

BOARD OF DIRECTORS



**Y.Bhg. Tan Sri
Dato' Sri Dr.
Teh Hong Piow**
Chairman



**Y.Bhg. Tan Sri
Dato' Thong
Yaw Hong**
Co-Chairman





**Y.Bhg. Datuk
Tay Ah Lek**
Managing Director



**Y.Bhg. Dato'
Lee Kong Lam**
Executive Director



**Y.A.M. Tengku
Abdul Rahman
Ibni Sultan Haji
Ahmad Shah
Al-Mustain
Billah**
Director



**Tuan Haji
Abdul
Aziz bin Omar**
Director



**Y.Bhg. Dato'
Yeoh Chin Kee**
Director



**Y.Bhg. Dato' Dr.
Haji Mohamed
Ishak bin Haji
Mohamed Ariff**
Director



**Mr. Lee Chin
Guan**
Director



**Ms. Chia Lee
Kee**
Company
Secretary



**Y.Bhg. Tan Sri Dato' Sri
Dr. Teh Hong Piow**
(Non-Executive Chairman)

Tan Sri Dato' Sri Dr. Teh Hong Piow, aged 74, began his banking career in 1950 and has more than 50 years experience in the banking and finance industry. He founded Public Bank in 1965 at the age of 35. He was appointed as a Director of Public Bank on 30 December 1965 and had been the Chief Executive Officer of the Public Bank Group since its inception in December 1965. He has been re-designated as Chairman of Public Bank and Chairman of Public Bank Group with effect from 1 July 2002. He serves as Chairman of the Board Executive Committee; and is a member of the Nomination Committee and the Remuneration Committee. He is the Chairman of the Assets and Liabilities Management Committee, the Share Investment Committee, the Group Human Resource Committee and the Public Bank Berhad Employees' Share Option Scheme Committee.

Tan Sri Dato' Sri Dr. Teh Hong Piow had won both domestic and international acclaim for his outstanding achievements as a banker and the Chief Executive Officer of a leading financial services group. Recognitions and awards that he had received include Asia's Commercial Banker of the Year Award 1991; the ASEAN Businessman of the Year Award 1994; Malaysia's Business Achiever of the Year Award 1997; and Malaysia's

CEO of the Year Award 1998. In recognition of his contribution to society and the economy, he was conferred the Doctor of Laws (Honorary) from University of Malaya in 1989. Tan Sri Dato' Sri Dr. Teh Hong Piow was awarded the Medal 'For the Course of Vietnamese Banking' by the State Bank of Vietnam in 2002 for his contributions to the Vietnamese banking industry over the past years.

He had served in various capacities in public service bodies in Malaysia, such as being a member of the Malaysian Business Council from 1991 to 1993 and a member of the National Trust Fund from 1988 to 2001. He is a Fellow of several institutes which include the Institute of Chartered Secretaries and Administrators, Australia; the Institute of Bankers Malaysia; the Chartered Institute of Bankers, United Kingdom; the Institute of Management, United Kingdom; and the Malaysian Institute of Management.

His directorships in other public companies in the Public Bank Group are in Public Finance Bhd (President/Chief Executive Officer), Public Merchant Bank Bhd, JCG Holdings Ltd (Chairman), and he is the Chairman of several other subsidiaries of the Public Bank Group. His directorships in other public companies are in LPI Capital Bhd (Chairman), Lonpac Insurance Bhd (Chairman) and Tong Meng Industries Ltd (Chairman).

Tan Sri Dato' Sri Dr. Teh Hong Piow attended all of the 18 Board meetings held in the financial year ended 31 December 2003.



Y.Bhg. Tan Sri Dato' Thong Yaw Hong (Independent Non-Executive Co-Chairman)

Tan Sri Dato' Thong Yaw Hong, aged 73, was appointed as a Director of Public Bank on 23 June 1986 and was made its Chairman in October 1986. He has been re-designated as Co-Chairman of Public Bank with effect from 1 July 2002. He serves as Chairman of the Audit Committee, the Nomination Committee, the Remuneration Committee and the Risk Management Committee.

He graduated with a Bachelor of Arts (Hons) degree in Economics from University of Malaya and a Master degree in Public Administration from Harvard University. He attended the Advanced Management Program at Harvard Business School. In June 1998, he was appointed a Pro-Chancellor of Universiti Putra Malaysia.

He has had a distinguished career with the Government of Malaysia, primarily in the fields of socio-economic development planning and finance. He had served in the Economic Planning Unit in the Prime Minister's Department since 1957 and became its Director-General from 1971 to 1978 and served as Secretary-General, Ministry of Finance from 1979 until his retirement in 1986.

Tan Sri Dato' Thong Yaw Hong also serves as member on the Boards of Trustees of Program Pertukaran Fellowship Perdana Menteri Malaysia, Tun Razak Foundation and the Malaysian Institute of Economic Research, among others. He is also a member of the Working Group of the Executive Committee for the National Economic Action Council.

His directorships in other public companies in the Public Bank Group are in Public Finance Bhd (Chairman), HHB Holdings Bhd (Chairman) and Public Merchant Bank Bhd (Chairman), and he is the Chairman of several other subsidiaries of the Public Bank Group. His directorships in other public companies are in Berjaya Land Bhd (Chairman), Berjaya Sports Toto Bhd (Chairman), Berjaya General Insurance Bhd (Chairman), Batu Kawan Bhd, Kuala Lumpur Kepong Bhd, Malaysian Mining Corporation Bhd, Glenealy Plantations (Malaya) Bhd, Malaysian South-South Corporation Bhd and KTM Bhd (Chairman).

Tan Sri Dato' Thong Yaw Hong attended all of the 18 Board meetings held in the financial year ended 31 December 2003.



Y.Bhg. Datuk Tay Ah Lek
(Managing Director)

Datuk Tay Ah Lek, aged 61, has 43 years experience in the banking and finance industry. He was appointed as an Executive Director of Public Bank on 18 June 1997 and has been re-designated as Managing Director with effect from 1 July 2002. He joined the Public Bank Group as a pioneer staff in 1966. He was the Executive Vice President of Public Bank from 1995 to 1997 and prior to this appointment, he was the Executive Vice President of Public Finance. He is a member of the Board Executive Committee. He is the Chairman of the Loans Committee and the Information Technology Committee, and is a member of the Assets and Liabilities Management Committee, the Share Investment Committee, the Group Human Resource Committee and the Public Bank Berhad Employees' Share Option Scheme Committee.

Datuk Tay Ah Lek holds a Master degree in Business Administration from Henley, United Kingdom and attended the Advanced Management Program at Harvard Business School. He is a Fellow of the Australasian Institute of Banking and Finance and the Institute of Bankers Malaysia.

He is presently the Chairman of the Association of Finance Companies of Malaysia and Honorary Advisor to the Association of Hire Purchase Companies Malaysia. He is a Council Member of the National Economic Action Council and the National Payments Advisory Board.

