



PUBLIC BANK

2000 Annual Report

PUBLIC BANK (6463-H)

Spreading Our Winning Ways For Continued Excellence

2000 Annual Report



Cover Rationale

Public Bank's commitment to excellence has blazed a path of illustrious success showered by recognition awards of excellence.

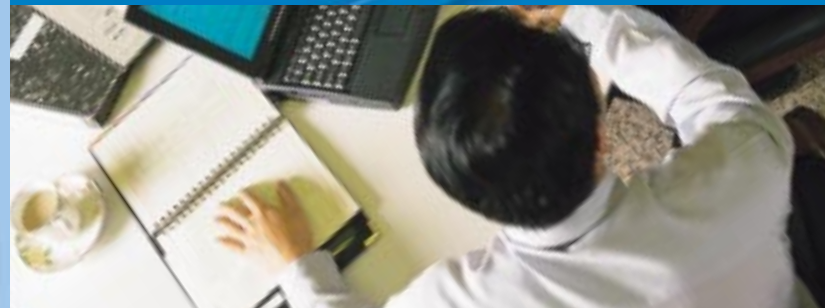
The consistent track record of excellence is reflected on the cover of the 2000 Annual Report with past accolades, dimmed over time being depicted in watermark effect on the back cover while more recent awards are portrayed in distinct images.

The strength and resilience for consistent excellence lie in the joint commitment and concerted dedication of the Public Bank Group people as illustrated by the chain reinforcing a culture of continuous improvement to perpetuate winning ways in its journey to world class corporate excellence.

Spreading
our winning
ways for
Continued
EXCELLENCE

corporate
mission

To Emerge As
The Most Efficient,
Profitable And
Respected Financial
Institution In Malaysia



corporate
vision

To Be Ranked
Among The Top 100
Banks In The World

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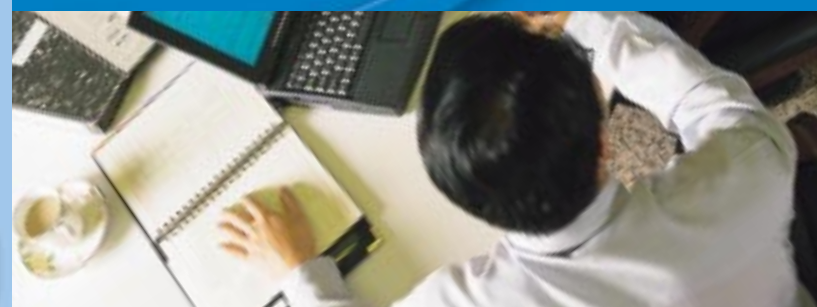
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Public Bank which commenced business on 6 August 1966 and has been listed on the Kuala Lumpur Stock Exchange since 6 April 1967, has distinguished itself on many fronts. As at 31 December 2000 the Bank ranked 10th in terms of market capitalisation, out of a total of 499 companies listed on the Main Board of the Kuala Lumpur Stock Exchange.

Conceptualised as 'a bank for the public' by its visionary founder Y.Bhg. Tan Sri Dato' Dr. Teh Hong Piow, Public Bank emerges from 34 years of steady progression as one of Malaysia's largest integrated banking groups. As at 31 December 2000, Public Bank's paid-up capital stood at RM1,195.1 million while Group shareholders' funds reached RM4,424.0 million.

Today, the Public Bank Group serves a diverse clientele ranging from the man on the street to small and medium-sized companies and multinational conglomerates.

Corporate Profile

Public Bank Group is principally engaged in all aspects of banking, financing which includes leasing and factoring, stock and futures broking, provision of finance to purchasers of licensed public vehicles, provision of related financial services which includes nominees and trustee services, management of unit trusts, and investment holding.

The Group's domestic retail operations is supported by a nationwide network of 177 Bank branches and 168 Finance Company branches. The overseas operations in retail banking are supported by branches in Hong Kong, Sri Lanka and Laos, a banking subsidiary in Cambodia and a joint-venture bank in Vietnam with four branches located in Hanoi, Ho Chi Minh City, Danang and Haiphong. Retail financing and deposit-taking activities in Hong Kong are supported by 37 branches of a subsidiary, JCG Finance Company, Ltd..



