

**PUBLIC BANK BERHAD
INNOVATIVE TIER 1 CAPITAL SECURITIES
LISTED ON SINGAPORE EXCHANGE**

**ANNOUNCEMENT BY PUBLIC BANK BERHAD TO SINGAPORE
EXCHANGE**

PUBLIC BANK BERHAD (“PUBLIC BANK” OR “COMPANY”)

PUBLIC BANK GROUP’S ACQUISITION OF THE REMAINING 63,000 ORDINARY SHARES OF RM10.00 EACH IN PB TRUSTEE SERVICES BHD (“PBTSB”) (“SALE SHARES”), REPRESENTING 60% EQUITY INTERESTS IN PBTSB, FORMERLY AN ASSOCIATE COMPANY OF PUBLIC BANK FOR A CASH CONSIDERATION OF RM13.86 MILLION (“PURCHASE CONSIDERATION”) (“ACQUISITION”)

1. INTRODUCTION

Pursuant to Paragraph 9.19(23) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company wishes to announce that Public Bank Group has through three (3) wholly-owned subsidiaries of Public Bank, namely Public Consolidated Holdings Sdn Bhd, Public Holdings Sdn Bhd and PB International Factors Sdn Bhd, acquired the remaining 60% equity interests in PBTSB not already held by Public Bank Group.

Prior to the Acquisition, Public Bank and Public Investment Bank Berhad (a wholly-owned subsidiary of Public Bank) each held 20% equity interests in PBTSB.

2. DETAILS OF THE ACQUISITION

The vendors of the Sale Shares are Kayakita Corporation Sdn Bhd (“KCSB”), Selected Securities Sdn Bhd (“SSSB”), Selected Holdings Sdn Bhd (“SHSB”), Kepunyaan Perindustrian Sdn Bhd (“KPSB”), collectively referred to herein as “THP Related Companies” and Public Nominees (Tempatan) Sdn Bhd for the beneficial interests of Public Bank Group Officers’ Retirement Benefits Fund (“SBRF”).

Prior to the Acquisition, KCSB, SSSB, SHSB and KPSB collectively held 47.35% equity interests in PBTSB and Public Nominees (Tempatan) Sdn Bhd for SBRF held 12.65% equity interests in PBTSB.

Subsequent to the Acquisition, PBTSB has become a subsidiary of Public Bank.

3. INFORMATION ON PBTSB

PBTSB which has an authorised share capital of RM1,050,000 comprising 105,000 ordinary shares of RM10.00 each of which 105,000 ordinary shares are issued and partly paid-up to RM5.00 each, is a trust company registered under the Trust Companies Act, 1949. The principal business activities of PBTSB are providing trustee services, will writing and custody services, estate planning and trust related services.

The Directors of PBTSB are Dato' Haji Abdul Aziz bin Dato' Dr. Omar and Ms Chang Siew Yen.

4. RATIONALE FOR THE ACQUISITION

The business of PBTSB is complementary to those carried out by Public Bank and certain other companies in the Public Bank Group. PBTSB is providing its services in the area of will-writing and custody, trust nomination and estate planning for the retail customers of Public Bank Group, particularly those of Public Bank and Public Mutual Bhd.

The business performance of PBTSB has been growing satisfactory over the last five (5) years, achieving revenue growth at the compounded annual growth rate ("CAGR") of 12% and pre-tax profit growth at the CAGR of 18.5%.

Going forward, PBTSB is expected to sustain its business performance and to further enhance its growth momentum.

The Acquisition will enable Public Bank Group to benefit from the on-going and future growth of the business performance of PBTSB. The potential business and profitability growth, together with the 60% increase in Public Bank Group's equity interests in PBTSB, will increase the profit contribution of PBTSB to Public Bank Group.

5. BASIS AND JUSTIFICATION OF ARRIVING AT THE PURCHASE CONSIDERATION

The Purchase Consideration of RM13.86 million was arrived at after taking into consideration, amongst others, recent precedent transactions, market comparables as well as the independent valuation of PBTSB's equity value by KPMG Corporate Advisory Sdn Bhd.

The Purchase Consideration was funded entirely by internally generated funds.

6. FINANCIAL EFFECTS OF THE ACQUISITION

The Acquisition will not have any effect on the share capital and substantial shareholders' shareholding of Public Bank and is not expected to have any material effect on the earnings per share and net assets per share of Public Bank for the financial year ending 31 December 2015.

7. APPROVALS REQUIRED

Bank Negara Malaysia had on 30 October 2015 given its approval for the Acquisition.

Save as mentioned above, the Acquisition is not subject to the approval of shareholders of Public Bank or any other regulatory authorities.

8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Tan Sri Dato' Sri Dr. Teh Hong Piow, being the Chairman and a substantial shareholder of Public Bank, had abstained from the deliberation of Public Bank's Board of Directors as he is a Director of SSSB, SHSB and KPSB as well as a shareholder of the THP Related Companies.

Save as mentioned above, none of the Directors, major shareholders and/or persons connected to them, has any interest, whether direct or indirect, in the Acquisition.

9. STATEMENT BY THE AUDIT COMMITTEE

The Audit Committee of Public Bank, having considered all aspects of the Acquisition (including the rationale for the Acquisition and the basis for the Purchase Consideration), is of the opinion that the Acquisition is in the best interest of Public Bank and is not detrimental to the interest of the minority shareholders of Public Bank.

10. STATEMENT BY THE BOARD OF DIRECTORS

The Board of Directors of Public Bank (save for Tan Sri Dato' Sri Dr. Teh Hong Piow), having considered all aspects of the Acquisition, is of the opinion that the Acquisition is in the best interest of Public Bank.

This announcement is dated 2 November 2015.