PUBLIC BANK

Investor Presentation

March 2011 Results Update

ww2.publicbank.com.my

Our Strategy remains unchanged

"The Public Bank Group continues to pursue strong growth in its lending and deposit-taking businesses, expedite and diversify its growth in fee-based revenue, and further enhance its cost efficiency and return on equity.

The Group will continue to maintain its strong asset quality and leverage on its wide branch network, superior PB Brand and service excellence. The Group also remains committed to its tradition of prudence and practice of strong corporate governance.

The Group is confident that it is well placed to meet any challenges ahead and will continue to strive to maintain its solid profit performance in 2011."

Tan Sri Dato' Sri Dr. Teh Hong Piow
Chairman

Investor Presentation

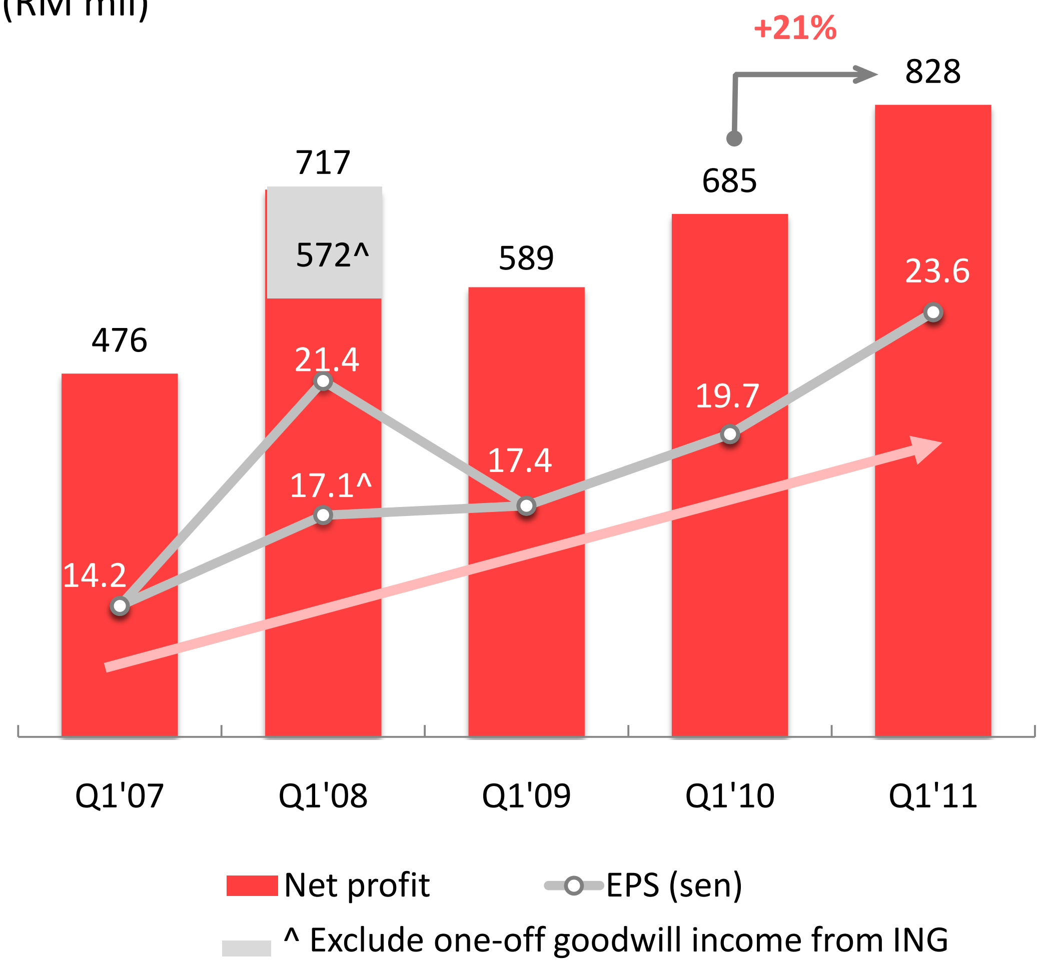
- Executive Summary
- Financial Performance
- Growth Performance
- Business Performance
- Other Highlights

Performance overview – Sustainable profit growth

Net Profit	Pre-tax Profit	Net Return on Equity	Earning per Share	Cost Income Ratio
+21%	+19%	+1.1%	+20%	-3.4%
Improved to RM827.7 mil (Q1 2010: RM685.3 mil)	Improved to RM 1.098 billion (Q1 2010: RM922.6 mil)	Improved to 26.4% (Q1 2010: 25.3%)	Improved to 23.6 sen (Q1 2010: 19.7 sen)	Reduced to 30.4% (Q1 2010: 33.8%)

Performance overview – Strong quarterly net profit growth

Quarterly net profit growth
(RM'mil)



- Net profit average annual growth 17.5%
- EPS average annual growth 16.3%

Performance overview – From a position of strength

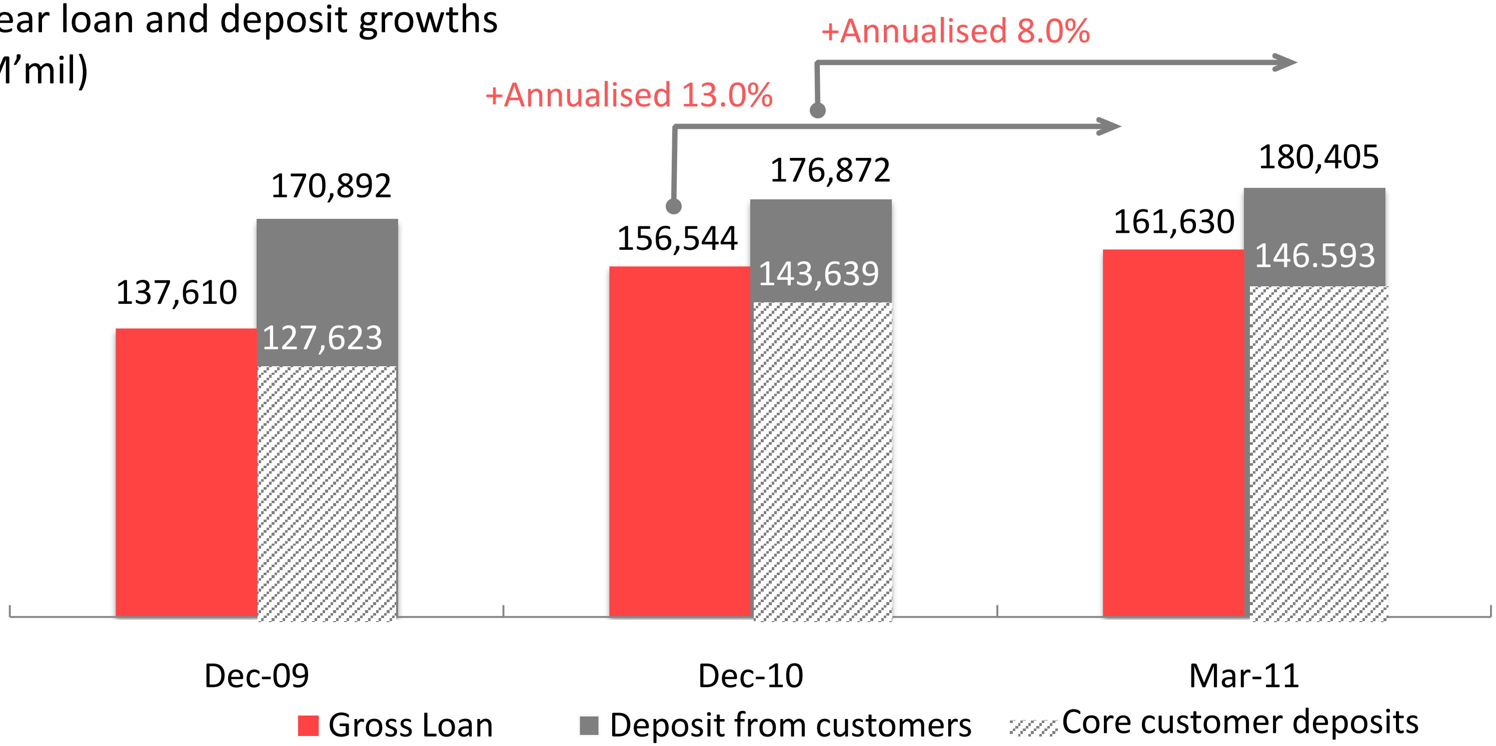
Domestic Loan Growth	Domestic Core Deposit Growth	Gross Impaired Loans Ratio	Total Assets	RWCR*
+14.6%^	+12.1%^	1.0%	+4.9%^	13.0%
Grew to RM149.1 bil (Dec 2010: RM143.8 bil)	Expanded to RM 133.3 bil (Dec 2010: RM129.4 bil)	Improved from Dec 2010's 1.1%	Improved to RM229.1 bil (Dec 2010: RM226.3 bil)	Dec 2010: 13.7%

^ Annualised growth

* Q1 2011's unaudited earnings have yet to be included in the March 2011's RWCR. Dec 2010's RWCR is stated after deducting second interim dividends

Performance overview – Sustainable loan and deposit growths

3-year loan and deposit growths
(RM'mil)

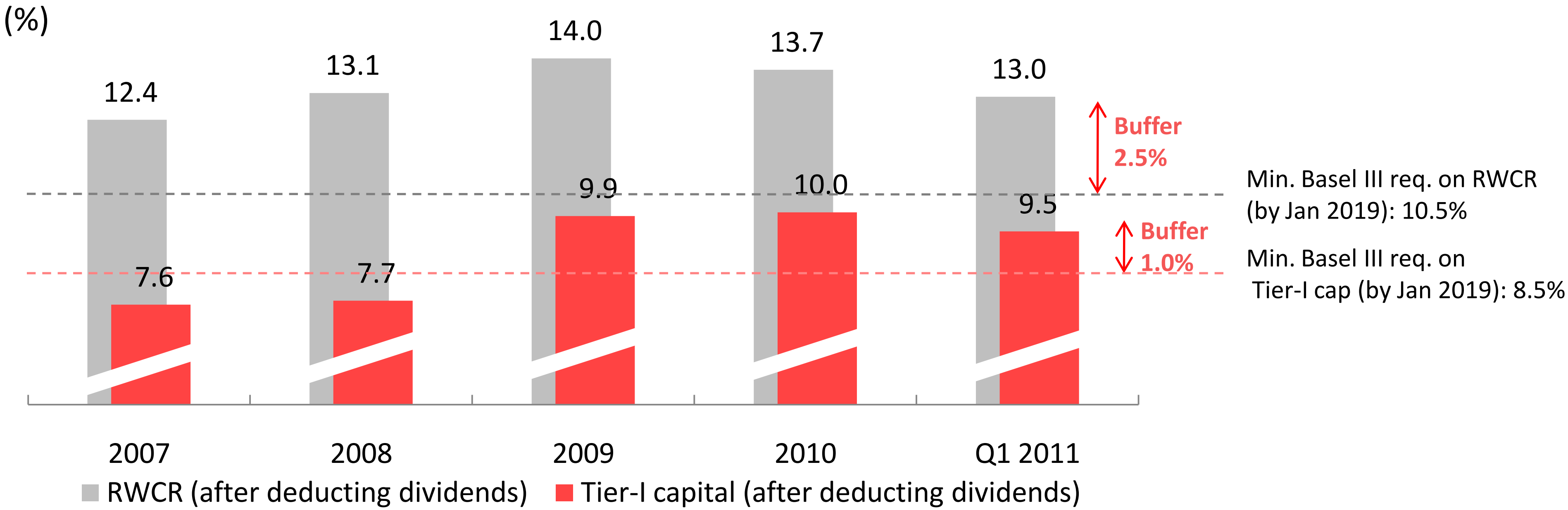


	Dec-2009	Dec-2010	Mar-2011
Gross loan growth	14.4%	13.8%	**13.0%^**
Customer deposit growth	13.0%	3.5%	**8.0%^**
Core customer deposit growth	14.8%	12.5%	**8.2%^**

^ Annualised growth

Performance overview – Healthy capital >Basel III requirements

Above Basel III requirements# (even up to 2019 minimum ratios)