Public Bank initiated its regional expansion in 1985 with the opening of a representative office in Hong Kong which was later upgraded to a branch in 1990. Since then, Public Bank Group's regional scope has extended further to Sri Lanka, Vietnam, Cambodia, Laos and Myanmar. Public Bank also established an off-shore banking subsidiary in Labuan in 1990.

Under the sagacious leadership of its Founder President and Chief Executive Officer, Y.Bhg. Tan Sri Dato' Dr. Teh Hong Piow, the Management has continuously upheld the Bank's Corporate Philosophy which cares for its customers, employees, the community it serves and its shareholders with integrity. The far-sighted management leadership has developed and nurtured in the organisation, a strong team spirit committed to continuous improvement among the staff to fulfil its Corporate Mission, 'To be the most efficient, profitable and respected financial institution in the country'.

Over the years, these deeply-rooted attributes of the Bank have enabled the Bank to assume its role as a socially responsible corporate citizen and also resulted in the Bank recording milestones of achievements and success and gaining good repute.

Believing that success is a journey and not a destination, the Bank's motto, 'Excellence is Our Commitment' is a declaration of intent to ensure continuous improvement, and maintain focused on its Corporate Vision 'To be ranked among the top 100 banks in the world'. Supported by its continuous training and development for its staff, totalling 6,176 in the Bank and 10,513 in the Group as at 31 December 2000, the Group will harness its superior computerised technology, continue to re-engineer its business processes and tap Group synergies to enhance corporate competitiveness and provide the best for its customers.

It is the Bank's intention to be worthy of continued support of its shareholders which total 86,935 as at 5 January 2001, through upholding best management practices in corporate conduct and development of its business.



Public Bank's Customer Care Campaign was launched in 1999 with the main theme 'Doing It Right For You!' The objectives of the campaign which was orchestrated in two phases in 1999, were to ascertain whether the Bank's initiatives pitched at service excellence win our customers' confidence and satisfaction, and to perpetuate service attributes based on the Bank's service standards and training.

The Second Phase of the campaign with the sub-tagline 'We Listen, We Care', garnered customers' involvement to put forth constructive suggestions for improvement for feasible implementation. Receiving constant customer feedback on the quality of our service, whether positive or negative, is invaluable, and warrants prompt attention so that we can continue doing it right for our customers all the time.

Within a year of embarking on two transparent and structured phases of the campaign, Public Bank was selected as the winner for the coveted Asian Banking Awards 2000 for the 'The Most Outstanding Customer Service Programme' category. This award recognises and honours annually Asian banks for outstanding, innovative and world-class products, services, projects and programmes implemented.

'Our Service Commitment Continues', the sub-tagline for Public Bank's Third Phase Customer Care Campaign, aims to perpetuate the Group's efforts to improve customer service with its mission to entrench the attitude of continuously seeking for new and innovative approaches to address customers' needs.

Under the Third Phase of the Customer Care Campaign, every Public Bank and Public Finance branches formed a Customer Service Focus Group (CSFG) to spearhead all initiatives to improve customer service at their respective branches. Each CSFG comprises representation of staff from all levels and will establish formalised brainstorming sessions at the branch level. The CSFGs are expected to share, disseminate and speedily implement ideas focusing on three key areas of customer service namely the reduction of waiting time for customers, the improvement of the ambience and physical appearance of the branch, and the prompt analysis and response to all customer feedback, both positive or negative.