His directorships in other public companies in the Public Bank Group are in Public Finance Bhd, Public Merchant Bank Bhd, Public Mutual Bhd and JCG Holdings Ltd. He is also a Director of Public Bank (L) Ltd, the offshore bank in the Public Bank Group. His directorships in other public companies are in Cagamas Bhd and ASEAN Finance Corporation Ltd.

Datuk Tay Ah Lek attended all of the 18 Board meetings held in the financial year ended 31 December 2003.



Y.Bhg. Dato' Lee Kong Lam

(Executive Director)

Dato' Lee Kong Lam, aged 62, has 36 years experience in the banking and finance industry. He was appointed as an Executive Director of Public Bank on 28 November 2001. He joined Public Bank in November 1996 as General Manager and was subsequently appointed Senior General Manager in 1997 and Executive Vice President in 1998. He is a member of the Board Executive Committee. He is the Chairman of the Operational Risk Management Committee; and is a member of the Loans Committee, the Information Technology Committee, the Assets and Liabilities Management Committee, the Share Investment Committee, the Group Human Resource Committee and the Public Bank Berhad Employees' Share Option Scheme Committee.

Prior to joining Public Bank, he was with Bank Negara Malaysia ("BNM") and was involved primarily in the supervision and examination of banking institutions. He retired in August 1996 as the Head of BNM's Examination Department and as a member of the BNM's Management Committee.

He is a Fellow of the Australian Society of Certified Practising Accountants; a Fellow of the Chartered Institute of Bankers, United Kingdom; and a Chartered Accountant of the Malaysian Institute of Accountants.

His directorships in other public companies in the Public Bank Group are in Public Finance Bhd, Public Merchant Bank Bhd, Public Mutual Bhd (Chairman) and Hock Hua Finance Bhd, and he is also a Director of several other subsidiaries of the Public Bank Group.

Dato' Lee Kong Lam attended all of the 18 Board meetings held in the financial year ended 31 December 2003.



Y.Bhg. Dato' Yeoh Chin Kee

(Independent Non-Executive Director)

Dato' Yeoh Chin Kee, aged 61, began his banking career in 1961 and has 43 years experience in the banking and finance industry. He was appointed as a Director of Public Bank on 9 May 1978. He was the Executive Director of Public Bank from 1978 to 1997. He is a member of the Audit Committee, the Nomination Committee, the Remuneration Committee and the Risk Management Committee. He is also the Chairman of the Credit Risk Management Committee.

He is a Fellow of the Australian Society of Certified Practising Accountants and the Australasian Institute of Banking and Finance.

His directorships in other public companies in the Public Bank Group are in Public Finance Bhd, HHB Holdings Bhd, Public Merchant Bank Bhd, JCG Holdings Ltd and PB Trustee Services Bhd (Chairman). He is also a Director of several other subsidiaries of the Public Bank Group. His directorships in other public companies are in LPI Capital Bhd and Lonpac Insurance Bhd.

Dato' Yeoh Chin Kee attended all of the 18 Board meetings held in the financial year ended 31 December 2003.



Y.A.M. Tengku Abdul Rahman Ibni Sultan Haji Ahmad Shah Al-Mustain Billah

(Independent Non-Executive Director)

Tengku Abdul Rahman Ibni Sultan Haji Ahmad Shah Al-Mustain Billah, aged 43, was appointed as a Director of Public Bank on 16 July 1984. He is a member of the Audit Committee, the Nomination Committee and the Risk Management Committee.

He was educated at Harrow College, United Kingdom in Business Administration.

His directorships in other public companies in the Public Bank Group are in Public Finance Bhd and Public Merchant Bank Bhd. His directorship in other public companies is in Atlan Holdings Bhd. He also sits on the Boards of several private limited companies.

Tengku Abdul Rahman Ibni Sultan Haji Ahmad Shah Al-Mustain Billah attended 17 out of the 18 Board meetings held in the financial year ended 31 December 2003.



Tuan Haji Abdul Aziz bin Omar

(Independent Non-Executive Director)

Tuan Haji Abdul Aziz bin Omar, aged 56, was appointed as a Director of Public Bank on 5 January 2000. He is a member of the Audit Committee, the Nomination Committee, the Remuneration Committee and the Risk Management Committee.

He qualified as a Chartered Accountant from the Institute of Chartered Accountants in England & Wales, and later became a member of the Malaysian Institute of Accountants.

During his previous banking experiences, he became a Fellow of the Institute of Bankers Malaysia. His other past experiences had been in the areas of property, plantation, hotelling, trading and manufacturing.

His directorships in other public companies in the Public Bank Group are in Public Finance Bhd, Public Merchant Bank Bhd and Public Mutual Bhd.

Tuan Haji Abdul Aziz bin Omar attended all of the 18 Board meetings held in the financial year ended 31 December 2003.



Y.Bhg. Dato' Dr. Haji Mohamed Ishak bin Haji Mohamed Ariff

(Independent Non-Executive Director)

Dato' Dr. Haji Mohamed Ishak bin Haji Mohamed Ariff, aged 68, was appointed as a Director of Public Bank on 28 November 2001. He is a member of the Audit Committee and the Risk Management Committee.

He qualified as a professional Chartered Town Planner in 1964 and as a professional Landscape Architect in 1973 from the University of Newcastle-upon-Tyne, England.

He was the Director-General of the Department of Town and Country Planning from 1986 to 1993. He is also a member of the Advisory Board of the City of Kuala Lumpur. He is a Fellow of the Royal Town Planning Institute London; Fellow of Malaysian Institute of Planners; and Fellow of Institute of Landscape Architects Malaysia. He was honoured by the University of Newcastle-upon-Tyne, England with the Honorary Degree of Doctor in Civil Law in May 1993.

His directorships in other public companies in the Public Bank Group are in Public Finance Bhd, Public Merchant Bank Bhd and Public Mutual Bhd. His directorships in other public companies are in Faber Group Bhd and Yee Lee Corporation Bhd (Chairman).

Dato' Dr. Haji Mohamed Ishak bin Haji Mohamed Ariff attended all of the 18 Board meetings held in the financial year ended 31 December 2003.



Mr. Lee Chin Guan

(Independent Non-Executive Director)

Mr. Lee Chin Guan, aged 45, was appointed as a Director of Public Bank on 28 November 2001. He is a member of the Audit Committee, the Remuneration Committee and the Risk Management Committee.

He qualified as a Barrister-at-Law from the Middle Temple, United Kingdom in 1982. He also holds a Bachelor's Degree in Science (Hons) from the University of Manchester Institute of Science & Technology, England and Degrees in Law from Cambridge University, Oxford University and University of Chicago-Kent.

His directorships in other public companies in the Public Bank Group are in Public Finance Bhd and Public Merchant Bank Bhd. His directorships in other public companies are in LPI Capital Bhd, Lonpac Insurance Bhd and Transmile Group Bhd.

Mr. Lee Chin Guan attended all of the 18 Board meetings held in the financial year ended 31 December 2003.

