

# PUBLICBANK

Your needs  
Our focus

2004 Annual Report



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**PUBLIC BANK**



...we know what's  
important to you

Efficient  
Capital

Strong  
Growth

Internet  
Banking

Competitive  
Rates

Trustworthy

Customer  
Service

SME Loans

Convenience

Share  
Broking

Financial  
Strength

Efficiency

Higher  
Profits

Share  
Financing

Property  
Financing

Nationwide  
Network

High  
Dividends

Stability

Islamic  
Banking

Fund  
Management





## COVER RATIONALE

Public Bank's position as the Top Brand Bank is founded on strong customer focus. The desire to serve the needs of our customers to their fullest satisfaction is ingrained in our superior customer value delivery infrastructure.

As reflected in our theme 'Your Needs Our Focus', our clear vision from the powerful lens of the magnifying glass and substantial investments in customer delivery systems and people brings a totally new experience of excellent customer service to all our customers whoever they are, wherever they may be.

# FINANCIAL CALENDAR

Financial Year 2004

## 21 APRIL 2004, Wednesday

Announcement of the unaudited consolidated results for the 1st quarter ended 31 March 2004

## 22 JULY 2004, Thursday

Announcement of the unaudited consolidated results for the 2nd quarter and half year ended 30 June 2004

## 25 OCTOBER 2004, Monday

Announcement of the unaudited consolidated results for the 3rd quarter ended 30 September 2004

## 26 OCTOBER 2004, Tuesday

Issuance of notice of entitlement and payment of special dividend of 40% less 28% income tax

## 21 DECEMBER 2004, Tuesday

Date of entitlement to the special dividend of 40% less 28% income tax

## 30 DECEMBER 2004, Thursday

Date of payment of the special dividend of 40% less 28% income tax

## 18 JANUARY 2005, Tuesday

Announcement of the audited consolidated results for the 4th quarter and year ended 31 December 2004

## 7 FEBRUARY 2005, Monday

Issuance of notice of entitlement and payment of final dividend of 35% less 28% income tax and second special dividend of 15% less 28% income tax

## 8 MARCH 2005, Tuesday

Issuance of notice of 39th Annual General Meeting and annual report for the financial year ended 31 December 2004

## 30 MARCH 2005, Wednesday

Date of 39th Annual General Meeting

## 5 APRIL 2005, Tuesday

Date of entitlement to the final dividend of 35% less 28% income tax and second special dividend of 15% less 28% income tax

## 12 APRIL 2005, Tuesday

Date of payment of the final dividend of 35% less 28% income tax and second special dividend of 15% less 28% income tax

## Corporate Mission

To Sustain The Position  
Of Being The Most  
Efficient, Profitable And  
Respected Premier  
Financial Institution In  
Malaysia



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## Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirty-Ninth Annual General Meeting of Public Bank Berhad will be held at the Grand Ballroom, Shangri-La Hotel, Jalan Sultan Ismail, 50250 Kuala Lumpur on Wednesday, 30 March 2005 at 11.00 a.m. for the following purposes:

### AS ORDINARY BUSINESS

- |   |                       |
|---|-----------------------|
| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2004 and the Reports of the Directors and Auditors thereon.   | Ordinary Resolution 1 |
| 2. To declare a final dividend of 35% less 28% income tax and a special dividend of 15% less 28% income tax in respect of the financial year ended 31 December 2004 as recommended by the Directors.                      | Ordinary Resolution 2 |
| 3. To re-elect the following Directors who retire by rotation pursuant to Article 111 of the Company's Articles of Association:   |                       |
| i. Dato' Lee Kong Lam   | Ordinary Resolution 3 |
| ii. Dato' Yeoh Chin Kee   | Ordinary Resolution 4 |
| iii. Lee Chin Guan  | Ordinary Resolution 5 |
| 4. To consider and if thought fit, to pass the following Ordinary Resolutions in accordance with Section 129 of the Companies Act, 1965:  |                       |
| i. "That Tan Sri Dato' Sri Dr. Teh Hong Piow, retiring pursuant to Section 129 of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." | Ordinary Resolution 6 |
| ii. "That Tan Sri Dato' Thong Yaw Hong, retiring pursuant to Section 129 of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting."       | Ordinary Resolution 7 |
| 5. To approve the payment of Directors' fees of RM725,000 for the financial year ended 31 December 2004.  | Ordinary Resolution 8 |
| 6. To re-appoint Messrs KPMG as Auditors of the Company for the financial year ending 31 December 2005 and to authorise the Directors to fix the Auditors' remuneration.  | Ordinary Resolution 9 |

### AS SPECIAL BUSINESS

- |  |                        |
|--|------------------------|
| 7. To consider and if thought fit, to pass the following Ordinary Resolution:<br>"That pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum of the issued and paid-up share capital of the Company for the time being, subject always to the approvals of the relevant regulatory authorities." | Ordinary Resolution 10 |
|--|------------------------|



## DATE OF ENTITLEMENT AND PAYMENT OF FINAL DIVIDEND AND SPECIAL DIVIDEND

NOTICE HAS BEEN GIVEN ON 7 FEBRUARY 2005 THAT subject to the approval of Members at the Annual General Meeting to be held on 30 March 2005, a final dividend of 35% less 28% income tax and a special dividend of 15% less 28% income tax for the financial year ended 31 December 2004 will be paid on 12 April 2005 to Depositors whose names appear in the Record of Depositors on 5 April 2005.

A Depositor shall qualify for entitlement to the dividends only in respect of:

- a. Securities transferred into the Depositor's Securities Account before 4.00 p.m. on 5 April 2005 in respect of transfers;
- b. Securities deposited into the Depositor's Securities Account before 12.30 p.m. on 1 April 2005 in respect of securities exempted from mandatory deposit; and
- c. Securities bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.



BY ORDER OF THE BOARD

CHIA LEE KEE  
*Company Secretary*

Kuala Lumpur  
8 March 2005

### NOTES:

1. In respect of deposited securities, only Members whose names appear in the Record of Depositors on 23 March 2005 ("General Meeting Record of Depositors") shall be eligible to attend the above Meeting.
2. The right of Foreigners to vote in respect of deposited securities is subject to Section 41(1)(e) and Section 41(2) of the Securities Industry (Central Depositories) Act, 1991; the Securities Industry (Central Depositories) (Foreign Ownership) Regulations, 1996 and the Articles of Association of the Company. Where a Foreigner, based on the General Meeting Record of Depositors, holds deposited securities in a Securities Account and such securities raise the ownership of shares in the Company by Foreigners beyond the Company's foreign shareholding limit of 30%, such Foreigner or the proxy appointed by him, in respect of such securities, shall not be entitled to exercise in any manner whatsoever any voting rights in respect of the aforesaid securities at the above Meeting.
3. A Member entitled to attend and vote at the above Meeting may appoint a proxy to attend and vote on his behalf. A proxy need not be a Member of the Company.
4. A Member shall not be entitled to appoint more than two (2) proxies to attend and vote at the above Meeting provided that where a Member is an authorised nominee as defined in accordance with the provisions of the Securities Industry (Central Depositories) Act, 1991, it may appoint up to two (2) proxies in respect of each Securities Account it holds with ordinary shares in the Company standing in the credit of the said Securities Account.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or the hand of its attorney.
6. The instrument appointing a proxy must be deposited at the Registered Office of the Company, at 27th Floor, Menara Public Bank, 146 Jalan Ampang, 50450 Kuala Lumpur not less than 48 hours before the Meeting.

### EXPLANATORY NOTE ON SPECIAL BUSINESS:

The proposed Ordinary Resolution 10 if passed, will give the Directors of the Company authority to issue and allot shares for such purposes as the Directors in their absolute discretion consider to be in the interest of the Company, without having to convene a general meeting. This authority, unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting of the Company.

## Statement Accompanying Notice of Annual General Meeting

pursuant to Paragraph 8.28(2) of Bursa Malaysia Securities Berhad Listing Requirements

### 1. DIRECTORS WHO ARE SEEKING RE-ELECTION OR RE-APPOINTMENT AT THE 39TH ANNUAL GENERAL MEETING OF THE COMPANY

The Directors retiring by rotation pursuant to the Articles of Association and seeking re-election are as follows:

- Dato' Lee Kong Lam
- Dato' Yeoh Chin Kee
- Lee Chin Guan

Two Directors who are over the age of seventy years are seeking re-appointment and they are as follows:

- Tan Sri Dato' Sri Dr. Teh Hong Piow
- Tan Sri Dato' Thong Yaw Hong

The details of the five Directors seeking re-election or re-appointment are set out in their respective profiles which appear in the Directors' Profiles on pages 29, 30 and 32 of this Annual Report. Their securities holdings in the Company are set out in the Analysis of Shareholdings which appear on pages 301 and 302 of this Annual Report.

### 2. BOARD MEETINGS HELD IN THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

A total of sixteen Board meetings were held in the financial year ended 31 December 2004.

The attendance of Directors at the Board meetings held in the financial year ended 31 December 2004 was as follows:

Date of Meeting	Total Number of Directors	Attendance by Directors	
		Independent	Non-Independent
16 January 2004	9	5 (83%)	3 (100%)
27 January 2004	9	6 (100%)	3 (100%)
24 February 2004	9	6 (100%)	3 (100%)
30 March 2004	9	6 (100%)	3 (100%)
12 April 2004	9	6 (100%)	3 (100%)
28 April 2004	9	6 (100%)	3 (100%)
25 May 2004	9	6 (100%)	3 (100%)
29 June 2004	9	6 (100%)	3 (100%)
9 July 2004	9	6 (100%)	3 (100%)
28 July 2004	9	6 (100%)	3 (100%)
24 August 2004	9	6 (100%)	3 (100%)
27 September 2004	9	6 (100%)	3 (100%)
11 October 2004	9	6 (100%)	3 (100%)
27 October 2004	9	6 (100%)	3 (100%)
24 November 2004	9	6 (100%)	3 (100%)
23 December 2004	9	6 (100%)	3 (100%)



The details of attendance by each Director at the Board meetings held in the financial year ended 31 December 2004 are as follows:

	Total Meetings Attended	Percentage of Attendance
Tan Sri Dato' Sri Dr. Teh Hong Piow	16/16	100%
Tan Sri Dato' Thong Yaw Hong	16/16	100%
Datuk Tay Ah Lek	16/16	100%
Dato' Lee Kong Lam	16/16	100%
Dato' Yeoh Chin Kee	16/16	100%
Y.A.M. Tengku Abdul Rahman Ibni Sultan Haji Ahmad Shah Al-Mustain Billah	15/16	94%
Haji Abdul Aziz bin Omar	16/16	100%
Dato' Dr. Haji Mohamed Ishak bin Haji Mohamed Ariff	16/16	100%
Lee Chin Guan	16/16	100%



