PUBLIC BANK

# EMPOWERING SUSTAINABILITY

**2024** Integrated Annual Report



# About this **Report**

## REPORTING SCOPE AND BOUNDARIES

The Public Bank Group's Integrated Annual Report covers the period between 1 January 2024 to 31 December 2024. This report is the Group's effort to keep abreast and provide updates to stakeholders on key developments and initiatives, market challenges and business direction as well as achievements in 2024, in various markets where the Group operates. The report also presents directions, insights and forward looking initiatives.

This report is particularly relevant for stakeholders in Malaysia as well as overseas operations in Hong Kong, People's Republic of China, Cambodia, Vietnam, Lao PDR and Sri Lanka where the Public Bank Group operates.

### INTEGRATED ANNUAL REPORT

The Public Bank Group's Integrated Annual Report is guided by local and international statutory requirements and frameworks. The preparation of the Group's Integrated Annual Report which includes the Group's Sustainability Report, provides a comprehensive overview of the Group's performance in 2024, sustainability performance and significant Environmental, Social and Governance matters that are material to the Group and its stakeholders as well as outlook for 2025.

*Guided by:*

- Companies Act 2016
- Bursa Malaysia Securities Berhad Main Market Listing Requirements
- Bank Negara Malaysia Corporate Governance Policy
- Malaysian Code on Corporate Governance by the Securities Commission Malaysia
- International Integrated Reporting Framework

#### Sustainability Report

*Guided by:*

- Bursa Malaysia's Main Market Listing Requirements and Sustainability Reporting
- Sustainability Accounting Standards Board
- Malaysian Code on Corporate Governance by the Securities Commission Malaysia
- Global Reporting Initiative Standards
- Task Force on Climate-related Financial Disclosures Recommendations

### FINANCIAL BOOK

Presents the full set of the Public Bank Group's and Public Bank's audited financial statements.

*The Basel II Pillar 3 Disclosure is available on pages 257-311.*

*Guided by:*

- Malaysian Financial Reporting Standards
- International Financial Reporting Standards
- Companies Act 2016
- Bank Negara Malaysia's Policy Documents and Guidelines
- Bursa Malaysia Securities Berhad Main Market Listing Requirements
- Financial Services Act 2013
- Islamic Financial Services Act 2013

### MATERIALITY AND MATERIAL MATTERS

Information included in this report is shaped by the Public Bank Group's material matters. Therefore, the report focuses on material risks, opportunities and outcomes that impact the Group's business and stakeholder value creation. Material matters as elaborated on page 170, also influence development of the Group's strategies.

### INDEPENDENT ASSURANCE

The content of this report has been reviewed by the following independent assurance provider:

| Assurance Scope | Independent Assurance Provider |
|---|---|
| Consolidated Financial Statements Audit | EY PLT |
| Validation of Selected Information in the Sustainability Report | KPMG PLT |

### FORWARD-LOOKING STATEMENT

This report contains certain forward-looking statements about the Public Bank Group's future strategy, performance, operations and prospects, including risks and uncertainties. The Group makes no representations and/or warranty, expressed and/or implied, that these forward-looking statements will be achieved. Undue reliance should not be placed on such statements and the Group will not assume responsibility for any loss and/or damage by any party arising from reliance on these statements.

### STATEMENT OF RESPONSIBILITY

The Public Bank Group's senior management team acknowledges its responsibility to ensure the integrity of this Integrated Annual Report. It is the management team's opinion that this report addresses relevant issues that are material to the Group's ability to create value.

**Tan Sri Dato' Sri Dr. Tay Ah Lek**
Managing Director & Chief Executive Officer
(on behalf of Senior Management Team)

NAVIGATION ICONS

## SIX CAPITALS ADOPTED TO CREATE VALUE

- FC Financial Capital
- MC Manufactured Capital
- HC Human Capital
- SC Social Capital
- IC Intellectual Capital
- NC Natural Capital

## PUBLIC BANK GROUP'S STAKEHOLDERS

- Customers
- Regulators
- Shareholders/Investors
- Media and Public Domain
- Employees
- Suppliers and Vendors
- Communities and Non-Governmental Organisations
- Other Financial Institutions

## PUBLIC BANK GROUP'S PRINCIPAL RISKS

- CR Credit Risk
- TCR Technology and Cyber Risk
- MR Market Risk
- CAP Capital Risk
- LFR Liquidity and Funding Risk
- RR Reputation Risk
- OR Operational Risk
- SR Strategic Risk
- COM Compliance Risk
- CLR Climate Risk
- SNC Shariah Non-Compliance Risk
- IR Insurance Risk

## PUBLIC BANK GROUP'S SUSTAINABILITY THEMES AND MATERIAL MATTERS

### Protecting the Environment

- Climate Change Resilience
- Carbon Emissions
- Resource Management
- Sustainable Finance
- Sustainable Supply Chain

### Proficient Employees

- Diversity and Inclusion
- Employee Engagement and Development
- Human and Labour Rights

### Prosperous Customers and Communities

- Responsible Lending Practices
- Financial Inclusion & Accessibility
- Customer Satisfaction
- Community Empowerment
- Digital Transformation

### Principled Conduct

- Data Privacy and Cybersecurity
- Governance and Business Ethics
- Transparency and Trust
- Risk Management

## PRIORITY SUSTAINABLE DEVELOPMENT GOALS ("SDGs")

Methodology on UN SDG Alignment: To optimise SDG contributions, Public Bank prioritises on goals that are directly or indirectly impacted by operations and activities. Based on the assessment of 17 SDGs and the corresponding indicators, 13 priority SDGs were identified.




Link to corporate website at **www.publicbankgroup.com**

Tells you where you can find additional information within the Report

Our Integrated Annual Report 2024 can be found online at **https://www.publicbankgroup.com/investor-relations/annual-reports/2024-annual-report/**

# Inside this **Report**

Integrated Annual Report 2024




## EMPOWERING SUSTAINABILITY

The theme underscores Public Bank's role as a catalyst for change, demonstrating that financial growth and sustainability work hand in hand. The Bank's efforts in empowering stakeholders through sustainable finance, innovation, social responsibility, and governance pave the way for long-term value creation. By fostering a culture of sustainability, Public Bank is securing its legacy as a leader in sustainable finance, contributing to a future that benefits both people and the planet.

"Empowering Sustainability" encapsulates Public Bank's unwavering commitment to embedding Environmental, Social, and Governance principles at the very core of its business strategies and operations. As sustainability becomes a key driver of global economic and social progress, Public Bank aims to adopt sustainable practices and empower all stakeholders, like employees, customers, communities, and investors, to contribute to a future that balances growth with environmental and social well-being.

59th **Annual General Meeting of Public Bank Berhad**

**Main Venue:**
Grand Ballroom
Shangri-La Hotel Kuala Lumpur
11 Jalan Sultan Ismail
50250 Kuala Lumpur

**Online Platform:**
TIIH Online website at: https://tiih.online

Thursday, 8 May 2025

10.00 a.m.

01

03

06

04

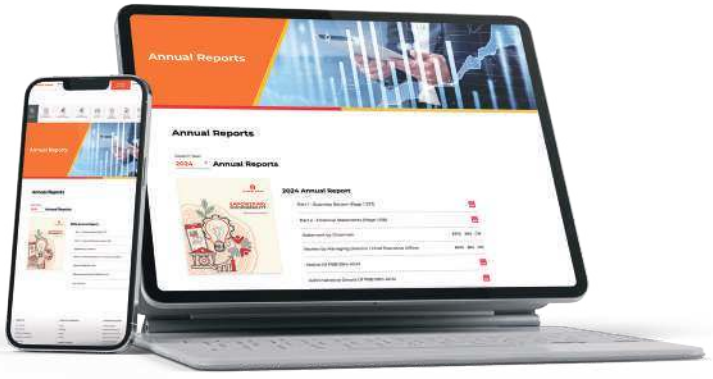
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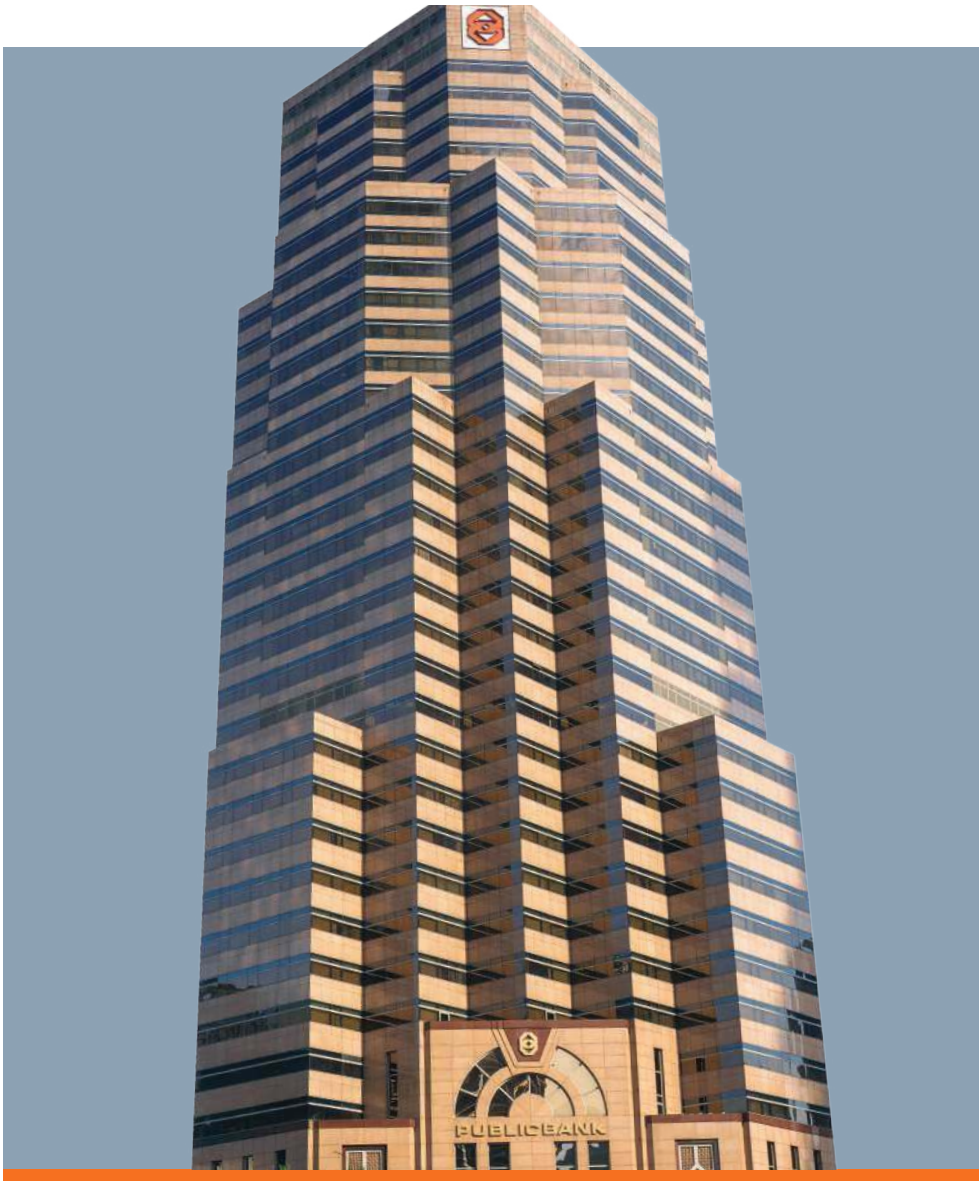
https://www.publicbankgroup.com/investor-relations/annual-reports/2024-annual-report/



# Corporate **Profile**

Public Bank was founded in 1966 by the late Tan Sri Dato' Sri Dr. Teh Hong Piow. On 6 August 1966, Public Bank started its business at its first branch at Jalan Gereja, Kuala Lumpur, with its vision as *'a bank for the people'*. On 6 April 1967, Public Bank was listed on the Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Securities Berhad).

The Public Bank Group's banking business includes the provision of a comprehensive suite of financial products and services, which comprises personal banking, commercial banking, Islamic banking, investment banking, share broking, trustee services, nominee services, sale and management of unit trust funds as well as bancassurance and general insurance products.




## Corporate Mission

To sustain the position of being the most efficient, profitable and respected premier financial institution in Malaysia.

Customers

Shareholders

Employees

Community it Serves

# Key Business Pillars

## DOMESTIC CONSUMER BANKING AND SME LENDING

**Offers:**
(i) Residential Property Financing;
(ii) Passenger Vehicle Hire Purchase Financing;
(iii) SME Lending;
(iv) Personal Consumer Financing;
(v) Credit and Debit Cards;
(vi) Share Margin Financing; and
(vii) Customer Deposits.

## WEALTH MANAGEMENT

**Offers:**
(i) Fund Management Services;
(ii) Bancassurance Products; and
(iii) Investment Products.

## TRANSACTIONAL SERVICES

**Offers:**
(i) Cash Management Services; and
(ii) Remittance Services.

## ISLAMIC BANKING

The Public Bank Group provides a wide range of Shariah compliant financing products and services via Public Bank's wholly-owned subsidiary, Public Islamic Bank Berhad.

## CAPITAL MARKET

**Comprises:**
(i) Treasury Operations;
(ii) Domestic Corporate Lending; and
(iii) Investment Banking.

## INTERNATIONAL OPERATIONS

The Public Bank Group maintains its strategic regional footprint across five Asian countries, with subsidiaries in Cambodia, Hong Kong, Lao PDR and Vietnam as well as overseas branches in Sri Lanka and the People's Republic of China.

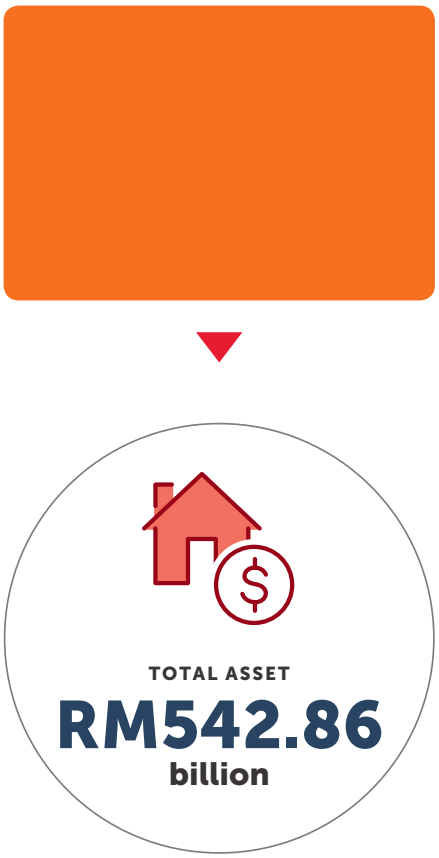
## GENERAL INSURANCE

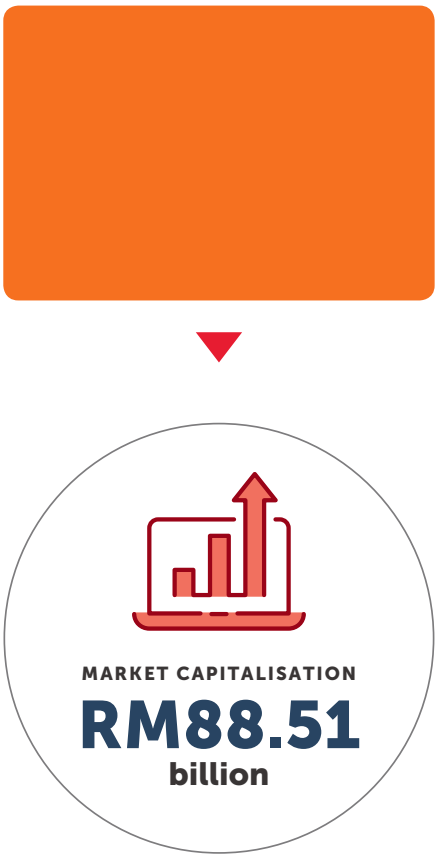
The Public Bank Group's general insurance operations consist mainly of underwriting of all classes of general insurance businesses.

# Investment **Case**

**The Public Bank Group's key strengths enable the Group to continue to create sustainable value for its shareholders.**

Public Bank's total asset size stood at RM542.86 billion and is the second largest company listed on Bursa Malaysia with total market capitalisation of RM88.51 billion as at the end of 2024.




## TRACK RECORD OF UNBROKEN PROFITABILITY

Public Bank's vision continues to shape its resilient business model, steering its success and track record of unbroken profitability for 58 consecutive years.



**58 years of unbroken profitability**

## MARKET LEADING POSITIONS IN DOMESTIC CONSUMER BANKING, SME LENDING, PRIVATE UNIT TRUST AND FIRE INSURANCE

The Public Bank Group continues to maintain market leading positions in several major business segments, including consumer banking, retail commercial banking for small and medium enterprises, private unit trust as well as fire insurance.



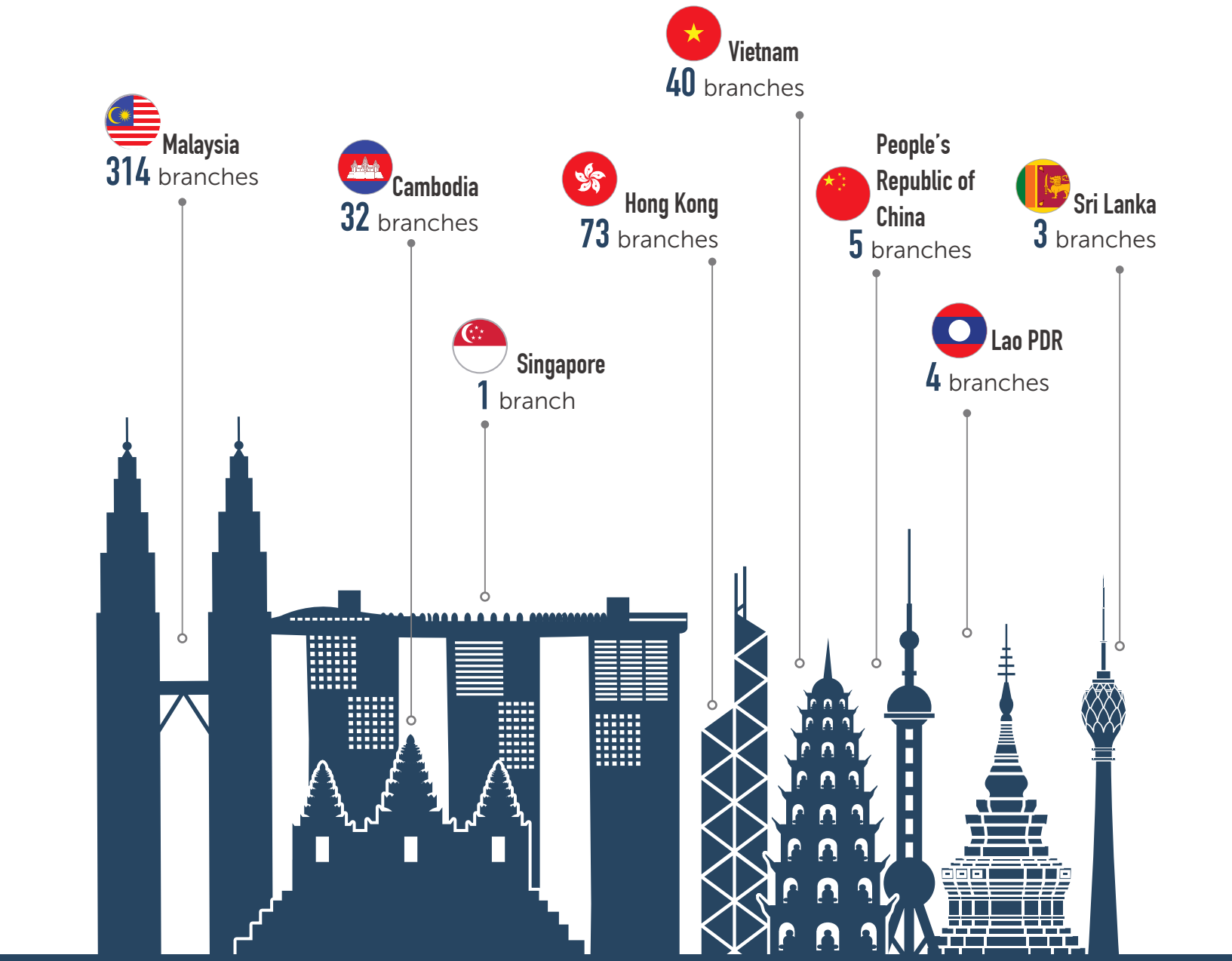
** market position for the January to September 2024 period.*

## STELLAR FINANCIAL PERFORMANCE



## STRONG CREDIT RATINGS

# Our **Presence**




**>21,000**
Staff Force

**472**
Total Branches

**2,061**
Self Service Terminals

# Strategic **Business Units**

Public Bank Berhad is the holding company and listed entity in the Public Bank Group. The Group's key subsidiaries and international operations are as follows:

## DOMESTIC OPERATIONS

### PUBLIC BANK

**Public Bank Berhad ("Public Bank")**

Public Bank is principally engaged in all aspects of commercial banking, including the provision of related financial services. Public Bank offers a suite of banking products and services through its extensive branch network and infrastructure.

### PUBLIC ISLAMIC BANK

**Public Islamic Bank Berhad ("Public Islamic Bank")**

Since 1993, Public Islamic Bank has been offering Islamic banking products and services to the public when it started as an Islamic banking window operations via Public Bank. On 1 November 2008, Public Islamic Bank began operating as a wholly-owned subsidiary of Public Bank Berhad, marking its transformation from an Islamic banking window operations into a full fledged Islamic subsidiary of Public Bank Berhad. Public Islamic Bank offers a comprehensive range of Shariah compliant products and services as it leverages on Public Bank's strong branding, extensive network of branches and infrastructure.

### PUBLIC INVESTMENT BANK

**Public Investment Bank Berhad ("Public Investment Bank")**

Public Investment Bank is a wholly-owned subsidiary of Public Bank Berhad. It was formed as a result of the merger between PB Securities Sdn Bhd and Public Merchant Bank Berhad in December 2006. Public Investment Bank is involved in the business of stock broking and offers a wide range of investment banking services which encompass corporate finance and advisory services, advisory for issuance of corporate bonds and sukuk, corporate lending and treasury services.

### PUBLIC MUTUAL

**Public Mutual Berhad ("Public Mutual")**

Public Mutual is engaged in the sales and management of unit trust and Private Retirement Scheme ("PRS") funds. Supported by its strong distribution network, Public Mutual is the No.1* private retail unit trust company and PRS provider in Malaysia.

**In terms of total retail fund size managed amongst private unit trust companies and PRS providers in Malaysia. Source: The Edge-Lipper, 23 December 2024.*

### LPI CAPITAL BHD

**LPI Capital Bhd ("LPI")**

During the year, Public Bank completed its acquisition of 44.15% stake in LPI. The acquisition represents a strategic opportunity for Public Bank to further expand its general insurance segment in Malaysia through LPI, which is a comprehensive complementary service to its current financial services and Takaful offerings.

LPI, a company listed on the Main Market of Bursa Malaysia, has been in operations for over 60 years and is mainly involved in the underwriting of general insurance. It currently has 21 branches throughout Malaysia, one branch in Singapore and also operates in Cambodia via Campu Lonpac Insurance Plc.

## INTERNATIONAL OPERATIONS

**Public Financial Holdings Limited ("PFHL")**

PFHL, listed on the Stock Exchange of Hong Kong since 1991 is mainly driven by its two major banking subsidiaries, namely Public Bank (Hong Kong) Limited and Public Finance Limited. Public Bank (Hong Kong) Limited provides retail and commercial banking, stock broking and wealth management services, while Public Finance Limited specialises in personal financing.

**Cambodian Public Bank Plc ("Campu Bank")**

Established since 1992, Campu Bank has grown to be one of the largest financial institutions in Cambodia. Campu Bank offers a comprehensive range of banking products and financial services, including securities underwriting and trading through its wholly-owned subsidiary, Campu Securities Plc as well as general insurance products via Campu Lonpac Insurance Plc.

### PUBLIC BANK VIETNAM

**Public Bank Vietnam Limited ("Public Bank Vietnam")**

Public Bank Vietnam, formerly known as VID Public Bank, was established on 25 March 1992 as a joint venture bank. On 1 April 2016, Public Bank Vietnam became a wholly-owned foreign bank subsidiary of the Public Bank Group. Public Bank Vietnam offers a broad suite of financial products and services including loans, deposits, trade financing, remittances, e-banking and retail financial services.

### PUBLIC BANK LAO

**Public Bank Lao Limited ("Public Bank Lao")**

Public Bank commenced its operations in Laos on 18 December 1995 and currently has four branches in Laos, offering a wide range of retail banking products and services.

In 2023, the Public Bank Group obtained regulatory approval to locally incorporate a banking subsidiary known as Public Bank Lao to take over the four banking branch businesses in Lao PDR. Public Bank Lao officially commenced operations on 1 January 2024.

### PUBLIC BANK

**Public Bank Sri Lanka Operations**

Public Bank commenced its operations in Sri Lanka on 30 March 1992 and currently has three branches in Sri Lanka, providing a broad range of retail banking products and services.

# 2024



2023: RM6.65 Billion



2023: 13.0%



2023: 19.0 sen



2023: 17.6%



2023: 134.8%



2023: 5.9%



2023: 5.9%



2023: 4.6%



2023: 4.8%

# Corporate Milestones **from 1966**

## 1966 - 1967




### 1966

- On 6 August 1966, Public Bank first opened its doors for business at No. 4 Jalan Gereja, Kuala Lumpur.
- Public Finance Berhad, then Public Bank's wholly-owned finance company subsidiary, commenced business on 24 September 1966.
- The start of an expanding network of Public Bank with the opening of Public Bank's Malacca Branch on 15 September 1966 and Ipoh Branch on 7 January 1967, a domestic network that stands at 260 branches today.
- 1st five months of business yielded a profit of RM71,562, the start of an unbroken profitability track record of 57 years.




### 1967

- Official opening of Public Bank on 4 April 1967 by Malaysia's first Prime Minister, the late Y.T.M. Tunku Abdul Rahman.
- On 6 April 1967, Public Bank was listed on Bursa Malaysia Securities Berhad (then known as the Kuala Lumpur Stock Exchange).

## 1969 - 1980

### 1969

- 1st RM1 million annual pre-tax profit.

### 1970

- Public Bank paid its 1st dividend of 3.5% per ordinary share of RM1.00 each, the start of an unbroken stream of dividends paid by Public Bank for every financial year.




### 1978

- Public Bank moved to Bangunan Public Bank, the first Head Office building owned by the Bank.

### 1980

- 1st RM10 million annual pre-tax profit with RM21 million pre-tax profit achieved for the year.
- Total assets surpassed RM1 billion for the 1st time.

1987 - 1991



## 1987

- Completed the acquisition of PB Securities Sdn Bhd (then known as GP Securities Sdn Bhd) on 1 October 1987, marking the Public Bank Group's entry into stockbroking business.

## 1990

- Acquisition of Public Finance Limited (then known as JCG Finance Company, Limited) in Hong Kong.
- Establishment of a wholly-owned off-shore banking subsidiary, Public Bank (L) Ltd, in the Federal Territory of Labuan.
- 1st RM100 million annual pre-tax profit with RM128 million pre-tax profit in the year.

## 1991

- Listing of Public Financial Holdings Limited (then known as JCG Holdings Limited) on The Stock Exchange of Hong Kong Limited.
- Total assets surpassed RM10 billion for the 1st time.

1992 - 1993




## 1992

- Establishment of Cambodian Public Bank Plc, presently a wholly-owned subsidiary in Cambodia, on 25 May 1992 and branches in Vientiane, Laos and Colombo, Sri Lanka.
- VID Public Bank, Public Bank's 50:50 joint venture bank with Bank for Investment and Development of Vietnam commenced business in Hanoi, Vietnam on 18 May 1992.
- Listing of Public Finance Berhad (the former finance company subsidiary of Public Bank) on Bursa Malaysia Securities Berhad (then known as the Kuala Lumpur Stock Exchange) on 15 July 1992.

## 1993

- Commencement of Islamic Banking service with the launch of "Skim Perbankan Tanpa Faedah" and the setting-up of Public Bank's Islamic Banking Unit.
- Acquisition of 55% interest in Public Mutual Berhad (then known as Kuala Lumpur Mutual Fund Berhad) on 26 May 1993.

# Corporate Milestones from 1966

## 1996 - 2002

### 1996

- Public Bank moved to Menara Public Bank, its present landmark Head Office building in the heart of Kuala Lumpur's central business district.

### 1998

- Paid-up capital of Public Bank exceeded RM1 billion.

### 2000

- Acquisition of Public Merchant Bank Berhad (then known as Sime Merchant Bank Berhad) on 25 October 2000 expanded the Group's business into merchant banking.
- 1st RM1 billion annual pre-tax profit with RM1.25 billion pre-tax profit in the year.

### 2001

- Completed the acquisition of Hock Hua Bank Berhad on 31 March 2001.

### 2002

- Paid-up capital of Public Bank exceeded RM2 billion.

## 2003 - 2006

### 2003

- Public Bank started buying back its own shares, the first bank in Malaysia to do so.
- Completed the privatisation of Public Finance Berhad on 13 June 2003.
- Paid-up capital of Public Bank exceeded RM3 billion.

### 2004

- 1st issue of subordinated debt of USD350 million.
- Completed the merger of the finance company business of Public Finance Berhad with the commercial banking business of Public Bank on 4 September 2004.

### 2005

- Pre-tax profit surpassed RM2 billion for the 1st time.
- Total assets surpassed RM100 billion for the 1st time.

### 2006

- 1st Malaysian bank to issue innovative hybrid Tier-1 capital securities in both the international market in US Dollars of USD200 million and in the domestic market in Ringgit of RM1.2 billion.
- Acquisition of Public Bank (Hong Kong) Limited (formerly known as Asia Commercial Bank Limited) in Hong Kong for HKD4.5 billion.
- Public Mutual Berhad, the largest private sector unit trust management company in Malaysia, became a wholly-owned subsidiary on 12 July 2006.
- Public Investment Bank Berhad, a wholly-owned subsidiary, was established on 18 December 2006 upon completion of the merger of the merchant banking business of Public Merchant Bank Berhad with the stockbroking business of PB Securities Sdn Bhd.

2007 - 2009



## 2007

- Establishment of Campu Lonpac Insurance Plc, a 55% subsidiary of Public Bank Group, to provide general insurance business in Cambodia.
- Public Bank entered into an exclusive regional strategic alliance agreement with ING Asia/Pacific Limited for the joint development of bancassurance business, Takaful business and various other services between Public Bank and ING in the Asia Pacific region for 10 years.
- Total loans, advances and financing exceeded RM100 billion for the 1st time.
- Pre-tax profit surpassed RM3 billion for the 1st time.

## 2008

- Public Islamic Bank Berhad, a wholly-owned subsidiary, commenced business on 1 November 2008 upon the completion of the transfer of the Islamic banking business of Public Bank to Public Islamic Bank Berhad.
- Public Bank became the largest banking group in Malaysia by market capitalisation and the 2nd largest listed company on Bursa Malaysia Securities Berhad on 18 July 2008 with a market capitalisation of RM36.03 billion.

## 2009

- Total assets surpassed RM200 billion for the 1st time.

2010 - 2013




## 2010

- Public Islamic Bank Berhad, a wholly-owned subsidiary, opened its first full-fledged Islamic branch offering Shariah-compliant products.
- Public Bank and Public Islamic Bank Berhad jointly with ING Management Holdings (Malaysia) Sdn Bhd, obtained a Family Takaful licence to carry out family takaful business.
- Pre-tax profit surpassed RM4 billion for the 1st time.
- Profit after tax surpassed RM3 billion for the 1st time.

## 2011

- ING PUBLIC Takaful Ehsan Bhd, the joint venture Takaful company set up by Public Bank and Public Islamic Bank Berhad jointly with ING Management Holdings (Malaysia) Sdn Bhd, was launched on 5 April 2011.

## 2012

- Pre-tax profit surpassed RM5 billion for the 1st time.

## 2013

- Public Bank entered into new regional strategic alliance agreement on bancassurance with American International Assurance Company, Limited.
- ING PUBLIC Takaful Ehsan Bhd changed its name to AIA PUBLIC Takaful Bhd following the completion of the acquisition of ING Insurance Berhad by AIA Bhd in Malaysia on 17 June 2013.

# Corporate Milestones from 1966

2014 -2016

## 2014

- Completed the merger of ordinary shares of RM1.00 each in Public Bank (PBB Shares) listed and quoted as "Local" and PBB Shares listed and quoted as "Foreign" on the Main Market of Bursa Malaysia Securities Berhad on 16 April 2014.
- Paid-up capital of Public Bank exceeded RM3.8 billion upon the issuance of 350,212,513 new ordinary shares of RM1.00 each pursuant to the completion of the Public Bank Rights Issue.

## 2015

- Pre-tax profit surpassed RM6 billion for the 1st time.




## 2016

- Public Bank celebrated its 50th Anniversary on 6 August 2016.
- Public Bank Vietnam Limited received the licence from the State Bank of Vietnam for its establishment and operation as a 100% foreign-owned bank in Vietnam with effect from 1 April 2016.
- VID Public Bank (previously 50% held by Public Bank) became a wholly-owned subsidiary of Public Bank and changed its name to Public Bank Vietnam Limited with effect from 1 April 2016.

2017 -2018



## 2017

- Opening of Menara Public Bank 2, a 40-Storey Grade A Green Office Building located at Jalan Raja Chulan, Kuala Lumpur. It is the first bank in Malaysia certified with a green building, with pre-certified Gold rating by the Leader in Energy & Environmental Design under the US Green Building Council as well as a Provisional Gold rating by Malaysia's own Green Building Index.
- Pre-tax profit surpassed RM7 billion for the 1st time.



## 2018

- Public Bank launched the all-in-one digital payment terminals on 8 November 2018 in partnership with Revenue Group Berhad and was the first bank to roll out such an integrated payment terminal in Malaysia.

2019 - 2022




## 2019

- Public Bank was the first bank to adopt the Malaysia's National QR standard known as DuitNow QR launched by PayNet on 17 July 2019.




## 2020

- Public Bank 54th Annual General Meeting (AGM) broadcasted from Menara Public Bank on 29 June 2020 marked the first virtual AGM for the Bank.

## 2021

- Public Bank's issued shares increased to 19,410,691,735 ordinary shares upon the issuance of 15,528,553,388 new ordinary shares pursuant to the completion of the Public Bank Bonus Issue.
- Public Bank was the first bank to launch the DuitNow QR Cross Border Payment from Thailand in June 2021 to support the growing needs of a cashless economy.

## 2022

- Public Bank was the first bank to launch the following new secured online payment solutions to further support the growing needs of a cashless economy:
  - DuitNow Online Banking/Wallet in February 2022
  - DuitNow QR Cross Border Payment from Indonesia in February 2022
- Pre-tax profit surpassed RM8 billion for the 1st time.

2023 - 2024




## 2023

- In remembrance of the late Tan Sri Dato' Sri Dr. Teh Hong Piow, Public Bank has dedicated two special floors in Menara Public Bank for the set-up of the "TEH HONG PIOW GALLERY", which stands as a testament to the late Tan Sri Dato' Sri Dr. Teh Hong Piow numerous achievements and milestones in both his personal and corporate journey.
- Locally incorporated a wholly-owned banking subsidiary in Lao P.D.R named Public Bank Lao Limited (PBLL) with effect from 1 January 2024 and opened 4 domestic branches, known as PBLL Vientiane Capital Branch, Wattay Branch, Savannakhet Branch and Pakse Branch.




## 2024

- The acquisition by Public Bank of 175,896,000 LPI Capital Berhad (LPI) shares, representing 44.15% equity interests in LPI from the Estate of the late Tan Sri Dato' Sri Dr. Teh Hong Piow and Consolidated Teh Holdings Sdn Bhd for a total cash consideration of RM1.72 billion was completed on 4 December 2024.
- Public Bank Vietnam Limited (PBVN), a wholly-owned subsidiary of Public Bank had completed the acquisition of RHB Securities Vietnam Company Limited to become a wholly-owned subsidiary of PBVN on 11 July 2024 and now known as Public Bank Securities Vietnam Company Limited.

# Group **Corporate Structure**

As at 28 February 2025

PUBLIC BANK

## MALAYSIAN COMPANIES

- 100% **Public Islamic Bank Bhd**
  *(Islamic Banking)*
- 30% **AIA PUBLIC Takaful Bhd**
  *(Family Takaful)*[*1]
- 100% **Public Investment Bank Bhd**
  *(Investment Banking)*
  - 100% **Public Invest Nominees (Tempatan) Sdn Bhd**
    *(Nominee Services)*
  - 100% **Public Invest Nominees (Asing) Sdn Bhd**
    *(Nominee Services)*
- 100% **Public Consolidated Holdings Sdn Bhd**
  *(Investment Holding)*
  - 100% **Public Mutual Bhd**
    *(Sale & Management of Unit Trust Funds and Private Retirement Schemes)*
- 44.15% **LPI Capital Bhd**
  *(Investment Holding)*
  - 100% **Lonpac Insurance Bhd**
    *(General Insurance)*
- 100% **Public Holdings Sdn Bhd**
  *(Property Holding)*
- 100% **Public Nominees (Tempatan) Sdn Bhd**
  *(Nominee Services)*
- 100% **Public Nominees (Asing) Sdn Bhd**
  *(Nominee Services)*
- 100% **PB Trustee Services Bhd**
  *(Trustee Services)*[*2]
- 100% **PB Venture Capital Sdn Bhd**
  *(Investment Holding)*
- 100% **Public Leasing & Factoring Sdn Bhd**
  *(Leasing & Factoring)*
  - 100% **PB International Factors Sdn Bhd**
    *(Investment Holding)*

## OVERSEAS AND OFFSHORE COMPANIES

- 73.2% **Public Financial Holdings Ltd** *(Investment & Property Holding)*
  - 100% **Public Bank (Hong Kong) Ltd** *(Banking)*
    - 100% **Public Financial Securities Ltd** *(Securities Brokerage)*
    - 100% **Public Bank (Nominees) Ltd** *(Nominee Services)*
    - 100% **Public Finance Ltd** *(Deposit-Taking & Finance)*
      - 100% **Public Financial Ltd** *(Investment Holding)*
  - 100% **Winton (B.V.I.) Ltd** *(Investment Holding)*
    - 100% **Winton Financial Ltd** *(Provision of Financing)*
    - 100% **Winton Motors, Ltd** *(Trading of Taxi Cabs and Taxi Licences, and Leasing of Taxis)*
- 100% **Cambodian Public Bank Plc** *(Banking)*
  - 100% **Campu Securities Plc** *(Securities Dealing and Underwriting)*
  - 49% **CPB Properties Company Ltd** *(Property Holding)*
  - 51% **Campu Lonpac Insurance Plc** *(General Insurance)*[*3]
  - 4%
- 100% **Public Bank Vietnam Ltd** *(Banking)*
  - 100% **Public Bank Securities Vietnam Company Ltd** *(Securities Dealing and Underwriting)*
- 100% **Public Bank Lao Ltd** *(Banking)*
- 100% **Public Bank (L) Ltd** *(Labuan Banking)*

**Notes:**

- *The companies reflected are operating subsidiaries/associated companies.*
- *The full list of companies under the Public Bank Group is set out in Notes 16 and 17 to the Financial Statements on pages 104 to 111 in the Financial Statements section of this Integrated Annual Report.*

[*1] *Held by:*
*i. Public Bank Bhd; and*
*ii. Public Islamic Bank Bhd*
*with direct shareholdings of 15% each.*

[*2] *Held by:*
*i. Public Bank Bhd;*
*ii. Public Investment Bank Bhd;*
*iii. Public Consolidated Holdings Sdn Bhd;*
*iv. Public Holdings Sdn Bhd; and*
*v. PB International Factors Sdn Bhd*
*with direct shareholdings of 20% each.*

[*3] *45% is held by LPI Capital Bhd.*

# Corporate **Information**

As at 28 February 2025

## BOARD OF DIRECTORS

**LAI WAN**
Non-Independent Non-Executive Chairman
BA (Econs Hons); Associate, AICB

**TAN SRI DATO' SRI DR. TAY AH LEK**
Managing Director & Chief Executive Officer
PSM, SSAP, PJN, DIMP, KMN
MBA (Henley); EFMIM (M'sia);
Fellow, Chartered Banker, AICB; FCPA (Aust);
F Fin (Aust)

**CHEAH KIM LING**
Non-Independent Non-Executive Director
BAcc (Hons); CA (M'sia)

**LEE CHIN GUAN**
Non-Independent Non-Executive Director
BSc (Hons); BCL (Oxon); LLM (Cantab);
JD (Chicago-Kent); Barrister-at-Law (Middle Temple)

**DATO' MOHD HANIF BIN SHER MOHAMED**
Independent Non-Executive Director
DSM, DSPN, PKT
MBA (UK)

**THAM CHAI FHONG**
Independent Non-Executive Director
BSc (Hons); Postgraduate Dip in Comp. Sc.

**LIM CHAO LI**
Independent Non-Executive Director
BSc in Economics (USA); B. Applied Sc (USA)

**GLADYS LEONG**
Independent Non-Executive Director
CPA (M'sia); CA (M'sia)

**TEOH MEOW CHOO**
Independent Non-Executive Director
BEcons (Acc/Fin) (Aust)



## OTHER INFORMATION

### COMPANY SECRETARY

**WAN MARHANIM BINTI WAN MUHAMMAD**
LS0009365
SSM Practising Certificate No. 202008003885
Telephone No. : 603-2176 6341
E-mail : pbbcosec@publicbank.com.my

### REGISTERED OFFICE

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146 Jalan Ampang
50450 Kuala Lumpur
Malaysia
Telephone No. : 603-2176 6341, 2163 8888
Facsimile No. : 603-2163 9917
E-mail: pbbcosec@publicbank.com.my

### HEAD OFFICE

Menara Public Bank
146 Jalan Ampang
50450 Kuala Lumpur
Malaysia
Telephone No. : 603-2176 6000, 2176 6666, 2163 8888, 2163 8899

### COMPANY REGISTRATION NO.

196501000672 (6463-H)

### WEBSITE

www.publicbankgroup.com

### SHARE REGISTRAR

**TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD**
Registration No. 197101000970 (11324-H)
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Tower A, Vertical Business Suite
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Malaysia
Telephone No. : 603-2783 9299
Facsimile No. : 603-2783 9222
E-mail : is.enquiry@vistra.com
Website : www.vistra.com

### AUDITORS

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202006000003 (LLP 0022760-LCA) & AF 0039
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50490 Kuala Lumpur
Malaysia
Telephone No. : 603-7495 8000
Facsimile No. : 603-2095 5332

### INVESTOR RELATIONS

Telephone No. : 603-2176 6293
E-mail : ir@publicbank.com.my

### SOCIAL MEDIA

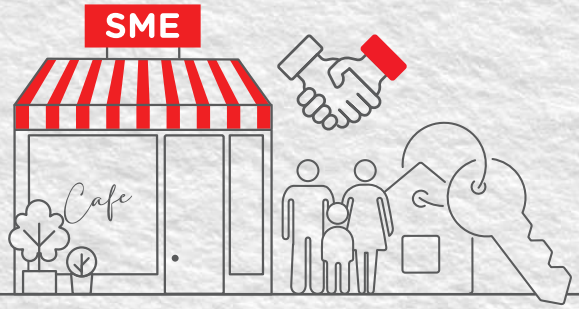
https://www.facebook.com/publicbankmy
https://twitter.com/PublicBankMY
https://www.youtube.com/@publicbankgroup
https://www.linkedin.com/company/public-bank/
https://www.instagram.com/publicbankmy

### STOCK EXCHANGE LISTING

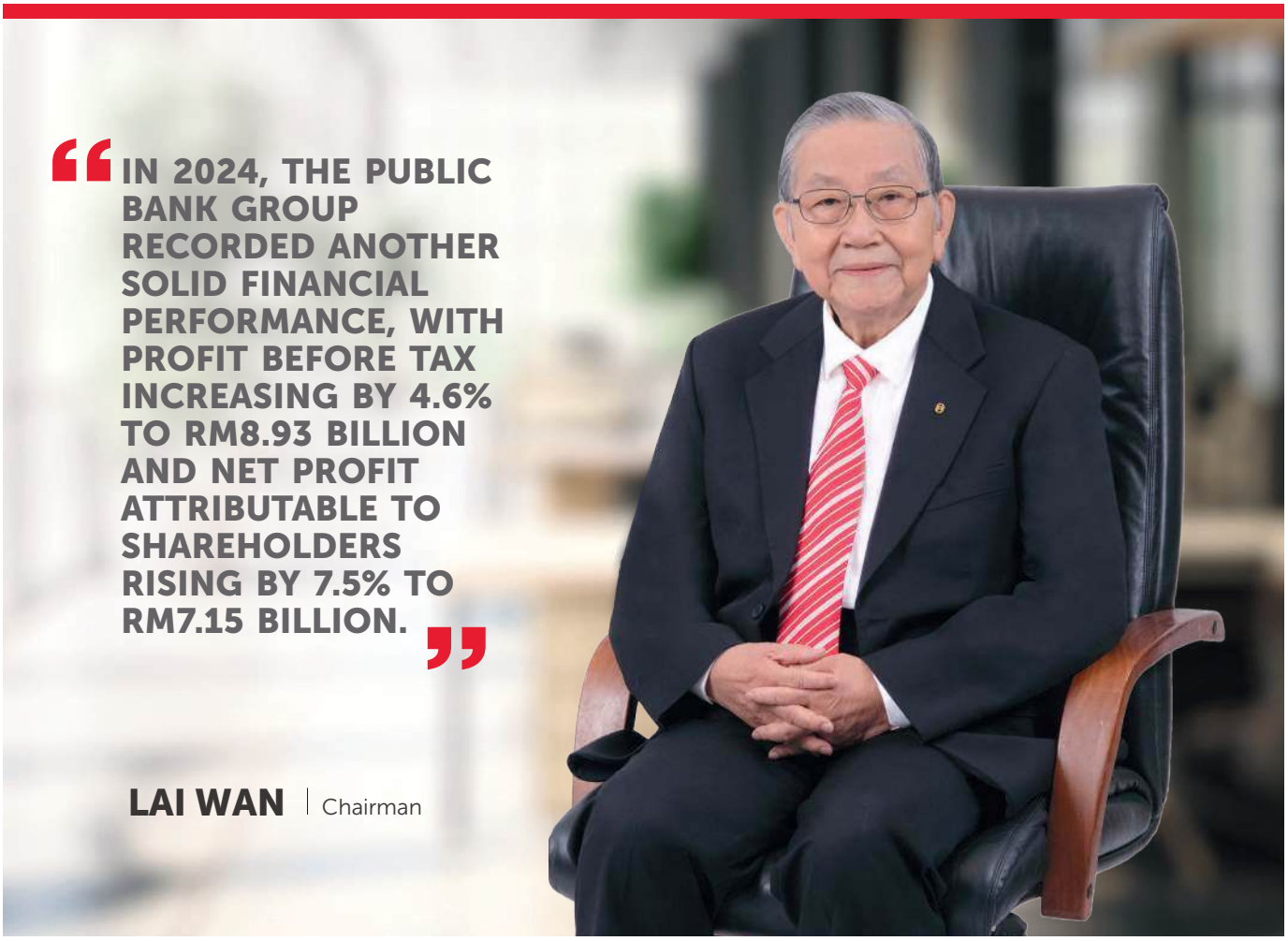
Listed on the Main Market of Bursa Malaysia Securities Berhad
Listing Date : 6 April 1967
Stock Name : PBBANK
Stock Code : 1295

# Financial INCLUSION FOR ALL.

We are committed to the financial well-being of all Malaysians, promoting inclusion through **accessible banking, responsible lending, and community programmes** to support individuals and businesses.



# Statement by **Chairman**



**"IN 2024, THE PUBLIC BANK GROUP RECORDED ANOTHER SOLID FINANCIAL PERFORMANCE, WITH PROFIT BEFORE TAX INCREASING BY 4.6% TO RM8.93 BILLION AND NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS RISING BY 7.5% TO RM7.15 BILLION."**

**LAI WAN** | Chairman

2024 can best be summed up as a year of embracing growth and transformation whilst being prudent.

The global economy had remained slow but stable. While many countries moved towards easing monetary policy as inflation moderated, uncertainties still remained. Geopolitical tensions, policy measures by major economies and climate change disruptions continued to increase uncertainties that threatened global growth.

Meanwhile, the Malaysian economy has been resilient in the face of a global challenge, with gross domestic product growing by 5.1% in 2024. The sustained domestic demand and improved export activities continued to support Malaysia's growth trajectory.

Recently, Malaysia has become a focal point for foreign investments amid growing interest in investing in Malaysia as a data centre and manufacturing hub. The Government's sustained efforts in strengthening the country's competitiveness through various development plans, such as the New Industrial Master Plan 2030 and National Semiconductor Strategy, have continued to propel the country towards sustainable and more robust long-term growth.

On the back of a solid and stable financial system, the resilient banking sector has remained a key intermediary facilitating efficient fund flows to support the ongoing expansion of economic activities.

# Statement by Chairman

## EMPOWERING SUSTAINABILITY

The persistent global headwinds and fast changing business landscape have tested the resilience of businesses. In this dynamic landscape; sustainability which encompasses environmental, social and governance matters have emerged as a pivotal catalyst for long-term growth.

The theme of Public Bank's 2024 Annual Report titled "Empowering Sustainability" is timely, further crystallising the Public Bank Group's vision and commitment.

Since the founding of Public Bank by the late Tan Sri Dato' Sri Dr. Teh Hong Piow in 1966, sustainability has been the core of the Public Bank Group's corporate culture and business strategies.

The Public Bank Group has always ensured that its presence brings positive impact to the environment and communities where it operates.

This is achieved through the Public Bank Group's dedication to ensuring its business can operate sustainably by delivering long-term value to all its stakeholders – from sustainable shareholder returns, superior customer service, staff well-being to the betterment of the community.

By prioritising sustainability, the Public Bank Group effectively creates synergies and delivers value to its stakeholders while pursuing its business goals.

## SUSTAINING THE GROWTH MOMENTUM

In 2024, the Public Bank Group recorded another solid financial performance, with profit before tax increasing by 4.6% to RM8.93 billion and net profit attributable to shareholders rising by 7.5% to RM7.15 billion.

**PRE-TAX PROFIT**

**RM8.93 billion**

**DIVIDEND PAYOUT**

**57.0%**

> Undeterred by the challenges, the Public Bank Group remained focused on enhancing its strengths in its core business segments and continued to sustain its leading market share in the financing, deposit mobilisation and unit trust businesses.

The commendable financial performance is further bolstered by the Public Bank Group's high cost efficiency and sound asset quality.

Given the stable profit growth, the Public Bank Group continued to deliver consistent dividend payout to its shareholders.

For the financial year 2024, the Board of Directors declared a total dividend of 21 sen, which amounts to a total dividend payout of RM4.08 billion. This payout represents 57.0% of the Public Bank Group's net profit for 2024.