None of the Directors has:

- Any family relationship with any Director and/or major shareholder of Public Bank
- Any conflict of interest with Public Bank
- Any conviction for offences within the past 10 years other than traffic offences

All of the Directors are Malaysians.



FINDING STRENGTH IN DIVERSITY

The blending of divergent ideas can result in very creative solutions. A different point of view helps us further improve. That's what we believe in. One belief, one team, one focus. All just to serve you.



PUBLIC BANK

Letter to Stakeholders

LETTER TO STAKEHOLDERS

The Public Bank Group weathered a very challenging 2003 and emerged stronger with another year of record profits. In the early part of 2003, Malaysia and Hong Kong SAR, where the Group's major businesses are located, were affected by the adverse economic effects of the Severe Acute Respiratory Syndrome ("SARS") outbreak and the geopolitical uncertainties stemming from the war in Iraq. A strong recovery in Malaysia in the second half of the year, due to proactive fiscal policies of the Government, containment of the SARS outbreak and easing of geopolitical tensions of a short-lived war in Iraq, led to a rebound in the Malaysian economy that was stronger than initial expectations. With improved global and regional economic performance, Malaysia achieved an economic growth rate of 5.2% for 2003, higher than the 4.2% achieved in 2002.

The Malaysian Government's expansionary, but disciplined fiscal policies and accommodative monetary policies in 2003 sustained the growth in the economy. The smooth leadership transition with a new Prime Minister further boosted confidence of businesses and investors, both domestically and internationally. Reflecting these positive developments, international rating agency Standard & Poor's upgraded Malaysia's long-term sovereign credit rating from BBB+ to A- whilst another, Moody's Investors Service, upgraded Malaysia's Baa1 rating outlook from "stable" to "positive". The banking and financing industry, an important component of the services sector in the Malaysian economy, played a pivotal role in the better-than-expected economic performance in the recovery process initiated by the stable and strong political leadership as well as supportive government policies.

Consumer confidence increased with the stronger economy, leading to increased demand for residential mortgages and passenger vehicle hire purchase financing as consumers revived commitments for the purchase of homes and cars. Small- and medium-sized enterprises ("SMEs") were a major beneficiary of the Government's fiscal policies aimed at domestic orientated industries which resulted in increased demand for financing from the banking system. The Public Bank Group, with its focus on servicing the financial needs of consumers and SMEs, was well positioned to complement the Government's efforts to uplift this economic sector.

As a result, despite the intensely competitive domestic banking and financing market in 2003, the Public Bank Group expanded its loan portfolio by 20%, a rate that is two to three times that of its major competitors. The strong growth in loans achieved in 2003 and the past few years, however, did not in any way compromise on credit standards. By adhering to its traditionally prudent credit policies and practices, the Group has seen its net non-performing loan ("NPL") ratio fall further in 2003, from 2.4% at the beginning of the year to 2.0% at the end of 2003.

Public Bank also completed the privatisation of Public Finance in 2003 as part of the on-going implementation of the Financial Sector Masterplan.

TO SHAREHOLDERS

FINANCIAL PERFORMANCE

The Public Bank Group turned in another year of record performance in 2003 with pre-tax profit of RM1.46 billion and net profit crossing the RM1 billion mark for the first time in the history of the Group. In particular, net profit for 2003 of RM1,003 million was 30% higher than the RM769 million achieved in 2002. Earnings per share improved to 16.5 sen from 13.3 sen in 2002, a 24% increase whilst return on equity improved to 13.5% compared to 12.0% in 2002.

Group operating revenue increased by 6.8% to RM4.3 billion. Net interest income, including net financing income from Islamic Banking operations, increased from RM2.2 billion in 2002 to RM2.4 billion in 2003, a 10% increase despite the intensely competitive Malaysian lending market with continued downward pressure on lending rates and spreads. The healthy improvement in net interest income was achieved on the back of strong loan growth and lower cost of customer deposit funds.

Public Bank Group's gross loans increased by 20% in 2003, in particular, lending in the domestic market which grew by 22% in 2003. The Group's total gross loans and advances increased by RM8 billion to stand at RM47 billion at the end of 2003. The Group's loan growth, which continued to be focused on the retail consumer and middle market commercial enterprises, in particular SMEs, was also supported by a strong growth of 59% in Islamic Financing, which reached RM5.9 billion at the end of 2003.

Customer deposits of the Public Bank Group expanded by 5% in 2003. However, the growth rate for lower-cost saving deposits and current accounts were 19% and 16% respectively in 2003, with such lower-cost deposits accounting for 34% of total customer deposits as compared to 30% at the end of 2002. The improved deposit-mix contributed to a lower cost of deposit funds in 2003.

In spite of the strong loan growth in the last few years, NPL of the Public Bank Group continued to fall in 2003, with net NPL falling by RM240 million to stand at RM1.4 billion at the end of 2003. The Group's net NPL ratio fell to 2.0% at the end of 2003 compared to 2.4% a year ago, and is less than one third of the 6.9% net NPL ratio of the banking system.

STRATEGIC BUSINESS DIRECTION

The Public Bank Group further expanded its market share of the domestic loans market in 2003. The Group's loan growth rate of 20% for the year was driven by a 22% growth in loans in Malaysia. This rate of growth is well above the domestic banking system's 4.8% growth in lending in 2003 and resulted in a 1.4% increase in market share to 9.6% of the domestic banking and finance company lending market. As in previous years, the increased lending activities continued to be focused on the retail consumer and middle market commercial customers, with 77% of new lending in Malaysia being granted to such customers. In the middle market commercial lending market, loans to SMEs make up a significant part of the Group's lending activities. In 2003, loans to SMEs increased by 14% to stand at RM11 billion.

The strong growth in the Public Bank Group's lending business in 2003 continued to be driven by the provision of outstanding customer service delivery of international standard, innovative and proactive product packaging, development of strong branding and prudent disciplined management of the business. In an increasingly competitive environment, particularly with the impending further liberalisation of the operating environment for foreign-controlled domestic banks, in line with the Financial Sector Masterplan, these critical success factors will continue to be central to the Group's business strategies.

The higher than industry rate of loan growth achieved by the Public Bank Group in the past few years has also enabled us to manage top line returns in the prevailing low interest rate environment. This was done through the progressive shift of low yielding interbank assets to higher yielding loan assets, whilst maintaining the Group's traditionally low loan default rate and balancing rising market risk from long-term interest rate movements.

The business of banking can be said to be all about managing risks. Resources, both qualitative and quantitative, continued to be allocated to the risk management functions of the Public Bank Group to enhance its risk management framework. As the banking and financial services industry become increasingly competitive, and as banking groups seek to expand their revenue sources, the level and types of risks to be managed would inevitably increase, thus requiring a greater level of risk management resources and increasingly sophisticated processes. The Group is also progressively gearing up its preparation for the anticipated implementation of the Basel II Capital Accord, which will start with the G-10 countries by the end of 2006.

