

**PUBLIC BANK BHD**

**1. CORPORATE INFORMATION, RATING AND BACKGROUND**

<b>ADDRESS :</b> Menara Public Bank, 146 Jalan Ampang, 50450 Kuala Lumpur. <b>TEL :</b> 03-21638888 <b>FAX :</b> 03-21639917	<b>COMPANY RATING</b>	
	Stability of Div & Earnings	*/**
<b>MANAGEMENT TEAM</b> <b>CHAIRMAN:</b> Tan Sri Dato' Thong Yaw Hong <b>CEO :</b> Tan Sri Dato' Dr Teh Hong Piow	Financial Strength	**/**
	Management Strength	**
	Growth of Div/Earnings	*
	Combined Rating	7*
<b>KNOWN MAJOR SHAREHOLDER(S) (As at 5.1.01)</b> Tan Sri Dato' Dr Teh Hong Piow      32.93% Employees Provident Fund Board      8.97%	<b>SECTOR CLASSIFICATION</b>	
	<b>KLSE</b>	
	Finance	
	<b>DQ</b>	
		Banking

**BACKGROUND**

Incorporated in 1965, the PBBank group is ranked fourth in terms of assets among the banking/financial groups in the country. Besides the commercial bank itself which is the holding company, there are many operating subsidiaries and associates which are in the financial services or related businesses, namely, financing, nominee services, leasing & factoring, property holding, investment holding, stock & share broking, offshore banking, banking, trustee services, unit trust management, and taxi financing and trading. For a long time, the group was without a domestic merchant bank. However, in 2000, the group finally expanded into the merchant banking business with the acquisition of Sime Merchant Bankers, which is now renamed Public Merchant Bank.

The acquisition of the merchant bank was in tandem with the PBBank group being named as one of the ten domestic anchor banking groups in the consolidation exercise of the domestic banking/financial industry. Besides Sime Merchant Bankers, the group's approved merger partners were Hock Hua Bank and Advance Finance. PBBank's merger with Advance Finance was completed on 31/12/2000 while the merger with Hock Hua Bank was completed on 31/3/2001 (**please see Page D: Latest Developments for the details**). As a result of the mergers, the total assets of the PBBank group had risen to RM48.1 billion as at end-March 2001. The merger of Hock Hua Bank added another 36 branches, which together with the existing 177 bank branches and 168 finance company branches, resulted in a domestic network of 381 branches for the group.

Among the commercial banks in Malaysia, PBBank and Maybank are the most "international" of the local banks. The commercial bank (PBBank) has overseas operations in 6 countries. It has 1 branch each in Hong Kong, Sri Lanka and Laos as well as a representative office in Myanmar. There is also a subsidiary bank in Cambodia and it is also involved in a joint-venture bank in Vietnam which currently has 4 branches. Besides the overseas operations of the commercial bank, the group's other overseas interests include a financial services group in Hong Kong which has 37 branches. The group's overseas operations contribute a significant percentage to the group's total profit. In FY00, the overseas operations contributed RM284m or 22% of group PBT. When the local operations were not doing well as in FY98, the contribution from the overseas operations was a hefty 70%.

The PBBank group has always been known for its conservative and prudent management with a track record of having consistently lower than industry average non-performing loans (NPL). For many years, it has also been maintaining a strong liquidity position with a low loan-deposit ratio of less than 70%. During the last two years, the bank was honoured with many awards, among which was the "Best Managed Bank in Malaysia 1999" by Euromoney; the "Best Bank in Malaysia 1999" by Asiamoney as well as the "Best Bank in Malaysia Award 2000" by Global Finance magazine.