## DRIVING THE SUSTAINABILITY AGENDA

In 2024, the domestic economic environment continued to improve. However, competition in the banking sector remained intense.

Undeterred by the challenges, the Public Bank Group remained focused on enhancing its strengths in its core business segments and continued to sustain its leading market share in the financing, deposit mobilisation and unit trust businesses.

In 2024, the Public Bank Group marked a milestone year by undertaking acquisitions to strengthen its portfolios in both domestic and international markets.

On the domestic front, the Public Bank Group has acquired 44.15% stake in LPI Capital Bhd, establishing a strong market presence and foothold for the Group in Malaysia's general insurance segment.

In addition to that, the Public Bank Group completed the acquisition of a securities company in Vietnam via its subsidiary Public Bank Vietnam Ltd. This has further scaled up its regional business in the Indochina region.

Both acquisitions will create new business synergies as the Public Bank Group continues to sustain its core business strength in retail banking, further empowering the Group's business growth over the long-term.

While advancing with its growth strategy, the Public Bank Group ensures that it does not compromise on quality service to the customers, banking prudence and effective risk management in managing its balance sheet.

Corporate governance has also remained a top priority. The Public Bank Group continues to stay highly vigilant on significant risks, such as money laundering and terrorism financing.

In addition, in line with its zero-tolerance stance on corruption and bribery, the Public Bank Group has continued to strengthen anti-corruption controls such as enhancing the Anti-Corruption Plan.

To maintain its operational edge in a challenging environment, the Public Bank Group also considers how it can contribute to making the world a better place through its sustainability initiatives.

The Public Bank Group will continue to uphold its integrity to stakeholders, adapting and constantly improving to remain relevant to the people we serve.

In 2024, the Public Bank Group remained proactive in initiating community programmes, including a collaboration with Yayasan Hijau Malaysia to plant 1,000 trees, as well as the Run for Change 2024 events in Kuala Lumpur and Penang, which attracted thousands of runners for a good cause.

Further to that, the Public Bank Group continues to strengthen its strategic focus on human capital development, prioritising investments in training, education and the well-being of the Group's employees.

At the same time, investments in digital transformation are ongoing as the Public Bank Group actively enhances its digital capabilities to meet rapidly changing customer expectations.




## POSITIVE PROSPECT FOR 2025

Supported by the incredible efforts of the Malaysian Government and Bank Negara Malaysia in revitalising the economy, coupled with the country's resilient fundamentals, the commendable economic growth momentum is expected to continue into 2025 and beyond.

The Public Bank Group will continue to leverage on its strong market position and network of delivery channels to meet the growing banking services needs of the nation and its people.

Similarly, the Public Bank Group will continue to progressively scale up its sustainability efforts, playing an active role as a socially responsible corporate citizen.

## ALWAYS GRATEFUL

The Public Bank Group is grateful and appreciates the unwavering support, confidence and trust of all its shareholders, customers and the Group's dedicated management and employees.

To Bank Negara Malaysia and the relevant authorities, our utmost gratitude for their guidance and advice.

The Public Bank Group's journey reflects one of sustained growth despite various challenging business cycles. This is only possible with its strong fundamentals of adherence to prudent banking practices, efficient customer service, strong corporate governance and other award-winning attributes developed over the years which have been strengthening over time.

The Public Bank Group will continue to uphold its integrity to stakeholders, adapting and constantly improving to remain relevant to the people we serve.

We are fully committed to embracing sustainability as we move forward into the next chapter of the Public Bank Group's sustainability journey.

**Lai Wan**
Chairman

# Review by Managing Director & Chief Executive Officer



## TAN SRI DATO' SRI DR. TAY AH LEK

Managing Director & Chief Executive Officer

2024 saw continued improvement in Malaysia's operating environment, with resilient domestic demand, improved exports and the higher influx of foreign investments supporting a sustained growth trajectory for the country.

**"THE PUBLIC BANK GROUP'S UNWAVERING COMMITMENT TO PROMOTING SUSTAINABILITY WHILE DELIVERING COMMENDABLE BUSINESS GROWTH CONTINUES TO STAND AS A PARAGON OF A PEOPLE-FOCUSED BANK."**

**RETURN ON EQUITY**

**13.2%**

**GROSS IMPAIRED LOANS RATIO**

**0.52%**

**COST TO INCOME RATIO**

**34.5%**



Net profit attributable to shareholders

**RM7.15 BILLION**



Total gross loans growth

**6.3%**

Underpinned by a stable economy with rising growth catalysts, the operating environment remained conducive to banking business innovation and growth. Market opportunities remained aplenty and intense competition among banks in various segments of the banking business continued.

In addition, digital banks are making inroads into the Malaysian banking scene. As at the end of 2024, three of the five digital banks granted licences by Bank Negara Malaysia since April 2022 are now operational.

Despite ongoing challenges, the Public Bank Group continued to achieve significant milestones and report resilient financial performance, banking on its strong core competencies in the retail banking segment and solid fundamentals.

Meanwhile, the Public Bank Group's unwavering commitment to promoting sustainability while delivering commendable business growth continues to stand as a paragon of a people-focused bank.

## A SOLID FINANCIAL PERFORMANCE

The Public Bank Group's continued solid financial performance is attributable to its strong corporate governance and its long-entrenched culture of proactive and prudent management.

In 2024, the Public Bank Group achieved a higher net profit attributable to shareholders, which grew by 7.5% to RM7.15 billion, sustaining its leading position in the Malaysian banking industry with a net return on equity of 13.2%.

The Public Bank Group also continued to execute cost efficiency initiatives in pursuit of higher productivity levels, achieving an efficient cost-to-income ratio of 34.5%.

The lending business of the Public Bank Group grew sustainably, with total gross loans expanding by 6.3%. This growth was driven by the stable expansion of the Group's core financing operations.

In 2024, domestic financing for residential properties rose by 5.6% while SME financing grew by 6.0%, with leading market shares of 20.2% and 17.9%, respectively.

During the year, the Public Bank Group's hire purchase financing posted strong growth of 13.1%, further strengthening the Group's market position in the vehicle financing industry, with a market share of 31.8%.

While pursuing growth, the Public Bank Group has not compromised its asset quality. The Group's gross impaired loans ratio stood at 0.52% at the end of 2024, significantly below the banking industry's gross impaired loans ratio of 1.4%.

The Public Bank Group's strong asset quality is further supported by its prudent loan loss coverage ratio of 166.2% as at the end of 2024, significantly higher than the loan loss coverage ratio of 91.4% for the banking industry.

In terms of deposit-taking, the Public Bank Group achieved a 4.9% deposit growth, surpassing the industry's deposit growth in 2024. This reflected the strength of the Group's domestic franchise and its standing amongst its peers.

To further solidify its standing, liquidity position remained healthy, with an average liquidity coverage ratio of 133.4% in 2024.

In 2024, the Public Bank Group's non-interest income posted favourable growth of 15.2%, primarily attributed to the unit trust, investments and stockbroking business.

The Public Bank Group's wholly-owned subsidiary, Public Mutual, maintained its leading market share of 34.7% in the domestic retail private unit trust industry as at the end of 2024. During the year, Public Mutual achieved 7.8% growth in profit before tax to RM860.0 million, with the net asset value of its funds growing to RM101.98 billion.

## UNLEASHING SYNERGIES

In 2024, the Public Bank Group continued to pursue strategic moves to strengthen its franchise while committing to a strong synergistic business growth strategy. The Group made two strategic acquisitions this year to further enhance its capabilities and competitiveness.

The acquisition of insurer LPI Capital Bhd and the establishment of Public Bank Securities Vietnam have positioned the Group closer towards a "universal banking model", offering a wide range of financial products and services in both domestic and regional markets.

As part of its overseas expansion, the Public Bank Group converted its operations in Laos into a wholly-owned subsidiary, which has been renamed Public Bank Lao Ltd.

# Review by Managing Director & Chief Executive Officer

Sustaining its brand value as a people-centric bank, the principles of inclusiveness in financial accessibility remain paramount.

The Public Bank Group continued to invest significant resources in enhancing its extensive branch network across the country, while continually investing in digitalisation to deliver superior customer service in the globalised financial services industry.

Following the launch of its innovative MyPB App in November 2023, the Public Bank Group introduced a new MyPB online banking platform in July 2024. This platform features new functionalities and a redesigned website, making banking simpler and more convenient.

The Public Bank Group has been actively promoting efficient and safe banking practices, which have led to an increase in users of its online channels. Over the past five years, active users for the PBe and PB enterprise internet banking had increased by 37.0% and 84.9% respectively, while Public Bank's mobile banking applications' active users had grown by more than two fold.

While providing customers with easy access to services at their convenience, the Public Bank Group has remained highly vigilant to fraud risks. The Group had taken further steps in 2024 to enhance its scam prevention efforts.

To enhance public awareness about the risk of fraud, the Public Bank Group has launched the PB Scam Rangers initiative. This initiative includes a team of cyber security fraud experts who travel throughout Malaysia to educate the public and share updates on the latest scam trends.

With all stringent measures in place, the Public Bank Group has blacklisted about 260,000 mule accounts as at December 2024, thereby protecting more than 1.1 million customers from scams and preventing about RM1.71 billion from being fraudulently transferred into scammers' accounts.

## EMBRACING SUSTAINABILITY BEYOND PROFIT

A key factor in the Public Bank Group's remarkable success is its committed, knowledgeable, and dedicated employees who share a common mission, which strengthens the Group's corporate culture.

The Public Bank Group has been investing in continuous staff training and development for its employees, allocating significant management and financial resources to enhance the long-term value of its workforce.

Protecting more than
**1.1 MILLION**
customers from scams

Preventing about
**RM1.71 BILLION**
from being fraudulently transferred into scammers' accounts



The Public Bank Group is fully dedicated to fulfilling its responsibilities in supporting the nation's development and addressing the needs of its people.




Amid the fast changing business environment, the Public Bank Group is committed to growing alongside its people. The Group focuses on equipping its employees with the essential skills and knowledge, particularly on key subjects such as sustainability, digitalisation and compliance. This approach ensures that the employees are well-prepared for the challenges and changes that lie ahead.

Going beyond its profits, the Public Bank Group has remained proactive in various Environmental, Social, and Governance (ESG) initiatives, as illustrated in its Sustainability Report.

Ranging from sustainable financing, reducing carbon emissions to a wide range of philanthropic activities, the Public Bank Group remains fully committed to addressing the community's needs and combating climate change.

These proactive initiatives towards sustainable development have been well recognised by reputable publications. FinanceAsia awarded the Public Bank Group with the Biggest ESG Impact in Malaysia Award and Highly Commended Award for Best Sustainable Bank in Malaysia Category. The Bank also won the Asia's Best CSR Award and Sustainable Asia Award from Corporate Governance Asia.

In addition to that, the Association of Banks in Malaysia also awarded the Public Bank Group during its 50th Anniversary Celebration with the CSR Excellence Awards for its efforts in enhancing educational opportunities and improving financial literacy.

## A RECOGNISABLE BRAND YESTERDAY, TODAY AND TOMORROW

Looking forward, the Malaysian economy is projected to remain on a stable growth path, further bolstered by the Government's proactive efforts in pursuit of a sustainable and resilient economy. The Public Bank Group is fully dedicated to fulfilling its responsibilities in supporting the nation's development and addressing the needs of its people.

In the face of persistent headwinds in the operating environment, the Public Bank Group is confident in its ability to meet these challenges and continue to keep pace with the market competition.

With a strong corporate culture that has endured for over five decades and impressive organisational agility in adapting to changing circumstances, the Public Bank Group will continue to stay relevant in the ever changing times.

Supported by its resilient financial performance and high-quality assets, which stem from the Public Bank Group's strict commitment to prudent credit practices, the Group will continue to promote sustainability at all levels of its business.

As it moves into its next phase of growth, the Public Bank Group aims to ensure sustainable value generation for all its stakeholders in the coming years.

**TAN SRI DATO' SRI DR. TAY AH LEK**
Managing Director & Chief Executive Officer

# Public Bank Group's **Value Creation Model**

## INPUTS

### FC FINANCIAL CAPITAL

Funds available to the Group to sustain its operations and activities, and to invest in the growth of other key capitals.

- Strong credit ratings and balance sheet with asset size of **RM542.86 billion**.
- Healthy capital with CET 1, Tier 1 and total capital ratios of **14.3%**, **14.3%** and **17.1%** respectively.

### MC MANUFACTURED CAPITAL

The Group's fixed assets and digital infrastructure that facilitate the provision of products and services to its customers.

- Wide network of **472** branches.
- **2,061** easily accessible self-service terminals.
- Strong network of digital platforms.

### HC HUMAN CAPITAL

The Group's employees' knowledge, skills and experience that drive the Group's strategy and deliver long-term value.

- **>21,000** staff across the Asian region.
- Over **RM60 million** spent on training and development.
- **66.0 hours** of training per employee.
- Achieved more than **1.3 million** total training hours across the Group.

### SC SOCIAL CAPITAL

The relationship and goodwill between the Group and its stakeholders, including local communities and civil society.

- Promote financial inclusion by providing access to financial products and services for all customer segments.
- **RM2.5 million** spent on the community.

### IC INTELLECTUAL CAPITAL

The Group's intangible assets such as brand reputation, organisational systems and proprietary innovations, in-house capabilities, and strategic partnerships.

- Strong branding, corporate governance and risk management culture.
- Strategic business partnerships.
- Other intangible assets such as proprietary innovations and in-house capabilities.

### NC NATURAL CAPITAL

The natural resources used in the Group's operations and environmental impact of the Group's business activities.

- ESG considerations are embedded into the Group's business operations, including mobilisation of sustainable finance.
- Setting sustainability commitments and monitoring progress of commitments.

## STRATEGIC DIRECTION

### Corporate Mission

To sustain the position of being **the most efficient, profitable and respected premier financial institution** in Malaysia.

### Strategic Focus

To pursue **synergistic growth** in the **retail banking business**, focusing on domestic consumer banking and SME lending.

Delivered through **Key Business Pillars**

- Domestic Consumer Banking and SME Lending
- Wealth Management
- Capital Market
- Islamic Banking
- Transactional Services
- International Operations
- General Insurance

Embedded into business operations and strategic direction

### Sustainability Strategies

## Key Market Trends

- Fluid geopolitical and economic developments;
- Persistent competitive pressure for loans and deposits;
- Digital transformation acceleration; and
- Increased focus on ESG.

*(refer to Outlook and Strategic Directions on pages 39-43)*

## Principal Risks

CR MR LFR OR TCR CAP SR SNC COM CLR RR IR

*(refer to Risk Management on pages 309-313)*

## Sustainability Themes and Material Matters

**Protecting the Environment**

**Prosperous Customers and Communities**

**Proficient Employees**

**Principled Conduct**

*(refer to Sustainability Report on pages 151-278)*

## BUSINESS STRATEGY AND FOCUS AREAS

| KEY BUSINESS PILLARS | | OUTPUT | |
|---|---|---|---|
| **Domestic Consumer Banking and SME Lending** | Highest market share in Malaysia | Residential properties<br>Commercial properties<br>Hire purchase | **20.2%**<br>**32.0%**<br>**31.8%** |
| **Wealth Management** | Asset under Management<br>Private Retail Unit Trust Business | ↑ **5.0%** to **RM101.98 billion**<br>Market share **34.7%** | |
| **Transactional Services** | Total payees and payors<br>Remittance transactions | ↑ **41%**<br>↑ **11.5%** | |
| **Capital Market** | Pre-tax profit | Domestic Corporate Lending<br>Investment Banking<br>Treasury | ↑ **48.3%**<br>↑ **115.9%**<br>↑ **73.3%** |
| **Islamic Banking** | Pre-tax profit | ↑ **34.2% to RM1.01 billion**<br>(**11.3%** of the Group's pre-tax profit) | |
| **International Operations** | Pre-tax loss<br>Pre-tax profit | – **RM130.8 million** (including goodwill impairment)<br>**RM343.0 million** (excluding goodwill impairment) | |
| **General Insurance** | Pre-tax profit | **RM33.3 million**<br>(Post-acquisition profits of LPI Capital Bhd following completion of acquisition by Public Bank on 4 December 2024) | |

*(refer to Business Operations Review on pages 75-130)*

### Key Performance Indicators

**Financial Indicators – Target for FYE 2025**

| Return on Equity ("ROE") | Cost to Income Ratio | Gross Impaired Loans Ratio | Gross Loans Growth |
|---|---|---|---|
| ~13.0% | ~35.0% | <1.0% | 5.0% - 6.0% |

**Sustainability Indicators – Target**

| Carbon Emissions | Sustainable Financing | Women in Senior Management | Inclusive Finance |
|---|---|---|---|
| Carbon Neutral by 2030 (Scope 1 & Scope 2) and Net Zero Carbon by 2050 | Mobilise RM100 billion of sustainable finance by 2030 | Maintain ≥45.0% representation | Improve lives of 1.5 million individuals through inclusive finance by 2025 starting from 2021 |

**Training Hours Per Employee**

Complete minimum **five training days**, with at least **two hours** of sustainability-related training per employee

## CREATE VALUE-ADDED OUTCOMES FOR STAKEHOLDERS

| Performance by Capitals | Actions to Enhance Outcomes | Impact on Stakeholders | Impact on SDGs |
|---|---|---|---|

### FC FINANCIAL CAPITAL

*(refer to Group Financial Review on pages 45-74)*

- Earnings per share increased by **7.5%** to **36.84 sen**.
- Highest return on equity of **13.2%** in the industry.
- Total assets grew by **6.3%** to **RM542.86 billion**.
- Total dividend of **21 sen** per share.
- Market capitalisation of **RM88.51 billion**.

- Maintain an appropriate balance between optimising returns to shareholders and upholding prudent capital management.
- Enhance profitability by focusing on synergistic growth, preserving asset quality and maintaining cost discipline.
- Sustain healthy liquidity position.

### MC MANUFACTURED CAPITAL

*(refer to Business Operations Review on pages 121-124)*

- Growth of new users and active subscribers of mobile banking by **22.8%** and **12.6%** respectively.
- Number of transactions of mobile banking and PB enterprise increased by **54.5%** and **18.3%** respectively whilst the number of transactions of internet banking decreased by **15.9%**.

- Adopting new technology and standards to ensure industry competitiveness in the provision of products and services to customers.
- Continuous enhancement of both online and physical platforms to uphold service quality for customers.

### HC HUMAN CAPITAL

*(refer to Sustainability Report on pages 195-207)*

- Promote well-being of staff, attract and retain talents as well as equip employees with relevant skills for career advancement and personal developments through trainings and development programmes.
- **RM3.55 billion** paid in salaries and rewards.
- Healthy employee turnover rate at **8.7%**.

- Implement talent development strategies to enhance employee capabilities, build leadership pipelines and drive organisational innovation.
- Advancing people-related policies and sustainable employment practices to enhance employees' well-being.

### SC SOCIAL CAPITAL

*(refer to Sustainability Report on pages 172-243)*

- **RM8.98 billion** mobilised since 2020 for social agenda financing.
- Total tax contribution amounted to **RM2.05 billion** for nation building and economic development.

- Investing in various community engagement programmes anchored by three focus areas of community well-being, education to improve financial literacy and environmental awareness.

### IC INTELLECTUAL CAPITAL

*(refer to Business Operations Review on pages 89-97 and 121-128)*

- Enhanced PB enterprise app and online banking website.
- MyPB retail banking mobile app include features like eKYC, cross-border payments and ESG tracking.
- Garnered numerous domestic and international awards and accolades for Best Bank.
- Fraud prevention protected **1.1 million** customers from being scammed and prevented more than **3.6 million** transactions worth **RM1.71 billion** from being fraudulently transferred into scammers' accounts.
- Ongoing strategic partnership with AIA.
- Strategic expansion of general insurance business with Lonpac Insurance.

- Driving digital transformation to deliver a seamless digital banking customer experience.
- Prioritising internal software development to improve operational efficiency.

### NC NATURAL CAPITAL

*(refer to Sustainability Report on pages 172-243)*

- Mobilised **RM67.88 billion** of sustainable finance since 2020.
- Established the **Public Bank Group's Decarbonisation Plan**.
- Launched **PB Sustain**, a one-stop sustainable financing hub.
- Over **500 vendor due diligence reviews conducted** in 2024.

- Proactively support the Group's customers in their transition to net zero through the offerings of sustainable financing solution and customer engagement.
- Guided by the Group's Decarbonisation Plan, strategic enablers have been identified to scale initiatives to transition towards low-carbon operations and achieve the Group's targets.
- Actively engage in sustainable resource management such as increasing use of renewable energy that contribute to environmental sustainability.

# Public Bank Group's **Approach to Value Creation**

The Public Bank Group's approach to value creation over time takes into consideration key factors that affect business outcomes.

## What the Group Considers

### 1. Business Landscape and Key Macro Trends

*refer to Outlook and Strategic Directions on pages 39-43*

The Group takes into consideration market developments as well as industry trends and stakeholders' expectations in the development and review of its annual Business Plan.

### 2. Principal Risks

*refer to Risk Management on pages 309-313*

The Group manages its principal risks and their implications through key risk management processes and internal controls.

- CR Credit Risk
- MR Market Risk
- LFR Liquidity and Funding Risk
- OR Operational Risk
- COM Compliance Risk
- SNC Shariah Non-Compliance Risk
- TCR Technology and Cyber Risk
- CAP Capital Risk
- RR Reputation Risk
- SR Strategic Risk
- CLR Climate Risk
- IR Insurance Risk

### 3. Stakeholder Relationships

*refer to Sustainability Report on pages 165-168*

The Group regularly engages with its key stakeholders to understand their expectations and matters that are of significance to them. The constructive engagements enable the Group to make informed and balanced decisions that are essential to creating long-term shared value.

- Customers
- Shareholders/Investors
- Employees
- Communities and Non-Governmental Organisations
- Regulators
- Media and Public Domain
- Suppliers and Vendors
- Other Financial Institutions

### 4. Identify and Prioritise Material Matters

*refer to Sustainability Report on pages 170-171*

The Group conducts a materiality assessment using a four-step approach to review and validate material matters, ensuring their continued relevance to the business, as well as their alignment with stakeholder interests and concerns.

**Protecting the Environment**

- Climate Change resilience
- Carbon Emissions
- Resource Management
- Sustainable Finance
- Sustainable Supply Chain

**Proficient Employees**

- Diversity and Inclusion
- Employee Engagement and Development
- Human and Labour Rights

**Prosperous Customers and Communities**

- Responsible Lending Practices
- Financial Inclusion & Accessibility
- Customer Satisfaction
- Community Empowerment
- Digital Transformation

**Principled Conduct**

- Data Privacy and Cybersecurity
- Governance and Business Ethics
- Transparency and Trust
- Risk Management

### 5. Embed Sustainability Strategies

*refer to Sustainability Report on page 159*

Environmental, Social and Governance ("ESG") considerations are embedded into the Group's business operations and strategic directions to strengthen sustainable growth through responsible ESG practices with the aim of delivering long-term value for its stakeholders.



# How the Group Creates Value

## 6. Shaping the Group's Strategic Direction and Focus Area

*refer to Public Bank Group's Value Creation Model on pages 30-31*

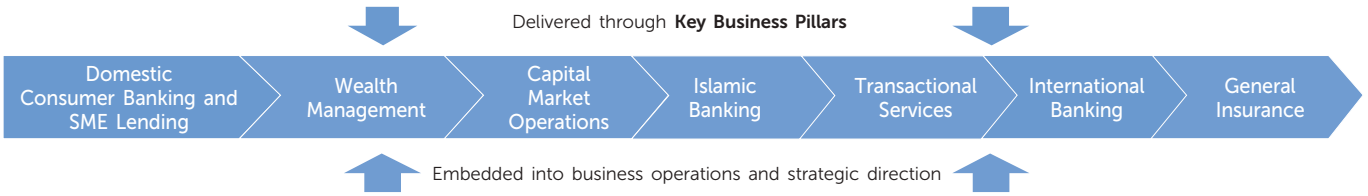
The Group's strategic direction guides the Group towards the achievement of its Corporate Mission. The Group's strategic direction is focused on growing its retail banking business, driven by synergistic growth in a wide range of business segments, including consumer banking and SME lending, wealth management, capital market operations, Islamic banking, transactional services, international banking and general insurance.

### Corporate Mission

To sustain the position of being **the most efficient, profitable and respected premier financial institution** in Malaysia.

### Strategic Focus

To pursue **synergistic growth** in the **retail banking business**, focusing on domestic consumer banking and SME lending.




### Sustainability Strategies

## 7. Capital Allocation

*refer to Public Bank Group's Value Creation Model on pages 30-31*

The six capitals serve as the key inputs and resources driving the Group's operations. The Group invests in all six capitals, ensuring balanced growth and optimising outcomes while making strategic trade-offs when required.

FC Financial Capital
MC Manufactured Capital
HC Human Capital
SC Social Capital
IC Intellectual Capital
NC Natural Capital

## 8. Driving Strategic Focus Areas through Key Business Pillars

To drive synergistic growth in its core banking business, the Group's Short-Term and Medium-Term Business Plan outlines the initiatives that are in line with the Group's strategic direction and Risk Appetite. The Group's Risk Appetite sets the level of risk tolerance and limits to manage and control the Group's risk taking activities in its pursuit of business growth and profitability.

| Strategic Focus Areas/Initiatives | Related Capitals | Related Material Matters | Related Principal Risks | Related Stakeholders |
|---|---|---|---|---|
| Increase profitability by focusing on areas of strength in key business segments | FC IC | | CR RR LFR | |
| Preserve asset quality and maintain cost discipline | FC IC | | CR LFR RR | |
| Uphold strong corporate governance culture | IC | | COM RR | |
| Enhance capital strength and risk management practices | FC IC | | CR LFR CAP RR COM MR OR | |
| Uphold service quality, engage in ethical banking and enhance data security | IC SC | | RR SR TCR OR | |
| Embrace digital transformation to meet evolving customer needs | IC MC | | TCR OR RR SR | |
| Nurture talents, promote employee health, safety and well-being as well as promote diversity and inclusive workforce | SC IC HC | | OR SR RR | |
| Support the transition to a climate resilient future | NC IC | | SR RR CLR | |
| Expand financial inclusion and support the community's financial needs | FC SC MC IC | | SR RR | |
| Contribute to nation building and nurture future generations | SC IC MC | | SR RR | |
| Strengthen communities through volunteerism and charitable donations | SC IC | | SR RR | |

## 9. Value Created

*refer to Public Bank Group's Value Creation Model on pages 30-31, Key Performance Indicators on pages 35-36 and Branch Performance – KPIs and Awards on pages 129-130*

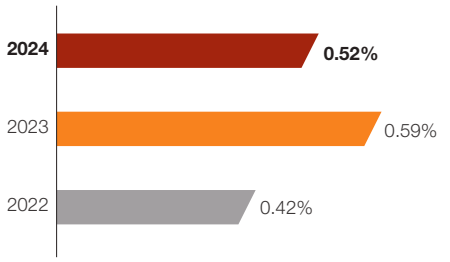
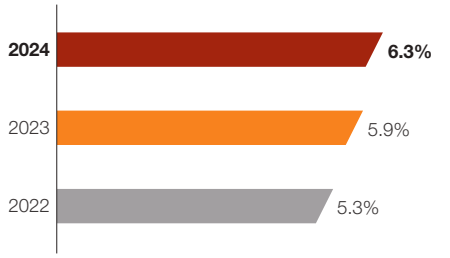
Creating sustainable value for the Group's stakeholders is at the heart of the Group's mission. By rigorously tracking KPIs, we maintain accountability and drive progress toward a sustainable future.

# Key Performance **Indicators**

The Public Bank Group sets and continuously monitors Key Performance Indicators to stay aligned with its strategic goals and commitments to create sustainable value for all the Group's stakeholders.

## FINANCIAL INDICATORS

To achieve resilient financial performance through healthy loans and deposits growth, while maintaining resilient asset quality.

| Indicators | Results | Target for FYE 2025 |
|---|---|---|
| **Return on Equity ("ROE")** |  | ~ 13.0 |
| **Cost to income Ratio** |  | ~35.0 |
| **Gross Impaired Loans Ratio** |  | < 1.0 |
| **Gross Loans Growth** |  | 5.0% - 6.0% |

## SUSTAINABILITY INDICATORS

To integrate the Public Bank Group's sustainability commitment and goals with its strategic business directions, thereby enhancing value for the Group's stakeholders and ensuring long-term business sustainability.

<table>
<tr><th>Indicators</th><th>Results</th><th>Target</th></tr>
<tr><td>Carbon Emissions</td><td>Scope 1 and Scope 2:<br>• 2024 Total carbon emissions: 69,956 $tCO_2e$<br><br>Scope 1, Scope 2 and Scope 3:<br>• 2024 Total carbon emissions: 99,967 $tCO_2e$</td><td>Carbon Neutral by 2030 (Scope 1 & Scope 2)<br><br>Net Zero Carbon by 2050</td></tr>
<tr><td>Sustainable Financing</td><td>Mobilised RM67.88 billion of sustainable finance since 2020, which comprises:<br>• RM46.12 billion of low emissions vehicle financing<br>• RM8.98 billion of social agenda financing<br>• RM4.77 billion of corporate loans<br>• RM4.16 billion of sustainability-linked loans<br>• RM3.85 billion of green financing</td><td>Mobilise RM100 billion of sustainable finance by 2030.</td></tr>
<tr><td>Women in Senior Management</td><td>Achieved 46.2% women representation at Senior Management level.<br> 
</td><td>Maintain ≥ 45.0% women representation at Senior Management level.</td></tr>
<tr><td>Training Hours Per Employee</td><td>On average, employees have completed 66.0 hours of training.<br><table><tr><th></th><th>Average training hours per employee</th><th>Average sustainability-related training hours per employee</th></tr><tr><td>2024</td><td>66.0</td><td>3.2</td></tr><tr><td>2023</td><td>61.2</td><td>1.9</td></tr><tr><td>2022</td><td>62.1</td><td>1.5</td></tr></table></td><td>Complete minimum five training days, with at least two hours of sustainability-related training per employee.</td></tr>
<tr><td>Inclusive Finance</td><td>Over 1.4 million individuals' lives improved since 2021.</td><td>Improve lives of 1.5 million individuals through inclusive finance by 2025 starting from 2021.</td></tr>
</table>

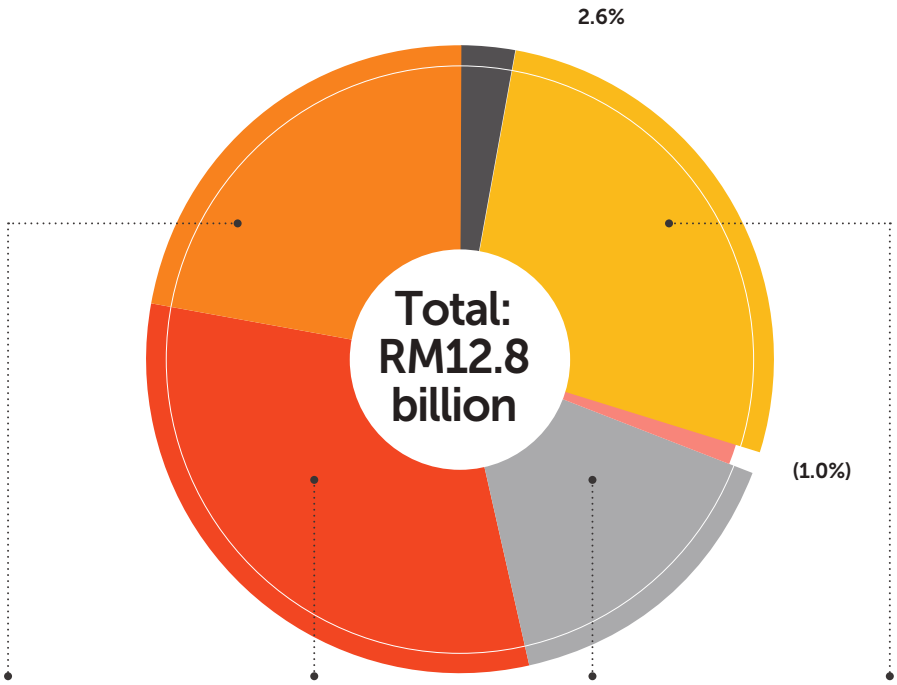
* *Data for 2022 and 2023 have been restated to reflect the enhancements in reporting scope.*

# Distribution of **Value Added**

Value added is a measure of wealth created by the Public Bank Group through various business activities. The statement of value added shows the total wealth created and how it was distributed to stakeholders, including the Governments, as well as reinvestment for the replacement of assets and further expansion of the Group's business.

| VALUE ADDED | 2024 RM'000 | 2023 RM'000 |
|---|---|---|
| Net interest income | **9,451,106** | 9,055,292 |
| Net interest from Islamic banking business | **1,707,000** | 1,561,548 |
| Other operating income | **2,852,568** | 2,475,747 |
| Other operating expenses excluding staff costs and depreciation | **(945,667)** | (855,221) |
| Allowance for impairment on loans, advances and financing | **(565)** | (156,689) |
| Allowance for impairment on other assets | **(491,511)** | (1,278) |
| Share of results of equity accounted associated companies | **241,163** | 18,956 |
| **Value added available for distribution** | **12,814,094** | 12,098,355 |

| DISTRIBUTION OF VALUE ADDED | 2024 RM'000 | 2023 RM'000 |
|---|---|---|
| **To employees:** | | |
| Personnel Costs | **3,551,060** | 3,196,151 |
| **To the Governments:** | | |
| Taxation | **2,052,094** | 2,345,300 |
| **To providers of capital:** | | |
| Dividends paid to shareholders | **4,076,245** | 3,688,031 |
| Non-controlling interests | **(127,967)** | 5,699 |
| **To reinvest in the Group:** | | |
| Depreciation | **331,405** | 363,416 |
| Retained profits | **2,931,257** | 2,499,758 |
| **Total distributed** | **12,814,094** | 12,098,355 |




| | Retained Profits | Shareholders | Economy | Employees |
|---|---|---|---|---|
| | **For the Public Bank Group's operations**<br>**RM2.93 billion**<br>**22.9%**<br>Reinvested **RM2.93 billion** to fund future growth across its diversified franchise. | **For the Public Bank Group's shareholders**<br>**RM4.08 billion**<br>**31.8%**<br>Rewarded its shareholders with total dividend of **21 sen** per share amounting to **RM4.08 billion** or dividend yield of **4.6%.** | **For the economy**<br>**RM2.05 billion**<br>**16.0%**<br>A total of **RM2.05 billion** in taxes paid to Governments, contributing to economic development. | **For employees**<br>**RM3.55 billion**<br>**27.7%**<br>The Public Bank Group's salaries and staff related expenses amounted to **RM3.55 billion.** |
| **Related Capital** | FC SC IC MC HC | FC | SC FC | FC HC |
| **Related Material Matters** | | | | |
| **Related Principal Risks** | All | All | CLR COM | OR |
| **Related Stakeholders** | | | | |

Depreciation Non-Controlling Interest

# Outlook and **Strategic Directions**

## Business Landscape in 2025



### GLOBAL

- Global economy is expected to be stable with sustained growth and moderating inflation.
- Potential downside risks are mainly due to elevated policy uncertainty, geopolitical conflicts, trade tensions and potential China's economic challenges.
- In the United States of America, the overall outlook will depend on policy changes from the new administration and decision on the benchmark interest rate by the Federal Reserve.
- Regional economies could face challenges due to potentially deeper slowdown in China.
- The Euro area economy is expected to grow, supported by domestic demand and a gradual easing of monetary policy.

### MALAYSIA

***Economic Growth:***

- Strong fundamentals and stable labour market conditions will continue to drive economic momentum in 2025 and support Malaysia's diversified economic structure.
- Key growth drivers:
  - Steady domestic demand;
  - Expansion in the services sector, including tourism;
  - Proactive Government measures and supportive interest rate environment; and
  - Continued progress in investment and infrastructure projects.
- Key downside risks:
  - Impact from subsidy rationalisation;
  - Prolonged geopolitical uncertainties and tight global financial conditions.

***Domestic Financial Conditions:***

- The Malaysian banking system is resilient, supported by ample liquidity and healthy capital buffers.
- Banks are proactive in monitoring asset quality and maintaining resilient credit quality.
- There will be continued efforts by banks to enhance operational efficiency and productivity to meet the evolving customer needs, improve cost efficiency and advance digital transformation initiatives.

# Outlook and Strategic Directions

## **Market Trend** and Approaches

The Malaysian economic growth in 2025 is expected to remain resilient amidst global uncertainties. Despite these headwinds, the Public Bank Group has a proven track record of navigating diverse economic conditions with resilience and adaptability, seizing opportunities aligned with its prudent risk appetite. The table below highlights key market trends affecting the Group and the risks, opportunities as well as strategies driving the Group's value creation.

### Market trends impacting the Group's business

**FLUID GEOPOLITICAL AND ECONOMIC DEVELOPMENTS**

- Against the backdrop of sustained growth in the global economy, potential downside risks could arise from elevated policy uncertainty and geopolitical tensions.
- The Malaysian economy is influenced by global and regional geopolitical shifts, as well as international and domestic economic developments.

| Risks | Opportunities | How the Group responds |
|---|---|---|
| • Global monetary policies, such as interest rate adjustments by major central banks could affect Malaysia's financial stability and banking sector performance.<br>• Inflationary pressures driven by subsidy rationalisation in Malaysia could lead to higher costs of living, potentially dampening consumer spending.<br>• Slowdown in global growth may dampen regional economic progress. The Group's overseas operations could face slower economic growth, weak consumer sentiment and rising business financing costs. | • ***Agile Market Positioning***<br>– Staying agile and attuned to market developments to strengthen the Group's competitive edge.<br>• ***Expanding Customer Offerings***<br>– By leveraging its comprehensive product portfolio, the Group can cater to evolving customer needs, enhancing loyalty and market share.<br>• ***Regional Growth Prospects***<br>– The Indochina market presents scalable opportunities, with targeted customer segments offering avenues for value creation. | • ***Staying Nimble and Vigilant***<br>– Continuously adapt the Group's business strategies to maintain a competitive advantage and ensure resilience. Sustaining robust risk management strategies also enable mitigation of potential market pressures.<br>• ***Customer-Centric Approach***<br>– The Group remains committed to offering tailored products and services, addressing diverse customer needs while deepening market penetration.<br>• ***Regional Focus***<br>– Strengthening its presence in Indochina, the Group continues to prioritise targeted customer segments and scalable opportunities to drive sustainable growth. |

## Market trends impacting the Group's business

### PERSISTENT COMPETITIVE PRESSURE FOR LOANS AND DEPOSITS

- Heightened competition for loans and deposits, driven by the entry of digital banks, fintech players and traditional banks expanding their offerings.
- Customers are increasingly demanding competitive interest rates, flexible loan terms and value-added services, forcing banks to innovate and differentiate their products.

| Risks | Opportunities | How the Group responds |
|---|---|---|
| • Intense competition may lead to lower interest rates on loans and higher rates on deposits, resulting in net interest margin squeeze.<br>• Customers may switch to competitors offering better rates or more attractive terms, leading to a loss of market share. | • ***Product Innovation and Customer-Centric Solutions***<br>- Develop differentiated loans and deposits products, such as bundled offerings or hybrid savings-investment accounts can attract customers.<br>- Leverage data analytics to understand customer needs and offer personalised loans and solutions to acquire new customers or enhance customer retention.<br>• ***Digital Transformation to Improve Customer Experience***<br>- Leverage digitalisation and technology to enhance onboarding processes and service delivery can enhance customer experience. | • ***Strengthening Customer Service and Accessibility***<br>– Provide efficient and seamless customer service through its extensive network of physical and digital network, ensuring convenience and accessibility for all customers.<br>• ***Enhancing Products and Services***<br>– Continuously innovate and enhance product offerings to meet the evolving needs of customers.<br>– Introducing innovative loans packages and flexible financing solutions tailored to different customer segments, from individuals to small and medium enterprises ("SMEs").<br>– Intensify product bundling and cross-selling activities to improve profitability.<br>• ***Market Research and Competitor Analysis***<br>– Conduct regular market research and competitor analysis to stay updated on industry trends and customer preferences.<br>– Ensure products and services remain competitive, attractive and aligned with market demands.<br>• ***Expanding Wealth Management Solutions***<br>– Develop a diverse range of unit trust funds, catering to the varying risk appetites and financial goals of investors.<br>– Promote comprehensive insurance plans that offer both health and wealth protection, helping customers safeguard their future while growing their assets.<br>– Shift from product-centric approach to advisory service approach, with regular portfolio monitoring. |

# Outlook and Strategic Directions

## Market trends impacting the Group's business

### DIGITAL TRANSFORMATION ACCELERATION

- Banks will continue to embrace digitalisation, with a focus on enhancing mobile banking, AI-driven customer service and digital offerings.
- Driven by a growing preference for cashless payments, the adoption of digital wallets, contactless card usage and fintech collaborations will also continue to grow.
- Products and services are rapidly migrating to digital channels, intensifying competition among established institutions and new entrants to deliver innovative and user-friendly digital solutions.

| Risks | Opportunities | How the Group responds |
|---|---|---|
| • Increased vulnerability to cyberattacks, data breaches and phishing scams.<br>• High costs associated with implementing and maintaining advanced digital infrastructure.<br>• Potential loss of customer trust due to technical glitches or security failures. | • ***Leverage Technology to Offer Personalised Banking***<br>– AI and big data can be used to tailor banking products and services, enhancing customer experience.<br>– Expand digital payment solutions to capture a larger share of the cashless economy.<br>• ***Drive Efficiency through Digitalisation***<br>– Improve operational efficiency, boost productivity and achieve cost savings.<br>– Upgrades to ICT infrastructure and robust cybersecurity measures can ensure seamless service delivery and cyber resilience.<br>• ***Enhance Customer-centric Solutions***<br>- End-to-end digital and system integration would enable delivery of uninterrupted banking services and online access, while reducing operational risks. The provision of customer-centric solutions and banking experiences would enhance customer retention. | • ***Digital Transformation and Ecosystem Development***<br>– Implement digital initiatives through a clear roadmap and strategic focus.<br>– Build a comprehensive digital ecosystem and constantly enhance and enrich services on the Group's digital channels such as MyPB online banking, MyPB App and PB enterprise.<br>– Reduce reliance on print-based processes and ensure digital channels remain accessible, user-friendly, secure and reliable.<br>• ***Accelerating Digitalisation for Operational Excellence***<br>– Intensify digitalisation efforts to enhance service delivery, upgrade ICT infrastructure and improve operational efficiency. These initiatives aim to drive productivity and achieve cost efficiencies across the Group.<br>• ***Cybersecurity and Risk Management***<br>– With robust security protocols and risk management practices, the Group is proactive in ensuring customer data on digital platforms are well safeguarded.<br>– Regular system updates mitigate operational risks, including system failures, data breaches, and processing errors.<br>– Actively educate customers on online fraud prevention and staying vigilant against evolving scam tactics. |

## Market trends impacting the Group's business

**INCREASED FOCUS ON ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")**

- Rising consumer demand for eco-friendly products and services.
- Various Government and BNM's initiatives e.g. Value-Based Intermediation framework, Net Zero by 2050 and Sustainable Development Goals also promote integration of sustainability principles in the financial sector.

| Risks | Opportunities | How the Group responds |
|---|---|---|
| • Stricter regulatory requirements for ESG compliance, leading to higher operational costs.<br>• Difficulty in accurately assessing the environmental impact of financial products and services. | • ***Meet Demand for Sustainable Consumer Solutions***<br>– Offer sustainable options, including financing for green homes/buildings and energy efficient vehicles for eco-conscious customers.<br>– Provide tailored financing solutions to help SMEs transition to greener operations.<br>• ***Innovation and Digitalisation***<br>– Use of technology (e.g. digital platforms) to advance ESG goals and offer sustainable solutions. | • ***Embedding Sustainability Strategies***<br>– ESG considerations are embedded into the Group's business operations and strategic directions to strengthen the Group's sustainable growth.<br>• ***Advancing Sustainable Financing Initiative***<br>– Actively develops and promotes financial products, services and solutions that integrate ESG considerations, aligning with growing ESG demands.<br>– Launched various sustainable products and initiatives to support customers to transition to a low-carbon economy.<br>• ***Aligning Credit Risk Assessment with Sustainability Agenda***<br>– Proactively incorporates climate risk into the Group's credit assessment process.<br>– Identify new green financing opportunities that align with the Group's sustainability agenda.<br>• ***Enhancing Corporate Governance and Transparency***<br>– Enhanced transparency and ethical practices via adoption of relevant policies, frameworks and thought leadership on sustainable practices.<br>– Regular reporting and disclosures on sustainability matters. |



# MANAGEMENT DISCUSSION AND ANALYSIS


**GROUP FINANCIAL REVIEW**

Summary of Group Financial Performance 45
- At a Glance
- Income Statement Analysis
- Segmental Profitability
- Loans and Deposits
- Asset Quality
- Funding and Liquidity

Benchmarking Against Banking Industry's Performance 60
Capital Management 62
Financial Highlights 65
Simplified Group Balance Sheet 66
Group Quarterly Performance 67
Five-Year Group Financial Summary 68
Summary of Five-Year Group Growth 70
Segmental Analysis 72
Key Interest Bearing Assets & Liabilities 74

**BUSINESS OPERATIONS REVIEW**

Domestic Consumer Banking and SME Lending 75
Wealth Management 89
Transactional Services 99
Capital Market 102
Islamic Banking 105
International Operations 111
Serving the Customer 119
Channel Management 121
Information and Communication Technology 125
Branch Performance – KPIs and Awards 129

# Summary of Group **Financial Performance**

## AT A GLANCE

| | 2024 | 2023 | Variance % |
|---|---|---|---|
| **PROFITABILITY (RM'MILLION)** | | | |
| Operating revenue | **27,205** | 25,415 | 7.0 |
| Profit before tax expense and zakat | **8,932** | 8,539 | 4.6 |
| Net profit attributable to equity holders | **7,147** | 6,649 | 7.5 |
| Earnings per share (sen) | **36.84** | 34.26 | 7.5 |
| **BALANCE SHEET (RM'MILLION)** | | | |
| Total assets | **542,863** | 510,598 | 6.3 |
| Gross loans, advances and financing | **424,171** | 398,997 | 6.3 |
| Deposits from customers | **433,264** | 412,897 | 4.9 |
| Shareholders' equity | **57,335** | 54,674 | 4.9 |
| **FINANCIAL INDICATORS** | | | |
| Net return on equity | **13.2%** | 13.0% | 0.2 |
| Cost to income ratio | **34.5%** | 33.7% | 0.8 |
| Gross impaired loans ratio | **0.52%** | 0.59% | (0.07) |
| Loan loss coverage | **166.2%** | 181.8% | (15.6) |
| Liquidity coverage ratio* | **133.4%** | 134.8% | (1.4) |
| Gross loans to fund ratio^ | **94.3%** | 92.9% | 1.4 |
| Gross loans to fund and equity ratio^ | **83.2%** | 82.0% | 1.2 |
| Common Equity Tier I capital ratio# | **14.3%** | 14.7% | (0.4) |
| Tier I capital ratio# | **14.3%** | 14.7% | (0.4) |
| Total capital ratio# | **17.1%** | 17.6% | (0.5) |

* *Based on average over the last 12 months*
^ *Gross loans exclude loans/financing sold to Cagamas. Funds include deposits from customers and debt securities issued and other borrowed funds.*
\# *After deducting dividend declared subsequent to year end*

# Summary of Group Financial Performance

## INCOME STATEMENT ANALYSIS

| | 2024 RM'Million | 2023 RM'Million | Variance RM'Million | Variance % |
|---|---|---|---|---|
| Net interest income | **9,451** | 9,055 | 396 | 4.4 |
| Net income from Islamic banking business | **1,707** | 1,562 | 145 | 9.3 |
| Insurance service result | **35** | – | 35 | NA |
| Net finance expense from insurance contracts issued and reinsurance contracts held | **(6)** | – | (6) | NA |
| Other operating income | **2,824** | 2,476 | 348 | 14.1 |
| Net income | **14,011** | 13,093 | 918 | 7.0 |
| Other operating expenses | **(4,828)** | (4,415) | (413) | (9.4) |
| Operating profit | **9,183** | 8,678 | 505 | 5.8 |
| Allowance for impairment on loans, advances and financing | **(1)** | (157) | 156 | 99.4 |
| Other allowances | **(491)** | (1) | (490) | (>100.0) |
| Share of profit after tax of equity accounted associated companies | **241** | 19 | 222 | >100.0 |
| **Profit before tax expense and zakat** | **8,932** | 8,539 | 393 | 4.6 |
| **Net profit attributable to equity holders** | **7,147** | 6,649 | 498 | 7.5 |
| Net interest margin (%) | **2.21** | 2.20 | | |

*NA Not applicable*

On the back of the growing economy, the Public Bank Group's profit before tax grew by 4.6% or RM392.8 million to RM8,931.6 million in 2024. Net profit attributable to equity holders increased by 7.5% or RM497.7 million to RM7,147.0 million. The higher profit before tax was mainly due to higher net interest income, higher Islamic banking and other operating income, higher share of profit from associated companies and lower loan impairment allowances, partially offset by higher other operating expenses and one-off impairment on goodwill of the Group's Hong Kong operations of RM473.8 million. Excluding the one-off impairment on goodwill, the Group's profit before tax recorded a higher growth of 10.1% in 2024 as compared with 2023.

On 4 December 2024, Public Bank completed its acquisition of 175.9 million ordinary shares representing a 44.15% stake in LPI Capital Berhad for a purchase consideration of RM1.72 billion. The acquisition had no material impact on the Group's earnings in 2024. Barring any unforeseen circumstances, the acquisition is expected to contribute positively to the future earnings of the Group.

### NET INTEREST INCOME

Net interest income which accounted for 67.5% of the Public Bank Group's total net income continued to be the main contributor to the Group's total income in 2024.

Net interest income increased by 4.4% or RM395.8 million to RM9,451.1 million in 2024 on the back of healthy loans and deposit growth, coupled with stabilising net interest margin. Net interest margin improved marginally to 2.21% in 2024 from 2.20% in 2023.

### NET INCOME FROM ISLAMIC BANKING BUSINESS

Net income from Islamic banking business, which represented 12.2% of the Public Bank Group's total net income in 2024, grew by 9.3% or RM145.5 million to RM1,707.0 million in 2024 mainly due to higher growth in financing and improved net financing margin.

## OTHER OPERATING INCOME

| | 2024 RM'Million | 2023 RM'Million | Variance RM'Million | Variance % |
|---|---|---|---|---|
| Income from fund management business | **1,222** | 1,084 | 138 | 12.7 |
| Net commission, service charges and fees | **761** | 739 | 22 | 3.0 |
| Brokerage and commissions from stock broking activities | **204** | 127 | 77 | 60.6 |
| **Net fee and commission income** | **2,187** | 1,950 | 237 | 12.2 |
| **Net gains and losses on financial instruments** | **128** | 49 | 79 | >100.0 |
| Foreign exchange income | **392** | 361 | 31 | 8.6 |
| Others | **117** | 116 | 1 | 0.9 |
| **Other income** | **509** | 477 | 32 | 6.7 |
| **Total other operating income** | **2,824** | 2,476 | 348 | 14.1 |

Other operating income accounted for 20.2% of the Public Bank Group's net income in 2024. The Group's other operating income increased by 14.1% or RM347.6 million to RM2,823.4 million in 2024 mainly due to stronger performance in unit trust, investments and stock broking business.