The Islamic Banking balance sheet of the Public Bank Group expanded further by RM1.8 billion to RM6.5 billion in 2003, making up 10% of total Group assets. Islamic Banking financing increased by 59% to RM5.9 billion and was the largest contributor to the healthy increase in Islamic Banking pre-tax profit from RM109 million in 2002 to RM167 million in 2003.

SHAREHOLDER VALUE

The Public Bank Group is committed to deliver value to its shareholders consistently. This is reflected in the strong profitability performance, a healthy rate of dividend and proactive measures taken to improve the efficiency of the capital structure of the Group.

Thus the Board of Directors is recommending a first and final dividend of 22% for the year ended 31 December 2003. Even with the increase in the number of Public Bank shares in 2003 from 4,629 million to 6,413 million, arising from the issuance of 405 million Public Bank shares to privatise Public Finance, the completion of a 1 for 4 bonus issue and the exercise of ESOS options by employees, the dividend rate has been increased from 18% for 2002 to 22% for 2003. The total amount of net dividend payable of RM503 million for 2003 is an increase of 68% over the net dividend paid for 2002 of RM300 million. The proposed dividend also represents a net dividend payment ratio of 96% of distributable profits after statutory transfer of profits to general reserves.

Public Bank bought back 62.2 million of its shares in 2003. Subsequent to the end of 2003 and up to the end of February 2004, Public Bank bought back a further 67.5 million shares, making a total of 129.7 million shares bought back, all of which are held as treasury shares. In view of the strong capital adequacy ratios of both the Public Bank Group and the Bank, and the prevailing low interest rate environment, the share buy-back is a strategic measure in managing the efficiency of the capital structure of the Group. To be sure, the Group will continue to proactively manage its capital, balancing the sufficiency of capital to support the medium-term growth of the Group's businesses with the level of risk associated with such businesses, and meeting the expectations of shareholders for higher returns, be it in higher dividends or rising return on equity of the Group.

Shareholders of Public Bank have indeed enjoyed a substantive increase in the value of their shareholdings in Public Bank, both in 2003 and over the medium-term. Public Bank (Local) shares and Public Bank (Foreign) shares closed at RM2.83 and RM3.10 respectively in 2003. Adjusted for the 1 for 4 bonus issue in 2003, the comparable closing share prices at the end of 2002 were RM1.82 and RM2.08 respectively. Public Bank (Local) shares and Public Bank (Foreign) shares had appreciated 55% and 49% respectively in 2003, compared to a rise of 23% in the Kuala Lumpur Composite Index in 2003.

A shareholder of Public Bank who had invested in Public Bank (Local) shares at the beginning of 1993 at an average price of RM1.54 per Public Bank (Local) share would have seen the value of the Public Bank (Local) share appreciate to RM8.58 at the end of 2003, taking into account five bonus issues and one rights issue. This more than five-fold increase represents an average rate of return of 16.2% per annum, which together with an average dividend yield of 1.8% would mean that a shareholder of Public Bank would have enjoyed an average return of 18.0% per annum for the past ten years!

TO CUSTOMERS

In an intensely competitive banking and financial services industry and increasing commoditisation of product and service offerings, customer service delivery standards and excellence can be a significant competitive advantage. Recognising this, the Public Bank Group has over the past few years invested significant levels of resources in various customers service delivery excellence initiatives. Key amongst such initiatives include a series of customer care campaigns, the setting of quantitative customer service standards such as a 2-minute standard waiting time and 1-minute counter transaction time for core transactions, the benchmarking of customer service delivery to international ISO standards and the

PRIVATISATION OF PUBLIC FINANCE

The privatisation of Public Finance was completed in June 2003 with Public Finance becoming a wholly-owned subsidiary of Public Bank. Throughout 2003, the branch network of Public Finance was progressively rationalised and integrated into the Public Bank network by the closure of Public Finance branches and the shifting of the finance company business and operations to Public Bank branches or the conversion of Public Finance branches into Public Bank branches.

To-date, 104 Public Bank and Public Finance branches have been closed, with the business and staff of these closed branches transferred to a nearby Public Bank branch, and 12 Public Finance branches converted into Public Bank branches. The rationalisation and integration of the branch networks of Public Bank and Public Finance are scheduled for completion by the first half of 2004, with the Group having a more efficient and effective domestic network of around 250 branches.

maintenance of monitoring systems such as the electronic Queue Management System and the Customer Complaint Management System to manage attainment of customer service delivery standards throughout the Group.

In 2003, Public Bank achieved bank-wide ISO 9001:2000 certification for the "Provision of Customer Service in Loan Delivery". Together with the bank-wide ISO 9001:2000 certification of the "Provision of Customer Service at the Front Office" obtained in 2001, Public Bank has achieved international standards of service delivery in the two critical areas of its business, covering front line and loan service delivery, throughout its entire branch network.

Another significant customer service delivery enhancement initiative in 2003 is the progressive installation of self-service machines such as cheque and cash deposit machines in branches with high customer transactional flows. These self-service machines complement and enhance the service delivery processes at the front office of branches by off-loading cheque and cash deposit transactions from the branch counters whilst providing an additional channel for customers to conduct their banking transactions, particularly outside of normal banking hours. This extension of banking services availability covering a wider range of transactions, provides customers with greater flexibility and convenience to fulfill their banking services requirements.

The value of continued investment in customer service delivery standards and service excellence can be seen in the improvement in market share of retail deposits as indicated by the growth in the market share of savings deposits from 16% in 2002 to 17% in 2003. Customer service delivery excellence in loan delivery was also a significant contributor to the very strong rate of loan growth achieved by Public Bank and Public Finance in 2003.

The Public Bank Group will continue to deliver excellent customer service through the maintenance of its on-going customer service delivery initiatives and the introduction of new ones to sustain its competitive advantage in an increasingly competitive banking and financial services industry.

TO STAFF

The success of the Public Bank Group over the years is due, in great measure, to the united team work and joint contribution of a committed, knowledgeable and dedicated staff force which continuously strive for excellence. The human capital of the Group continues to be nurtured and managed proactively and is regarded by Management as the greatest asset of the Group.

For the Public Bank Group to maximise the long-term value of its human capital, significant management and financial resources continued to be invested by the Group in its policy of mandatory training for all levels of staff, in the development of both operational and management skill-sets and in the Group's human resource development infrastructure. The investment is not only to enhance the ability and skills of the staff in delivering the high standards of performance expected of the staff but also to prepare all levels of staff for career progression within the structured succession planning processes of the Group. Another key objective of the Group's investment in human resource development is to build and nurture a culture of integrity, exemplary corporate conduct and meticulous

regulatory compliance that pervades throughout the Group, consonant with the Group's role as a trusted financial institution and a custodian of public funds.