As the foundation of the Third Phase which ended on 31 December 2000 is based on suggestions put forth by branches, a total sum of RM2.0 million was allocated as an incentivised package to reward each of the top four branches and respective branches of Public Bank and

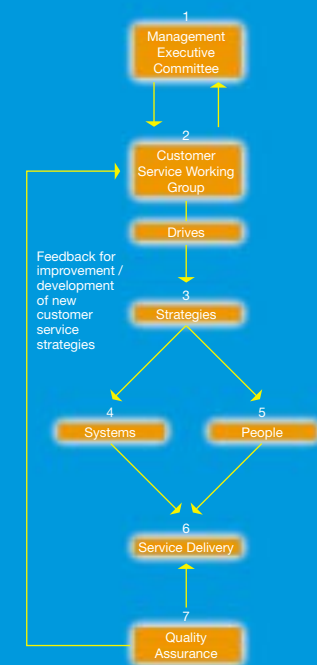
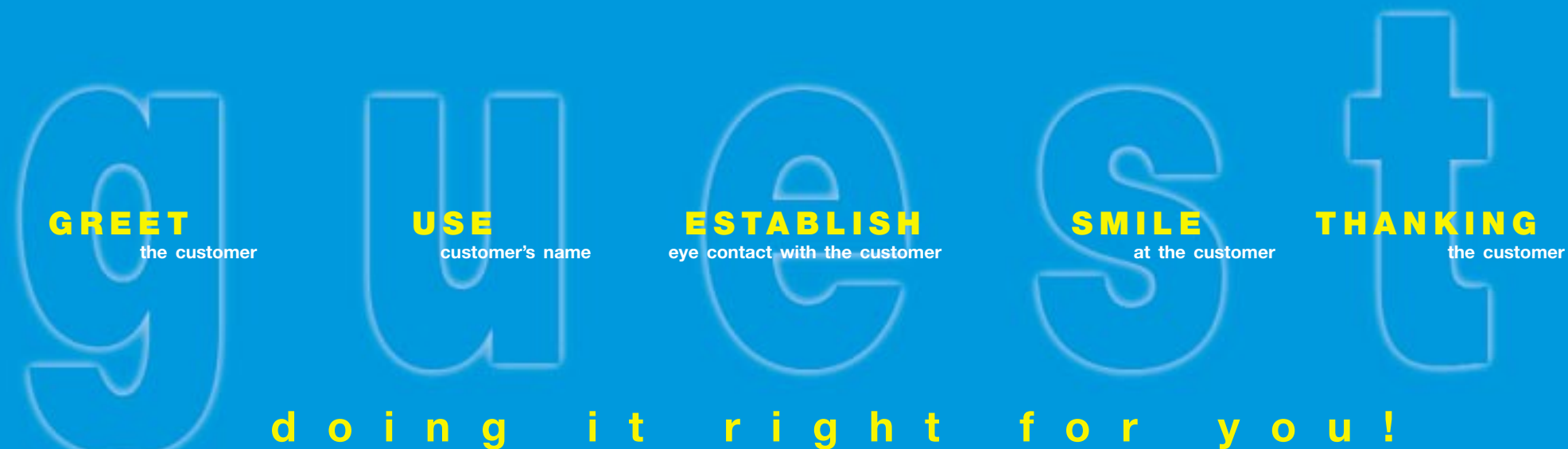
Public Finance which meet the pre-set qualifying criteria for high achievement. The scheme of cash awards was aimed at promoting consistent excellent service efficiency levels throughout the Group's retail network of bank and finance company branches.

In response to customer suggestion, the queue management ticketing system (or QMS) was also implemented in all our Bank and Finance Company branches. The QMS system installed, is also used as an effective tool for measuring achievement of the standard set for waiting time and is well appreciated by customers. Also in response to customer suggestion, we will progressively be adjusting our ATMs to dispense RM100 currency notes at necessary locations which experience high volume transactions. These activities in positive response to customer needs demonstrate actions towards 'Doing It Right For You!' for the Bank's customers. To complement the institutionalised service standards set for front-line service delivery, the proactive evaluation of the need to introduce mobile counters at branches was continued. The mobile counter concept which was introduced in 1999 serve as a cost-effective contingency for adding service counters to cater for sudden influx of counter transactions in order to uphold efficiency standards. Such investment of resources to ensure excellent customer service is justified by the need to maintain competitiveness under an

increasingly challenging environment of intensified competition.

