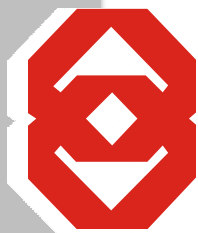
- Focus on products with simple investment themes and reasonable rewards without undue risk-taking for customers
- Promote dollar cost averaging concept for customers' wealth accumulation
- Well-trained sales personnel with excellent customer sales service and financial planning capability

To Grow Staff Force

	As at 2009	Target 2010
Bancassurance Sales Executives	265	350
Personal Financial Executives	213	248
OICs of Sales	127	248

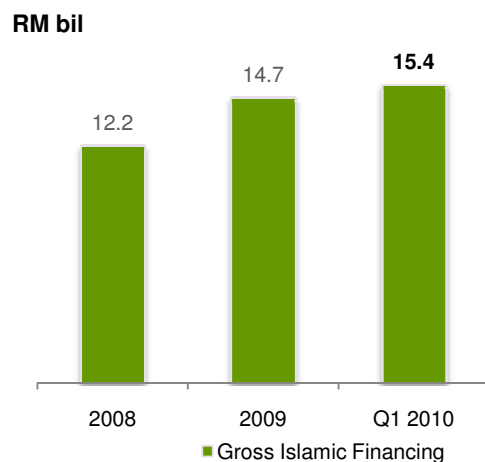
Bancassurance and SIP 2010 Product Launches

	Launched	Target
Bancassurance		
Single premium	-	1
Others (telemarketing)	1	2
SIP		
Principal Protected Investment Products	-	2
Total	1	5

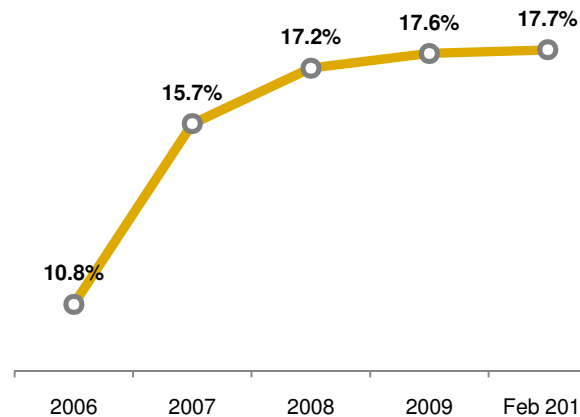


Business Performance – Islamic Banking

Loan Growth in Islamic Financing



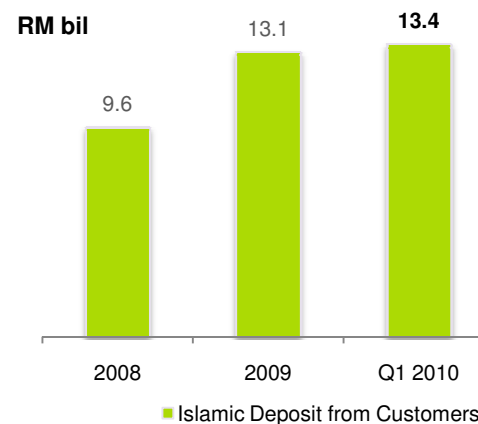
Market Share in Islamic Personal Financing



Key Drivers in Islamic Banking

- 4th largest Islamic Bank in Malaysia
- Core financing business being vehicle financing, with impressive growth coming from BAE Personal Financing-i
- Continue to focus growing its core retail-based Islamic financing such as Al-Ijarah Al'Bai Hire Purchase-i, Al-Bai' Bithaman Ajil House Financing-i and BAE Personal Financing-i
- Developing its international currency business
- Set up its first full fledged Islamic branch in Q3 of 2010