## BOARD OF DIRECTORS

### Non-Executive Chairman

TAN SRI DATO' SRI DR. TEH  
HONG PIOW

PSM, SSAP, SPMJ, SIMP, SSIJ, DSAP, DPMJ,  
Datuk Kurnia Sentosa Pahang, JP  
Hon LLD (M'sia), FIBM (M'sia), FCIB (UK),  
FCIS (Aust), FCMI (UK), FICM (UK),  
FInstAM (UK)

### Independent Non-Executive Co-Chairman

TAN SRI DATO' THONG YAW HONG  
PSM, SIMP, DSAP, DIMP, JMN, SMP, JBS, AMN  
BA (Econs Hons), MPA (Harvard),  
AMP (Harvard)

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## Corporate Information

### Managing Director

DATUK TAY AH LEK  
PJN, DIMP, KMN  
MBA (Henley), FIBM (M'sia), FAIBF (Aust)

### Executive Director

DATO' LEE KONG LAM  
DIMP  
FCPA (Aust), CA (M'sia), FCIB (UK)

### Independent Non-Executive Director

DATO' YEOH CHIN KEE  
DIMP  
FCPA (Aust), FAIBF (Aust)

### Independent Non-Executive Director

Y.A.M. TENGKU ABDUL RAHMAN  
IBNI SULTAN HAJI AHMAD SHAH  
AL-MUSTAIN BILLAH  
DK II, SSAP

### Independent Non-Executive Director

HAJI ABDUL AZIZ BIN OMAR  
ACA (England & Wales),  
CA (M'sia), FIBM (M'sia)

### Independent Non-Executive Director

DATO' DR. HAJI MOHAMED ISHAK  
BIN HAJI MOHAMED ARIFF  
DSPN, JSM, DJN, SMS, KMN, PPT, PJK  
FRTPI (London), FMIP (M'sia), FILA (M'sia),  
D.C.L. (Hon) Newcastle-upon-Tyne

### Independent Non-Executive Director

LEE CHIN GUAN  
BSc (Hons), BCL (Oxon), LL.M (Cantab),  
JD (Chicago-Kent), Barrister-at-Law (Middle Temple)

#### COMPANY SECRETARY

CHIA LEE KEE

#### AUDITORS

KPMG

Chartered Accountants

#### SHARE REGISTRAR

EPSILON REGISTRATION SERVICES

SDN BHD

312, 3rd Floor

Block C, Kelana Square

17 Jalan SS7/26

47301 Petaling Jaya

Selangor Darul Ehsan

Malaysia

Tel: 03-78031126, 78062116

Fax: 03-78061261

E-mail: [ers@epsilonas.com](mailto:ers@epsilonas.com)

#### STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia

Securities Berhad

(Listed since 6 April 1967)

#### REGISTERED OFFICE

27th Floor, Menara Public Bank

146 Jalan Ampang

50450 Kuala Lumpur

Malaysia

Tel: 03-21638888, 21638899

Fax: 03-21639917

#### HEAD OFFICE

Menara Public Bank

146 Jalan Ampang

50450 Kuala Lumpur

Malaysia

Tel: 03-21766000, 21766666,

21638888, 21638899

Fax: 03-21639917

#### WEBSITE

[www.publicbank.com.my](http://www.publicbank.com.my)

# SERVICE EXCELLENCE OUR FOCUS

Establishing the bond  
between bank and customers

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## Corporate Profile

### PUBLIC BANK: A CUSTOMER-CENTRIC FINANCIAL INSTITUTION

#### THE BEGINNING

Founded on a long-term vision of its Chairman and Founder, Tan Sri Dato' Sri Dr. Teh Hong Piow, Public Bank started its business operations on 6 August 1966 at its first branch at Jalan Gereja, Kuala Lumpur. On 6 April 1967, the Bank was listed on the then Kuala Lumpur Stock Exchange with a paid-up capital of RM16 million.

#### THE JOURNEY

The Public Bank Group is one of the top-tier banking groups in Malaysia, achieved through strong and consistent organic growth. Today, the Group employs more than 12,600 people and has 252 domestic branches. The Group expanded regionally in the 1990s to Hong Kong, Sri Lanka, Vietnam, Laos and Cambodia. The Group also has an offshore operation in the Federal Territory of Labuan.

As an anchor bank, Public Bank participated successfully in the consolidation of the banking sector which started in 1999 by acquiring Hock Hua Bank, Advance Finance and Sime Merchant Bank. The Bank had also privatised Public Finance in 2003 and merged the finance company business of Public Finance with the banking business of Public Bank in September 2004.

#### FOCUSED BUSINESS STRATEGY

The Public Bank Group provides a wide range of financial products and services related to commercial banking, hire purchase financing, merchant banking, credit and debit cards, cash management services, factoring, stockbroking, sales of trust units and management of unit trust funds, and other related financial services such as nominee and trustee services. The Group also provides Islamic banking and financing products and services.

#### THIRD LARGEST BANKING GROUP

With total assets of RM92 billion at the end of 2004, the Public Bank Group is the third largest banking group in Malaysia. The Group is the second largest in terms of shareholders' funds. Public Bank is also among the top five companies listed on Bursa Malaysia Securities Berhad in terms of market capitalisation.



### STRONG FINANCIAL PROFILE

The Public Bank Group not only continues to maintain its unbroken profit track record for the past 38 years, but also continues to maintain a sound financial profile in the key areas of profitability, asset quality and capital strength.

The Group's profitability ratios have been among the top performers in the industry. The Group's asset quality ratio, which has been around one-third of the industry's average, is the lowest in the industry. The Group maintains a strong capital base, a level that is commensurate with its existing risk profile and credit rating.

### STRONG RATINGS

Public Bank continues to be assigned strong ratings based on its strong financial fundamentals, prudent management and respectable domestic franchise. In December 2004, Moody's Investor Service upgraded Public Bank's long-term deposit rating to A3 from Baa1, and short-term deposit rating to Prime-1 from Prime-2 and reaffirmed Public Bank's financial strength rating at C (with stable outlook).

Standard & Poor's also assigned Public Bank an A- long-term and A-2 short-term counterparty credit ratings with stable outlook in June 2004. Rating Agency Malaysia reaffirmed the Bank's highest long-term rating of AAA and for short-term rating of P1.

### COMMITMENT TO SERVICE EXCELLENCE

The Public Bank Group commits a lot of its resources and manpower to maintain superior service delivery standards which are benchmarked against world standards. Public Bank is the only bank in Malaysia which has attained bank-wide ISO 9001: 2000 certification for both customer service at the front office and for loan delivery.





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Corporate Profile

#### MULTIPLE AND EFFICIENT DELIVERY CHANNELS

Public Bank now has 252 domestic branches. To provide customer convenience, Public Bank has 343 automated teller machines and 59 cheque deposit machines. By leveraging on its ICT infrastructure, the Group provides an Internet banking channel, PBeBank.com, PB Telebanking and desktop banking for customers to conduct their banking transactions with confidence. Public Bank participates in the Financial Process Exchange managed by MEPS to promote e-commerce.

#### MORE BANKING EXCELLENCE AWARDS

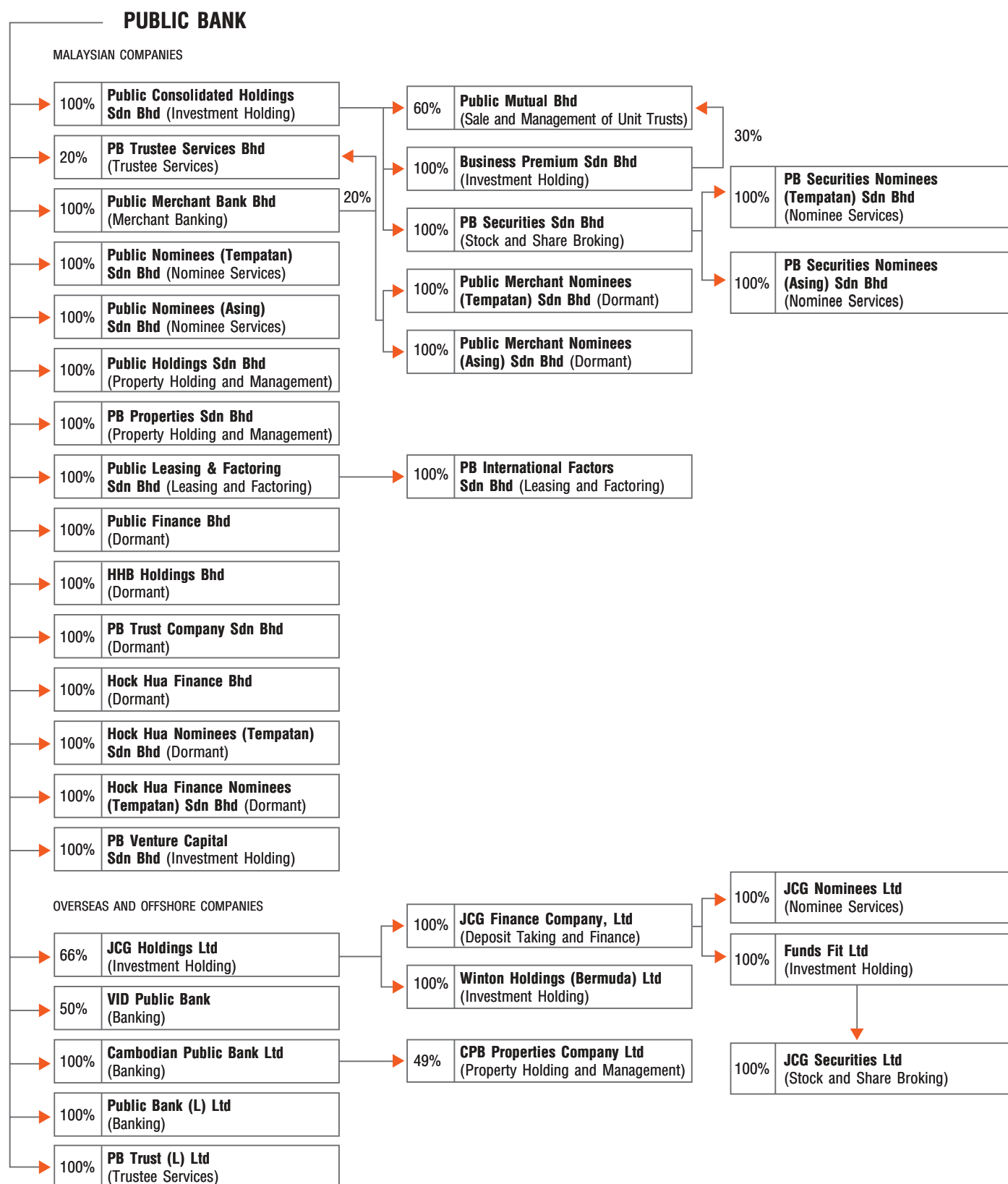
Public Bank continues to garner international and national awards of excellence in banking in 2004. The Bank won six best bank awards in 2004 from FinanceAsia (for six consecutive years), Euromoney (for the sixth time), Global Finance (for five consecutive years), The Asset (for three consecutive years), Asiamoney (for three consecutive years) and The Asian Banker (for the second time).