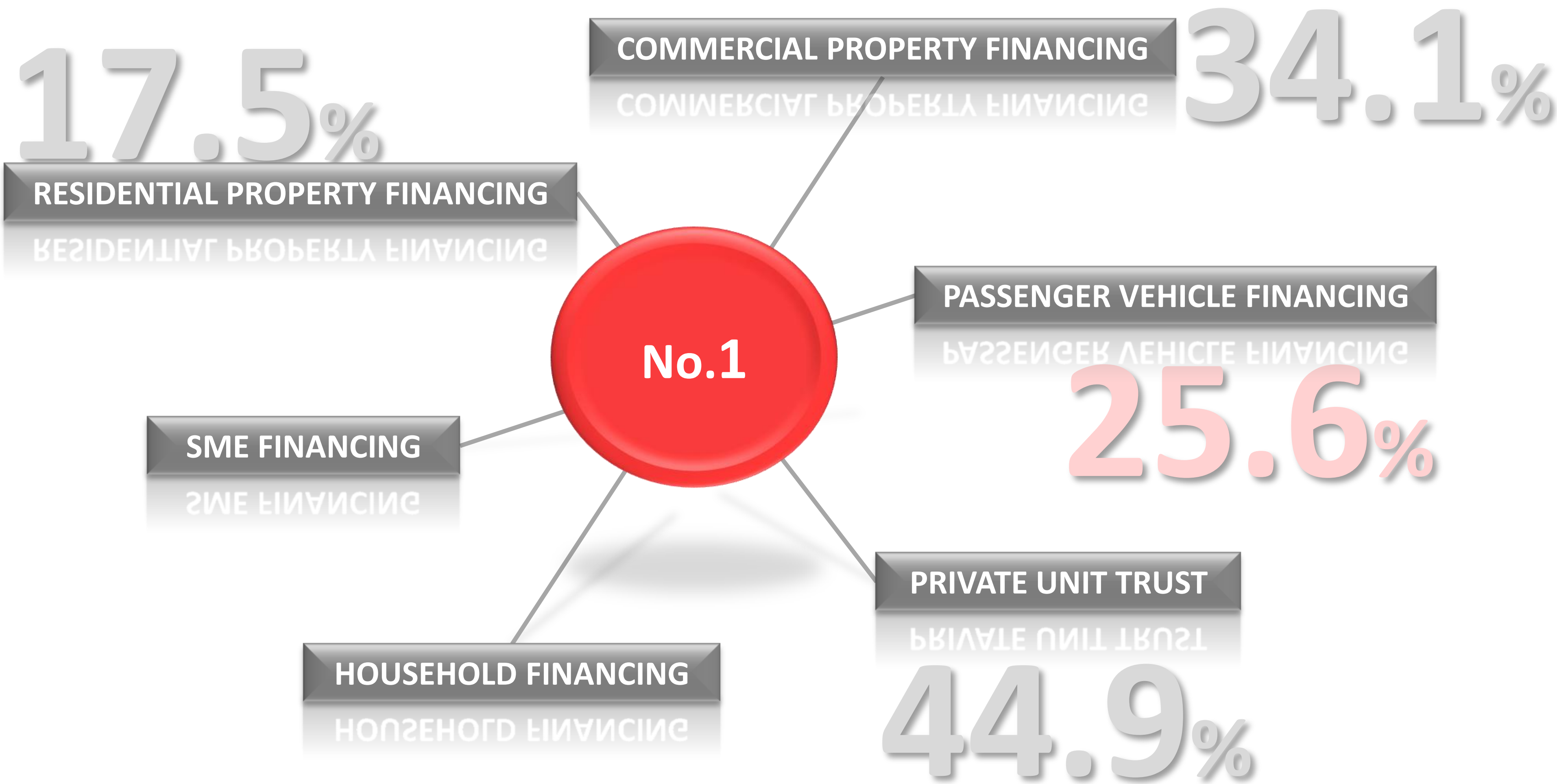
	Dec-2010*	Mar-2011	Change
Risk weighted capital ratio (RWCR)	13.7%	13.0%	-0.7%
Tier I capital ratio	10.0%	9.5%	-0.5%
Core equity capital ratio	7.2%	6.9%	-0.3%

Inclusive of 2.5% capital conservation buffer but exclude counter-cyclical buffer which is subject to regulator's discretion

* After deducting second interim dividends

Taking the lead in what we do – Clear market leadership

We continue to maintain **market leadership** in our domestic core businesses



Taking the lead in what we do – High performance bank

We continue to maintain **leadership** as a high performance bank in Malaysia

No.1

PROFITABILITY

PRODUCTIVITY

ASSET QUALITY

Key performance indicator	Public Bank Group	Latest industry average
Pre-tax return on average equity (%)	**33.3**	16.5
Pre-tax return on average assets (%)	**1.9**	1.5
Cost to income ratio (%)	**30.4**	46.7
Pre-tax profit per employee (RM'000)	**254**	189
Gross loans per employee (RM'mil)	**9.3**	7.3
Deposits per employee (RM'mil)	**10.4**	9.5
Gross impaired loans ratio (%)	**1.0**	3.3
Loan loss coverage (%)	**155.4**	89.6

Investor Presentation

Executive Summary

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Business Performance

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Earnings Performance

RM'mil	Q1 2011	Q1 2010	Change
Net interest & Islamic Banking income	**1,401.2**	1,264.7	↑ 10.8%
Non-interest income	**371.6**	339.6	↑ 9.4%
Operating expenses	**538.6**	542.7	↓ -0.8%
Operating profit	**1,234.1**	1,061.5	↑ 16.3%
Loan impairment allowances	**140.2**	139.8	↑ 0.3%
Pre-tax profit	**1,097.9**	922.6	↑ 19.0%
Net profit	**827.7**	685.3	↑ 20.8%

Income:

- Strong growth in net interest and Islamic Banking income and non-interest income

Expenses:

- Lower operating expenses in Q1 2011 vs Q1 2010 were due to absence of certain non-recurring expenses

Allowance:

- Loan impairment allowances remained fairly stable despite strong loan growth

Key Earnings Indicators

	Q1 2011	Q1 2010	Change
Earnings per share (sen)	**23.6**	19.7	19.8%
Net return on equity*	**26.4%**	25.3%	1.1%
Pre-tax return on average assets	**1.9%**	1.7%	0.2%
Net interest margin on yielding assets**	**3.2%**	3.4%	-0.2%
Non interest income/Total net income	**21.0%**	21.2%	-0.2%
Cost to income ratio	**30.4%**	33.8%	-3.4%
Overheads over average assets	**0.9%**	1.0%	-0.1%

* 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.

Note: Q1 key earning indicators, excluding EPS, have been annualised for comparison purposes.

Pre-tax Profit by Entities

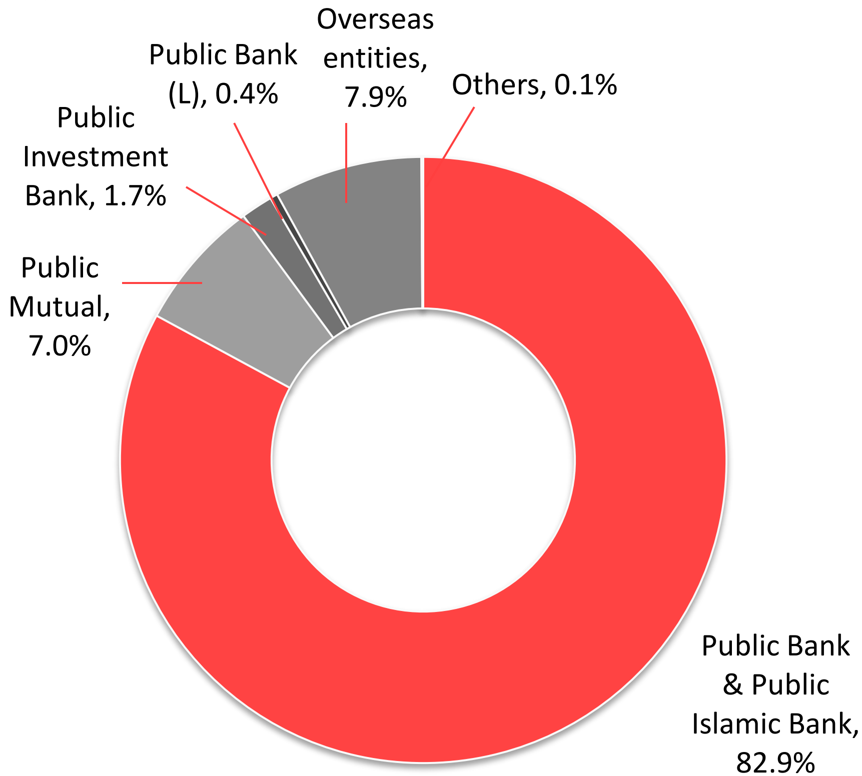
RM'mil	Q1 2011	Q1 2010	Change
Public Bank & Public Islamic Bank	**906.3**	716.1	↑ 26.6%
Public Mutual	**77.7**	63.2	↑ 22.9%
Public Investment Bank	**13.8**	12.4	↑ 11.1%
Public Bank (L)	**23.7**	28.7	↓ -17.5%
Overseas entities *(mainly Public Financial Holdings Group (in Hong Kong) and Cambodian Public Bank Plc)*	**71.2**	80.0	↓ -11.0%
Others	**5.2**	22.2	↓ -76.6%
Total	**1,097.9**	922.6	↑ 19.0%

- Higher interest and finance income and non-interest income coupled with stable credit charge 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 entities weighed down due to pressure from interest margin squeeze and foreign exchange impact due to strengthening of RM against USD

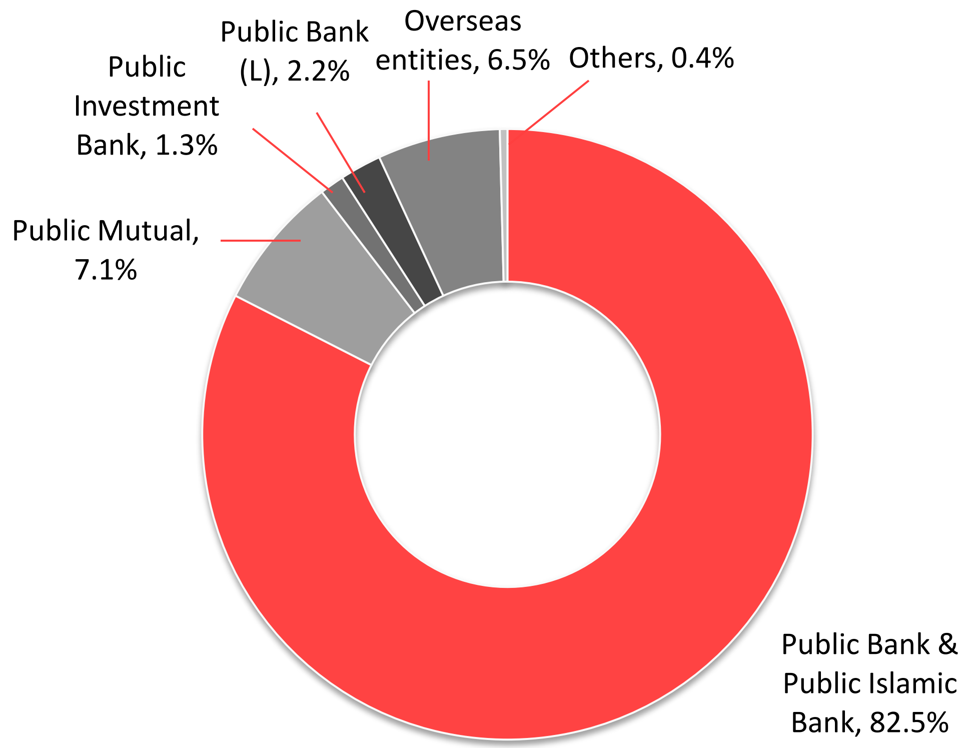
Note: Pre-tax profit contribution by entities were taken excluding intercompany dividend and all other inter-company profit/loss which are eliminated at Group level.

Contribution to Revenue & Pre-tax Profit – by Entities

Revenue Contribution



Pre-tax Profit Contribution



Based on financial results as of 31 March 2011

- Public Bank and Public Islamic Bank continue to be the major contributor to revenue and profits of the Group

Pre-tax Profit by Business Segment

RM'mil	Q1 2011	Q1 2010	Change
Retail operations	**619.0**	452.6	36.8%
Hire purchase	**161.2**	166.9	-3.4%
Corporate lending	**55.1**	61.5	-10.5%
Treasury & capital market operations	**41.9**	55.5	-24.5%
Fund management	**77.7**	63.2	22.9%
Overseas operations	**75.4**	81.3	-7.3%
Investment banking	**13.9**	12.4	11.4%
Others*	**53.7**	29.2	85.2%
Total	**1,097.9**	922.6	19.0%

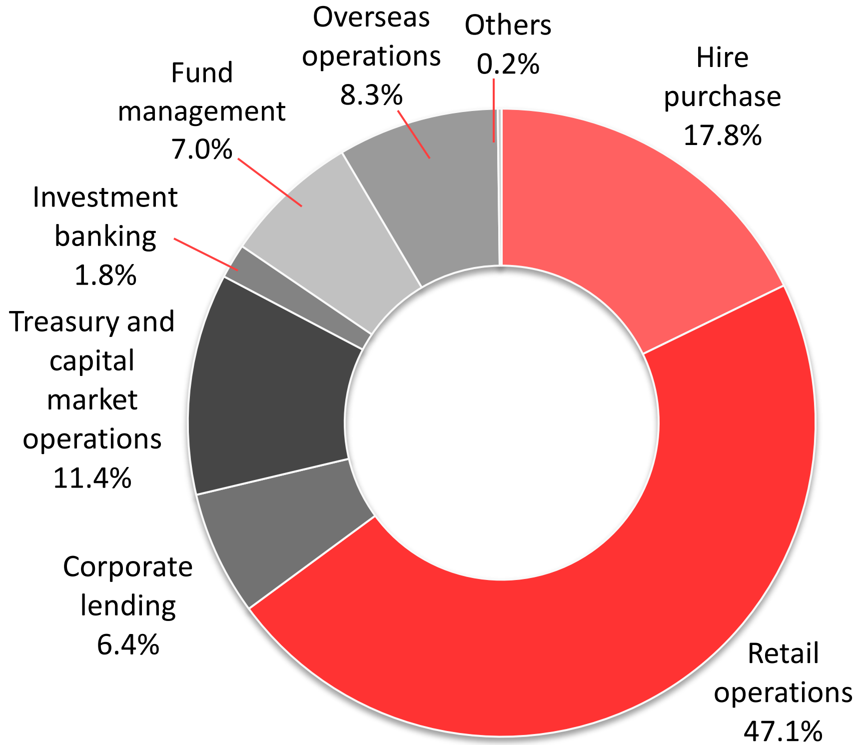
- Strong double digit growth in retail operations, contributing >56% of the Group's pre-tax profit
- Supported by favourable 10.8% rise in total net income earned and 9.4% improvement in non-interest income for the year, coupled with stable credit charge

* Others comprise mainly of domestic head office, other miscellaneous domestic segment and domestic share of profit after tax of equity accounted associated companies.