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**2. SEGMENT INFORMATION, CORPORATE STRUCTURE AND COMMENTS**

**SEGMENTAL INFORMATION**

(RM 'm)	TURNOVER		PBT		ASSETS EMPLOYED	
	2000	1999	2000	1999	2000	1999
Banking	1976.1	2238.8	656.5	544.4	35315	33420
Financing	1563.2	1593.9	596.0	414.1	14699	14239
Shrbroking & Fund Mgmt	163.4	122.3	55.7	48.6	498	477
Other Fin'l Services	30.7	1.1	11.2	0.5	839	8
Consolidation Adj	-274.1	-236.0	-59.6	-169.4	-7116	-4906
Total:	<u>3459.3</u>	<u>3720.1</u>	<u>1259.7</u>	<u>838.2</u>	<u>44235</u>	<u>43238</u>

**CORPORATE STRUCTURE**

SUBSIDIARIES/ASSOCIATES	ACTIVITIES	% HELD
Public Finance Bhd	Financing	56.8
Public Consolidated Hldgs	Investment holding	100.0
PB Securities Sdn Bhd	Stock & share broking	100.0
Kuala Lumpur Mutual Fund	Unit trust management	78.2
Public Bank (L) Ltd	Offshore banking	100.0
Public Nominees Sdn Bhd	Nominee services	100.0
Public Holdings Sdn Bhd	Property holding	100.0
Public Leasing & Factoring	Leasing & factoring	100.0
PB International Factors	Factoring	55.0
PB Trust Co	Trustee services	100.0
PB Venture Capital Sdn Bhd	Investment holding	100.0
Public Merchant Bank Bhd	Merchant banking	100.0
Cambodian Public Bank Ltd	Banking	100.0
JCG Holdings Ltd	Investment holding	55.4
JCG Finance Co, Ltd	Financing	55.4
Winton Holdings (Bermuda) Ltd	Taxi trading & financing	41.5
VID Public Bank	Banking	50.0

**PAST INFORMATION**

PBBank performed better than we expected in 4Q00. As a result of higher recoveries, the group reported 4Q PBT and earnings of respectively RM334.4m and RM221.6m, respectively 3.1% and 49.3% higher than that of 3Q00. Taking into account the 4Q results, PBBank's PBT for FY00 was RM1259.7m, up 50.3% when compared to that of FY99. The RM421.5m increase in PBT was mainly due to a RM252.1m drop in loan loss provision and a RM233.9m rise in net interest income. The 15.8% rise in net interest income can be attributed to a 7.7% growth in loans and wider net interest margin. After deducting taxes and M.I., FY00 earnings was RM716.9m (+16.3%), giving an EPS of 23.1sen (adjusted).

As at end-2000, the bank & group's net NPL stood at respectively 1.3% and 2.1% of loans. The group's loan loss coverage or ratio of loan loss reserves was a very prudent 97%. All the above levels are the best that we have come across in the industry. The group's RWCR was also very strong at 23.7% - a level which was higher than the much vaunted big Singapore banks.

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### **3. LATEST DEVELOPMENT(S), CORPORATE MOVES, ETC**

#### **LATEST DEVELOPMENT(S)**

##### **A) MERGER OF THE COMMERCIAL BANKING BUSINESS OF PBBank & HOCK HUA BANK (HHB)**

The merger of the banking business of PBBank and HHB was completed on 31/3/01. The merger involved the following:

1) PBBank acquired the entire issued and paid-up share capital of HHB comprising 125,377,000 ordinary shares from the shareholders of HHB for a consideration of approx. RM1249.0m via the issuance of 426,281,784 new PBBank Local Shares based on the exchange ratio of 3.4 new PBBank Local Shares for every one (1) HHB Share held. Based on the weighted average price of RM2.93 per PBBank Local Share (upto 21/12/00), the exchange ratio ascribed a multiple of approximately 1.45 times the NTA per share of the HHB group as at 30/9/00 (RM6.89).

2) As an integral part of the Scheme, the banking business of HHB ("HHB's Business") was transferred and amalgamated with the banking business of PBBank.

3) As part of the Revised Proposal, PBB undertook a bonus issue of 845.9m new PBB Shares on the basis of three (3) new PBB Shares for every ten (10) existing PBB Shares held after completion of the Proposed Merger. **As the bonus issue had gone "ex" on 13/4/01, this means that the outstanding number of PPB shares had risen to 3665.6m.**

##### **B) ACQUISITION OF THE FINANCE COMPANY BUSINESS OF ADVANCE FINANCE BHD (AFB)**

The acquisition of the finance company business of AFB (AFB's Business) was completed on 31/12/2000. On that date, the assets and liabilities comprising AFB's business were transferred to PBBank for a cash consideration of RM67.2m (approx. equivalent to 1.65 times the adjusted NTA of AFB's Business as at 30-6-2000).