Public Bank also bagged the top KLSE Corporate Excellence Awards (for four consecutive years of the Awards), the Malaysian Business Corporate Governance Award (for two consecutive years) and the NACRA Most Outstanding Annual Report Award (for the third consecutive years and five times in total). These awards reaffirmed Public Bank as the standard bearer of good corporate governance in Malaysia.

#### RAISING THE BAR OF EXCELLENCE

The Public Bank Group is poised to achieve greater success by leveraging on its strong management team, innovative capabilities, committed staff force and excellent PB Brand. The Group is committed to strengthening its core business and competencies and achieve higher service levels, greater shareholder value and a more productive staff force. With effective leadership and undivided staff commitment, the Public Bank Group is ready to raise the bar of excellence for all its stakeholders.

## Group Corporate Structure as at 25 January 2005



# YOUR NEEDS OUR FOCUS

We continuously strive  
to do our best for you

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## Customer Care

AS A BUSINESS ENTERPRISE, THE PUBLIC BANK GROUP EXISTS TO SERVE ITS CUSTOMERS. THE GROUP HAS LONG RECOGNISED THAT COMPETING SOLELY ON PRICING WOULD NOT SUSTAIN LONG-TERM PROFITABILITY. MAKING A DIFFERENCE IN SERVING THE GROUP'S CUSTOMERS TO GAIN A COMPETITIVE EDGE CONTINUES TO BE A CORE BUSINESS STRATEGY OF THE GROUP.

### A COMMITTED DRIVE TO CUSTOMER SERVICE EXCELLENCE

The importance of excellent customer service in an intensely competitive banking and financing industry is key to the Public Bank Group in staying ahead of the competition. The Group continues to commit significant resources in its pursuit of international standards of customer service. Customer service delivery excellence is a culture that permeates every level of staff in the Group. The Group continues to set the pace for the banking and financing industry in customer service excellence and remains at the forefront in delivering superior standards of customer service which not only meet but exceed customers' expectations. The Group's corporate tagline of 'Excellence Is Our Commitment' is a way of life in the Public Bank Group.



## CUSTOMER SATISFACTION OUR TOP PRIORITY

A long running multi-phase Customer Care Campaign is a key initiative to develop a customer service excellence culture in the Public Bank Group. Phase V of the Customer Care Campaign was launched in May 2004. The main theme of the Customer Care Campaign remains “Doing It Right For You”. The theme for Phase V, “Your Needs Our Focus” is aimed at cultivating, as well as reinforcing, the desired attitude in customer service delivery by front-line staff as well as seeking customers’ perception of the Group’s service quality levels. Via feedback through questionnaires sent to customers and evaluations carried out on front-line staff with emphasis on the behavioural aspects through the Mystery Customer Project, the Group intends to enhance its customer service delivery standards even further.

## WORLD CLASS CUSTOMER SERVICE QUALITY STANDARDS

The two critical areas of the Public Bank Group’s business covering front-line services at branches and loan service delivery remained certified to internationally benchmarked ISO 9001:2000 standards. Sustaining the bank-wide ISO 9001:2000 certification for the “Provision of Customer Service at the Front Office” and the “Provision of Customer Service in Loan Delivery” remains a top priority of the Group. The Group continues to measure and monitor the achievement of customer service delivery standards, such as the Group’s 2-minute Standard Waiting Time and 1-minute transaction time for core banking transactions, as part of the structured quality management system that is in place to maintain the ISO 9001:2000 certification of the critical areas of the Group’s business.

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#### A WIDER SPECTRUM OF CUSTOMER SERVICE DELIVERY CHANNELS

With an increasingly tech-savvy customer base seeking the convenience of carrying out banking and financing transactions and accessing products and services information interactively, the multiple service delivery channels of the Public Bank Group, besides its extensive branch network, offers the convenience sought by such customers. The Group's electronic delivery channels have the capacity and capability to meet these customers' needs at any time of the day and from a location of the customers' choice, whether it be the customers' home or office or at the Group's extensive ATM network. The Group's PBeBank.com Internet banking service, its PB Telebanking service and the Group's conveniently located ATMs are structured to fulfill such needs. To further enhance customer convenience, self-service machines such as cheque deposit machines and cash deposit terminals are increasingly available, particularly in high transaction volume branches, to shorten further customers' waiting time or offer convenience of conducting such transactions outside of banking hours.

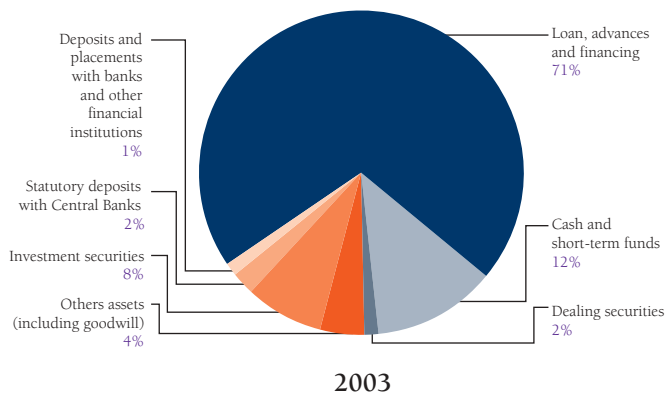
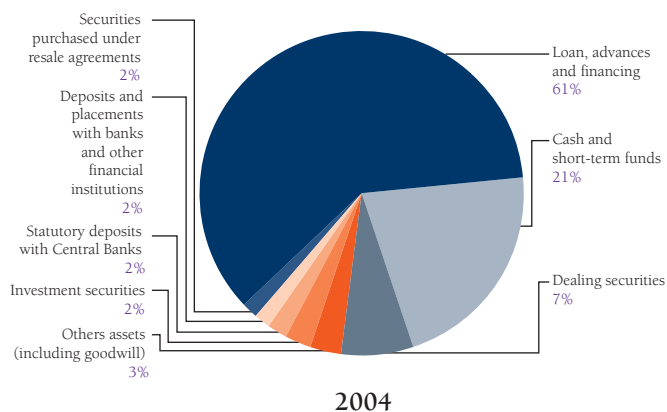
## Financial Highlights

	Group		Bank	
	2004	2003	2004	2003
<b>PROFITABILITY (RM'Million)</b>				
Operating revenue	5,045	4,318	3,669	2,556
Operating profit	2,115	1,850	3,369	1,498
Profit before tax expense	1,848	1,415	2,915	1,379
Profit after tax expense and minority interests	1,267	974	2,238	1,028
<b>KEY BALANCE SHEET DATA (RM'Million)</b>				
Total assets	92,087	64,577	88,855	57,962
Dealing and investment securities	9,078	5,980	6,933	7,351
Loans, advances and financing	55,719	45,540	53,856	27,266
Total liabilities	83,149	55,382	80,448	50,480
Deposits from customers	72,246	50,217	68,266	41,121
Shareholders' equity	8,571	8,618	8,407	7,483
Commitments and contingencies	19,781	14,246	19,535	13,249
<b>SHARE INFORMATION</b>				
Per share (sen)				
Basic earnings	39.4	32.0	69.5	33.8
Diluted earnings	38.7	31.2	68.3	33.0
Gross dividend	90.0	22.0	90.0	22.0
Net tangible assets	238.3	245.6	235.6	225.0
<b>FINANCIAL RATIOS (%)</b>				
<b>Profitability Ratios</b>				
Net interest margin on average interest bearing assets	4.0	4.1	2.8	2.5
Net return on equity <sup>1</sup>	18.3	14.4	34.1	17.5
Return on average assets	2.4	2.2	4.0	2.6
Return on average risk-weighted assets	3.6	3.3	6.8	5.0
<b>Capital Adequacy Ratios</b>				
Core capital ratio	13.9	17.5	13.8	15.0
Risk-weighted capital ratio	17.9	19.3	15.3	15.0
<b>Asset Quality Ratios</b>				
Net non-performing loans ratio (3-month classification)	2.1	3.0	2.2	3.0
Loan loss coverage	80.6	70.6	76.1	66.3
Gross loan to deposit ratio	78.9	93.5	80.6	68.1
Deposits to shareholders' funds (times)	8.4	5.8	8.1	5.5
<b>Valuation on Local Share</b>				
Gross dividend yield	12.7	3.9	—	—
Dividend payout ratio	166.5	52.5	94.3	49.7
Price to earnings multiple (times)	18.0	17.7	—	—
Price to book multiple (times)	3.0	2.3	—	—

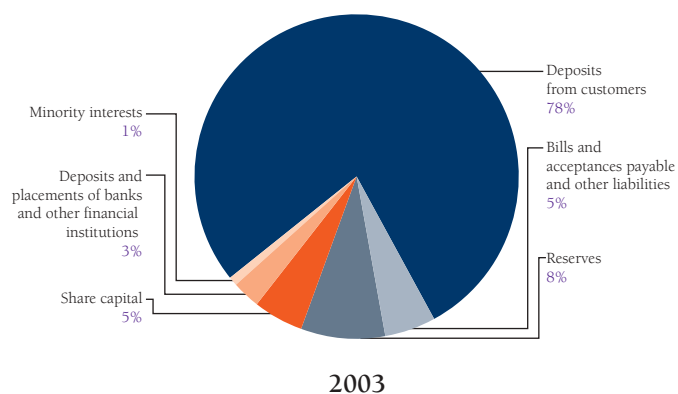
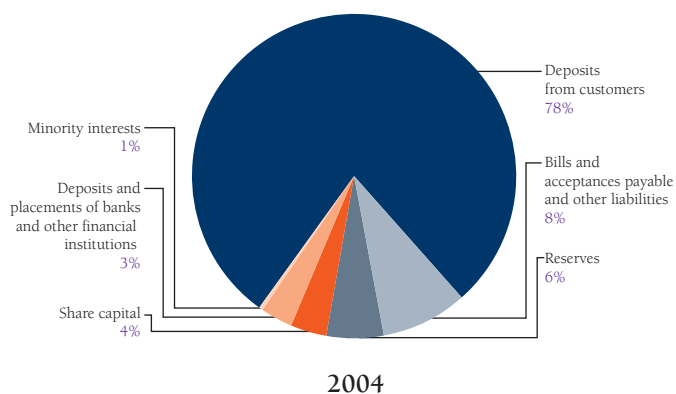
<sup>1</sup> Adjusted for proposed dividends and goodwill.