Growth in Islamic Deposit from Customers





Quarter 1 2010 Results

EXECUTIVE SUMMARY

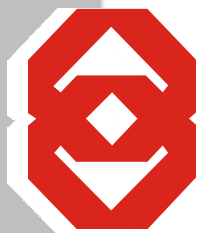
FINANCIAL PERFORMANCE

GROWTH PERFORMANCE

BUSINESS PERFORMANCE

OTHER HIGHLIGHTS



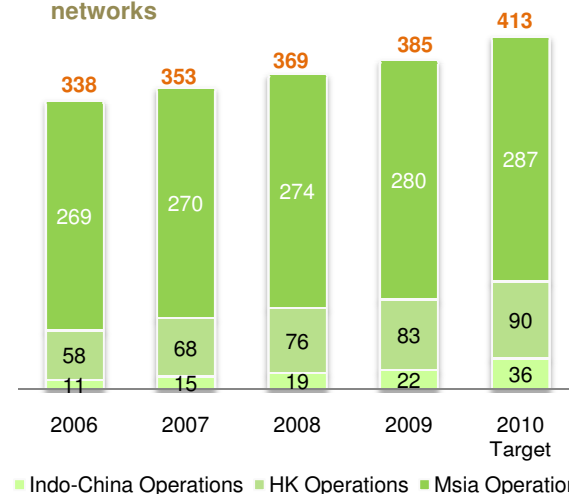


Expansion in Business Delivery Channel

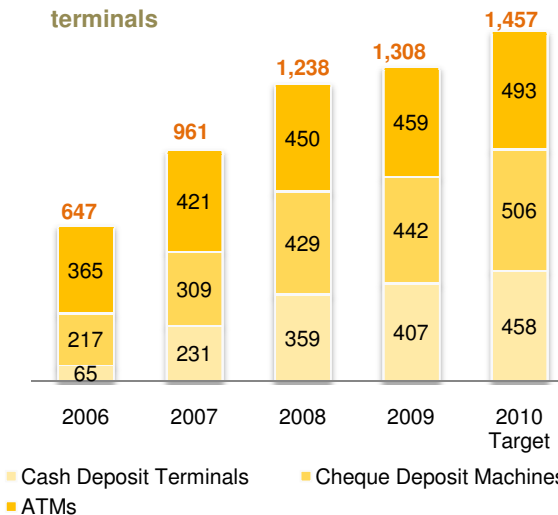
Branch Network - Group

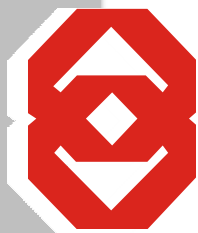
	2006	2009	2010 Target
Malaysian Operations			
Public Bank - Domestic	240	248	253
- Overseas	3	5	5
Public Mutual	25	26	28
Public Investment Bank	1	1	1
Hong Kong Operations			
Public Finance Ltd	40	42	42
Public Bank (HK) Ltd - Hong Kong	15	30	32
- China	1	3	3
Winton (B.V.I) Ltd Group	2	8	13
Indo-China Operations			
Cambodia Public Bank	5	15	27
VID Public Bank (Vietnam)	6	7	9

Continuous investments in branch networks



Continuous investments in self service terminals



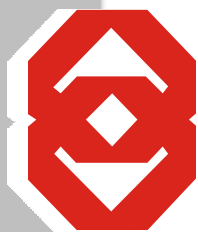


Reaffirmed High Credit Ratings

	Long term	Short term	Latest update
RAM	AAA	P1	April 2009
Moody's	A3	P-1	December 2009
Standard & Poor's	A-	A-2	November 2009
Standard & Poor's ASEAN Scale Rating	axAA	axA-1	May 2009

RAM rating on Subordinated Notes and Capital Securities

	Long term	Latest update
Subordinated Medium Term Notes Programme of up to RM5.0 billion	AA1	April 2009
RM1.2 billion Innovative Tier 1 capital Securities	AA2	April 2009
Non-Cumulative Perpetual Capital Securities Programme of up to RM5.0 billion	AA2	April 2009



Capital Management

(RM'mil)	Group*			Bank*		
	Mar 2010	Dec 2009	Change	Mar 2010	Dec 2009	Change
Tier 1 Capital	12,470.9	12,464.8	↓ -0.5%	12,767.7	12,799.7	↓ -0.3%
Tier 2 Capital	5,242.9	5,283.0	↓ -0.8%	4,895.8	4,892.0	↑ 0.1%
Deduct: Inv in subs / asso	(1.0)	(1.0)	→ 0.0%	(3,593.4)	(3,593.4)	→ 0.0%
<i>Total Capital Base</i>	<i>17,712.8</i>	<i>17,746.8</i>	↓ -0.2%	<i>14,070.1</i>	<i>14,098.3</i>	↓ -0.2%
<i>Risk-Weighted Assets</i>	<i>129,334.0</i>	<i>125,277.9</i>	↑ 3.2%	<i>106,560.9</i>	<i>103,333.2</i>	↑ 3.1%
RWCR (%)	13.7	14.2	↓ -0.5	13.2	13.6	↓ -0.4
Tier-1 Capital Ratio (%)	9.6	9.9	↓ -0.3	12.0	12.4	↓ -0.4

* After deducting second interim dividend

Enhancement to Group's Core Equity Capital to be achieved by:

- Strong profit generation capacity
- Strong asset quality
- Continuous enhancement of efficient capital usage, in particular emphasis on less capital-intensive fee based and non-interest income business



Thank You



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