Net fee and commission income increased by 12.2% or RM237.2 million to RM2,187.0 million in 2024 mainly due to higher income from fund management business and stock broking activities.

Net gains and losses on financial instruments increased by RM78.9 million to RM127.8 million in 2024 mainly due to unrealised revaluation gain from financial assets in 2024 as compared to unrealised revaluation loss in the previous year.

## OTHER OPERATING EXPENSES

| | 2024 RM'Million | 2023 RM'Million | Variance RM'Million | Variance % |
|---|---|---|---|---|
| Personnel costs | **3,551** | 3,196 | 355 | 11.1 |
| Establishment costs | **859** | 818 | 41 | 5.0 |
| Marketing expenses | **123** | 110 | 13 | 11.8 |
| Administration and general expenses | **295** | 291 | 4 | 1.4 |
| **Total other operating expenses** | **4,828** | 4,415 | 413 | 9.4 |
| Cost to income ratio (%) | **34.5** | 33.7 | | |
| Staff strength | **21,125** | 19,827 | | |

The Public Bank Group's total other operating expenses increased by 9.4% or RM413.3 million to RM4,828.1 million in 2024 amid growing business operations. The Group's cost to income ratio of 34.5% continued to be the lowest and most efficient amongst domestic banking groups in Malaysia.

Personnel costs rose by 11.1% or RM354.9 million to RM3,551.1 million in 2024 mainly due to one-off salary adjustment for non-unionised staffs. This accounted for 73.5% of the Group's total other operating expenses. The Group's staff strength increased from 19,827 to 21,125 as at the end of 2024 mainly from the expanded staff force following the acquisition of LPI Capital Bhd during the year.

Establishment costs rose by 5.0% or RM41.3 million to RM859.5 million in 2024 mainly due to higher information technology related expenses while marketing expenses increased by 11.8% or RM13.2 million to RM123.0 million. Establishment costs and marketing expenses accounted for 17.8% and 2.5% respectively of the Group's total other operating expenses in 2024.

# Summary of Group Financial Performance

## ALLOWANCE FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING

| | 2024 RM'Million | 2023 RM'Million | Variance RM'Million | Variance % |
|---|---|---|---|---|
| Expected credit losses, including loan/financing commitments and financial guarantees: | **204** | 356 | (152) | (42.7) |
| Stage 1 | **(130)** | (889) | 759 | 85.4 |
| Stage 2 | **(467)** | 637 | (1,104) | (>100.0) |
| Stage 3 | **801** | 608 | 193 | 31.7 |
| Recoveries | **(203)** | (199) | (4) | (2.0) |
| **Total allowance for impairment on loans, advances and financing** | **1** | 157 | (156) | (99.4) |
| Credit charge ratio (%) | **0.00** | 0.04 | | |

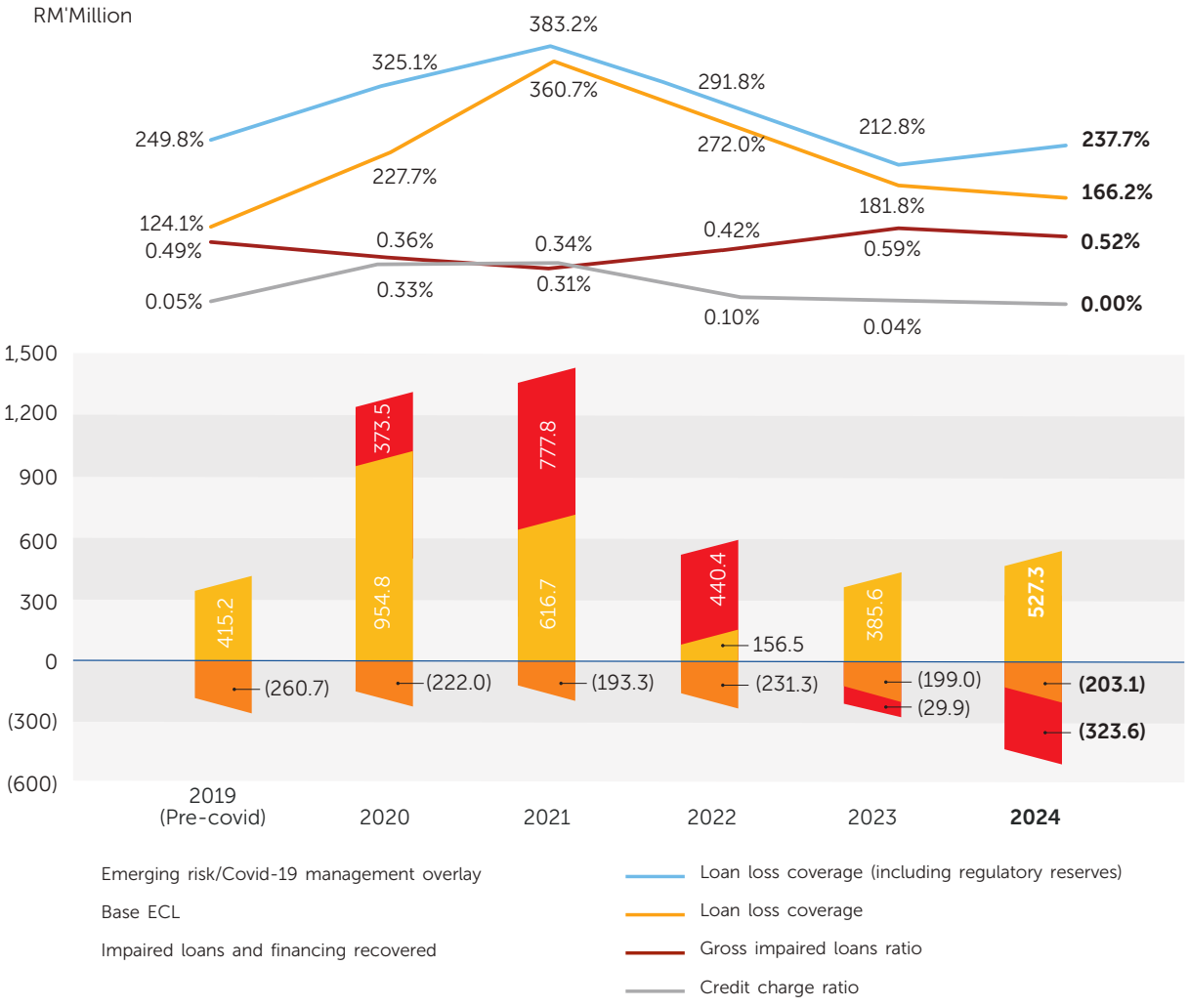
The total allowance for impairment on loans, advances and financing decreased by 99.4% or RM156.1 million to RM0.6 million in 2024 mainly due to reversal of pre-emptive provisioning made in previous years reflecting the stable asset quality observed in the current year. As a result, credit charge ratio dropped from 4 basis points ("bps") in 2023 to near zero in 2024.

The decrease in expected credit loss ("ECL") of RM152.0 million was mainly due to the following:

Stage 1: Writeback of ECL in 2024 was mainly due to reversal of pre-emptive provisioning and recalibration of forward looking macroeconomic variables.

Stage 2: Writeback of ECL in 2024 was mainly due to reversal of pre-emptive provisioning, derecognition of loans, advances and financing due to full settlement and recalibration of forward looking macroeconomic variables.

Stage 3: Higher ECL in 2024 was mainly due to higher credit-impaired loans, advances and financing from domestic and Hong Kong Operations.




| | 2019 (Pre-covid) RM'Million | 2020 RM'Million | 2021 RM'Million | 2022 RM'Million | 2023 RM'Million | 2024 RM'Million |
|---|---|---|---|---|---|---|
| Total allowance for impairment on loans, advances and financing | 154.5 | 1,106.3 | 1,201.2 | 365.6 | 156.7 | **0.6** |

- In 2020, the Group's total allowance for impairment on loans had increased significantly due to pre-emptive provisioning ("management overlay") set aside for potential credit losses from the Covid-19 pandemic. The Group's total allowance for impairment on loans further increased from RM1,106.3 million in 2020 to RM1,201.2 million in 2021 due to additional Covid-19 related management overlay provisions. The Group's total allowance for impairment on loans decreased to RM365.6 million in 2022 and RM156.7 million in 2023 as adequate pre-emptive provisioning has been provided in prior years. In 2024, the Group's total allowance for impairment on loans further dropped to RM0.6 million partly due to the writeback of management overlay amid stable repayment and delinquency trend observed in the current year.

- As at the end of 2024, the Group's gross impaired loans ratio improved to 0.52%, from 0.59% a year ago. The Group's loan loss coverage ratio of 166.2% as at the end of 2024 was significantly higher than the industry's loan loss coverage ratio of 91.4% and remained above pre-pandemic level. Including the Group's regulatory reserves, the loan loss coverage ratio was higher at 237.7%.

# Summary of Group Financial Performance

## SEGMENTAL PROFITABILITY

### (I) PROFIT/(LOSS) BEFORE TAX BY BUSINESS SEGMENT

| | 2024 | | 2023 | | |
|---|---|---|---|---|---|
| | RM'Million | % of Contribution | RM'Million | % of Contribution | Growth % |
| **Domestic Operations** | | | | | |
| *Comprise of:* | | | | | |
| Retail | **4,446** | **49.8** | 4,120 | 48.2 | 7.9 |
| Hire Purchase | **1,048** | **11.7** | 753 | 8.8 | 39.1 |
| Fund Management | **860** | **9.6** | 798 | 9.3 | 7.8 |
| Corporate Lending | **843** | **9.4** | 568 | 6.7 | 48.3 |
| Treasury and Capital Market | **290** | **3.3** | 167 | 2.0 | 73.3 |
| Investment Banking | **92** | **1.0** | 43 | 0.5 | >100.0 |
| General Insurance | **33** | **0.4** | – | – | NA |
| Head office, funding centre and others* | **1,450** | **16.3** | 1,586 | 18.6 | (8.5) |
| **Total domestic operations** | **9,062** | **101.5** | 8,035 | 94.1 | 12.8 |
| **Overseas Operations** | **(130)** | **(1.5)** | 504 | 5.9 | (>100.0) |
| **Profit before taxation** | **8,932** | **100.0** | 8,539 | 100.0 | 4.6 |

** Others comprise mainly of other miscellaneous domestic segment and domestic share of results of equity accounted associated company.*
*NA Not applicable*

- Retail operations contributed 49.8% to the Public Bank Group's pre-tax profit in 2024 and was the largest contributor to the Group's pre-tax profit.

- Retail operations' pre-tax profit increased by 7.9% or RM326.3 million to RM4,446.0 million in 2024 mainly due to higher net interest and financing income on improved net interest and financing margin and higher average loans and financing achieved. These were partially offset by higher impairment allowance on loans and financing arising from normalisation of credit cost to pre-Covid 19 level and higher other operating expenses.

- Hire purchase operations' pre-tax profit increased by 39.1% or RM294.7 million to RM1,047.8 million in 2024 mainly due to higher net interest and financing income on higher average gross loans and financing achieved and higher writeback of loans and financing impairment allowance.

- Fund management operations' pre-tax profit increased by 7.8% or RM62.0 million to RM860.0 million in 2024 mainly due to higher management fee from higher average net asset value of funds and higher fee income on sale of trust units, partially offset by higher other operating expenses.

- Corporate lending's pre-tax profit increased by 48.3% or RM274.7 million to RM842.8 million in 2024 mainly due to net writeback of loans and financing impairment allowance in the current year as compared to allowance made in the previous year, and higher fee income.

- Treasury and capital market operations' pre-tax profit increased by 73.3% or RM122.6 million to RM289.8 million in 2024 mainly due to lower negative impact from unfavourable interest gapping activities and higher investment income.

- Investment banking operations' pre-tax profit increased by more than 100% or RM49.6 million to RM92.5 million in 2024 mainly due to higher stock broking income arising from more favourable market conditions as compared to the previous year. This was partially offset by higher other operating expenses.

- The pre-tax profit of RM33.3 million in 2024 from the general insurance operations were the post-acquisition profits of LPI Capital Bhd following the completion of its acquisition on 4 December 2024.

- The pre-tax profit from head office, funding centre and others decreased by 8.5% or RM135.3 million to RM1,450.2 million in 2024 mainly due to lower net interest and financing income from the tapering effect of overnight policy rate hikes and higher other operating expenses. These were partially mitigated by higher profit contribution from an associated company.

## (II) PROFIT/(LOSS) BEFORE TAX BY GEOGRAPHICAL LOCATIONS AND MAJOR COMPANIES

| | 2024 | | 2023 | | |
|---|---|---|---|---|---|
| | RM'Million | % of Contribution | RM'Million | % of Contribution | Growth % |
| **In Malaysia** | **9,062** | **101.5** | 8,035 | 94.1 | 12.8 |
| *of which:* | | | | | |
| *Public Bank Berhad** | **6,690** | **74.9** | 6,367 | 74.6 | 5.1 |
| *Public Islamic Bank Berhad** | **1,008** | **11.3** | 751 | 8.8 | 34.2 |
| *Public Mutual Berhad* | **860** | **9.6** | 798 | 9.3 | 7.8 |
| *Public Investment Bank Berhad** | **92** | **1.0** | 43 | 0.5 | >100.0 |
| **Outside Malaysia** | **(130)** | **(1.5)** | 504 | 5.9 | (>100.0) |
| *of which:* | | | | | |
| Hong Kong operations | **(594)** | **(6.6)** | 24 | 0.3 | (>100.0) |
| Cambodian operations | | | | | |
| *Cambodian Public Bank Plc* | **368** | **4.1** | 337 | 3.9 | 9.2 |
| Vietnam operations | | | | | |
| *Public Bank Vietnam Limited* | **60** | **0.7** | 104 | 1.2 | (42.5) |
| Profit before taxation | **8,932** | **100.0** | 8,539 | 100.0 | 4.6 |

** Profit excluding dividends from subsidiaries and associated companies and any other intercompany transactions which are eliminated at the Group level.*

- The pre-tax profit of the Public Bank Group's domestic operations increased by 12.8% to RM9,062.4 million in 2024.

- The Group's overseas operations reported a pre-tax loss of RM130.8 million in 2024 as compared to a pre-tax profit of RM504.3 million in the previous year. The negative variance was mainly due to one-off recognition of impairment on goodwill of RM473.8 million for Hong Kong operations in the current year, higher loan impairment allowance and higher other operating expenses.

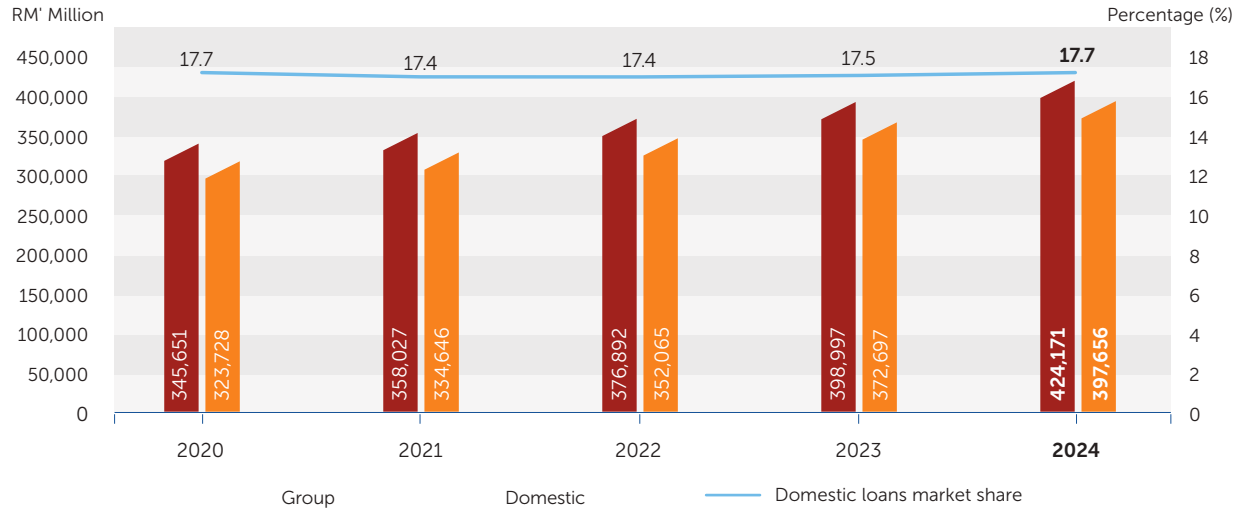
# Summary of Group Financial Performance

## LOANS AND DEPOSITS

### HEALTHY LOANS AND DEPOSITS GROWTH

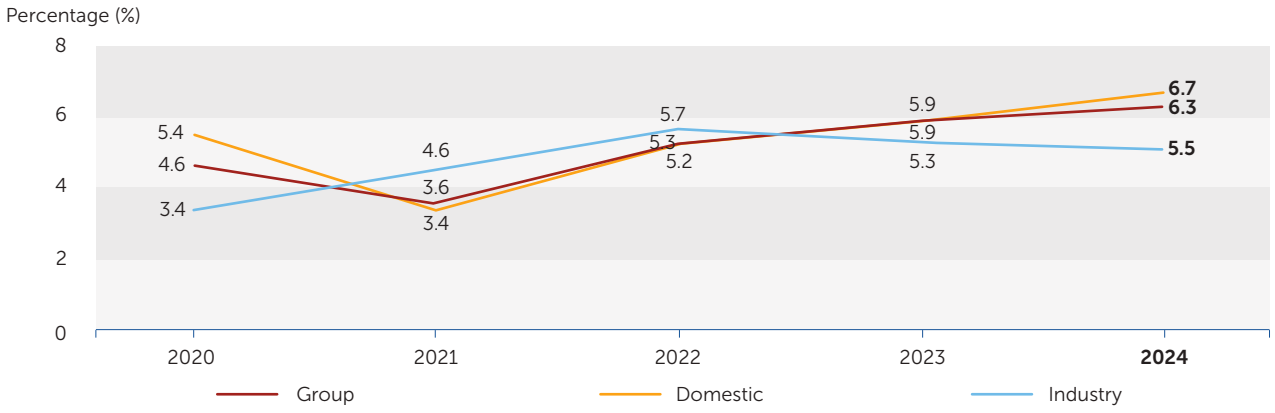
In 2024, the Public Bank Group continued to achieve above industry total loans and deposits growth as well as maintained the Group's strong domestic market position in loans and deposits.

**Loans – Outstanding Balance and Domestic Market Share**



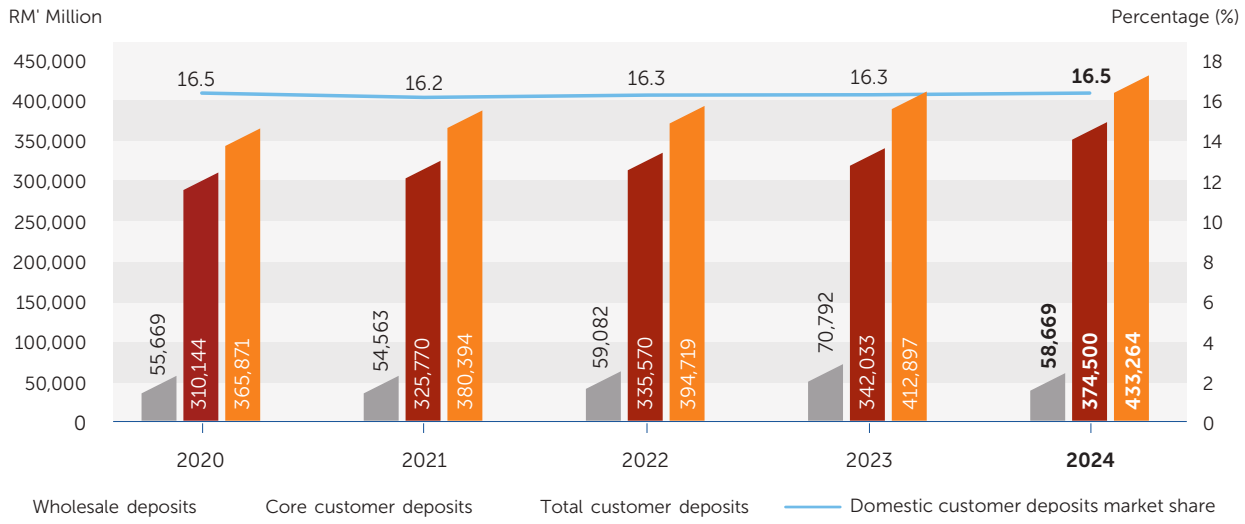

- The Public Bank Group's gross loans, advances and financing grew by 6.3% or RM25.17 billion to RM424.17 billion as at the end of 2024, supported by domestic loans which grew by 6.7% or RM24.96 billion to RM397.66 billion as at the end of 2024.
- The Group's domestic loans market share increased to 17.7%, from 17.5% a year ago.

**Loans Growth vs Industry**




- The Public Bank Group's total loans and domestic loans grew by 6.3% and 6.7% respectively in 2024, higher than the banking industry's growth rate of 5.5%.

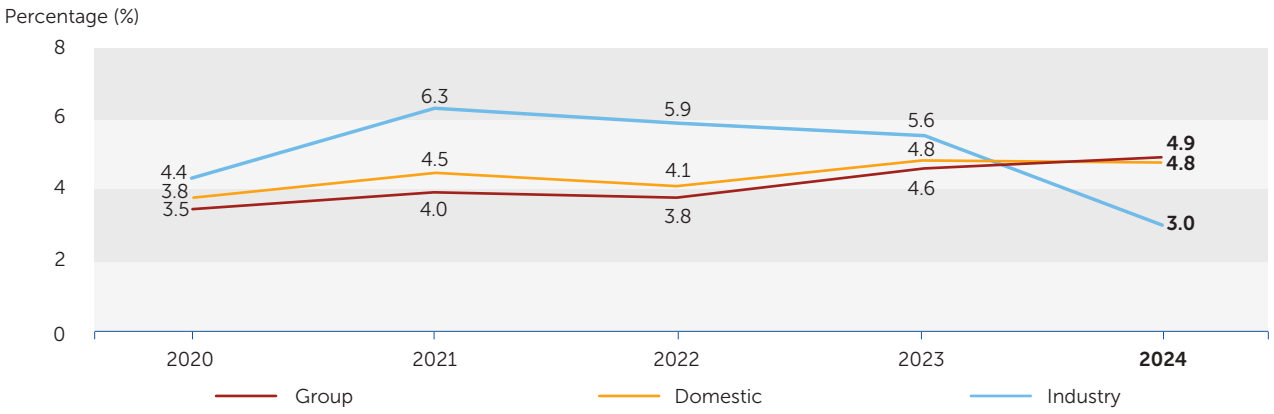
**Deposits – Outstanding Balance and Domestic Market Share**




- The Public Bank Group's customer deposits grew by 4.9% or RM20.37 billion to RM433.26 billion as at the end of 2024, mainly supported by robust fixed deposits growth of 13.1% or RM29.44 billion to RM254.18 billion. Consequently, core customer deposits expanded by 9.5% or RM32.47 billion to RM374.50 billion as at the end of 2024.

- The Group's domestic customer deposits market share increased from 16.3% as at the end of 2023 to 16.5% as at the end of 2024, driven by the Group's strong retail franchise and large domestic depositor base.

**Deposits Growth vs Industry**

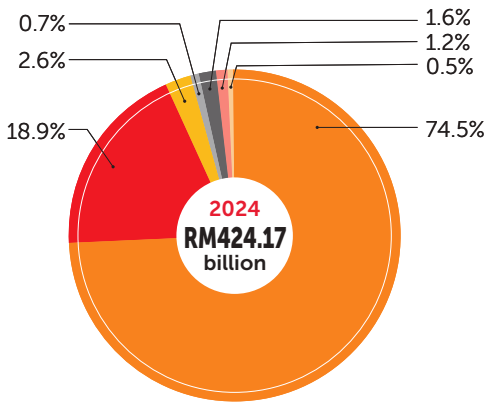



- Despite intense competition, the Group's deposits grew by 4.9% in 2024 underpinned by domestic deposits which grew by 4.8%, higher than the domestic banking industry's deposits growth rate of 3.0%.

# Summary of Group Financial Performance

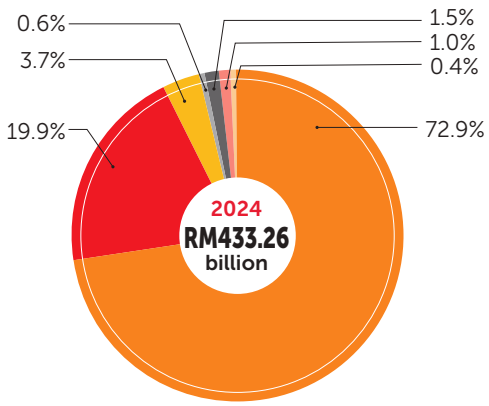
## (I) LOANS AND DEPOSITS BY MAJOR COMPANIES

### Loans by Major Companies




Public Bank Berhad
Public Islamic Bank Berhad
Public Bank (Hong Kong) Limited

### Deposits by Major Companies




Public Finance Limited
Cambodian Public Bank Plc
Public Bank Vietnam Limited
Others

### Loans and Deposits Growth by Geographical Locations and Major Companies

| | Loans Growth Rate | | Deposits Growth Rate | |
|---|---|---|---|---|
| | **2024 %** | **2023 %** | **2024 %** | **2023 %** |
| **Domestic*** | **6.7** | 5.9 | **4.8** | 4.8 |
| *of which:* | | | | |
| *Public Bank Berhad* | **5.9** | 4.7 | **4.3** | 3.9 |
| *Public Islamic Bank Berhad* | **9.1** | 10.7 | **6.6** | 8.2 |
| **Overseas** | **0.8** | 5.9 | **6.4** | 1.5 |
| *of which:* | | | | |
| *Public Bank (Hong Kong) Limited*** | **0.5** | (3.1) | **11.0** | (4.7) |
| *Public Finance Limited*** | **2.0** | (0.2) | **(2.9)** | 2.6 |
| *Cambodian Public Bank Plc*** | **6.4** | 10.4 | **10.4** | (9.7) |
| *Public Bank Vietnam Limited*** | **11.2** | 5.6 | **13.6** | 15.9 |
| **Group** | **6.3** | 5.9 | **4.9** | 4.6 |

* *Excluding overseas branches as well as intercompany loans and deposits.*
** *Loans and deposits growth computed based on their respective local currency.*

- The Public Bank Group remained focused on the domestic market while continuing to expand its business regionally, particularly in Indochina, capitalising on the potential long term growth prospect in that region.

- Despite intense competition for loans and deposits in the domestic market, the Group's domestic loans and customer deposits grew by 6.7% and 4.8% respectively in 2024.

- Whilst the Group's Indochina operations achieved steady growth tapping on robust economic growth in that region, the Group's Hong Kong operations were affected by ongoing economic challenges in Hong Kong. Total loans and deposits of the Group's overseas operations grew by 0.8% and 6.4% respectively in 2024. In particular, Public Bank Vietnam Limited recorded double digit loans and deposits growth of 11.2% and 13.6% respectively while Cambodian Public Bank Plc reported loans growth of 6.4% and a double digit deposits growth of 10.4% in 2024.

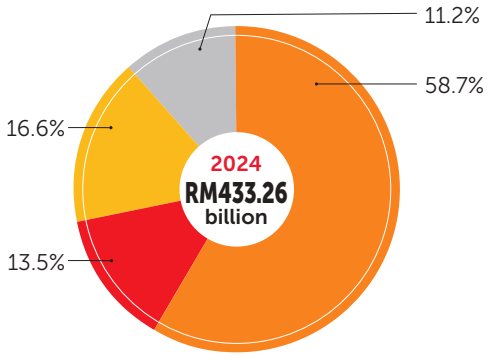
## (II) LOANS, ADVANCES AND FINANCING BY KEY RETAIL BANKING SEGMENT

| | Outstanding | | Growth Rate | | Market Share |
|---|---|---|---|---|---|
| | 2024 RM'Million | 2023 RM'Million | 2024 % | 2023 % | 2024 % |
| **Residential Properties** | **178,006** | 168,492 | **5.6** | 6.3 | |
| – *Domestic* | **170,436** | 161,459 | **5.6** | 6.4 | **20.2** |
| **Passenger Vehicles** | **75,817** | 67,510 | **12.3** | 10.4 | |
| – *Domestic* | **73,049** | 64,572 | **13.1** | 10.9 | **31.8** |
| **SME** | **76,134** | 72,722 | **4.7** | 1.3 | |
| – *Domestic* | **71,968** | 67,867 | **6.0** | 1.0 | **17.9** |

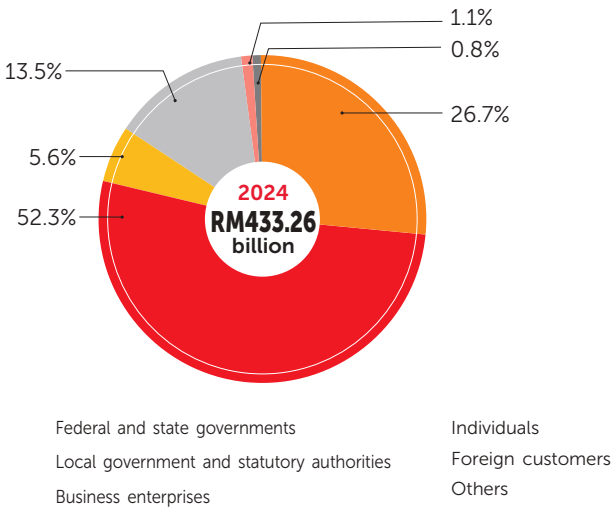
- The Public Bank Group remained focused on its core financing segments, mainly lending for the purchase of residential properties and passenger vehicles as well as commercial lending to SMEs. Collectively, these segments represented 77.8% of the Group's total gross loans, advances and financing as at the end of 2024.
- The Group's financing of residential properties, passenger vehicles and lending to SMEs grew by 5.6%, 12.3% and 4.7% respectively in 2024.
- The Group maintained its market leading position in the domestic financing for the purchase of residential properties and passenger vehicles as well as commercial lending to SMEs with market shares of 20.2%, 31.8% and 17.9% respectively as at the end of 2024.

## (III) COMPOSITION OF CUSTOMER DEPOSITS

**Customer Deposits Mix**




**Customer Deposits by Type of Customers**



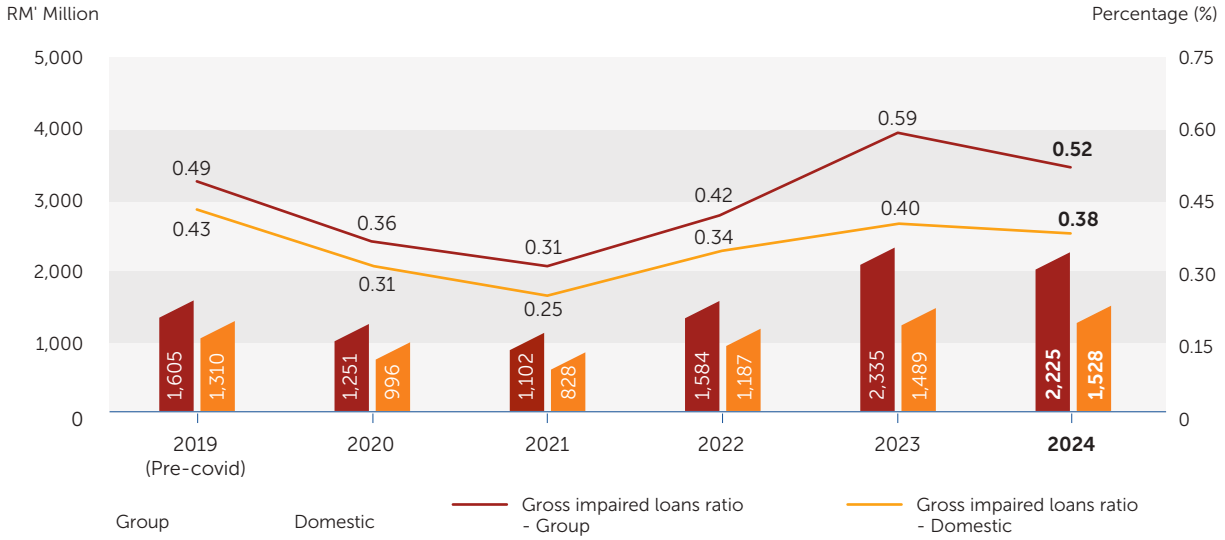

- As at the end of 2024, core customer deposits consisting of demand deposits, savings deposits and fixed deposits, accounted for 86.5% of the Public Bank Group's total customer deposits. The composition of low cost current and savings accounts mix stood at 27.8% of the Group's total customer deposits as at the end of 2024.
- Individual depositors continued to be the largest group of depositors, representing 52.3% of the Group's total customer deposits as at the end of 2024.

# Summary of Group Financial Performance

## ASSET QUALITY

### SOUND ASSET QUALITY

**Gross Impaired Loans**




- Since the end of the Covid-19 pandemic, the Public Bank Group's asset quality has gradually normalised to pre-pandemic level. As at the end of 2024, the Group's gross impaired loans ratio dropped to 0.52%, from 0.59% a year ago. The resilient and stable asset quality is a reflection of the Group's prudent approach in loans approval coupled with its strong credit risk management practices and effective recovery processes.

- Amongst key domestic banking groups, the Group's asset quality ranked No. 1 with the lowest gross impaired loans ratio of 0.52% as at the end of 2024, well below the banking industry's gross impaired loans ratio of 1.44%.

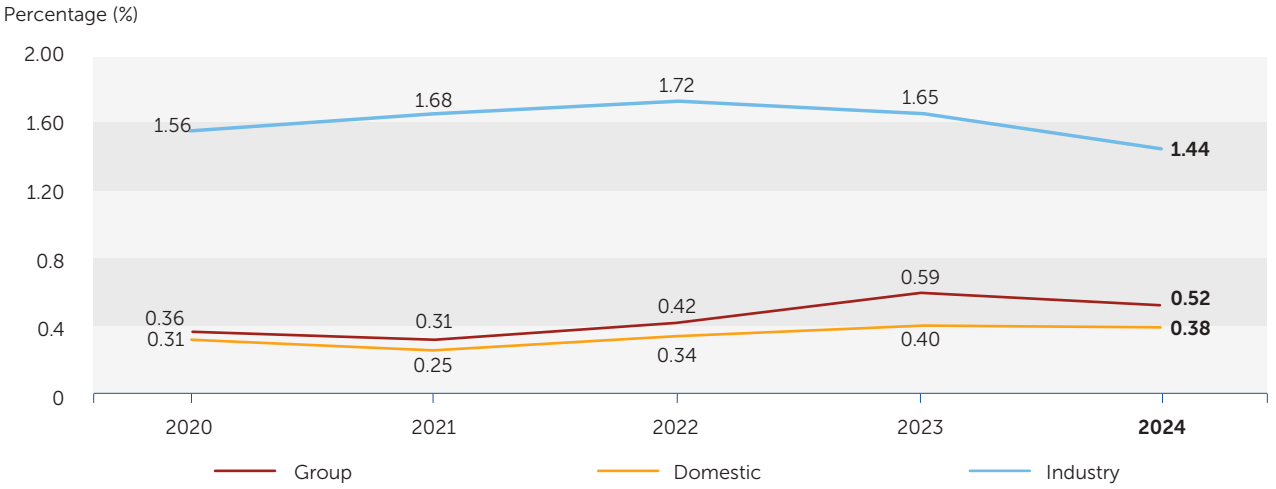
- Additionally, the domestic gross impaired loans ratio of 0.38% was below the pre-pandemic level of 0.43%.

| Gross Impaired Loans Ratio | 2024 % | 2023 % |
|---|---|---|
| **Domestic** | **0.38** | 0.40 |
| *of which:* | | |
| *Public Bank Berhad* | **0.39** | 0.42 |
| *Public Islamic Bank Berhad* | **0.35** | 0.34 |
| **Overseas** | **2.63** | 3.22 |
| *of which:* | | |
| *Public Bank (Hong Kong) Limited* | **2.03** | 4.46 |
| *Public Finance Limited* | **1.91** | 1.63 |
| *Cambodian Public Bank Plc* | **3.06** | 1.52 |
| *Public Bank Vietnam Limited* | **2.93** | 3.26 |
| **Group** | **0.52** | 0.59 |

- The Public Bank Group's domestic gross impaired loans ratio of 0.38% as at the end of 2024 remained the lowest amongst the Malaysian banking groups.

- Whilst the asset quality of the Group's overseas operations was affected by certain lumpy impaired loans last year, the gross impaired loans ratio of the Group's overseas operations has improved to 2.63% as at the end of 2024, from 3.22% a year ago.

**Gross Impaired Loans Ratio vs Industry**



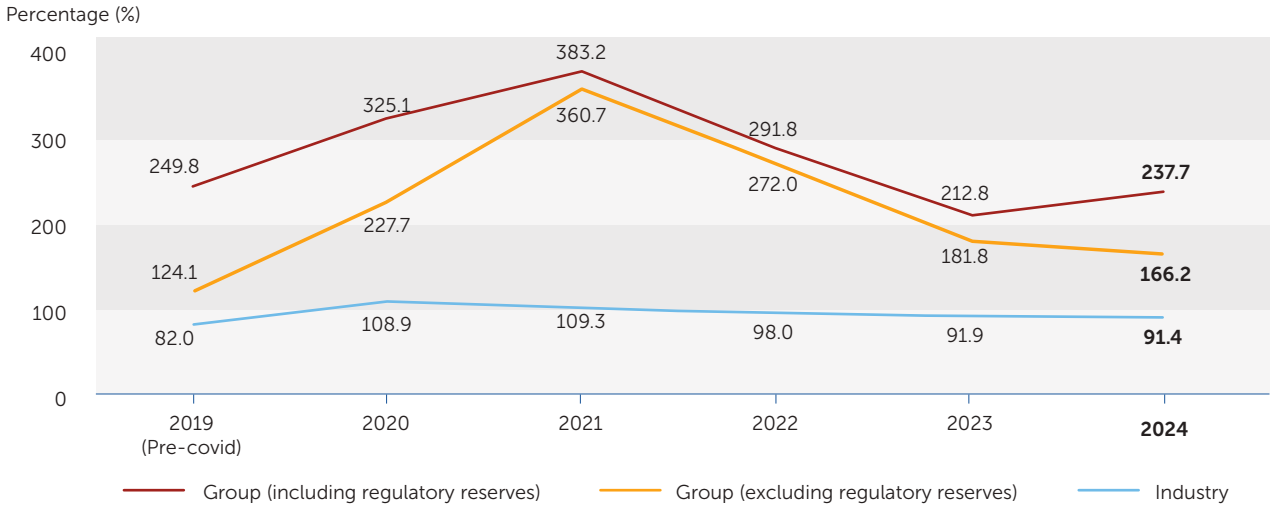

- Over the past five years, the Public Bank Group's gross impaired loans ratio have remained low and stable as well as significantly below the banking industry's gross impaired loans ratio.

| Gross Impaired Loans Ratio by Type | Public Bank Group 2024 % | Public Bank Group 2023 % | Industry Average % |
|---|---|---|---|
| **Domestic Consumer** | | | |
| Housing Loans | **0.33** | 0.33 | 1.16 |
| Hire Purchase | **0.22** | 0.26 | 0.52 |
| Commercial Properties | **0.68** | 0.62 | 1.48 |

- The Public Bank Group's domestic gross impaired loans ratio for housing loans, hire purchase and commercial properties financing of 0.33%, 0.22% and 0.68% respectively as at the end of 2024 continued to be well controlled and were below the industry's average of 1.16%, 0.52% and 1.48% respectively.

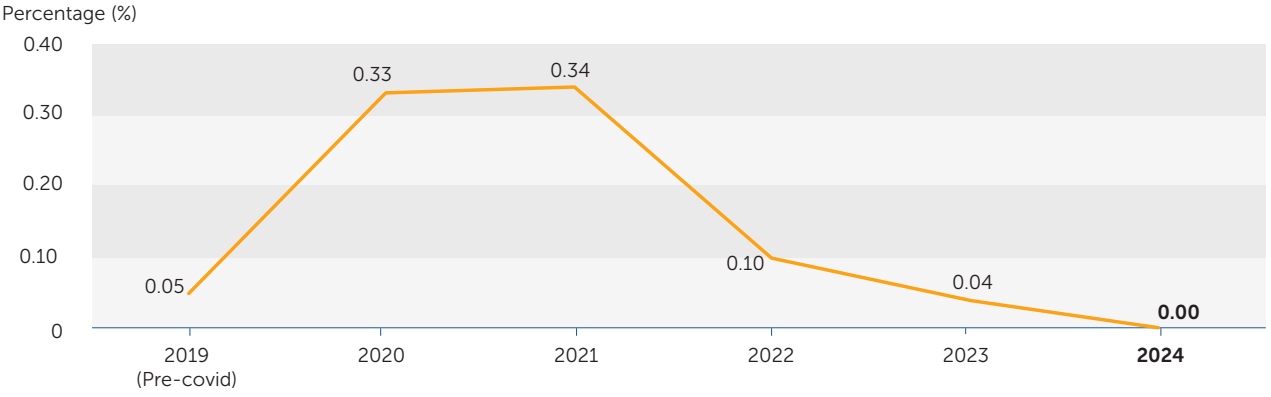
# Summary of Group Financial Performance

### Loan Loss Coverage vs Industry




- The Public Bank Group continued to maintain conservative levels of provisioning as reflected by the Group's high loan loss coverage ratio.
- The Group's loan loss coverage ratio stood at 166.2% as at the end of 2024 which was higher as compared to the banking industry's loan loss coverage ratio of 91.4%. This is notwithstanding that more than 90% of the Group's impaired loans are secured.
- With the inclusion of regulatory reserves, the Group's loan loss coverage would be even higher at 237.7% as at the end of 2024.
- The Group will continue to preserve its resilient asset quality and maintain prudent provisioning in order to provide a strong buffer to absorb any potential pressure on the Group's asset quality.

### Credit Charge Ratio

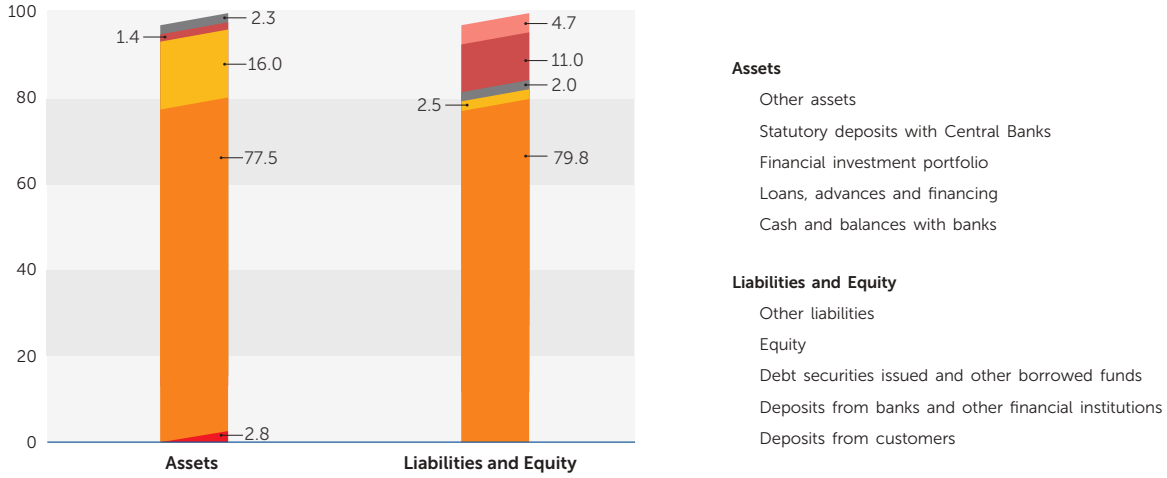



- In 2020 and 2021, the Group's credit charge ratios have increased significantly from pre-pandemic years due to prudent pre-emptive provisioning set aside for potential credit losses from the Covid-19 pandemic. The credit charge ratio of the Group started to normalise to 0.10% in 2022 and 0.04% in 2023 as adequate pre-emptive provisioning has been made in prior years coupled with stable repayment trend observed. In 2024, the Group recorded near zero credit charge ratio mainly due to reversal of pre-emptive provisioning set aside in previous years.

# FUNDING AND LIQUIDITY

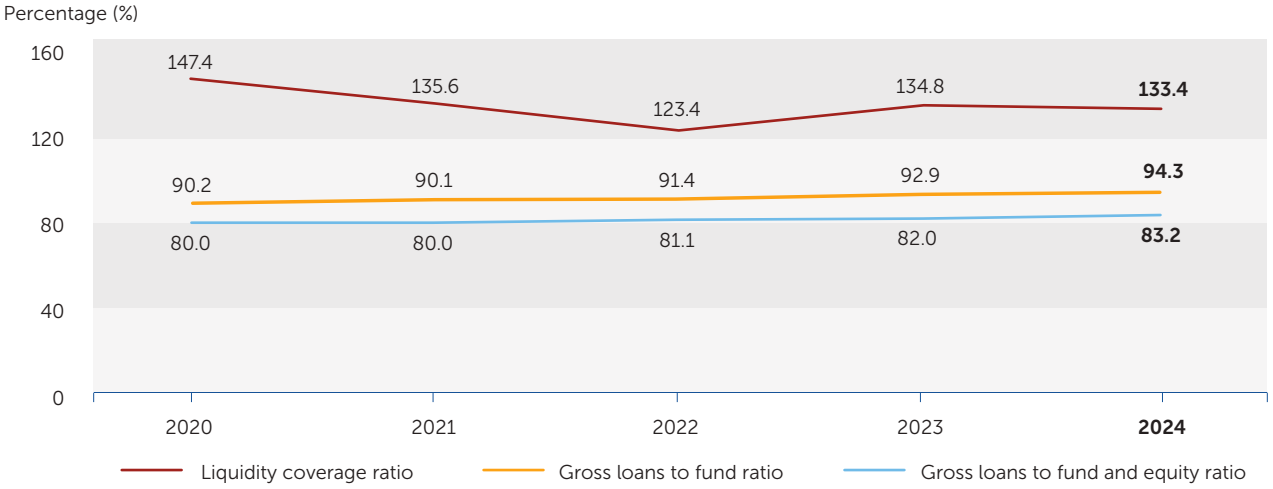
## STABLE AND WELL-DIVERSIFIED FUNDING AND LIQUIDITY PROFILE

### Assets and Funding Structure as at the end of 2024




- The Public Bank Group remained well-funded, supported by its stable funding profile and healthy liquidity position which includes retail and wholesale deposits as well as long term funding sources.
- The Group's loans, advances and financing is funded from a funding mix comprising customers deposits and long term debt capital funding. The Group's main funding is derived from customer deposits which formed 79.8% of the Group's total funding.
- The Group's equity capital and long term debt capital funding comprising of Subordinated Notes and Subordinated Sukuk Murabahah contributed 12.3% to the Group's total funding as at the end of 2024.

### Liquidity Risk Indicators




- The Public Bank Group will remain vigilant and closely monitor developments in banking system liquidity. At the same time, the Group will continue to focus on growing core deposits and preserving its market share while managing cash flow prudently to sustain a healthy liquidity position.
- The Group's liquidity and funding positions remained stable and healthy with gross loans to fund ratio as well as gross loans to fund and equity ratio standing at 94.3% and 83.2% respectively in 2024.
- The Group's liquidity coverage ratio ("LCR") averaged at 133.4% in 2024, above BNM's minimum LCR requirement of 100%.

# Benchmarking Against **Banking Industry's Performance**

The table below compares the key financial indicators of the Public Bank Group with those of the banking system and domestic commercial banking groups in Malaysia.

| | 2024 | | 2023 | |
|---|---|---|---|---|
| **Key Financial Indicators** | **Public Bank Group** | **Latest Industry Average** | **Public Bank Group** | **Latest Industry Average** |
| **Profitability (%)** | | | | |
| Pre-tax return on average equity | **16.0** | **12.2** | 16.3 | 11.2 |
| Pre-tax return on average assets | **1.7** | **1.4** | 1.7 | 1.2 |
| Cost to income ratio | **34.5** | **47.3** | 33.7 | 48.2 |
| **Productivity (RM'000)** | | | | |
| Pre-tax profit/employee* | **423** | **NA** | 431 | NA |
| Gross loans/employee* | **20,079** | **NA** | 20,124 | NA |
| Deposits/employee* | **20,510** | **NA** | 20,825 | NA |
| **Asset Quality (%)** | | | | |
| Gross impaired loans ratio (domestic) | **0.38** | **1.44** | 0.40 | 1.65 |
| Loan loss coverage | **166.2** | **91.4** | 181.8 | 91.9 |
| **Growth Rate (%)** | | | | |
| Gross loans (domestic) | **6.7** | **5.5** | 5.9 | 5.3 |
| Customer deposits (domestic) | **4.8** | **3.0** | 4.8 | 5.6 |

*NA Not available*
** The lower figures in 2024 were mainly due to expanded staff force following the acquisition of LPI Capital Bhd during the year.*

The Public Bank Group was the third largest banking group in Malaysia with total assets of RM542.86 billion as at the end of 2024. This accounted for 13.7% of the domestic banking industry's total assets. As at the end of 2024, the Group's domestic market share of gross loans and customer deposits stood at 17.7% and 16.5% respectively.

## PROFITABILITY

- The Public Bank Group remained the best amongst the domestic banking groups in terms of profitability and cost efficiency.
- The Group's pre-tax return on average equity and pre-tax return on average assets of 16.0% and 1.7% respectively in 2024, were well above the banking industry's average of 12.2% and 1.4% respectively.
- The Group's cost to income ratio remained efficient at 34.5%, well below the banking industry's average cost to income ratio of 47.3%, making the Group the most cost efficient domestic banking group in Malaysia.

## PRODUCTIVITY

- The Public Bank Group's gross loans per employee, deposits per employee and pre-tax profit per employee stood at RM20.1 million, RM20.5 million and RM423,000 as at the end of 2024.

## ASSET QUALITY

- The Public Bank Group's domestic gross impaired loans ratio of 0.38% as at the end of 2024 remained the best amongst Malaysian banking groups and was well below the banking industry's gross impaired loans ratio of 1.44%.
- The Group's loan loss coverage ratio of 166.2% as at the end of 2024 was higher and more prudent than the banking industry's loan loss coverage ratio of 91.4%.

## LOANS AND DEPOSITS GROWTH

- In 2024, the Public Bank Group's domestic loans and deposits growth of 6.7% and 4.8% respectively were higher than the industry's loans and deposits growth of 5.5% and 3.0% respectively.

The tables below compare the key financial indicators of the Public Bank Group with those of the domestic banks in Malaysia as well as leading regional banks in the Asia Pacific region.

