

For Immediate Release

## **PUBLIC FINANCIAL HOLDINGS LIMITED REPORTS INCREASED PROFIT**

### ***Plans to continue building branch network and offer more competitive services in 2007***

(HONG KONG, 11 January 2007) Public Financial Holdings Limited (SEHK Code: 626) has reported that its profit after tax grew by 11.3% percent to HK\$496.6 million and that its banking arm, Public Bank (Hong Kong) Limited, opened three new retail branches in Hong Kong in December 2006 and, in addition to its existing branch in Shenzhen, a new sub-branch in Shenzhen will also open for business around February 2007 in the Futian district of Shenzhen – the first set of financial results since the acquisition of Public Bank (Hong Kong) by Public Financial Holdings in May 2006.

Public Financial Holding's earnings attributable to shareholders rose by 11.3% to HK\$496.6 million from the 2005 figure of HK\$446.3 million. Loan and interest income grew by 284.4% and 80% to HK\$13,775.0 million and HK\$1,444.8 million respectively, up from the 2005 figures of HK\$3,583.8 million and HK\$802.7 million. For a copy of the full preliminary results announcement, please visit [www.publicbank.com.hk](http://www.publicbank.com.hk) and “click” Public Financial Holdings Limited for the Announcement.

Announcing the results, Tan Sri Dato' Sri Dr. Teh Hong Piow, Chairman of the Company, said that the results were due to the prudent and aggressive marketing strategies that Public Bank (Hong Kong) has pursued since Public Financial Holdings took over the former Asia Commercial Bank in May 2006.

“We have emphasised expanding our retail and commercial banking business by enlarging our branch network and by offering our customers better and more competitive services than other banks,” he said.

Public Bank (Hong Kong) opened three new branches in Hong Kong in December 2006, and a new sub-branch in Shenzhen will open for business in February 2007, bringing its network of branches from 13 to 17 branches. The three new branches in Hong Kong included one new standalone branch in Causeway Bay as well as two

branches housed in the premises of Public Finance, the personal financing arm of Public Financial Holdings, in Mongkok and San Po Kong, Kowloon.

Public Bank (Hong Kong)'s customers have responded positively to its new banking outlets and services in Public Finance branches. They particularly like the convenience of being able to conduct both personal banking and financing transactions in a single location.

Mr. Tan Yoke Kong, Executive Director and Chief Executive, said that he is optimistic about the prospects of further growth in the businesses of Public Bank (Hong Kong) and Public Finance in 2007, due to the promising outlook for the economies of Hong Kong and China, which are forecast to grow by 5 percent\* and 9.5 percent\*\* respectively during the coming year.

"We are taking suitable steps to leverage on these opportunities. We will continue to expand our retail and commercial banking branch network by identifying more Public Finance branches where we can add banking services; and we are also seeking suitable new locations for more standalone Public Bank (Hong Kong) branches," Mr. Tan said.

In addition, Public Bank (Hong Kong) plans to increase the size of its staff in line with the growth of its operations. Public Bank (Hong Kong) and Public Finance currently employ more than 800 employees in Hong Kong, and this figure is expected to exceed 1,000 with the branch expansion program of Public Bank (Hong Kong) to over 30 branches within the next two years.

Mr. Tan emphasised that Public Bank (Hong Kong)'s highly competitive retail and consumer-financing products were other important factors in its success during the last 6 months since its acquisition. These include home mortgages and hire purchase financing services, as well as deposit rates that are more competitive than those offered by other banks.

\* Forecast by the Hong Kong General Chamber of Commerce

\*\* Forecast by the "2007 China and the World Economy Development Report" by the State Information Centre

“Public Bank (Hong Kong) currently offers very attractive interest rates for savings and fixed deposit accounts, and competitive rates for mortgages and SME loans”, he explained.

“We will continue to build our business in Hong Kong’s commercial and retail banking sectors by welcoming both large and small customers. Public Bank (Hong Kong) does not require customers to keep a minimum balance in their savings accounts. We continue to pay savings interest for all accounts and we do not levy service fees on average balances as low as HK\$2,000.”

Public Bank (Hong Kong) also intends to expand its business in Mainland China during the coming months. Besides its existing branch in Shenzhen, it will open a new sub-branch in the city’s Futian district around February 2007.

During 2007, Public Bank (Hong Kong) will also give all its branches a new look. Incorporating its red and white corporate colours, the makeover will give them a new and more modern image that further enhances the Group’s corporate profile.

“The personal financing arm of Public Financial Holdings, Public Finance, also registered income growth in 2006, and it intends to add new branches to the 40 that it now operates,” Mr. Tan disclosed.

Public Finance is well known in Hong Kong for providing personal loans at competitive rates as low as 0.18% per month. It also has the largest network of conveniently located branches of any deposit-taking company in Hong Kong.

“Public Finance will continue to focus in its existing core business in consumer financing, whereas Public Bank (Hong Kong) will provide a full range of retail banking services,” Mr. Tan said.

### **About Public Bank (Hong Kong) Limited**

Public Bank (Hong Kong) Limited came into being following the acquisition of the former Asia Commercial Bank (ACB) by Public Financial Holdings Limited in May 2006, and its subsequent renaming in June the same year. Public Financial Holdings is a Hong Kong listed company (Stock Code: 626) and is a 73.5-percent owned subsidiary of the Public Bank Group, Malaysia's second-largest banking group in terms of shareholders' funds. As at 31 December 2006, Public Bank Group, Malaysia, had a market capitalisation of around HK\$60 billion and it is the only Malaysian company listed in the Forbes "World's 400 Best Big Companies" in 2004. Under its new name, Public Bank (Hong Kong) continues to provide high calibre of customer services. These are delivered by highly experienced and customer-focused team of banking professionals. For more information, please see [www.publicbank.com.hk](http://www.publicbank.com.hk).

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The above press release is issued by Public Bank (Hong Kong) Limited  
through PRO Marketing Services Company Limited

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