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**4. OTHER INFORMATION**

**CORPORATE MOVES**

Apart from those mentioned elsewhere in this report, there have been no significant corporate moves in the group.

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**5. LATEST RESULTS/PROSPECTS**

**PBBANK**

(RM m)	<b>1Q00</b>	<b>1Q01</b>
NET INT INC	405.3	432.8
NON INT INC	141.5	162.1
NET INC	556.4	621.9
OH EXP	205.2	232.6
L. L. PROV	90.7	54.9
PBT	261.3	335.2
EARNINGS	148.3	184.4
EPS (SEN)	4.77	5.03

**INTERIM 1Q2001 RESULTS**

PBBank continued to turn in a sparkling performance in 1Q01. For the quarter, it reported a PBT of RM335.2m, 0.2% higher than that of 4Q00 and 28.3% above that of 1Q00. The RM73.9m rise in PBT compared to that of 1Q00 was mainly due to a RM27.5m rise in net interest income, RM17.4m rise in Islamic banking income, RM20.6m increase in non-interest income and a RM35.8m drop in loan loss provisions. These were more than sufficient to offset the RM27.4m rise in overheads, thus leading to the PBT increase. The higher net interest income was caused by further expansion of lending activities and higher margins, while the rise in non-interest income was due to higher gains from sale of investment securities. After deducting tax and M.I., 1Q01 earnings was RM184.4, resulting in a quarterly EPS of 5.0 sen based on the increased number of shares after the merger of HHB and bonus issue. It is to be noted that the 1Q results did not include any profit of HHB as the merger was only completed at the end of 1Q. However, as the banking business of the former HHB will start to contribute from 2Q onwards, there should be further improvement during the rest of the year. While non-interest income may decline given the prevailing poor investor sentiment, the contribution from HHB will more than offset the drop. Overall, we are now forecasting an EPS of 22 sen for FY01. As at 31/3/01, the group's RWCR was a very strong 23.3%.

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**6. VALUATION**

Our estimate for PBBank's normalised EPS in FY01 is 15 sen. Based on our normalised EPS and its last 10 years' average PER of about 21 times, we compute that the intrinsic value of PBBank is RM3.20. Given its excellent management and good asset quality, PBBank should be a top choice for investors who want exposure to a high quality banking stock!

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**7. CRITICAL STOCKMARKET INFORMATION**

<b>YEAR</b>	<b>CAPT. CHANGES</b>	<b>ADJ FACTOR</b>	<b>PRICE RANGE (RM)</b>	<b>MIDRANGE PX (RM)</b>	<b>YEAREND PX (RM)</b>	<b>ADJ PX RANGE (RM)</b>
1987	NONE	0.2291	1.39 - 3.96	2.68	1.90	0.32 - 0.91
1988	1/5 BONUS, 1/2 RTS	0.3336	1.28 - 1.84	1.56	1.58	0.43 - 0.61
1989	NONE	0.3336	1.57 - 2.23	1.90	2.06	0.52 - 0.74
1990	1/3 BONUS, 1/5 RTS	0.4673	1.26 - 1.78	1.52	1.32	0.59 - 0.83
1991	NONE	0.4673	1.28 - 1.82	1.55	1.40	0.60 - 0.85
1992	NONE	0.4673	1.25 - 1.74	1.50	1.54	0.58 - 0.81
1993	NONE	0.4673	1.40 - 5.50	3.45	5.10	0.65 - 2.57
1994	NONE	0.4673	3.52 - 6.05	4.79	3.86	1.64 - 2.83
1995	NONE	0.4673	3.18 - 4.08	3.63	3.56	1.49 - 1.91
1996	1/3 BONUS	0.6230	2.65 - 3.74	3.20	3.50	1.65 - 2.33
1997	1/5 BONUS, 1/5 RTS	0.7692	1.05 - 3.26	2.16	1.21	0.81 - 2.51
1998	NONE	0.7692	0.81 - 2.16	1.49	2.00	0.62 - 1.66
1999	NONE	0.7692	1.88 - 3.36	2.62	3.32	1.45 - 2.58
2000	NONE	0.7692	2.78 - 4.70	3.74	2.94	2.14 - 3.62
2001	3/10 BONUS	1.0000	1.69 - 2.71	2.20	2.34	1.69 - 2.71

