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The Malaysian
Economy Continued
to Gain Momentum
Driven by Resilient
Domestic Demand
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55.5%
Dividend Payout



8.54 billion
Pre-tax Profit

CHAIRMAN'S STATEMENT

LAI WAN | Chairman

2023 was a year filled with an unprecedented mix of challenges. High inflation, slower-than-expected recovery of China's economy, tighter global monetary policy and the Middle East conflict disrupted the post pandemic recovery, leading to a slow global economic growth.

Navigating these challenges, the Malaysian economy continued to gain momentum driven by resilient domestic demand. The improved employment market and ongoing multi-year investment projects continued to support economic growth. The Government has also laid out pragmatic development plans, such as the New Industrial Master Plan 2030 and Mid Term Review of the 12th Malaysian Plan to further strengthen the country's growth prospects for the medium to long term.

Riding on these growth opportunities, coupled with the sound domestic banking system, the Malaysian banking sector continued to play its role as an effective and efficient financial intermediary supporting the nation's development.

BANK FOR THE PEOPLE

The theme of Public Bank's 2023 Annual Report titled "Bank for the People" is the core of the Public Bank Group's vision and commitment.

Since its founding by the late Tan Sri Dato' Sri Dr. Teh Hong Piow in 1966, the Bank has been steadfastly guided by its Corporate Philosophy with people-centric approach staying as an integral part of the Group's corporate culture and business strategies.

The Corporate Philosophy is deeply rooted in the Public Bank Group's operations and the Group emphasises on delivering long term value to its stakeholders – from sustainable shareholder return, superior customer service, sound corporate governance, to staff wellbeing – and the Group has continued to uphold its Corporate Philosophy till today.

The Public Bank Group's commitment to its stakeholders continued to be reflected in its achievements and performance in 2023. For the year, the Public Bank Group recorded another solid financial performance, with its net profit attributable to shareholders growing by 8.7% to RM6.65 billion.

In addition to its commendable financial performance, the Public Bank Group continued to maintain high cost efficiency and sound asset quality.

The Group continued to stay abreast of market development and took appropriate strategic initiatives to sustain its leading market share in the financing, deposit and unit trust industry.

With the resilient performance, the Board of Directors declared a total dividend of 19.0 sen, equivalent to a total dividend payout of RM3.69 billion for the financial year 2023. This

dividend payout represents 55.5% of the Group's net profit for 2023, demonstrating its ability to maintaining stable and consistent returns for its shareholders throughout the years.

STRENGTHENING STRATEGIC RESILIENCE

Amid a significantly challenging year, the Public Bank Group stayed agile and adaptable to the changing operating environment while fulfilling its responsibilities to its stakeholders.

The Group focused on sharpening its core business segments in the financing and deposit businesses as well as wealth management. The Group continued to stay abreast of market development and took appropriate strategic initiatives to sustain its leading market share in the financing, deposit and unit trust industry.

The Public Bank Group's synergistic growth strategy is also reflected in its overseas operations. In 2023, the Group has opened eight new branches in Vietnam, solidifying its presence in Vietnam with a total of 40 branches as at the end of the year.

In addition, with effect from 1 January 2024, the Group has converted its operations in Laos into a wholly-owned subsidiary, which is renamed as Public Bank Lao Limited. This will further strengthen the Group's business footprint in the Indochina region.

With a total of 76 branches in Indochina, the Group is well-positioned to capture emerging business opportunities in this fast growing region.

Parallel to its progressive growth strategy, the Public Bank Group ensures sound corporate governance and prudent risk management in managing its balance sheet and asset quality.

In addition, the Public Bank Group continued to intensify its commitment towards environmental, social and governance ("ESG"). The Group has formalised its Sustainability Strategy and Roadmap, paving the path for further efforts towards achieving net zero carbon and the United Nation's Sustainable Development Goals. The Group also participated in the concerted efforts initiated by the financial industry, such as the Joint Committee on Climate Change to further accelerate ESG efforts contributing to global sustainability journey.

To further strengthen its capabilities to drive business growth, the Public Bank Group continued to strengthen its strategic focus in human capital development and digital transformation. Despite a challenging year with higher inflationary pressure, the Group has remained committed to investing in nurturing a conducive environment with progressive learning and personal development for the staff. The Group also continued to adopt a pragmatic approach on innovation and digitalisation to continuously enhance customer experience and operational efficiency.

THE YEAR AHEAD

2024 is expected to be another year filled with challenges. The Public Bank Group is ready to move ahead with the experiences gathered and resilience built throughout the years. The Group will continue to keep track of the shifting environment and scale up its capabilities to better serve the people.

With the expected sustained expansion of the Malaysian economy, the Public Bank Group will continue to leverage on its strong branding and network of branches to meet the growing needs of banking services to the people.

The Public Bank Group will also continue to make progress in the ESG journey to foster a sustainable and inclusive growth for all.

ETERNALLY GRATEFUL

The Public Bank Group would like to extend its gratitude to all the shareholders, customers, the Group's management and employees for their continuing support, confidence and trust.

To Bank Negara Malaysia and relevant authorities, our utmost gratitude for their dedication in putting the nation's economy back on track and providing continuous guidance to the banking industry.

The Public Bank Group has remained unwavering in its pursuit of duty as a financial institution, from providing sustainable dividend distribution to the shareholders in appreciation for their support, to serving the people's financial needs to improve their lives.

The Group will continue to uphold its integrity to its stakeholders, adapting and constantly improving in all aspects to remain relevant to the people it serves.

Lai Wan
Chairman