## Simplified Group Balance Sheets

### ASSETS



### LIABILITIES & SHAREHOLDERS' EQUITY





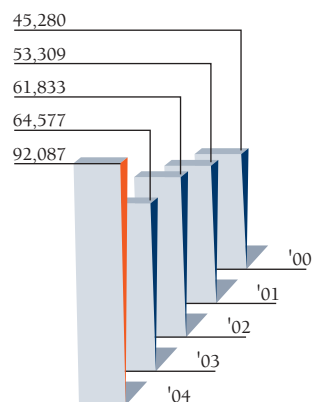
## Five-Year Group Financial Summary

Year ended 31 December	2004	2003	2002	2001	2000
<b>OPERATING RESULTS</b> (RM'Million)					
Profit before tax expense	<b>1,848</b>	1,415	1,230	1,243	1,249
Profit after tax expense and minority interests	<b>1,267</b>	974	761	720	724
<b>KEY BALANCE SHEET DATA</b> (RM'Million)					
Total assets	<b>92,087</b>	64,577	61,833	53,309	45,280
Loans, advances and financing	<b>55,719</b>	45,540	37,535	30,698	24,394
Total liabilities	<b>83,149</b>	55,382	53,538	45,528	39,534
Deposits from customers	<b>72,246</b>	50,217	47,986	39,782	33,877
Paid-up capital	<b>3,356</b>	3,207	2,315	1,834	1,195
Shareholders' equity	<b>8,571</b>	8,618	6,962	6,391	4,509
Commitments and contingencies	<b>19,781</b>	14,246	12,316	12,147	9,762
<b>SHARE INFORMATION</b>					
Per share (sen)					
Basic earnings	<b>39.4</b>	32.0	26.4	26.2	30.2
Diluted earnings	<b>38.7</b>	31.2	26.2	26.0	29.8
Gross dividend	<b>90.0</b>	22.0	18.0	18.0	15.0
Net tangible assets	<b>238.3</b>	245.6	280.1	325.8	371.8
Share price as at 31 December (RM)					
– Local	<b>7.10</b>	5.66	3.64	3.20	2.90
– Foreign	<b>7.60</b>	6.20	4.16	3.40	2.92
Market capitalisation (RM'Million)	<b>24,329</b>	18,669	10,966	9,356	7,041
<b>FINANCIAL RATIOS</b> (%)					
<b>Profitability Ratios/Market Share</b>					
Net interest margin on average interest bearing assets	<b>4.0</b>	4.1	4.1	4.3	4.3
Net return on equity <sup>1</sup>	<b>18.3</b>	14.4	12.8	14.5	17.9
Return on average assets	<b>2.4</b>	2.2	2.1	2.5	2.8
Return on average risk-weighted assets	<b>3.6</b>	3.3	3.4	4.2	4.9
Gross loan to deposit ratio	<b>78.9</b>	93.5	81.3	81.0	76.1
Net non-performing loans ratio (3-month classification)	<b>2.1</b>	3.0	3.2	5.0	4.3
Domestic market share in:					
Loans, advances and financing	<b>11.1</b>	9.6	8.2	6.4	5.2
Deposits from customers	<b>11.6</b>	8.9	9.3	8.2	7.0
<b>Capital Adequacy Ratios</b>					
Core capital ratio	<b>13.9</b>	17.5	19.4	22.0	21.6
Risk-weighted capital ratio	<b>17.9</b>	19.3	21.2	23.8	23.5
<b>Valuation on Local Share</b>					
Gross dividend yield	<b>12.7</b>	3.9	4.0	3.6	2.6
Dividend payout ratio (Bank level)	<b>94.3</b>	49.7	49.8	71.4	38.8
Price to earnings multiple (times)	<b>18.0</b>	17.7	13.8	12.2	9.6

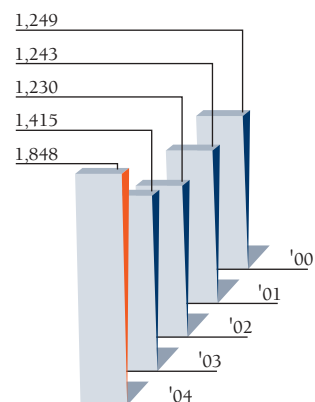
<sup>1</sup> Adjusted for proposed dividends and goodwill.

## Summary of Five-Year Group Growth

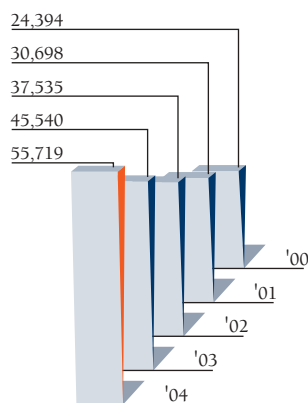
Total Assets  
(RM'Million)



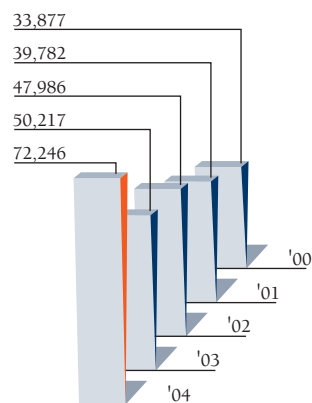
Profit Before Tax Expense  
(RM'Million)



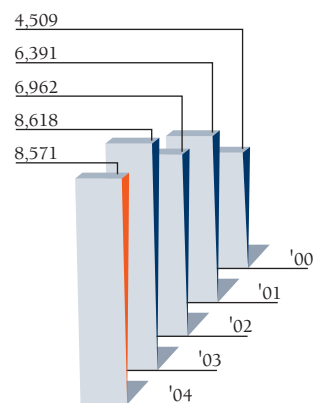
Loans, Advances and Financing  
(RM'Million)



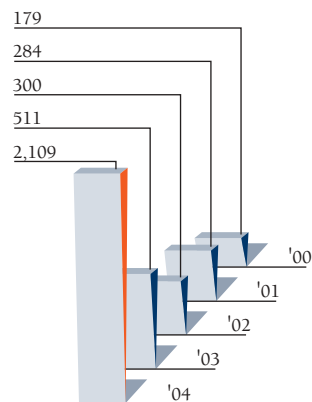
Deposits From Customers  
(RM'Million)



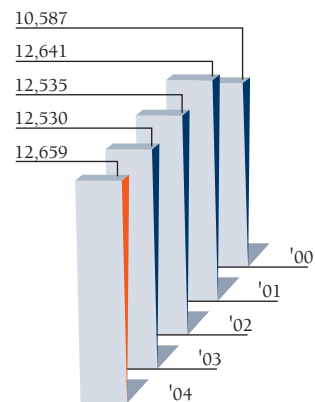
Shareholders' Equity  
(RM'Million)



Dividends  
(RM'Million)

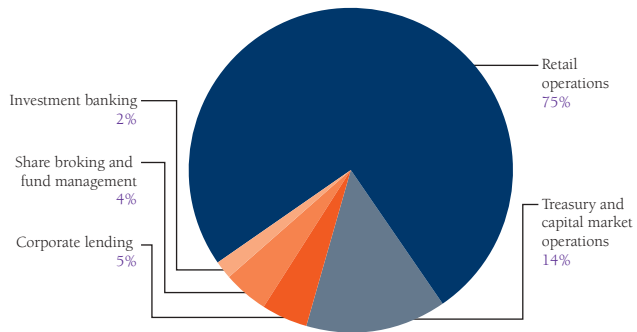


Total Staff Strength  
(Number)