Adding credibility to the Bank's sub-tagline for the Third Phase of its Customer Care Campaign, 'Our Service Commitment Continues' is its initiative to seek ISO 9001 Certification for its front office service delivery. The Bank's efforts in developing and instituting a Quality Service Management System based on internationally-recognised standards gained its first milestone of success when it received the ISO 9001 2000 Certificate for 'Provision of Customer Service at the Front Office' of its KL City Main Office branch on 29 January 2001. This effort is in line with the Bank's aspiration to achieve world class banking excellence and progress is underway to extend the certification to all its domestic branches by the end of 2001.

The customer care programmes and activities implemented have significantly improved the Bank's service quality, such as courtesy, efficiency and accountability in front-line service delivery. "Although we are cost-conscious, we will spend when the benefits justify the cost. Making customers' needs as the focus of everything we do is certainly a very worthy and most gratifying cause," said Tan Sri Dato' Dr. Teh Hong Piow in his closing speech during the launching of the Third Phase of the Customer Care Campaign.



Malaysia's CEO of The Year Award by Business Times and American Express.



CITRA Annual Report Award 2000 for the Bahasa Malaysia version.



Asiamoney – The Best Bank in Malaysia 1999 Award.



Finance Asia Annual Country Achievement Award for Best Domestic Commercial Bank in Malaysia.



NACRA Awards – The Industry Excellence Award for the Finance Industry Category.



Continuing the tradition of excellence... Y.Bhg. Tan Sri Dato' Dr. Teh Hong Piow received the KLSE Corporate Excellence Award from Y.Bhg. Datuk Md. Nor Md. Yusof, the Advisor to the Minister of Finance on 12 October 2000.

Another NACRA award in the bag as Y.Bhg. Tan Sri Dato' Dr. Teh Hong Piow received the NACRA Award for the Industry Excellence for Finance Sector from Y.B. Tan Sri Dato' Hj. Muhyiddin Yassin, the Minister of Domestic Trade and Consumer Affairs on 8 November 2000.

Awards and recognition

Guided by a Corporate Mission 'To Emerge As The Most Efficient, Profitable And Respected Financial Institution In Malaysia' and with constant focus on the Corporate Vision 'To Be Ranked Among The Top 100 Banks In The World', Public Bank has journeyed through a successful generation since it commenced business nearly 35 years ago.

Supported by a corporate culture committed to excellence, Public Bank has grown from strength to strength to become one of Malaysia's premier banks. The Bank's quest in managing for excellence through continuous improvement and adoption of best banking practices have drawn successful results and gained several recognition awards and accolades as follows:

Sharing the glorious moments as Y.Bhg. Tan Sri Dato' Dr. Teh Hong Piow poses with the Global Finance Award for the Best Bank in Malaysia on 13 December 2000.

Y.Bhg. Tan Sri Dato' Dr. Teh Hong Piow received the Asiamoney Best Bank in Malaysia Award and the 5th Malaysia Best Managed Companies Award from Mr. William Goodhart, the Editor of Asiamoney magazine on 18 January 2000.

Award	Year
NACRA Awards – Most Outstanding Annual Report.	1989, 1996
NACRA Awards – The Industry Excellence Award for the Finance Industry Category.	1988, 1997, 1998, 1999, 2000
NACRA Awards – Best Annual Report in Bahasa Malaysia.	1998
NACRA Awards – Commendation Award for Accounting Information. – Commendation Award for Bahasa Malaysia Annual Report.	1990, 1995, 1996 1990, 1995, 1996
Asia's Commercial Banker of the Year by Asiamoney and Finance magazine.	1991
Euromoney Awards For Excellence for The Best Managed Bank in Malaysia.	1993, 1998, 1999
Industry Excellence Award under the Services Export Excellence for the Financial Category.	1994
ASEAN Businessman of The Year Award by ASEAN Business Forum.	1994
Winner of the 'Beautiful Compound Competition' for the Private Sector Complex/Building Category by Dewan Bandaraya Kuala Lumpur.	1994
Management Awards of Asia by the Asian Institute of Management.	1996
The Business Achiever of the Year by Yazhou Zhoukhan magazine.	1997
FIABCI's Award of Distinction for the Best Commercial Development Building.	1999
Finance Asia Annual Country Achievement Award for the Best Domestic Commercial Bank in Malaysia.	1999
The Best Bank in Malaysia and the 5th Malaysia Best Managed Companies Awards by the Asiamoney magazine.	1999
Malaysia's CEO of The Year by Business Times and American Express.	1999
The Asian Banking Awards for the Most Outstanding Customer Service Programme Category.	2000
KLSE Corporate Excellence Awards 2000 for the Main Board Category.	2000
KLSE Corporate Sectoral Award for the Finance and Closed End Fund Category.	2000
CITRA Annual Report Award 2000 (Bahasa Malaysia).	2000
Best Bank in Malaysia Award by Global Finance magazine.	2000