## COMPARISON AGAINST KEY DOMESTIC BANKS

| Banks | Net Return on Equity % | Cost to Income Ratio % | Gross Impaired Loans Ratio % |
|---|---|---|---|
| **Public Bank Group** | 13.2 | 34.5 | 0.52 |
| **Malaysia** | | | |
| Malayan Banking Berhad | 11.1 | 48.9 | 1.23 |
| CIMB Group Holdings Berhad | 11.2 | 46.7 | 2.12 |
| RHB Bank Berhad | 10.0 | 46.7 | 1.47 |
| Hong Leong Bank Berhad | 11.9 | 38.8 | 0.55 |
| AMMB Holdings Berhad | 9.9 | 44.5 | 1.67 |
| Affin Bank Berhad | 4.5 | 76.9 | 1.94 |
| Alliance Bank Malaysia Berhad | 10.2 | 46.8 | 1.97 |

** The key financial indicators of the other domestic banks in Malaysia are based on their latest published results.*

The Public Bank Group's profitability, cost efficiency and asset quality remained No. 1 amongst key domestic commercial banking groups in Malaysia with the highest net return on equity of 13.2%, lowest cost to income ratio of 34.5% and lowest gross impaired loans ratio of 0.52%.

## COMPARISON AGAINST LEADING BANKS IN ASIA PACIFIC

| Banks | Net Return on Equity % | Cost to Income Ratio % | Gross Impaired Loans Ratio % |
|---|---|---|---|
| **Public Bank Group** | 13.2 | 34.5 | 0.5 |
| **Singapore** | | | |
| DBS Group | 18.0 | 39.9 | 1.1 |
| UOB | 13.7 | 42.5 | 1.5 |
| OCBC | 13.7 | 39.7 | 0.9 |
| **Hong Kong** | | | |
| Hang Seng Bank | 11.3 | 36.6 | 6.1 |
| The Hongkong and Shanghai Banking Corporation Limited | 16.6 | 43.0 | NA |
| **Australia** | | | |
| ANZ Bank | 9.4 | 52.3 | 0.2 |
| Commonwealth Bank of Australia | 13.7 | 45.2 | 1.1 |
| National Australia Bank | 11.4 | 48.6 | 0.7 |

** The key financial indicators of the other leading regional banks are based on their latest published results.*
*NA Not available*

When benchmarked against other leading banks in the Asia Pacific region, the Public Bank Group's cost to income ratio was ranked first, while the Group's gross impaired loans ratio and net return on equity were ranked second and sixth respectively.

# Capital **Management**

The Public Bank Group's capital management practices are driven by the objectives defined in the Group's Capital Management Framework. By maintaining optimal capital levels, closely tracking its capital position and mix, as well as strategically allocating resources, the Group supports sustainable business growth which aligns with its risk appetite and meets the expectations of its stakeholders.

## PUBLIC BANK GROUP CAPITAL MANAGEMENT FRAMEWORK

**Key Objectives**

- Compliance with regulatory capital requirements.
- Alignment of capital levels to the Group's risk appetite and strategic business plans.
- Maintenance of strong external credit ratings of AAA by domestic rating agency and A3/A- (in line with the country's rating) by international rating agencies.
- Maintaining an appropriate balance between optimising returns to shareholders and prudent capital management.

## COMPREHENSIVE RISK ASSESSMENT UNDER THE INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS

The Public Bank Group implements its capital management objectives through the Group's Internal Capital Adequacy Assessment Process which are summarised as follows:

### ASSESSMENT

- Comprehensive assessment of the Group's material risks
- Evaluation of the adequacy of the Group's capital to support its business activities
- Assessment of the Group's capital to withstand market shocks via capital stress tests exercise
- Review and recalibration of the Group's Internal Capital Targets, if necessary

### CAPITAL PLAN

- Preparation of annual capital plan over the medium term horizon of three years, taking into consideration the following factors:
  - Internal Capital Targets for the Group and entities within the Group
  - Capital demand for regulatory requirements, business strategy and material risks based on the Group's risk appetite; and
  - Availability and composition of different capital components as well as requirements for any capital issuance.
- Approval of annual capital plan by the Board of Directors

## HEALTHY CAPITAL ADEQUACY RATIOS

The Public Bank Group adopts the Bank Negara Malaysia's ("BNM") Capital Adequacy Framework, which is in line with the Basel Committee on Banking Supervision Basel III Capital Adequacy Framework.

### Minimum capital adequacy requirements

Under the BNM's Capital Adequacy Framework, the Public Bank Group's regulated banking entities in Malaysia are required to maintain a minimum Common Equity Tier ("CET") I, Tier I and Total Capital Ratios of 4.5%, 6.0% and 8.0% respectively and a capital conservation buffer of 2.5% maintained in the form of CET I capital. In addition, the Group which is designated as a Domestic Systemically Important Bank ("D-SIB") by BNM is required to maintain an additional capital buffer of 0.5% in the form of CET I capital in line with BNM's D-SIB Framework.

The capital adequacy ratios of the Public Bank Group's banking entities are maintained above its respective internal capital targets in order to provide an adequate buffer above the minimum regulatory requirements.

### Adoption of BNM's Capital Adequacy Framework (Operational Risk) and Capital Adequacy Framework (Standardised Approach for Credit Risk) Policy Documents

On 15 December 2023, BNM issued the Capital Adequacy Framework (Operational Risk) Policy Document which sets out the standards for the calculation of a financial institution's operational risk-weighted assets and is effective on 1 January 2025. On 14 June 2024, the Capital Adequacy Framework (Standardised Approach for Credit Risk) Policy Document which sets out the requirements on the calculation of capital charge for Standardised Approach for Credit Risk under the Basel III reform was also issued which would come into effect from 1 July 2026. The implementation of both policy documents is expected to be net positive to the capital ratios of the Group.

The table below shows the capital adequacy ratios of Public Bank Group and the key banking entities within the Group as at the end of 2024 as compared to the minimum regulatory requirements by the respective central banks of the respective countries in which the Group operates:

| | Common Equity Tier I Capital | | Tier I Capital | | Total Capital/ Solvency Ratio | |
|---|---|---|---|---|---|---|
| **Capital Ratios (%) (After Proposed Dividend)** | **2024** | **Minimum Regulatory Requirements** | **2024** | **Minimum Regulatory Requirements** | **2024** | **Minimum Regulatory Requirements** |
| Public Bank Group | **14.3** | 7.5* | **14.3** | 9.0* | **17.1** | 11.0* |
| Public Bank Berhad | **12.2** | 7.0** | **12.2** | 8.5** | **15.3** | 10.5** |
| Public Islamic Bank Berhad | **13.4** | 7.0** | **13.4** | 8.5** | **16.3** | 10.5** |
| Public Investment Bank Berhad | **33.6** | 7.0** | **33.6** | 8.5** | **34.2** | 10.5** |
| Public Bank (Hong Kong) Limited | **21.8** | 7.5*** | **21.8** | 9.0*** | **22.6** | 11.0*** |
| Public Finance Limited | **29.9** | 7.5*** | **29.9** | 9.0*** | **30.9** | 11.0*** |
| Cambodian Public Bank Plc | **NA** | NA | **26.4** | 8.75**** | **26.7** | 16.25**** |
| Public Bank Vietnam Limited | **NA** | NA | **NA** | NA | **22.7** | 8.0 |

*NA Not applicable*
** Inclusive of capital conservation buffer of 2.5% and D-SIB capital buffer of 0.5%*
*** Inclusive of capital conservation buffer of 2.5%*
**** Inclusive of capital conservation buffer of 2.5% and counter-cyclical buffer of 0.5% (2023: 1.0%). Excluding additional capital requirements which could be introduced by Hong Kong Monetary Authority under the Banking (Capital) Rules from time to time.*
***** Inclusive of capital conservation buffer of 1.25%*

# Capital Management

## CAPITAL INITIATIVES

During the year, the following key capital management initiatives were undertaken by the Public Bank Group:

**(i) Debt Capital**

As at the end of 2024, the Public Bank Group has a total of RM5.95 billion Basel III compliant Subordinated notes/Sukuk Murabahah.

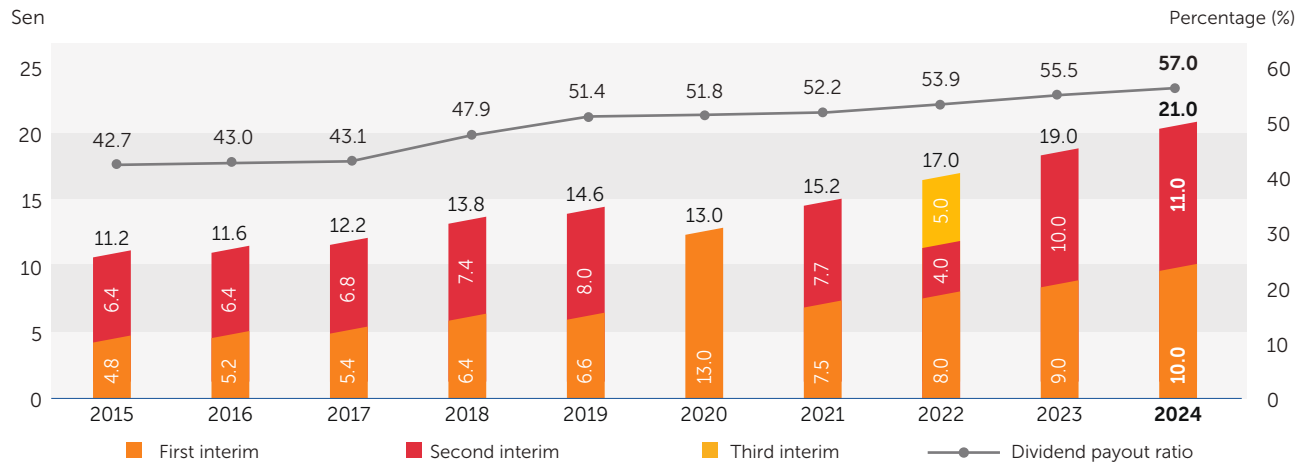
**(ii) Healthy dividend payout**

In recognition of the Public Bank Group's favourable performance, the Board of Directors has declared a second interim dividend of 11.0 sen per share. Together with the first interim dividend of 10.0 sen, the total dividend for 2024 amounted to 21.0 sen per share. This represents a total payout of RM4.08 billion or 57.0% of the Public Bank Group's net profit for 2024. The 21.0 sen dividend per share also translates to a dividend yield of 4.6% based on the share price of RM4.56 per Public Bank share as at the end of 2024.

**(iii) Value Creation and Superior Returns to Shareholders**

The Public Bank Group prioritises the long term payment of consistent and sustainable dividends to its shareholders, striking a balance between pursuing growth and managing capital proactively.

**Dividend and Dividend Payout Ratio**




** For comparative purpose, the dividend had been adjusted to reflect the bonus issue of 4 bonus shares for every 1 existing ordinary share which was completed on 29 January 2021*

Over the medium and long term, the Public Bank Group continues to provide exceptional returns to its shareholders.

Over a medium term horizon of five years, a shareholder of Public Bank who purchased 1,000 Public Bank shares at a price of RM19.44 per share as at the end of 2019 with an initial investment outlay of RM19,440 and have held the shares to the end of 2024 would have received gross dividends totalling RM4,260 and have 5,000 shares (after four for one bonus issue) worth RM22,800 based on Public Bank's share price of RM4.56 per share as at the end of 2024. Together with the dividends received, this investment would give the shareholder a compounded annual rate of return of 6.8% for the five-year period.

If a shareholder of Public Bank bought 1,000 shares in 1967 when Public Bank was listed, and assuming that the shareholder subscribed to all rights issues and did not sell any of the shares, he would have accumulated 744,690 shares worth RM3.4 million based on Public Bank's share price of RM4.56 as at the end of 2024. In addition, he would have received a total gross dividend of RM2.1 million whilst having only invested a capital outlay of RM235,612, including subscription for all rights issues. Total dividends received and appreciation in share value translate to a remarkable compounded annual rate of return of 18.3% for each of the 57 years that this shareholder has held the share in Public Bank since it was listed in 1967.

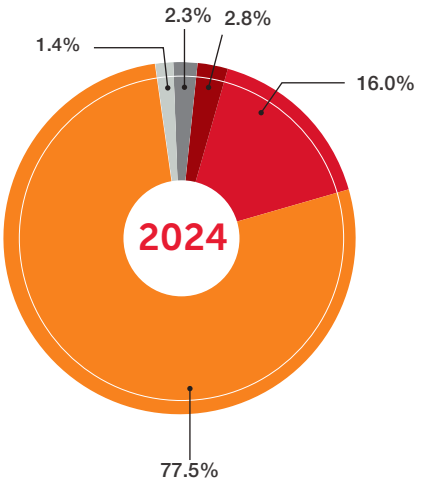
# Financial **Highlights**

| | GROUP | | BANK | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| **PROFITABILITY (RM'MILLION)** | | | | |
| Operating revenue | **27,205** | 25,415 | **18,839** | 17,572 |
| Operating profit | **9,183** | 8,678 | **7,186** | 6,741 |
| Profit before tax expense and zakat | **8,932** | 8,539 | **7,324** | 6,863 |
| Net profit attributable to equity holders of the Bank | **7,147** | 6,649 | **5,921** | 5,439 |
| **KEY BALANCE SHEET DATA (RM'MILLION)** | | | | |
| Total assets | **542,863** | 510,598 | **407,794** | 385,280 |
| Gross loans, advances and financing | **424,171** | 398,997 | **316,795** | 299,098 |
| Deposits from customers | **433,264** | 412,897 | **318,136** | 305,060 |
| Shareholders' equity | **57,335** | 54,674 | **45,872** | 43,581 |
| **FINANCIAL RATIOS (%)** | | | | |
| **Profitability Ratios** | | | | |
| Net interest margin on average interest bearing assets | **2.2** | 2.2 | **2.2** | 2.1 |
| Net return on equity[1] | **13.2** | 13.0 | **13.9** | 13.4 |
| Return on average assets | **1.7** | 1.7 | **1.8** | 1.8 |
| Return on average risk-weighted assets | **2.6** | 2.6 | **2.8** | 2.8 |
| **Capital Adequacy Ratios[2]** | | | | |
| Common Equity Tier I capital ratio | **14.3** | 14.7 | **12.2** | 13.1 |
| Tier I capital ratio | **14.3** | 14.7 | **12.2** | 13.1 |
| Total capital ratio | **17.1** | 17.6 | **15.3** | 16.2 |
| **Asset Quality Ratio** | | | | |
| Gross impaired loans ratio | **0.52** | 0.59 | **0.39** | 0.42 |

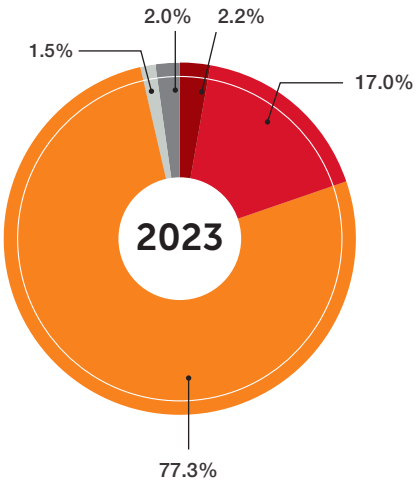
*1 Based on average equity attributable to equity holders of the Bank, adjusted for dividend declared subsequent to year end.*
*2 After deducting dividend declared subsequent to year end.*

# Simplified Group **Balance Sheet**

## ASSETS




**Total 2024**
**RM542.86** billion
2023: RM510.60 billion




Cash and balances with banks and reverse repurchase agreements

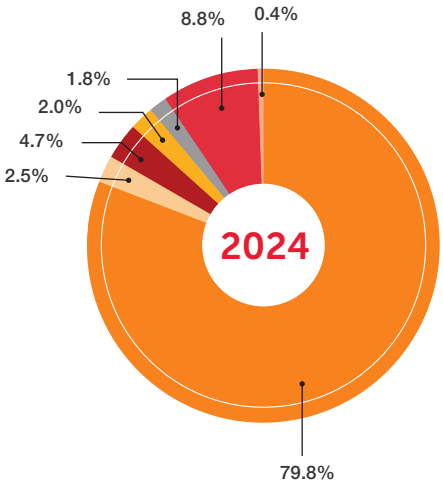
Portfolio of financial investments

Loans, advances and financing

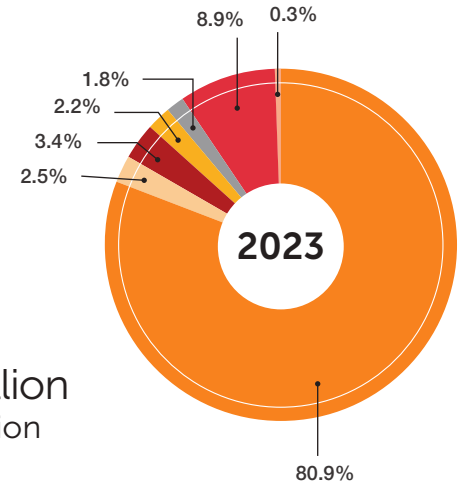
Statutory deposits with Central Banks

Other assets (including intangible assets)

## LIABILITIES & EQUITY




**Total 2024**
**RM542.86** billion
2023: RM510.60 billion




Deposits from customers

Deposits from banks and other financial institutions

Bills and acceptances payable and other liabilities

Debt securities issued and other borrowed funds

Share capital

Reserves

Non-controlling interests

# Group **Quarterly Performance**

| | 2024 | | | | |
|---|---|---|---|---|---|
| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Year 2024 |
| **FINANCIAL PERFORMANCE (RM'MILLION)** | | | | | |
| Operating revenue | **6,646.3** | **6,690.5** | **6,809.0** | **7,059.3** | **27,205.1** |
| Net interest income and income from Islamic banking business | **2,730.8** | **2,735.0** | **2,843.8** | **2,848.5** | **11,158.1** |
| Operating profit | **2,182.3** | **2,210.3** | **2,353.7** | **2,436.2** | **9,182.5** |
| Profit before tax expense and zakat | **2,131.7** | **2,280.0** | **2,448.9** | **2,071.0** | **8,931.6** |
| Profit attributable to equity holders of the Bank | **1,653.3** | **1,781.7** | **1,912.5** | **1,799.5** | **7,147.0** |
| Earnings per share (sen) | **8.5** | **9.2** | **9.8** | **9.3** | **36.8** |
| Dividend per share (sen) | **–** | **10.0** | **–** | **11.0** | **21.0** |

| | 2023 | | | | |
|---|---|---|---|---|---|
| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Year 2023 |
| **FINANCIAL PERFORMANCE (RM'MILLION)** | | | | | |
| Operating revenue | 6,123.2 | 6,263.3 | 6,480.5 | 6,548.0 | 25,415.0 |
| Net interest income and income from Islamic banking business | 2,656.5 | 2,606.0 | 2,696.1 | 2,658.2 | 10,616.8 |
| Operating profit | 2,209.0 | 2,113.0 | 2,197.3 | 2,158.5 | 8,677.8 |
| Profit before tax expense and zakat | 2,209.0 | 2,095.5 | 2,166.7 | 2,067.6 | 8,538.8 |
| Profit attributable to equity holders of the Bank | 1,713.9 | 1,618.6 | 1,701.3 | 1,615.5 | 6,649.3 |
| Earnings per share (sen) | 8.8 | 8.4 | 8.8 | 8.3 | 34.3 |
| Dividend per share (sen) | – | 9.0 | – | 10.0 | 19.0 |

# Five-Year Group **Financial Summary**

| Year Ended 31 December | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| **OPERATING RESULTS (RM'MILLION)** | | | | | |
| Operating profit | **9,183** | 8,678 | 9,203 | 8,579 | 7,403 |
| Profit before tax expense and zakat | **8,932** | 8,539 | 8,831 | 7,367 | 6,285 |
| Net profit attributable to equity holders of the Bank | **7,147** | 6,649 | 6,119 | 5,657 | 4,872 |
| **KEY BALANCE SHEET DATA (RM'MILLION)** | | | | | |
| Total assets | **542,863** | 510,598 | 493,263 | 462,739 | 451,257 |
| Gross loans, advances and financing | **424,171** | 398,997 | 376,892 | 358,027 | 345,651 |
| Total liabilities | **483,216** | 454,218 | 441,737 | 413,314 | 402,830 |
| Deposits from customers | **433,264** | 412,897 | 394,719 | 380,394 | 365,871 |
| Core customer deposits | **374,500** | 342,033 | 335,570 | 325,770 | 310,144 |
| Share capital | **9,418** | 9,418 | 9,418 | 9,418 | 9,418 |
| Shareholders' equity | **57,335** | 54,674 | 50,179 | 48,163 | 47,248 |
| Commitments and contingencies | **131,892** | 121,326 | 104,722 | 102,643 | 106,934 |
| **SHARE INFORMATION AND VALUATION** | | | | | |
| **Share Information** | | | | | |
| Per share (sen) | | | | | |
| Basic/Diluted earnings | **36.8** | 34.3 | 31.5 | 29.1 | 25.1 |
| Dividend | **21.0** | 19.0 | 17.0 | 15.2 | 13.0 |
| Net assets | **296.9** | 281.7 | 258.5 | 248.1 | 243.4 |
| Share price as at 31 December (RM) | **4.56** | 4.29 | 4.32 | 4.16 | 4.12 |
| Market capitalisation (RM'Million) | **88,513** | 83,272 | 83,854 | 80,748 | 79,972 |
| **Valuation** | | | | | |
| Dividend yield (%) | **4.6** | 4.4 | 3.9 | 3.7 | 3.2 |
| Dividend payout ratio (%) | **57.0** | 55.5 | 53.9 | 52.2 | 51.8 |
| Price to earnings multiple (times) | **12.4** | 12.5 | 13.7 | 14.3 | 16.4 |
| Price to book multiple (times) | **1.5** | 1.5 | 1.7 | 1.7 | 1.7 |

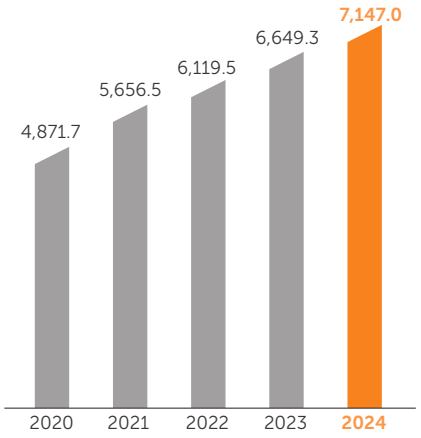
| Year Ended 31 December | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| **FINANCIAL RATIOS (%)** | | | | | |
| **Profitability Ratios** | | | | | |
| Net interest margin on average interest bearing assets | **2.2** | 2.2 | 2.4 | 2.2 | 2.0 |
| Net return on equity[1] | **13.2** | 13.0 | 12.8 | 12.4 | 11.2 |
| Return on average assets | **1.7** | 1.7 | 1.8 | 1.6 | 1.4 |
| Return on average risk-weighted assets | **2.6** | 2.6 | 2.9 | 2.5 | 2.2 |
| Cost/income ratio | **34.5** | 33.7 | 31.5 | 31.6 | 34.6 |
| **Asset Quality Ratios** | | | | | |
| Gross loans to fund ratio | **94.3** | 92.9 | 91.4 | 90.1 | 90.2 |
| Gross loans to fund and equity ratio | **83.2** | 82.0 | 81.1 | 80.0 | 80.0 |
| Gross impaired loans ratio | **0.52** | 0.59 | 0.42 | 0.31 | 0.36 |
| Loan loss coverage | | | | | |
| - Exclude regulatory reserve | **166.2** | 181.8 | 272.0 | 360.7 | 227.7 |
| - Include regulatory reserve | **237.7** | 212.8 | 291.8 | 383.2 | 325.1 |
| **Capital Adequacy Ratios[2]** | | | | | |
| Common Equity Tier I ("CET I") capital ratio | **14.3** | 14.7 | 14.6 | 14.5 | 14.0 |
| Tier I capital ratio | **14.3** | 14.7 | 14.6 | 14.6 | 14.0 |
| Total capital ratio | **17.1** | 17.6 | 17.6 | 17.7 | 17.1 |
| **PRODUCTIVITY RATIOS** | | | | | |
| Number of employees | **21,125** | 19,827 | 19,188 | 19,364 | 19,414 |
| Gross loans per employee (RM'000) | **20,079** | 20,124 | 19,642 | 18,489 | 17,804 |
| Deposits per employee (RM'000) | **20,510** | 20,825 | 20,571 | 19,644 | 18,846 |
| Profit before tax per employee (RM'000) | **423** | 431 | 460 | 380 | 324 |
| **MARKET SHARE (%)** | | | | | |
| Domestic market share | | | | | |
| Loans, advances & financing | **17.7** | 17.5 | 17.4 | 17.4 | 17.7 |
| Deposits from customers | **16.5** | 16.3 | 16.3 | 16.2 | 16.5 |
| Core customer deposits | **16.9** | 16.4 | 16.8 | 17.2 | 17.2 |

*1 Based on equity attributable to equity holders of the Bank, adjusted for dividend declared subsequent to year end.*

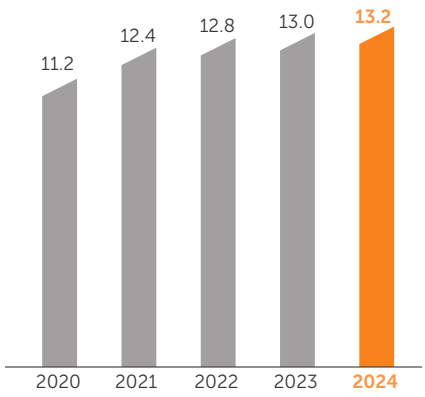
*2 After deducting dividend declared subsequent to year end.*

# Summary of Five-Year **Group Growth**

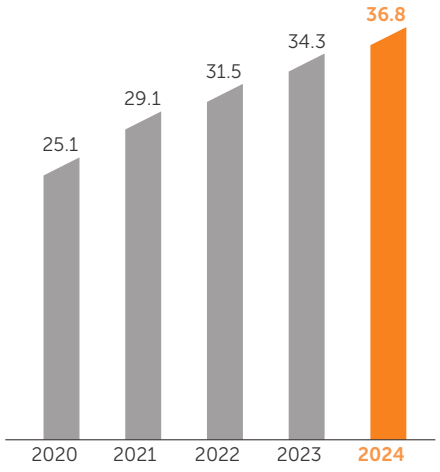
**NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS**
RM'Million



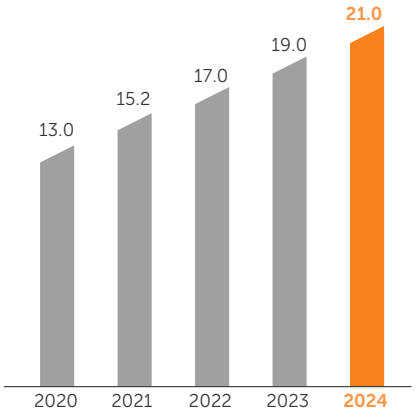

**NET RETURN ON EQUITY**
Percentage (%)



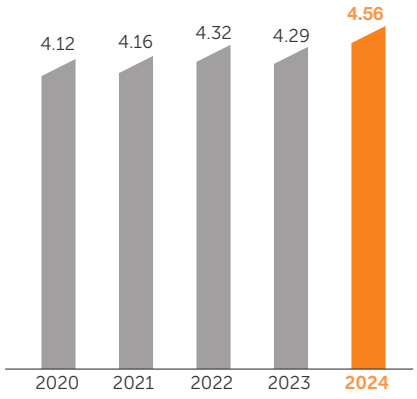

**EARNINGS PER SHARE**
Sen



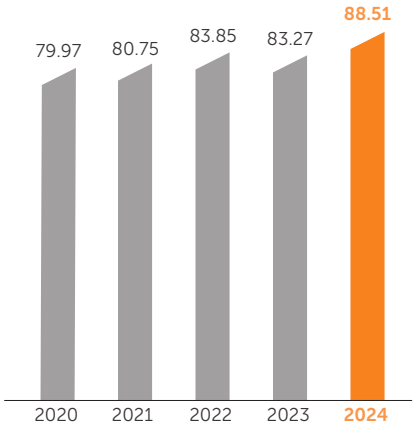

**DIVIDEND PER SHARE**
Sen




**SHARE PRICE**
RM



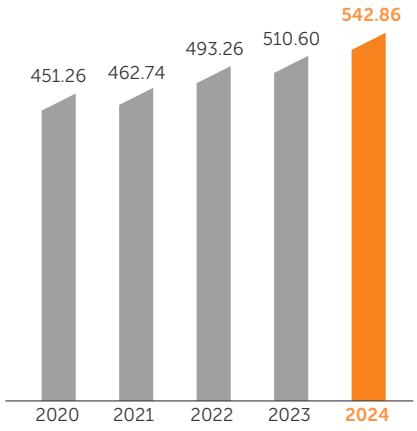

**MARKET CAPITALISATION**
RM'Billion



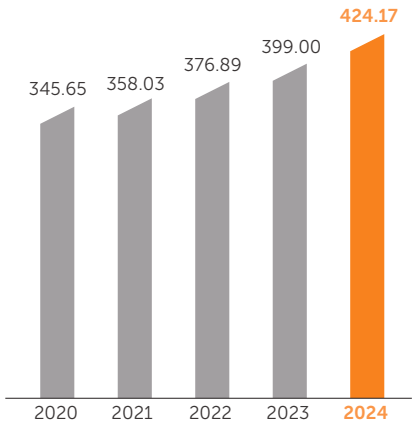

**Public Bank's Ranking by Market Capitalisation on Bursa Malaysia Securities Berhad**

| Year | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| Ranking | 2nd | 2nd | 2nd | 2nd | **2nd** |

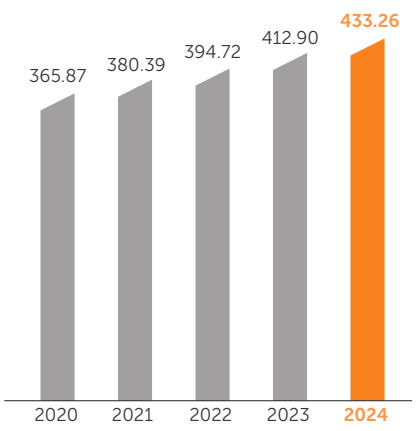
**TOTAL ASSETS**
RM'Billion



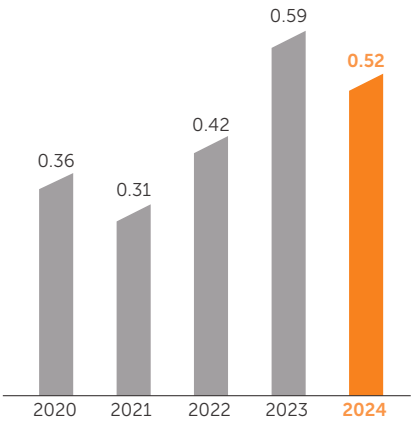

**GROSS LOANS, ADVANCES AND FINANCING**
RM'Billion



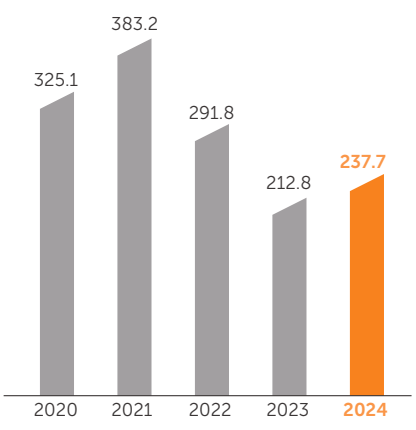

**CUSTOMER DEPOSITS**
RM'Billion



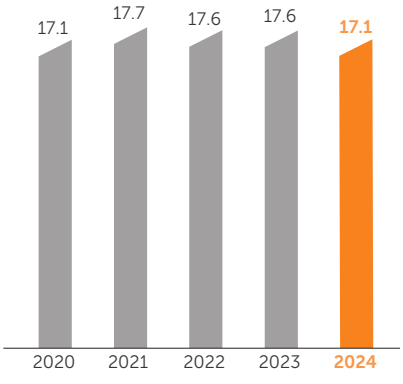

**GROSS IMPAIRED LOANS RATIO**
Percentage (%)




**LOAN LOSS COVERAGE***
Percentage (%)




**TOTAL CAPITAL RATIO****
Percentage (%)



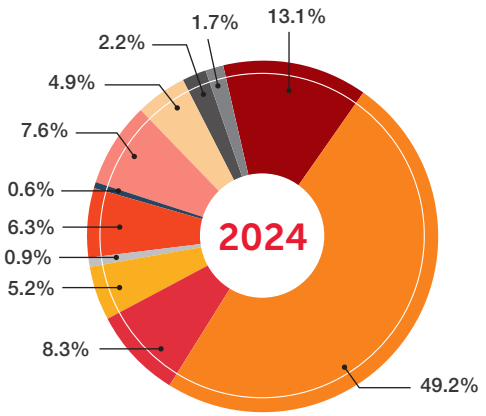

** Including regulatory reserves*
*** After deducting dividend declared subsequent to year end*

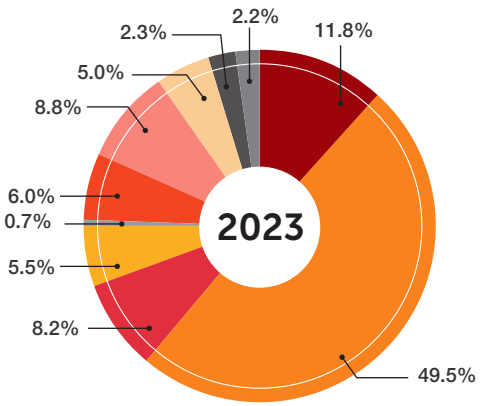
# Segmental **Analysis**

| | Operating Revenue | | Profit/(Loss) Before Tax | | Total Assets | |
|---|---|---|---|---|---|---|
| | **2024 (%)** | **2023 (%)** | **2024 (%)** | **2023 (%)** | **2024 (%)** | **2023 (%)** |
| Hire purchase | **13.1** | 11.8 | **11.7** | 8.8 | **11.0** | 10.4 |
| Retail operations | **49.2** | 49.5 | **49.8** | 48.2 | **50.1** | 49.7 |
| Corporate lending | **8.3** | 8.2 | **9.4** | 6.7 | **7.1** | 7.2 |
| Treasury and capital market operations | **5.2** | 5.5 | **3.3** | 2.0 | **14.9** | 16.2 |
| Investment banking | **0.9** | 0.7 | **1.0** | 0.5 | **0.4** | 0.4 |
| Fund management | **6.3** | 6.0 | **9.6** | 9.3 | **0.1** | 0.1 |
| General insurance | **0.6** | – | **0.4** | – | **0.7** | – |
| Others | **7.6** | 8.8 | **16.3** | 18.6 | **8.8** | 9.1 |
| **Total domestic** | **91.2** | 90.5 | **101.5** | 94.1 | **93.1** | 93.1 |
| Hong Kong SAR | **4.9** | 5.0 | **(6.7)** | 0.3 | **3.6** | 3.6 |
| Cambodia | **2.2** | 2.3 | **4.2** | 4.0 | **1.6** | 1.6 |
| Other countries | **1.7** | 2.2 | **1.0** | 1.6 | **1.7** | 1.7 |
| **Total overseas** | **8.8** | 9.5 | **(1.5)** | 5.9 | **6.9** | 6.9 |
| **Total** | **100.0** | 100.0 | **100.0** | 100.0 | **100.0** | 100.0 |

## OPERATING REVENUE

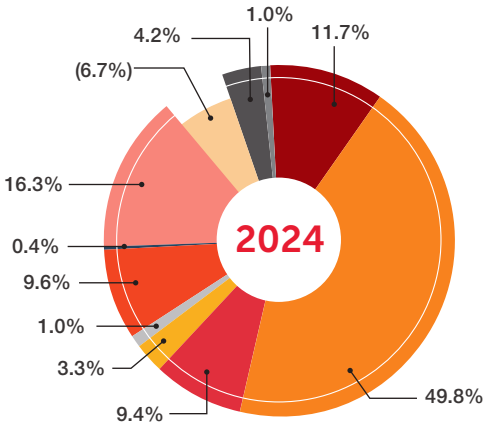
Hire purchase
Retail operations
Corporate lending
Treasury and capital market operations
Investment banking
Fund management
General insurance
Others
Hong Kong SAR
Cambodia
Other countries

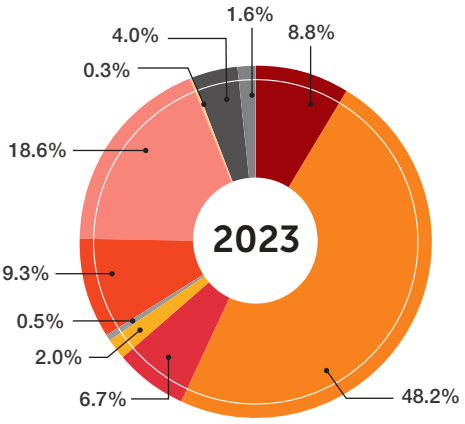



## PROFIT/(LOSS) BEFORE TAX

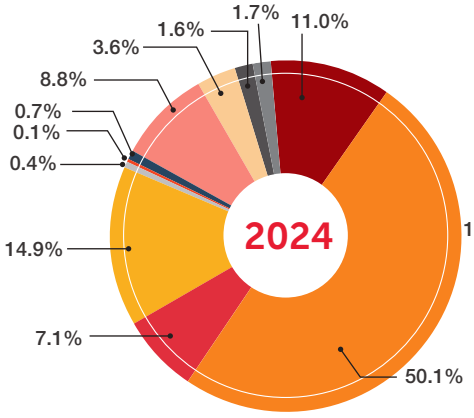
Hire purchase
Retail operations
Corporate lending
Treasury and capital market operations
Investment banking
Fund management
General insurance
Others
Hong Kong SAR
Cambodia
Other countries

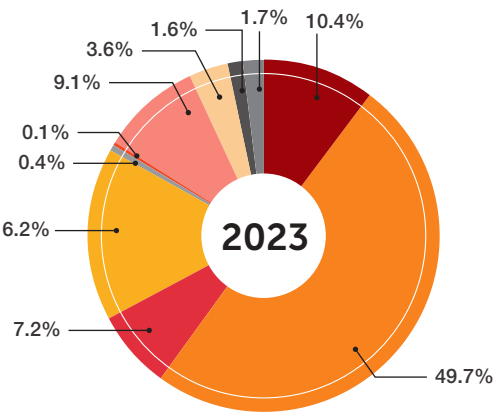



## TOTAL ASSETS

Hire purchase
Retail operations
Corporate lending
Treasury and capital market operations
Investment banking
Fund management
General insurance
Others
Hong Kong SAR
Cambodia
Other countries



# Key Interest Bearing **Assets & Liabilities**

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Average Balance RM'Million | Average rate (%) | Interest RM'Million | Average Balance RM'Million | Average rate (%) | Interest RM'Million |
| **INTEREST EARNING ASSETS** | | | | | | |
| Loans, advances and financing | **415,037** | **4.72** | **19,590** | 393,931 | 4.69 | 18,475 |
| Balances with banks | **7,851** | **4.28** | **336** | 11,109 | 3.79 | 421 |
| Financial investments | **86,171** | **3.60** | **3,102** | 84,763 | 3.36 | 2,848 |
| **Total** | **509,059** | **4.52** | **23,028** | 489,803 | 4.44 | 21,744 |
| **INTEREST BEARING LIABILITIES** | | | | | | |
| Deposits from customers | **365,949** | **2.99** | **10,942** | 348,166 | 2.93 | 10,201 |
| Deposits from banks | **10,493** | **3.97** | **417** | 9,892 | 4.05 | 401 |
| Recourse obligations on loans and financing sold to Cagamas | **5,074** | **4.32** | **219** | 5,096 | 4.29 | 219 |
| Debt securities issued and other borrowed funds | **11,228** | **4.14** | **465** | 11,424 | 4.18 | 478 |
| **Total** | **392,744** | **3.07** | **12,043** | 374,578 | 3.02 | 11,298 |

# Domestic Consumer Banking **and SME Lending**

## KEY HIGHLIGHTS 2024

### No. 1 financier in Malaysia

**Domestic Market Shares**

| | |
|---|---|
| Residential properties | 20.2% |
| Non-residential properties | 32.0% |
| Passenger vehicle hire purchase | 31.8% |
| SME financing | 17.9% |

### Healthy loans growth in key domestic business segments

| | |
|---|---|
| Residential properties | ↑ 5.6% |
| Passenger vehicles hire purchase | ↑ 13.1% |
| SME financing | ↑ 6.0% |

### Strong new loans approval driving future growth

| | |
|---|---|
| Residential properties | ↑ 5.4% |
| Passenger vehicles hire purchase | ↑ 16.3% |
| SME financing | ↑ 41.0% |

### Low gross impaired loans ratios

| | |
|---|---|
| Domestic residential property loans | 0.33% |
| Domestic hire purchase | 0.22% |

***The Public Bank Group's domestic banking operations focus on consumer banking and Small and Medium Enterprise ("SME") lending. The Group's domestic consumer banking segment caters to individual customers by offering financing for residential properties and passenger vehicles, personal financing, credit and debit cards as well as share margin financing. The SME lending segment delivers business financing to support SMEs' business growth. The Group delivers a diverse suite of conventional and Shariah-compliant retail loans/financing, deposit products and financial services to meet the needs of its customers.***

# Domestic Consumer Banking and SME Lending

## RESIDENTIAL PROPERTY FINANCING

In 2024, a stable economic environment driven by improved employment rate and wages has reinforced the resilience of the Malaysian domestic property sector, signalling ongoing growth opportunities. The Public Bank Group has been well positioned to capitalise on these favorable market conditions, providing financing solutions tailored to the evolving needs of homebuyers.

In tandem with encouraging economic growth, the Public Bank Group has delivered healthy loans growth in 2024. This achievement underscores the Group's proactive approach to sustain its market share position. By responding to customer demand for home financing amid shifting economic conditions, the Group has continued to support the housing market while aligning with its strategic objectives.

The Public Bank Group remains committed to maintain prudent credit underwriting standards, carefully considering any relevant circumstances that may impact the borrowers' repayment capacity. The Group's holistic credit assessment has also helped to ensure only creditworthy borrowers are onboarded.

| | |
|---|---|
| **Domestic residential property loans portfolio growth**<br>**↑ 5.6%** | The Public Bank Group's domestic residential property loans portfolio increased by 5.6% to RM170.44 billion as at the end of 2024, accounting for 42.9% of the Group's total domestic loans portfolio. |
| **Largest financial provider for residential properties in Malaysia**<br>**20.2% market share** | The Public Bank Group remained the largest financier of residential properties in Malaysia with a market share of 20.2% as at the end of 2024. |
| **New loans approved**<br>**↑ 5.4%** | The Public Bank Group's loans approval for residential property loans grew by 5.4% to RM23.16 billion in 2024. The Group's new loans approved for residential property constituted 26.3% of total domestic loans approved. |
| **Gross impaired loans ratio for domestic residential property loans**<br>**0.33%** | The asset quality of the domestic residential property loans continued to be resilient.<br><br>Gross impaired loans ratio for the domestic residential property loans segment was 0.33%, which remained well below the industry's gross impaired loans ratio of 1.16%. |

## Product and Marketing Initiatives

The Public Bank Group's reputation as a leading provider of residential property financing is supported by its strong brand, customer-centric loan services and extensive branch network across Malaysia. The Group has also fostered strong partnerships with solicitors, reputable property developers, valuers and real estate agents which have enabled the Group to maintain sustained business support.

In April 2024, the Public Bank Group has rolled out the *'PB MarketSurge'* Campaign, which aimed to expand the Group's customer base in the primary and secondary property market, as well as the young graduates and refinancing of completed residential property market segments. During the year, the Group has launched the '*PB Young Graduate*' targeted at young graduates and '*PB BizGrowth*' under SME lending from this campaign. The Group's strategic initiatives have reinforced its position as a preferred financial provider in the residential property market and underscore its commitment to supporting the broader economic ecosystem.

| Products/Initiatives | Results |
|---|---|
| The Public Bank Group's Flagship Packages<br>• Home Ownership Made Easy ("5HOME Plan"); and<br>• Mortgage Refinancing ("MORE Plan") | These plans for residential property loans were approved and accepted by over 46,800 customers in 2024. |
| PB Young Graduate<br>• Launched in April 2024, this product is designed to assist young graduates/young professionals in securing financial support for the purchase of their first home from the primary or secondary market. | In 2024, the Public Bank Group has extended total financing amounting to RM252.6 million to eligible young graduates/young professionals. |
| Skim Rumah Pertamaku - PB First Home and PB - Skim Rumah Pertamaku (scheme was discontinued on 31 March 2023)<br>• Provide financing for first time homebuyers who meet the eligibility criteria; and<br>• Financing margin of up to 110%. | The Public Bank Group's outstanding loans under both schemes amounted to RM595.0 million as at the end of 2024. |

## Digital Initiatives

**Automated System Approval for Property Purchase Financing Applications**

# Domestic Consumer Banking and SME Lending

## PASSENGER VEHICLE HIRE PURCHASE FINANCING

The Total Industry Volume ("TIV") for the automotive sector in Malaysia increased by 2% to 816,747 units in 2024, surpassing the 800,000 units mark for the first time. The robust vehicle sales in 2024 was driven by strong demand in the affordable segment, attractive new launches and electric vehicle market expansion. Growth was further supported by a resilient domestic economy, stable interest rates and a softer than expected impact from e-invoicing by the Inland Revenue Board.

| | |
|---|---|
| **Domestic vehicle hire purchase financing growth**<br>**▲ 13.1%** | The Public Bank Group's domestic vehicle hire purchase financing increased by 13.1% or RM8.48 billion to RM73.05 billion as at the end of 2024.<br>Passenger vehicle hire purchase financing remained one of the key retail lending businesses in the Public Bank Group, accounting for 18.4% of the Group's total domestic loans portfolio. |
| **New loans approved**<br>**▲ 16.3%** | Loans approved for domestic vehicle hire purchase financing achieved strong growth rate of 16.3% to RM26.49 billion in 2024, constituting 30.0% of total domestic loans approved. |
| **Market share**<br>**31.8%** | The Public Bank Group maintained its leading position in vehicle financing with higher market share of 31.8% as at the end of 2024, from 30.5% a year ago. |
| **Gross impaired loans ratio**<br>**0.22%** | The Public Bank Group sustained its low gross impaired loans ratio of 0.22%, which was below the industry's ratio of 0.52%. |

### Key Priorities and Achievements

- Public Bank signed a Finance Cooperation Agreement with Volvo Cars Malaysia Sdn Bhd on 18 April 2024 to provide financing facilities and services to authorised Volvo dealers. The collaboration with Volvo Cars Malaysia Sdn Bhd extends end consumer financing to purchase new vehicles from Volvo dealers.
- In 2024, the Public Bank Group set up seven new Hire Purchase Centres to a total of 35 Hire Purchase Centres, to enhance service delivery and optimise resources as well as expand its market presence in the hire purchase business.
- The Public Bank Group has a strong team of more than 1,600 staff based at its 35 Hire Purchase Centres, seven Hire Purchase Hubs and 264 branches. These touch points are strategically located nationwide to support efficient loan delivery and provide personalised customer service to customers and business associates.
- Extension of hire purchase business operations to Saturdays. Designated Hire Purchase Centres operate on Saturdays/ alternate Saturdays to enhance service delivery in order to meet weekend demand from customers and car dealers.

### Marketing and Promotional Initiatives

Besides exclusive tie-ups with car manufacturers and companies in Malaysia, the Public Bank Group has also stepped up marketing and promotional efforts through various programmes and campaigns such as:

- HP Interest Subsidy Program with various original equipment manufacturer ("OEM") namely Nissan, Honda, Mitsubishi and Volvo;
- HP Promotional Campaign for the Financing of New Harley-Davidson Motorcycles;
- PB Auto Carnival 2024;
- Volvo Step Down Financing - Volvo 97th birthday anniversary event;
- Roadshow events organised by car dealers/OEM. The 1-Hour Approval in Principle was launched for new hire purchase applications submitted during the events. Customers can take possession of the new car within the same day;
- 2024 PBB Panel Car Dealer Referral Campaign with Lonpac Insurance Berhad; and
- HP Tactical Campaign with AIA Berhad in promoting HP Life.

## Digital Initiatives

The Public Bank Group has continued to scale up its digitalisation initiatives to optimise operations and enhance personalised customer banking experiences.

**Bulk Submission for Stamping via eHPDS.net**

**ASA of Hire Purchase Applications for Individual Hirer**

**Acceptance of Electronic and Scanned Vehicle Sales Invoices and Disbursement Documents**

**Enhancement in e-Dealer Mobile Application Functionality**

**Enhancement of Functionality in eHPDS.net**

**Short Message Service ("SMS") Notification to Dealer on Hire Purchase Application Approval**

# Domestic Consumer Banking and SME Lending

## Other Initiatives - ESG

As part of the Public Bank Group's ongoing commitment to support the growth of energy efficient vehicles ("EEV") industry and working toward its EEV financing target of RM49 billion by 2030, the Bank has embarked on the following targeted campaigns:

- PB Smart#1 HP Financing Campaign
- PB Auto Carnival 2024 for used EEV
- PB Used EEV Multi-Purpose Vehicle and Sport Utility Vehicle Campaign
- Special Green Car Financing Package for Gamuda Berhad and its subsidiaries/staff
- Tesla Promotional Campaign
- PB Terima Kasih Cikgu Campaign 2024
- PB Auto Carnival 2024 - HP PLUS (+) Promotional Campaign for new and used passenger EEV with cross-selling product bundling

## PERSONAL CONSUMER FINANCING

Public Islamic Bank's Bai' Al-Einah ("BAE") Personal Financing-i drives the Public Bank Group's domestic personal consumer financing. This Shariah-compliant financing option is primarily extended to employees in various Government-related agencies and corporations, offering accessible financing to meet their needs.

| | |
|---|---|
| **Total number of BAE agencies**<br>**293** | Public Islamic Bank has established 293 agency arrangements to support the provision of BAE Personal Financing-i. |
| **BAE Personal Financing-i**<br>**↑ 14.8%** | Public Islamic Bank upholds a prudent credit assessment approach that aligns with its risk tolerance.<br><br>In 2024, total outstanding BAE Personal Financing-i increased by 14.8% to RM3.37 billion. |

## CREDIT AND DEBIT CARDS

Public Bank achieved commendable growth in both its credit and debit card segments as well as merchant base supported by favourable consumer spending behaviour and strong domestic demand. In 2024, Public Bank's card business growth was mainly driven by extensive acquisition efforts to onboard new customers and initiatives to cross-sell and retain existing customers.

| | |
|---|---|
| **Total credit card sales growth** ↑ 6.6%<br>**Credit card receivables growth** ↑ 8.7% | Public Bank's total credit card sales and credit card receivables grew by 6.6% and 8.7% respectively in 2024 as compared to the card industry's growth rate of 8.2% and 7.7% respectively. |
| **Credit card base growth** ↑ 8.0% | Credit card base also posted a growth of 8.0% in 2024, higher than the industry's growth rate of 5.2%. |
| **Debit card base** ↑ 4.0%<br>**Debit card usage** ↑ 9.5% | The debit card segment continued to grow, with debit card base and usage increasing by 4.0% and 9.5% respectively in 2024. |
| **Merchant sales** ↑ 13.0% | Despite the competitive business environment, the merchant sales recorded a strong growth of 13.0% in 2024. Public Bank successfully rolled out more than 29,000 new terminals, bringing the total to more than 170,400 terminals located at more than 120,900 merchant outlets in support of cashless and contactless payments. |

### New Products and Marketing Initiatives

Public Bank consistently enhanced its rewards and merchant privilege programmes, offering attractive benefits to customers.

