

Press Release

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The Asian Banker Excellence in Retail Financial Services Awards 2009

Public Bank (Malaysia) Wins Top Awards - Best Retail Bank in Asia Pacific, the Best Retail Bank in Malaysia and two further Product/Business Awards.

- *Public Bank (Malaysia) wins Best Retail Bank in Asia Pacific, the Best Retail Bank in Malaysia, Best Deposits/Product Campaign and Excellence in Automobile Lending in Asia.*
- *Public Bank won the prestigious Best Retail Bank in Asia Pacific award, based on superior core deposit collection capabilities, value of its franchise, excellent financial performance, sustainability of its balance sheet and risk management.*
- *Over 120 banks and financial institutions from 22 countries across the Asia Pacific, Gulf and Central Asian regions were evaluated as part of the Excellence in Retail Financial Services Programme.*

Singapore, 20 March 2009 – Public Bank was the big winner in the eighth Asian Banker Excellence in Retail Financial Services Awards Programme taking away the Best Retail Bank in Asia Pacific, Best Retail Bank in Malaysia, the Best Deposits/Product Campaign and Excellence in Automobile Lending awards. The bank received the awards at The Asian Banker Excellence in Retail Financial Services Awards 2009 ceremony, held in conjunction with the region's foremost retail banking event, the Excellence in Retail Financial Services Convention. The ceremony was held at the Grand Hyatt in Singapore on the evening of March 19th, 2009.

About 120 senior bankers from award winning banks in 22 countries across the Asia Pacific, the Gulf region and Central Asia attended the formal gala dinner, the industry's celebration of the region's best retail bankers that recognizes their efforts in bringing superior products and services to their customers.

The awards programme, administered by The Asian Banker and refereed by prominent global bankers, consultants and academics, is the most prestigious of its kind.

A stringent three month-long evaluation process, based on a balanced and transparent scorecard, determined the winners and the position of the different retail banks in the region. A full list of winners is attached.

Public Bank (Malaysia) wins Best Retail Bank in Asia Pacific, the Best Retail Bank in Malaysia, Best Deposits/Product Campaign and Excellence in Automobile Lending in Asia

Public Bank, one of the most retail aligned financial institutions with retail banking making a 76% contribution to total profits, has topped this year's Asian Banker Excellence in Retail Financial Services Awards Programme by scooping the highest number of awards for a single institution. It not only outperformed its peers in Malaysia in financial performance, lending prudence, cost and risk management, but also outshone regional peers, both overall and in two product and business awards.

It won the Best Deposit Product Award for Asia; Public Bank, which is a net lender in the deposit interbank market, leveraged its branch network to achieve the highest deposit volume among all banks in the region while keeping its cost of funds below 2.5%. While core customer deposits grew by 18% in 2008, they accounted for 57.1% of the banking industry's growth of core customer deposits.

Public Bank also became the sole winner for the Automobile Lending Award for Asia by showing the highest profitability among all nominees in this field. Despite a challenging environment, the return on equity for its hire purchase operations in 2008 improved by 5%, making Public Bank one of the largest players in terms of profit in the region. While it further centralised its hire purchase operations, it also performed comparatively better in process efficiencies. Its large number of dealerships and its high automated approval rates helped it to outperform its peers in the local and regional markets.

Public Bank won the prestigious Best Retail Bank in Asia Pacific award, based on superior core deposit collection capabilities, value of its franchise, excellent financial performance, sustainability of its balance sheet and risk management

In a highly challenging environment for retail financial services in the region, Public Bank won the highest award for retail financial services in Asia Pacific, outperforming not only national competitors but also regional peers in the overall scorecard. Public Bank continued its superior financial performance with a net profit growth in its retail operations of 24% and a return on equity of close to 30%, ranking it in the top five of 140 retail financial services institutions in the programme.

Its prudent lending and early tightening of credit standards allowed Public Bank not only to grow its retail assets by 11% year on year, but further improved its NPL ratio to 1% from 1.38% in 2007, the best asset quality ratio in the banking industry in Malaysia. Its core fee income business did comparatively better than most regional peers, sliding marginally by 2.2%, while their cost to income ratio in retail financial services is below 32%, among the lowest in the industry in Asia.

"In 2008, the bank was successful in protecting and expanding successfully its franchise in Malaysia, while topping its regional competitors in five out of 10 dimensions of evaluation including franchise building, financial performance, sustainability, transparency in strategy and risk management," said Mr. Kapfer. He added: "Public Bank runs on an almost magic formula which is unique in the region: high asset growth, low risk to its balance sheets and certainly

one of the best cost managed banks in the region—a business model of prudent management and financial soundness is often copied but never achieved in its practical success by others. In many of the key indicators, Public Bank was able to show results that were significantly better than the regional average and its closest competitors in Australia and Hong Kong," said Mr. Chris Kapfer, head of the Excellence in Retail Financial Services Programme at The Asian Banker.

Over 120 banks and financial institutions from 22 countries across the Asia Pacific, Gulf and Central Asian regions were evaluated as part of the Excellence in Retail Financial Services Programme

“This year over 120 banks and financial institutions in 22 countries across Asia were evaluated as part of the Excellence in Retail Financial Services programme in what has become the only most prestigious, comprehensive and anticipated Awards Programme that recognises the pursuit of excellence amongst retail financial institutions available almost anywhere in the world today” said Philip Strause, Chairman of The Asian Banker Excellence in Retail Financial Services Programme.

The transparent award evaluation process uses a balanced scorecard approach and a comprehensive methodology to evaluate the strength of individual banks’ retail banking businesses that involves extensive research and probing interviews, and taps the combined experience of a team of experienced researchers.

Strause, who has over 30 years experience as a principal consultant to leading financial institutions in North America and the Asia Pacific, added: “The Asian Banker Excellence in Financial Services programme was instituted in 2001 on the premise that an outstanding player in the retail financial services industry should build business franchises that are sustainable, competitive and profitable over a period of time.”

About The Asian Banker

The Asian Banker is the foremost provider of strategic business intelligence on the financial services industry in the Asia Pacific and Middle East regions. The organization has offices in Singapore, Kuala Lumpur, Beijing and Dubai as well as representatives in Shanghai, London and New York. With a business that revolves around publications, research services, training and forums, the organization is highly regarded in the financial services community for its incisive and independent commentaries on developments in the industry. The company’s website is www.theasianbanker.com.

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