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**7. CRITICAL STOCKMARKET INFORMATION**

YEAR	ADJ MR PX	ADJ YE PX	ADJ DPS SEN	ADJ EPS SEN	ADJ MR DY	ADJ MR PER	ADJ DY RANGE			ADJ PER RANGE		
1987	0.61	0.44	0.41	1.57	0.67	39.05	1.29	-	0.45	20.29	-	57.81
1988	0.52	0.53	0.41	1.67	0.79	31.14	0.97	-	0.67	25.55	-	36.73
1989	0.63	0.69	0.65	2.34	1.03	27.03	1.24	-	0.87	22.33	-	31.72
1990	0.71	0.62	0.65	3.21	0.91	22.16	1.10	-	0.78	18.37	-	25.95
1991	0.72	0.65	1.21	4.22	1.68	17.17	2.03	-	1.43	14.17	-	20.16
1992	0.70	0.72	1.29	5.32	1.85	13.13	2.21	-	1.59	10.97	-	15.28
1993	1.61	2.38	1.54	9.39	0.96	17.17	2.36	-	0.60	6.97	-	27.38
1994	2.24	1.80	2.54	9.55	1.14	23.42	1.55	-	0.90	17.23	-	29.61
1995	1.70	1.66	2.62	12.46	1.54	13.61	1.76	-	1.37	11.92	-	15.30
1996	1.99	2.18	2.62	15.38	1.31	12.94	1.58	-	1.12	10.73	-	15.15
1997	1.66	0.93	3.05	10.36	1.84	16.00	3.78	-	1.22	7.80	-	24.20
1998	1.14	1.54	2.35	1.70	2.06	67.19	3.78	-	1.42	36.65	-	97.74
1999	2.02	2.55	1.11	13.88	0.55	14.52	0.77	-	0.43	10.42	-	18.63
2000	2.88	2.26	3.08	23.07	1.07	12.47	1.44	-	0.85	9.27	-	15.67
2001	2.20	2.34	5.77 E	22.00 E	2.62	10.00	3.41	-	2.13	7.68	-	12.32
5 YR*	2.02	1.42	3.29	13.11	1.63	24.04	2.64	-	1.21	14.36	-	33.71
10 YR*	11.75	13.59	16.83	21.82	1.49	20.05	2.26	-	1.16	12.96	-	27.13

16.86      10.14      10.64      NM

2001 Prices are for up to 20th July, 2001.

Latest PER and DY based on this price.

PER      10.64 E      DY      2.47 E

\* For ADJ MR PX, DPS & EPS, these figures refer to ANNUAL GROWTH in %.

For ADJ MR DY, PER, DY & PER RANGES, these figures refer to the AVERAGES.