- Launched the *'Mass Acquisition Campaign 2024 1.0', 'Flash Deal: PB & PIB Mastercard Credit Card Online Acquisition Campaign'* and *'Spend and Travel The World with PB Visa Credit Card'* campaigns to encourage credit card acquisition and usage.
- Launched the *'Mass Acquisition Campaign 2024 2.0'* and *'PB Rewards You More with PB Visa Credit Card'* to drive new acquisition, usage as well as increased billings and receivables.
- Thematic campaigns to support Environment, Social and Governance ("ESG") initiatives such as *'Energize Your Ride with PB Visa Credit Card'*.
- Ongoing collaboration with other major card schemes such as Mastercard, Visa, PayNet and UnionPay to drive card usage and sales.

# Domestic Consumer Banking and SME Lending

## Digital Initiatives

**e-Merchant Agreement**

## SHARE MARGIN FINANCING

The Public Bank Group's share trading and share margin business offer diverse margin and non-margin products, supported by a seamless share trading infrastructure for investment and trading activities.

**Share trading volume**
**↑ 56.3%**

**Brokerage income**
**↑ 49.0%**

This business segment generates interest and brokerage income for the Public Bank Group.

As a result of favourable market conditions, share trading volume recorded an impressive growth of 56.3% or RM8.53 billion to RM23.69 billion in 2024. Brokerage income also rose by 49.0% or RM21.4 million to RM65.1 million. The increase in share trading can also be attributed to Share Investment Executives ("SIEs") constantly conducting account management and maintaining close engagement with customers. Arising from this, SIEs were able to encourage customers to trade more actively.

## CUSTOMER DEPOSITS

**Domestic core customer deposits growth**
**↑ 9.8%**

**Demand deposits growth**
**↑ 3.7%**

**Fixed deposits growth**
**↑ 13.1%**

**Savings deposits growth**
**↑ 3.1%**

The Public Bank Group's total domestic core customer deposits grew at a healthy rate of 9.8% to RM344.75 billion as at the end of 2024, mainly supported by fixed deposits growth of 13.1%.

The Group's domestic demand deposits and saving deposits also grew by 3.7% and 3.1% respectively in 2024.

**Market share of domestic core customer deposits**
**16.9%**

The Public Bank Group's market share of domestic core customer deposits increased to 16.9% as at the end of 2024, from 16.4% a year ago.

### Marketing and Promotional Initiatives

- Continued to ensure growth of new deposits and retail customer base through tactical campaigns and promotional initiatives. These tactical campaigns comprised various campaigns for senior citizens, children and millennials.
- Public Bank carried out product bundling initiatives to enhance its product offerings alongside campaigns designed to promote online banking transactions and fixed deposits placements.
- Launched MoneyPLUS Savings Account on 8 August 2024. Customers can earn interest when they pay, save and spend in their daily financial transactions.

### Campaigns by Public Bank

- PB Special Fixed Deposit Campaign
- Deposit & Earn Campaign
- PB Multi Foreign Currency Campaign
- PB Young Graduate Campaign
- Win Big Big Campaign
- Foreign Currency Current Account Campaign
- Super Savers Children Campaign
- PB Golden Fortune 2024 Campaign
- PB Golden Longevity Campaign
- MoneyPLUS Double Joy Campaign
- PB eFD via FPX Campaign
- MySalary Dragon Fiesta Campaign
- Yippie Invest & Indulge Campaign
- Speed2Earn Campaign
- Golden Hour Campaign
- eGold Investment Account Campaign
- Gold Rush Campaign
- 50 Golden Journey Campaign

The Public Bank Group's targeted marketing campaigns during the year had secured total deposits amounting to RM39.12 billion.

# Domestic Consumer Banking and SME Lending

## RED CARPET BANKING

Public Bank remains committed to implementing various initiatives to strengthen its Red Carpet Banking ("RCB") business, while continuously striving to enhance premier banking customer experience.

| | |
|---|---|
| **New RCB members**<br>**↑ 19.2%** | Acquired new RCB members particularly new-to-bank customers and boost fresh deposits.<br>New RCB members increased by 19.2% to over 127,000 members. |
| **Total RCB centres**<br>**21 centres** | Continued expansion of RCB footprint nationwide.<br>Opened another RCB Centre at Ipoh Garden branch, bringing the total to 21 RCB Centres nationwide. |
| **Average product holding per RCB customer**<br>**5.64 products** | The average product holding is 5.64 products per RCB customer. |

### Marketing and Promotional Initiatives

- Launched New-To-Bank Sign Up Gift Campaign to grow RCB customer base.
- Dedicated Red Carpet Banking microsite at Public Bank website was implemented to promote RCB branding.
- Provide RCB Booklets including RCB e-booklet as marketing tool to facilitate branches in promoting RCB.
- Public Bank launched several targeted campaigns for RCB customers, designed to attract new deposits, reward loyal members and expand product holdings.
- Public Bank has collaborated with several partners to organise exclusive events for RCB customers, featuring various activities and exclusive deals on travel and healthcare packages.

### RCB Campaigns

- RCB Golden Longevity Campaign
- RCB Birthday Month Privileges Campaign
- RCB Friends Referral Campaign
- RCB Elite Exclusive Privilege Campaign
- RCB Gold Rush Campaign
- PB Premier High Yield Fixed Deposit Campaign
- RCB Appreciation Reward Programme
- RCB Product Holding Reward Programme
- PB RCB Special Fixed Deposit Campaign

In 2024, total deposits garnered via these RCB exclusive campaigns amounted to RM47.45 billion.

### Digital and Other Initiatives

- Exclusive Customer Engagement Initiatives
- Appointment Scheduler for RCB Customers
- RCB e-Booklet

## SME LENDING

SMEs are the backbone of the Malaysian economy and have contributed significantly to the Gross Domestic Product, employment and exports of Malaysia, making SMEs essential to sustaining economic growth and community well-being. The Public Bank Group is proud to be a strong partner for SMEs, providing a range of financing options at competitive rates. This commitment positions SME lending as a key pillar of the Group's business portfolio and a key driver of the Group's continued growth.

As a financial institution dedicated to fostering business resilience, the Public Bank Group plays an active role in Government initiatives such as Bank Negara Malaysia's ("BNM") funding schemes. These schemes cater to both new and existing SMEs, addressing their needs for asset acquisition and working capital financing.

| | |
|---|---|
| **Total SMEs financing growth** ↑ **6.0%** | The Public Bank Group's total financing to SMEs grew by 6.0% to RM71.97 billion. This accounted for 18.1% of the Group's domestic loans portfolio. |
| **New loans approved** ↑ **41.0%** | Total new loans approved for SMEs grew by a commendable 41.0% to RM19.66 billion, providing a strong pipeline for future loans growth. Total new loans approved represented 22.3% of total domestic loans approved. |
| **Market share** **17.9%** | Market leader in domestic financing for commercial lending to SMEs with a market share of 17.9% as at the end of 2024. |

# Domestic Consumer Banking and SME Lending

## Products and Initiatives

The Public Bank Group assists SMEs to access affordable financing solutions by actively participating in BNM's financing initiatives along with guarantee schemes from the Government and Credit Guarantee Corporation Malaysia Berhad ("CGC"). These initiatives ease immediate cash flow challenges and support long term business growth, reinforcing the Group's commitment to support a resilient SME sector.

On 29 August 2024, the Public Bank Group via Public Islamic Bank has collaborated with Halal Development Corporation with the signing of a Memorandum of Understanding to work jointly towards supporting the growth of halal market industry in Malaysia. Engagements earmarked in the future include promotional events, road shows and exhibitions.

| Products | Results |
|---|---|
| *Shophouse, Warehouse, Industrial Factory and Trade Financing ("SWIFT") Plan*<br><br>The Public Bank Group's flagship SME financing product, the SWIFT Plan provides solution for business expansion, asset acquisition, working capital and trade financing. | In 2024, the Public Bank Group extended total financing amounting to RM7.85 billion to eligible SMEs. |
| *BNM Initiated Financing Schemes, Government and CGC Guarantee Schemes*<br><br>The Public Bank Group proactively participated in diverse BNM initiatives, such as the All Economic Sectors Facility, Agrofood Facility, SME Automation and Digitalisation Facility, Micro Enterprises Facility and others. In response to nationwide floods, the Group extended financial assistance through BNM's Disaster Relief Facility 2022, supporting affected SMEs to swiftly resume their business operations.<br><br>Based on Public Bank's continued efforts to accelerate financial inclusion, the Bank is actively participating in the latest financial scheme i.e. Government Guarantee Scheme MADANI 2, aimed at supporting SMEs in high-priority sectors such as green economy, halal, healthcare and high technology.<br><br>Another recent initiative by Public Bank is the participation in the Portfolio Guarantee ("PG") Scheme established by CGC. It is now embarking on its fifth tranche after completing the previous tranche in 2019. This time, the portfolio size includes a PG Property package that offers financial support to both new and existing SMEs for asset acquisition and working capital financing. | In 2024, RM558.9 million loans have been approved for more than 1,700 businesses under these various BNM Initiated Financing schemes, Government and CGC Guarantee schemes. |

## Marketing Initiatives

- Launched *PB MarketSurge Campaign* which runs from April 2024 to 30 April 2025. As part of the campaign, the *PB BizGrowth* was introduced. This is a unique offering that allows bundling of property/land purchase financing with supplementary unsecured working capital financing to support business growth and sustainability. In 2024, RM194.7 million in financing under PB BizGrowth has been approved by the Group.
- The Public Bank Group approved RM151.9 million in financing under the ongoing *PBB BizBooster Financing Campaign*, benefitting more than 120 SMEs.
- Promotional pricing campaign was also extended until 30 April 2025, ensuring competitive financing rates for SMEs.
- The Public Bank Group via Public Islamic Bank organised a social agenda-driven *'iTEKAD Fiesta'* which was held in Menara Public Bank to create awareness and provide exposure to Public Islamic Bank's iTEKAD participants.
- The Public Bank Group had also conducted four SME Financing Roadshows in 2024, benefitting over 89 SMEs by offering advisory services on financing opportunities, financial literacy and addressing funding challenges.
- As a participating institution in the CGC's *'imSME'* online portal, the Public Bank Group helps SMEs gain quick access to financing options. This platform enables users to easily search and apply for financing from multiple banks, all in one place. SMEs can also reach out with their queries by contacting the Group's Loan Product Development Unit at Head Office via email. Designated branch officers can also assist SMEs with financing inquiries.

## Digital Initiatives - ESG

**Digital Climate Change Message Flyers**

# Domestic Consumer Banking and SME Lending

## SUSTAINABLE FINANCING

In support of the Government's aspirations to achieve Carbon Neutral by 2030 and Net Zero by 2050, the Public Bank Group actively promotes sustainable financing products and has launched several initiatives in support of financial transition to a low carbon economy.

### Products/Initiatives/Campaigns

- Developed Green Financing Facilities which offer competitive financing rate and support climate mitigation, transition and adaptation efforts. These facilities cover environmentally friendly economic activities, accessible to both individuals and businesses across all industries and sectors. Eligible activities include financing for green-certified properties, solar panel purchases, energy-efficient equipment, sustainable agro-technology and capital raising for research and development in energy-saving technologies. In 2024, the Group approved RM942.2 million in such green financing for both individuals and businesses.
- In June 2022, the Public Bank Group had launched the Low Carbon Transition Facility ("LCTF") which is under BNM's Fund for SME with the objective to encourage and catalyse SMEs to transition to low-carbon operations by adopting sustainable practices for business resilience. The financing purposes covered by LCTF funds include green-related capital expenditures, cost for sustainability-related training for staff and the cost of hiring sustainability consultants to advise and steer the business towards sustainable practices.
- Since 2022, the Public Bank Group has collaborated with three leading property developers (i.e. Gamuda Land, EcoWorld and Sunway Property) to offer Sustainable Financing Package ("SFP") for customers purchasing residential, industrial and commercial properties which are green-certified or under the Low Carbon Cities Framework. In 2024, RM868.4 million in SFPs had been approved, benefitting both individuals and business customers.
- The Public Bank Group maintains a list of High Environmental Risk Sectors ("HERS"), being sectors with potential adverse environmental and social impact. The Group is committed to nurture and encourage customers under HERS to move towards sustainable practices. The Group has also adopted BNM's prescribed guidance in its credit assessment process by ensuring sufficiently comprehensive and consistent coverage of assessment criteria.
- The Public Bank Group strictly upholds the *'No Deforestation, No New Peat, No Exploitation'* ("NDPE") principles across all financing activities. Customers applying for loans must provide a declaration confirming their non-involvement in activities on the ESG Exclusion List and adherence to the Bank's NDPE principles.
- The Public Bank Group plans to mandate Malaysia Sustainable Palm Oil ("MSPO")/Roundtable on Sustainable Palm Oil certification for new financing in the palm oil sector (excluding smallholders) by 2030. The Group also actively engages with smallholders financing customers, encouraging them to adopt sustainable practices and pursue MSPO certification.
- On 2 October 2024, the Public Bank Group organised a one-day green real estate seminar for SME property developers in the Southern and East Coast region of Peninsular Malaysia. This was the third seminar organised by Public Bank and held as part of the *'Embracing Sustainable Development: The Way Forward for SME Developers'* series. The event which was aimed at raising awareness on sustainable development, was attended by more than 200 SMEs delegates.
- In 2024, the Public Bank Group intensified its efforts to educate customers on the impact of climate change and benefits of adopting eco-friendly business practices. These efforts include leveraging on the Group's wide branch network to engage with customers and distributing digital climate change message flyer embedded in the Letter of Offer to raise awareness on climate change issues.

# Wealth Management

## KEY HIGHLIGHTS 2024

Total Assets under Management
**↑ 5.0% to RM101.98 billion**

Private Retail Unit Trust Business
**34.7%**
market share

Public Mutual was accorded
**32 awards**
by **LSEG Lipper, Asia Asset Management, Reader's Digest, Morningstar, The Asset and The Edge.**

Upgrade of
**Public Mutual Online ("PMO") PLUS mobile app**

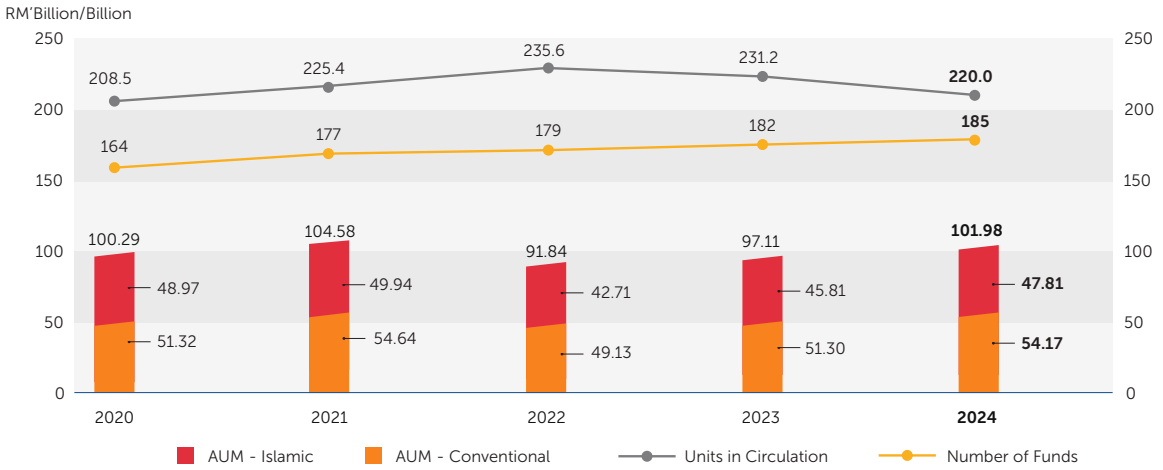
**Secure Token Authentication ("SecureSign") via PMO PLUS**
for enhanced security

***The fund management business of the Public Bank Group is spearheaded by Public Mutual Berhad ("Public Mutual"), which engages in the sale and management of unit trust and Private Retirement Scheme ("PRS") funds. Backed by an extensive distribution network, Public Mutual has established itself as the No. 1 private retail unit trust company and PRS provider in Malaysia. The Group also maintains a long-standing strategic bancassurance collaboration with AIA Group Ltd. ("AIA"), a partnership that marked its twelfth year in 2024. Through its domestic and regional branch network as well as its telemarketing platform, the Group offers a wide range of bancassurance products. The Group also caters to customers with a higher risk appetite by providing structured investment products designed to deliver potential returns beyond those of fixed deposits. Collectively, these key areas form the cornerstone of the Group's wealth management business.***

# Wealth Management

## FUND MANAGEMENT

**Assets Under Management, Units in Circulation and Number of Funds**




**Total assets under management ("AUM")**
**↑ 5.0% to RM101.98 billion**

- Public Mutual recorded an AUM growth of RM4.87 billion or 5.0% to RM101.98 billion as at the end of 2024. The AUM growth was contributed mainly by the net asset value of retail equity funds which increased by RM3.63 billion or 5.0%.
- The AUM of RM101.98 billion comprised RM92.96 billion or 91.1% in retail funds, RM5.46 billion or 5.4% in wholesale funds and RM3.56 billion or 3.5% in Private Retirement Scheme ("PRS") funds.
- Public Mutual maintained its position as the largest private unit trust company and PRS provider in Malaysia, commanding a market share of 34.7% for the retail funds sector and 46.8% for the PRS sector as at the end of 2024.

**Returns of foreign equity and mixed asset funds:**
**up to 29.6%**

**Returns of domestic equity and mixed asset funds:**
**up to 31.6%**

**Returns of bond/sukuk funds:**
**up to 4.7%**

- Public Mutual's foreign equity and mixed asset funds registered returns of up to 29.6% in 2024, while domestic equity and mixed asset funds posted returns of up to 31.6% for the year.
- On the fixed income front, Public Mutual's bond/sukuk funds reported returns of up to 4.7% in 2024, supported by coupon income.

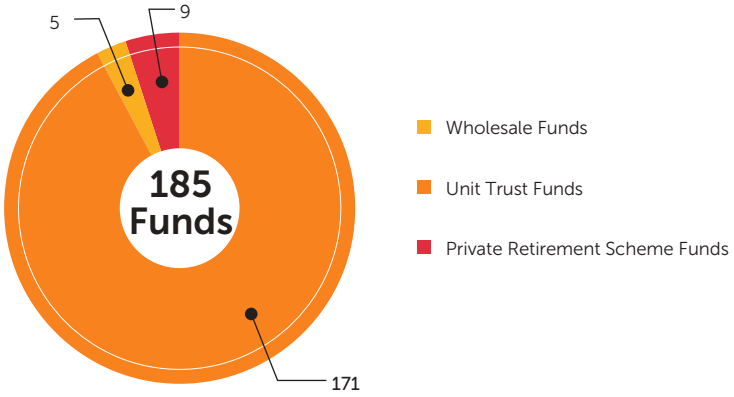
**Retail funds' AUM**
**RM92.96 billion**

- Public Mutual's retail funds recorded a total AUM of RM92.96 billion, comprising RM76.80 billion or 82.6% in equity and mixed asset funds, RM12.27 billion or 13.2% in bond/sukuk funds, and RM3.88 billion or 4.2% in money market funds and a gold fund.

**Profit before tax**
**↑ 7.8%**

- Public Mutual's profit before tax rose by 7.8% to RM860.0 million in 2024, mainly due to higher management fee from higher average net asset value of funds and higher fee income on sale of trust units, partially offset by higher other operating expenses.

## Total Number of Funds




## New Fund Launches

| Fund Name | Launch Date |
|---|---|
| Public Islamic Global Sustainable Growth Fund | 20 February 2024 |
| Public Islamic Sustainable Growth Fund | 4 June 2024 |
| Public e-Islamic India Global Equity Fund | 24 September 2024 |

## Marketing and Promotional Initiatives

Public Mutual successfully launched the following campaigns in 2024.

| Campaigns | Results |
|---|---|
| Awards Celebration Campaign 2024 | More than 314,000 investors participated in the campaign, while close to 1.3 million lucky draw entries were generated for the prizes offered. |
| Birthday Special Promo 2024 | Close to 26,000 investors participated in the Birthday Special Promo. |
| Investor Referral Campaign 2024 | More than 1,400 existing investors participated in this campaign, which brought in more than 2,000 new investors. |
| Special EPF-MIS Funds Campaign 2024 | More than 17,000 unitholders participated in this campaign. |
| Direct Debit Authorisation ("DDA") Campaign | A total of RM940.0 million was debited via DDA under the campaign. |
| Public Mutual Online ("PMO") Campaign 2024 | More than 53,200 investors signed up for PMO during this campaign. |

# Wealth Management

## Digital Initiatives

- Investor Portfolio Dashboard on Public Mutual Online ("PMO")
- Scheduled Redemption Request ("SRR") Option
- PMO PLUS Mobile Application Upgrade
- Family Members as Joint Holders
- Secure Token Authentication ("SecureSign") via PMO PLUS
- New Corporate Website
- Downloading Transaction Statements on PMO
- E-Invoice

## Other Initiatives

In 2024, Public Mutual enhanced its advertising and branding efforts through the following initiatives:

| | |
|---|---|
| Social Media Initiatives | • Financial planning and money management-related posts were shared on Instagram, YouTube, TikTok, Facebook and LinkedIn to enhance financial literacy among investors and the general public. |
| Investors' Day 2024 | • A 3-day webinar with the theme '*Navigating Investments for Long-Term Growth*' was held from 27 to 29 July 2024. |
| Electronic Direct Mailers ("eDMs") | • eDMs were distributed with the aim of improving investors' financial literacy, raising awareness about scams and keeping investors informed about Public Mutual's products and services. |
| Billboard Advertising | • Prominent billboards were placed across Klang Valley and key states in Malaysia to enhance Public Mutual's visibility and branding. |
| Digital Advertising | • Intensified digital advertising via Instagram, Facebook, TikTok and Google Ads to increase brand awareness. |

## Customer Service

**PMO subscribers**
**>916,000**

**Mutual Gold/Mutual Gold Elite/ Mutual Platinum members**
**>126,300**

**Branch offices and customer service centres nationwide**
**31**

PMO is an online portal which allows subscribers to perform investment transactions (including redemptions and switching) and profile updates, as well as enquire on investment accounts.

Since its launch on 12 January 2009, the number of PMO subscribers has increased to more than 916,000.

The number of Public Mutual priority service members exceeded 126,300 members as at the end of 2024.

# Wealth Management

## Training and Support

- Public Mutual offers a variety of comprehensive and value-added training programmes to equip its Unit Trust Consultants ("UTCs") with the expertise and knowledge needed to support its investors effectively. These programmes cover areas such as product knowledge, technical skills, customer service, ethics, compliance, productivity and agency management.
- Public Mutual remains committed in offering its employees ongoing access to learning and development opportunities.
  - i) Public Mutual offers a variety of staff training programmes that ranges from technical and soft skills to communication and leadership courses; and
  - ii) Regular training programmes are conducted throughout the year in order to educate employees on Public Mutual's values, policies and best practices, as well as to equip them with the necessary skills and knowledge for current and future roles.

## Awards

**London Stock Exchange Group (LSEG) Lipper Fund Awards 2024**

21 individual awards at LSEG Lipper Fund Awards 2024

**LSEG Lipper Fund Awards 2024 – Global Islamic**

3 individual awards at LSEG Lipper Fund Awards 2024 – Global Islamic

**Asia Asset Management Awards 2024**

3 awards for the following categories:
- Best Retail House – Malaysia
- Islamic Retail House of the Year – Malaysia
- Best Member Communications – Malaysia

**Reader's Digest Trusted Brand Platinum Award 2024**

Reader's Digest Trusted Brand Platinum Award 2024 for the Investment Fund Company category in Malaysia (15th consecutive year)

**The Asset Triple A Islamic Finance Awards 2024**

The Asset Triple A Islamic Finance Awards 2024 for Islamic Asset Manager of the Year – Malaysia (Retail) (14th consecutive year)

**The Edge Malaysia ESG Awards 2024**

2 awards for Best Impact (Climate Action – Gold and Silver)

**Morningstar Awards 2024**

Best Asia-Pacific Equity Fund – PB Asia Pacific Dividend Fund

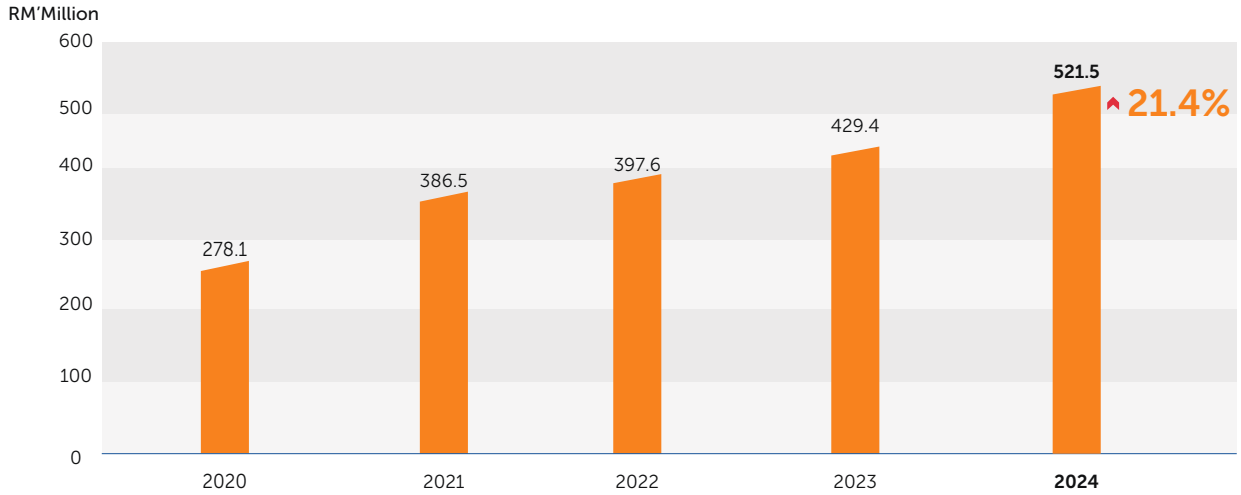
## BANCASSURANCE

The Public Bank Group's bancassurance business, in collaboration with AIA, is supported by 571 licensed financial executives and over 3,000 staffs located across the Group's domestic branches.

Public Bank continues to provide a comprehensive suite of bancassurance products to strengthen customers relationships and increase retention. Various campaigns have been launched including offering customers with higher fixed deposits rate when purchasing selected products. During the year, Project Phoenix Scale-Up has been launched to boost bancassurance penetration among affluent customers at non-Red Carpet Banking ("RCB") branches and RCB centres.

### Domestic Market

**Domestic Annualised New Premium ("ANP")**




### Telemarketing Insurance Products

**Annualised new premium ("ANP")**
**RM14.0 million**

Telemarketing activities were impacted in 2024 due to the transition to new regulatory requirements for medical and health insurance telemarketing products.

### New product launches

| Product | Launch Date |
|---|---|
| PB Venture Shield | 8 March 2024 |
| PB Critical Shield | 1 September 2024 |
| PB Health Enhancer (Rider) | 1 September 2024 |

### Marketing and Promotional Initiatives

In 2024, Public Bank launched several sales campaigns promoting insurance solutions for wealth management and protection needs. The campaigns include *'Future Premium Payment Option Campaign'*, *'2024 Prosperous Ang Pow Bonanza'*, *'2024 Superhero's Promise Customer Gift Campaign'*, *'Joyful Cashback Campaign'*, *'PB Venture Shield Cashback Campaign'*, *'PB Max Advantage Campaign'*, *'PB Merdeka Wealth Bonanza Campaign'*, *'High Non-Medical Limit Campaign and Non-Financial Limit Campaign'* and *'Supreme Cashback Campaign'*.

# Wealth Management

## Digital Initiatives

**PB Direct**

## Other Initiatives

In 2024, Public Bank and AIA enhanced its advertising and branding efforts through the following initiatives:

| | |
|---|---|
| Sales Campaigns to motivate and incentivise sales force | • These include *'2024 Branch ANP Challenge', '2024 SME and Credit Life Campaign', '2024 Up-Forcing Campaign', '2024 MR (Unit Trust) Up-Forcing Challenge', '2024 Prosperous Ang Pow Bonanza Campaign', '2024 Banca ANP Regional Challenge', '2024 PB Venture Shield Activation Campaign', '2024 Double Dragon Soaring Campaign', 'Team Bonding 2024', 'Incentive Trip Challenge 2024'* and *'2024 Desaru Escapade Challenge'*.<br>• Branches, managers, regional sales and support staff are offered with different types of incentives such as cash rewards and incentive trips to inculcate cross-selling initiatives among branches. |
| Training Initiatives in 2024 | • Public Bank's training programmes such as *'AIA Customer Portfolio Analysis and AIA Financial Ratio Analysis'* were conducted to enable sales staff to identify customer's objectives, asset classes and asset allocation, identify types of risk and customer's risk tolerance level for education and retirement planning.<br>• *'High Networth Advisor Program'* has been extended to selected staff to share ideas and approaches with Public Bank's high networth customers.<br>• For onboarding of rookies, *'Getting It Right and FLASH'* training was conducted to provide product, sales concept and soft skills training. |

### Regional Bancassurance Partnership

| Public Bank's Overseas Operations | Initiatives and Results |
|---|---|
| **Hong Kong Operations**<br>• Twelfth year of bancassurance partnership with AIA International Limited (Hong Kong).<br>• Leverage on the Public Bank Group's extensive network of 30 branches in Hong Kong with qualified sales staff. | • In 2024, Public Bank Hong Kong has generated a total of HKD21.0 million in ANP mainly contributed by sales of the '*Bonus Power Vantage insurance plan*', '*Simply Love Encore 5 plan*' and '*Global Power Multi-Currency Plan 3*'. |
| **Cambodian Public Bank**<br>• Eighth year of one-way exclusive distribution partnership with AIA (Cambodia) Life Insurance Plc.<br>• Leverage on Cambodian Public Bank's network of 32 branches. | • *'AIA Samrab Naek (2 protect 7)'*, a new life insurance plan with short to medium term protection was introduced in May 2024.<br>• In October 2024, a few new AIA Insurance Riders were introduced, namely *'AIA 100 KAPEA'*, *'AIA 100 KAPEA PRO'*, *'AIA KAPEA PREMIUM'* and *'AIA KAPEA PREMIUM PAYOR'*.<br>• In 2024, total ANP amounting to USD0.6 million was generated. |
| **Public Bank Vietnam Limited ("PBVN")**<br>• Distribution partnership with AIA (Vietnam) Life Insurance Company Limited since August 2018. | • In 2024, total ANP of VND852.0 million was generated, a drop of 71.6% from 2023 partly due to unfavourable market sentiment and new regulatory requirements which prohibit sales of optional insurance products and cross-selling of investment-linked insurance products with certain criteria. |

### INVESTMENT PRODUCT – PB DUAL CURRENCY INVESTMENT ("PB DCI")

PB DCI is a non-principal protected short-term currency linked structured product investment which provides investor with the opportunity to capitalise on foreign exchange movements. PB DCI contributed RM5.1 million to the Public Bank Group's fee based income in 2024.

The performance of PB DCI is expected to be challenging due to volatile market condition and intense competition.

# Wealth Management

## CROSS-SELLING INITIATIVES FOR WEALTH MANAGEMENT BUSINESS SEGMENT

Public Bank employs a four-pronged strategy to drive cross-selling in its wealth management business. This strategy includes leveraging on data analytics insights, integrating the Customer Relationship Management Application ("CRMA") marketing tool with other applications, empowering staff to deepen customer engagements and organising Product Promotional Events ("PPEs").

| | |
|---|---|
| **Data Analytics Management** | • Integrate customer segmentation and analytical models to develop a 360-degree customer view. This aims to predict customer behaviour to enable timely, relevant and value-added marketing offers.<br>• Develop and optimise marketing strategies through data analytics to provide analytical insights for seamless and personalised customer experience.<br>• Enhance analytical capabilities with the latest tools and market trends to gain a competitive edge by understanding customer preferences and market dynamics. |
| **CRMA** | • Enriched with insightful information on customers' profile and portfolio information to drive personalised products and services offerings that fulfil customers' financial needs and improve customer experience.<br>• Integrating CRMA with other applications (i.e. LeadGen 360 mobile application) to enable users to seamlessly manage all marketing and lead generation activities to effectively capture new marketing opportunities. |
| **Staff Empowerment** | • An expanded team of 224 dedicated personal bankers are strategically placed across branches nationwide to focus on the delivery of personalised financial solutions in order to grow customer relationships and acquire new customers.<br>• The Lead Generation initiative has been streamlined and expanded to include more marketing personnel, with the primary objective of broadening customer reach to the Bank's products and services.<br>• The LeadGen 360 mobile application allows staff to conveniently refer prospective customers through their mobile devices, anytime anywhere. |
| **PPEs** | • Public Bank continues to connect with its customers through PPEs during weekdays and weekends to provide more banking convenience to customers. The weekend banking services at selected branches enable customers to attend to their banking transactions at their convenience on non-working days.<br>• The 2024 PPEs with themes '*PB Financial Planning*' and '*PB Savings Carnival*' enable Public Bank's staff to have closer engagements with customers, thereby fostering stronger relationships and trust. In 2024, 1,126 PPEs generated a total sales of RM158.3 million. |

# Transactional **Services**

## KEY HIGHLIGHTS 2024

Introduction of new services

- New PB enterprise Mobile App with PB SecureSign (Digital Token)
- Fraud Monitoring System for PB enterprise
- Kill Switch Services for PB enterprise
- PB enterprise Bulk Foreign Telegraphic Transfer via Foreign Currency Transfer

Extension of

DuitNow Online Banking/ Wallets via PB enterprise

***Public Bank provides a comprehensive suite of cash management and remittance services, thoughtfully designed to meet the diverse banking needs of its customer.***

### CASH MANAGEMENT SERVICES

Cash management services provided by Public Bank offer tailored payment and collection modules solutions, which are fully supported by the Bank's wide network of branches and digital channels for seamless convenience.

**Total payees and payors**

↑ 41%

New payees and payors corporations grew by about 48,000 in 2024, representing an increase of total payees and payors by a commendable 41%.

# Transactional Services

## Key Priorities and Achievements

- In 2022, Public Bank became the first bank in Malaysia to implement DuitNow Online Banking/Wallets. Since then, Public Bank has onboarded 129 new merchants, with the majority currently undergoing system development, integration and testing.

- Launching of new PB enterprise mobile app with PB SecureSign (digital token) – available for download on Apple App Store, Google Play Store and Huawei AppGallery.
  - Required mandatory activation of PB SecureSign service for all PB enterprise maker role for added security.

- To further strengthen corporate customer's online banking security, the Bank has implemented the following cooling-off period measures for PB enterprise services:
  - 12-hour cooling-off period for activation of PB SecureSign (digital token) and SecureSign token (hard token);
  - 12-hour cooling-off period for maintenance of daily accumulated transaction limit; and
  - 12-hour transaction cooling-off period for fund transfers (selected services) which are deemed abnormal.

- Kill Switch services for PB enterprise – Useful function for users who suspect they are victims of fraud or believe their banking accounts have been compromised. Two key services available:
  - Deactivate User ID – users may deactivate their access; and
  - Kill Switch – users may immediately suspend all financial transactions associated with their selected bank account(s) and commercial card(s) services that are linked to PB enterprise.

- Fraud monitoring system for PB enterprise – Artificial Intelligence Fraud Prevention System to safeguard Public Bank's corporate customers against potential fraud. Key enhancements are as follows:
  - Challenge questions enrolment for all PB enterprise users;
  - Step-Up authentication via challenge question; and
  - Change challenge questions via profile maintenance.

- Launching of PB enterprise bulk foreign telegraphic transfer via foreign currency transfer menu:
  - A template allows users to save up to 5 transactions for easier future fund transfers to the same beneficiary; and
  - Users within the same group can create and share up to 5 templates.

- PB multi foreign currency current account and PB multi foreign currency fixed deposit account – master account balance enquiry and e-statement services.

- DuitNow Online Banking/Wallets via PB enterprise - real-time online payment service which enables payers (both individual and corporate) to transact securely using their online/mobile banking or e-wallet.

- PB QR mobile app: Extension of cashier's allowable idle time - PB QR merchants can extend cashier screen-on time from 5 minutes to 120 minutes.

## REMITTANCES

Public Bank provides a variety of remittance services through the Public Bank Group's network of physical and digital channels.

**Remittance transactions**
**↑ 11.5%**

Despite a difficult business climate and fierce rivalry from fintech remittance companies, total remittance transactions increased by 11.5% to RM79.70 billion in 2024. Public Bank continues to actively grow its remittance business by collaborating with business partners and launching innovative remittance campaigns.

### Marketing and Promotional Campaigns

| Campaigns | Results |
|---|---|
| Remittance Campaign for Overseas Education | RM271.6 million was remitted through this campaign. |
| PB Overseas Remittance Campaign | USD2,114.0 million was remitted through this campaign. |
| Peso Remittance Services Campaign | RM21.9 million was remitted through this campaign. |

### Digital Campaigns

- PB Foreign Telegraphic Transfer Campaign
- Western Union Raya 2024 Campaign
- Western Union Festive 2024 Campaign

# Capital Market

## KEY HIGHLIGHTS 2024

**Profit Before Tax**

**Treasury**
↑ 73.3%

**Domestic Corporate Lending**
↑ 48.3%

**Investment Banking**
↑ 115.9%

**14 fund raising programmes worth**
**RM7.77 billion**
by **Public Investment Bank through issuance of corporate bonds and sukuk**

***The Public Bank Group's capital market operations encompass treasury operations, domestic corporate lending and investment banking.***

### TREASURY

The Public Bank Group's treasury operations primarily focus on providing financial services and solutions to both corporate and retail customers in relation to treasury activities. These treasury functions include commercial Foreign Exchange ("FX"), wholesale deposits, unit trust funds, dual currency investments and FX options, which are performed through the treasury offices of Public Bank, Public Islamic Bank, Public Investment Bank, Public Bank (Labuan) Limited and the Group's overseas subsidiaries. The Group's treasury operations also take charge of cash flow and liquidity management, proprietary trading in FX and investment in fixed income securities.

The Public Bank Group's International Business Unit ("IBU") fosters collaboration and forms strategic alliances with international partners, including: Resona Bank, Saitama Resona Bank, Kansai Mirai Bank, China Construction Bank and Shinkin Central Bank. These partnerships enhance the Group's global presence and drive treasury revenue growth. By offering tailored financial solutions, the IBU serves a diverse client base across Japan, South Korea, China and Taiwan.

| | |
|---|---|
| **Profit before tax**<br>**↑ 73.3%** | The profit before tax of the Public Bank Group's treasury operations grew by 73.3% to RM289.8 million in 2024 mainly due to lower negative impact from unfavourable interest gapping activities and higher investment income. |

The performance of the Public Bank Group's treasury operations is dependent on developments in both the domestic and global financial markets. Despite various external uncertainties, the Bank remains committed to leveraging its strategic initiatives to further strengthen the treasury business and deliver value to customers.

## DOMESTIC CORPORATE LENDING

The Public Bank Group provides services to mid-size and large corporates, local and foreign listed corporations as well as conglomerates through its domestic corporate lending operations. The Group offers a wide range of conventional as well as Shariah compliant corporate loans/financing and corporate bonds/Sukuk.

| | |
|---|---|
| **Profit before tax**<br>**↑ 48.3%** | • Profit before tax increased by 48.3% to RM842.8 million in 2024, mainly due to net writeback of loan and financing impairment allowance in the current year as compared to allowance made in the previous year, and higher fee income. |
| **Loans growth**<br>**↑ 5.0%**<br><br>**Total loans, advances and financing contribution**<br>**12.0%** | • Loans grew by 5.0% or RM2.28 billion to RM47.84 billion as at the end of 2024.<br>• Total loans, advances and financing of the Public Bank Group's domestic corporate lending operations contributed 12.0% to the Group's domestic lending portfolio as at the end of 2024. |
| **Loan loss coverage**<br>**215.0%** | • The loan loss coverage of the Public Bank Group's domestic corporate lending operation remained high at 215.0%, underscoring prudent loan loss reserves to mitigate potential increase in credit losses. |
| **Gross impaired loans ratio**<br>**0.84%** | • Gross impaired loans ratio improved from 0.97% a year ago to 0.84% as at the end of 2024. |

# Capital Market

## INVESTMENT BANKING

Public Investment Bank Berhad ("Public Investment Bank") provides a comprehensive selection of stock broking services and investment banking services which comprise corporate finance and advisory services, advisory for issuance of corporate bonds and sukuk, corporate lending as well as treasury. Public Investment Bank offers these services to an extensive pool of customers, which consists of both institutional and retail investors.

**Operating revenue**
**↑ 37.2%**

**Profit before tax**
**↑ 115.9%**

- Operating revenue grew by 37.2% to RM257.4 million.
- Profit before tax increased by 115.9% to RM92.5 million in 2024, mainly due to higher stock broking income arising from more favourable market conditions as compared to the previous year. This was partially offset by higher other operating expenses.

### Key Priorities and Achievements

- In 2024, the Debt Capital Market Division had successfully raised a total of RM7.77 billion through 14 fund raising programmes via the issuance of corporate bonds and sukuk. The Corporate Finance and Advisory Division had also completed a total of 21 corporate exercises, involving equity fund raising, merger and acquisition, restructuring as well as provision of independent advisory services.

- For its stock broking business, Public Investment Bank continues to grow its retail business by leveraging on its internet share trading platform and the Public Bank Group's Share Investment Units established nationwide. The share trading platform also facilitates foreign share trading in multiple exchanges worldwide which further contributed to the growth of the stock broking business in 2024. Meanwhile, the value added services provided by its institutional dealing teams and in-house research team had also contributed to the growth of its institutional business.

# Islamic Banking

## KEY HIGHLIGHTS 2024

Public Islamic Bank launched its latest social finance initiative
**Program Aspirasi Niaga ("iTEKAD 3.0")**

Raised awareness of sustainable finance through
**Green Financing Facilities and the Sustainable Financing Package**

Implementation of
**Value-Based Intermediation strategies**
to achieve desired objectives of Shariah practices.

***Public Islamic Bank, the Islamic banking arm and wholly-owned subsidiary of the Public Bank Group, operates under the oversight of Public Islamic Bank's Shariah Committee. Public Islamic Bank offers a comprehensive suite of Shariah compliant products and services, capitalising on Public Bank's strong brand as well as widespread branch network and infrastructure.***

# Islamic Banking

**Profit before tax**
**RM1.01 billion**
**↑34.2%**

- In 2024, the Public Bank Group's Islamic banking operation recorded an increase in profit before tax by 34.2% to RM1.01 billion from RM751.1 million in 2023, contributing 11.3% to the Group's profit before tax. The higher profit before tax was mainly due to higher growth in financing and improved net financing margin.

**Gross financing and advances**
**RM80.34 billion**
**↑9.1%**

- Public Islamic Bank's gross financing and advances expanded by 9.1% or RM6.69 billion to RM80.34 billion, mainly driven by higher residential properties, hire purchase financing and corporate financing. Total financing accounted for 18.9% of the Public Bank Group's total loans, advances and financing.

**Deposits**
**RM87.80 billion**
**↑6.6%**

**Gross impaired financing ratio**
**0.35%**

- Public Islamic Bank's customer deposits grew by 6.6% to RM87.80 billion, supported by strong growth of 6.9% in term deposits. Total deposits represented 19.5% of the Public Bank Group's total customer deposits. Public Islamic Bank's gross financing to fund as well as gross financing to fund and equity ratios stood at 87.3% and 80.1% respectively.
- Public Islamic Bank's gross impaired financing ratio remained low at 0.35%, well below the Islamic banking industry's ratio of 1.35%.
- Public Islamic Bank maintained healthy capital with Common Equity Tier I capital ratio, Tier I capital ratio and total capital ratio standing at 13.4%, 13.4% and 16.3% respectively.
- In June 2024, RAM Ratings reaffirmed Public Islamic Bank's long and short term financial institution ratings of AAA and P1 respectively premised on its highly strategic role as the Islamic banking arm of Public Bank Berhad.

## Key Priorities and Achievements

In 2024, Public Islamic's key priorities include:

- Strengthening market position and market presence for enhanced brand awareness;
- Raising awareness of sustainable finance through Green Financing Facilities and the Sustainable Financing Package;
- Continuing to support the social finance initiative, iTEKAD with the aim of assisting low-income micro-entrepreneurs through the third cohort of the iTEKAD programme;
- Implementing Value-Based Intermediation strategies to achieve desired objectives of Shariah practices; and
- Raising awareness among halal industry players on the financing support available at Public Islamic Bank through a workshop on 5 March 2024 with Halal Development Corporation Berhad, Itramas Corporation Sdn Bhd, which is a solar panel provider, and Perbadanan Kemajuan Negeri Selangor ("PKNS"), a real estate developer.

## Government Related Schemes

During the year, Public Islamic Bank participated in various government related schemes. These schemes aimed to support low-income micro-entrepreneurs by generating sustainable income and aiding their socioeconomic recovery post Covid-19.

- **Small and Medium Enterprises ("SME") Automation & Digitalisation Facility-i**
  Assist SMEs in automating processes and digitalising operations to increase productivity and efficiency.
- **All Economic Sectors Facility-i**
  Improve access to financing for SMEs to raise funds for capital expenditure and working capital.
- **Agrofood Facility-i**
  Assist SMEs to increase agrofood production for domestic and export purposes through the provision of financing at affordable rates.
- **Government Guarantee Scheme MADANI-i**
  Assist SMEs and mid-size companies via new financing or additional working capital financing.
- **Low Carbon Transition Facility-i**
  Encourage and catalyse SMEs to transition to low carbon operations by adopting sustainability practices for business resilience.

In 2024, Public Islamic Bank disbursed total financing amounting to RM278.4 million through these various schemes.

## Marketing and Promotional Initiatives

Public Islamic Bank successfully launched the following campaigns in 2024:

| Campaigns | Results |
|---|---|
| Term Deposit-i/eTerm Deposit-i Campaign<br>Term Deposit-i/eTerm Deposit-i via Financial Process Exchange Campaign | Garnered total deposits placements of RM17.82 billion. |
| 30% Discount for Safe Deposit Box-i Campaign | Rented out more than 1,300 units of Safe Deposit Box-i. |
| Solar Zero-interest Instalment Plan ("ZIIP") via Credit Card-i | Reported RM23.7 million worth of credit card transactions under the Solar ZIIP via Credit Card-i. |
| Motor Takaful Purchase Campaign | More than RM36,000 worth of purchase submissions. |
| APTB Credit Life Campaign | RM232.1 million of credit life contribution. |
| PB Wealth Amanah Campaign<br>• Joyful Cashback Campaign<br>• Supreme Cashback Campaign<br>• Joyous Waiver Campaign<br>• 'PB Young Graduate' Campaign | RM10.2 million worth of PB Wealth Amanah contribution. |
| Promotion on CASA-i Tawarruq launched on 1 October 2024. | Opened more than 30,000 new accounts under CASA-i Tawarruq amounting to RM127.3 million. |

# Islamic Banking

## Digital Initiatives

- BAE AG Personal Financing-i Digital Interest Form
- Digitisation of BAE AG Personal Financing-i Application Form
- Website Enhancement
- Solar Enquiry Form

## Other ESG-driven Initiatives

Launched the Solar "Break The Egg" Campaign in April 2024 which aimed to raise awareness on sustainable financing and boost take-ups for Solar Financing.

Public Islamic Bank in collaboration with Pusat Pungutan Zakat Majlis Agama Islam Wilayah Persekutuan organised "*Iftar* and *Asnaf* Raya Contribution". RM30,000 of wakalah zakat was contributed to Masjid Jamek Sultan Abdul Samad, Kuala Lumpur to purchase daily essentials for the homeless and Asnaf around Kuala Lumpur.

Public Islamic Bank strengthens its presence through participations in prestigious events, which include Malaysia Agriculture Horticulture & Agrotourism Show 2024, Malaysia International Halal Showcase 2024 and Kuala Lumpur Islamic Finance Forum ("KLIFF") 2024.

Public Islamic Bank visited a welfare home, Rumah Kebajikan Baitul Ehsan Al-Khairi in Kuala Lumpur and contributed a donation of RM32,500 for the home's maintenance and purchase of equipment.

## Other Initiatives

- iTEKAD 1.0, Public Islamic's first social finance initiative launched in 2023 – was a collaboration between Public Islamic Bank, Institut Keusahawanan Negara and Majlis Agama Islam Wilayah Persekutuan. The programme benefitted 25 B40 and Asnaf micro-entrepreneurs from the food and beverage sector.
- In 2024, participants underwent mentoring and coaching sessions. The programme which ended in August 2024 successfully generated more than RM1.1 million economic impact.
- iTEKAD 2.0, a collaboration between Public Islamic Bank, Lembaga Zakat Negeri Kedah and Universiti Utara Malaysia, supported 30 Asnaf micro-entrepreneurs in Sik, Kedah focusing on eco-tourism development. Over 9 months, 75% of the participants have achieved more than 20% sales growth and 84% have adopted digital payment methods (e.g. DuitNow QR) in their businesses.
- Public Islamic Bank launched its latest social finance initiative – Program Aspirasi Niaga or iTEKAD 3.0, its third programme under the iTEKAD umbrella. This initiative, developed in collaboration with TERAS focuses on the service sector, specifically the sewing industry. The partnership was officiated through the Memorandum of Understanding Signing Ceremony on 14 November 2024.
- Public Islamic Bank organised the iTEKAD Fiesta at Menara Public Bank featuring vendors from iTEKAD 1.0 programme. The event aimed to raise awareness of Public Islamic Bank's commitment towards Bank Negara Malaysia's financial inclusion agenda and showcase the participants' products and services.

## Products and Services

- Public Islamic Bank utilises leads from Halal Development Corporation Berhad's platform to cross-sell commercial and solar financing products. This enables Public Islamic Bank to provide Islamic financing facilities that support business growth of halal business companies while addressing sustainability through ESG initiatives, such as solar and green financing.
- Collaborated with two halal park operators namely Palm Oil Industrial Cluster Tg Langsat, Johor and Iskandar Halal Park Johor, to secure and obtain approval for four commercial leads under commercial financing. More engagement with halal park operators will be made to expand reach and connect with halal SMEs and prospective clients.
- The promotion of staff solar financing programme has increased awareness, leading to high engagement and strong uptake.
- Active sharing of potential customer leads with branches to explore financing opportunities such as Solar Financing, reinstatement and additional facilities.
- Participated in Global Forum on Islamic Economics and Finance as well as KLIFF in May and November respectively, showcasing Public Islamic Bank's ESG and sustainability effort as well as iTEKAD initiatives.
- Public Islamic Bank participated in Malaysia Agriculture, Horticulture & Agrotourism Show and Malaysia International Halal Showcase 2024 events in September, to promote financing solutions and cross sell credit card and solar financing.

