

STATEMENT BY TAN SRI DATO' SRI DR. TEH HONG PIOW FOUNDER, CHAIRMAN EMERITUS, DIRECTOR AND ADVISER

The operating environment in 2018 was a challenging one, characterised by moderate growth, unfavourable headwinds and escalated volatilities. While these conditions posed downside pressure on the banking environment, the Public Bank Group had once again, navigated through the challenges and achieved stable profitability and continued balance sheet strength during the year.

In 2018, the Group achieved pre-tax profit of RM7.10 billion. Net profit attributable to shareholders was higher at RM5.59 billion in 2018 as compared to RM5.47 billion achieved in 2017, leading to a net return-on-equity of 14.8% for 2018. With the stable profit performance, the Board of Directors declared a total dividend of 69 sen per share, equivalent to a total dividend payout of RM2.68 billion, representing 47.9% of the Group's net profit for the year.

I founded Public Bank way back in 1966 with the vision to grow the Bank as "the bank for the people" serving the banking needs of the public. Along with the progress of the country, the Bank pursues its direction by contributing to the nation and serving the people as an efficient, effective and respected financial institution in Malaysia. Caring for and delivering value to the stakeholders of the Public Bank Group with integrity has long been embedded and embraced as the corporate philosophy of the Group.

The Group has been helping many individuals, households, small and medium enterprises and corporations in realising their financial goals. In particular, the Group devotes much of its efforts, through responsible lending, to facilitate its customers in owning their homes, motor vehicles, business assets, expansion of businesses, and thus contributes to the growth of the well-being of the country. The Group also effectively deploys excess funds of its customers and provides them with financial returns. The commitment to delivering value to its customers has enabled the Group to grow steadily to become the third largest banking group by asset size in Malaysia today with about ten million customers.



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“The Public Bank Group will continue to live its mission to sustain the position of being the most efficient, profitable and respected premier financial institution in Malaysia. The Group will strive to create better value for its shareholders, customers, staff and the community.”

Another tenet of caring for stakeholders relates to the employees of the Group. In addition to providing long term stable employment opportunity, the Group takes conscientious efforts to enhance the well-being of its staff through meritocracy-based remuneration, investment in training and development, as well as providing opportunities for career advancement. Today, the Group has a staff force of over 18,000, and about half of them have been serving the Group for over 15 years.

The stable business and financial performance of the Group has enabled Public Bank to deliver long term shareholder value to about 70,000 shareholders, both retail and established institutional funds, of which many are long-time shareholders. This is reflected in the continued appreciation of Public Bank's share price and the consistent payout of dividend to its shareholders.

In 2018, despite volatility in the equity market, Public Bank's share price appreciated by 19.2% which resulted in the increase in the market capitalisation of Public Bank from RM80.67 billion to RM96.12 billion. This appreciation in the share price together with the total dividend received by the shareholders in 2018 translated to a commendable return of 22.3% for the year 2018.

Given the role of the Group as intermediary and guardian of public funds, the Board sees responsible business conduct, adherence to laws and regulations and ultimately public trust as key pillars to the sustainable success of the Group and the overall stability of the financial system. In this respect, the Group will continue to uphold sound corporate governance, prudent risk management and stringent compliance policies and practices to safeguard its stability, and to guard against risks arising from future challenges.

Being the Founder, and as the Chairman Emeritus, Director and Adviser to the Public Bank Group, I continue to hold the principle of creating long term and shared values with the stakeholders of the Group, and I am ever confident that the Public Bank Group will continue to pursue this direction for the benefit of all stakeholders.

In further strengthening the corporate governance and the diversity of skill and experience of the Board of Public Bank, the Board appointed two new directors, Mr. Lee Chin Guan who joined the Board as Non-Independent Non-Executive Director, and Dato' Mohd Hanif bin Sher Mohamed as Independent Non-Executive Director.

We would like to express our gratitude to the shareholders and customers, who continuously trust and support the Group even in challenging times. Our appreciation to the management and staff as every achievement of the Group cannot be made without their hard work and dedication. We would like to thank Bank Negara Malaysia and the relevant authorities for their continued support and guidance.

The Public Bank Group will continue to live its mission to sustain the position of being the most efficient, profitable and respected premier financial institution in Malaysia. The Group will strive to create better value for its shareholders, customers, staff and the community.

Tan Sri Dato' Sri Dr. Teh Hong Piow
Founder, Chairman Emeritus, Director and Adviser
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