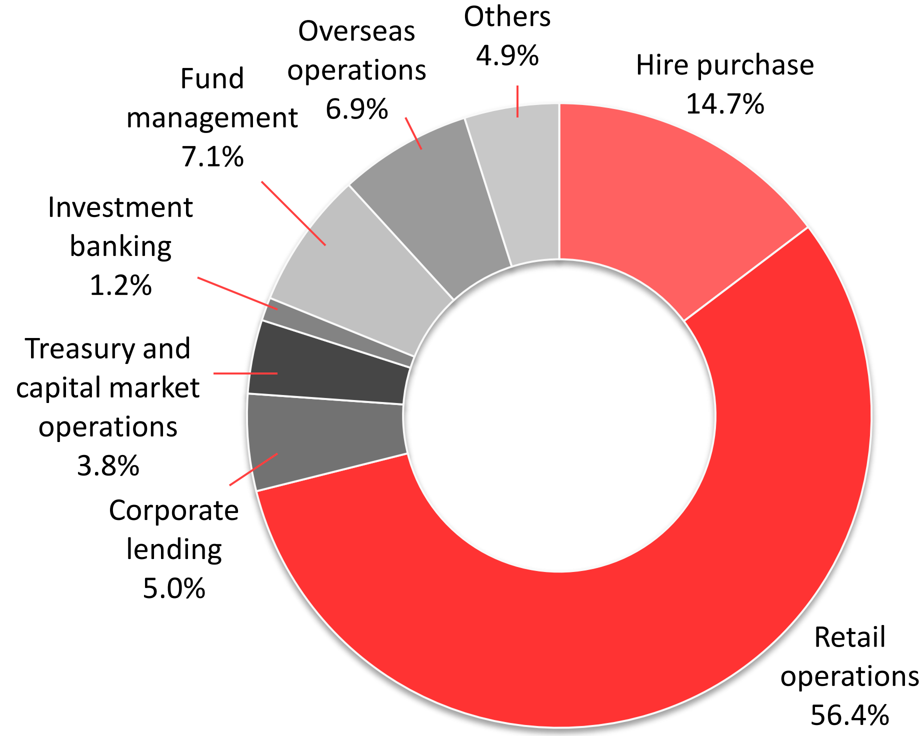
Note: Profit contribution by segments are based on pre-tax profit including share of results of associated companies.

Contribution to Revenue & Pre-tax Profit – by Business

Revenue Contribution



Pre-tax Profit Contribution

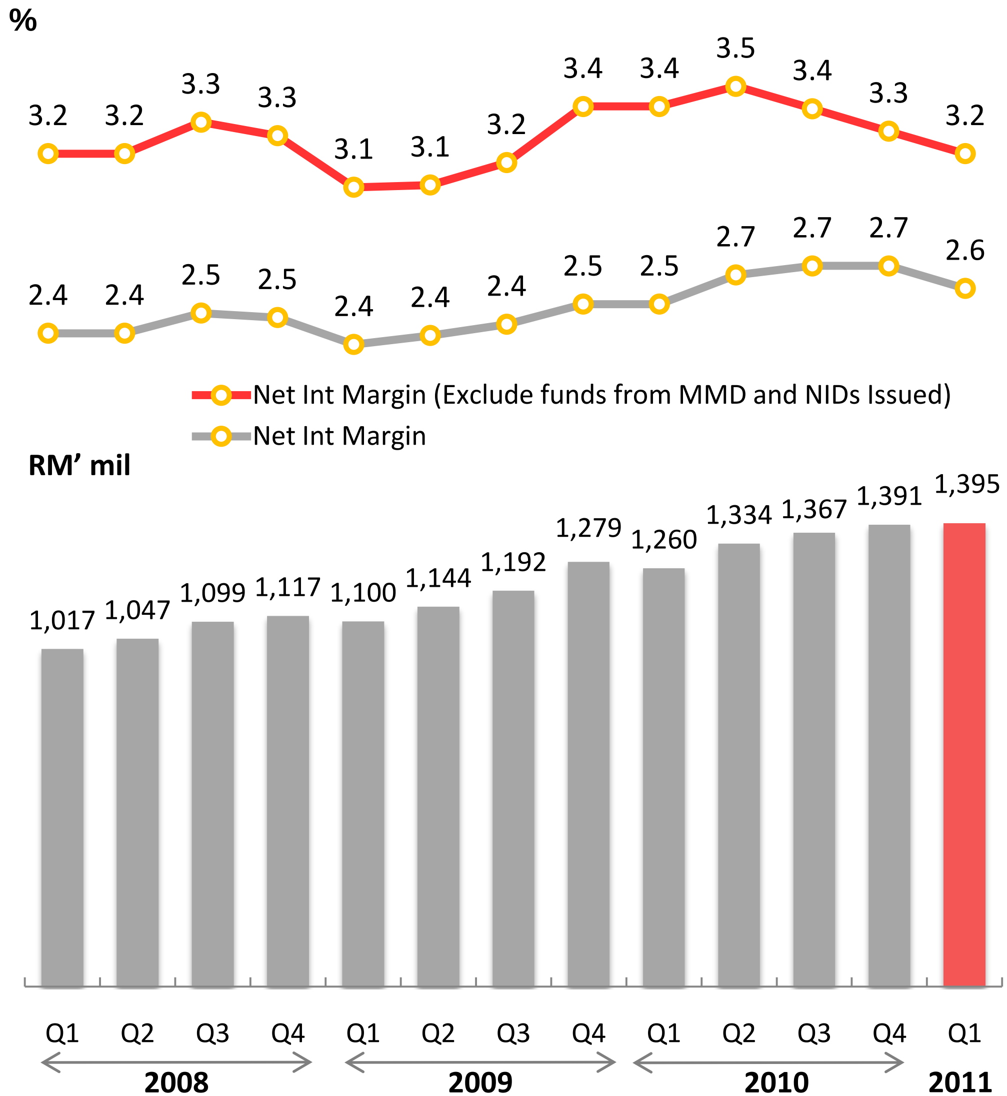


Based on financial results as of 31 March 2011

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

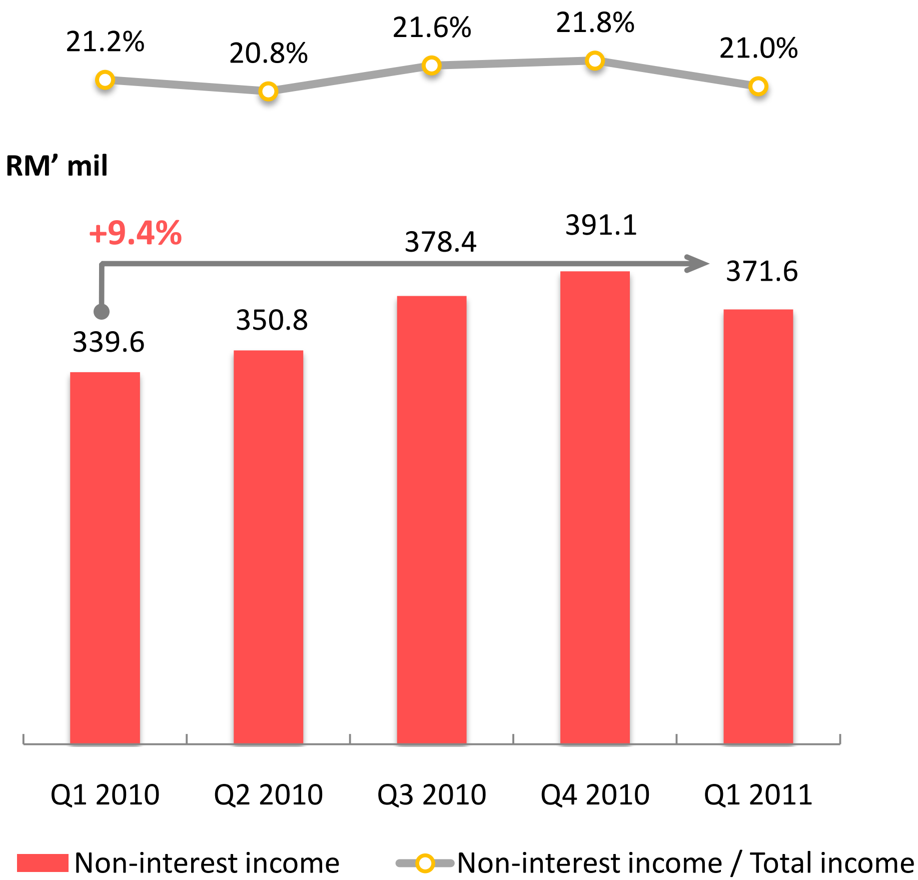
Interest Income & Margins - Stable and sustainable growth

Net Interest Income and margin



- Overall NIM for Q1 2011 has marginally declined from earlier quarters due to competitive pressure on interest margins and escalating funding costs
- Despite the interest margin squeeze, sterling growth in net interest and finance income due to strong loan and deposit growths and healthy liquidity position of the Group. This is predominantly driven by the Group's strong fundamentals and commitment in expanding its loan and deposit base

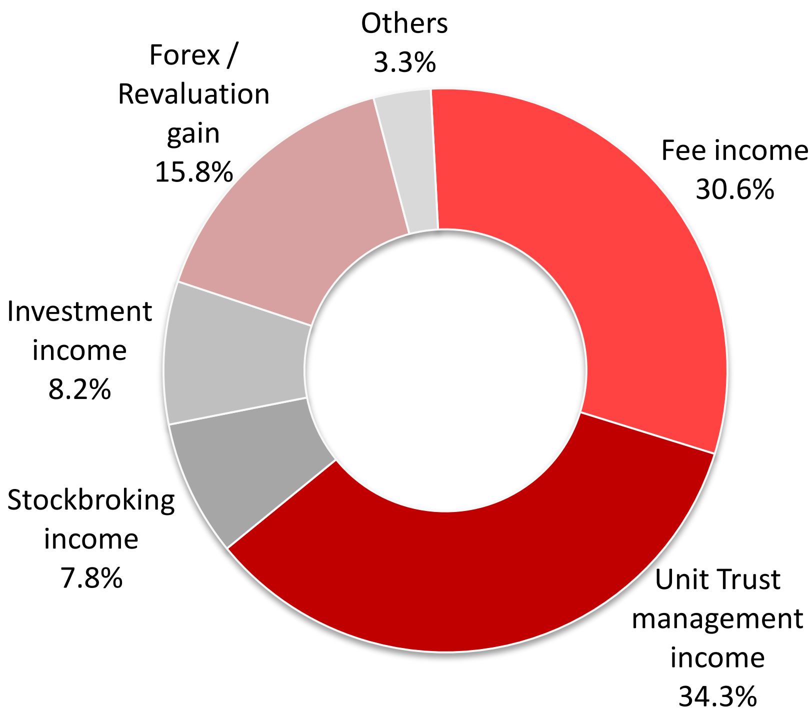
Non-Interest Income – Steady build up



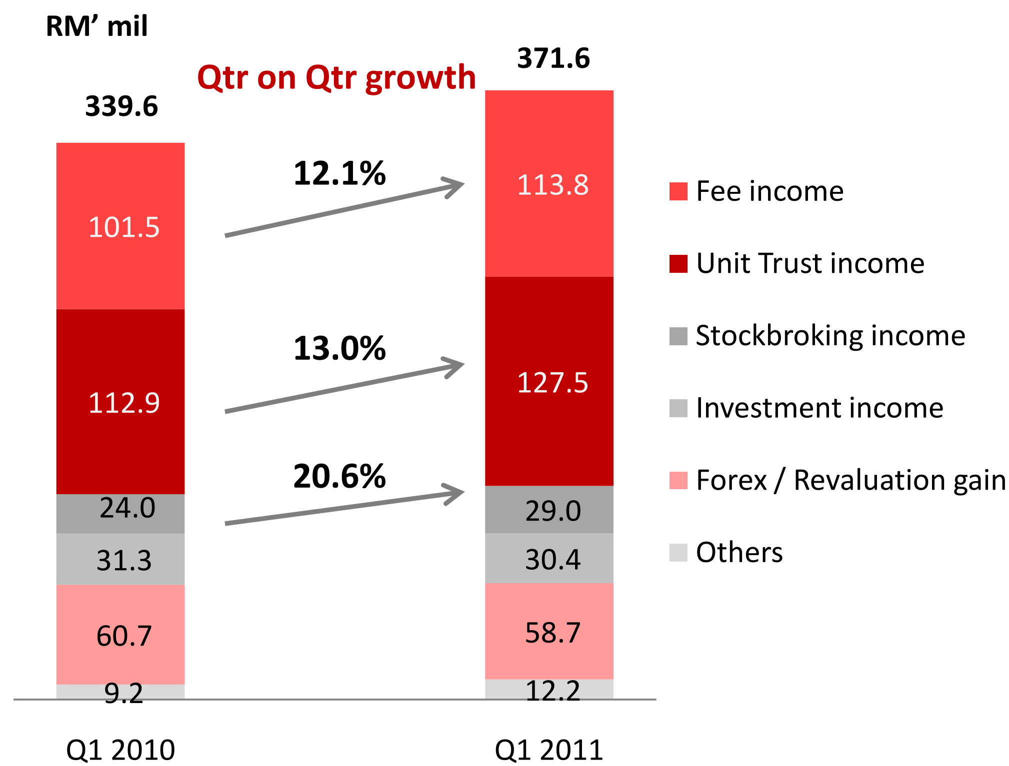
- The Group's non-interest income in Q1 2011 see an increase from Q1 2010, with a quarter-on-quarter increase of 9.4%
- The drop in non-interest income in Q1 2011 from Q4 2010 by RM19.5 million is due to a non-recurring goodwill income of RM19 million from ING recognised in Q4 2010