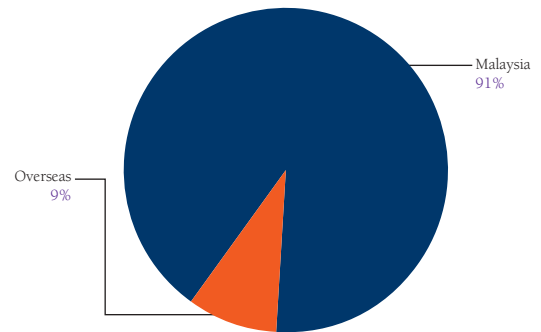


## Segmental Analysis for the year ended 31 December 2004

### OPERATING REVENUE

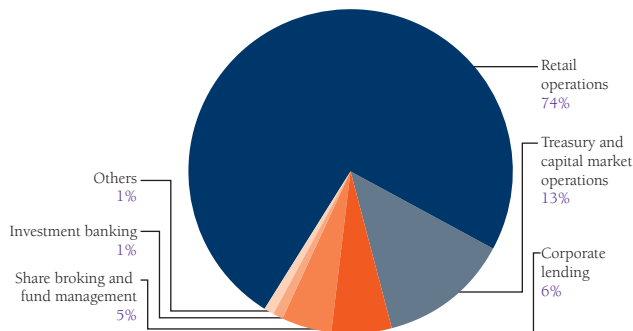


By Business Segments

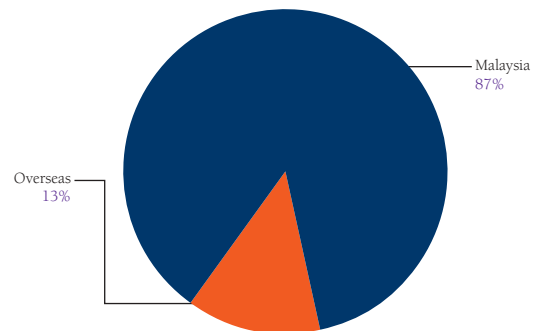


By Geographical Location

### PROFIT BEFORE TAX EXPENSE

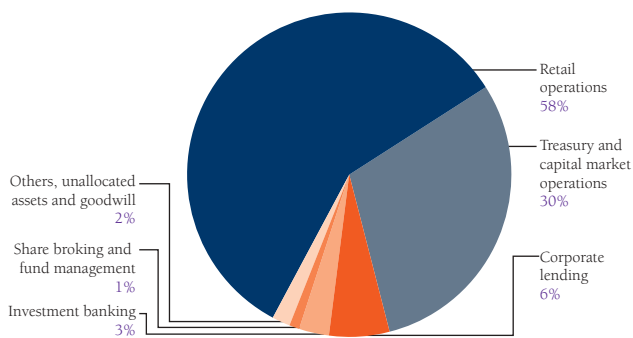


By Business Segments

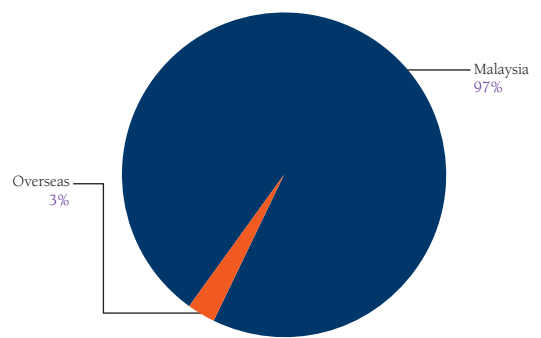


By Geographical Location

### ASSETS EMPLOYED

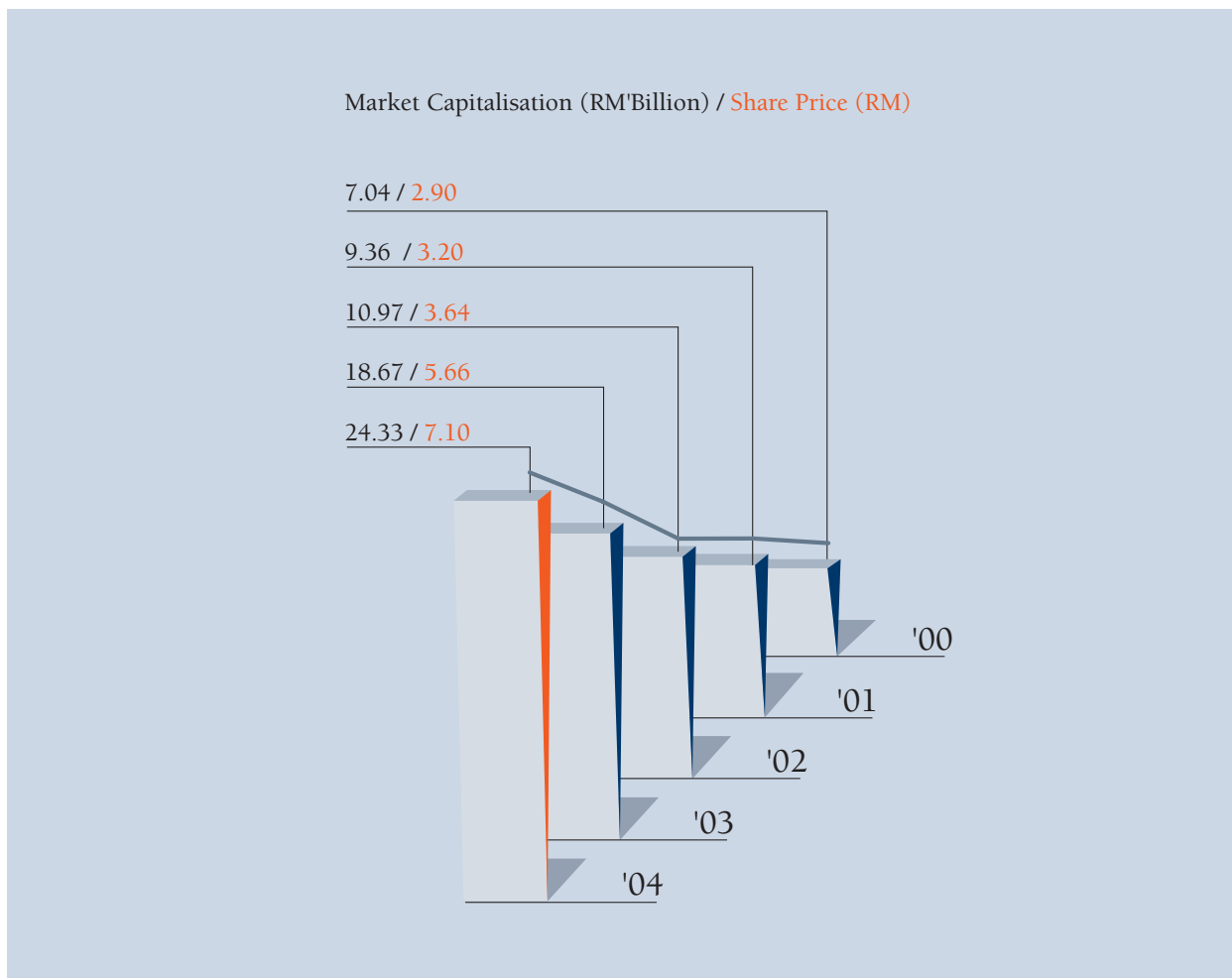


By Business Segments



By Geographical Location

## Market Capitalisation & Ranking



Public Bank's Ranking by Market Capitalisation on Bursa Malaysia Securities Berhad

Year	2004	2003	2002	2001	2000
Ranking	5th	6th	8th	8th	10th





We are here to make sure you  
have the wings to truly soar.  
**Your needs, our focus.**

we support

you fly

# THE BOARD





## Director's Profile



**Tan Sri Dato' Sri Dr. Teh Hong Piow**, aged 75, 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 was 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. He is the Chairman of the Assets & 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. Awards and accolades that he had received include Asia's Commercial Banker of the Year 1991; the ASEAN Businessman of the Year 1994; Malaysia's Business Achiever of the Year 1997; Malaysia's CEO of the Year 1998; Best CEO in Malaysia 2004 and The Most PR Savvy CEO 2004. 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

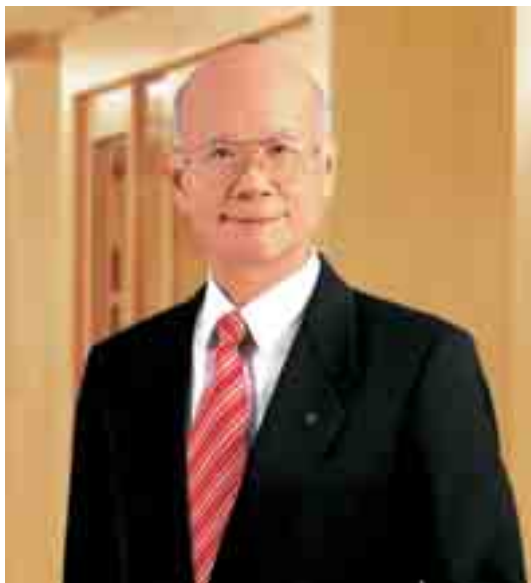
the past years. In recognition of his contributions to society and the economy, he was conferred the Doctor of Laws (Honorary) from University of Malaya in 1989.

He had served in various capacities in public service bodies in Malaysia; he was a member of the Malaysian Business Council from 1991 to 1993; a member of the National Trust Fund from 1988 to 2001; and is a founder member of the Advisory Business Council since 2003. He is a Fellow of several institutes which include the Institute of Bankers Malaysia; the Chartered Institute of Bankers, United Kingdom; the Institute of Administrative Management, United Kingdom; the Institute of Chartered Secretaries and Administrators, Australia and the Malaysian Institute of Management.

His directorships in other public companies in the Public Bank Group are in JCG Holdings Ltd (Chairman) and Public Merchant Bank Bhd, 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 16 Board meetings which were held in the financial year ended 31 December 2004.

**Tan Sri Dato' Thong Yaw Hong**  
Independent Non-Executive Co-Chairman



**Tan Sri Dato' Thong Yaw Hong**, aged 74, was appointed as a Director of Public Bank on 23 June 1986 and was made its Chairman in October 1986. He was 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 Masters 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 HHB Holdings Bhd (Chairman) and Public Merchant Bank Bhd (Chairman), and he is also a Director of several 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), KTM Bhd (Chairman), Batu Kawan Bhd, Kuala Lumpur Kepong Bhd, Malaysian Mining Corporation Bhd, Glenealy Plantations (Malaya) Bhd and Malaysian South-South Corporation Bhd.

Tan Sri Dato' Thong Yaw Hong attended all of the 16 Board meetings which were held in the financial year ended 31 December 2004.



**Datuk Tay Ah Lek**  
Managing Director



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## Director's Profile

**Datuk Tay Ah Lek**, aged 62, has 44 years experience in the banking and finance industry. He was appointed as an Executive Director of Public Bank on 18 June 1997 and was 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 IT Steering Committee, and is a member of the Assets & 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 Masters 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 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, ASEAN Finance Corporation Ltd and Financial Mediation Bureau.

Datuk Tay Ah Lek attended all of the 16 Board meetings which were held in the financial year ended 31 December 2004.

## Dato' Lee Kong Lam

Executive Director



**Dato' Lee Kong Lam**, aged 63, has 37 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 IT Steering Committee, the Assets & 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 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 Mutual Bhd (Chairman), Public Merchant Bank Bhd 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 16 Board meetings which were held in the financial year ended 31 December 2004.

**Dato' Yeoh Chin Kee**  
Independent Non-Executive Director

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



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## Director's Profile

**Dato' Yeoh Chin Kee**, aged 62, began his banking career in 1961 and has 44 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 PB Trustee Services Bhd (Chairman), Public Merchant Bank Bhd and JCG Holdings Ltd. 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 16 Board meetings which were held in the financial year ended 31 December 2004.

**Y.A.M. Tengku Abdul Rahman Ibni Sultan Haji Ahmad Shah Al-Mustain Billah**, aged 44, was appointed as a Director of Public Bank on 16 July 1984. He is a member of the Audit Committee, the Nomination Committee, the Remuneration Committee and the Risk Management Committee.

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

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

Y.A.M. Tengku Abdul Rahman Ibni Sultan Haji Ahmad Shah Al-Mustain Billah attended 15 out of the 16 Board meetings which were held in the financial year ended 31 December 2004.

**Haji Abdul Aziz bin Omar**  
Independent Non-Executive  
Director

**Dato' Dr. Haji Mohamed Ishak bin  
Haji Mohamed Ariff**  
Independent Non-Executive Director



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## Director's Profile

**Haji Abdul Aziz bin Omar**, aged 57, 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 is also a Chartered Accountant 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 Merchant Bank Bhd and Public Mutual Bhd.

Haji Abdul Aziz bin Omar attended all of the 16 Board meetings which were held in the financial year ended 31 December 2004.

**Dato' Dr. Haji Mohamed Ishak bin Haji Mohamed Ariff**, aged 69, 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 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 Merchant Bank Bhd and Public Mutual Bhd. His directorships in other public companies are in Yee Lee Corporation Bhd (Chairman) and Faber Group Bhd.

Dato' Dr. Haji Mohamed Ishak bin Haji Mohamed Ariff attended all of the 16 Board meetings which were held in the financial year ended 31 December 2004.

## Lee Chin Guan

Independent Non-Executive Director



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### Director's Profile

**Lee Chin Guan**, aged 46, was appointed as a Director of Public Bank on 28 November 2001. He is a member of the Audit Committee, the Nomination 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 Merchant Bank Bhd and JCG Holdings Ltd. His directorships in other public companies are in LPI Capital Bhd, Lonpac Insurance Bhd and Transmile Group Bhd.

Lee Chin Guan attended all of the 16 Board meetings which were held in the financial year ended 31 December 2004.

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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.





