



PUBLIC BANK

2021 ANNUAL REPORT

STATEMENT BY

TAN SRI DATO' SRI DR. TEH HONG PIOW

Founder, Chairman Emeritus, Director and Adviser

“The solid foundation built over the years is yielding results today with the Public Bank Group continuously delivering profitability with a pre-tax profit of RM7.37 billion and net profit attributable to shareholders of RM5.66 billion in 2021. With this, the Group continued to sustain a double-digit net return on equity of 12.4%.”



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The year 2021 was another year filled with significant uncertainties. The resurgence of COVID-19 cases led to various containment measures which had affected business and consumer sentiment. All these resulted in a highly challenging economic condition.

Amid the mounting challenges posed by the COVID-19 pandemic, the Public Bank Group remained unwavering in fulfilling its responsibilities to its stakeholders.

One key activity that the Public Bank Group has remained focused on and committed to, is ensuring that customers affected by the pandemic receive the assistance required to tide through the pandemic. Working closely with the Government and Bank Negara Malaysia (“BNM”), the Group had provided loan moratorium and various repayment assistance since the beginning of the pandemic in 2020, while ensuring access to financing for the businesses continues, including promoting the various Government and BNM financing schemes.

BANKING ON STRONG FUNDAMENTALS

2021 was also the year where the Public Bank Group faced heightened challenges continuing from year 2020 when the pandemic first began.

Hence, the theme for 2021 Annual Report ‘Conquering Challenges with Strong Fundamentals’ is most fitting as the Public Bank Group navigates through the turbulence brought about by the COVID-19 pandemic.

The solid foundation built over the years is yielding results today with the Public Bank Group continuously delivering profitability with a pre-tax profit of RM7.37 billion and net profit attributable to shareholders of RM5.66 billion in 2021. With this, the Group continued to sustain a double-digit net return on equity of 12.4%.

In appreciation of shareholders’ continuous support, the Board of Directors declared a total dividend of 15.2 sen for the financial year 2021. This is equivalent to a total dividend payout of RM2.95 billion, representing 52.2% of the Group’s net profit for 2021.

Underpinning the Public Bank Group’s achievements are the principles of integrity and accountability, which the Group has been embracing all these years. While the COVID-19 pandemic continues to unfold, the Group’s commitment to good governance, prudent credit and risk management as well as excellence in customer service remains unwavering.

The Public Bank Group recognises that the world is rapidly evolving. ‘Business as usual’ also means emergence of a digitalised business environment where social media, e-commerce, virtual meetings and anything that one can do by just tapping or swiping on smart devices is a norm. With digital banking soaring, proactive digitalisation initiatives throughout the years have allowed the Group to continue serving its stakeholders relatively uninterrupted by the pandemic. Leveraging on digital platforms, the Group has also been exploring more business opportunities with better cost efficiency.

EVOLVING WITH THE TIMES

The Public Bank Group adopts an agile and forward looking strategy in its growth journey. With more than halfway to a century old, stakeholders can be assured of constant nurturing of Public Bank’s culture of integrity.

To the customers, the Public Bank Group will continue to foster an excellent service culture to deliver great customer experience, whether it is a face-to-face or online interaction. Pursuing multiple approaches at service delivery, the Group will continue to harness technology innovation to appropriately respond to customers’ expectations and demands.

Whilst evolving with the times, one fundamental remains – the Public Bank Group continues to uphold the highest integrity in discharging its responsibility as the custodian of public funds. The Group has been prudently managing its balance sheet and asset quality throughout this unprecedented period and will continue with its prudent risk management.

A SUSTAINABLE FUTURE FOR ALL

On the sustainability front, the Public Bank Group is cognisant of the importance of Environmental, Social, and Governance (“ESG”) for the Group and its stakeholders. The Group is committed to embedding ESG considerations into its business decisions and operations management. Leveraging on its role as a major financing provider in the country, the Group is targeting to mobilise RM40 billion in ESG-friendly financing by 2025.

Supporting the global action in battling climate change risk, the Group has joined the collective efforts in committing to achieving net zero greenhouse gas emission by 2050. The commitment to prohibit financing for coal mining and production activities, as well as support for sustainable agribusiness, amongst others, are the Group’s key initiatives in promoting the transition to low carbon economy.

Teamwork is one of the hallmarks of the Public Bank Group and everyone in the Group has a role to play in its ESG journey. We have urged all employees to take ESG as an urgent and important issue. At the Public Bank Group, an effective pipeline of training programmes focusing on ESG is an ongoing initiative to intensify capacity building of employees.

THE YEAR AHEAD

Cautiously optimistic, 2022 is expected to see a gradual recovery of the Malaysian economy. The opening of the economy with improving external trade will continue to support economic activities. Ongoing policy support, stimulus assistance and the success of the COVID-19 inoculation programme are also likely to further improve both consumer and investor sentiment.

With strong fundamentals, the Public Bank Group has strengthened itself through the years and is well prepared for potential growth opportunities. Having managed its balance sheet and asset quality conscientiously throughout the COVID-19 pandemic, the Group is positioning itself for the economic recovery with adequate safeguards from the uncertainties ahead.

BEYOND GRATEFUL

The Public Bank Group and I wish to express our deepest appreciation to all our shareholders, customers, the Group’s management and employees for their continuing support, confidence and trust.

Our sincere gratitude goes to Bank Negara Malaysia and relevant authorities for their extraordinary efforts in steering the nation’s economy towards recovery and guiding the banking industry in navigating the present health crisis.

The Public Bank Group has not only continued to stand the test of time, but more importantly, it has continued to strengthen its resilience, sustainability and competency throughout this turbulent period. The Group will continue to stay vigilant and remain agile as the Group continues to strive to further enhance stakeholder value in the years ahead.

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