Non-Interest Income Contribution & Growth Traction

Non-Interest Income Contribution



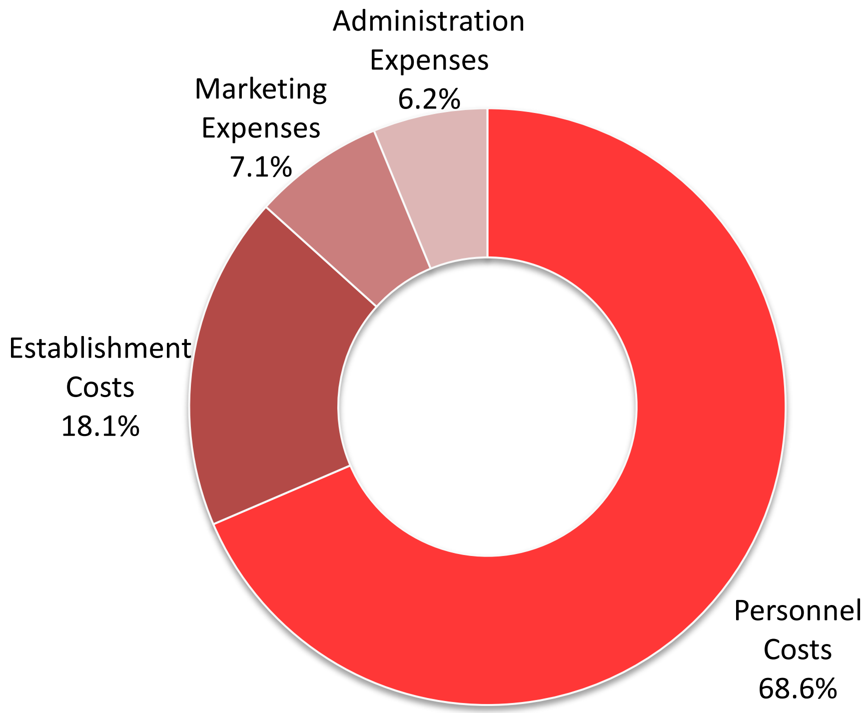
Based on financial results as of 31 March 2011



- Strong contribution of non-interest income in Q1 2011 was mainly contributed by the Group's fee income, unit trust and foreign exchange businesses

Prudent Operating Overheads

Operating Costs Contribution

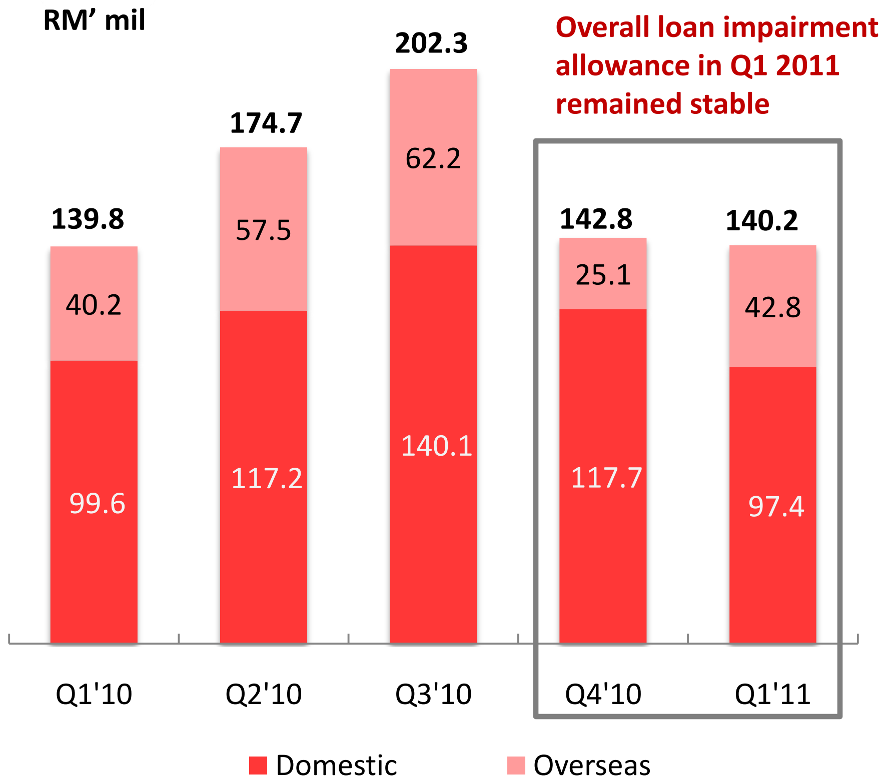


RM'mil	Q1 2011	Q1 2010	Change
Personnel Costs	**369.2**	356.4	↑ 3.6%
Establishment Costs	**97.6**	97.2	↑ 0.5%
Marketing Expenses	**38.3**	42.0	↓ -8.9%
Administration Expenses	**33.5**	47.1	↓ -29.1%
Total	**538.6**	542.7	↓ -0.8%

- Personnel costs remain the main operating cost as the Group continue to invest in its people
- Overall decline in operating expenses was due to the absence of certain non-recurring expenses as well as prudent cost management

Improving Loan Loss Allowances

Quarterly Loan Impairment Allowances (including collective allowance)



Quarter-on-quarter comparison

- Lower Q1 2011 loan impairment allowances compared to Q4 2010 due to further improved asset quality

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Robust Financial Position

RM' bil	Mar 2011	Dec 2010	Change
Total assets	**229.1**	226.3	1.2%
Gross loans and advances	**161.6**	156.5	3.2%
Of which:			
Domestic loans and advances	**149.0**	143.8	3.6%
Overseas loans and advances	**12.6**	12.7	-1.2%
Deposits from customers	**180.4**	176.9	2.0%
Of which:			
Domestic core customer deposits	**133.3**	129.4	3.0%
Shareholders' funds	**12.9**	13.0	-0.7%
Net assets per share (RM)	**3.70**	3.72	-0.5%
Net loans to deposits (LD) ratio (%)	**88.1**	87.1	1.0%

Assets:

- Assets expansion driven by strong loan and core deposit growth

Loan:

- Domestic loan growth is stronger at 3.6% (annualised 14.6%) for Q1 2011
- The contraction of overseas loan growth continue to be affected by forex i.e. strengthening of RM against USD by 2% during the quarter

Deposit:

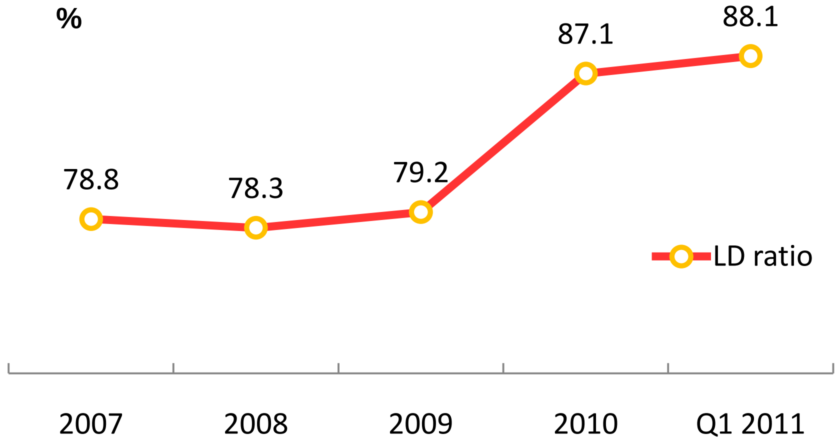
- Deposit growth of 2.0% (annualised 8%), supported by the stronger domestic core customer deposit growth of 3.0% (annualised 12.1%), partially offset by the negative impact of the forex translation of overseas deposits

Equity:

- Shareholders' fund remained stable even after the dividend payment during the quarter

Strong Liquidity With Healthy Loan/Deposit Ratio

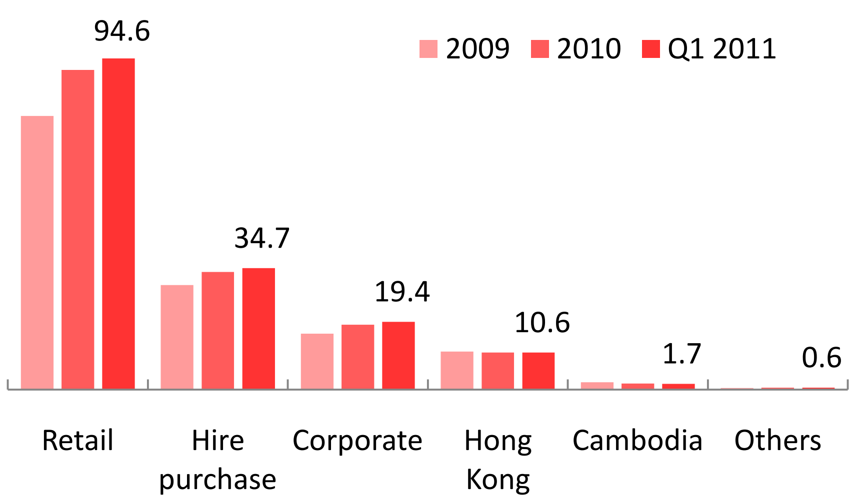
Net Loan Deposit Ratio



- Net loan deposit ratio increased during Q1 2011 but remained healthy
- Increase in the net LD ratio was due to lower growth in wholesale deposits, in line with the Group's strategy to focus on the growth of core deposits
- 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 with >65% contribution