# Islamic Banking

## Roles and Authority of Shariah Committee ("SC")

- Public Islamic Bank's SC was established in line with the requirements of Islamic Financial Services Act 2013 and the Shariah Governance Policy Document ("SGPD") issued by BNM, which came into effect on 1 April 2020. The SC is responsible for the overall Shariah governance and Shariah-compliance of Public Islamic Bank.
- The SC members were appointed by the Board of Directors to perform oversight and advisory roles on Shariah matters to ensure that Public Islamic Bank's business and activities are in compliance with Shariah principles.
- The roles and responsibilities of the SC as guided by Paragraph 10.2 of BNM's SGPD are as follows:
  - Perform an oversight role on Shariah matters related to the Bank's business operations and activities, including oversight requirements;
  - Advise the Board of Directors and the Management on Shariah related matters in order for the Bank to comply with Shariah rules and principles at all times. The SC members are responsible and accountable for all Shariah decisions, opinions and views provided by them;
  - Endorse Shariah related policies and guidelines;
  - Approve products and services to ensure compliance with Shariah rules and principles which include:
    - ~ validating the terms and conditions contained in the forms, contracts, agreements or legal documents used in executing the transactions; and
    - ~ validating the product manual, marketing advertisements, sales illustrations and brochures used to describe the product and services.
  - Assess work carried out by Shariah Risk Management, Shariah Review and Compliance, and Shariah Audit (Shariah Control Function) which forms part of the SC duties in providing compliance assessment in Shariah and assurance information in the annual report of the Bank;
  - Advise related parties such as the Bank's parent company, clients, legal counsels, auditors or consultants on Shariah matters for advice upon request;
  - Advise the Bank to consult the SAC of BNM and Securities Commission on Shariah matters that cannot be resolved;
  - Provide written Shariah opinions in circumstances where the Bank makes reference to the SAC for further deliberation, or where the Bank submits application to BNM for new product approval;
  - Notwithstanding the above, the SC is also responsible to perform any specific duties and responsibilities outlined in any policy documents or standards issued by the relevant authority at all times.

In 2024, a total of 15[1] meetings were held and details of attendance of the SC members are as follows:

| Shariah Committee Members | Number of SC Meetings | |
|---|---|---|
| | Held During Tenure in Office | Attended |
| Dr. Shafaai bin Musa | 15 | 15 |
| YM Engku Ahmad Fadzil bin Engku Ali | 15 | 15 |
| Assoc. Prof. Dr. Syed Musa bin Syed Jaafar Alhabshi | 15 | 15 |
| Assoc. Prof. Dr. Marhanum bin Che Mohd Salleh | 15 | 15 |
| Assoc. Prof. Dr. Yasmin Hanani Mohd Safian (Appointed on 1 April 2024) | 11 | 11 |
| En. Wan Abdul Rahim Kamil bin Wan Mohamed Ali (Completed tenure on 1 April 2024) | 4 | 4 |

[1] *Number of SC Meetings held and attended from 1 January 2024 till 31 December 2024.*

## Zakat Obligation

Public Islamic Bank's zakat payment amounted to RM2,221,000, which has been paid to 14 states of zakat authorities in Malaysia for the assessment year of 2023.

# International **Operations**

## KEY HIGHLIGHTS 2024

**Among Cambodian Public Bank Plc's top awards**

**Best Corporate Governance Bank Cambodia 2024**

**Banking Customer Satisfaction & Happiness Cambodia 2024**

**Best Bank for Sustainable Development Cambodia 2024**

**The Next 100 Global Awards 2024 - Banking Group**
*by Global Banking & Finance Review*

**Domestic Categories – Best Commercial Bank - SMEs in CLM (Cambodia, Laos, Myanmar) for 2024**
by FinanceAsia

**Bank of the Year, Cambodia for 2024**
by The Banker of London

**Cambodia's Best Bank for Diversity and Inclusion**

**Cambodia's Best Bank for ESG**
by Euromoney

**USD Straight-Through-Processing Excellence Award 2023**
by Bank of America Merrill Lynch, New York

### Public Bank Group's International Operations

Loss before tax
**RM130.8 million**
(including goodwill impairment)

Profit before tax
**RM343.0 million**
(excluding goodwill impairment)

### Cambodian Public Bank Plc

↑ **9.0%**
profit before tax

↑ **6.4%**
loans growth

↑ **10.4%**
deposits growth

### Public Bank Vietnam Limited

↓ **39.9%**
profit before tax

↑ **11.2%**
loans growth

↑ **13.6%**
deposits growth

# International Operations

## Branch Network

**Hong Kong**
Branches
**73**

**PRC**
Branches
**5**

**Vietnam**
Branches
**40**

**Cambodia**
Branches
**32**

**Lao PDR**
Branches
**4**

**Sri Lanka**
Branches
**3**

In 2024, the Public Bank Group's International Operations recorded a pre-tax loss of RM130.8 million as compared to a pre-tax profit of RM504.3 million in the previous year. The negative variance was mainly due to one-off recognition of impairment on goodwill of RM473.8 million for Hong Kong operations in the current year, higher loan impairment allowance and higher other operating expenses.

The Public Bank Group's operations in Indochina continued to expand in 2024. Cambodian Public Bank, Public Bank Vietnam and Public Bank Lao Limited ("Public Bank Lao") sustained profitability and posted healthy growth in loans and deposits. This robust business performance underscores the Group's continued presence in the Indochina region, with over 30 years of proven financial track records.

In July 2024, Public Bank Vietnam successfully completed the acquisition of the entire share capital of RHB Securities Vietnam Company Limited, which was renamed to Public Bank Securities Vietnam Limited. The acquisition, marking another major milestone for the Group, aligns with the Group's growth strategies to expand its financial services in Vietnam through securities trading business to increase income streams and further strengthen the PB Brand as a comprehensive financial service provider in Vietnam.

## HONG KONG

Public Financial Holdings Limited ("PFHL"), a company listed on the Stock Exchange in Hong Kong since 1991 undertakes the Public Bank Group's operations in Hong Kong through its two major subsidiaries, namely Public Bank (Hong Kong) Limited ("PBHK") and Public Finance Limited ("PFL"). PBHK focuses on retail and commercial banking, stock broking and wealth management services whereas PFL concentrates on consumer financing and deposit taking activities.

In 2024, Hong Kong's economy experienced modest post-pandemic growth. However, challenges persisted for small and medium enterprises ("SMEs") and traditional businesses amidst the challenging landscape shaped by external factors due to geopolitical risks, shifting consumption patterns and a slump in real estate.

### Public Financial Holding Group

Loss before tax
**HKD1,015.4 million**
↓ >100.0%

| Public Financial Holdings Group | Public Bank (Hong Kong) Limited | Public Finance Limited |
|---|---|---|
| Gross loans, advances and financing<br>**HKD24,542.0 million**<br>↑ 1.0% | Gross loans, advances and financing<br>**HKD18,853.6 million**<br>↑ 0.5% | Gross loans, advances and financing<br>**HKD5,222.7 million**<br>↑ 2.0% |
| Deposits from customers<br>**HKD 32,173.5 million**<br>↑ 8.9% | Deposits from customers<br>**HKD27,943.7 million**<br>↑ 11.0% | Deposits from customers<br>**HKD4,276.6 million**<br>↓ 2.9% |
| Gross impaired loans ratio<br>**2.30%**<br>2023: 3.83% | Gross impaired loans ratio<br>**2.03%**<br>2023: 4.46% | Gross impaired loans ratio<br>**1.91%**<br>2023: 1.63% |

# International Operations

- In 2024, PFHL Group reported a loss before tax of HKD1,015.4 million, mainly due to a goodwill impairment charge of HKD810.0 million. The Group's total operating income remained relatively stable, recording a marginal decline of 0.2% to HKD1,236.6 million. This was primarily attributed to a reduction in net interest income, driven by heightened funding costs. However, this decline was partially offset by a stronger performance in other operating income, which increased by 8.5% or HKD19.7 million to HKD253.3 million, supported by higher fees and commission income from wealth management services, stockbroking, and securities management.

- PFHL Group's gross loans and advances recorded an increase of 1.0% to HKD24.54 billion. The increase was mainly attributable to property mortgage loan portfolio driven by the full upliftment of property market cooling measures and the relaxation on prudential measures on property mortgage loans by the Hong Kong Government. PFHL Group's customer deposits also improved by 8.9% to HKD32.17 billion arising from strong deposit-holding by customers as investment sentiment continued to be cautious with escalated market volatilities and uncertainties.

- PFHL Group's asset quality showed improvement as the gross impaired loans ratio declined from 3.83% a year ago, to 2.30% as at the end of 2024. This improvement was mainly due to the settlement of a large commercial exposure. Amid evolving economic conditions, PFHL Group remains committed to maintaining prudent risk management practices to safeguard its asset quality.

- Moving forward, PFHL Group will continue to adopt prudent credit underwriting standards and manage deposit costs in alignment with the volatile interest rate environment and challenging operating conditions in pursuing long-term business growth.

- This year marked the 12th year of PBHK's strategic partnership with AIA International Limited (Hong Kong) to distribute bancassurance products. Total annualised new premium ("ANP") generated in 2024 was HKD21.0 million.

- Despite challenges in the operating environment, the financial position of PFHL Group remains resilient as the Group is committed to maintaining long-term profitability through cost-saving business rationalisation measures undertaken in Hong Kong. This include optimising system and human capital management, streamlining the support services across group entities and making use of synergies from the combined branch network and resources within PFHL Group to improve cost efficiency and productivity.

## CAMBODIA

The Public Bank Group's business operations in Cambodia are driven by:

i. Cambodian Public Bank ("Campu Bank");
ii. Campu Securities Plc ("Campu Securities"); and
iii. Campu Lonpac Insurance ("CLIP").

Established in 1992, Campu Bank has grown to become one of Cambodia's leading financial institutions, providing a comprehensive range of banking and financial services serving a diverse customer base including individuals, small and medium enterprises and large corporations.

Campu Bank has established subsidiaries namely Campu Securities, a wholly owned subsidiary of Campu Bank, to provide securities underwriting business, and Campu Lonpac Insurance, to offer general insurance services in Cambodia.

In 2024, Cambodia's robust economy grew favourably mainly driven by strong rebound in exports, ongoing recovery in tourism and improvement in foreign direct investments.

### Cambodian Public Bank Plc

**Profit before tax**
**USD80.6 million**
**↑ 9.0%**

**Gross loans, advances and financing**
**USD1,494.1 million**
**↑ 6.4%**

**Deposits from customers**
**USD1,476.5 million**
**↑ 10.4%**

**Gross impaired loans ratio**
**3.06%**
2023: 1.52%

- In tandem with improving economic conditions, Campu Bank's pre-tax profit increased by 9.0% to USD80.6 million in 2024 primarily driven by lower loan impairment allowance and higher net interest income resulting from a larger loan base.
- Campu Bank's loans portfolio grew by 6.4% to USD1.49 billion as at the end of 2024, capitalising on Cambodian's resilient economy. In terms of deposits mobilisation, Campu Bank's customer deposits also increased by 10.4% to USD1.48 billion.
- The gross impaired loans ratio of Campu Bank rose to 3.06%, from 1.52% a year ago, mainly due to vulnerabilities in certain economic sectors arising from the lingering effects of the post-Covid-19 pandemic.
- Campu Bank entered into its eighth year of bancassurance distribution partnership with AIA (Cambodia) Life Insurance Plc. Total ANP of USD0.6 million was underwritten in 2024 from life and health insurance plan. During the year, a new life insurance plan *'AIA Samrab Naek (2 protect 7)'* was launched to provide tailored short- to medium-term protection to customers.
- CLIP, a key player in Cambodia's highly competitive general insurance market, achieved pre-tax profit of USD1.1 million in 2024.

# International Operations

## Awards

### Global Banking & Finance Review

- Best Corporate Governance Bank Cambodia 2024
- Banking Customer Satisfaction & Happiness Cambodia 2024
- Best Bank for Sustainable Development Cambodia 2024
- The Next 100 Global Awards 2024 - Banking Group

### The Banker of London

Bank of the Year, Cambodia for 2024

### Euromoney

- Cambodia's Best Bank for Diversity and Inclusion
- Cambodia's Best Bank for ESG

### FinanceAsia

Domestic Categories – Best Commercial Bank - SMEs in CLM (Cambodia, Laos, Myanmar) for 2024

### Bank of America Merrill Lynch, New York

USD Straight-Through-Processing Excellence Award 2023

### VISA

- Leadership in Spend per Active Card for Visa Credit in Affluent Segment
- Leadership in Spend per Active Card for Visa Debit in Affluent Segment
- Leadership in Consumer Credit Payment Volume
- Leadership in Domestic Merchant Sales Volume
- Champion of Security Issuing Award
- Champion of Security Acquiring Award

## VIETNAM

In 2024, Vietnam's economy exhibited remarkable growth, solidifying its position as a leader among Southeast Asia's economies. The high growth was fuelled by increased foreign direct investments, a thriving manufacturing base and a tourism resurgence. Nevertheless, Vietnam's economy remains susceptible to fluctuations in global demand, particularly in its export sector, and ongoing geopolitical and macroeconomic uncertainties. This had affected the banking sector in Vietnam with slower credit growth.

### Public Bank Vietnam

**Profit before tax**
**VND325.37 billion**
**↓ 39.9%**

**Gross loans, advances and financing**
**VND29,246.56 billion**
**↑ 11.2%**

**Deposits from customers**
**VND24,242.11 billion**
**↑ 13.6%**

**Gross impaired loans ratio**
**2.93%**
2023: 3.26%

- In 2024, Public Bank Vietnam recorded a 39.9% decrease in profit before tax to VND325.37 billion primarily due to compression in net interest margin, and higher other operating expenses.
- Public Bank Vietnam maintained steady loans growth of 11.2% to reach VND29,246.56 billion as at the end of 2024. Similarly, customer deposits showed commendable growth, rising by 13.6% to VND24,242.11 billion.
- The bancassurance tie-up between Public Bank Vietnam and AIA (Vietnam) Limited generated ANP of VND852.0 million in 2024, impacted by the new strict regulatory requirements for bancassurance in Vietnam.
- Public Bank Securities Vietnam, officially operating as a wholly owned subsidiary of Public Bank Vietnam in July 2024, is expected to contribute positively to the future earnings of the Group.

### Award

**VISA**
Outstanding Payment Volume yoy Growth 2024

# International Operations

## LAO PDR

- Public Bank Lao officially commenced operations on 1 January 2024, taking over the banking businesses of the four foreign bank branches of Public Bank in Lao PDR.
- In 2024, Lao PDR's economy expanded moderately, driven by ongoing recovery in tourism, trade and investments, bolstered by improved infrastructure.

### Public Bank Lao

**Profit before tax**
**LAK 99.56 billion**
**↑ 9.8%**

**Gross loans, advances and financing**
**LAK 2,389.87 billion**
**↑ 21.6%**

**Deposits from customers**
**LAK 1,984.30 billion**
**↑ 8.1%**

**Gross impaired loans ratio**
**3.47%**
2023: 6.86%

- In tandem with the positive economic momentum of Lao PDR, Public Bank Lao's profit before tax increased by 9.8% to LAK99.56 billion, backed by strong growth in loans of 21.6% to LAK2,389.87 billion and deposits growth of 8.1% to LAK1,984.30 billion.
- Gross impaired loans ratio improved to 3.47% as at the end of 2024, from 6.86% in a year ago.

## SRI LANKA

- Public Bank has established a banking presence in Sri Lanka since 1992, and currently has three branches.
- Sri Lanka's economy is showing signs of stability and recovery following a period of economic crisis and high interest rates with increasing tourist arrivals. This recovery is supported by business-friendly measures, including interest rate reduction by the Government of Sri Lanka to stimulate economic activity.
- Against this economic backdrop, Public Bank's Sri Lanka Operations achieved a lower profit before tax of LKR324.2 million in 2024 due to reduced net interest margin, as lending rates in Sri Lanka fell significantly. Customer deposits grew by 7.8% to LKR3,603.8 million as at the end of 2024. However, total loans and advances declined by 2.7% to LKR5,616.3 million due to subdued credit demand from the earlier high interest rates regime and economic uncertainty prevailing in Sri Lanka.

# Serving the **Customer**

## KEY HIGHLIGHTS 2024

Internationally benchmarked

**ISO 9001:2015 certification**

*'Provision of Customer Services at the Front Office' and 'Provision of Customer Service in Loan Delivery'*

Customer Feedback Questionnaire ("CFQ")

**> 96%**

customers satisfied with services rendered

Established

**Business Continuity Management ("BCM") process**

to provide uninterrupted banking services in the event of disaster(s)

***Public Bank's service tagline, "Bank for the People," reflects its mission to prioritise the needs of its customers and emphasises the Bank's commitment to efficiency, integrity and social responsibility.***

### WE ARE THE BANK FOR THE PEOPLE

By branding itself as a **"Bank for the People",** Public Bank positions itself as not just a financial institution but also a trusted partner in its customer's financial journey. In terms of customer care, this approach aligns with Public Bank's corporate philosophy of ensuring that customers receive courteous and efficient service and underscores Public Bank's goal of delivering excellence while maintaining a people-first philosophy.

The Public Bank Group continuously strive to enhance its delivery of financial products and services to meet growing customer demand. The Group's well-trained customer service team is fully equipped with the necessary skills and tools to foster customer trust and loyalty as well as improve overall customer experience. This sets the guiding principles for a deep engagement that forges enduring customer relationships.

# Serving the Customer

## Key Priorities and Achievements

| | |
|---|---|
| **SIRIM Certified** | **ISO 9001:2015 certification for the *'Provision of Customer Services at the Front Office'*.**<br>In 2024, Public Bank achieved conformance rate of 64%, with 5.1 million customers served within 2 minutes Standard Waiting Time ("SWT"). The Bank served a total of 6.2 million customers within the 5 minutes SWT, which is equivalent to a conformance rate of 77%.<br>**ISO 9001:2015 certification for the *'Provision of Customer Service in Loan Delivery'.***<br>Public Bank carries out its loan processing and loan disbursement at branches in accordance with the Bank's standard turnaround time to ensure efficient service in loan delivery. |
| **Customer Feedback Questionnaire ("CFQ")** | To deliver high-quality products and services while enhancing the overall customer experience, Public Bank consistently conducts customer service surveys to gain valuable insights into customer behaviour and expectations. Through its in-house CFQ, the Bank actively gathers feedback to drive continuous improvement and ensure customer satisfaction.<br>Public Bank achieved high rating on counter services as well as loan services delivery. More than 96% of the Bank's customers were satisfied with the services rendered. |
| **Prompt Complaint Resolution System** | Public Bank has implemented robust monitoring systems to ensure all complaints received are tracked, recorded and addressed by the appropriate stakeholders. In addition to adhering to a standardised response timeline, the Bank is also committed to providing prompt resolution, addressing complaints and feedbacks in the shortest possible time.<br>Public Bank achieved 100% compliance in meeting the internal turnaround time, whereby acknowledging and addressing complaints are made within 1 day and 10 days respectively. |
| **Special Care Service for Customers** | Public Bank is committed to supporting individuals with disabilities and those needing special assistance during visits to the branch. The Bank provides Special Care Counters at all branches for senior citizens, expectant mothers and the physically disadvantaged. A separate queue system ensures greater comfort and convenience during their visits. |
| **Customer Service Focus Group ("CSFG")** | CSFG is a digital platform implemented at branches to gather customer insights and address expectations and needs of customers. Using the CSFG platform, Public Bank collates customer feedback to develop processes and enhance its products and services to cater to the needs of customers. |
| **Business Continuity Management ("BCM")** | Public Bank has an established BCM process in place, which enables the Bank to provide ongoing service deliveries in the event of disaster(s).<br>Public Bank continues to review, enhance and test its Business Continuity Plan to ensure operational and infrastructure sustainability for delivery of essential banking services. |

# Channel **Management**

## KEY HIGHLIGHTS 2024

Introduced
**MyPB online banking,**
the newly redesigned online banking platform for retail customers

Enhancement of
**Digital offerings** and
**Seamless access** on
**PB enterprise App**

Launched
**Carbon Tracker**
on **MyPB App**

Expansion of
**Cross-border Transactions**
via **Alipay+**
to **47 countries**

Enhancement of
**MyPB App**
with new and improved features

Introduced the
**PB Scam Rangers,**
mobile cyber security fraud experts

***The Public Bank Group drives digital transformation by integrating physical and digital channels to meet customer needs in a fast-paced, connected world. Through secure and innovative services, the Group ensures convenience and accessibility at every touchpoint. Guided by Environmental, Social and Governance ("ESG") principles, the Group's strategy aims to enhance efficiency, reduce environmental impact, and support a sustainable, inclusive future.***

# Channel Management

**Self service terminals**
**2,061**
2023: 2,070

- Public Bank has more than 2,000 units of self service terminals which comprised Automated Teller Machines, cash recycling machines, cheque deposits and coin deposits machines at various in- and off-branches located throughout Malaysia.

**Retail Mobile Banking: PB engage + MyPB App**
New Users: ↑ 22.8%
Active Users: ↑ 12.6%

- The transition from PB engage to MyPB App has seen strong customer adoption, driven by user-centric designs and modern lifestyle features. Thanks to the app's ease of use and enhanced security features, new users grew by 22.8% and active users rose by 12.6% in 2024.

**Retail Internet Banking PBe: PBe + MyPB online banking**
New Users: ↑ 7.6%
Active Users: ↑ 6.5%

- The revamped MyPB online banking platform also registered steady growth of new users by 7.6% and active users by 6.5%. Customers responded positively to the various enhanced security features and user-friendly interface.

**Financial Transactions via Retail Mobile and Internet Banking**
Mobile Banking Transaction Volume:
↑ 54.5%
Mobile Banking Transaction Value:
↑ 47.8%
Internet Banking Transaction Volume:
↓ 15.9%
Internet Banking Transaction Value:
↓ 6.1%

- With the switch towards mobile banking as the preferred platform for financial transactions, users are embracing the convenience and flexibility of mobile solutions. Mobile banking transaction surged by an impressive 54.5% while transaction value rose by 47.8%. Meanwhile, transaction volume and value via internet banking fell by 15.9% and 6.1% respectively.
- The rise in mobile transactions reflects growing customer trust in secure eco-friendly digital platforms, demonstrating Public Bank's commitment in sustainability through real-time banking solutions.

**Corporate Internet Banking: PB enterprise**
New Users: ↑ 16.1%
Transaction Volume: ↑ 18.3%
Transaction Value: ↑ 20.3%

- The PB enterprise platform recorded an increase in new users by 16.1% and has facilitated over 70 million transactions throughout the year.
- PB enterprise witnessed robust growth in both transaction volume and value by 18.3% and 20.3% respectively. The platform is able to streamline operations, enhance transaction security and provide customers with a seamless experience.

## Digital Initiatives

Public Bank's digital transformation is guided by its commitment in terms of innovation, inclusivity and sustainability. By continuously enhancing its platforms, the Bank ensures that all customers have access to its secure and intuitive digital banking services.

**Driving Innovation and Inclusivity**

**Sustainability at the Heart of Banking**

**Transcending Payments beyond Borders**

**Creating Value for Customers and Businesses**

# Channel Management

## Cybersecurity: Safeguarding Digital Banking

Public Bank's approach to cybersecurity ensures that customers can perform their banking transactions with confidence, knowing that their transactions are secure and protected by robust, proactive security measures.

- In 2024, Public Bank further strengthened its security infrastructure by implementing key initiatives in alignment with Bank Negara Malaysia ("BNM")'s guidelines to combat financial scams.
- **PB SecureSign Standardisation**: Public Bank's standardised PB SecureSign across both retail and corporate platforms, offers consistent and high level of security for all users. This multi-factor authentication system adds an essential layer of protection, ensuring the integrity of online transactions.
- **'*Kill Switch*' Functionality**: The *'Kill Switch'* feature is available across all platforms to allow customers to deactivate their online banking access immediately if suspicious activity is detected. This real-time control significantly reduces the risk of unauthorised transactions, providing customers with greater peace of mind.
- **Customer-centric Safeguards**: To enhance security, Public Bank has introduced mandatory cooling-off periods for changes to transaction limits or personal details, providing an added layer of protection. These safeguards, including activation delays for PB SecureSign (Digital Token) and SecureSign Token (Hard Token), ensure that customers are protected from unintended changes, enhancing security while maintaining customer control.
- **Fraud and Scam Reporting**: Public Bank introduced a *'Report Fraud/Scam Incident'* feature on the PBe login page, allowing customers to report fraudulent activities quickly and efficiently. The *'Reporting Phishing'* feature also enables customers to report phishing websites easily, contributing to a safer digital banking environment.
- **Secure Communication and System Updates**: All Short Message Service ("SMS") communications sent via Public Bank's designated SMS short code ensures authenticity of communications with customers. Additionally, the Bank ceased support for outdated internet browsers and mobile device operating software, ensuring the highest level of personal and financial security.
- **Enhanced Security for PB enterprise**: Public Bank continues to advance security measures for corporate clients by migrating from SMS One-time Password to PB SecureSign for PB enterprise mobile app. Fraud monitoring systems and challenge question enrolment provide additional security for corporate transactions, demonstrating the Bank's commitment in safeguarding its business operations.
- **Anti-scam Awareness and Education**: Public Bank continues to prioritise customer education through extensive anti-scam awareness campaigns across its digital platforms, including mobile apps, websites, social media and email communications. In collaboration with BNM and the Association of Banks in Malaysia, the Bank drives industry-wide efforts to prevent scams and educate customers on online safety best practices.
- **PB Scam Rangers**: Public Bank continues to strengthen its digital security infrastructure through proactive measures that build long-term trust with customers. Leading this effort is the PB Scam Rangers, a dedicated team on a mission to combat cybersecurity fraud. Through nationwide outreach campaigns, they engage with the public, raising awareness and educating communities about the latest scams and how to stay protected.
- Public Bank's comprehensive efforts in fraud prevention have protected over **1.1 million customers** and prevented more than **3.6 million** transactions worth **RM1.71 billion** in fraudulent transactions. The Bank strengthens its fight against scams through ongoing campaigns across its digital platforms, creating awareness and empowering customers with fraud prevention strategies while keeping them informed every step of the way.

# Information and **Communication Technology**

## 1 CONTINUOUS DIGITAL MOMENTUM

Public Bank continues its growth trajectory in digital advancements, ensuring that technology and customer needs converge seamlessly.

**Refreshing User-centric Banking Experiences:** The all-new MyPB online banking to replace the existing PBe online banking – features a modern, intuitive and refreshing interface that blends familiarity and functionality. In addition, the MyPB mobile app continues to provide a series of new features such as multilingual modes, carbon footprint tools, cardless withdrawals, additional integrated online application services and much more.

**Innovating Service Delivery:** Retail financing and hire purchase service delivery speeds and customer experiences have been greatly elevated with a new Automated Approval system, along with the integration of additional centralised credit information capabilities. Public Bank has also further expanded its delivery channels with an innovative new online will/wasiat writing service, providing greater convenience and flexibility to apply for the Bank's financial planning service. The online service greatly simplifies the application process with its intuitive and user-friendly interface, helpful tooltips and built-in validation capabilities.

**PB Dynamic eBiz Card:** An internally-developed digital networking solution, the dynamic eBiz Card enables staff to customise and share their professional contact information in various formats via an array of communication channels. The Bank is the first in the industry to launch such an integrated and dynamic networking solution – featuring real-time customisations and controls, as well as secure personalised online profiles that allow recipients to seamlessly view and save contact information, securely apply for the Bank's products and services, as well as utilise various useful online tools including financing calculators, branch locators and promotions.

**Environmental, Social and Governance ("ESG"):** Public Bank continues to expand its digital innovations in line with its commitment to ESG and responsible financing practices. The Bank has built a centralised ESG portal that digitally integrates the collection, monitoring and reporting of ESG-related data across the Bank's operations nationwide.

For customers, the new online Sustainable Financing Hub has been introduced – seamlessly connecting customers with a suite of green financing solutions along with various ESG tools and education resources to assist businesses that are embarking on their ESG transformation journey.

# Information and Communication Technology

## 2 BOOSTING BUSINESS AGILITY

In a rapidly changing market environment, the Public Bank Group continues to boost business agility and responsiveness through innovative practices and technologies.

**Rapid Solution Development:** Public Bank continues its focused efforts in further streamlining the development and delivery of its solutions across various channels – leveraging automation, artificial intelligence, machine learning and new tools.

At the heart of these ongoing initiatives are the dedicated specialised Development, Security, Operations and Cloud Technologies IT teams – building continuous integration and deployment pipelines. This includes establishing new infrastructure-as-code practices and additional automations of end-to-end processes throughout the development life cycles of Public Bank's digital solutions. By integrating new tools and systems, the Bank has also automated the code and licensing scanning processes, significantly improving the speed and quality of the solutions implemented.

**Collaborative Efforts for Enhanced Service Delivery:** Strengthening strategic partnerships with financial technology ("FinTech") entities, as well as various private and public sector entities continues to drive the integration of advanced technologies and delivery of new banking solutions. The spirit of open banking and open application programming interface solutions further expand the innovation of new products and service capabilities. A robust new treasury management system with multi-platform straight through process integrations was implemented – enabling Public Bank to tailor and offer innovative new financial products such as customised derivatives and other trade contracts.

In addition, collaborations with PayNet have enabled Public Bank to be the first bank in Malaysia to integrate the Discover® Global Network, expanding the services and acceptance of foreign Discover credit cards across all self-service terminals.

Collaborations using new regulatory technologies further enhanced Public Bank's existing processes across its services channels. In this regard, the Bank was also the first in the industry to successfully implement an artificial intelligence ("AI") and machine learning-powered anti-money laundering transaction monitoring solution – greatly enhancing the capabilities of identifying new risks and reducing false positives in real-time.

## 3 SECURING CUSTOMER TRUST THROUGH COMPREHENSIVE CYBER RESILIENCE

The Public Bank Group prioritises cybersecurity and comprehensive IT risk management while continuing to invest in regulatory technology. By integrating advanced technologies and processes, it safeguards customer information, builds trust and reinforces the Bank's unwavering commitment to cyber resilience.

**Proactive Cybersecurity Measures:** Supported by ongoing investments and the incorporation of modern monitoring, detection and threat response solutions integrated with artificial intelligence and machine learning capabilities across Public Bank's robust information and communication technology ("ICT") infrastructure. The AI fraud prevention system for online banking has been expanded across more enterprise banking channels – further enhancing the Bank's robust transaction monitoring, detection and response capabilities.

In addition, Public Bank continues to enhance its core zero-trust architecture model with new measures and processes, including expanding multi-factor authentication solutions, additional document safety technologies and a robust new repository management system.

**Collaborative Security as a Culture:** Public Bank maintains its approach of holistic cyber resilience through collaboration and partnerships. This includes expanding collaborations with regulatory and industry cybersecurity agencies, as well as independent security specialists for threat intelligence, incident handling, cyber drills and ongoing assessments. To deter scams and protect customers, cooling-off periods, kill-switches, secure token authentication capabilities and ongoing education have been incorporated across various online banking channels.

## 4 FUTURE-READY ICT INFRASTRUCTURE

The backbone of Public Bank's ICT strategy is its commitment to maintaining its modern and robust ICT infrastructure to support the ever expanding business goals and initiatives.

**Modernising Core Systems:** Upgrades to the IBM mainframe systems as well as new investments into containerisation and database caching technologies have enhanced processing, performance and scaling capabilities – further enabling Public Bank to handle increased transaction volumes efficiently. This advancement supports seamless banking operations for customers.

**Network Optimisation Initiatives:** The Group has invested in upgraded dynamic switches along with new real-time network monitoring solutions. These upgrades are designed for greater network performance, high availability and continuous reliable connectivity. This commitment to both network hardware and software modernisation enhances the Bank's overall service delivery performance and consistency.

**Comprehensive Monitoring and Disaster Recovery Infrastructure:** The investment of new mainframes and ICT infrastructure monitoring platforms powered by artificial intelligence and machine learning, along with the expansion of disaster recovery protocols, has further strengthened Public Bank's ability to maintain its continuous operations during unforeseen incidents. Regular drills and robust backup systems also protect customers' interests and uphold the Bank's service reliability.

# Information and Communication Technology

## 5 EMPOWERING A HIGH-PERFORMING ICT WORKFORCE

The Public Bank Group recognises the vital role of a skilled workforce in driving technological advancement and innovation.

**Investment in Employee Training:** In addition to ongoing professional development programmes for the ICT workforce, targeted training and certifications for specialised IT technical teams were also carried out. These training and certifications focus on emerging technologies – such as AI and machine learning, cloud technology, fintech and cybersecurity to ensure staff are equipped with the necessary skills to excel and support Public Bank's various technological trajectories.

**Specialised Talent Acquisition and Knowledge Transfers:** Public Bank's engagement with certified specialists and specialised technology consultants accelerates the strengthening of the Bank's technical expertise – in line with the Bank's rapid digital growth strategies, new technology adoptions and responses to the evolving ICT environment.

## 6 FUTURE PLANS AND THE WAY FORWARD

Public Bank remains dedicated to innovation and leverages future-ready technologies and solutions to drive consistent and sustainable growth for the future.

**Artificial Intelligence and Machine Learning:** Expanding the use of artificial intelligence and machine learning including Gen-AI and AI Ops will further enhance operational efficiency, speed-to-market, cyber resiliency and elevate customers' banking experiences.

**Cloud Strategy Emphasis:** Leveraging cloud technologies – such as multi-cloud architecture, deployment models and scalable infrastructure. Public Bank aims to enhance productivity, accelerate digital growth and expand its service capabilities. This includes introducing cloud-based big data advanced analytics frameworks with real-time monitoring and response.

**Open Banking and Strategic Collaborations:** The Bank will continue to foster strategic partnerships to unlock additional opportunities to expand the suite of banking solutions, service integrations and provide seamless user experiences in line with customers' everyday lifestyle needs. New collaboration opportunities include data integrations with private sector entities such as telecommunications and healthcare, as well as government and regulatory agencies.

**Quantum Computing:** Preparing for the next-generation quantum-safe cryptography encryption and security, along with AI-driven and quantum machine learning for automated real-time decision making and response.

The Public Bank Group's ICT strategies encapsulate a steadfast commitment to integrating innovation with its core values for its people, processes and technologies. By advancing digital capabilities, ensuring robust security and cultivating a skilled workforce, Public Bank is positioned to meet the evolving needs of its customers and stakeholders, delivering exceptional value in the rapidly changing banking landscape, in the present and more importantly – the *future*.

# Branch Performance - KPIs and Awards

## BRANCH KEY PERFORMANCE INDICATORS

Public Bank evaluates the business performance and operational efficiency of its branches as well as effectiveness of achieving the Bank's strategic goals via the adoption of Key Performance Indicators ("KPIs"). The key performance factors used include profitability, growth in loans and deposits, Environmental, Social and Governance ("ESG") initiatives, asset quality, compliance, staff productivity and operational efficiency. These KPIs serve as a foundation for appraising and rewarding branch staff, as well as for allocating resources effectively.

### Public Bank's Approach

The KPIs are reviewed annually to ensure that these remain relevant to the current operating environment and business strategies of Public Bank. Monthly dissemination of branch performance and rankings enables close monitoring, allowing branches to benchmark against peers and take timely actions to achieve and exceed their KPIs.

### Public Bank's Measurement Criteria

The KPIs and measurement criteria for assessment of branches, key management and supervisory staff are outlined below:



# Branch Performance - KPIs and Awards

## Branch Performance Awards

Public Bank has a performance-based reward structure that recognises top performing domestic and overseas branches through the annual Branch Performance Awards. These awards with attractive cash prizes are intended to motivate branches to excel in various key performance areas.

The categories and criteria for the Branch Performance Awards are reviewed annually to align with the Bank's business objectives. Winners are selected based on stringent criteria that assess key areas of business performance, loans assets quality, compliance and risk management, cost efficiency as well as customer service delivery. Branches are segregated into six groups based on branch size and rated against their respective peers.

### BRANCH PERFORMANCE AWARDS 2024

**The Founder Award**
for the Overall Best Domestic Branch

**Best Branch Awards**
for domestic and overseas branches

**Special Awards**
for specific areas of business performance, branch management and service quality

## The Winners

A total of 103 awards with cash prizes worth RM959,000 were rewarded to the winners of the Branch Performance Awards in 2024.

### WINNERS OF THE BEST BRANCH AWARDS FOR 2024

#### Domestic Branches

**Group 1**
Jalan Raja Chulan Branch

**Group 2**
Bandar Puteri Puchong Branch

**Group 3**
Kota Damansara Branch

**Group 4**
Taman Daya Branch

**Group 5**
Bandar Setia Alam Branch

**Group 6**
Bandar Kinrara Branch

#### Overseas Business Units

**Public Bank (HK) Limited**
Tseung Kwan O Branch

**Public Finance Limited**
Yuen Long Branch

**Cambodian Public Bank**
Boeng Tumpun Branch

**Public Bank Vietnam**
Phu Nhuan Branch

**Public Bank Lao Limited**
Wattay Branch

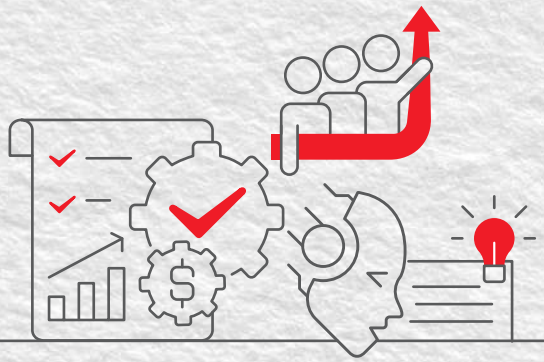
### WINNER OF THE FOUNDER AWARD FOR 2024

#### Jalan Raja Chulan Branch



# Cultivating
# A SUSTAINABLE WORKFORCE.

At Public Bank, we **empower employees with training and support** to lead in sustainable finance, fostering a culture of innovation and growth.



# Board of **Directors**



**Lai Wan**
Non-Independent
Non-Executive Chairman



**Tan Sri Dato' Sri Dr. Tay Ah Lek**
Managing Director &
Chief Executive Officer



**Cheah Kim Ling**
Non-Independent
Non-Executive Director

**Lee Chin Guan**
Non-Independent
Non-Executive Director

**Dato' Mohd Hanif Bin Sher Mohamed**
Independent
Non-Executive Director



**Tham Chai Fhong**
Independent
Non-Executive Director

**Lim Chao Li**
Independent
Non-Executive Director

**Gladys Leong**
Independent
Non-Executive Director





**Teoh Meow Choo**
Independent
Non-Executive Director

**Wan Marhanim Binti Wan Muhammad**
Company Secretary

# Board of Directors' **Profile**

As at 28 February 2025

## LAI WAN

Non-Independent Non-Executive Chairman

81 years old | Male | Malaysian

**Date of Appointment:** 26 April 2012

**Board Meetings Attendance in 2024:** 18/18

Mr Lai was appointed as an Independent Non-Executive Deputy Chairman of Public Bank on 26 September 2017 and was re-designated as Independent Non-Executive Chairman of Public Bank with effect from 1 January 2019. He was re-designated as a Non-Independent Non-Executive Chairman with effect from 26 April 2021, upon reaching the maximum 9 years tenure as an Independent Non-Executive Director.

**Memberships of Board Committees:**

- Member, Risk Management Committee
- Member, Compliance Committee
- Member, Credit Risk Management Committee
- Member, Board Sustainability Management Committee

**Academic/Professional Qualifications:**

- Bachelor of Arts (Honours) degree in Economics from the University of Malaya
- Associate of the Asian Institute of Chartered Bankers

**Relevant Experience:**

Mr Lai has 51 years of experience in the banking and finance related industries. He had served Bank Negara Malaysia for 20 years and the last position held before his resignation in 1985 was as the Deputy Manager, Bank Examination and Internal Audit Department.

Mr Lai had working experience in three finance companies from 1985 to 1994 where he had held senior management positions. Mr Lai was appointed the President/Chief Executive Officer of a Malaysian bank in 1997 until his retirement on 31 December 2000. Upon retirement from full time employment, Mr Lai continued to be engaged in finance related industries through his directorships in various companies.

**Present Directorship(s) in Other Public Companies within the Public Bank Group:**

- Chairman, Public Financial Holdings Ltd (a public company listed on the Stock Exchange of Hong Kong)
- Chairman, Public Bank (Hong Kong) Ltd
- Director, Public Bank (L) Ltd

## TAN SRI DATO' SRI DR. TAY AH LEK

Managing Director & Chief Executive Officer

82 years old | Male | Malaysian

**Date of Appointment:** 18 June 1997

**Board Meetings Attendance in 2024:** 18/18

Tan Sri Dato' Sri Dr. Tay Ah Lek was appointed as an Executive Director of Public Bank on 18 June 1997 and was re-designated as Managing Director & Chief Executive Officer with effect from 1 July 2002.

**Membership of Board Committee:**

Nil

**Academic/Professional Qualifications/Memberships:**

Academic/Professional Qualifications

- Master's degree in Business Administration from Henley, United Kingdom
- Alumni of Harvard Business School, Boston
- Emeritus Fellow of the Malaysian Institute of Management
- Fellow, Chartered Banker, of the Asian Institute of Chartered Bankers
- Fellow of CPA Australia
- Fellow of the Financial Services Institute of Australasia

Memberships

- Chairman of the Association of Hire Purchase Companies Malaysia
- Council Member of the Association of Banks in Malaysia and the Asian Institute of Chartered Bankers

**Relevant Experience:**

Tan Sri Dato' Sri Dr. Tay Ah Lek has 64 years' experience in the banking and finance industry. 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 the former Public Finance Bhd.

**Present Directorship(s) in Other Public Companies:**

Public Bank Group

- Chairman, Public Mutual Bhd
- Director, Public Investment Bank Bhd
- Director, Public Islamic Bank Bhd
- Director, Public Bank (Hong Kong) Ltd

Other Public Companies

- Director, Cagamas Holdings Bhd
- Deputy Chairman, Financial Markets Ombudsman Service (formerly known as Ombudsman for Financial Services)

## CHEAH KIM LING

Non-Independent Non-Executive Director

67 years old | Female | Malaysian

**Date of Appointment:** 29 April 2014

**Board Meetings Attendance in 2024:** 18/18

Ms Cheah was re-designated as a Non-Independent Non-Executive Director with effect from 29 April 2023, upon reaching the maximum 9 years tenure as an Independent Non-Executive Director.

**Memberships of Board Committees:**
- Member, Nomination and Remuneration Committee
- Member, Risk Management Committee
- Member, Compliance Committee

**Academic/Professional Qualifications:**
- Bachelor of Accounting (Honours) degree from the University of Malaya
- Chartered Accountant of the Malaysian Institute of Accountants

**Relevant Experience:**
Ms Cheah had served Bank Negara Malaysia for 32 years whereby she was involved in all aspects of banking regulation from formulation of policies/regulations/guidelines to the administration of different legislations governing financial institutions. She was also involved in formulating and executing strategies and policies for payment systems, administering the legislations, oversight of the payment systems and payment instruments, development of the payment infrastructure to support developments in the financial system and promoted the migration to electronic payments.

**Present Directorship(s) in Other Public Companies:**
Nil

## LEE CHIN GUAN

Non-Independent Non-Executive Director

66 years old | Male | Malaysian

**Date of Appointment:** 27 December 2018

**Board Meetings Attendance in 2024:** 18/18

**Memberships of Board Committees:**
- Member, Nomination and Remuneration Committee
- Member, Risk Management Committee
- Member, Compliance Committee

**Academic/Professional Qualifications:**
- Barrister-at-Law from the Middle Temple, United Kingdom
- Bachelor's Degree in Science (Honours) from the University of Manchester Institute of Science & Technology, England
- Degrees in Law from Cambridge University, Oxford University and Chicago-Kent College of Law

**Relevant Experience:**
Mr Lee has 25 years of experience in legal matters, with 13 years of experience in legal practice, principally in commercial and corporate matters.

**Present Directorship(s) in Other Public Companies within the Public Bank Group:**
- Director, Public Financial Holdings Ltd (a public company listed on the Stock Exchange of Hong Kong)
- Director, Public Bank (Hong Kong) Ltd

# Board of Directors' Profile

## DATO' MOHD HANIF BIN SHER MOHAMED

Independent Non-Executive Director

73 years old | Male | Malaysian

**Date of Appointment:** 22 January 2019

**Board Meetings Attendance in 2024:** 18/18

**Memberships of Board Committees:**

- Chairman, Nomination and Remuneration Committee
- Chairman, Audit Committee
- Member, Risk Management Committee
- Member, Compliance Committee
- Member, Credit Risk Management Committee

**Academic/Professional Qualification:**

- Master's degree in Business Administration from Northland Open University, United Kingdom

**Relevant Experience:**

Dato' Mohd Hanif has vast experience in corporate finance and consumer banking including strategic planning, risk management, rehabilitation and restructuring debts, property development, property investment and manufacturing and road maintenance. He was the former Chief Executive Officer of Credit Corporation (Malaysia) Bhd, where he had served for over 26 years, and he had held various senior management positions.

**Present Directorship(s) in Other Public Companies:**

Public Bank Group

- Director, Public Mutual Bhd

Other Public Company

- Chairman, Sivash Holdings Bhd

## THAM CHAI FHONG

Independent Non-Executive Director

68 years old | Female | Malaysian

**Date of Appointment:** 1 June 2019

**Board Meetings Attendance in 2024:** 18/18

**Memberships of Board Committees:**

- Chairperson, Compliance Committee
- Member, Nomination and Remuneration Committee
- Member, Audit Committee
- Member, Risk Management Committee
- Member, Board Sustainability Management Committee

**Academic/Professional Qualifications:**

- Bachelor of Science (Honours) degree in Mathematics from the University of Malaya
- Postgraduate Diploma in Computer Science from University of Malaya

**Relevant Experience:**

Ms Tham possesses extensive experience in IT systems, capabilities and applications from her tenure of 26 years in IT functional areas in one of the largest banking groups in Malaysia.

**Present Directorship(s) in Other Public Companies:**

Nil

## LIM CHAO LI

Independent Non-Executive Director

58 years old | Male | Malaysian

**Date of Appointment:** 5 April 2021

**Board Meetings Attendance in 2024:** 18/18

**Memberships of Board Committees:**

- Chairman, Board Sustainability Management Committee
- Member, Nomination and Remuneration Committee
- Member, Audit Committee
- Member, Risk Management Committee
- Member, Compliance Committee

**Academic/Professional Qualifications:**

- Bachelor of Science in Economics degree majoring in Accounting and Finance from the Wharton School of Business, University of Pennsylvania, USA
- Bachelor of Applied Science (Systems Engineering) degree from the School of Engineering and Applied Science, University of Pennsylvania, USA

**Relevant Experience:**

Mr Lim's main business training and expertise are in accountancy and finance, where he had previously served in Deloitte & Touche and Johnson & Johnson Medical Malaysia. He is presently the Chief Commercial Officer of Hotel Equatorial Management Sdn Bhd.

**Present Directorship(s) in Other Public Companies:**

Public Bank Group

- Director, Public Financial Holdings Ltd (a public company listed on the Stock Exchange of Hong Kong)
- Director, Public Bank (Hong Kong) Ltd

Other Public Company

- Director, JcbNext Bhd (a public company listed on the Main Market of Bursa Malaysia Securities Bhd)

## GLADYS LEONG

Independent Non-Executive Director

63 years old | Female | Malaysian

**Date of Appointment:** 1 July 2021

**Board Meetings Attendance in 2024:** 18/18

**Memberships of Board Committees:**

- Chairperson, Risk Management Committee
- Member, Nomination and Remuneration Committee
- Member, Audit Committee
- Member, Compliance Committee
- Member, Board Sustainability Management Committee

**Academic/Professional Qualifications:**

- Certified Public Accountant of the Malaysian Institute of Certified Public Accountants
- Chartered Accountant of the Malaysian Institute of Accountants

**Relevant Experience:**

Ms Gladys has more than 35 years of experience in providing assurance and advisory services to her clients during her professional career, which includes public listed companies, multinational companies, Government agencies and regulators as well as non-governmental organisations. She was a partner for more than 20 years, in Arthur Andersen and Ernst & Young and concurrently, she held other senior management positions in Asia Pacific Advisory and Asean Advisory, Ernst & Young.

**Present Directorship(s) in Other Public Companies within the Public Bank Group:**

- Director, Public Mutual Bhd

# Board of Directors' Profile

## TEOH MEOW CHOO
Independent Non-Executive Director

59 years old | Female | Malaysian

**Date of Appointment:** 1 November 2023

**Board Meetings Attendance in 2024:** 18/18

**Memberships of Board Committees:**
- Chairperson, Credit Risk Management Committee
- Member, Audit Committee
- Member, Risk Management Committee
- Member, Compliance Committee

**Academic/Professional Qualifications:**
- Bachelor of Economics in Accounting and Finance from Monash University, Australia
- Member of Asian Institute of Chartered Bankers

**Relevant Experience:**
Ms Teoh has over 35 years of extensive and diversified corporate and investment banking experience in the regional financial markets. She worked with two leading banking groups and has in-depth knowledge in corporate advisory, structuring and origination of banking and capital markets transactions. Her management experience includes strategic planning, risk underwriting and management, portfolio and capital management, policies formulation and corporate governance.

**Present Directorship(s) in Other Public Companies:**
Nil

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 5 years other than traffic offences, public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

# Company Secretary's Profile

## WAN MARHANIM BINTI WAN MUHAMMAD
Company Secretary

53 years old | Female | Malaysian

**Date of Appointment:** 1 January 2021

**Academic/Professional Qualifications:**
- Bachelor of Human Science (English Language & Literature), International Islamic University Malaysia
- Master of Law Executive (Business Law), International Islamic University Malaysia
- Licensed Company Secretary by the Companies Commission of Malaysia
- Affiliate Member of the Malaysian Institute of Chartered Secretaries and Administrators

**Relevant Working Experience:**
Cik Wan Marhanim has more than 28 years of experience in company secretarial functions. She is also the Company Secretary of several Malaysian and overseas subsidiaries of Public Bank, and she oversees the Public Bank Group's company secretarial matters. She is the Secretary of various Board Committees of Public Bank Group. Presently, she heads the Public Bank's Secretariat Division.