The commitment of the Group to its staff is clearly demonstrated in the implementation of the rationalisation and integration of the branch networks and head office functions of Public Bank and Public Finance. Retraining and re-skilling of both Public Bank and Public Finance staff were started in 2002, well ahead of the rationalisation and integration process. Surplus staff arising from elimination of duplicate functions and closure and integration of Public Finance and Public Bank branches were provided with continued career opportunities within the Group. In particular, Public Bank's expansion of its revenue generating activities such as new business development, sales and marketing, supported by appropriate retraining and acquisition of new skill-sets, have absorbed such staff. As a result, despite the closure of 104 branches, mainly Public Finance branches, there was no necessity for any shedding of staff through retrenchments or voluntary separation schemes.

Together with on-going training programmes for staff development and career advancement and the introduction of new products, processes and technology, the Public Bank and Public Finance staff training expenditure increased by 16% to RM16 million in 2003.

The Public Bank Group's mindful commitment to its staff is also demonstrated by its performance-based remuneration system. Priority is accorded to performing staff to fill vacancies in higher positions instead of through external appointments. In 2003, further options to subscribe for 111 million Public Bank shares were granted to 7,920

performing staff, making a total of 572 million share options granted under the existing Employees' Share Option Scheme of Public Bank, of which 240 million share options have been exercised by the end of 2003.

The strong desire of staff to seek career advancement within the Public Bank Group is seen in the high percentage of current senior management and branch management staff, 86% of whose appointments were from within the Group. This trend is anticipated to continue because of the beneficial impact of the Group's performance-based remuneration system.

TO THE COMMUNITY

As a major Malaysian banking and financial services group with extensive presence throughout the country, the Public Bank Group is continuously mindful of the needs and welfare of the community at large. The unbroken profitability track record of Public Bank since it started in 1966 has enabled Public Bank to continue to play an active role as a socially responsible corporate citizen besides being a significant contributor to the country's finances as a tax payer.

In 2003, the Public Bank Group's financial contributions, commitment and support for initiatives in promoting education, academic excellence, environment conservation and the welfare of the needy and less fortunate amounted to over RM14 million.

AWARDS AND RECOGNITION

The Public Bank Group's commitment to the pursuit of excellence has again been recognised by the awards conferred on Public Bank in 2003. In particular, Public Bank's efforts in fulfilling its commitment to excellent corporate governance practices and the strong financial performance of the Group continued to be recognised by the numerous awards received in 2003, some of which are for consecutive number of years.

In recognition of Public Bank's excellent corporate conduct, the Malaysia Stock Exchange Berhad again awarded the top KLSE Corporate Excellence Awards 2003 for the Main

Board to Public Bank, making it four consecutive years since the inauguration of the KLSE Corporate Awards in 2000. The winning of the top KLSE Corporate Excellence Award, which pays tribute to the outstanding companies that have demonstrated exemplary conduct in complying not only with the letter but the spirit of requirements and regulations, for each and every year since the start of the KLSE Corporate Awards four years ago, is a clear testimony of the exceptionally high standards of corporate governance adhered to by the Group and its consistently strong financial performance.

In addition to the top KLSE Corporate Excellence Awards 2003, Public Bank also won the Best Corporate Disclosure in Annual Report Award of the KLSE Corporate Awards 2003. This is a new category of the KLSE Corporate Awards introduced in 2003 which serves to recognise the level of corporate disclosure in annual reports of listed companies.

Winning the Overall Excellence Award for the second consecutive year and the Industry Excellence Award for the Finance Industry category for Public Bank's Annual Report 2002 at the National Annual Corporate Report Awards ("NACRA") 2003 is further recognition of the Group's efforts in good corporate governance practices, particularly in communicating with its stakeholders.

For the strong positioning of the Public Bank Group's business, its financial strength and its profitability performance, Public Bank received a number of best bank awards in 2003, including:

- Best Bank in Malaysia by Euromoney
- Best Bank in Malaysia by Global Finance
- Best Domestic Commercial Bank in Malaysia by Asiamoney
- FinanceAsia Annual Country Achievement Award for the Best Local Bank in Malaysia
- The Asset Triple A Asset Awards for the Best Domestic Bank in Malaysia.

These accolades, whilst recognising what the Public Bank Group has achieved, will also further motivate the Group to continue its pursuit of excellence as a partner in the development efforts of the nation.

PROSPECTS

Economic growth of Malaysia in 2004 is expected to exceed that achieved in 2003 with GDP growth of 6% forecast for 2004. Given the strong economic fundamentals of Malaysia such as a healthy foreign reserve position, trade surpluses, low inflation and low interest rates and the smooth leadership transition providing political stability, the Government is well-positioned to continue with its pro-growth economic policies.

In moving forward in 2004, the Public Bank Group is looking to capitalise on the conducive business conditions brought about by supportive Government policies, optimistic regional and global economic outlook and growing consumer and business confidence. The Group will build on the strong momentum of the loan growth of 2003 whilst continuing to focus on lending to consumers and middle market commercial enterprises, particularly SMEs and, of equal importance, maintaining the Group's uncompromising prudent credit standards.

As a socially responsible corporate citizen, the Public Bank Group's commitment to customer service excellence will be reinforced in 2004 with a further customer care campaign, the fifth in a series of campaigns geared to "Doing It Right" for the customer. In loan service delivery, the Group is targeting to meet all the quantitative standards of the Quality Management System for loan service delivery, thereby enhancing the competitiveness of the Group's business.

The Malaysian banking and finance industry will see further liberalisation with the on-going implementation of the Financial Sector Masterplan. The Public Bank Group is well-positioned to meet the challenges and inevitable rising competitiveness from liberalisation and increasing globalisation of the industry. Together with the Group's unbroken and growing profitability track record, its culture of prudent credit and quality excellence in customer service delivery, as well as the unwavering commitment of all levels of staff, the Public Bank Group will rise to meet the challenges in the years ahead.

ACKNOWLEDGEMENT

We wish to express our deepest appreciation to the management and staff of the Public Bank Group for their contribution, untiring commitment, dedication and loyalty.

We also wish to express our sincere appreciation to our customers and shareholders for their continued valuable support.

The Board and Management would also like to take this opportunity to thank Bank Negara Malaysia and other relevant authorities for their invaluable advice and guidance.