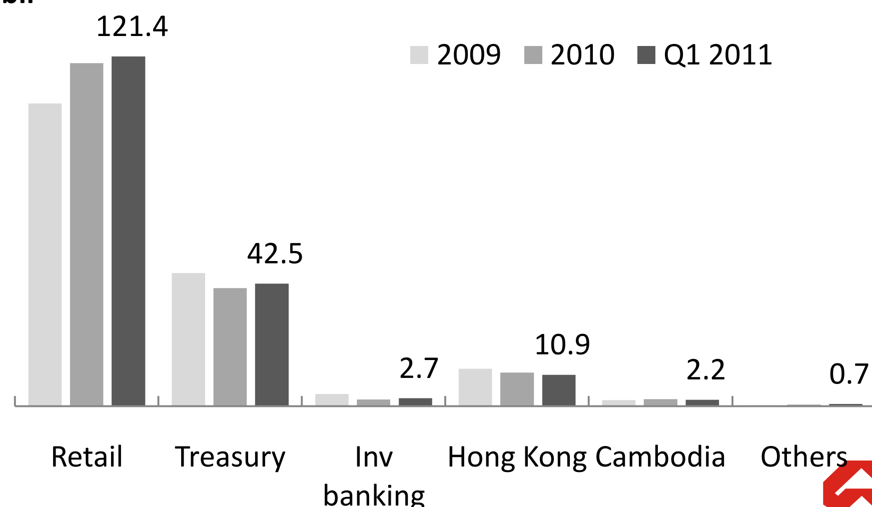
Gross Loan Composition by Segment

RM' bil



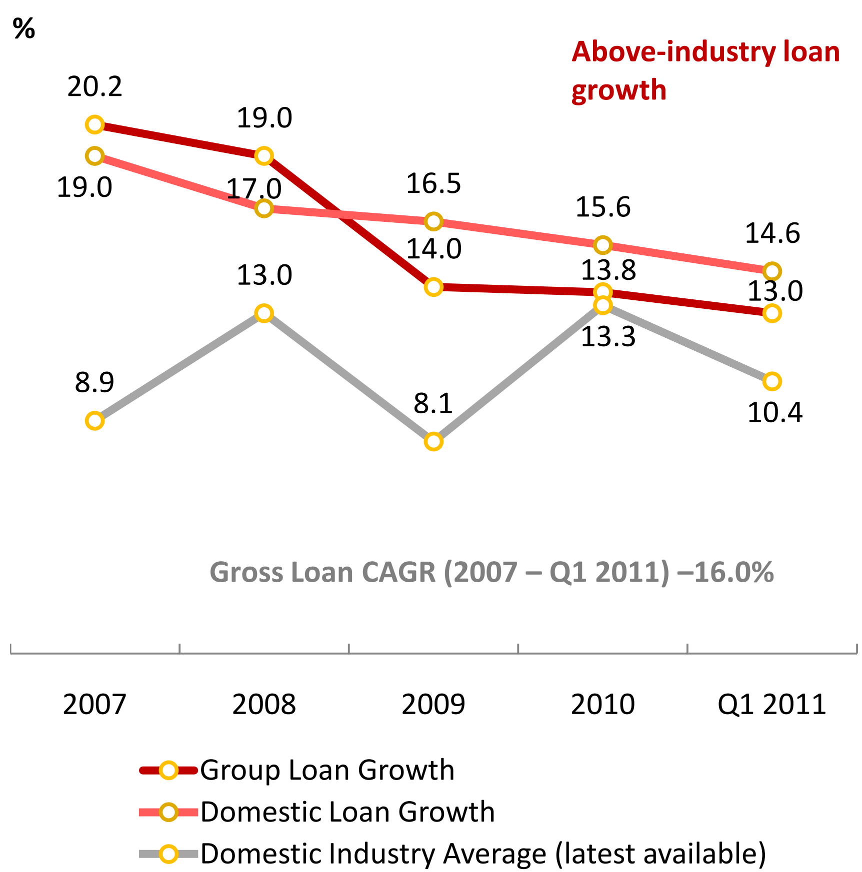
Deposit Composition by Segment

RM' bil

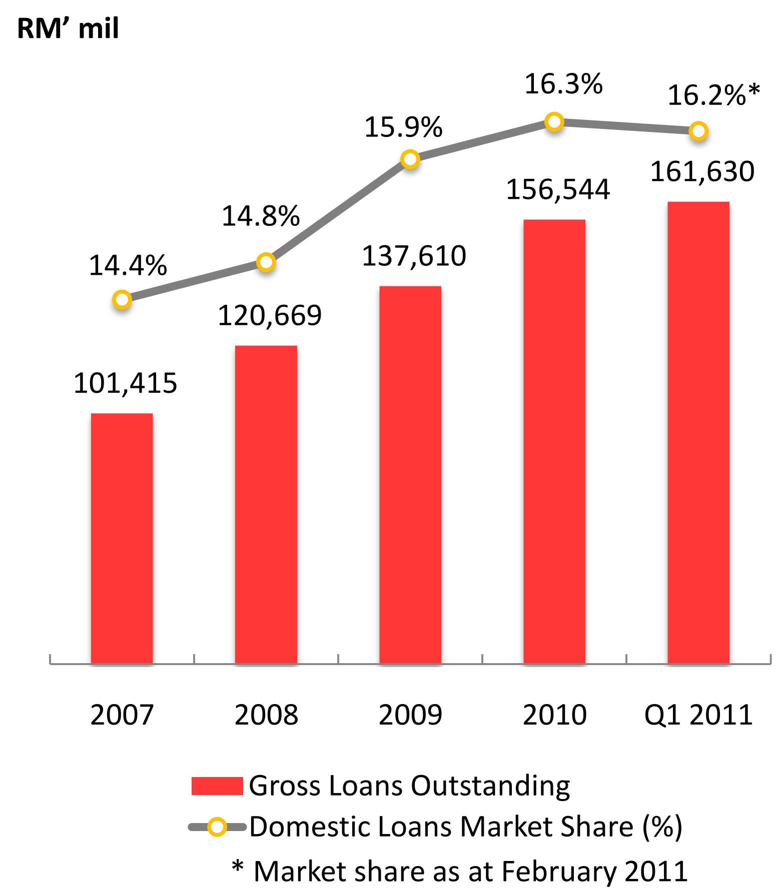


Consistently Above-industry Loan Growth

Loan Growth vs Industry



Gross Loans and Domestic Loan Market Share

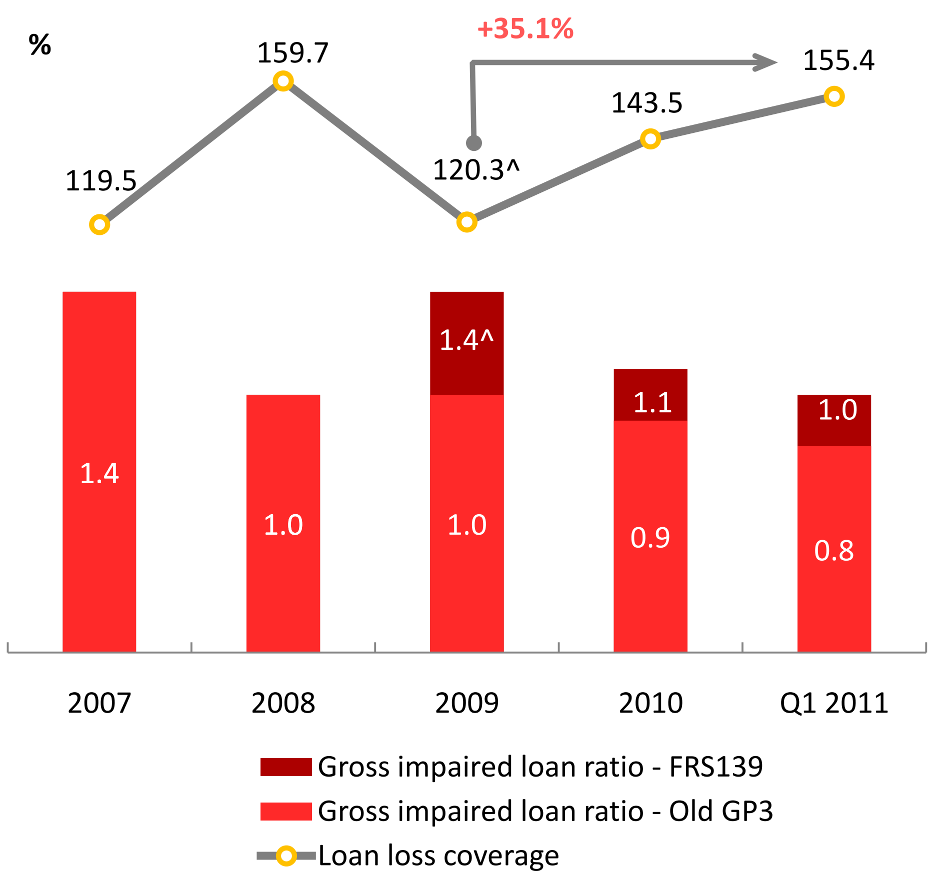


Note: Industry average growth is based on annualised loan growth as of February 2011

Growth rate for Q1 2011 represent annualised growth for the quarter

Asset Quality Remained Strong

Improving gross impaired loans ratios with high loan loss reserves

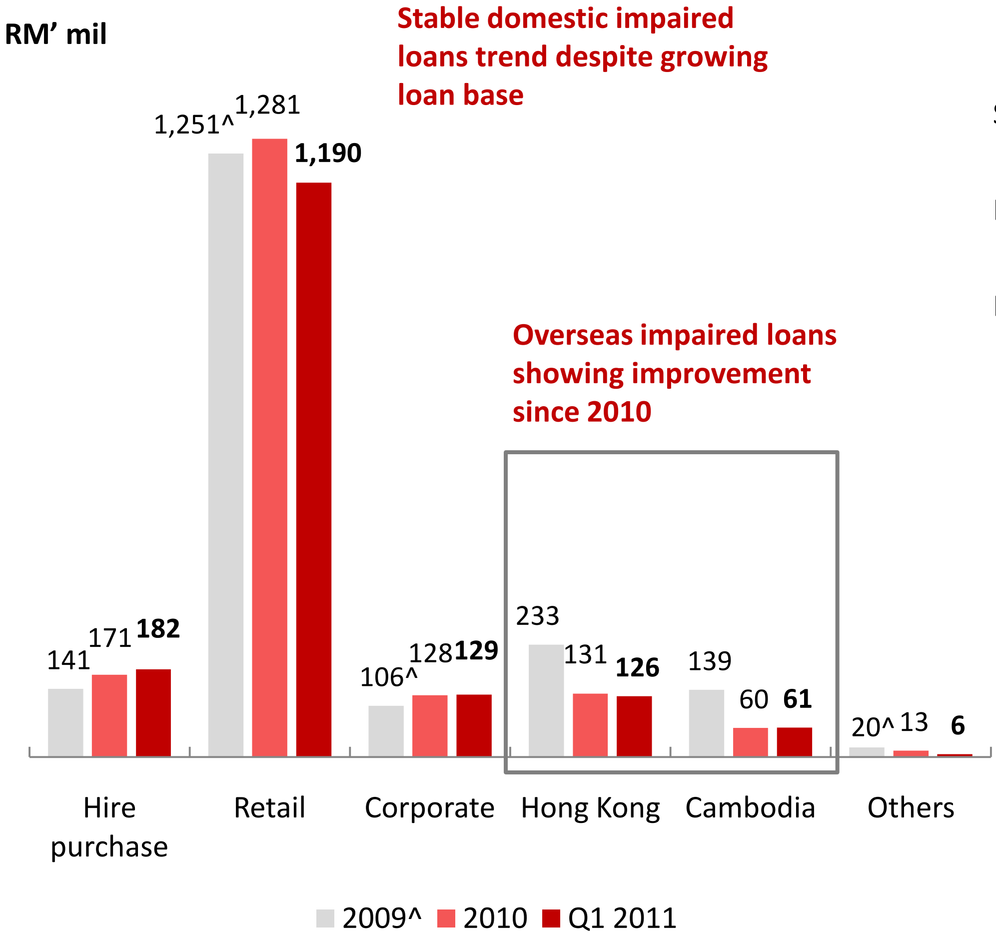


^ Restated due to the adoption of FRS 139

- Despite more stringent criteria on classification of impaired loans due to FRS 139 adoption with effect from 2010, the gross impaired loans ratio remained low at 1.0% with an increased loan loss reserve of 155.4%
- Based on old GP3 classification of 3 months NPL, NPL ratio would have improved further to 0.8% from 0.9% as at December 2010

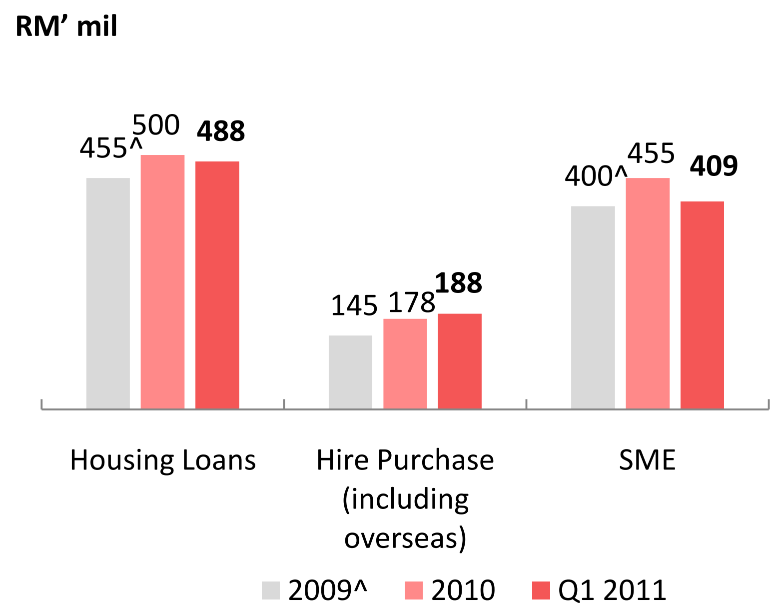
Asset Quality Remained Strong

Gross Impaired Loans by Segment



^ Restated due to the adoption of FRS 139

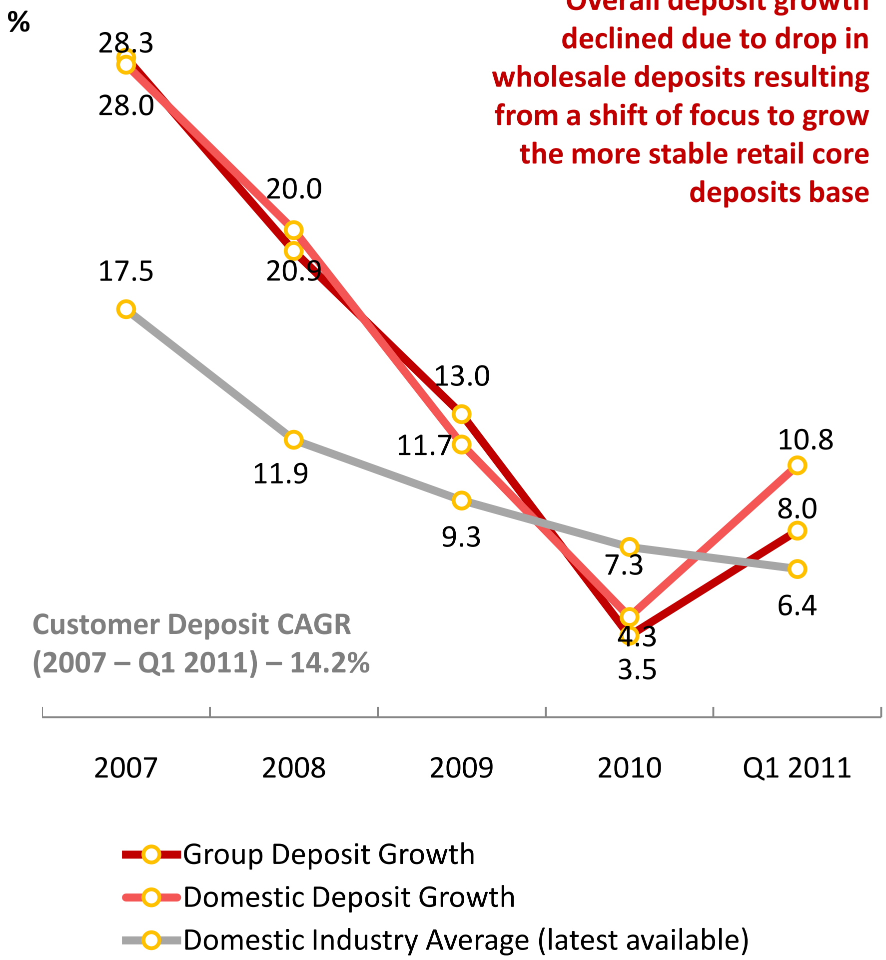
Gross Impaired Loans & Gross Impaired Loans Ratio by Key Sectors



