

FOUNDER AND CHAIRMAN'S STATEMENT



TAN SRI DATO' SRI DR. TEH HONG PIOW
Chairman

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In 2016, Public Bank turned 50 amid the backdrop of a challenging operating environment. The Public Bank Group has once again demonstrated its resilience during trying times and delivered a set of favourable financial results for the year 2016. The Group achieved another profit milestone with pre-tax profit of RM6.55 billion for 2016. Net profit attributable to shareholders increased by 2.9% to RM5.21 billion, resulting in earnings per share of 134.8 sen. In view of the Group's favourable performance for 2016, the Board of Directors had declared a total dividend of 58 sen per share, amounting to RM2.24 billion to its shareholders, which represented a total payout of 43.0% of the Group's net profit for 2016.

With the continued market confidence in the Group's performance in an increasingly challenging operating environment, the Group's market capitalisation recorded an increase of 6.5% or RM4.66 billion during the year to RM76.56 billion as at the end of 2016. This had outperformed the movements in the FBM KLCI which declined 3.0% in 2016, and Bursa Malaysia Finance indices which only increased by 1.6%.

Public Bank was founded 50 years ago in 1966 with the vision of growing Public Bank to be a bank serving the banking needs of the public at large. This vision has shaped the Group's business model in retail banking. The Group's corporate mission – "To sustain the position of being the most efficient, profitable and respected

premier financial institution in Malaysia", has been deeply embedded in the corporate culture of the Group. Over the years, this mission continued to be diligently embraced within the Group's operations and formed the fundamental building blocks for the Group.

The strong fundamentals of prudent banking practices, efficient customer service, high operational productivity, professional management, strong corporate governance and upholding the values of integrity and trust have enabled the Group to grow and progress, and have also anchored the Group through many challenging business cycles.

The Group's journey over the past 50 years has seen many accomplishments as the Group developed its business franchise and presence. From its first branch in Kuala Lumpur in 1966, the Group has expanded to its present network of 259 bank branches nationwide in Malaysia, as well as 130 overseas branches across Hong Kong, China, Cambodia, Vietnam, Laos and Sri Lanka serving the banking and financial needs of about 10 million customers, whilst contributing to the development of the economies in which the Group operates.

Today, the Group is widely recognised for its performance in sustaining the best asset quality, most efficient cost to income ratio and highest return on equity among the domestic banking groups. The Group takes pride in its track record of 50 years of unbroken profitability even in times of market adversity.

As the Public Bank Group commemorated its 50 years of banking excellence in 2016, we recognise that the achievements of the Group's journey of growth could not have been possible without the continuous strong contribution and solid support from its stakeholders. We would like to sincerely thank all our customers for their support in banking with the Group; all our employees for their commitment, dedication and loyalty; all our shareholders for their confidence and trust; and Bank Negara Malaysia and other relevant authorities for their invaluable advice and guidance.

Going forward, the Public Bank Group will continue to pursue its strategy of organic growth in its retail banking business and target to sustain its performance in the key performance measures. The Group will stay vigilant, agile and adaptive in the market place and adjust its operating approach in line with market developments and technological changes amid the macro uncertainties. Stepping into the new era after 50 years of banking excellence, the Group is committed to further build on its strong foundation, continue to strive harder to strengthen the Group's position as a premier banking group, and pursue excellence in delivering enhanced value to its stakeholders.

TAN SRI DATO' SRI DR. TEH HONG PIOW
Founder and Chairman
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