We are here to make sure you  
have all the assistance you need to prosper.  
**Your needs, our focus.**

you reap

we assist



# LETTER TO STAKEHOLDERS

Annual Report 2004  
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## Letter to Stakeholders

The Year 2004 marks yet another remarkable and striking milestone achieved by the Public Bank Group. Shareholders have every reason to be delighted with the return on their capital investment. To be sure, the shareholders' value and wealth created have been consistently increased *pari passu* with the strong growth momentum of the Group's business and profitability of the past few years, especially the expansion of its lending business by 22% in 2004.

Riding on a robust and growing Malaysian economy, with GDP growth expected to exceed 7% from a 5.2% growth in 2003, and the Government's supportive and continued prudent fiscal and accommodative monetary policies, the Public Bank Group further expanded its core businesses and now stands as the 3rd largest banking group in Malaysia.

Recognising the further strengthening of the Malaysian economy, the stable political climate of the current administration and its commitment to government reforms, together with continued strengthening of the country's external financial position and the demonstrated commitment of the government to fiscal consolidation, international rating agencies, Fitch Ratings and Moody's Investors Services upgraded Malaysia's long-term foreign currency sovereign credit rating from BBB+ to A- in November 2004 and from Baa1 to A3 in December 2004 respectively. The third internationally recognised rating agency, Standard & Poor's had also upgraded Malaysia's long-term sovereign credit rating to A- in late 2003.

The Public Bank Group, a key player in the financial services industry which is a vital component of the Malaysian economy, continued to play a pivotal supporting role in the Government's efforts to make domestic-orientated industries a key driver of Malaysia's economic growth through the Group's focus on meeting the financial services needs of consumers and small- and medium-sized enterprises ("SMEs"). The growth of the Group's lending business reflects this commitment

to the domestic economy. The Group's loan portfolio grew by 22% in 2004, with domestic lending expanding by 22%. This is more than two times compared to the banking system's loan growth of 8.5% and is the 4th consecutive year that the Group achieved a loan growth rate exceeding 20%, despite the intense and increasingly competitive banking and financing market in the past few years.

The strong rate of growth of the Public Bank Group's lending business, which was well above the industry's rate of growth over the past few years, had been achieved without any compromise of credit standards. Continued adherence to the Group's prudent credit policies and practices ensures that a cornerstone of the Group's healthy long-term financial performance, that of a level of non-performing loans ("NPL") which is significantly and consistently below the banking industry's NPL levels, is maintained. The Group's net NPL ratio continued to fall in 2004, from 3.0% at the beginning of the year to 2.1% at the end of 2004, which was about one quarter of the industry's net NPL ratio of 7.6%.

## TO OUR SHAREHOLDERS

### FINANCIAL PERFORMANCE

The Public Bank Group continued to turn in record profits in 2004. Pre-tax profit of RM1.85 billion represented an increase of 30% over the previous record pre-tax profit of RM1.42 billion achieved in 2003 whilst net profit for 2004 of RM1.27 billion was also 30% higher than the RM0.97 billion achieved in 2003. Earnings per share improved to 39.4 sen from 32.0 sen in 2003 whilst return on equity continued to improve to 18.3% compared to 14.4% in 2003.

Total assets of the Public Bank Group increased from RM64.58 billion at the end of 2003 to RM92.09 billion, making the Group the 3rd largest banking group in Malaysia in terms of balance sheet size.

Growth in both the lending business and deposit-taking business of the Group contributed significantly to the expanding balance sheet. The Group's gross loans increased by RM10.11 billion or 22% to stand at RM57.03 billion at the end of 2004. Customer deposits also expanded by RM22.03 billion to reach RM72.25 billion, with lower cost saving deposits and current accounts growing by 19% and 18% respectively in 2004. With the strong growth rates in 2004, the Public Bank Group's market share continued to expand with the Group's market share for loans increasing from 9.6% at the end of 2003 to 11.1% presently, whilst the Group's customer deposits market share increased to 11.6% from 8.9%, with the Group's savings deposits having a 16.8% market share.



Net interest income and Islamic financing income increased by 13% in 2004 to RM2.70 billion despite the intense and increasingly competitive Malaysian lending market exerting continued downward pressure on lending rates and spreads. This strong top line growth was achieved on the back of the strong 22% loan growth in 2004 and lower cost of customer deposit funds.

Islamic Banking showed strong growth with net income from Islamic Banking business increasing 28% from RM296 million in 2003 to RM380 million in 2004. The Public Bank Group's Islamic Banking assets grew by 26% to RM8.21 billion representing 9% of the Group's total assets.

In spite of the strong loan growth in the past five years, asset quality of the Public Bank Group continued to strengthen. Net NPL continued to fall from RM1.40 billion at the end of 2003 to RM1.21 billion at the end of 2004 whilst the Group's gross and net NPL ratios fell from 4.2% and 3.0% in 2003 to 2.9% and 2.1% in 2004 respectively.

## STRATEGIC BUSINESS DIRECTION

The Public Bank Group maintained its business strategy of focusing on meeting the banking and financing needs of the retail consumer and middle market commercial businesses, particularly the SMEs, in the Group's lending business and on building a long-term core deposit funding base of retail depositors. The Group's loan growth rate of 22% was more than two times the domestic banking system's loan growth of 8.5%. The Group's loan growth was primarily driven by a 34% growth in residential mortgages, a 16% growth in passenger vehicle financing and loans to SMEs growing by RM2.38 billion or 23%. In 2004, 73% of new loans approved were directed to retail consumers and SMEs. At the end of 2004, RM41.20 billion of gross loans outstanding or 72% were to retail consumers for residential mortgages, passenger vehicle financing and SMEs. Of the Group's core customer deposits comprising current accounts, savings deposits and fixed deposits, more than 70% were from individual depositors.

In 2004, the Public Bank Group had to contend with continued thinning interest margin arising from the intense and increasingly competitive lending business. The Group is meeting this challenge with strong above-industry rates of loan growth, offsetting narrower lending margins with high volume growth. The expansion of the customer base also provides the Group with the opportunity to develop a longer term relationship with a larger customer base and creates the solid foundation for future growth of the Group's business. At the same time, the Group also continued to address the issue of cost reduction as an on-going process of doing business in order to sustain bottom line growth when the top line is under continued pressure. Improving productivity of employees where the number of staff of the Group had remained stable at around 12,500 for the past few years, whilst both the lending and deposit-taking businesses achieve strong growth each year, will continue to be pursued. Another initiative to address the efficiency of the cost of doing business is the enhancement of electronic delivery channels both through increasing the number of self-service machines and the enhancement of PBeBank.com, the Group's e-banking channel, together with steps taken to encourage the Group's customers to migrate to these electronic channels.

The growth in the Public Bank Group's lending business of 22% in 2004 was the fourth year of strong annual growth of the Group's loans exceeding 20% per annum. Over this period, through organic growth, the Group had expanded its loan portfolio exponentially which is tantamount to that of acquiring a small bank in the sectors that the Group wants to be in and yet maintaining the strong asset quality levels that the Group has always pursued.

The steps taken by Bank Negara Malaysia ("BNM") to promote customer transparency in the banking system, a key component of the Financial Sector Masterplan, and higher levels of customer awareness of banking and financing product and service offerings driven by competitive marketing of customers by both Malaysian and foreign controlled domestic banks and banking

groups, have resulted in the increased commoditisation of products and services, particularly those to meet the banking and financing needs of the retail consumer, a customer segment that is critical to the Public Bank Group's business. The Group has been successful in not only defending but also growing its market share of such commoditised products by differentiating the Group from its competitors in rendering superior levels of service in the delivery of such commoditised products to customers. At the same time, the Group had allocated further resources to expand its marketing function, increasing the number of Sales & Marketing Executives and Personal Financial Executives to 172.

Liberalisation of the banking and financing market continued in 2004. One area of liberalisation having a direct competitive impact on the Public Bank Group is the development of alliances and joint ventures between banking groups and non-banking institutions, building on the expertise and skills of the respective alliance partners. In meeting the challenges posed by the progress of liberalisation, the Group continues to rely on the financial strength of its strong capital and growing balance sheet, its efficient nationwide branch network, its strong information and communication technology infrastructure, the Group's strong branding and a dedicated and loyal staff force.

The competitiveness of the Islamic banking market place has increased significantly and is likely to increase further with the issue of 3 new Islamic banking licences to 3 large West Asian banking groups and 3 Islamic banking subsidiary licences to Malaysian banking groups in 2004. The Group is well positioned to meet this challenge with the strength of the Group's Islamic Banking business, as reflected in the growth of its balance sheet and the increase in Islamic Banking pre-tax profit of 71%, from RM167 million in 2003 to RM285 million in 2004.

The day 4 September 2004 saw the culmination of the process which began with the privatisation of Public Finance in June 2003, with the transfer and merger of the finance company business of Public Finance with the banking business of Public Bank. Together with the completion of the rationalisation and integration of the branch networks of Public Bank and Public Finance earlier in 2004, the Public Bank Group realised another recommendation of the Financial Sector Masterplan aimed at improving the competitiveness, efficiency and effectiveness in the delivery of banking products and services through the operations of one-stop financial services providers.

BNM has set 1 January 2008 as the date for the implementation of the Basel II Capital Accord for Malaysian banks. The Public Bank Group's preparation for the implementation of the Basel II Capital Accord is well advanced and the Group will implement the Basel II Capital Accord in accordance with



BNM's deadline. Given the Group's business focus of lending to the retail consumer, particularly in the area of residential mortgages and the Group's focus on SMEs in its commercial lending business, together with the Group having the lowest gross NPL ratio in the Malaysian banking system, the implementation of the Basel II Capital Accord is expected to have a positive impact on the capital adequacy ratios of the Group, thereby providing the Group with a more efficient capital structure and a competitive edge in the Malaysian banking and financing industry.

### MANAGING CAPITAL EFFICIENCY

The Public Bank Group not only has to pursue operational efficiency as part of lowering the cost of doing business but also need to manage capital efficiency in successfully meeting the challenges posed by the extremely competitive market place. The Group has embarked on a number of initiatives aimed at making the capital structure of the Group more efficient and to enhance return on equity.

Public Bank geared up on its strong core capital position with the issue of USD350 million Subordinated Notes which qualified as Tier 2 capital. The ratings assigned to the Subordinated Notes issue were BBB+ by Standard & Poor's and Baa1 by Moody's Investors Services. In the process of rating the Subordinated Notes, international rating agency, Standard & Poor's also rated Public Bank A-, making Public Bank the only single A rated bank in Malaysia by Standard & Poor's. Given the strong ratings and the high regard that international investors have of the Public Bank Group, the Subordinated Notes issue was 4 times oversubscribed, with the level of pricing that was much lower than the market benchmark for such subordinated note issues by leading Malaysian banks.