TAN SRI DATO' SRI DR. TEH HONG PIOW
Chairman

TAN SRI DATO' THONG YAW HONG
Co-Chairman

DATUK TAY AH LEK
Managing Director

DATO' LEE KONG LAM
Executive Director

DATO' YEOH CHIN KEE
Director

**TENGGU ABDUL RAHMAN IBNI SULTAN HAJI
AHMAD SHAH AL-MUSTAIN BILLAH**
Director

TUAN HAJI ABDUL AZIZ BIN OMAR
Director

**DATO' DR. HAJI MOHAMED ISHAK
BIN HAJI MOHAMED ARIFF**
Director

LEE CHIN GUAN
Director

AUDIT COMMITTEE REPORT

MEMBERS

Chairman

Y.Bhg. Tan Sri Dato' Thong Yaw Hong

Chairman/Independent Non-Executive Director



Member

Y.Bhg. Dato' Yeoh Chin Kee

Member/Independent Non-Executive Director



**Y.A.M. Tengku Abdul Rahman Ibni Sultan
Haji Ahmad Shah Al-Mustain Billah**

Member/Independent Non-Executive Director



Tuan Haji Abdul Aziz bin Omar

Member/Independent Non-Executive Director

**Y.Bhg. Dato' Dr. Haji Mohamed Ishak
bin Haji Mohamed Ariff**

Member/Independent Non-Executive Director



Mr. Lee Chin Guan

Member/Independent Non-Executive Director



Secretary

Mr. Soong Hoe Seng

Group Chief Internal Auditor



1. MEMBERSHIP AND ATTENDANCE

The Audit Committee (Committee) comprises the following members and details of attendance of each member at Committee meetings held during the year are as follows:

Composition of Audit Committee	Number of Committee Meetings	
	Held	Attended
Y.Bhg. Tan Sri Dato' Thong Yaw Hong Chairman/Independent Non-Executive Director	16	16
Y.Bhg. Dato' Yeoh Chin Kee Member/Independent Non-Executive Director	16	16
Y.A.M. Tengku Abdul Rahman Ibni Sultan Haji Ahmad Shah Al-Mustain Billah Member/Independent Non-Executive Director	16	15
Tuan Haji Abdul Aziz bin Omar Member/Independent Non-Executive Director	16	16
Y.Bhg. Dato' Dr. Haji Mohamed Ishak bin Haji Mohamed Ariff Member/Independent Non-Executive Director	16	16
Mr. Lee Chin Guan Member/Independent Non-Executive Director	16	16

2. COMPOSITION AND TERMS OF REFERENCE

2.1 Members

- a. The Committee shall be appointed by the Board of Directors and shall consist of not less than three (3) members, all of whom shall be non-executive directors. The majority of the Committee members shall be independent directors.
- b. At least one (1) member of the Committee:
 - i. must be a member of the Malaysia Institute of Accountants (MIA); or
 - ii. if he is not a member of MIA, he must have at least three (3) years working experience and;
 - he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
 - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967.
- c. Quorum
A quorum shall consists of two members and shall comprise of independent directors.

2.2 Chairman

The Chairman of the Committee shall be approved by the Board of Directors and shall be an independent non-executive director.

2.3 Secretary

The Secretary of the Committee shall be the Head of Internal Audit Division.

2.4 Meetings

Meetings shall be held not less than four times a year.

2.5 Authority

The Committee shall have the authority to:

- a. seek any information relevant to its activities from employees of Public Bank and the Public Bank Group.
- b. obtain such independent professional advice as it considers necessary.
- c. obtain the necessary resources required to carry out its duties.
- d. have full and unrestricted access to any information and documents pertaining to Public Bank and the Public Bank Group.

2.6 Responsibilities and Duties

The Committee shall review and, where appropriate, report to the Board of Directors on the following:

a. Risk Management

The adequacy and effectiveness of risk management, internal control and governance systems instituted in Public Bank and the Public Bank Group.

b. Internal Audit

- The adequacy of the scope of the audits conducted by Internal Audit Division, functions and resources of Internal Audit Division and that it has the necessary authority to carry out its work.
- The performance of Internal Audit Division.

c. External Audit

- The external auditors' audit plans, scope of their audits and their audit reports.
- The performance of the external auditors and make recommendations to the Board of Directors on their appointment and remuneration.

d. Audit Reports

- Internal and external audit reports to ensure that appropriate and adequate remedial actions are taken by management on significant lapses in controls and procedures that are identified.
- Significant internal and external audit findings and management's responses.

e. Financial Reporting

The quarterly and annual financial statements of Public Bank and the Public Bank Group for recommendation to the Board of Directors for approval, focusing particularly on:

- changes in or implementation of new accounting policies and practices;
- significant and unusual events; and
- compliance with the applicable approved accounting standards and other legal and regulatory requirements.

f. Related Party Transactions

Any related party transactions that may arise within Public Bank and the Public Bank Group.

g. Other Matters

Such other matters as the Committee considers appropriate or as authorised by the Board of Directors.

3. SUMMARY OF ACTIVITIES

During the year, the Committee carried out the following activities:

3.1 Financial Results

- a. Reviewed the quarterly and half-yearly unaudited financial results of Public Bank and the Public Bank Group before recommending them for the approval of the Board of Directors.
- b. Reviewed the annual audited financial statements of Public Bank and the Public Bank Group with the external auditors prior to submission to the Board of Directors for their approval. The review was, inter-alia, to ensure compliance with:
 - Provisions of the Companies Act, 1965 and the Banking And Financial Institutions Act, 1989;
 - Listing Requirements of Malaysia Securities Exchange Berhad;
 - Applicable approved accounting standards in Malaysia; and
 - Other legal and regulatory requirements.

3.2 Internal Audit

- a. Reviewed the annual audit plan to ensure adequate scope and coverage of the activities of Public Bank and the Public Bank Group.
- b. Reviewed the audit programmes, resource requirements for the year and assessed the performance of Internal Audit Division.
- c. Reviewed the internal audit reports, audit recommendations made and management's response to these recommendations. Where appropriate, the Committee has directed action to be taken by management to rectify and improve the system of internal controls and procedures based on the internal auditors' recommendations and suggestions for improvements.

The number of internal audit reports tabled to the Committee during the year was as follows:

Type of Audits	No. of Reports
• Information Systems	13
• Head Office Departments/ Divisions	13
• Branches	164
	180

- d. Monitored the implementation of the audit recommendations to ensure that all the key risks and controls have been addressed.

- e. Reviewed the Internal Audit Division's audit methodology in assessing and rating the risks of auditable areas and ensured that all high and critical risk areas are audited annually.
- f. Reviewed the staffing requirements of Internal Audit Division and the skills level of the internal auditors to ensure that the internal audit functions were carried out effectively and efficiently.

3.3 External Audit

- a. Reviewed with the external auditors:
 - their audit plan, audit strategy and scope of work for the year.
 - the results of the annual audit, their audit report and management letter together with management's responses to the findings of the external auditors.
- b. Evaluated the performance of the external auditors and made recommendations to the Board of Directors on their appointment and remuneration.
- c. Reviewed the inspection and examination reports issued by Bank Negara Malaysia and other regulatory authorities and the remedial actions taken in respect of the issues raised by them.

3.4 Related Party Transactions

Reviewed the related party transactions entered into by Public Bank and the Public Bank Group.

4. INTERNAL AUDIT FUNCTION

Internal Audit Division assists the Committee in the discharge of its duties and responsibilities. Its role is to provide independent and reasonable assurance that the systems of internal controls are adequate and effective.

A risk based approach is used to ensure that the higher risk activities in each auditable area are audited annually.

The internal audits cover the review of the adequacy of risk management, operational controls, compliance with established procedures, guidelines and statutory requirements, quality of assets, management efficiency and level of customer services, amongst others. In addition, the Internal Audit Division also audits the various computer application systems and telecommunications network of the Public Bank Group. These audits ensure that the instituted controls are appropriate, effectively applied and achieve acceptable risk exposures consistent with Public Bank's and the Public Bank Group's risk management policy.