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**8. BALANCE SHEET**

	DEC 95 RM'000	DEC 96 RM'000	DEC 97 RM'000	DEC 98 RM'000	DEC 99 RM'000	DEC 00 RM'000
<b>(i) CAPITAL EMPLOYED</b>						
PAID UP CAPITAL	619547	826241	826600	1157240	1183161	1195060
ALL RESERVES	1497972	1613236	2047323	2073987	2659700	3222049
PREFERRED SHARES	0	0	0	0	0	0
TOTAL SHAREHOLDERS EQUITY	2117519	2439477	2873923	3231227	3842861	4417109
MINORITY INTEREST	351354	750104	977122	976383	1092005	1226842
BONDS AND CONVERTIBLES	0	0	0	0	0	0
LONG TERM BORROWINGS	0	0	0	0	0	0
DEFERRED TAX	9566	28350	63441	42957	43445	53887
OTHER LONG TERM LIABILITIES	0	0	0	0	0	0
<b>TOTAL CAPITAL EMPLOYED</b>	<b>2478439</b>	<b>3217931</b>	<b>3914486</b>	<b>4250567</b>	<b>4978311</b>	<b>5697838</b>
<b>(ii) EMPLOYMENT OF CAPITAL</b>						
LAND & BUILDINGS	548124	597231	601506	645838	636194	621065
OTH. FIXED ASSETS	207321	237236	187075	190363	190280	189154
ASSOCIATED COMPANIES	159202	38835	49809	40420	39764	39529
INVESTMENTS	35638	47638	64678	39632	40969	36488
INTANGIBLES ASSETS	0	0	0	3528	3135	65659
OTHER LONG TERM ASSETS	0	20822	79883	0	0	0
<b>TOTAL LONG TERM ASSETS</b>	<b>950285</b>	<b>941762</b>	<b>982951</b>	<b>919781</b>	<b>910342</b>	<b>951895</b>
SHORT TERM INVESTMENTS	3933909	5827784	7984266	12649574	9431505	6516667
OTH. SHORT TERM ASSETS	827402	1402823	1270566	1008125	763319	844324
STATUTORY DEPO'T WITH CENTRAL BK	1470755	2292124	2629353	742656	782350	851949
LOANS AND ADVANCES	14681869	17700418	20461007	19730115	21618466	23400626
<i>AFT DEDUCT'G: TOT LOAN LOSS PROV</i>	321903	366130	712866	1327677	1399493	1378454
CASH, BK BAL., DEPOSITS, NEAR CASH	11285469	7992423	8553956	6901568	9731620	11669102
<b>TOTAL CURRENT ASSETS</b>	<b>32199404</b>	<b>35215572</b>	<b>40899148</b>	<b>41032038</b>	<b>42327260</b>	<b>43282668</b>
DEPO'T OF SUBSID & OTH.BAL.	3151841	2747450	2427056	1704554	3034457	2956814
DEPOSITS FROM CUSTOMERS	23980931	26286798	32170619	32499588	33044406	33876812
BILLS & DRAFT PAYABLE	868724	939399	1207134	861167	639971	319418
OTHER LIABILITIES	2398876	2612237	1864437	2437181	1383412	986500
TAX PAYABLE	201489	272547	227544	165434	62392	217922
DIVIDEND PAYABLE	69389	80972	70823	33328	94653	179259
SHORT TERM BORROWING	0	0	0	0	0	0
<b>TOTAL CURRENT LIABILITIES</b>	<b>30671250</b>	<b>32939403</b>	<b>37967613</b>	<b>37701252</b>	<b>38259291</b>	<b>38536725</b>
<b>NETT CURRENT ASSETS</b>	<b>1528154</b>	<b>2276169</b>	<b>2931535</b>	<b>3330786</b>	<b>4067969</b>	<b>4745943</b>
<b>TOTAL EMPLOYMENT OF CAPITAL</b>	<b>2478439</b>	<b>3217931</b>	<b>3914486</b>	<b>4250567</b>	<b>4978311</b>	<b>5697838</b>