# Group Management **Profile**



**TAN SRI DATO' SRI DR. TAY AH LEK**
Managing Director & Chief Executive Officer, Public Bank Berhad

82 years old | Male | Malaysian

**Qualifications**

- Master in Business Administration, Henley, United Kingdom
- Emeritus Fellow of the Malaysian Institute of Management
- Fellow, Chartered Banker of the Asian Institute of Chartered Bankers (AICB)
- Fellow of the Chartered Banker Institute (CBI), Scotland
- Fellow of CPA Australia
- Fellow of the Financial Services Institute of Australasia
- Advanced Management Program at Harvard Business School
- The Honorary Doctor of Philosophy in Economics, HELP University

**Experience**

- Tan Sri Tay is a veteran in the financial services industry with 64 years of experience
- A pioneer staff of Public Bank in 1966, he held several portfolios over the years including the Executive Vice President position in Public Finance and Public Bank
- Appointed Executive Director of Public Bank in 1997 and Managing Director/ Chief Executive Officer in 2002

**Present Directorship in other Public Companies**

- Chairman of Public Mutual Bhd
- Director of Public Investment Bank Bhd
- Director of Public Islamic Bank Bhd
- Director of Public Bank (Hong Kong) Ltd
- Director of Cagamas Holdings Bhd
- Deputy Chairman of Financial Markets Ombudsman Service (Formerly known as Ombudsman for Financial Services)



**DATO' CHANG KAT KIAM**
Deputy Chief Executive Officer, Public Bank Berhad

70 years old | Male | Malaysian

**Qualifications**

- Master in Business Administration (Finance), University of Hull, United Kingdom
- Chartered Banker of the Chartered Banker Institute (CBI), United Kingdom

**Experience**

- Dato' Chang has been with Public Bank since 1975 and is experienced in all aspects of banking having managed branches and banking business portfolios in Head Office
- Appointed Chief Operating Officer in 2006
- Redesignated Senior Chief Operating Officer in October 2013
- Appointed to his present position in January 2016

**Present Directorship in other Public Companies**

- Director of Public Financial Holdings Ltd
- Director of Public Bank (Hong Kong) Ltd
- Director of Cambodian Public Bank Plc
- Director of Campu Lonpac Insurance Plc
- Director of Campu Securities Plc
- Director of Public Bank Vietnam Ltd
- Director of Public Bank Lao Ltd
- Director of Public Bank Securities Vietnam Company Ltd
- Director of AIA PUBLIC Takaful Bhd

# Group Management Profile



**CHANG SIEW YEN**
Senior Chief Operating Officer,
Public Bank Berhad

56 years old | Female | Malaysian

**Qualifications**

- Chartered Accountant of the Malaysian Institute of Accountants (MIA)
- Certified Public Accountant of the Malaysian Institute of Certified Public Accountants (MICPA)
- Chartered Banker of the Chartered Banker Institute (CBI), United Kingdom
- Bachelor in Accounting (Hons), University of Malaya

**Experience**

- Ms Chang has more than 31 years of experience in the auditing, banking and finance industry
- Joined Public Bank in 2005 as Deputy Director of Finance and subsequently appointed Head of Finance and Chief Financial Officer in 2006
- Promoted to General Manager in 2009 and Senior General Manager in July 2012
- Redesignated as Chief Operating Officer in October 2013 and promoted to Senior Chief Operating Officer in January 2020
- Presently oversees the Bank's Finance, Credit Administration & Supervision, Treasury and Property

**Present Directorship in other Public Companies**

- Director of PB Trustee Services Bhd
- Director of PB Trust (L) Ltd (in member's voluntary winding-up)



**DATO' SULAIMAN BIN ABD MANAP**
Senior Chief Operating Officer,
Public Bank Berhad

68 years old | Male | Malaysian

**Qualifications**

- Master in Business Administration (Finance), University of Hull, United Kingdom
- Bachelor of Science (Chemistry), University of Malaya

**Experience**

- Dato' Sulaiman joined Public Bank in 1981 and is experienced in various aspects of banking, especially branch operations and credit matters at Head Office
- Appointed as Head of Credit Operations in 2003
- Promoted to Chief Operating Officer in July 2012 and Senior Chief Operating Officer in January 2020
- Presently oversees the Bank's Knowledge & Learning, Banking Operations, HP Supervision, Information Technology and Corporate Banking

**Present Directorship in other Public Companies**

- Nil



**LEE YO-HUNN**
Chief Executive Officer,
Public Investment Bank Berhad

49 years old | Male | Malaysian

**Qualifications**

- Certified Practising Accountants (CPA) Australia
- Bachelor of Commerce, The University of Western Australia, Australia

**Experience**

- Mr Lee has a total of 27 years of working experience, comprising 7 years of assurance and advisory work in both Malaysia and Australia and 20 years of investment banking experience
- Joined Public Investment Bank in January 2005 as Manager of Corporate Finance and Advisory
- Appointed as Head of Corporate Finance and Advisory in December 2012
- Redesignated as Deputy Chief Executive Officer in January 2015, overseeing Corporate Finance and Advisory, Corporate Banking and Securities Financing as well as Debt Capital Markets
- Appointed as Chief Executive Officer in January 2019

**Present Directorship in other Public Companies**

- Nil



**SYAMSUL AZUAN BIN AHMAD FAUZI**
Chief Executive Officer,
Public Islamic Bank Berhad

48 years old | Male | Malaysian

**Qualifications**

- Chartered Banker of the Chartered Banker Institute (CBI), United Kingdom
- Bachelor of Commerce and Management (Accounting), Lincoln University, New Zealand

**Experience**

- Encik Syamsul Azuan has 26 years of working experience in the corporate and investment banking field (both conventional and Islamic), of which 7 years were in the middle east
- His attachment with the various financial institutions has developed his technical skills in Islamic finance especially on debt capital market/sukuk and corporate finance
- Held several senior managerial positions prior to joining Public Islamic Bank in February 2019 as Chief Executive Officer

**Present Directorship in other Public Companies**

- Nil



**CHIANG KANG PEY**
Chief Executive Officer,
Public Mutual Berhad

55 years old | Male | Malaysian

**Qualifications**

- Chartered Financial Analyst (CFA) charterholder
- Master in Financial Management, Rotterdam School of Management, Erasmus University, Netherlands
- Bachelor of Economics (Accounting), Monash University, Australia

**Experience**

- Mr Chiang began his investment career in 1996 and joined Public Mutual in 2004 as Manager of Investment Research before subsequently being promoted to Senior Manager of Investment, Equities Section in 2005
- Promoted to Assistant General Manager in 2008 and Deputy General Manager in 2015
- Appointed as Head of Equity Portfolio Management in 2016 and subsequently promoted to General Manager in 2017
- Promoted to Deputy Chief Executive in October 2021 before his current appointment as Chief Executive Officer in November 2022

**Present Directorship in other Public Companies**

- Nil

# Group Management Profile



**TAN KOK GUAN**
Chief Executive Officer/Executive Director, LPI Capital Berhad

68 years old | Male | Malaysian

**Qualifications**

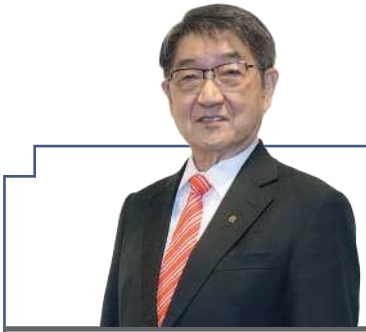
- Master in Business Administration, University of Hawaii
- Bachelor of Science (Hons), University of London, United Kingdom
- Chartered Insurer of the Chartered Insurance Institute in London

**Experience**

- Mr Tan has been in the insurance industry for more than 40 years
- Joined as Deputy General Manager in March 1994
- Appointed to the Board of the Company on October 1996 and he is also currently a member of the Board of the Asian Institute of Insurance
- Appointed as Chief Executive Officer of Lonpac Insurance Berhad in 2008
- Appointed to his current position as Chief Executive Officer/Executive Director in July 2013

**Present Directorship in other Public Companies**

- Chairman of Campu Lonpac Insurance Plc



**CHONG YAM KIANG**
Executive Director & Chief Executive, Public Bank (Hong Kong) Limited

74 years old | Male | Malaysian

**Qualifications**

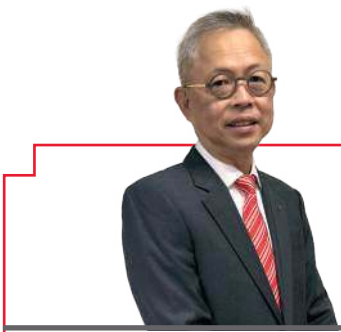
- Diploma in Management Programme (DIMP), Malaysian Institute of Management

**Experience**

- Mr Chong has more than 55 years of service with the Public Bank Group
- Joined Public Bank in April 1969 and experienced in branch operations before his transfer to Public Bank (Hong Kong) Limited in 2006
- Appointed Executive Director and Alternate Chief Executive in September of the same year
- Appointed Executive Director & Chief Executive of Public Finance Limited in January 2020
- Transferred to Public Bank (Hong Kong) Limited and appointed to his current position as Executive Director & Chief Executive in January 2024

**Present Directorship in other Public Companies**

- Executive Director & Chief Executive of Public Financial Holdings Ltd



**LEE HUAT OON**
Executive Director & Chief Executive, Public Finance Limited

62 years old | Male | Malaysian

**Qualifications**

- Chartered Accountant of the Malaysian Institute of Accountants (MIA)
- Bachelor in Accounting, University of Malaya

**Experience**

- Mr Lee has more than 32 years of experience in the banking and finance industry
- Joined Public Bank Group in Hong Kong in 1995
- Appointed as an Executive Director of Public Financial Holdings Limited in June 1996, re-designated as a Non-Executive Director in November 2013 and re-designated as an Executive Director in December 2013 and retired in December 2019
- Appointed as General Manager/Chief Executive and Executive Director, and a member of Board Executive Committee of Public Finance Limited from September 2006, until he retired in December 2019
- He was re-appointed as Chief Executive of Public Finance Limited in November 2023 and appointed to his current position as Executive Director & Chief Executive in January 2024
- Prior to his retirement, he was the Acting Chairman of The Deposit-Taking Companies Association and a member of The Deposit-Taking Companies Advisory Committee, served as Vice Chairman of The Deposit-Taking Companies Association, a director of The Hong Kong Mortgage Corporation Limited and a member of the Banking and Finance Industry Training Board in Hong Kong for several years

**Present Directorship in other Public Companies**

- Director of Public Financial Holdings Ltd



**CHEE KENG ENG**
Chief Executive Officer,
Public Bank Vietnam Ltd

55 years old | Male | Malaysian

**Qualifications**

- Master in Business Administration, University of Malaya
- Bachelor of Economics (Industrial Economics) (Hons), Universiti Kebangsaan Malaysia

**Experience**

- Mr Chee joined the Bank in 1994
- He was a Branch Manager of several branches before his appointment as Regional Manager of one of the Regional Offices in the Bank
- Transferred to Public Bank Vietnam Ltd in 2015 and appointed as General Director in June 2016
- Appointed to his present position as Chief Executive Officer in January 2025

**Present Directorship in other Public Companies**

- Nil



**ONG MING TECK**
Chief Executive Officer,
Cambodian Public Bank Plc

62 years old | Male | Malaysian

**Qualifications**

- Bachelor of Business (Business Administration), Royal Melbourne Institute of Technology

**Experience**

- Mr Ong joined the Bank in 1983
- Held several positions in Head Office before his transfer to Cambodian Public Bank Plc as Deputy General Manager in 2008
- Appointed to his present position as Chief Executive Officer in January 2021

**Present Directorship in other Public Companies**

- Director of Campu Securities Plc
- Director of Campu Lonpac Insurance Plc



**LOH LIH KEN**
Chief Executive Officer,
Public Bank Lao Limited

40 years old | Male | Malaysian

**Qualifications**

- Master in Business Administration, Cardiff Metropolitan University
- Bachelor of Business Administration (Hons), University of Malaya

**Experience**

- Mr Loh joined the Bank in 2008
- He was a Branch Manager of several branches before his transfer to Head Office as Vice President of Overseas Operations in April 2024
- Transferred to Public Bank Lao Limited and appointed to his current position as Chief Executive Officer in July 2024

**Present Directorship in other Public Companies**

- Nil

None of the Group Management staff 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 5 years, other than traffic offences

# Heads of **Division**



**CHAN CHEW FUNG**
Chief Operating Officer,
Corporate Banking

66 years old | Female | Malaysian

**Qualifications**
- Bachelor of Arts (Economics) (Hons), City of Birmingham Polytechnic, United Kingdom

**Experience**
- Joined Public Bank in 1982 and appointed Head of Corporate Banking & Trade Finance in 1995
- Promoted to General Manager in 2009 and Senior General Manager in July 2012 overseeing Corporate Banking and subsequently her portfolio was expanded to oversee Credit Operations, HP Operations and Share Investment in January 2016
- Appointed Chief Operating Officer in January 2024

**Present Directorship in other Public Companies**
- Director of Public Bank (L) Ltd

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61 years old | Female | Malaysian

**Qualifications**
- Bachelor of Economics (Analytical Economics) (Hons), University of Malaya

**Experience**
- Joined Public Bank Group in 1986 and appointed Head of Retail Financial Services in September 2012
- Appointed General Manager in October 2014 to oversee both PB Card Services & Support as well as Wealth Management & Transaction Banking and promoted to Senior General Manager in September 2018
- Appointed Chief Operating Officer in January 2024

**Present Directorship in other Public Companies**
- Nil



**CHAN CHIEW PENG**
Chief Operating Officer,
Retail Financial Services

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**LIM THEN FUI**
Group Chief Internal Auditor

70 years old | Male | Malaysian

**Qualifications**
- Chartered Accountant of the Malaysian Institute of Accountants (MIA)
- Certified Public Accountant of the Malaysian Institute of Certified Public Accountants (MICPA)
- Certification for Bank Auditors (CBA), Asian Institute of Chartered Bankers (AICB)

**Experience**
- Mr Lim has a total of 45 years of experience in Bank Negara Malaysia and commercial banking
- Joined Public Bank in 2001 and held the positions of Head of Risk Management and Head of Compliance in 2007 and 2013 respectively
- Appointed Group Chief Internal Auditor in October 2013 to oversee the Group's Internal Audit portfolio

**Present Directorship in other Public Companies**
- Nil

---

61 years old | Female | Malaysian

**Qualifications**
- The Institute of Chartered Secretaries and Administrators (ICSA)

**Experience**
- Joined Public Bank in 1989 and has more than 38 years of experience in the HR field
- Appointed Head of Human Capital Management in January 2020 and oversees the Group's Human Resource portfolio
- Appointed Chief Human Capital Officer in January 2024

**Present Directorship in other Public Companies**
- Nil



**MARY NG POH LYN**
Chief Human Capital Officer



**YIK SOOK LING**
Chief Financial Officer

55 years old | Female | Malaysian

**Qualifications**
- Chartered Accountant of the Malaysian Institute of Accountants (MIA)
- Certified Practising Accountants (CPA) Australia
- Certified Public Accountant of the Malaysian Institute of Certified Public Accountants (MICPA)
- Chartered Banker of the Chartered Banker Institute (CBI), United Kingdom

**Experience**
- Served as a Group Financial Controller before joining the Public Bank Group in 2010
- Appointed Head of Finance and Chief Financial Officer in July 2012

**Present Directorship in other Public Companies**
- Director of PB Trustee Services Bhd
- Director of PB Trust (L) Ltd (in member's voluntary winding-up)

---

53 years old | Female | Malaysian

**Qualifications**
- Certified Public Accountant of the Malaysian Institute of Certified Public Accountants (MICPA)
- Chartered Banker of the Chartered Banker Institute (CBI), United Kingdom

**Experience**
- Ms Loh has a total of 34 years of experience in auditing, finance and risk management
- Joined Public Bank in 1999 and has held several managerial portfolios at Head Office before her appointment as Head of Risk Management in January 2013
- Appointed Chief Risk Officer in June 2016

**Present Directorship in other Public Companies**
- Nil



**JASMINE LOH SOOK LING**
Chief Risk Officer

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**TAN SHIEN DOON**
Chief Compliance Officer

53 years old | Male | Malaysian

**Qualifications**
- Bachelor of Science (Business Administration), Bemidji State University, USA

**Experience**
- Joined Public Bank in 1994 and has more than 20 years of experience in Banking Operations
- Appointed Head of Banking Operations in January 2017 before his current appointment as Chief Compliance Officer in March 2017

**Present Directorship in other Public Companies**
- Nil

---

55 years old | Female | Malaysian

**Qualifications**
- Bachelor of Computer Science, Universiti Sains Malaysia

**Experience**
- Joined Public Bank in 1994
- Has more than 30 years of experience in the IT field and appointed Head of Division in January 2017
- Promoted to Senior General Manager in January 2025

**Present Directorship in other Public Companies**
- Nil



**FAM YOKE FONG**
Senior General Manager,
Information Technology

# Heads of Division



**BACIL FERNANDEZ**
General Manager, Treasury

66 years old | Male | Malaysian

**Qualifications**
- Bachelor of Social Science (Management) (Hons), Universiti Sains Malaysia

**Experience**
- Mr Fernandez has more than 42 years of experience in treasury and capital markets
- Joined Public Bank in 2009 as a Senior Manager of Treasury and appointed Head of Treasury in September 2018
- Promoted to General Manager in January 2024

**Present Directorship in other Public Companies**
- Nil

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58 years old | Male | Malaysian

**Qualifications**
- Bachelor of Science (Agribusiness), Universiti Pertanian Malaysia

**Experience**
- Joined Public Bank in 1991 with exposure to branch banking and Head Office credit control
- Appointed Head of HP Credit Control in January 2018 which was subsequently renamed to HP Supervision in December 2022
- Appointed Head of Credit Administration & Supervision in January 2024

**Present Directorship in other Public Companies**
- Nil



**CHAN SEE CHOI**
General Manager,
Credit Administration & Supervision

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**CHONG SOO LOONG**
General Manager, Corporate Planning, Economics & Sustainability Management

48 years old | Male | Malaysian

**Qualifications**
- Chartered Accountant of the Malaysian Institute of Accountants (MIA)
- The Association of Chartered Certified Accountants (ACCA)

**Experience**
- Joined Public Bank in 2005 and held managerial portfolio in Corporate Planning & Strategy
- Appointed Head of Corporate Planning, Strategy & Economics in May 2020 and subsequently expanded to include Sustainability Management in October 2022
- Promoted to General Manager in January 2025

**Present Directorship in other Public Companies**
- Nil

---

58 years old | Female | Malaysian

**Qualifications**
- Master in Business Administration (Finance), University of Hull, United Kingdom
- Bachelor of Arts (Economics) (Hons), University of Malaya

**Experience**
- Joined the Public Bank Group in 1992 and experienced in both branch banking and retail financial services
- Appointed Head of Wealth Management & Transaction Banking in October 2014

**Present Directorship in other Public Companies**
- Nil



**CARENE KHOO GEOK KHENG**
General Manager, Wealth Management & Transaction Banking



**LEE KOK KEONG**
General Manager, Credit Operations

56 years old | Male | Malaysian

**Qualifications**
- Bachelor of Economics (Hons), Universiti Kebangsaan Malaysia

**Experience**
- Joined Public Bank in 1993 and experienced in both branch banking and Head Office credit
- Appointed Head of Credit Operations in November 2016

**Present Directorship in other Public Companies**
- Nil

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52 years old | Male | Malaysian

**Qualifications**
- Bachelor of Economics (Hons), University of London, United Kingdom

**Experience**
- Joined Public Bank in 1996 and has more than 28 years of experience in managing corporate loans
- Appointed Head of Corporate Banking in 2016

**Present Directorship in other Public Companies**
- Nil



**SAMUEL SOH BOON LEONG**
General Manager, Corporate Banking

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**TEE CHUI CHEE**
General Manager,
PB Card Services & Support

62 years old | Male | Malaysian

**Qualifications**
- Bachelor of Science (Computer Science) (Hons), Universiti Sains Malaysia

**Experience**
- Joined Public Bank in 1991 and has more than 38 years of experience in the card industry
- Appointed Head of Division in January 2014

**Present Directorship in other Public Companies**
- Nil

---

53 years old | Female | Malaysian

**Qualifications**
- Master of Law Executive (Business Law), International Islamic University Malaysia
- Bachelor of Human Science (English Language and Literature), International Islamic University Malaysia

**Experience**
- Cik Wan Marhanim has more than 28 years of experience in company secretarial functions
- Has held managerial and assistant company secretarial positions prior to joining Public Bank as Director of Secretariat in January 2021
- She is the Bank's Company Secretary and oversees the Group's company secretarial matters
- Promoted to General Manager in January 2024

**Present Directorship in other Public Companies**
- Nil



**WAN MARHANIM BINTI WAN MUHAMMAD**
General Manager, Secretariat

# Heads of Division



**WONG MAN HOE**
General Manager, HP Operations

55 years old | Male | Malaysian

**Qualifications**
- Master in Business Administration, Universiti Putra Malaysia
- Bachelor of Economics (Hons), Universiti Utara Malaysia

**Experience**
- Joined the Public Bank Group in 1994
- Has more than 15 years of experience in both branch banking and hire purchase operations prior to his transfer to Head Office as Senior Manager in 2009
- Appointed Head of HP Operations in May 2012 and promoted to General Manager in January 2020

**Present Directorship in other Public Companies**
- Nil

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66 years old | Male | Malaysian

**Qualifications**
- Diploma in Police Science, Universiti Kebangsaan Malaysia

**Experience**
- Tuan Haji A Wahab has a total of 31 years of service with the Royal Malaysian Police
- Held several high rank positions in the Police Force and last position held was Kuala Lumpur Traffic Chief (ACP Rank)
- Joined Public Bank in 2011 as Head of Security

**Present Directorship in other Public Companies**
- Nil



**TUAN HAJI A WAHAB BIN A RAMAN**
Director, Security

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**JENNIFER CHEN MUI YUN**
Director, Knowledge & Learning

61 years old | Female | Malaysian

**Qualifications**
- Master of Science (Management Accounting & Planning), Universiti Utara Malaysia
- Chartered Banker of the Chartered Banker Institute (CBI), United Kingdom
- Bachelor of Arts (Economics) (Hons), University of Essex

**Experience**
- Joined the Public Bank Group in 1991 and has more than 33 years of experience in the training field
- Appointed Head of Knowledge & Learning in January 2025

**Present Directorship in other Public Companies**
- Nil

---

61 years old | Female | Malaysian

**Qualifications**
- Bachelor of Arts in Education (English) (Hons), Universiti Sains Malaysia

**Experience**
- Cik Haslinda has more than 31 years of experience in public relations, corporate communication and advertising
- Held several managerial positions prior to joining Public Bank as Senior Manager in January 2021
- Appointed Head of Strategic Communications in January 2024

**Present Directorship in other Public Companies**
- Nil



**HASLINDA BINTI OTHMAN**
Director, Strategic Communications



**LIM SAY HUAT**
Director, Overseas Operations

55 years old | Male | Malaysian

**Qualifications**
- Bachelor of Management (Finance and Accounting) (Hons), Universiti Sains Malaysia

**Experience**
- Joined Public Bank in 1993 and experienced in branch banking prior to his transfer to Overseas Operations
- Appointed Head of Overseas Operations in December 2012 and promoted to current position in May 2020

**Present Directorship in other Public Companies**
- Nil

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55 years old | Male | Malaysian

**Qualifications**
- Professional Banker of Asian Institute of Chartered Bankers
- Diploma in Banking and Finance, Institut Bank-Bank Malaysia

**Experience**
- Joined Public Bank in 1990
- Held several managerial positions before his appointment as Head of Property in January 2021
- Promoted to Director in January 2023

**Present Directorship in other Public Companies**
- Nil



**EDDIE LIM YEW HUI**
Director, Property

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**POON YUEW SIM**
Director, Branch Business Review & Support/Trade Finance & Share Investment Centre

57 years old | Female | Malaysian

**Qualifications**
- Chartered Banker of the Chartered Banker Institute (CBI), United Kingdom
- Bachelor of Management (Marketing) (Hons), Universiti Sains Malaysia

**Experience**
- Joined Public Bank in 1992 and experienced in branch banking as well as Head Office branch business review, loan product development & trade finance
- Appointed Head of Branch Business Review & Support/Loan Product Development & Trade Finance in November 2011 and subsequently expanded to oversee Share Investment Centre in January 2022

**Present Directorship in other Public Companies**
- Nil

---

54 years old | Male | Malaysian

**Qualifications**
- Bachelor of Business Administration (Marketing) (Hons), Universiti Kebangsaan Malaysia
- Bachelor of Law (Hons), University of London, United Kingdom
- Certification for Bank Auditors (CBA), Asian Institute of Chartered Bankers (AICB)
- Advanced Certification in AML/CFT, International Compliance Association/Asian Institute of Chartered Bankers

**Experience**
- Joined Public Bank in 1995
- Has more than 27 years of audit experience prior to his transfer to Branch Supervision & Regulation of Banking Operations as Head in October 2022
- Appointed Director of Banking Operations in February 2025

**Present Directorship in other Public Companies**
- Nil



**SARAVANAN A/L MURUGIAH**
Director, Banking Operations

# Heads of Division

51 years old | Male | Malaysian

**Qualifications**
- Chartered Banker of the Chartered Banker Institute (CBI), United Kingdom
- Bachelor of Business Administration (Finance) (Hons), Universiti Kebangsaan Malaysia

**Experience**
- Joined the Public Bank Group in 1997
- Has more than 25 years experience in hire purchase credit control
- Appointed Head of HP Supervision in January 2025

**Present Directorship in other Public Companies**
- Nil



**TEH CHOON SIANG**
Head, HP Supervision

None of the Heads of Division 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 5 years, other than traffic offences

# Sustainability Report




**OVERVIEW**

152 About Public Bank Group's Sustainability Report 2024
153 Insight by Managing Director & Chief Executive Officer, and Chairman of Sustainability Management Committee
155 Key Sustainability Milestones
156 2024 Highlights

**APPROACH TO SUSTAINABILITY**

159 Sustainability Framework
160 Progress towards Sustainability Commitments
164 Sustainability Governance
165 Stakeholder Engagement
170 Materiality Assessment

**DELIVERING SUSTAINABLE IMPACT**

172 Theme 1: Protecting the Environment
195 Theme 2: Proficient Employees
208 Theme 3: Prosperous Customers and Communities
231 Theme 4: Principled Conduct

**DISCLOSURES ALIGNED WITH TCFD**

245 Governance
248 Strategy
251 Risk Management
263 Metrics and Targets

**APPENDICES**

264 Bursa Malaysia ESG Reporting Platform Performance Data Table
269 Limited Assurance Report
273 Performance Data Index
274 GRI Content Index
277 Acronyms and Abbreviations

# About Public Bank Group's **Sustainability Report 2024**

**The Public Bank Group's Sustainability Report ("the Report") communicates the Group's approach to embracing and embedding sustainability into its strategic directions and operations. This Report describes the Group's sustainability approaches, initiatives and performance in 2024.**

The Report covers the reporting period from 1 January 2024 to 31 December 2024, unless stated otherwise. The reporting scope covers information about the Public Bank Group's primary business operations and activities across entities in Asia, including:

- Public Bank Berhad ("Public Bank") – *Banking*;
- Public Islamic Bank Berhad ("Public Islamic Bank") – *Islamic Banking*;
- Public Investment Bank Berhad ("Public Investment Bank") – *Investment Banking*;
- Public Mutual Berhad ("Public Mutual") – *Sale and Management of Unit Trust Funds and Private Retirement Schemes*;
- Public Financial Holdings Limited (Hong Kong) ("PFHL") – *Banking and Finance*;
- Cambodian Public Bank Plc ("Campu Bank") – *Banking*;
- Public Bank Vietnam Limited ("Public Bank Vietnam") – *Banking*; and
- Public Bank Lao Limited ("Public Bank Laos") – *Banking*

The Report is approved by the Board of Directors of Public Bank, and is prepared in line with:

**Global Reporting Initiative ("GRI") Standards**

**Malaysian Code on Corporate Governance ("MCCG") by the Securities Commission Malaysia**

**Sustainability Accounting Standards Board ("SASB")**

**Task Force on Climate-related Financial Disclosures ("TCFD") Recommendations**

**Bursa Malaysia's Main Market Listing Requirements on Sustainability Reporting**

## STATEMENT OF ASSURANCE

In line with the Public Bank Group's commitment to achieve Carbon Neutral by 2030 and in the long-term, Net Zero Carbon by 2050, the Scope 1 and Scope 2 data in the Report have been subjected to independent assurance by KPMG PLT ("KPMG") following the International Standard on Assurance Engagements ("ISAE") 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information. The Subject Matter, Scope and Conclusion can be found in KPMG's Limited Assurance Report, which is set out on page 269. Additionally, the sustainable finance achievements for the period from 1 January 2024 to 31 December 2024 had been subjected to an internal audit and endorsed by the Board of Directors to ensure accuracy and alignment with the Public Bank Group Sustainable Finance Framework ("SFF").

## POINT OF CONTACT

Should there be any comments, submit your feedback and enquiries to:

**sustainability@publicbank.com.my**.

# Insight by Managing Director & Chief Executive Officer, and Chairman of **Sustainability Management Committee**

## ELEVATING SUSTAINABILITY AS A STRATEGIC PILLAR

**In 2024, the Public Bank Group moved forward with its sustainability commitments towards inclusive development and empowerment of the communities it serves. To meet its Net Zero Carbon by 2050 target, the Group remains steadfast in embedding sustainability priorities and making sustainability core to its strategy. Public Bank's Managing Director & Chief Executive Officer, and Chairman of the Sustainability Management Committee, Tan Sri Dato' Sri Dr. Tay Ah Lek, provides an overview of the Group's sustainability journey. He elaborates on how the Group continues to deliver greater sustainable value for its stakeholders and the environment.**

**TAN SRI DATO' SRI DR. TAY AH LEK**
Managing Director & Chief Executive Officer, and
Chairman of Sustainability Management Committee

**The Public Bank Group has set an ambitious Decarbonisation Plan. Can you share more about the progress made so far?**

Our targets underpin the Public Bank Group's commitment to decarbonisation: Carbon Neutral by 2030 and Net Zero Carbon by 2050. Our Decarbonisation Plan outlines comprehensive strategies to reduce emissions across Scope 1, Scope 2, and Scope 3. In line with the objective of reducing our operational carbon footprint, the Group has signed a memorandum to initiate the installation of solar panels at its 135 branches in Malaysia.

Understanding that decarbonisation extends beyond direct operations, the Public Bank Group has started to engage, assess and understand its supplier profiles to identify relevant categories that influence emissions across its value chain. This includes requiring its suppliers and vendors to acknowledge the Group's Vendor Code of Conduct ("Vendor CoC"), which sets the tone for better engagement. Additionally, the Group has enhanced its Scope 3 reporting to include two additional categories that capture emissions within its supply chain. This development strengthens transparency and aligns with the requirements of the Securities Commission's National Sustainability Reporting Framework, which mandates Scope 3 disclosures by 2027 for public listed companies.

Building on our inaugural Scope 3 financed emissions reporting in 2023, the Public Bank Group has identified four key sectors — cement, construction, palm oil, and real estate — as priority areas for targeted decarbonisation. This year, the Group has set targets for cement, construction and palm oil sectors, while sectoral decarbonisation target setting for real estate is under way. Our sector-specific goals reflect a firm commitment to reducing our carbon footprint and cultivating change within interconnected industries.

# Insight by Managing Director & Chief Executive Officer, and Chairman of Sustainability Management Committee

### How is sustainability integrated into the Public Bank Group's overall business strategy?

Incorporating sustainability considerations into our business strategy is essential for sustainable growth and lasting impact. Central to this commitment is the Public Bank Group's target to mobilise RM100 billion in sustainable financing by 2030, guided by our Sustainable Finance Framework ("SFF"). This framework outlines our strategic approach to sustainable financing, complemented by our Sustainable Products and Services Guideline ("SPSG"), which lists over 80 environmental and socio-economic activities eligible for financing. Through the SFF and SPSG, we have achieved over 67% progress of our RM100 billion target to date, and we hope to continue on the same trajectory or achieve an even higher level of performance moving forward.

In the meantime, our next steps include empowering our frontliners to engage meaningfully with customers in their transition to a low carbon economy. By equipping our business managers and customer-facing teams with the necessary knowledge and tools, we aim to support our customers in adopting sustainable practices, while also identifying and leveraging business opportunities to finance decarbonisation initiatives which will support the decarbonisation of our portfolio. Through these efforts, the Public Bank Group aims to drive impactful change and create long-term value for its stakeholders and the environment.

### How does the Public Bank Group collaborate with stakeholders to achieve sustainability goals?

Collaboration is fundamental to achieving meaningful, sustainable change. Our Vendor CoC communicates sustainability expectations of our suppliers and vendors, ensuring alignment with our commitment to good corporate governance and responsible practices throughout our value chain.

Additionally, the newly established Public Bank Group Human Rights Policy underscores our dedication to promoting human dignity, respect, and equality in every aspect of our business. This Policy serves as a guiding framework for stakeholders — including employees, customers, and vendors — to foster an environment of ethical standards and basic human rights.

Our focus on 'Prosperous Customers and Communities' extends beyond compliance. In collaboration with Credit Guarantee Corporation Malaysia Berhad ("CGC"), we have committed RM1 billion in financing for small and medium enterprises ("SMEs") throughout Malaysia, promoting economic inclusivity. We also promote accessible homeownership for low-income earners, enhancing financial security and empowerment. Since 2020, we have mobilised over RM8 billion of affordable home financing, benefiting over 44,000 low-to-medium income earners.

Furthermore, Public Bank remains a proactive member of Bank Negara Malaysia ("BNM")'s Joint Committee on Climate Change ("JC3") and a signatory of the Partnership for Carbon Accounting Financials ("PCAF"). These partnerships strengthen our commitment to building resilience and promoting transparency in the financial sector.

### How does the Public Bank Group's sustainability strategy align with national and global climate goals?

Our sustainability efforts align with both global and local climate goals. Globally, we support the Paris Agreement's 1.5°C target, reflecting our belief that financial institutions are crucial in accelerating climate action. Closer to home, we are committed to Malaysia's national objective of reducing greenhouse gas emissions intensity by 45% against gross domestic product ("GDP") by 2030.

To enhance transparency, we are preparing to adopt the International Sustainability Standards Board's ("ISSB") S1 General Requirements for Disclosure of Sustainability-related Financial Information and S2 Climate-related Disclosures, further evolving our sustainability disclosures and fostering stakeholder trust through greater accountability.

### How is the Public Bank Group fostering a culture of sustainability within the organisation?

Our employees are integral to achieving our sustainability goals. We have implemented mandatory sustainability-related training to empower them, ensuring every team member has the necessary tools and knowledge. Our Knowledge and Learning team is continually curating training programmes and content to ensure that our employees are up to date with the latest market changes. This commitment extends to volunteerism — in 2024, our employees have contributed over 28,000 volunteer hours, demonstrating a genuine commitment to positive social and environmental impact.

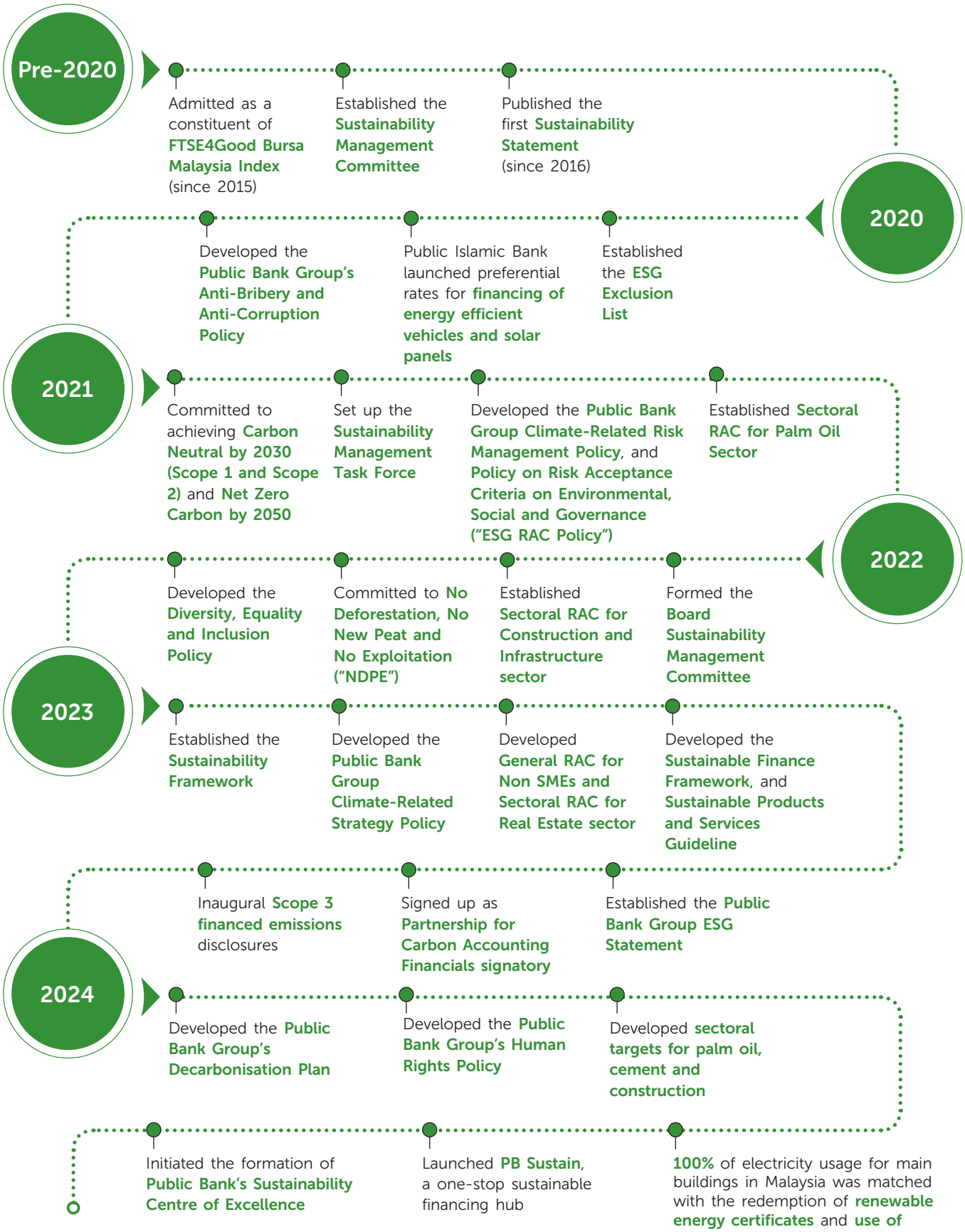
Additionally, quantitative sustainability key performance indicators ("KPIs") are integrated into employee performance evaluations to align individual contributions with our broader sustainability goals. Linking ESG outcomes — such as reducing paper and energy consumption, and supporting sustainable financing — to performance metrics incentivises accountability at every level of the organisation.

### Can you highlight the Public Bank Group's recent recognitions and share its next steps in its sustainability journey?

We are proud to be recognised for our efforts. Recent accolades include being named the Biggest ESG Impact Bank in Malaysia by Finance Asia in 2024, Best Bank for Sustainable Finance in Malaysia in The Asset Triple A Sustainable Finance Awards 2024 and Gold Award in The Asset ESG Corporate Awards 2024. We also remained as a constituent of the FTSE4Good Bursa Malaysia Index (since 2015), FTSE4Good ASEAN5 Index, FTSE4Good Emerging Index and FTSE4Good All World Index. These recognitions encourage us to continue supporting sustainable finance and contributing to societal well-being.

Our work does not stop here. Through our newly developed Decarbonisation Plan, we are closely monitoring our yearly targets to ensure meaningful progress. We are also expanding social impact initiatives, with a goal of improving the lives of 1.5 million people by 2025 through community development and financial inclusion programmes. These initiatives support underserved groups, enhance financial literacy, and strengthen community resilience. Guided by our motto of being a Bank for the People, we are dedicated to making a positive difference in the lives of those we serve.

# Key Sustainability **Milestones**



# 2024 **Highlights**

## **THEME 1:** PROTECTING THE ENVIRONMENT

Established the **Public Bank Group's Decarbonisation Plan**

Launched **PB Sustain**, a one-stop sustainable financing hub

**100%** of electricity usage for main buildings in Malaysia was matched with the redemption of **renewable energy certificates** and **use of on-site renewable energy**

Mobilised **RM67.88 billion of sustainable finance** since 2020

## **THEME 2:** PROFICIENT EMPLOYEES

Over **RM60 million** spent on **training and development**

**46.2% female representation** in senior management

Developed the **Public Bank Group's Human Rights Policy**

**Zero** incidents of **human rights violation**

## **THEME 3:** PROSPEROUS CUSTOMERS AND COMMUNITIES

Clocked more than **28,000 employee volunteer hours** since 2023

**RM2.5 million** spent on the **community**

Mobilised more than **RM8 billion** of **affordable homes financing** since 2020

Improved over **1.4 million individuals' lives** since 2021

## **THEME 4:** PRINCIPLED CONDUCT

**RM2.05 billion** of income tax paid in 2024

**Zero** incidents of **corruption**

**100%** of Malaysian banking entities conducted **corruption-related risk assessment**

Introduced the **PB Scam Rangers**, mobile cybersecurity fraud experts

## Indices and Ratings

FTSE4Good

Remain as a constituent in
- **FTSE 4Good Bursa Malaysia Index (since 2015)**
- **FTSE4Good ASEAN5 Index**
- **FTSE4Good Emerging Index**
- **FTSE4Good All World Index**

MSCI ESG RATINGS AA

CCC | B | BB | BBB | A | AA | AAA

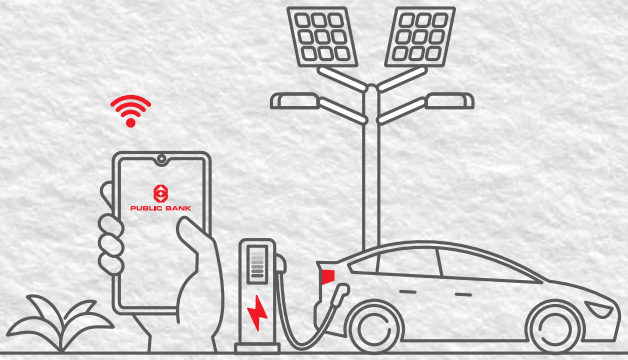
**AA rating** for MSCI ESG Ratings Assessment since 2015

## Awards

1. **Gold Award** in The Asset ESG Corporate Awards since 2019
2. **Asia's Best CSR and Sustainable Asia Award** in the 14th Asian Excellence Awards 2024 by Corporate Governance Asia
3. **Best Bank for Sustainable Finance in Malaysia** in The Asset Triple A Sustainable Finance Awards 2024
4. **Best ESG Impact Bank in Malaysia** and **Highly Commended Award for Best Sustainable Bank in Malaysia Category** in the FinanceAsia Awards 2024
5. **Campu Bank** won **Cambodia's Best Bank for ESG** by Euromoney
6. **Public Mutual** recognised as the award winner at The Edge Malaysia ESG Awards 2024 in the **Fund Awards Category (Climate Action)**
7. **Talentbank 7th Graduates' Choice Award** ("GCA") 2025:
   - **Top 1% Graduates Preferred Employer** - Public Bank
   - **Top 3 Most Preferred Graduate Employer in the Banking** - Public Bank
   - **4th Most Preferred Graduate Employer in Investment Banking** - Public Investment Bank
   - **6th Most Preferred Graduate Employer in Islamic Banking** - Public Islamic Bank
8. **Special Recognition Award** by Jobstreet Malaysia in the inaugural SEEK People & Purpose Awards 2024
9. **Public Mutual** recognised as the **Premium Employer Partner** for the 5th consecutive year by CFA Society Malaysia
10. **Public Investment Bank** recognised as the **Best Volunteer Coordination Lead 2024** by the Financial Industry Collective Outreach ("FINCO")

# Investing in **A GREENER FUTURE.**

At Public Bank, we are **committed to sustainable growth** by integrating green initiatives into our businesses, from green financing to championing ESG principles for a resilient and sustainable future.



# Sustainability **Framework**

Premised on the Public Bank Group's Sustainability Framework, sustainability practices are progressively embedded into the Group's business and operations. Under the Framework, the Group's approach to sustainability is driven by four sustainability themes – Protecting the Environment, Proficient Employees, Prosperous Customers and Communities, and Principled Conduct – which align with the Group's strategic business directions through the management of 17 material matters and contribute to the United Nations Sustainable Development Goals ("UN SDGs").

## Corporate Mission

To sustain the position of being the most efficient, profitable and respected premier financial institution in Malaysia

## Sustainability Purpose

Embracing Sustainability

## Sustainability Themes and Material Matters

| Protecting the Environment | Proficient Employees | Prosperous Customers and Communities | Principled Conduct |
|---|---|---|---|
| Climate Change Resilience | Diversity and Inclusion | Responsible Lending Practices | Data Privacy and Cybersecurity |
| Carbon Emissions | Employee Engagement and Development | Financial Inclusion and Accessibility | Governance and Business Ethics |
| Resource Management | Human and Labour Rights | Customer Satisfaction | Transparency and Trust |
| Sustainable Finance | | Community Empowerment | Risk Management |
| Sustainable Supply Chain | | Digital Transformation | |

## Sustainability Strategies

## Aligned UN SDGs



# Progress towards **Sustainability Commitments**

To drive progress in its sustainability journey, the Public Bank Group has set sustainability commitments underpinned by overarching targets and sub-targets. These targets are also mapped to the Group's material matters and the UN SDGs to which the Group is in the best position to contribute.