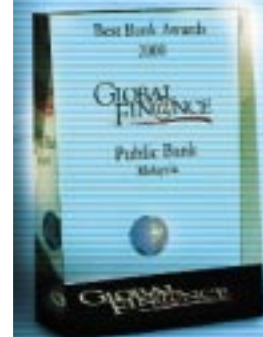
FIABCI Award of Distinction for The Best Commercial Development Building.



KLSE Corporate Excellence Awards 2000 for the Main Board Category and KLSE Corporate Sectoral Award for the Finance and Closed End Fund Category.



Best Bank in Malaysia Award 2000 by Global Finance Magazine.



Asian Banking Awards for The Most Outstanding Customer Service Programme Category.



The Best Managed Bank in Malaysia by Euromoney Magazine.



achievements

Y.Bhg. Dato' Salleh Harun, Deputy Governor of Bank Negara Malaysia presenting The Asian Banking Awards 2000 for The Most Outstanding Customer Service Programme Category on 25 May 2000.

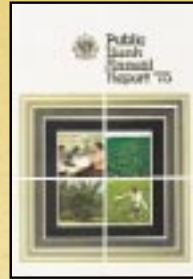


Creating history as Y.Bhg. Datuk Tay Ah Lek received the CITRA Award 2000 organised by 'Dewan Bahasa dan Pustaka' for the Bahasa Malaysia annual report which was presented by Y.B. Dato' Mohd. Khalid Yunus, the Deputy Minister of Information on 13 November 2000.



Past 25 years

PUBLIC BANK ANNUAL REPORT COVERS



1975



1976



1977



1978



1979



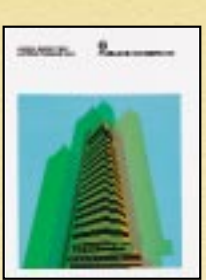
1980



1981

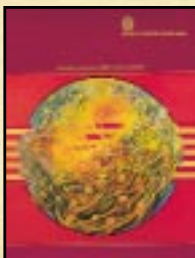


1982



1983

MACRA Award
• Silver Award



1984



1985

MACRA Commendation Award
• Graphic Presentation
• Corporate Information



1986

MACRA Award
• Best Corporate Information



1987

MACRA Award
• Best Corporate Information
• NARA Award
• Best Annual Report Finance Sector



1988

MACRA Award
• Best Overall Annual Report
• Best Corporate Information
• NARA Award
• Best Annual Report Finance Sector



1989

NACRA Award
• Most Outstanding Annual Report
• Best Annual Report Finance Sector
• Commendation Award
• Corporate Information
• Accounting Information
• Annual Report in Bahasa Malaysia



1990

NACRA Award
• Best Accounting Information



1991

NACRA Award
• Best Accounting Information
• Commendation Award
• Corporate Information



1992



1993



1994

NACRA Commendation Award
• Accounting Information
• Corporate Information
• Annual Report in Bahasa Malaysia



1995

NACRA Commendation Award
• Accounting Information
• Annual Report in Bahasa Malaysia



1996

NACRA Award
• Most Outstanding Annual Report
• Industry Excellence Award
• Finance Sector



1997

NACRA Award
• Best Annual Report in
Bahasa Malaysia
• Industry Excellence Award
• Finance Sector



1998

NACRA Award
• Industry Excellence Award
• Finance Sector



1999

NACRA Award
• Industry Excellence Award
• Finance Sector

CITRA Annual Report Award 2000
(Bahasa Malaysia)