**9. PROFIT AND LOSS STATEMENT**

	DEC 95 RM'000	DEC 96 RM'000	DEC 97 RM'000	DEC 98 RM'000	DEC 99 RM'000	DEC 00 RM'000
INTEREST INCOME	2129777	2840203	3634669	4362533	3141873	2917065
INTEREST EXPENSE	1265990	1662317	2092021	2894658	1662160	1203431
<b>NETT INTEREST INCOME</b>	<b>863787</b>	<b>1177886</b>	<b>1542648</b>	<b>1467875</b>	<b>1479713</b>	<b>1713634</b>
ISLAMIC BANKING INCOME	0	0	7066	15446	27925	50593
NON-INTEREST INCOME	324245	508651	455008	394354	434280	463320
<b>NETT INCOME</b>	<b>1188032</b>	<b>1686537</b>	<b>2004722</b>	<b>1877675</b>	<b>1941918</b>	<b>2227547</b>
OVERHEAD EXPENSES	575044	807041	871918	794036	694933	810329
<b>OPERATING PROFIT</b>	<b>612988</b>	<b>879496</b>	<b>1132804</b>	<b>1083639</b>	<b>1246985</b>	<b>1417218</b>
LOAN LOSS AND PROVISION	34227	87799	507287	887459	413318	161195
EXCEPTIONAL ITEMS	0	0	0	0	0	0
SHARE OF RESULTS OF ASSOCIATES	16415	5572	9165	2611	4507	3694
PROFIT BEFORE TAX	595176	797269	634682	198791	838174	1259717
TAXATION	172563	241147	234548	111746	50762	340799
<b>PROFIT AFTER TAX</b>	<b>422613</b>	<b>556122</b>	<b>400134</b>	<b>87045</b>	<b>787412</b>	<b>918918</b>
MINORITY INTEREST	-92178	-148105	-125233	-35819	-171271	-202053
<b>EARNINGS</b>	<b>330435</b>	<b>408017</b>	<b>274901</b>	<b>51226</b>	<b>616141</b>	<b>716865</b>
EXTRAORDINARY ITEMS	0	-15613	0	0	0	0
<b>NETT PROFIT</b>	<b>330435</b>	<b>392404</b>	<b>274901</b>	<b>51226</b>	<b>616141</b>	<b>716865</b>
<i>OTHER ITEMS:</i>						
<i>DIVIDEND</i>	69389	80972	70823	33328	95435	179259

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**PBBANK**

**10. HALF-YEARLY PROFIT AND LOSS STATEMENT**

	1H95	2H95	1H96	2H96	1H97	2H97	1H98	3Q98	4Q98	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00	1Q01
INTEREST INCOME	NA	NA	NA	NA	1580123	2054546	2236636	1128300	997597	883464	804292	737177	716939	711990	724945	713496	775568	724070
INTEREST EXPENSE	NA	NA	NA	NA	899588	1192433	1441242	807249	646167	544077	435219	356659	326205	306641	296873	281398	327453	291267
NETT INTEREST INCOME	NA	NA	NA	NA	680535	862113	795394	321051	351430	339387	369073	380518	390734	405349	428072	432098	448115	432803
ISLAMIC BANKING INCOME	NA	NA	NA	NA	4013	3053	8121	5358	1967	5514	7091	7446	7874	9564	15168	11941	13920	26992
NON-INTEREST INCOME	NA	NA	NA	NA	250557	204451	181308	77005	136041	81819	131539	106624	114299	141514	111721	119453	90632	162125
NETT INCOME	NA	NA	NA	NA	935105	1069617	984823	403414	489438	426720	507703	494588	512907	556427	554961	563492	552667	621920
OVERHEAD EXPENSES	NA	NA	NA	NA	437203	434715	409541	168797	215698	180419	202768	179705	132042	205234	195924	208364	200807	232628
OPERATING PROFIT	NA	NA	NA	NA	497902	634902	575282	234617	273740	246301	304935	314883	380865	351193	359037	355128	351860	389292
LOAN LOSS AND PROVISION	NA	NA	NA	NA	27951	479336	427976	207379	252104	101299	151167	48322	112530	90706	20281	32179	18029	54906
EXCEPTIONAL ITEMS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SHARE OF RESULTS OF ASSOCIATES	7330	9085	4095	1477	2783	6382	2758	1020	-1167	1106	1023	1193	1185	774	994	1387	539	803
PROFIT BEFORE TAX	285784	309392	384070	413199	472734	161948	150064	28258	20469	146108	154791	267754	269520	261261	339750	324336	334370	335189
TAXATION	80037	92526	112651	128496	139403	95145	76127	51456	-15837	11890	11173	10488	17211	70080	95854	122324	52540	92696
PROFIT AFTER TAX	205747	216866	271419	284703	333331	66803	73937	-23198	36306	134218	143618	257266	252309	191181	243896	202012	281830	242493
MINORITY INTEREST	-47107	-45071	-71600	-76505	-83393	-41840	-40323	9380	-4876	-29527	-39988	-53152	-48604	-42923	-45328	-53607	-60195	-58112
EARNINGS	158640	171795	199819	208198	249938	24963	33614	-13818	31430	104691	103630	204114	203705	148258	198568	148405	221635	184381
EXTRAORDINARY ITEMS	0	0	0	-15613	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NETT PROFIT	158640	171795	199819	192585	249938	24963	33614	-13818	31430	104691	103630	204114	203705	148258	198568	148405	221635	184381
<i>OTHER ITEMS:</i>																		
<i>DIVIDEND</i>	0	69389	0	80972	0	70823	0	0	33328	0	0	0	94653	0	0	0	179259	0
ADJUSTED EPS (SEN)	5.98	6.48	7.53	7.85	11.63	1.16	1.12	-0.46	1.04	2.41	2.37	4.43	4.56	4.77	6.39	4.78	7.13	5.03
DPS (SEN)	0.00	2.62	0.00	3.05	0.00	2.35	0.00	0.00	1.11	0.00	0.00	0.00	3.08	0.00	0.00	0.00	5.77	0.00
NTA (RM)	-	1.71	-	1.47	-	1.74	1.43	-	1.40	-	1.49	-	1.62	-	1.77	-	1.82	1.93
NO. OF SHARES OUTSTANDING	1239094	1239094	1652482	1652482	1653200	1653200	2314480	2314480	2314480	2366322	2366322	2366322	2366322	2390120	2390120	2390120	2390120	3665644