Prior to implementation of new business products and projects, the Internal Audit Division assists in the evaluation of risk exposures and ensures that control procedures are in place to mitigate the risks identified.

Internal Audit Division also works collaboratively with the Risk Management Division of Public Bank to review the risk management processes of the Public Bank Group as a whole.

Further details of the activities of Internal Audit Division are set out in the Statement on Internal Control.

Statement on Internal Control

STATEMENT ON INTERNAL CONTROL

RESPONSIBILITY

The Board of Directors (“Board”) is responsible for the Group’s system of internal controls and its effectiveness. However, such a system is designed to manage the Group’s risks within an acceptable risk profile, rather than eliminate the risk of failure to achieve the policies and business objectives of the Group. Accordingly, it can only provide reasonable assurance but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

The Board has established an on-going process for identifying, evaluating and managing the significant risks faced by the Group and this process includes updating the system of internal controls when there are changes to business environment or regulatory guidelines. The process is regularly reviewed by the Board and accords with the guidelines for directors on internal control, the *Statement on Internal Control: Guidance for Directors of Public Listed Companies*.

The Board is of the view that the system of internal controls in place for the year under review and up to the date of issuance of the annual report and financial statements is sound and sufficient to safeguard the shareholders’ investment, the interests of customers, regulators and employees, and the Group’s assets.

The management assists the Board in the implementation of the Board’s policies and procedures on risk and control by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

KEY INTERNAL CONTROL PROCESSES

The key processes that have been established in reviewing the adequacy and integrity of the system of internal controls include the following:

- The Board Executive Committee is established by the Board to assist the Board in ensuring the effectiveness of the Bank’s daily operations and that the Bank’s operations are in accordance with the corporate objectives, strategies and the annual budget as well as the policies and business directions that have been approved. The Board Executive Committee also formulates strategies on an on-going basis and addresses issues arising from changes in both the external business environment and internal operating conditions. Management committees are established by the respective Boards of major operating subsidiaries in the Group to assume the functions as stated above in these subsidiaries.

STATEMENT ON INTERNAL CONTROL

- The Audit Committee reviews internal control issues identified by the Internal Audit Division, the external auditors, regulatory authorities and management, and evaluates the adequacy and effectiveness of the Group's risk management and internal control systems. It also conducts a review of the internal audit functions with particular emphasis on the scope of audits, quality of internal audits and independence of the Internal Audit Division of the Group. The minutes of the Audit Committee meetings are tabled to the Boards of the Bank and its major subsidiaries on a monthly or periodic basis. Further details of the activities undertaken by the Audit Committee are set out in the Audit Committee Report.
- The Internal Audit Division of the Bank and its major subsidiaries monitor compliance with policies and procedures and the effectiveness of the internal control systems and highlights significant findings in respect of any non-compliance. Audits are carried out on all units or branches, the frequency of which is determined by the level of risk assessed, to provide an independent and objective report on operational and management activities of these units or branches. The annual audit plan is reviewed and approved by the respective subsidiaries' Audit Committees and the findings of the audits are submitted to the said subsidiaries' Audit Committees for review at their monthly or periodic meetings.
- The Risk Management Committee was established by the Board to assist the Board to oversee the overall management of principal areas of risk. The other committees set up to manage specific areas of risk for the Group are the Assets & Liabilities Management Committee which manages market and liquidity risks; the Credit Risk Management Committee which manages credit risk and the Operational Risk Management Committee which manages operational risk.
- Operational committees have also been established with appropriate empowerment to ensure effective management and supervision of the Group's core areas of business operations. These committees include the Human Resource Committee, the Loans Committee, the Share Investment Committee and the Information Technology Committee.
- Annual business plans are prepared by the Bank's business units and all operating subsidiaries and are reviewed and approved by their respective Boards. Annual budgets are also approved by the respective Boards and the business units' and operating subsidiaries' performance are assessed against the approved budgets and explanations are provided for significant variances on a monthly basis to the respective Boards.

- There are proper guidelines within the Group for hiring and termination of staff, formal training programmes for staff, annual/semi-annual performance appraisals and other relevant procedures in place to ensure that staff are competent and adequately trained in carrying out their responsibilities.
- The Board of the Bank and the respective Boards of subsidiaries in the Group receive and review reports from management on a regular basis. In addition to the monthly accounts and financial information reports and reports on monitoring of compliance with banking laws and Bank Negara Malaysia's and other central banks' guidelines on lending, capital adequacy and other regulatory requirements, monthly progress reports on business operations are tabled to the respective Boards at their monthly or periodic meetings.
- There are policy guidelines and authority limits imposed on Executive Directors and management within the Group in respect of the day-to-day banking and financing operations, extension of credits, investments, acquisitions and disposals of assets.
- Policies and procedures to ensure compliance with internal controls and the relevant laws and regulations are set out in operations manuals, guidelines and directives issued by the Bank and subsidiaries in the Group which are updated from time to time.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Internal Control for the inclusion in the annual report of the Bank for the year ended 31 December 2003 and reported to the Board that the Statement appropriately reflects the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

BOARD EXECUTIVE COMMITTEE



Y.Bhg. Tan Sri Dato' Sri Dr. Teh Hong Piow

Chairman

A respected banking entrepreneur in the financial services industry, with a banking career which began in Singapore and spanned more than 52 years. He founded Public Bank in 1965 after spending 6 years in a senior management position in another prominent local bank. Tan Sri Teh has been at the helm of Public Bank since its inception and personally guided its growth up till today.



Y.Bhg. Datuk Tay Ah Lek

Managing Director

Holder of Masters in Business Administration degree. A veteran in the financial services industry for the past 43 years. Joined the Public Bank Group in 1966 and held several portfolios over the years including the Executive Vice President position in Public Finance and Public Bank. Was appointed Executive Director of Public Bank in 1997 and Managing Director in 2002. Sits on the Board of Directors of several subsidiary companies in the Public Bank Group.



Y.Bhg. Dato' Lee Kong Lam

Executive Director

An accountant by profession. Dato' Lee was attached to Bank Negara Malaysia for 28 years and retired as Head of the Examination Department. He joined Public Bank as General Manager in 1996 and was subsequently appointed Senior General Manager and Executive Vice President. He was appointed Executive Director in 2001. He is also a member of the Board of Directors of several subsidiary companies in the Public Bank Group.

HEADS OF DIVISION

**Mr. Chang Kat Kiam**

Senior General Manager, Retail Banking

Holder of Masters in Business Administration degree. Has been with Public Bank since 1975. Experienced in all aspects of banking having managed branches and banking business portfolios in Head Office. Mr. Chang has been a Manager since 1986 and was appointed Head of Retail Banking in 1995.

**Mr. Lam Kam Yin**

Senior General Manager,
Hire Purchase Operations

Holder of Bachelor of Arts/Economics degree. Has been with the Public Bank Group since 1978 with wide experience in finance company operations at both branch and Head Office level. Mr. Lam has been the Senior General Manager of Public Finance since January 2000 and is currently heading the Bank's Hire Purchase Operations.