Healthy Core Deposit Growth in Support of Liquidity

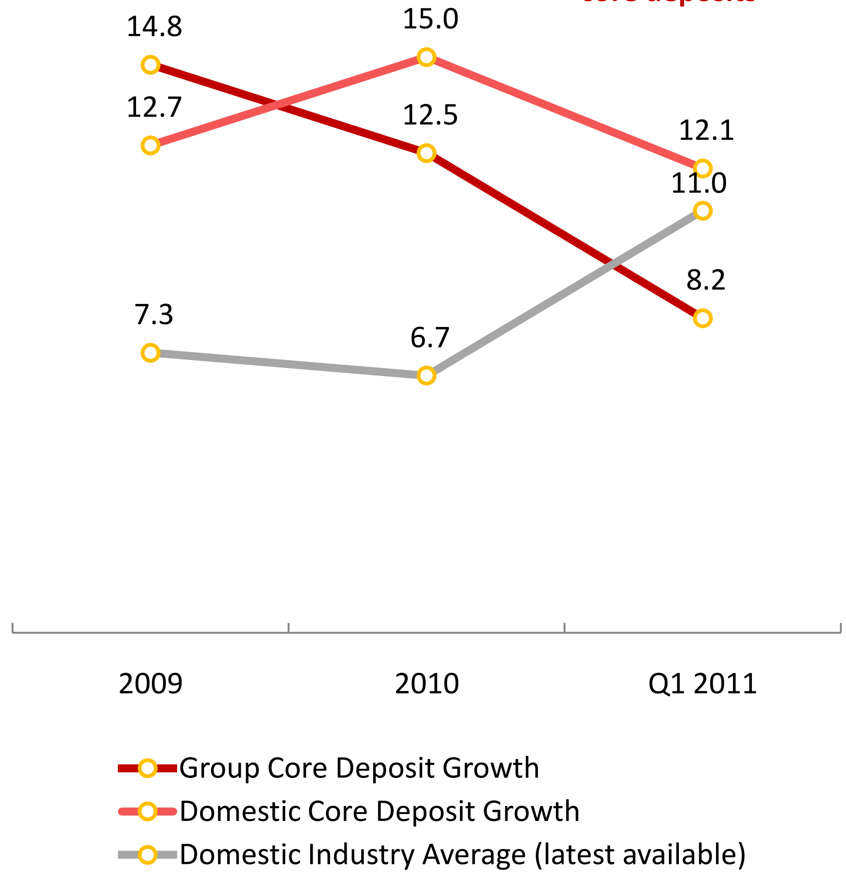
Deposit Growth vs Industry

Overall deposit growth declined due to drop in wholesale deposits resulting from a shift of focus to grow the more stable retail core deposits base



Core Deposit Growth

Above-industry growth in domestic core deposits



Note: Industry average growth is based on annualised loan growth as of February 2011

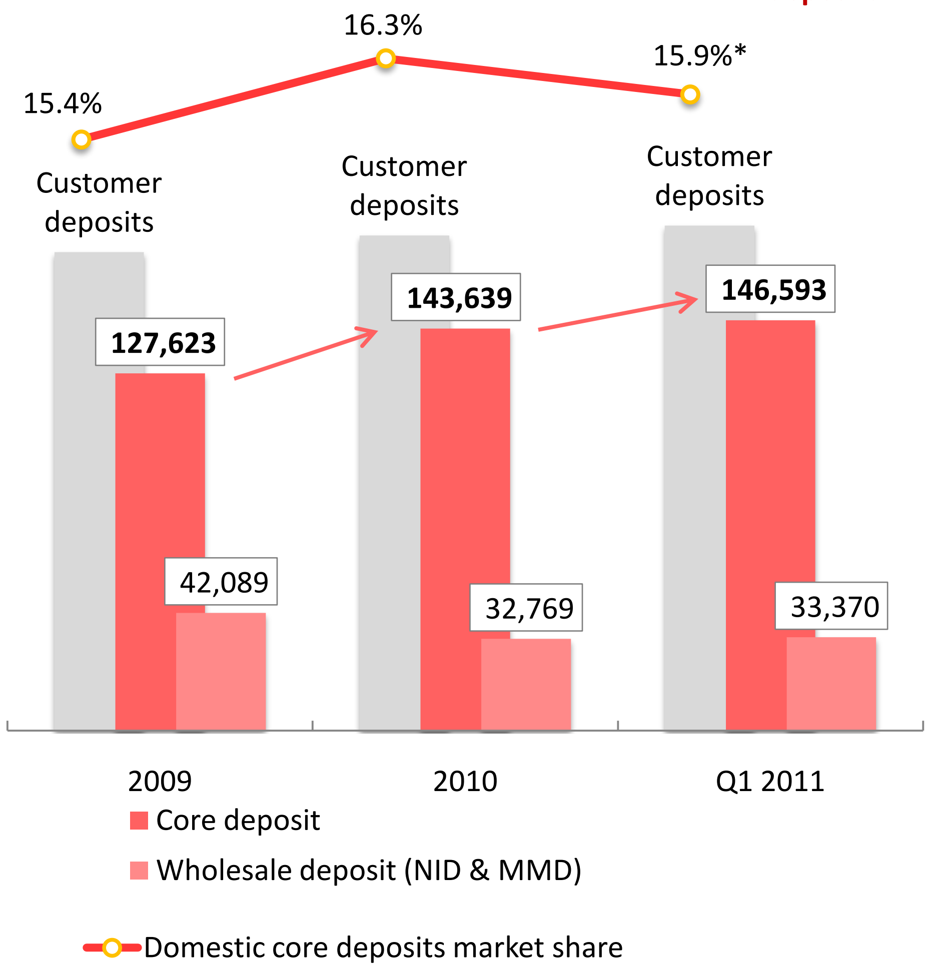
Growth rate for Q1 2011 represent annualised growth for the quarter

Diversified Source of Customer Deposit

Type of Deposit

RM' mil

Growth supported largely by core customer deposits

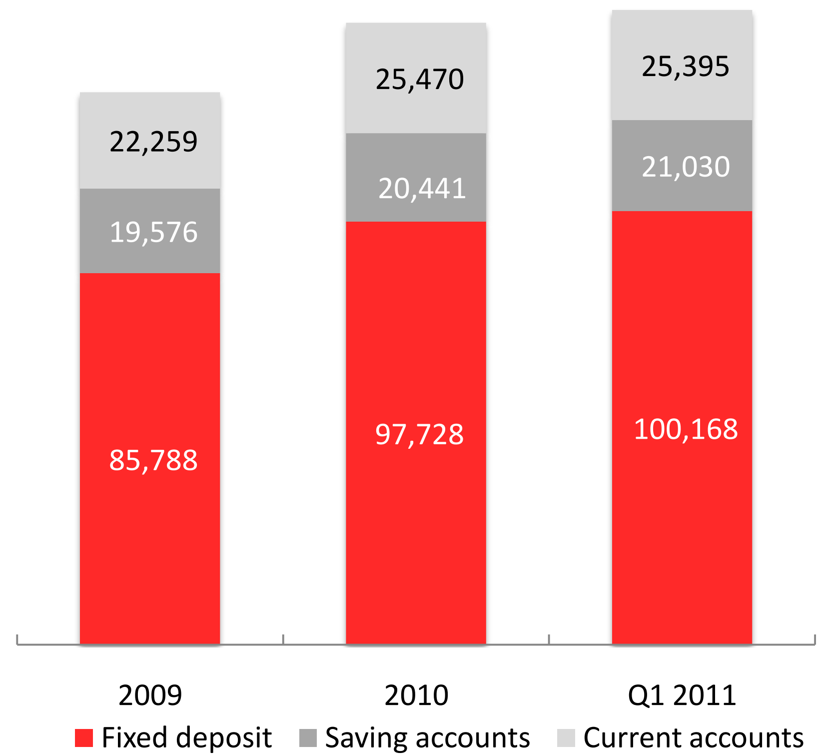


* Market share as at February 2011

Source of Core Deposit

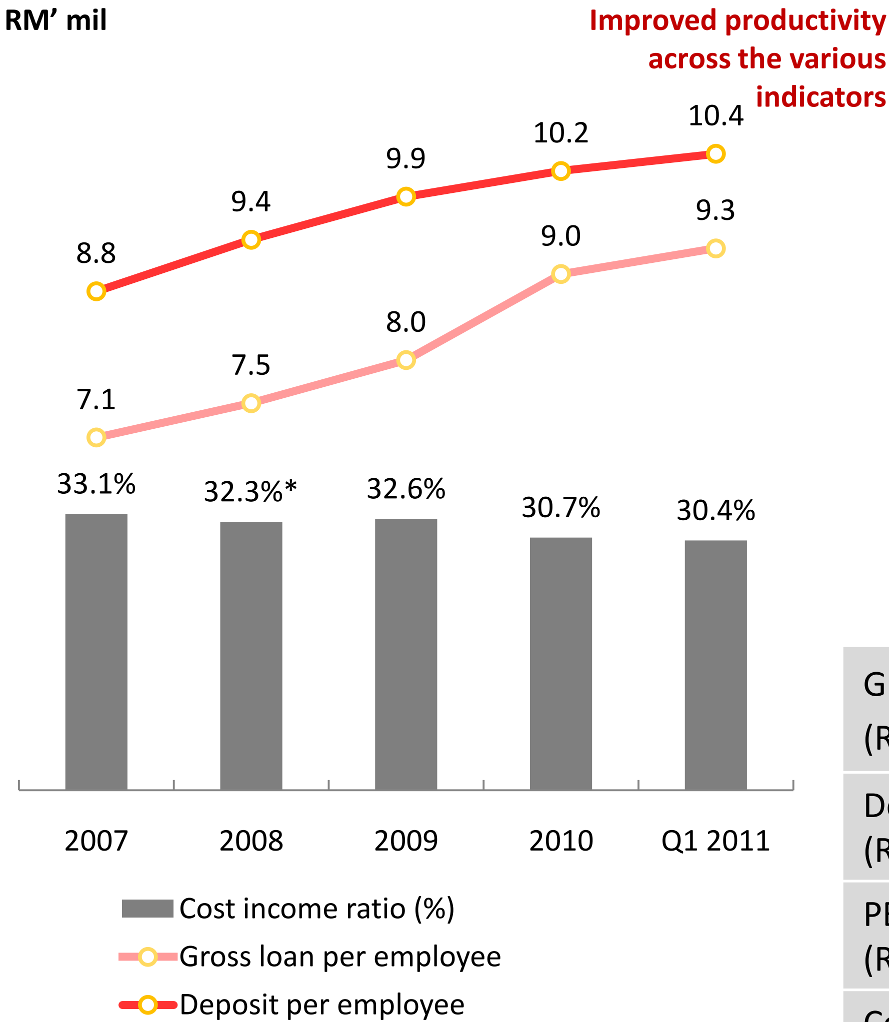
RM' mil

Core deposit mainly comprise of fixed deposits, with steady improved contributions from saving and current accounts



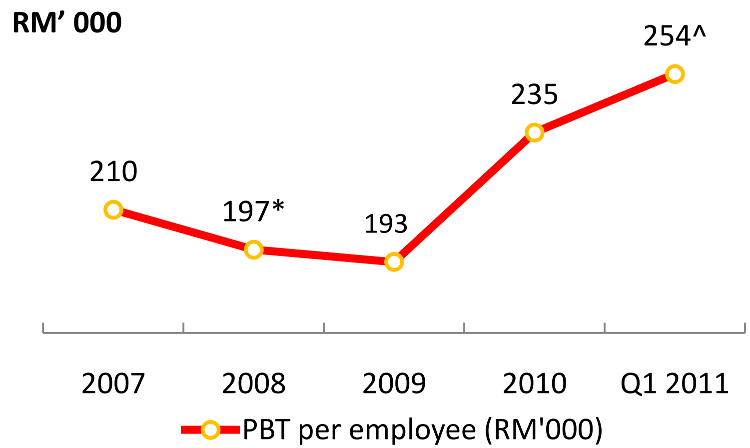
Continued High Productivity & Cost Efficiency

