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Public Bank to focus on sustainable growth

Digital transformation, maintaining asset quality vital

FINANCE

PETALING JAYA: Public Bank Bhd is committed to maintaining the balance between sustainable growth and effectively managing risks while remaining mindful of the prevailing global economic headwinds.

Managing director and chief executive officer Tan Sri Tay Ah Lek said the bank will remain focused on its core business segments and strive for sustainable growth.

"The group will also intensify its digital transformation, focus on its sustainability agenda and continue to sustain its superior asset quality to ensure sustainable earnings growth moving forward," Tay commented in regards to the bank's strategies and directions for 2023 at its AGM held yesterday.

In meeting the global economic challenges, Tay said the bank will continue to operate efficiently and maintain prudent credit risk management.

"We will also sustain strong corporate governance and sound risk management practices. We strive to proactively manage any potential asset quality risks," he added.

On the sustainability front, Tay noted the bank has been making good progress in embedding environmental, social and governance (ESG) into its operations and strategies, from establishing a climate-related risk management policy to setting up a sustainability roadmap. He said the bank will expand its green and ESG products and services.

This includes partnering with property developers to offer financing for green properties and promoting financing options for energy-efficient vehicles (EEVs).

"To this end, we have set new commitments to drive our sustainability goals," Tay noted.

Public Bank aims to achieve RM48bil worth of ESG-friendly financing by 2025, including RM15bil financing for affordable homes.

"The bank remains vigilant in combating scams and has implemented various measures and initiatives in safeguarding its customers' online banking transactions."

Tan Sri Tay Ah Lek

As at the end of 2022, the group had mobilised RM30bil in financing for EEVs, ahead of its earlier target of RM25bil by 2025.

The banking group has increased its EEV financing target to RM33bil by 2025.

Tay added the bank was attentive to digital trends and the ever-changing customer behaviour, but was mindful of the associated risks such as the cybersecurity threat.

He pointed out that in 2022, the newly registered users of the bank's mobile banking, the PB engage, grew by a commendable 29.2%, while the number of mobile banking transactions also increased by 20.9%.

The group's corporate online banking, the PB enterprise, also registered growth, with the total new companies registered on PB enterprise growing by a commendable 72.5% in 2022, and the number of transactions performed on PB enterprise increasing by 40%.

Going forward, Tay said the bank would continue to make significant investments in line with its digital roadmap to further enhance its information and communication technology infrastructure as well as digital capability.

"Cybersecurity remains the bank's top priority to provide protection to its customers. The bank remains vigilant in combating scams and has implemented various measures and initiatives in safeguarding its customers' online banking transac-

tions," Tay emphasised.

He said Public Bank had helped 300,000 customers from being scammed last year by preventing close to 100 million transactions totalling about RM500mil from being fraudulently transferred into mule accounts.

Reviewing the bank's financial performance, Tay said its pre-tax profit of RM8.83bil in its financial year ended Dec 31, 2022 (FY22) had crossed the RM8bil mark for the first time.

Net profit grew 8.2% from a year ago to RM6.12bil, after taking into account the one-off impact of the prosperity tax, which translated to an earnings per share of 31.5 sen in 2022.

Public Bank's gross loans grew 5.3% to RM377bil in the year with domestic loans growing 5.2%.

In terms of funding, Public Bank's customer deposits grew 3.8% to RM395bil in 2022, with domestic deposits increasing at a faster pace of 4.1% to RM367bil.

This was mainly supported by current and fixed deposits growth of 5.8% and 4.2%, respectively.

The group maintained its No. 1 position in residential property and commercial property financing with market shares of 20.6% and 33.4%, respectively. It also sustained a 30.2% market share in hire purchase financing. In the domestic small and medium enterprises financing, it has a 18.6% market share.