# PUBLIC BANK BHD

## 11. CASH FLOW STATEMENT

	DEC 95 RM'000	DEC 96 RM'000	DEC 97 RM'000	DEC 98 RM'000	DEC 99 RM'000	DEC 00 RM'000
<b>(1) CF FROM OPERATING ACTIVITIES</b>						
NETT PROFIT BT & E'ORDINARY ITEMS		797269	634682	198791	838174	1259717
ADJUSTMENT FOR NON-CASH ITEMS		29436	623638	1024898	287470	242939
OF WHICH: DEP'N & AMORTISAT'N		108423	116205	106546	56348	81684
PROV. FOR BAD/DOUBT. DEBTS		74385	372243	817378	457216	322058
OP. PROFIT BEF WORKING CAPITAL CHG		826705	1258320	1223689	1125644	1502656
CHG'S IN C'TOMERS' DEPOSITS		2305867	5883821	328969	544818	488984
CHG'S IN C'TOMERS' LOANS & ADVANCES		-3007325	-3132832	-50593	-2093025	-1661901
NETT CHANGE IN OTHER ASSETS		-2491111	878285	-2938719	3163002	-57303
NETT CHANGE IN OTHER LIABILITIES		-117304	-785223	-540394	32069	-1312373
NETT CHANGE IN WORKING CAPITAL		-3309873	2844051	-3200737	1646864	-2542593
INCOME TAXES PAID		-154356	-244792	-194052	-152137	-178098
NETT CASH FLOW FROM OPERATION		-2637524	3857579	-2171100	2620371	-1218035
<b>(2) CF FROM INVESTING ACTIVITIES</b>						
NETT PURCH/SALE OF SUBS/ASSOC/INV.		-473042	-1174888	-648192	-895524	1050220
NETT PURCH/SALE OF FIXED ASSETS		-207468	-135683	-73482	-49021	-56324
DIVIDEND RECEIVED		2159	2753	2474	-26186	-37933
CASH FLOW FROM INVEST'G ACTIVITIES		-678351	-1307818	-719200	-970731	955963
<b>(3) CF FROM FINANCING ACTIVITIES</b>						
PROCEEDS FR. ISSUE OF NEW EQUITIES		507	1583	341927	92845	39505
CHANGES IN LONG TERM BORROWINGS		0	0	0	0	0
CHANGES IN OTHER BORROWINGS		0	0	0	0	0
DIVIDEND PAID		-69389	-80972	-70823	-34110	-94653
CASH FLOW FROM FINANC'G ACTIVITIES		-68882	-79389	271104	58735	-55148
NETT INC/(DEC) IN CASH & EQUIVALENT		-3384757	2470372	-2619196	1708375	-317220

