



**PUBLIC BANK**

## **2021 ANNUAL REPORT**

# JOINT STATEMENT BY **CHAIRMAN & MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER**



**LAI WAN**  
Chairman

**TAN SRI DATO' SRI  
DR. TAY AH LEK**  
Managing Director/  
Chief Executive Officer

**The COVID-19 pandemic and climate change continued to pose healthcare and economic challenges in 2021. With the COVID-19 cases surging in mid-2021, the Government had implemented more stringent measures to contain the pandemic, which had weighed on the economic growth.**

The Malaysian Government and Bank Negara Malaysia (“BNM”) swiftly announced various containment measures, and were also quick to assist the rakyat with various proactive stimulus and relief packages which helped in mitigating the adverse impact on individuals and businesses.

The economic headwinds weighed on the Public Bank Group's business performance in 2021. Further, the modification loss arising from the loan repayment assistance under the PEMULIH package also affected earnings for the year.

However, with the solid foundation established, the Public Bank Group continued to sustain a resilient financial profile in 2021, achieving RM7.37 billion pre-tax profit and RM5.66 billion net profit attributable to shareholders, supported by the continued expansion of its loans and deposits as well as the increase in its fee based income.

In 2021, the Public Bank Group achieved total loans growth of 3.6%. For the consumer lending for purchase of residential properties segment, the Group continued to sustain its leading position with a growth of 8.7% in 2021.

As one of the leading financiers for small and medium enterprises (“SMEs”), the Public Bank Group remained dedicated to this mission which resulted in its domestic SME loan growth of 1.7% with total financing of RM67.9 billion as at the end of 2021.

The firm foundation built throughout the years – a resilient loan portfolio and prudent reserves for loan losses – provided a strong buffer for the Public Bank Group to weather any potential challenges in asset quality. The result is a resilient bank with strong asset quality.

Maintaining this high standard throughout the decades, the Public Bank Group made no exception despite the challenging operating environment in 2021. The Group's asset quality remained in good health, with a gross impaired loans ratio which stood at 0.3% as at the end of 2021, compared with the banking industry's gross impaired loans ratio of 1.4%.

The Public Bank Group's strong deposits franchise and long-standing PB brand continued to be the value drivers, mobilising higher deposits for the Group. This can be seen with the Group's total deposits which grew by 4.0% in 2021, mainly attributable to the stable core deposit growth.

Meanwhile, the Public Bank Group's non-interest income continued to complement the Group's profit growth. In 2021, Public Mutual, the Group's wholly-owned subsidiary managing its unit trust business, recorded profit growth of 22.8% and maintained its leading market position with the largest market share of 34.6% in the retail private unit trust industry.

Amid earnings pressure arising from the challenging operating environment, the Public Bank Group continued to emphasise on prudent and disciplined cost management. In 2021, the Group continued to sustain an efficient cost-to-income ratio which stood at 31.6%, significantly better than the industry's cost-to-income ratio of 48.1%.

### **CONTINUING TO HAND-HOLD CUSTOMERS AFFECTED BY THE PANDEMIC**

The Public Bank Group remained committed to provide assistance to customers who face financial constraints due to the COVID-19 pandemic.

Proactively engaging the affected borrowers since the beginning of the pandemic to provide various flexible repayment assistance packages, the Public Bank Group had assisted about 438,000 customers with total loans of about RM82 billion as at the end of February 2022.

The Public Bank Group had also been promoting special financing schemes initiated by the Government and BNM to assist the SMEs in overcoming the COVID-19 challenges. Underpinned by its proactive initiatives, the Group approved about RM3.4 billion for over 17,700 SME businesses under these special financing schemes as at the end of February 2022.

## **ENHANCING RESILIENCE BY EMBRACING SUSTAINABILITY**

The Public Bank Group has also taken a proactive role in Environmental, Social, and Governance (“ESG”) management. The Group has set new commitments to drive further progress on its sustainability journey. This includes mobilising RM25 billion financing for the purchase of energy efficient vehicles and RM15 billion for affordable home financing by 2025. To further mitigate climate related risk, the Group has conscientiously been working on embedding climate-related considerations into its business strategies and risk management.

To be sustainable also means being able to adapt to the changing societal needs. Moving with the times, the Public Bank Group had adapted quickly and responded promptly to the new normal, particularly on digital adoption due to mobility restrictions.

The Public Bank Group continued to invest in enhancement to its internet and mobile banking platforms to bring more seamless and efficient online banking to its customers. In 2021, the Group extended its PBe QR service by supporting cross border payments between Malaysia and Thailand.

Meanwhile, through its PB enterprise Digital SME Assist Programme, the Public Bank Group collaborated with various solution providers to help its SME customers to enhance their digital capabilities as they expand their businesses.

The Programme is an effort to provide SMEs with a one stop centre offering various digital business solutions, such as financial accounting, human resources, property management and e-commerce to enhance the efficiency of their operations and cost management.

The Group’s proactive initiatives in promoting electronic payment continued to gain recognition from prestigious organisations. In the Malaysian e-Payments Excellence Awards 2021 by PayNet, the Group clinched three awards for its outstanding contribution in promoting e-payment.

## **STRENGTHENING HUMAN CAPITAL**

The COVID-19 pandemic allowed the Public Bank Group’s employees to continue sharpening their skillsets and broadening their horizons. As the Group continued to invest extensively on employee development and engagement programmes, various online training programmes to harness self-learning had been implemented, creating a more sustainable and resilient learning culture. Digitalisation is part and parcel of the Group’s talent management initiatives and the Group has been nurturing its employees with a digital mindset to future proof them for the new challenges ahead.

## **GROUP’S PROSPECTS**

Looking towards 2022, the Malaysian economy is expected to continue on a recovery path, underpinned by the achievement of high vaccination rates and booster dose rollout, various stimulus measures and relief support as well as improvement in global demand.

Whilst remaining optimistic, the Public Bank Group is not letting its guard down and will proactively grow its business and manage risks with banking best practices and superior customer services.

The Public Bank Group would like to put on record our utmost gratitude to our visionary leader, Tan Sri Dato’ Sri Dr. Teh Hong Piow, Founder, Chairman Emeritus, Director and Adviser for his dedication in building the Group with a solid corporate culture which will see the Group through this challenging time.

This solid fundamental and the Public Bank Group's entrenched market position will continue to provide strong support in driving the Group's business growth. The Group will continue to leverage on its trusted and reputable PB Brand to achieve better performance in 2022 and beyond for its stakeholders.

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