**Mr. Leong Kwok Nyem**

Senior General Manager,
Treasury & Corporate Operations

An accountant by profession. Mr. Leong was attached to the accounting and auditing industry for 8 years before joining the Public Bank Group in 1988. Attached initially to the Finance Division in Head Office, he was transferred to JCG Finance in Hong Kong SAR in 1990. He returned to Head Office in 1994 and has been Head of Treasury since then.

**Ms. Jenny Cheng Siew Ngoh**

General Manager,
Human Resource Division

Holder of Bachelor of Economics (Public Administration) degree. A HR Practitioner with more than 27 years of experience in the banking industry. She has been with Public Bank since 1976 and was appointed Head of HR Division in 1991. She is in charge of all HR matters pertaining to the Bank.

**Ms. Chia Lee Kee**

General Manager, Secretariat Division

Holder of ICSA degree and is a Fellow of The Malaysian Association of The Institute of Chartered Secretaries and Administrators. Has been with Public Bank since 1978. Had 12 years of experience in banking operations until she was transferred to Secretariat Division in 1990. Ms. Chia has been a Manager since 1991 and was appointed Head of Secretariat Division in 1997.

**En. Ismail bin Ibrahim**

General Manager,
Credit Control & Islamic Banking

En. Ismail holds a Diploma in Business Studies and has been working in the banking industry since 1973. For the last 31 years, he has gained wide banking experience having served in a few financial institutions. Joined Public Bank in 1992 as Director of Credit Operations. He is now the General Manager overseeing the Credit Administration & Supervision and Islamic Banking operations of the Bank.

HEADS OF DIVISION



Mr. Lai Kim Leong

General Manager, Overseas Operations

Holder of Bachelor of Economics and Masters of Business Management degrees. Has been with the Public Bank Group since 1972. He was based in Hong Kong SAR for 11 years overseeing the Bank's business operations. He returned to Head Office in 1996 as Head of the Bank's Overseas Operations.



Mr. Soong Hoe Seng

Group Chief Internal Auditor,
Internal Audit Division

An accountant by profession. He has a total of 29 years of audit experience. He was attached to an audit firm prior to joining Public Bank in 1991 as Head of Internal Audit Division.



En. A. Razak bin Md. Dali

General Manager, Public Affairs Division

Holder of Bachelor of Mass Communication & Masters of Science (Corporate Communication) degrees. He has a total of 27 years of service with the Bank, having served as a Branch Manager prior to his present appointment. He has been heading the Bank's Public Affairs Division since 1994 and is responsible for the Bank's PR, corporate communication, advertising and sports matters.



Mr. Wong Jee Seng

General Manager,
Finance & Risk Management

An accountant by profession. He joined Public Bank in 1993 as a Manager in Finance Division. He was subsequently promoted as Senior Manager in 1997. Transferred to Treasury Division in 1998. Promoted as Director of Risk Management Division in 2000. He is now the General Manager overseeing Finance Division & Risk Management Division.



Ms. Chong You Lin

Director, PB Card Services & Support

Holder of Bachelor of Arts (Economics) degree. Ms. Chong has been with the credit card industry for 11 years before joining Public Bank in 1991 as Manager, PB Card Services. She was promoted to Director in 1996 and appointed the Head of Division in 2000.



En. Nasaruddin bin Arshad

Group Economist, Economics and Corporate Planning Division

Holder of Masters in Agriculture Economics degree. En. Nasaruddin was in the academic field for 17 years. The last position he held was as the Dean of School of Economics & Public Administration, UUM. He was with the Malaysian Institute of Economic Research for 2 years before joining the Public Bank Group in 1995. He has been the Director of Economics Division since 1995 and subsequently appointed Group Economist in 1999.



En. Sulaiman bin Abd. Manap

Director, Credit Operations Division

Holder of Masters in Business Administration degree. Has been with Public Bank since 1981. Experienced in all aspects of banking having managed branches and banking business portfolios in Head Office. En. Sulaiman was appointed Senior Manager of Retail Credit in 1995 and he is now the Director overseeing Credit Operations Division.



Ms. Chan Chew Fung

Director, Corporate Banking & Trade Finance Division

Holder of Bachelor of Arts (Economics) degree. Has been with Public Bank since 1982. Specialises in corporate banking and marketing for many years. Ms. Chan has been a Manager since 1991 and was appointed Head of Corporate Banking & Trade Finance Division in 1995.



Mr. Eddie Chan Kok Kwai

Director, Credit Administration & Supervision Division

Holder of Bachelor of Economics degree, FSD and AIBM. Joined Public Bank in 1982 and has been heading the Credit Administration & Supervision Division since 1992. Directly supervises the recovery of NPL and credit control functions of the Bank. He was promoted as Director, Credit Administration & Supervision Division in 1996.



Ms. Satwant Kaur d/o Gurbachan Singh

Director, Legal Division

Holder of Bachelor of Law & Fellow Member of IBBM. She was a practicing lawyer for several years before joining Public Bank as Manager in 1984. She was appointed the Director of Legal Division in 1996. The Division provides legal services to the Bank and its subsidiary companies.



Mr. Tan Teck Kong

Director, Information Technology Division

An IT specialist with a Bachelor of Science/Mathematics degree. Mr. Tan has been attached to IT Division for 21 years. He joined Public Bank in 1983 as a Trainee Computer Programmer. Experienced in all aspects within the IT sector in Public Bank. Mr. Tan was appointed Director in 2000 to head the IT Division of the Bank.

HEADS OF DIVISION



En. Mohd Najeeb bin Abdullah
Director, Islamic Banking Division

Holder of Masters in Business Administration degree. En. Najeeb was attached to a local bank for 10 years before joining Public Bank in 1983 as a Branch Manager. He was transferred to Head Office in 1995 as Senior Manager and is now the head of the Islamic Banking Division of the Bank.



En. Nizam bin Hj. Zainal Abidin
Director, Security Division

En. Nizam was attached to the Royal Malaysian Police for 13 years. He joined Public Bank in 1993 as Head of Security Division. Initially he held the position of Manager and was appointed Director of Security Division of the Bank in 2003.



Mr. Sim Goay Chye
Deputy Director, Property Division

Holder of Masters in Business Management degree. Mr. Sim joined Public Finance in 1983. He held several managerial portfolios in the Head Office of both Public Finance and Public Bank for the last 20 years. He held the position of Senior Manager of Business Development in Public Finance since 2000, before his current appointment as the Head of Public Bank's Property Division.



Mr. Tang Kam Hoe
Deputy Director,
Banking Operations Division

Holder of Bachelor of Economics degree. Has been with the financial services industry for the last 22 years. Experienced in all aspects of finance operations having managed branches and several business portfolios in Head Office. Mr. Tang was appointed Senior Manager of Branch Administration Division of Public Finance in 2000. He is now the Head of Banking Operations Division of Public Bank.