Productivity and Cost Efficiency



* Exclude one-off goodwill income from ING

PBT per employee



* Exclude one-off goodwill income from ING

	Q1 2011	2010	Industry Average
Gross loan per employee (RM mil)	**9.3**	9.0	7.3
Deposit per employee (RM mil)	**10.4**	10.2	9.5
PBT per employee (RM'000)	**254^**	235	189
Cost Income Ratio (%)	**30.4**	30.7	46.7

^ Annualised

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Retail Operations

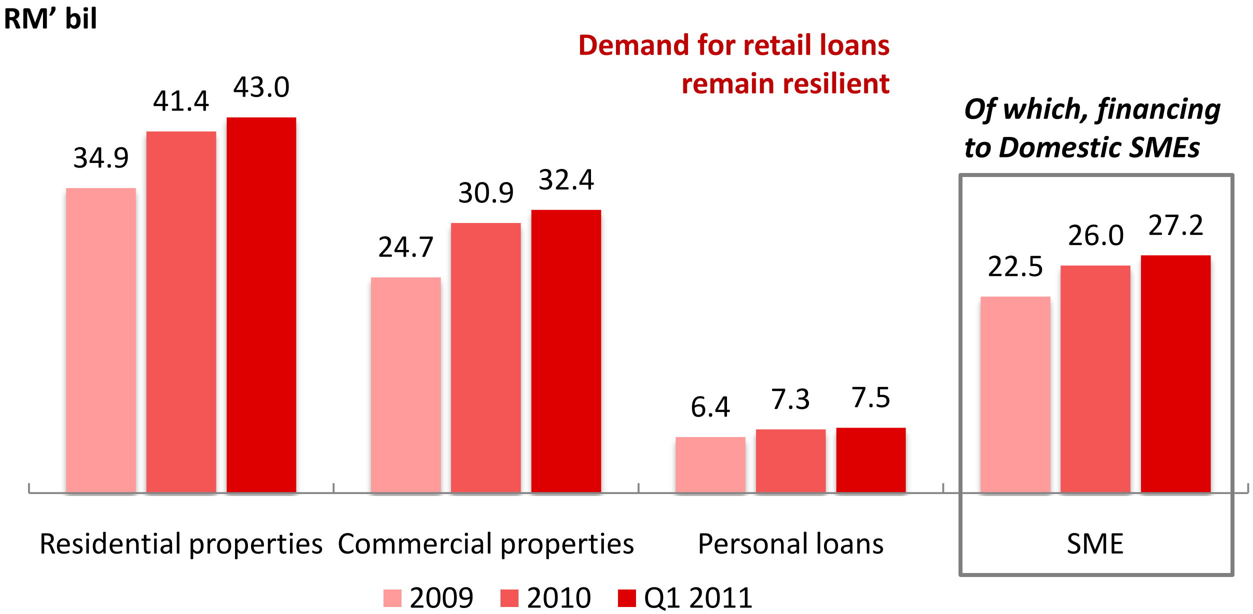
RM'mil	Q1 2011	Q1 2010	Change
Net Income	**984.5**	833.8	18.1%
Operating Expenses	**(314.7)**	(318.1)	-1.1%
Allowances for impairment of loans and other assets	**(50.8)**	(63.1)	-19.4%
Profit by segment	**619.0**	452.6	36.8%

	Mar 2011	Dec 2010	Change
Gross Loans and Advances (RM' bil)	**94.6**	91.3	3.6%
Customer Deposits (RM' bil)	**121.4**	119.1	1.9%
Gross Impaired Loans (RM' bil)	**1.2**	1.3	-7.2%
Gross Impaired Loans Ratio	**1.3%**	1.4%	-0.1%

- Improved profit and business performance of the retail operations segment were mainly driven by strong growth in the lending and deposit-taking businesses coupled with higher sales volume from the retail financial services
- Asset quality further improved with gross impaired loans ratio declining to 1.3%

Retail Operations

Gross loan & financing in Domestic Operations



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

SME:

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

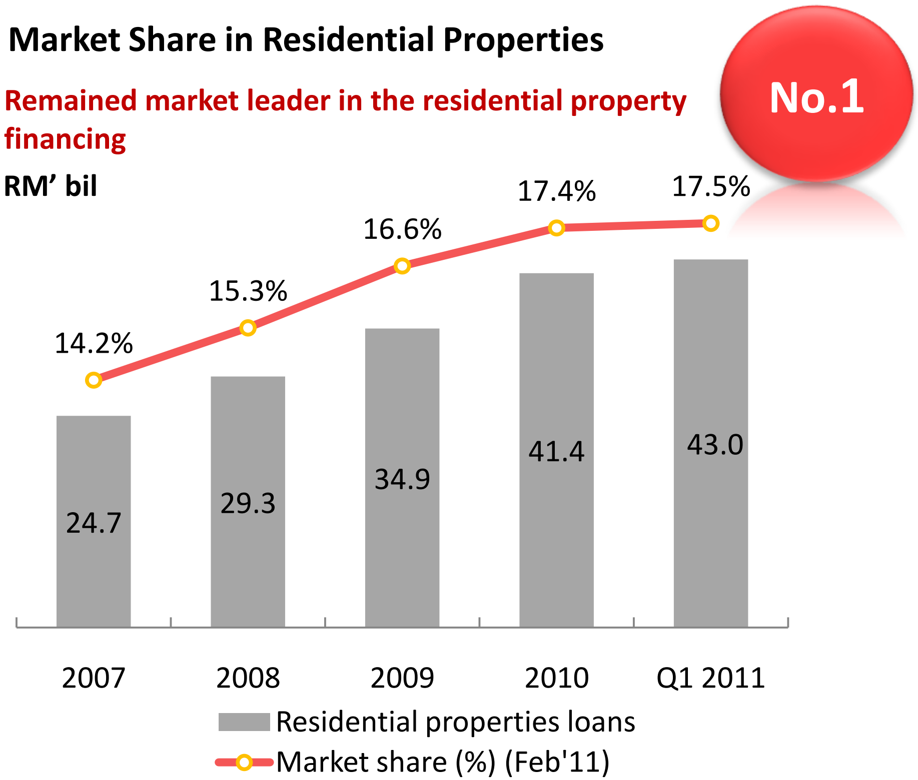
Personal loans:

- 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

Retail Operations

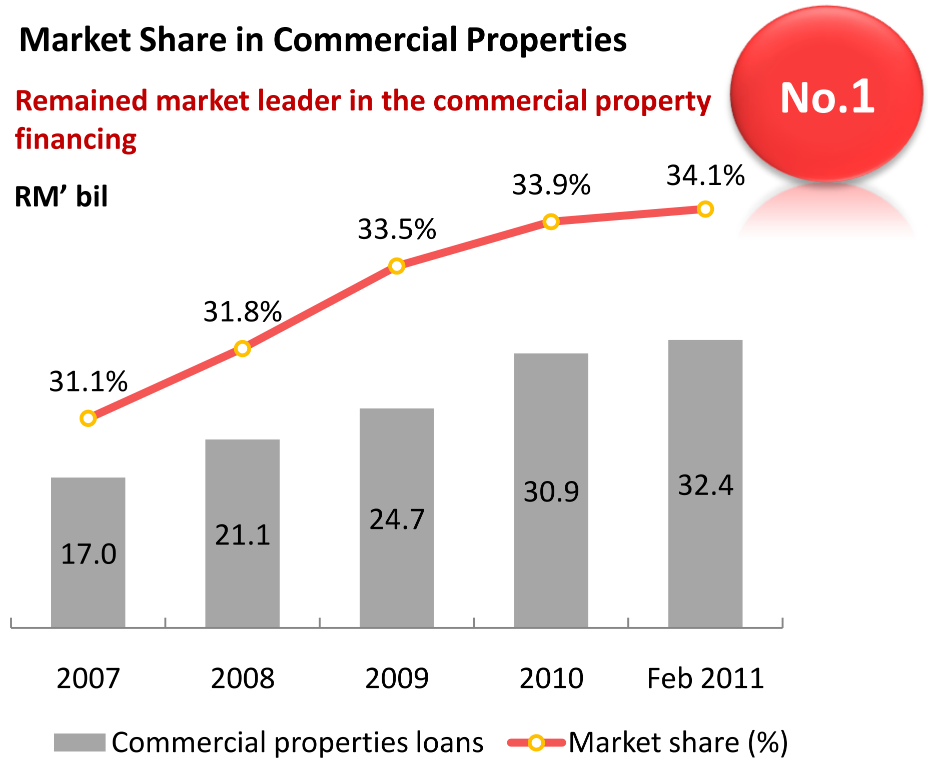
Market Share in Residential Properties

Remained market leader in the residential property financing



Market Share in Commercial Properties

Remained market leader in the commercial property financing



Hire Purchase

RM'mil	Q1 2011	Q1 2010	Change
Net Income	**234.6**	231.2	1.5%
Operating Expenses	**(39.4)**	(36.2)	8.9%
Allowances for impairment of loans and other assets	**(34.0)**	(28.1)	21.2%
Profit by segment	**161.2**	166.9	-3.4%

	Mar 2011	Dec 2010	Change
Gross Loans and Advances (RM' bil)	**34.7**	33.6	3.4%
Gross Impaired Loans (RM' bil)	**0.2**	0.2	6.5%
Gross Impaired Loans Ratio	**0.5%**	0.5%	-

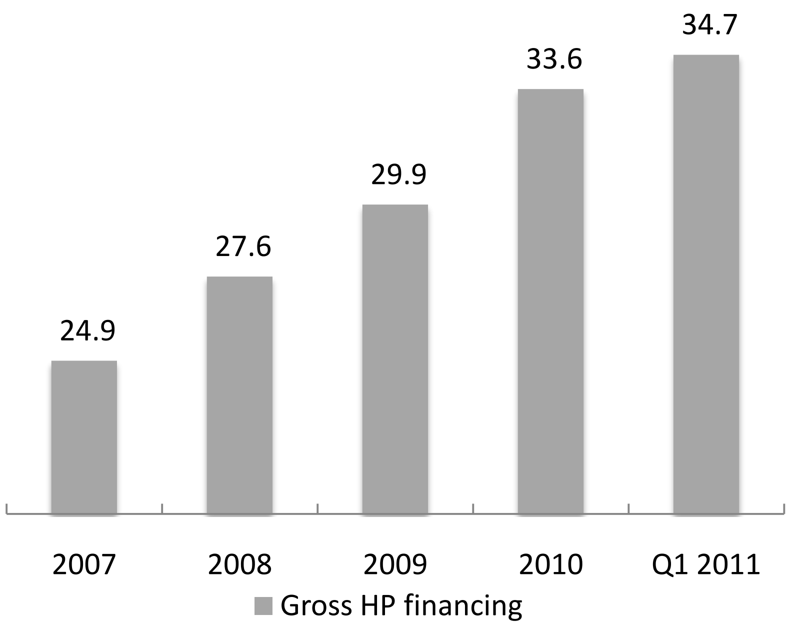
- Despite escalated funding costs due to earlier OPR hikes, net income from hire purchase continues to register growth due to strong new business generation
- Asset quality remained stable as reflected by the stable impaired loan ratio
- However, credit charge to P&L increased mainly due to higher collective allowance (1.5%) set aside in line with the higher loan growth during the quarter