## 12. FINANCIAL ANALYSIS

### (A) FINANCIAL RATIOS

	DEC 95	DEC 96	DEC 97	DEC 98	DEC 99	DEC 00
<b>(1) BASIC RATIOS</b>						
FACE VALUE OF SHARES (RM)	0.50	0.50	0.50	0.50	0.50	0.50
NUMBER OF SHARES ('000)	1239094	1652482	1653200	2314480	2366322	2390120
NETT ASSET BACKING PER SHARE (RM)	1.71	1.48	1.74	1.40	1.62	1.85
<b>(2) FINANCIAL (SOLVENCY) RATIOS</b>						
DIVIDEND COVER	4.76	5.04	3.88	1.54	6.46	4.00
CURRENT RATIO	1.05	1.07	1.08	1.09	1.11	1.12
SHAREHOLDERS' FUNDS TO ASSETS	0.06	0.07	0.07	0.08	0.09	0.10
RISK-WEIGHTED CAPITAL RATIO	NA	NA	15.50%	17.90%	21.40%	23.70%
ALTMAN'S Z-SCORE	NM	NM	NM	NM	NM	NM
<b>(3) MANAGEMENT EVALUATION RATIOS</b>						
CUSTOMERS' LOAN TO DEPOSIT	0.61	0.67	0.64	0.61	0.65	0.69
COST TO INCOME	0.48	0.48	0.43	0.42	0.36	0.36
LOAN LOSS&PROV CHRGE-OFF/GR LOAN	0.23%	0.49%	2.40%	4.21%	1.80%	0.65%
GENERAL PROVISION TO LOAN (NETT)	1.23%	1.36%	1.84%	2.01%	1.93%	1.92%
TOTAL LOAN LOSS PROV. TO GR LOAN	2.15%	2.03%	3.37%	6.30%	6.08%	5.56%
TOTAL LOAN LOSS PROV. TO NPL	NA	219.59%	114.99%	91.18%	94.82%	97.27%
NET NPL RATIO	NA	0.92%	1.42%	2.61%	2.27%	2.07%
<b>(4) PROFITABILITY RATIOS</b>						
INTEREST INC/AVG INT EARNING ASSET	7.57%	9.25%	10.61%	11.44%	7.85%	7.08%
NETT INTEREST MARGIN	3.07%	3.84%	4.50%	3.85%	3.70%	4.16%
PRETAX PROFIT TO AVG GROSS LOAN	4.61%	4.82%	3.23%	0.94%	3.80%	5.27%
PRETAX PROFIT TO AVG ASSETS	1.95%	2.30%	1.63%	0.47%	1.97%	2.88%
POST-TAX RETENTION RATIO	71.01%	69.75%	63.04%	43.79%	93.94%	72.95%
POST-MI RETENTION RATIO	78.19%	73.37%	68.70%	58.85%	78.25%	78.01%
<b>(5) PERFORMANCE RATIOS</b>						
ANNUAL DEPOSIT GROWTH RATE	17.11%	9.62%	22.38%	1.02%	1.68%	2.52%
ANNUAL GROSS LOAN GROWTH RATE	38.75%	20.41%	17.20%	-0.55%	9.31%	7.65%
ANNUAL EARNINGS GROWTH RATE	30.53%	23.48%	-32.63%	-81.37%	1102.79%	16.35%
RETURN ON SHAREHOLDERS' EQUITY	15.60%	16.73%	9.57%	1.59%	16.03%	16.23%

### (B) IMPORTANT FINANCIAL DATA

NORMALISED EPS FOR NEXT FINANCIAL YEAR		15.00				
NORMALISED 5-YR PROJECTED GROWTH RATE(%)		9.00				
75% PROBABILITY PRICE CHANGE RANGE(%)		-38.11	TO	61.59		
RELATIVE PRICE VOLATILITY						
TARGET PRICE IN 5 YRS						RM4.85

# **PUBLIC BANK BHD**

**Weekly Price Chart with PE Bands**