The gearing up of Public Bank's core capital with the Subordinated Notes issue increased the risk-weighted capital ratio of the Public Bank Group by 2.3% and allows the Group to pursue expansion of its business and balance sheet without burdening shareholders for more equity capital and thus improving the Group's return on equity.

Public Bank continued to buy back its own shares in 2004, having bought back 31.1 million shares in 2003. In 2004, Public Bank bought back a further 69.1 million of its own shares, making a total shares bought back of 100.2 million or 3.0% of the issued and paid-up share capital of Public Bank. All the shares bought back are held as treasury shares.

The rising return on equity of the Public Bank Group, arising from the improvement in the efficiency of the capital structure has been further enhanced by the Group's high dividend payout policy.

### SHAREHOLDER VALUE

The commitment of the Public Bank Group to delivering superior shareholder value is clearly demonstrated by consistently improving profitability performance, by proactive initiatives in making its capital structure more efficient as well as the pursuit of a high dividend payout policy.

Since 2001, Public Bank had maintained a dividend payout ratio of over 95% of the Bank's net profit of each year after the transfer of profit after tax to the statutory reserve as required by the Banking and Financial Institutions Act. The special dividend declared in October 2004 of 40 sen less 28% taxation per Public Bank share, together with a second special dividend of 15 sen less 28% taxation and the final dividend of 35 sen less 28% taxation proposed by the Board of Directors, will mean that Public Bank shareholders will receive gross dividends totalling 90 sen per Public Bank share for 2004.

Public Bank (Local) share and Public Bank (Foreign) share prices closed at RM7.10 and RM7.60 respectively in 2004, compared to the closing prices at the end of 2003 of RM5.66 and RM6.20 respectively. The appreciation of the market value of Public Bank (Local) share and Public Bank (Foreign) share prices of 25.4% and 22.6% respectively in 2004, compared to a rise of 14.2% in the Kuala Lumpur Composite Index ("KLCI") in 2004 showed that Public Bank shares have outperformed the KLCI for a second straight year.

The market capitalisation of Public Bank has risen by RM5.66 billion or 30% from RM18.67 billion at the end of 2003 to RM24.33 billion at the end of 2004.

Thus the Public Bank Group has clearly delivered value to shareholders as reflected in the increase in the share prices of Public Bank shares in the past one year which significantly outperformed the general stock market. In addition, the Public Bank Group has also delivered long-term shareholder value consistently over a period of years with high return on invested capital.

In a study by Stern Stewart & Co., an international management consultancy, of Malaysia's wealth creators covering 162 Malaysian listed companies over a 5-year period from 1999 to 2004, Public Bank topped the Malaysian wealth creator league table with wealth added exceeding RM6 billion, with the second ranking company coming in at RM3.8 billion. The measure of wealth added used by Stern Stewart & Co. in the study not only measures changes in market capitalisation, but also takes into account the value of future prospects and the effects of increases in share capital from new issuance of shares. The measure of wealth added also imputes a minimum required return of an investor before counting wealth added as a measure of wealth created.

A shareholder of Public Bank who invested in Public Bank (Local) shares at the beginning of 1995 at an average price of RM3.86 per Public Bank (Local) share would have seen the value of the Public Bank (Local) share appreciate to RM13.46 at the end of 2004. This more than 3 fold increase, together with a total of RM6.24 of gross dividends paid in the period, would mean that a shareholder of Public Bank enjoyed an average rate of return of 16% per annum for the past 10 years.

Looking back even further, a shareholder of Public Bank who had bought 1,000 shares in Public Bank when it was listed in 1967, and assuming the shareholder had subscribed for all the rights issues to date and not sold any shares, he would now have 129,720 Public Bank shares worth RM921,012, based on the share price of Public Bank (Local) shares of RM7.10 at the end of 2004. This can be compared to a capital outlay of RM48,750, including subscription for all rights issues, whilst having received a total gross dividend of RM236,742 from the originally invested 1,000 shares in Public Bank in 1967. The appreciation in value and the dividends received work out to an average rate of return of 20.3% each year for the 37 years since the listing of Public Bank.

## TO OUR CUSTOMERS

In a market place where banking and financial services providers compete intensively for customers and market share, the Public Bank Group firmly believes that excellence in customer service delivery standards can be a significant competitive advantage. This is more so in an environment of increasing customer awareness, product and services transparency and commoditisation, and growing maturity of the banking and financial services industry that is being fostered by BNM and the Government. The manner in which a product or service is delivered can be a key differentiation in capturing the customer.

Having achieved bank-wide ISO standards in the two key areas of the Public Bank Group's business with the ISO 9001:2000 certification for the "Provision of Customer Service at the Front Office" and the "Provision of Customer Service in Loan Delivery", the Group continued to pursue initiatives to improve upon the already high standards of customer service delivery. Through reinforcement of the "Doing It Right For You" Customer Care Campaign with Phase V of the campaign with the theme "Your Needs Our Focus", customer service delivery excellence continues to be placed at the top of the agenda for action by the staff of the Group.

During 2004 the Public Bank Group invested in further facilities for enhancing customer convenience. These include the expansion of self-service machines and the implementation of bill payment capabilities in such self-service machines. Together with resources allocated to customer education on the use of self-service machines and increasing customer sophistication, the migration rate of customers to self-service machines have been encouraging. This not only improves the efficiency of branch counter services for customer transactions carried out at branch counters, it also provides customers with added flexibility to conduct their banking transactions outside of normal banking hours.

Our firm commitment to customer service delivery excellence is evidenced by the Group's continued investment in the development of the customer service delivery infrastructure. The pursuit of initiatives to continuously reinforce delivery of excellent customer service and the setting of high customer service delivery standards such as the 2-minute standard waiting time and 1-minute standard processing time for core banking transactions have resulted in the Group achieving a strong market share of business from retail individuals. The Group's market share of savings deposits is 16.8%, compared to a total customer deposits market share of 11.6% whilst deposits from individuals accounted for over 70% of core customer deposits of the Group. Customer service delivery excellence in loan delivery was also a key factor in the Group's strong loan growth of 22% in 2004.

## TO OUR STAFF

The key to the remarkable success and strong performance of the Public Bank Group is the contribution of a united team of committed, knowledgeable and dedicated employees who are constantly striving for excellence. The human capital of the Group is continuously being nurtured and proactively managed to bring out the best in each and every staff. Collectively, the staff force represents the greatest asset of the Group.

In striving to meet the objectives of the Public Bank Group to maximise the long-term value of its human capital, the Group continued allocating significant management and financial resources to implement its policy of mandatory training for all levels of staff. The investment in training all staff is not only to equip them with the capability and skills to deliver the highest standards of performance expected, it also prepares staff for career progression within the Group as part of their professional development and achieving the structured succession planning objectives of the Group.

In fulfilling the role as a trusted financial institution and a custodian of public funds, the Public Bank Group continues to nurture in all staff a culture of honesty and integrity, exemplary corporate conduct, and meticulous regulatory compliance through the Group's extensive human resource development programs and strictly adherence to a policy of zero tolerance for dishonesty and the lack of integrity.

The commitment of the Public Bank Group to its staff and the long-term view the Group takes in its human capital are clearly demonstrated in the rationalisation and integration of the branch networks and head office functions of Public Bank and Public Finance, which was completed in 2004. In all, the combined domestic network of Public Bank and Public Finance was reduced from 384 branches to 252 branches with the closure of over 130 branches. Not a single staff was shed through retrenchment or voluntary separation schemes. Those staff affected by the branch network rationalisation process were provided with appropriate retraining and the opportunity to acquire new skill-sets for career progression with the Group. Effectively the Group has maximised cost efficiencies of its branch network and developed a more proactive and cohesive sales and marketing approach to compete in an intensely competitive market place that is increasingly a "buyer's market".

The Public Bank Group continues to increase the financial resources for developing its human capital with an outlay of RM18 million on staff training expenses. This is an increase of 15% over that of 2003 and which in 2004 represented 3% of total human resource related costs, a ratio that is above the requirements of BNM in respect of staff training expense allocation.

As regards staff compensation, a performance based remuneration system is implemented where rewards are closely and transparently correlated to the delivery of superior performance levels. The Group's established, comprehensive and transparent performance appraisal system has enabled the Group to ensure fairness in rewarding its top performers with up to 10.25 months salary of performance related bonuses. This system continues to be a key factor in incentivising superior performance. An extension of the performance based remuneration system is the progress made by the Group in benchmarking the performance of branches and head office functions to key performance indicators. Whilst the primary objective is enhancing efficiency of operations, the benchmarking process also forms the basis of further development of the performance based remuneration system.

The Public Bank Group's commitment to its staff force, the established and transparent performance based remuneration structure and priority accorded to internal filling of vacancies, particularly for more senior positions, coupled with a generous employee share option scheme extended to all employees, have resulted in the high level of staff seeking career advancement within the Group. At present, about 92% of current senior management and branch management appointments are filled from within the Group and the staff do proudly and professionally have a sense of dedication and commitment to service.

## TO THE COMMUNITY

As the 3rd largest Malaysian banking and financial services group with extensive reach to all parts of the country, the Public Bank Group is mindful of its obligations to the needs and welfare of the community that it serves.

The 38 years of unbroken profitability track record of Public Bank since it started in 1966 has provided the platform for the Public Bank Group to continue to play an active role as a socially responsible corporate citizen and fulfill its corporate social responsibilities. This track record of profitability which exceeded RM1 billion each year since 2000, enables the Group to be a significant contributor to the fiscal revenue of the country as a tax payer and as a partner in the development efforts of the nation.

In 2004, the Group continued to contribute directly to the community with its financial commitment and contributions to sustain initiatives in promoting education, academic excellence, health care, environmental conservation, sports and the welfare of the needy and less fortunate. Besides total financial contribution of over RM9 million to support such worthy causes, the Group also participated in and supported events in promoting national pride and unity.

## AWARDS AND RECOGNITIONS

The Public Bank Group's commitment to the pursuit of excellence continued to be recognised by the awards and recognition conferred on Public Bank in 2004.

Public Bank's commitment to excellent corporate governance practices and its excellent corporate conduct was recognised by Bursa Malaysia Berhad in February 2004 with the KLSE Corporate Excellence Awards 2003 for the Main Board, the top award of the KLSE Corporate Awards, being awarded to Public Bank. The Public Bank Group also takes pride in the fact that for the years 2000 to 2003, the 4 years that Bursa Malaysia Berhad organised the KLSE Corporate Awards, the top KLSE Corporate Excellence Award for each and every one of these 4 years was won by Public Bank.

In June 2004, Public Bank was again awarded the Malaysian Business Corporate Governance Award 2003, making it the 2nd consecutive year that Public Bank has won this award since its inauguration.