Hire Purchase

HP Financing in Domestic Operations

RM' bil

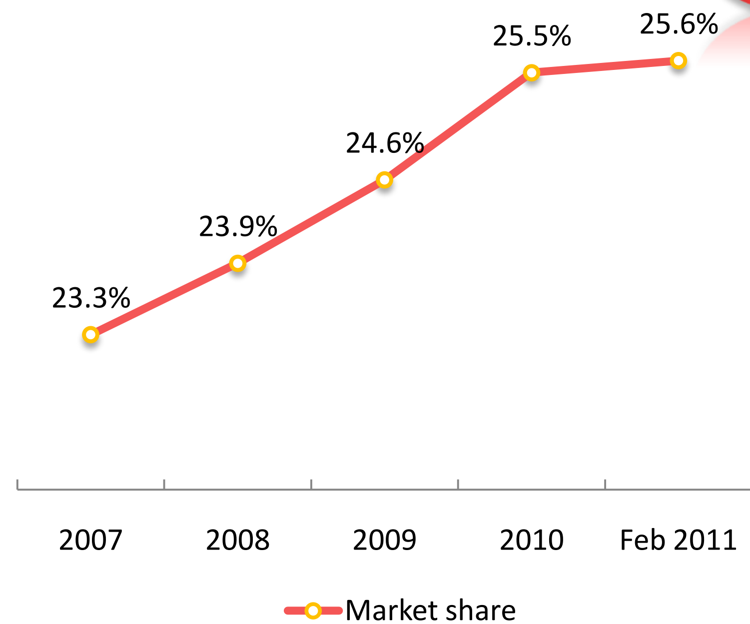
Steady growth in HP financing



Market Share in Passenger Vehicle Financing

No.1

Remained market leader in the passenger vehicle financing



Key Drivers in Domestic Hire Purchase Financing

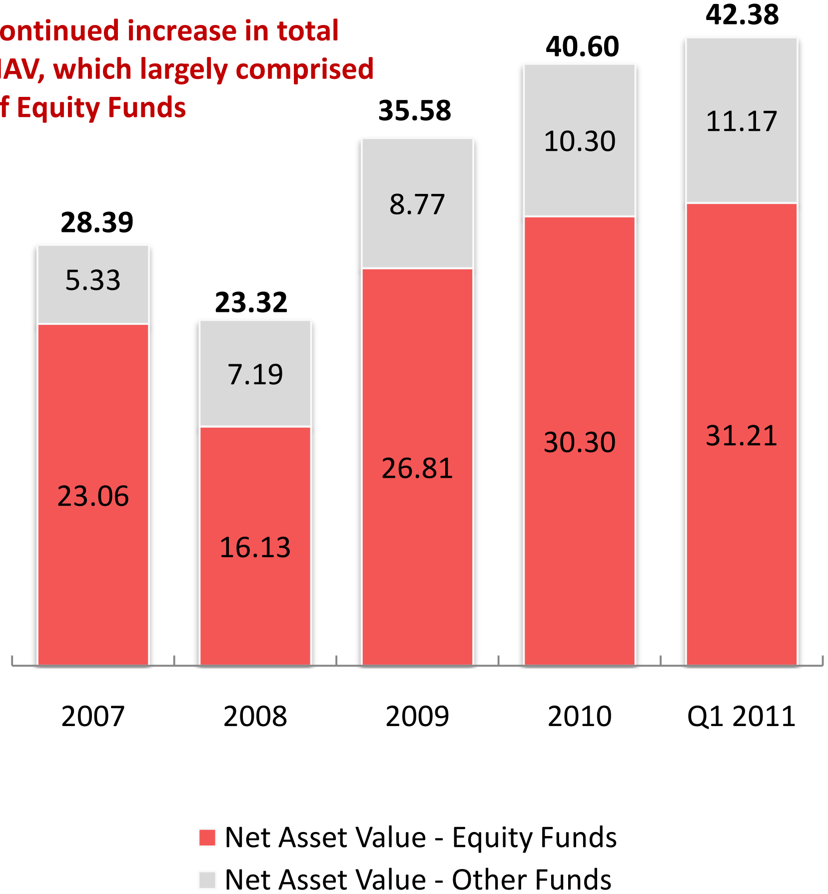
- Improvement in overall vehicle sales
- Better customer service delivery through the 27 Hire Purchase centres in key locations nationwide and continuous improvement in credit processing turnaround time
- Experienced and dedicated HP centre staff force

Wealth Management

Net Asset Value of Funds under management

RM' bil

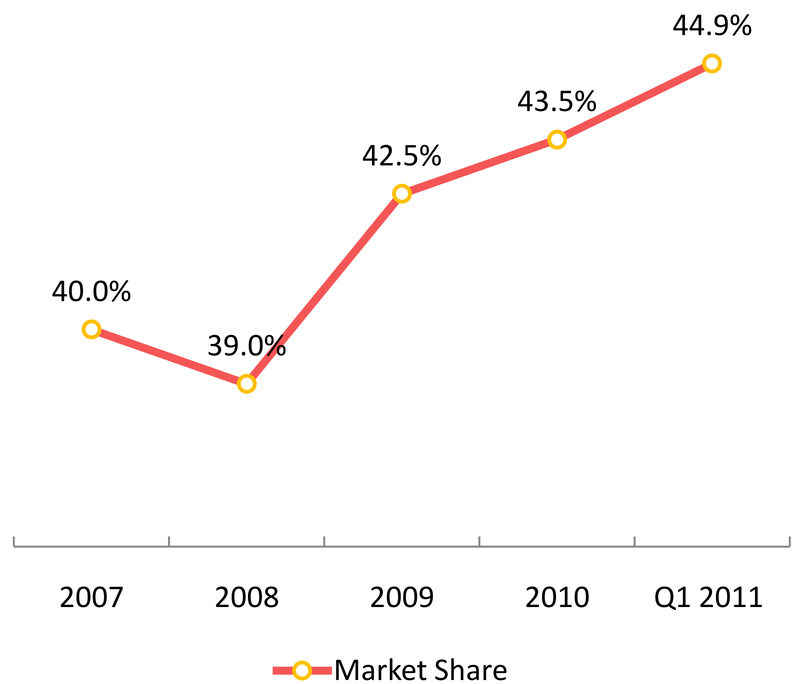
Continued increase in total NAV, which largely comprised of Equity Funds



Market Share in Private Unit Trust Industry

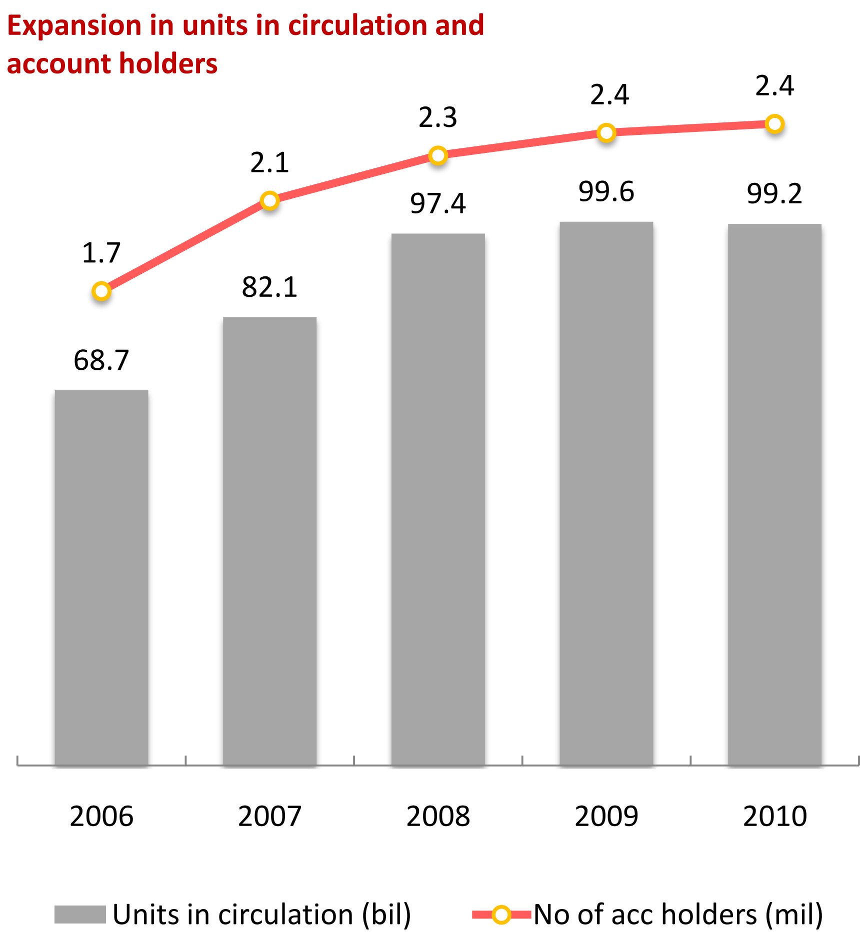
No.1

Public Mutual continues to maintain its market leadership



Wealth Management

Number of Units in Circulation and Account Holders



- Outstanding fund performance with robust returns with numerous funds outperforming benchmarked indices
- Innovative range of funds under management with a total of 85 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

Investor Presentation

- Executive Summary
- Financial Performance
- Growth Performance
- Business Performance
- **Other Highlights**

Expansion in Business Delivery Channel

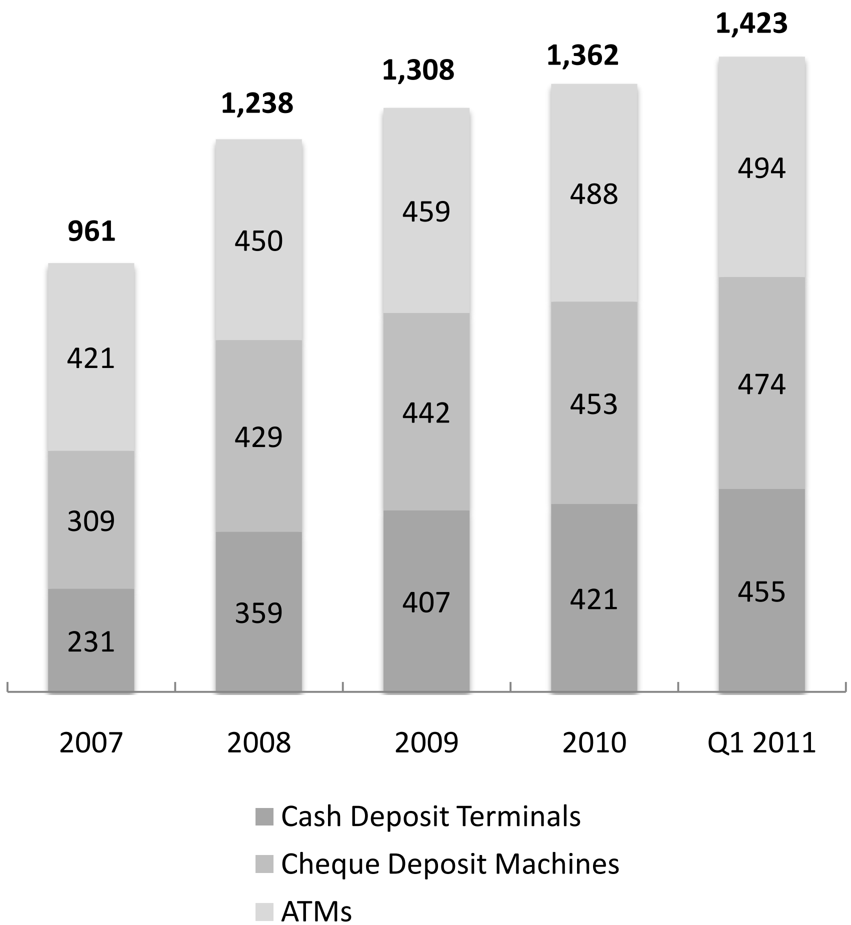
Branch Network - Group

	Mar 2011	Dec 2010	Dec 2006
Malaysian Operations			
Public Bank - Domestic	**251**	249	240
- Overseas	**4**	4	3
Public Islamic Bank	**1**	1	-
Public Mutual	**28**	26	25
Public Investment Bank	**1**	1	1
Hong Kong & China Operations			
Public Finance Ltd	**42**	42	40
Public Bank (HK) Ltd - Hong Kong	**32**	30	15
- China	**3**	3	1
Winton (B.V.I) Ltd Group	**9**	9	2
Indo-China Operations			
Cambodia Public Bank	**21**	21	5
VID Public Bank (Vietnam)	**7**	7	6

Expansion in Business Delivery Channel

Business Delivery Channel

Continuous investments in domestic self service terminals



Continuous investments in branch networks

Capital Management

RM'mil	Group* Mar 2011	Group* Dec 2010	Group* Change	Bank* Mar 2010	Bank* Dec 2010	Bank* Change
Tier I Capital	**14,115.9**	14,118.5	-0.0%	**14,374.0**	14,385.2	-0.1%
Tier II Capital	**5,316.4**	5,266.8	0.9%	**4,974.5**	4,921.3	1.1%
Deduct: Inv in subs/asso and other deductions	**(48.9)**	(48.4)	1.0%	**(3,835.2)**	(3,834.7)	0.0%
Total Capital Base	**19,383.4**	19,336.9	0.2%	**15,513.3**	15,471.8	0.3%
Risk-Weighted Assets	**148,922.3**	141,096.5	5.5%	**123,591.7**	116,319.3	6.3%
RWCR (%)	**13.0**	13.7	-0.7%	**12.6**	13.3	-0.7%
Tier-I Capital Ratio (%)	**9.5**	10.0	-0.5%	**11.6**	12.4	-0.8%

* After deducting second interim dividends

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

Promising Prospect for 2011

Continue in Achieving Organic Growth While Sustaining Our Premier Status in the Local Banking Industry

Core business focus: Consumer Lending & Lending to SMEs

Lending Business

- Consumer lending to focus on purchases of properties and passenger vehicles
- Penetrate mid-market SMEs & micro enterprises in encourage sectors
- Expanding credit card financing & corporate lending

Deposit-Taking Business

- Securing higher retail and low cost deposits
- Sustaining existing pool of deposits

Maintain earning growth momentum

- Continued quality loans growth at above industry growth rate
- Further expand depositor base
- Further improve productivity and operational efficiency
- Continued organic expansion of overseas business

Build on existing strength

- Strong brand & market position
- Healthy capital and asset quality
- Proactive capital management to ensure healthy level of capital while maintaining high returns to shareholders

Prudence

- Continue to remain prudent and uphold its strong corporate governance and risk management policies
- Sustainable low impaired loans leveraging on PBB's prudent lending policy
- Maintain strong liquidity

Investor Relations

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