Public Bank was also one of the recipients of the Corporate Governance Asia Recognition Awards 2004 – “The Best of Asia” by Corporate Governance Asia magazine in recognition of Public Bank's continuing commitment to the development of corporate governance in Malaysia.

Public Bank's Annual Report 2003 won the Overall Excellence Award at the National Annual Corporate Report Awards (“NACRA”) 2004, for the 3rd consecutive year and the 5th time in total, in addition to winning the Industry Excellence Award for the Finance Sector category for the 8th consecutive year. Public Bank also won the Best Annual Report in Bahasa Malaysia at NACRA 2004.

Public Bank continued to receive best bank awards in 2004 for the strong positioning of the Public Bank Group in the Malaysian banking and financing sector and for its financial strength, its excellent asset quality and rising profitability performance. The best bank awards received by Public Bank in 2004, some of which were for a number of consecutive years, include:

- Best Bank in Malaysia by Euromoney
- Best Bank in Malaysia by Global Finance
- Best Domestic Commercial Bank in Malaysia by Asiamoney
- Best Domestic Bank in Malaysia by The Asset
- Best Retail Bank in Malaysia by The Asian Banker
- FinanceAsia Annual Country Achievement Award for Best Local Bank in Malaysia

Public Bank is also the only Malaysian company to make it to the Forbes “World’s 400 Best Big Companies”, a list of the world’s most attractive big public companies for investors compiled by Forbes Global magazine in September 2004.

In the Asiamoney Awards 2004, Public Bank was also named one of the best managed companies in Malaysia.

In addition to the awards and recognition conferred on the Public Bank Group, the exemplary leadership of Tan Sri Dato’ Sri Dr. Teh Hong Piow, the Chairman and Founder of Public Bank was recognised when he was named by Asiamoney as the Best CEO in Malaysia in 2004.

These accolades and awards in recognising the achievements of the Public Bank Group will continue to spur and motivate the Group in its relentless pursuit of excellence.

## PROSPECTS

Driven by the strong momentum of a GDP growth exceeding 7% in 2004, the Malaysian economy is expected to grow by 6% in 2005, despite the slowing growth rate in the key manufactured exports sector experienced in the final quarter of 2004. Given the strong economic fundamentals of Malaysia as reflected by a healthy foreign reserve position, continued trade surpluses, strong domestic liquidity, low inflation, low interest rates and the exercise of fiscal prudence by the Government in meeting its target reduction in the fiscal deficit in 2004, the Malaysian economy is well-positioned to withstand any uncertain global economic conditions generated by volatile oil prices, rising US interest rates and slower global growth. The economic fallout from the effects of the devastating Asian tsunamis, although



with the tragic loss of many lives, on Malaysia's neighbouring economies would not adversely affect Malaysia, given its strong economic fundamentals.

The Public Bank Group is looking forward to capitalise on the conducive business conditions and strong consumer confidence brought about by the strong economic fundamentals of the country and supportive Government policies. Despite intensified competition in the Malaysian banking and financing industry, the Group will build on the momentum of the strong loan growth of 2004 and continue to focus on lending to consumers and middle market commercial enterprises, particularly SMEs, whilst keeping stringently to the uncompromising prudent credit standards and practices of the Group.

The Public Bank Group is well positioned to meet the challenges and inevitable rise in competitiveness in the market place brought about by further liberalisation of the Malaysian banking and financing industry resulting from the implementation of the Financial Sector Masterplan. New players in Islamic banking arising from the approval of the issuance of 3 new Islamic banking licences to banking groups from West Asia will put further competitive pressures on what is already an extremely competitive Malaysian banking and financing industry. The Group's unbroken and rising profitability track record and strong branding, together with its culture of prudent credit and customer service delivery that is benchmarked to international ISO standards, as well as the unwavering commitment of all levels of staff, are the key fundamentals that will see the Public Bank Group rise to meet the challenges ahead.

## ACKNOWLEDGEMENT

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

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

The Board and Management would also like to thank Bank Negara Malaysia and all other relevant authorities for their invaluable advice, guidance and support.

**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*

**Y.A.M. TENGKU ABDUL RAHMAN IBNI  
SULTAN HAJI AHMAD SHAH  
AL-MUSTAIN BILLAH**  
*Director*

**HAJI ABDUL AZIZ BIN OMAR**  
*Director*

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

**LEE CHIN GUAN**  
*Director*

26 January 2005

# Awards and Recognitions

Annual Report 2004  
**[www.publicbank.com.my](http://www.publicbank.com.my)**

## Awards and Recognitions

Public Bank's unwavering commitment to the pursuit of excellence in everything it does is central to the Group's corporate mission "To sustain the position of being the most efficient, profitable and respected financial institution in Malaysia." The success of the Group in delivering excellence has earned the Group numerous accolades and awards, many of which are for a number of consecutive years, besides enhancing the Group's reputation as a strong, safe and reliable financial institution.

# 2004 AWARDS

**KLSE Corporate Excellence Awards**  
Kuala Lumpur Stock Exchange Berhad

2003, 2002, 2001, 2000

1

**NACRA Award for the Most Outstanding Annual Report**  
National Annual Corporate Report Awards

2004, 2003, 2002, 1997, 1990

2

**Malaysian Business Corporate Governance Award**  
Malaysian Business magazine

2003, 2002

3

**FinanceAsia Annual Country Achievement Awards for the Best Local Bank in Malaysia**  
FinanceAsia magazine

2004, 2003, 2002, 2001, 2000, 1999

4



10

2004

**Reader's Digest SuperBrand Gold Award 2004**  
Reader's Digest SuperBrand 2004 Survey

11

2004

**FinanceAsia Asia's Best Companies 2004**  
FinanceAsia magazine

12

2004

**2004 Best Investor Relations by Institutional Investor Research Group**  
Institutional Investor Research Group

13

2004

**National Creative & Innovation Award**  
Malaysia Design Technology Centre

14

2004

**Anugerah Kristal 2004 (Special Mention) Consumer Public Relations Category: PB Manchester United MasterCard**  
Institute of Public Relations Malaysia



Mr. Neil Osborn, Managing Director of Euromoney Magazine presenting the Best Bank in Malaysia Award to Tan Sri Dato' Sri Dr. Teh Hong Piow on 7 August 2004



Mr. Nick Lord, Editorial Director of FinanceAsia Magazine presenting the FinanceAsia Annual Country Achievement Award for the Best Local Bank in Malaysia to Tan Sri Dato' Sri Dr. Teh Hong Piow on 7 August 2004



Tan Sri Dato' Sri Dr. Teh Hong Piow accepting the KLSE Corporate Excellence Awards for the fourth consecutive year from the Second Finance Minister, Y.B. Tan Sri Nor Mohamed Yakcop on 13 February 2004

Tan Sri Dato' Sri Dr. Teh Hong Piow accepting the Malaysian Business Corporate Governance Award from the Deputy Prime Minister, Y.A.B. Datuk Seri Najib Tun Razak on 25 June 2004



**Asiamoney Domestic Banks Awards for the Best Domestic Commercial Bank in Malaysia**  
Asiamoney magazine

**Euromoney Awards for Excellence for the Best Bank in Malaysia**  
Euromoney magazine

**Global Finance Best Bank Award for the Best Bank in Malaysia**  
Global Finance magazine

**NACRA Industry Excellence Award for the Finance Sector**  
National Annual Corporate Report Awards

**NACRA Award for the Best Annual Report in Bahasa Malaysia**  
National Annual Corporate Report Awards

2004, 2003, 2002

2004, 2003, 2002, 1999, 1998, 1993

2004, 2003, 2002, 2001, 2000

2004, 2003, 2002, 2001, 2000, 1999, 1998, 1997

2004, 1998

5

6

7

8

9



15

16

17

18

2004, 2003, 2002

2003, 2001

2004

2004

**The Asset Triple-A Awards for the Best Domestic Commercial Bank in Malaysia**  
The Asset magazine

**The Asian Banker for the Best Retail Bank in Malaysia**  
The Asian Banker Journal

**Best CEO in Malaysia 2004**  
Asiamoney magazine

**The Most PR Savvy CEO 2004**  
Institute of Public Relations Malaysia

**CHAIRMAN'S AWARDS AND RECOGNITIONS**



Tan Sri Dato' Sri Dr. Teh Hong Piow receiving the NACRA Overall Excellence Award for the Most Outstanding Annual Report 2004 from the Minister of Domestic Trade and Consumer Affairs, Y.B. Datuk Mohd Shafie bin Hj Apdal on 30 November 2004

## Records of Past Awards

 <p>2003</p> <p>KLSE Corporate Award for Best Corporate Disclosure in Annual Report Kuala Lumpur Stock Exchange Berhad</p>	 <p>2003</p> <p>The Asset Award for the Best Commercial Bank in Malaysia The Asset magazine</p>	 <p>2003</p> <p>The Asset Award for A Leader in Corporate Governance in Malaysia The Asset magazine</p>	 <p>2003 2002 2001</p> <p>Voted and ranked as No. 2 in the Review 200: Asia's Leading Companies Award Far Eastern Economic Review magazine</p>	 <p>2003</p> <p>Bank-Wide ISO 9001-2000 Quality Management Systems Certification for "Provision of Customer Service in Loan Delivery" SIRIM</p>
 <p>2003</p> <p>Merit Award for Annual Report (Bahasa Malaysia) Anugerah Citra Wangsa Malaysia sektor swasta Dewan Bahasa &amp; Pustaka</p>	 <p>2002</p> <p>Asiamoney Award for the Best Company Overall for Investor Relations 2001 for Malaysia Asiamoney magazine</p>	 <p>2002 2001</p> <p>Special Jury's Award for Annual Report (Bahasa Malaysia) Anugerah Citra Wangsa Malaysia sektor swasta Dewan Bahasa &amp; Pustaka</p>	 <p>2001 2000</p> <p>KLSE Corporate Sectoral Award for the Finance and Closed-End Fund sector Kuala Lumpur Stock Exchange Berhad</p>	 <p>2001</p> <p>2001 Best Retail Bank for Malaysia The Asian Banker Journal</p>
 <p>2001</p> <p>Bank-Wide ISO 9001-2000 Quality Management Systems Certification for "Provision of Customer Service at the Front-Office" SIRIM</p>	 <p>2001</p> <p>Bank of the Year in Malaysia The Banker magazine</p>	 <p>2001</p> <p>The Strongest Bank in Malaysia and Fourth Strongest Bank in Asia Asiamoney magazine</p>	 <p>2001</p> <p>Best Bank in Malaysia Emerging Markets Investor magazine</p>	 <p>2000</p> <p>CITRA Annual Report Award (Bahasa Malaysia) Dewan Bahasa &amp; Pustaka</p>





#### CHAIRMAN'S AWARDS AND RECOGNITIONS