## Protecting the Environment

**Overarching Target**
Net Zero Carbon by 2050

- **Progress Indicator:** ★★☆
- **Material Matters:**

| Sub-targets | Progress in 2024 | Contributing to the UN SDGs |
|---|---|---|
| Achieve Carbon Neutral position by 2030 | • Established the Public Bank Group's Decarbonisation Plan<br>• Scope 1 and Scope 2:<br>– 2024 Total carbon emissions: 69,956 $tCO_2e$<br>– 2024 Emission intensity: 3.4 $tCO_2e$/full-time employee ("FTE")<br>• Scope 1, Scope 2 and Scope 3:<br>– 2024 Total carbon emissions: 99,967 $tCO_2e$<br>– 2024 Emission intensity: 4.9 $tCO_2e$/FTE | **Target 7.1:** Universal access to modern energy services<br>**Target 7.2:** Increase share of renewable energy in the global energy mix<br>**Target 7.3:** Double the global rate of improvement in energy efficiency<br>**Target 7.a:** Promote investment in energy infrastructure and clean energy technology<br>**Target 7.b:** Expand infrastructure and upgrade technology for supplying modern and sustainable energy services |
| Achieve a minimum of 25% of building gross floor area ("GFA") operating under green building criteria by 2030 | • Menara Public Bank 2 is certified Leadership in Energy and Environmental Design ("LEED") Gold, equivalent to 24% of main buildings GFA in Malaysia | **Target 9.3:** Access of small-scale enterprises to financial services<br>**Target 9.4:** Upgrade infrastructure with greater adoption of clean and environmentally sound technologies<br>**Target 9.a:** Facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial support |
| Achieve a minimum 30% reduction in energy consumption from baseline by 2030* | • Initiated the installation of solar panels at 135 branches in Malaysia<br>• 100% of electricity usage for main buildings in Malaysia was matched with the redemption of renewable energy certificates and use of on-site renewable energy | |
| Achieve a minimum 30% reduction in water consumption from baseline by 2030 | • Total water consumption: 486,700 $m^3$<br>• Water intensity: 24.0 $m^3$/FTE | **Target 12.2:** Achieve the sustainable management and efficient use or natural resources<br>**Target 12.7:** Promote practices that are sustainable |
| Mobilise RM100 billion of sustainable finance by 2030 | • Mobilised RM67.88 billion of sustainable finance since 2020, which comprises of:<br>– RM46.12 billion of low emissions vehicle financing<br>– RM8.98 billion of social agenda financing<br>– RM4.77 billion of corporate loans<br>– RM4.16 billion of sustainability-linked loans<br>– RM3.85 billion of green financing | **Target 13.1:** Strengthen resilience and adaptive capacity to climate-related hazards<br>**Target 13.3:** Improve education, awareness-raising as well as human and institutional capacity on climate change<br>**Target 17.16:** Multi-stakeholder partnerships to support the achievement of the SDGs |
| Set portfolio emissions reduction targets aligned with Paris Agreement and 1.5°C global warming trajectory | • Established sectoral targets for palm oil, cement and construction | |
| 100% of suppliers and vendors acknowledge the Public Bank Group Vendor Code of Conduct ("Vendor CoC") by 2025 | • 100% of material suppliers and vendors engaged by the Group's banking entities in Malaysia have acknowledged the Vendor CoC in 2024 | |

**Progress Indicator:** ☆☆☆ Not on track ★★☆ On track ★★★ Achieved

** 30% reduction is targeted to reduction in fossil fuel energy*

## Proficient Employees

**Overarching Target:**
**Develop and invest in talent to build a future ready workforce**

- **Progress Indicator:** ★★☆
- **Material Matters:**

| Sub-targets | Progress in 2024 | Contributing to the UN SDGs |
|---|---|---|
| Maintain a minimum of 45.0% female representation at Senior Management level | • Achieved 46.2% female representation at Senior Management level | **Target 3.4:** Promote mental health and well-being |
| Achieve a minimum of two hours sustainability-related related training per year for all employees from 2024 | • On average, employees have completed 3.2 hours of sustainability-related training in 2024 | **Target 4.7:** Ensure all learners acquire the knowledge needed to promote sustainable development |
| Establish a Sustainability Centre of Excellence ("COE") to support internal and client transition by 2024 | • Initiated the formation of Public Bank's Sustainability Centre of Excellence to drive strategic sustainability initiatives and support client transition to low carbon operations | **Target 5.1:** End all forms of discrimination against women<br>**Target 5.5:** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making |
| | | **Target 8.7:** Take immediate and effective measures to eradicate forced labour and end modern slavery<br>**Target 8.8:** Protect labour rights and promote safe and secure working environments |
| | | **Target 10.3:** Ensure equal opportunity and reduce inequalities of outcome |

# Progress Towards Sustainability Commitments

## Prosperous Customers and Communities

**Overarching Target:**
**Improve financial accessibility and well-being of society**

- **Progress Indicator:** ★★☆
- **Material Matters:**

| Sub-targets | Progress in 2024 | Contributing to the UN SDGs |
|---|---|---|
| Improve lives of 1.5 million individuals through inclusive finance by 2025 starting from 2021 | • Over 1.4 million individuals' lives improved since 2021<br>– Mobilised over RM8 billion in affordable home financing, benefitting over 44,000 low-to-medium income earners | **Target 1.1:** Eradicate extreme poverty for all people everywhere<br>**Target 1.4:** Equal rights to economic resources<br>**Target 1.a:** Mobilisation of resources to implement programmes to end poverty<br>**Target 3.4:** Promote mental health and well-being<br>**Target 3.8:** Access to quality essential healthcare services<br>**Target 3.b:** Support the research and development of medicines<br>**Target 4.4:** Skills for employment, decent jobs and entrepreneurship<br>**Target 4.5:** Ensure equal access to education for the vulnerable<br>**Target 4.6:** Ensure all youth achieve literacy and numeracy<br>**Target 4.7:** Ensure all learners acquire the knowledge needed to promote sustainable development<br>**Target 4.b:** Expand the number of scholarships for higher education |
| Achieve a minimum of 50,000 volunteer hours by 2025 and RM10 million spent on communities by 2030 | • Clocked more than 28,000 employee volunteer hours<br>• RM2.5 million spent on the community | **Target 8.3:** Growth of micro-, small- and medium-sized enterprises<br>**Target 8.5:** Achieve full and productive employment for all<br>**Target 8.6:** Reduce the proportion of youth not in employment, education or training<br>**Target 8.10:** Expand access to banking, insurance and financial services for all<br>**Target 9.2:** Promote inclusive and sustainable industrialisation<br>**Target 9.3:** Increase access of small-scale enterprises to financial services<br>**Target 9.a:** Facilitate sustainable and resilient infrastructure development through enhanced financial support<br>**Target 9.c:** Increase access to information and communications technology<br>**Target 10.2:** Empower and promote social, economic and political inclusion of all<br>**Target 10.3:** Ensure equal opportunity and reduce inequalities of outcome<br>**Target 11.1:** Ensure access to affordable housing<br>**Target 11.4:** Strengthen efforts to protect and safeguard the world's cultural and natural heritage<br>**Target 17.17:** Encourage and promote effective public, public-private and civil society partnerships |

**Progress Indicator:** ☆☆☆ Not on track ★★☆ On track ★★★ Achieved

## Principled Conduct

**Overarching Target:**
**Develop business underpinned by ethical conduct and compliance**

- **Progress Indicator:** ★★☆
- **Material Matters:**

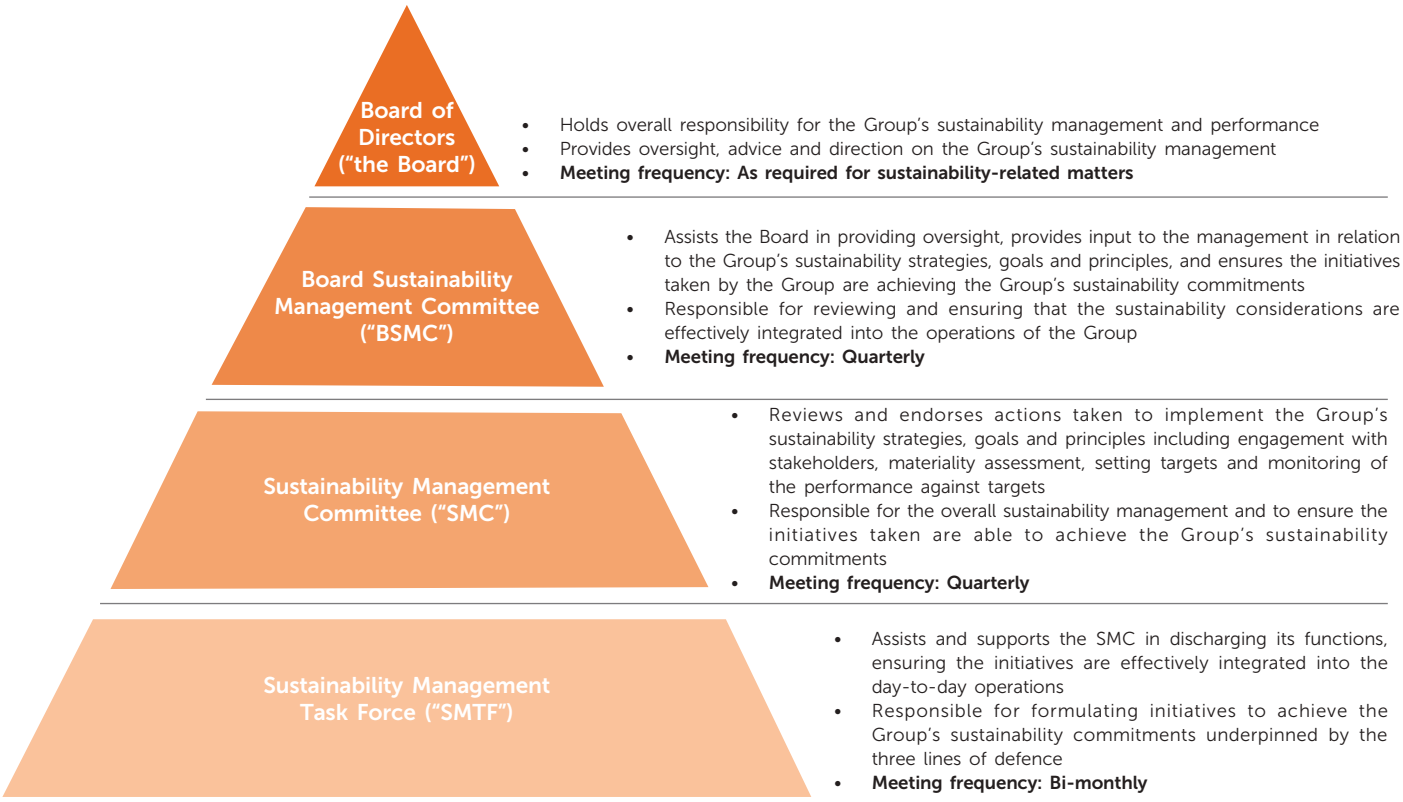
| Sub-targets | Progress in 2024 | Contributing to the UN SDGs |
|---|---|---|
| 100% of loans/financing undergone Environmental, Social and Governance Risk Acceptance Criteria ("ESG RAC") screening by 2025 for Large Corporates* | • Completed 100% of assessments on borrowers operating in High ESG Risk Sectors ("HERS"), and 65% of borrowers operating in non-HERS |  **Target 9.4:** Upgrade infrastructure with increased resource-use efficiency<br>**Target 9.5:** Encourage innovation and upgrade technological capabilities |
| 100% client engagement by 2025 for High Risk Large Corporates* | |  **Target 12.6:** Adopt sustainable practices and integrate sustainability information into reporting cycle<br>**Target 12.8:** Ensure that people have the relevant information and awareness for sustainable development |
| Establish key ESG frameworks and policies to support the Group's sustainability purpose | • Developed the Public Bank Group's Human Rights Policy<br>• Published the Sustainable Finance Framework |  **Target 16.4:** Significantly reduce illicit financial and arms flows<br>**Target 16.5:** Reduce corruption and bribery in all forms<br>**Target 16.6:** Develop effective, accountable and transparent institutions at all levels<br>**Target 16.7:** Ensure inclusive decision-making at all levels<br>**Target 16.10:** Ensure public access to information and protect fundamental freedoms |

**Progress Indicator:** ☆☆☆ Not on track ★★☆ On track ★★★ Achieved

** Large Corporates refer to all large corporate borrowers under the corporate financing segment*

# Sustainability **Governance**

The Public Bank Group's sustainability governance is anchored by its commitment to ensuring the effective delivery of its sustainability targets. From the Board of Directors ("the Board") to management-level committees, each provides clear strategic direction and oversight in relation to sustainability matters.



# Stakeholder **Engagement**

The Public Bank Group is committed to obtaining a good understanding of all its stakeholders' views. It continues to improve its engagement approaches through various communication channels to ensure meaningful connections with its key stakeholder groups – virtually and in person. These connections are essential to informing the Group's strategies, building trust, and creating long-term shared value. The following tables summarise the interactions between the Group and its key stakeholders during the year.

**Engagement Frequency:**

O Ongoing | Y Yearly | Q Quarterly | M Monthly | A As and when required

## Customers

Customers' continuous support ensures the Group's success and growth, positively impacting the Group's operations

| Method and Frequency | |
|---|---|
| Branches | O |
| Customer service channels | O |
| Self-service terminals | O |
| Customer surveys | O |
| Social media | O |
| Integrated Annual Report | Y |
| Financial roadshows | A |
| Webinar events | A |
| Financial portals:<br>– www.pbebank.com<br>– www.pbenterprise.com<br>– https://pbsustain.com | O |

**Scope of Interest**

- Efficient and courteous frontline counter service
- Key performance indicators ("KPIs") on service delivery
- Availability and suitability of products
- Ethical and fair conduct in sales and marketing practices
- Efficient and prompt response in addressing customer complaints
- Fair pricing of products and services
- Shariah-compliant Islamic products and services
- Protection from fraud and scams
- Data privacy and security
- Efficient and secure internet banking
- Reachability during non-office hours on e-banking security matters

**Group's Response**

- Management Discussion and Analysis
  - Serving the Customer (page 119)
  - Channel Management (page 121)
- Sustainability Report
  - Theme 3: Prosperous Customers and Communities (page 208)
  - Theme 4: Principled Conduct (page 231)
- Ethics, Integrity and Trust (page 314)

## Shareholders and Investors

The Group focuses on transparent engagement with shareholders and investors

| Method and Frequency | |
|---|---|
| Investor relations channel | O |
| Annual General Meeting | Y |
| Extraordinary General Meeting | A |
| Conferences and roadshows | A |
| Analyst briefings | Q |
| Integrated Annual Report | Y |
| Corporate Governance Report | Y |
| Media releases and interviews | A |
| Corporate website, www.publicbankgroup.com | O |

**Scope of Interest**

- Business performance, strategies and prospects
- Return on investments and dividend payouts
- Sustainability initiatives, performance and targets
- Good business conduct
- Guidance on Key Performance Targets

**Group's Response**

- Statement by Chairman (page 23)
- Review by Managing Director & Chief Executive Officer (page 26)
- Management Discussion and Analysis (page 44)
- Sustainability Report (page 151)
- Corporate Governance Overview Statement (page 280)
- Risk Management (under Corporate Governance section) (page 307)
- Investor Information (page 342)
- Integrated Annual Report – Financial Statements

# Stakeholder Engagement

**Engagement Frequency:**

O Ongoing | Y Yearly | Q Quarterly | M Monthly | A As and when required

## Employees

The main driving force that leads the Group towards its sustainability goals

| Method and Frequency | |
|---|---|
| Employee engagement events | A |
| Performance review | Y |
| Electronic communication channels (e.g. emails, circulars, newsletters, intranet portal and mobile application) | A |
| Employee survey | A |
| Sustainable financing hub, https://pbsustain.com | O |

**Scope of Interest**

- Talent and skill development
- Career prospects
- Remuneration and benefits
- Workplace health, safety and well-being
- Labour and human rights
- Equal opportunities in employment practices
- Succession planning
- Employee engagement activities

**Group's Response**

- Sustainability Report
  - Theme 2: Proficient Employees (page 195)
- Ethics, Integrity and Trust (page 314)

## Communities and Non-Governmental Organisations

Building positive relationships to maintain a good reputation and cultivate trust

| Method and Frequency | |
|---|---|
| Philanthropic activities | O |
| Integrated Annual Report | Y |
| Social media | O |
| Corporate website, www.publicbankgroup.com | O |

**Scope of Interest**

- Community well-being and empowerment
- Social development
- Sustainability initiatives
- Response to climate-related risks

**Group's Response**

- Sustainability Report
  - Theme 1: Protecting the Environment (page 172)
  - Theme 3: Prosperous Customers and Communities (page 208)
  - Disclosures Aligned with TCFD (page 244)

**Engagement Frequency:**

O Ongoing Y Yearly Q Quarterly M Monthly A As and when required

## Suppliers and Vendors

Associated with the procurement of products and services that contribute to the Group's efficient operations

| Method and Frequency | |
|---|---|
| Procurement process | O |
| Suppliers/Vendors engagement activities | O |
| Sustainability section of corporate website, www.publicbankgroup.com | O |

**Scope of Interest**

- Fair selection of suppliers and vendors
- Transparent procurement process
- Vendor Code of Conduct

**Group's Response**

- Sustainability Report
  - Theme 1: Protecting the Environment (page 172)
- Ethics, Integrity and Trust (page 314)

## Regulators

Effective engagement with the regulators is essential for ensuring compliance and efficient risk management

| Method and Frequency | |
|---|---|
| Meetings | A |
| Industry forums | A |
| Consultation and townhall sessions | A |
| Correspondences | A |

**Scope of Interest**

- Regulatory compliance and good corporate governance practices
- Business continuity and growth
- Financial inclusion and literacy
- Customer service
- Ethical banking conduct
- Management and response to climate-related risks
- Digital banking
- Cybersecurity
- Sustainability initiatives
- Personal data protection
- Sustainable financing

**Group's Response**

- Sustainability Report (page 151)
- Corporate Governance Overview Statement (page 280)
- Statement on Risk Management and Internal Control (page 301)
- Risk Management (under Corporate Governance section) (page 307)
- Ethics, Integrity and Trust (page 314)
- Audit Committee Report (page 318)
- Integrated Annual Report – Financial Statements

# Stakeholder Engagement

**Engagement Frequency:**

O Ongoing | Y Yearly | Q Quarterly | M Monthly | A As and when required

## Media and Public Domain

Strategic engagement is important as the media influences opinions about the Group's products, services and performance

| Method and Frequency | |
|---|---|
| Interviews | A |
| Press releases | A |
| Integrated Annual Report | Y |
| Social media | O |
| Corporate website, www.publicbankgroup.com | O |

**Scope of Interest**

- Financial result, business performance, strategy and prospects
- Corporate development
- Launch of new products and services
- Sustainability initiatives, performance and targets

**Group's Response**

- Statement by Chairman (page 23)
- Review by Managing Director & Chief Executive Officer (page 26)
- Outlook and Strategic Directions (page 39)
- Sustainability Report (page 151)
- Corporate Governance Overview Statement (page 280)

## Other Financial Institutions

Understanding peer banks' strategies and strengths is essential for maintaining competitive advantage

| Method and Frequency | |
|---|---|
| Meetings | A |
| Industry forums | A |
| Consultation and townhall sessions | A |
| Correspondences | A |

**Scope of Interest**

- Regulatory compliance and good corporate governance practices
- Business continuity and growth
- Financial inclusion and literacy
- Customer service
- Ethical banking conduct
- Risk management
- Digital banking
- Cybersecurity
- Sustainability initiatives
- Response to climate-related risks
- Personal data protection

**Group's Response**

- Sustainability Report (page 151)
- Corporate Governance Overview Statement (page 280)
- Statement on Risk Management and Internal Control (page 301)
- Risk Management (under Corporate Governance section) (page 307)
- Ethics, Integrity and Trust (page 314)
- Audit Committee Report (page 318)
- Integrated Annual Report – Financial Statements

# Contributing to the Industry

The Public Bank Group is a member of or affiliated with the following associations and organisations.

| Name of Associations/Organisations | Description |
|---|---|
| **Sustainability-Related** | |
| Partnership for Carbon Accounting Financials ("PCAF") | Signatory of PCAF |
| Bank Negara Malaysia ("BNM")'s Joint Committee on Climate Change ("JC3") | Member in JC3 SME Focus Group ("SFG") and Sub-Committee 1: Risk Management |
| BNM's Value-based Intermediation Financing and Investment Impact Assessment Framework ("VBIAF") | Public Islamic Bank is a member of BNM's VBIAF Sectoral Guide Working Group (third cohort) |
| Financial Industry Collective Outreach ("FINCO") | Member of FINCO<br>CEO of Public Investment Bank is a member of the Board of Directors of FINCO |
| Ombudsman for Financial Services ("OFS") | Member of OFS |
| Institutional Investors Council Malaysia ("IIC") | Public Mutual is a signatory of IIC's Malaysian Code of Institutional Investors |
| **Banking and Finance-Related** | |
| The Association of Banks in Malaysia ("ABM') | Member of ABM |
| Perbadanan Insurans Deposit Malaysia ("PIDM") | Member of PIDM |
| Financial Institutions Directors' Education Forum ("FIDE Forum") | Member of FIDE Forum |
| Association of Islamic Banking and Financial Institutions Malaysia ("AIBIM") | Public Islamic Bank is a member of AIBIM |
| Federation of Investment Managers Malaysia ("FIMM") | Public Mutual is a member of FIMM |
| Malaysian Financial Planning Council ("MFPC") | Public Mutual is a Corporate Member of MFPC |
| Financial Planning Association of Malaysia ("FPAM") | Public Mutual is a Charter Member of FPAM |
| Malaysian Investment Banking Association ("MIBA") | Public Investment Bank is a member of MIBA |
| Association of Stockbroking Companies Malaysia ("ASCM") | Public Investment Bank is a member of ASCM |

### ABM Seven ESG Principles

As a member of the ABM, the Public Bank Group's sustainability commitments are aligned with ABM's ESG Principles:

1. We commit to achieve Carbon Net Zero across our entire business and financed customer portfolio
2. We commit to incorporate ESG into our governance and risk management approach
3. We commit to identify, mitigate and manage risks of modern slavery and human rights across our supply chain
4. We commit to support financing for Agribusiness customers
5. We commit to encourage sustainable practices within the high impact sectors for ESG
6. We commit to social and financial inclusion to ensure a sustainable future
7. We commit to report on our ESG practices and progress in achieving these commitments

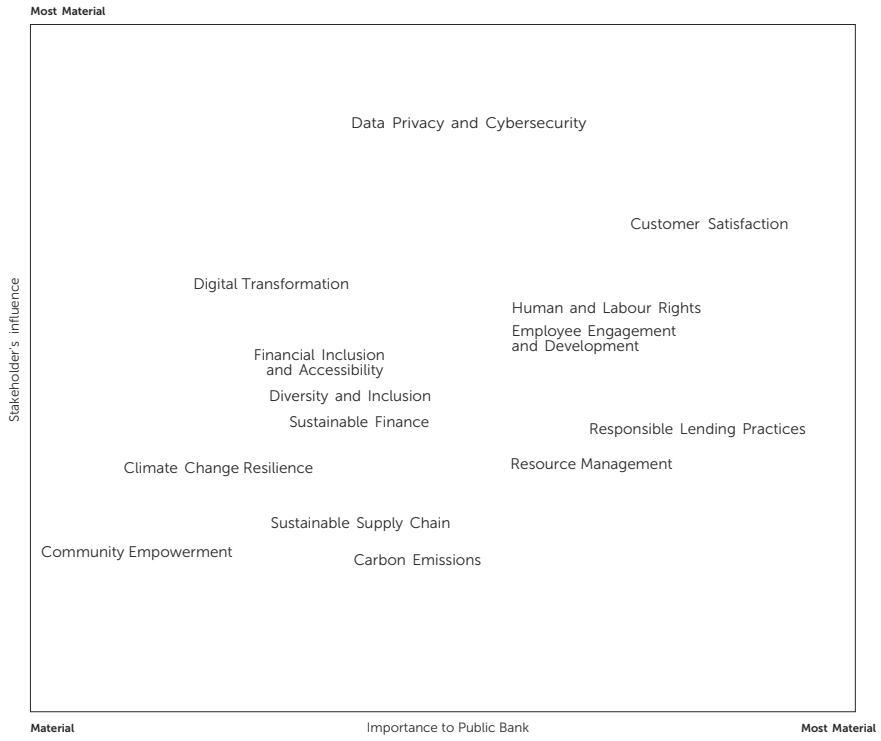
# Materiality **Assessment**

In 2024, the Public Bank Group carried out its biennial materiality assessment exercise to validate its 17 existing material matters and identify any emerging matters to the Group. The materiality assessment was driven by a four-step approach to review the material matters identified to ensure their continued relevance to the Group's business, and its impact and alignment with stakeholder interests and concerns.

| Review | Identify | Prioritise |
|---|---|---|
| Review the relevance of material matters as well as new matters | Conduct a multi-stakeholder engagement exercise | Review findings and prioritise the most material matters to the Group |

As part of the exercise, an online Materiality Assessment Survey for key stakeholder groups was rolled out, garnering feedback from more than 2,700 respondents.

Based on the findings, the 17 material matters were mapped onto a materiality matrix according to the influence of material matters emphasised by the stakeholders and their importance to the Public Bank Group's business. The Group confirmed that the 17 existing material matters remained relevant to the Group in 2024.




| Protecting the Environment | Proficient Employees | Prosperous Customers and Communities | Principled Conduct |
|---|---|---|---|
| • Climate Change Resilience<br>• Carbon Emissions<br>• Resource Management<br>• Sustainable Finance<br>• Sustainable Supply Chain | • Diversity and Inclusion<br>• Employee Engagement and Development<br>• Human and Labour Rights | • Responsible Lending Practices<br>• Financial Inclusion and Accessibility<br>• Customer Satisfaction<br>• Community Empowerment<br>• Digital Transformation | • Data Privacy and Cybersecurity<br>• Governance and Business Ethics<br>• Transparency and Trust<br>• Risk Management |

All material matters under Principled Conduct remained as top priorities of the Public Bank Group and its stakeholders. This reflects the importance of upholding integrity and accountability in the Group's role as a financial intermediary and custodian of public funds. While environmental and climate-related matters and community empowerment were perceived as moderately material by the stakeholders, the Group will continue to place these matters as important to address climate change along with increasing expectations of regulators, while contributing to the community.

This year, the Public Bank Group has included biodiversity as a new emerging matter in the materiality assessment. Although biodiversity is perceived as less material by the Group's stakeholders, the Group still recognises it as an emerging matter due to its key role in addressing climate issues. Acknowledging the importance of biodiversity, the Group is mindful of its role in protecting and preventing biodiversity loss and restoring nature. Read about the Group's biodiversity conservation initiatives in **Community Empowerment** on page 219.

Theme 1:

# Protecting the **Environment**



## Material Matters

- Climate Change Resilience
- Carbon Emissions
- Resource Management
- Sustainable Finance
- Sustainable Supply Chain

Related UN SDGs




**"DRIVEN BY OUR COMMITMENT TO NET ZERO CARBON BY 2050, THE PUBLIC BANK GROUP IS FOCUSED ON INTEGRATING SUSTAINABLE PRACTICES ACROSS OUR OPERATIONS TO PROTECT THE ENVIRONMENT, SHAPING A GREENER AND MORE RESILIENT FUTURE."**

**Tan Sri Dato' Sri Dr. Tay Ah Lek**
Managing Director & Chief Executive Officer

# Theme 1: **Protecting the Environment**

## Climate Change Resilience

### The Group's Approach

The Public Bank Group's climate change approach is underpinned by the three climate-related Strategic Directions ("3 SD's"), institutionalised in the Climate-Related Strategy Policy ("CRSP") which provides an overarching framework to guide climate-related initiatives in achieving the Group's commitments.



### Building Climate Change Resilience

The Public Bank Group has embarked on significant efforts to translate its climate targets of achieving Carbon Neutral by 2030 and Net Zero Carbon by 2050 into action. For more information on the Public Bank Group's Decarbonisation Plan, please refer to **Carbon Emissions** on page 174.

The Public Bank Group has taken actions to understand climate-related risks. This includes profiling the Group's own domestic operations covering bank branches and data centres in Malaysia against flood risk data to identify potential vulnerable locations as well as guide future initiatives to develop mitigation strategies. This action is key to ensure business continuity and minimise potential disruptions to customers and stakeholders.

To further enhance resilience towards physical risk, the Public Bank Group has also carried out a physical risk assessment on mortgage financing portfolio, allowing for a better understanding of potential climate-related risks and informed future risk management strategies.

For more information on the Public Bank Group's climate risk management strategies, please refer to the **Disclosures Aligned with TCFD** on page 244.

**Why it Matters**

Due to the significant impact of climate change on the society, economy and financial system, the Public Bank Group is mindful of the importance of managing climate-related risks and opportunities.

**Risks**

Failure to recognise and manage climate-related risks may lead to substantial financial consequences for businesses, households and the Public Bank Group.

**How the Group Responds**

- Ensure sound management of climate-related risks and opportunities.
- Advocate for climate change adaptation and mitigation efforts.

### Key Highlights

- Continued to **step up the Group's climate action** and **move towards net zero carbon**
- Executed **climate stress testing** on the **Group's mortgage financing portfolio**
- Executed **preliminary flood risk assessment** on the Group's own domestic operations covering bank branches and data centres

# Theme 1: Protecting the Environment

## Carbon Emissions

### The Group's Approach

The Public Bank Group acknowledges the carbon footprint of its operations, and is committed to reducing it. Guided by its Decarbonisation Plan, the Group employs a focused and targeted approach to maximise positive environmental impact.

To that end, the Public Bank Group consistently measures and discloses its carbon emissions to monitor progress towards climate targets. In the immediate-term, the Group expects an increase in expenditure on infrastructure enhancement and technology adoption in reducing its carbon emissions.



### The Transition to Net Zero Carbon 2050

Anchored by the target to achieve Net Zero Carbon by 2050, the Public Bank Group made significant progress by establishing the Public Bank Group's Decarbonisation Plan ("the Plan" or "Decarbonisation Plan") in 2024. The Decarbonisation Plan details the Group's approach to decarbonising its Scope 1, Scope 2 and Scope 3 emissions, with the interim target of achieving a carbon neutral status by 2030 for Scope 1 and Scope 2. The initial plan comprises strategic enablers that are focused and practical in delivering the target, not just for its direct operational and value chain emissions but also for supporting customers' transition. The plan represents the Group's commitment with the support of senior management and the Board of Directors. The path to net zero carbon is a long-term journey, one where the Group needs to focus on driving impactful actions which not only benefit the business, but also its customers.

**Why it Matters**

Carbon emissions are a significant contributor to global warming. As a responsible financial institution, the Public Bank Group's is expected to contribute to the global climate agenda by reducing its own and its customers' carbon footprint through its lending and financing activities.

**Risks**

The Public Bank Group's emissions are interlinked with physical, transition, and regulatory risks. With increased climate events and impending carbon tax regimes in the countries where the Group operates, especially Malaysia, managing the emissions is imperative to building resilience over time.

**How the Group Responds**

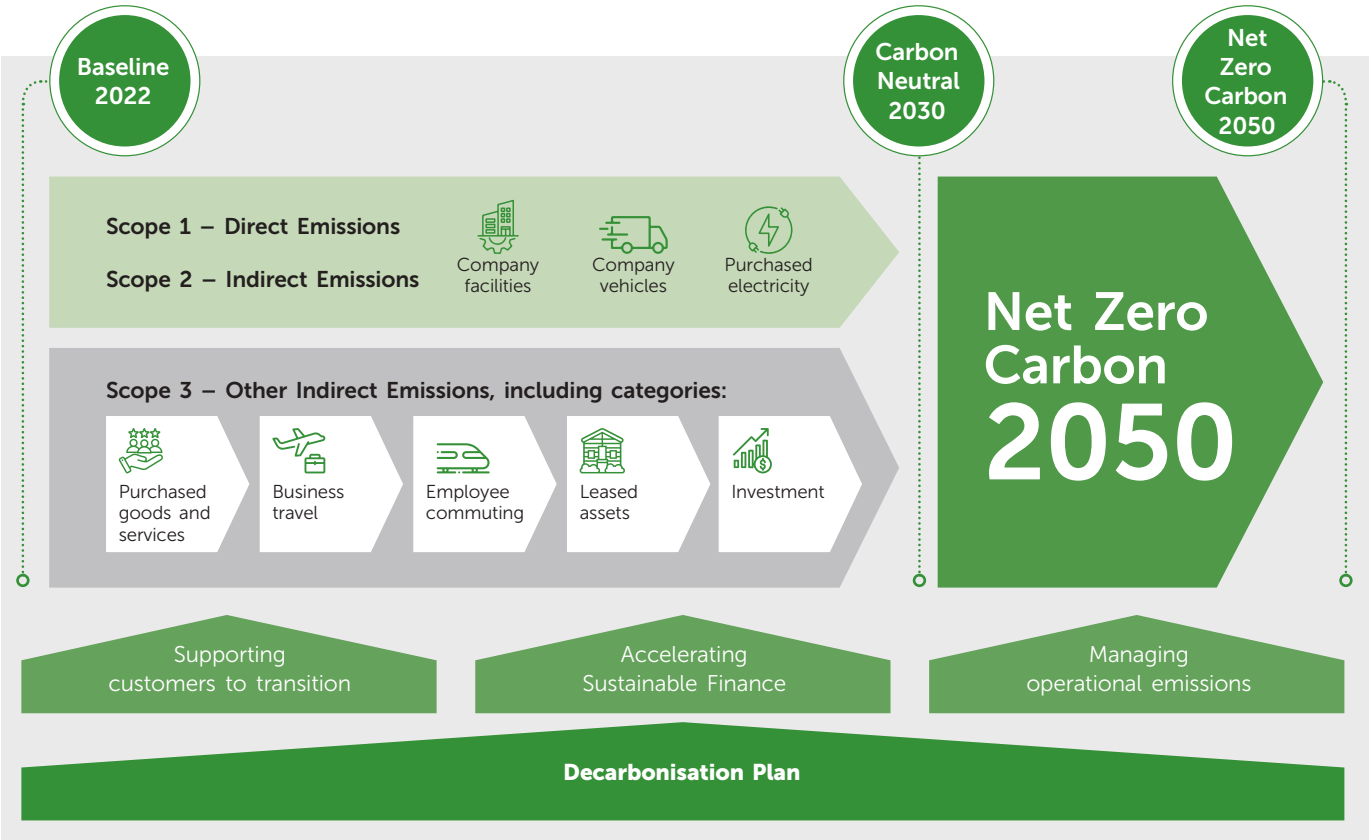
Guided by the Decarbonisation Plan, strategic enablers have been identified to scale initiatives for the Group to transition towards low-carbon operations and achieve its targets.

**Key Highlights**

- Established the **Public Bank Group's Decarbonisation Plan**
- **100%** of electricity usage for main buildings in Malaysia was matched with the redemption of **renewable energy certificates** and **use of on-site renewable energy**

**Targets/Sub-targets**

- Achieve **Carbon Neutral position (Scope 1 and Scope 2) by 2030**
- Achieve **Net Zero Carbon by 2050**




## Delivering on Net Zero Carbon 2050

The Public Bank Group's lending and financing activities are closely interlinked with climate change, both as a source of risk to the Group's portfolio and as a driver of the Group's indirect impact on climate change. Given that the Group's largest source of emissions arises from its financed emissions, it is fundamental for the Group to strategically finance and mobilise capital to support its customers' decarbonisation and transition to a low carbon economy.

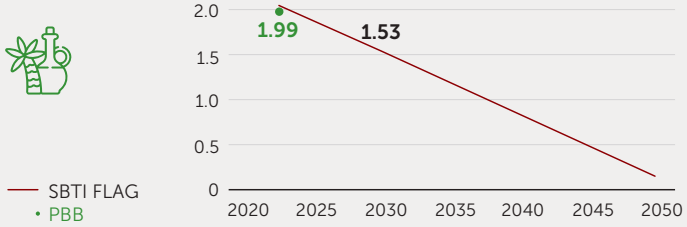
To deliver on the Net Zero Carbon 2050 target, the Public Bank Group has set targets for three priority sectors – palm oil, cement and construction, which are aligned with the Paris Agreement on limiting global temperature increase to 1.5°C. Globally, a significant amount of carbon emissions arises from the use of fossil fuels, especially in the energy sector, followed by manufacturing, construction, buildings, agriculture, forest, and land use ("AFOLU") sectors. While the Group is cognisant of the need to support the transition of customers across all sectors to achieve the net zero carbon target, these sectors have been identified as priorities for decarbonisation efforts within its portfolio.

# Theme 1: Protecting the Environment

## Sectoral Targets

### Palm Oil

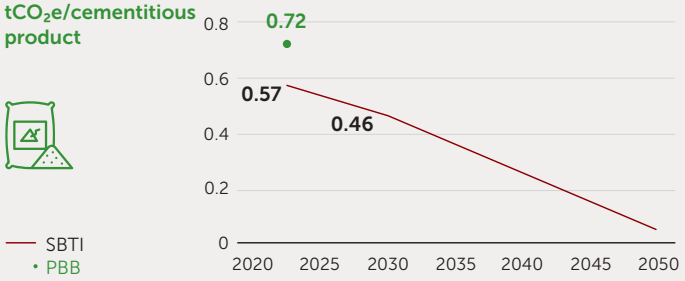
**Emission Intensity $tCO_2e$/t crude palm oil**




| | |
|---|---|
| **Value Chain** | Growing palm & milling palm oil |
| **Emissions Scope** | • FLAG Scope 1 and 3<br>• Energy & Industrial ("E&I") Scope 1 and Scope 2 |

### Cement

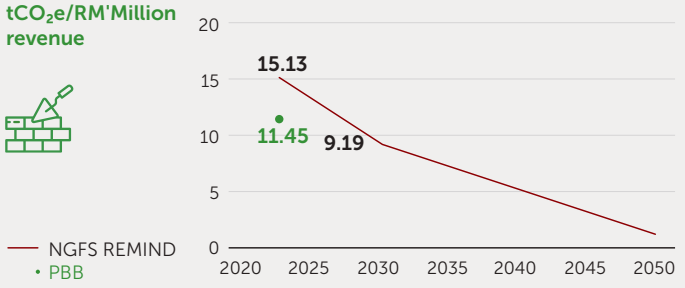
**Emission Intensity $tCO_2e$/cementitious product**




| | |
|---|---|
| **Value Chain** | Manufacture of cement |
| **Emissions Scope** | • Scope 1<br>• Scope 2 |

### Construction

**Emission Intensity $tCO_2e$/RM'Million revenue**




| | |
|---|---|
| **Value Chain** | Construction operations |
| **Emissions Scope** | • Scope 1<br>• Scope 2 |

*Notes:*
1. *SBTi: Science Based Targets initiative.*
2. *FLAG: Forest, Land and Agriculture.*
3. *NGFS REMIND: Network for Greening the Financial System Regional Model of Investments and Development.*

The sectoral decarbonisation targets are guided by science-based reference pathways which limit global warming to 1.5°C by 2050. While the availability and quality of emissions data continue to improve globally, challenges remain, especially in developing countries. The Public Bank Group relies on the best available customer data and references from scientific literature and is committed to setting and reviewing the decarbonisation targets in line with the latest available science. For sectoral targets, the baseline year is set to 2023, the most recent year for which reliable emissions data are available.

## Supporting Customers to Transition

Central to the success of decarbonisation is the Public Bank Group's collaboration with customers. By prioritising high-emitting sectors, the Group aligns its business objectives with climate goals, creating a synergistic impact across interconnected sectors within its portfolio. Decarbonising the cement and construction sectors, for instance, is expected to generate positive spillover effects, accelerating the broader decarbonisation of the mortgage and real estate sectors.

In operationalising its approach, the Public Bank Group recognises the importance of a balanced transition that decarbonises while supporting economic growth and societal needs. Adopting intensity-based targets balances the demand for growth in sectors, especially those offering essential goods and services with the need for climate action. The Group also recognises that different sectors require different levels of decarbonisation intensity over time and endeavours to engage with customers to make a positive impact through its capabilities to support as a financial institution.

While decarbonisation targets currently focus on the corporate portfolio, the Public Bank Group continues to identify opportunities to finance environmental economic activities in the retail sector, including financing low emissions vehicles and green buildings. Recognising that customers' sustainability needs are evolving, the Group remains resolute to stay ahead by equipping its employees — especially customer-facing officers — with the knowledge and tools necessary to support customers on their decarbonisation journey. To achieve this, the Group is actively developing the infrastructure and resources needed to capacity-build its employees and foster a net zero mindset. This approach ensures the Group can effectively link lending and financing opportunities to transition, while meeting customers' needs in a dynamic and increasingly sustainability-driven business landscape.

## Progress of the Decarbonisation of Financed Emissions

The Public Bank Group signed on as a PCAF signatory in 2023 and has adopted the PCAF methodology to estimate its financed emissions. The estimated financed emissions span five asset classes, namely, motor vehicles, mortgages, commercial real estate, business loans, and project finance. Building on this foundation, the Group expanded its financed emissions data coverage to include overseas operations in Hong Kong.

### Estimated Financed Emissions Dashboard

| | | Absolute Emissions ($ktCO_2e$) | | | | Emissions Intensity ($tCO_2e$/RM'Billion) | | |
|---|---|---|---|---|---|---|---|---|
| Year | Asset Class | Scope 1&2 | Scope 3 | Total | Outstanding Balance (RM'Billion) | Scope 1&2 | Scope 3 | PCAF data quality score |
| 2022 | Motor Vehicle [i, iii] | 2,894.0 | | 2,894.0 | 58.8 | 49.2 | | 3.8 |
| | Mortgage [iii] | 1,564.5 | | 1,564.5 | 155.7 | 10.0 | | 4.0 |
| | Commercial Real Estate [iii] | 816.9 | | 816.9 | 70.3 | 11.6 | | 4.1 |
| | Business Loan [ii, iii] | 1,892.7 | 1,992.8 | 3,885.5 | 35.9 | 52.7 | 55.5 | 5.0 |
| | Project Finance [iii] | 25.8 | | 25.8 | 6.2 | 4.1 | | 5.0 |
| 2023 | Motor Vehicle [i, iii] | 3,041.5 | | 3,041.5 | 64.8 | 46.9 | | 3.8 |
| | Mortgage [iii] | 1,590.9 | | 1,590.9 | 165.5 | 9.6 | | 4.0 |
| | Commercial Real Estate [iii] | 689.1 | | 689.1 | 73.6 | 9.4 | | 4.1 |
| | Business Loan [ii, iii] | 2,086.2 | 2,173.6 | 4,258.9 | 38.3 | 54.5 | 56.8 | 5.0 |
| | Project Finance [iii] | 25.8 | | 25.8 | 6.2 | 4.2 | | 5.0 |
| 2024 | Motor Vehicle | 3,264.7 | | 3,264.7 | 73.2 | 44.6 | | 2.8 |
| | Mortgage | 1,598.5 | | 1,598.5 | 174.7 | 9.2 | | 4.0 |
| | Commercial Real Estate | 759.9 | | 759.9 | 78.0 | 9.7 | | 4.1 |
| | Business Loan | 2,085.1 | 2,305.4 | 4,390.4 | 41.8 | 49.9 | 55.2 | 5.0 |
| | Project Finance | 22.9 | | 22.9 | 5.4 | 4.2 | | 5.0 |
| | **2022 Total** | **7,193.9** | **1,992.8** | **9,186.6** | **326.9** | **22.0** | **6.1** | |
| | **2023 Total** | **7,433.5** | **2,173.6** | **9,607.2** | **348.4** | **21.3** | **6.2** | |
| | **2024 Total** | **7,731.1** | **2,305.4** | **10,036.4** | **373.1** | **20.7** | **6.2** | |

# Theme 1: Protecting the Environment

**Estimated Financed Emissions Dashboard (by sector)**

| | | Absolute Emissions ($ktCO_2e$) | | | | Emissions Intensity ($tCO_2e$/RM'Billion) | | |
|---|---|---|---|---|---|---|---|---|
| Year | Sector | Scope 1&2 | Scope 3 | Total | Outstanding Balance (RM'Billion) | Scope 1&2 | Scope 3 | PCAF data quality score |
| 2022 | Cement | 210.7 | 40.8 | 252.0 | 0.2 | 914.0 | 176.9 | 5.0 |
| | Construction | 10.7 | 203.4 | 214.1 | 3.7 | 2.9 | 55.6 | 5.0 |
| | Palm Oil | 495.7 | 318.7 | 815.0 | 2.4 | 205.3 | 132.0 | 5.0 |
| 2023 | Cement | 284.2 | 55.0 | 339.2 | 0.3 | 914.0 | 176.9 | 5.0 |
| | Construction | 11.0 | 209.3 | 220.3 | 3.8 | 2.9 | 55.6 | 5.0 |
| | Palm Oil | 818.9 | 487.1 | 1,306.0 | 3.1 | 267.1 | 158.9 | 5.0 |
| 2024 | Cement | 237.0 | 45.9 | 282.9 | 0.3 | 798.5 | 154.5 | 4.3 |
| | Construction | 10.4 | 200.0 | 210.4 | 3.4 | 3.1 | 58.9 | 4.9 |
| | Palm Oil | 899.6 | 529.9 | 1,429.5 | 3.3 | 270.9 | 159.6 | 4.9 |

*Notes:*

1. *Estimated financed emissions disclosed for positions as at 31 December 2022, 31 December 2023 and 31 December 2024.*
2. *Outstanding loans and/ or financing used to estimate the financed emissions cover 88% of the Group loans and/ or financing in 2024.*
3. *Emissions and outstanding balance are derived from loans and/or financing in Malaysia and Hong Kong.*
4. *The following figures are restated to enhance data coverage:*
   - i. *Motor Vehicle for 2022 and 2023 to cover all vehicle types financed in Malaysia;*
   - ii. *Business Loan for 2022 and 2023 to cover Scope 1, Scope 2 and Scope 3 emissions for all financed sectors; and*
   - iii. *Motor Vehicle, Mortgage, Commercial Real Estate, Business Loan, and Project Finance for 2022 and 2023 to include financed emissions from Hong Kong.*
5. *Project finance consists of construction projects.*
6. *Sector emissions only include Business Loans financed in Malaysia.*
7. *PCAF data score of 1 to 5 represents data quality from good (more actual data representation e.g. actual emissions or energy consumption) to worse (estimation using average data e.g. sector average).*
8. *Emissions from change in organisational boundary will require at least one full financial year to be reflected.*

To improve quality of data, the Public Bank Group has captured customer data sourced from public disclosures for selected sectors.

Recognising the current limitations in calculating financed emissions due to incomplete or unavailable data, the Public Bank Group endeavours to enhance data quality and completeness. As more accurate and comprehensive data becomes available, the Group expects to refine and adjust its emissions values accordingly.

*For more information on the Public Bank Group's data on carbon emissions, please refer to **Sustainability Performance Data 2024** on Public Bank's corporate website.*

## Accelerating Sustainable Finance

As one of the largest retail banks in the region, the Public Bank Group is well-placed to support the transition to a low carbon economy. Driven by the target of achieving RM100 billion of sustainable financing by 2030, the Group offers various ESG and sustainability-related products to customers of different backgrounds and sizes. In this regard, innovation and tailoring loan and financing products are vital.

*For more information on the Group's sustainable financing products, progress and achievements, please refer to **Sustainable Finance** on page 187.*

## Managing Operational Emissions | Scope 1 and Scope 2

The Public Bank Group's approach to decarbonising its operational emissions is structured into three phases, which ensures steady and consistent progress. Each phase builds upon the previous one to progressively achieve emissions reduction while empowering long-term change.

| PHASE 1 | PHASE 2 | PHASE 3 |
|---|---|---|
| THE FOUNDATION | SCALING UP | SUSTAINING MOMENTUM |
| **TARGET SETTING**<br>Review data and establish clear targets | **SCALE UP**<br>Expansion of projects and programmes | **STEADY REDUCTION**<br>Progressive asset upgrading works |
| **COMMUNICATION**<br>Internal and external communication of the strategy | **COLLABORATION**<br>Foster internal and external collaboration in decarbonisation efforts | **EMPOWERMENT**<br>Empower teams to lead innovative reduction projects |
| **REFINE**<br>Refine plan based on pilot project progress | **CARBON NEUTRALITY 2030**<br>100% reduction in market-based Scope 1 and Scope 2 emissions | **NET ZERO CARBON 2050**<br>To reduce 90% of all operation emissions |

## Strategic Enablers to Carbon Neutral 2030

The Public Bank Group's decarbonisation approach for operational emissions follows the principles of the energy hierarchy, prioritising energy demand reduction to minimise environmental impact. The Group will enhance energy efficiency and reduce wastage to promote sustainable energy use across all business operations.

Alongside this, the Public Bank Group will deploy renewable energy, specifically solar energy, while phasing out reliance on fossil fuels and advance the transition to cleaner energy. The Group will address unavoidable emissions by leveraging high-quality carbon offset mechanisms.

The Public Bank Group aims to achieve reduction of at least 90% of Scope 1 and Scope 2 emissions by 2030. Apart from maintaining the state of carbon neutrality, the Group will continue to advance towards the Net Zero Carbon by 2050 goal by developing replicable and scalable actions to achieve emissions reductions and reduce dependency on market-based emissions reduction strategies.

AVOIDANCE & REDUCTION

RENEWABLES

OFFSETTING

### ENERGY EFFICIENCY

Target reduction 10%

Prioritise impactful energy efficiency programmes that reduce energy consumption and optimise resources

**Our Approach**
- Energy audit for main buildings
- Infrastructure upgrading
- Efficiency-driven retrofit

### SUSTAINABILITY AWARENESS

Conduct an annual sustainability campaign to encourage impact-driven actions

**Our Approach**
- Promote responsible use of resources
- Empower sustainable actions from employees

### MOVING AWAY FROM FOSSIL FUEL

Target reduction 80%

Transition to clean energy to ensure a cleaner, more resilient energy source

**Our Approach**
- Increase renewable energy assets
- Renewable energy certificates

### CARBON CREDITS

For unavoidable emissions

**Our Approach**
- Invest in high quality carbon abatement projects to neutralise our footprint

# Theme 1: Protecting the Environment

## Public Bank Group Scope 1 and Scope 2 Emissions 2024

The Public Bank Group has, in 2024, implemented a series of targeted initiatives aligned with its strategic enablers.

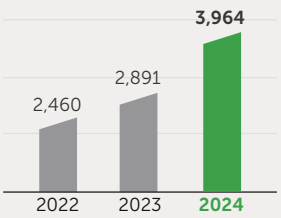
Following an energy audit conducted in 2023, the Public Bank Group has replicated the initiative across other main buildings in Malaysia to identify areas of priority for energy efficiency improvements. The Group has also set in motion the installation of solar panels across 135 branches in Malaysia. This initiative will take place over the next three years, building up the renewable energy generation capacity towards 2030.

In 2024, for the first time, all the main buildings in Malaysia achieved zero Scope 2 emissions (market-based). This was accomplished by matching the main building grid-electricity usage with the redemption of local Renewable Energy Certificates ("RECs"). The purchase directly contributes to the development of additional renewable energy capacity in the country. Building on this progress, the Public Bank Group has set a target to reduce fossil-based energy use in its main office buildings in Malaysia by 3% in 2025.

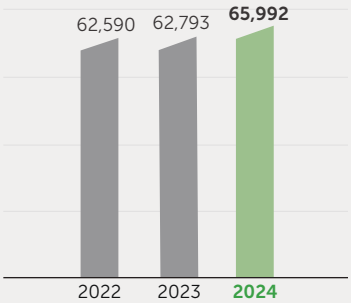
This significant progress reflects the Public Bank Group's dedication to driving impactful change for a sustainable future.

**Public Bank Group Scope 1 and Scope 2 Emissions**

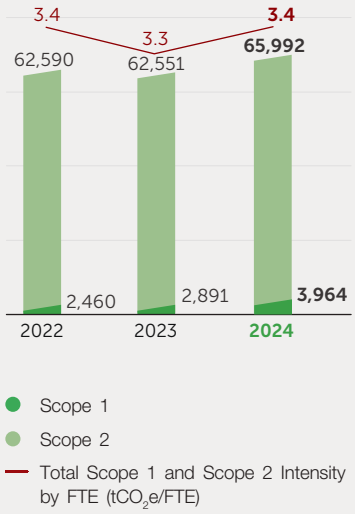
**Scope 1 Emissions $tCO_2e$**




**Scope 2 Emissions $tCO_2e$**




**Total Scope 1 and Scope 2 (location-based) $tCO_2e$**




*Note: Scope 2 emissions were restated due to the changes in grid emission factors.*

## Managing Operational Emissions | Scope 3 Value Chain

The Public Bank Group continues to disclose its Scope 3 emissions – Categories 6 (Business Travel) and 7 (Employee Commuting). In line with its Net Zero Carbon 2050 target, an assessment was conducted to identify relevant and material categories to facilitate the development of the Decarbonisation Plan for its value chain. Through the assessment, two additional categories have been identified as relevant and reportable – Category 1 (Purchase of goods and services) and Category 13 (Downstream leased assets).

| Scope 3 Category | 2022 | 2023 | 2024 |
|---|---|---|---|
| **C1: Purchased Goods and Services** | 69 | 1,098 | 1,615 |
| **C6: Business Travel** | 1,407 | 1,693 | 1,939 |
| **C7: Employee Commuting** | 24,829 | 21,467 | 25,872 |
| **C13: Downstream Leased Assets** | NA | NA | 585 |
| **Total** | **26,305** | **24,257** | **30,011** |

*Notes:*
1. *Scope 3 Category 13 emissions only cover Malaysia.*
2. *Emission factors used for Categories 1 and 7 are from the Department for Environment Food and Rural Affairs ("Defra") and corresponding available data from manufacturers. Emission factors for Category 6 are from Defra and International Air Transport Association ("IATA").*
3. *Employee commuting is extrapolated from the Group-wide survey, of which 70% of the Group's employees responded.*
4. *NA: Not Available.*

The Public Bank Group's suppliers are key enablers in decarbonising the value chain. Achieving Net Zero Carbon 2050 across the Group's value chain relies on the suppliers' ability to decarbonise. To support this, the Group has begun engaging its suppliers by requiring them to acknowledge the Group's Vendor Code of Conduct. This is a key step in fostering stronger collaboration, enabling a deeper understanding of their capabilities and sustainability progress over the medium-term to long-term.

In the coming year, the Public Bank Group will evaluate and assess its supply chain to better understand its broader impact, identify areas for improvement, and manage potential risks. Additionally, the Group is also working towards enhancing data capture, which is critical for quantifying carbon emissions and identifying areas for improvement across both upstream and downstream emissions. Another key measure to decarbonising is reviewing and managing how the Group procures and uses resources responsibly. To this end, internal targets and KPIs have been set to drive reductions in paper and water usage.

*For more information on the Public Bank Group's supply chain practices and initiatives, please refer to **Sustainable Supply Chain** on page 193.*

### Moving Forward

The Net Zero Carbon 2050 target is an ambitious target for the Public Bank Group. The Group will closely govern and monitor delivery, progress, and consistent implementation to achieve the target. This entails annual monitoring and assessment of progress against targets and key metrics identified.

To ensure reliability, the Public Bank Group had, in 2023, obtained its first external assurance on Scope 1 and Scope 2 emissions. This year, the Group continued to obtain assurance on Scope 1 and Scope 2 emissions for 2024. Please refer to **Limited Assurance Report** for 2024 on page 269.

*For more information on the Public Bank Group's data on carbon emissions, please refer to **Sustainability Performance Data 2024** on Public Bank's corporate website.*

# Theme 1: Protecting the Environment

## Resource Management

### The Group's Approach

The Public Bank Group actively works to minimise its environmental impact and promote the efficient use of resources. To achieve these objectives, the Group manages, measures and reports the environmental impact from its business operations. The Group has also implemented various initiatives to reduce its operational carbon footprint, including increasing the use of renewable energy where feasible, operating energy and water efficient properties, and improving waste management practices.

Looking ahead, the Public Bank Group aims to explore new opportunities to enhance resource management while fostering greater environmental awareness amongst its employees and stakeholders.



### Energy Management

Since embarking on its sustainability journey, the Public Bank Group has invested in several energy-saving measures, including the installation of solar panel systems. The Group remains focused on improving energy efficiency across its operations and increasing the adoption of renewable energy sources where possible.

To support these efforts, the Public Bank Group has conducted feasibility studies and implemented various operational initiatives in 2024 to drive energy efficiency and expand the use of renewable energy.

**Why it Matters**

Sustainable resource management is vital for protecting the environment while achieving cost efficiency. By implementing effective resource management initiatives, the Public Bank Group can drive long-term value for its stakeholders and safeguard ecosystems for future generations.

**Risks**

Failure to comply with environmental legislation may result in fines and penalties, reputational damage, and adversely impact the surrounding environment.

**How the Group Responds**

- Ensuring proper and mindful use of resources to minimise environmental impact.
- With a focus on the efficient use of resources, the Group aims to optimise the 3R Principle – Reduce, Reuse and Recycle—in its business operations.

**ooo Key Highlights**

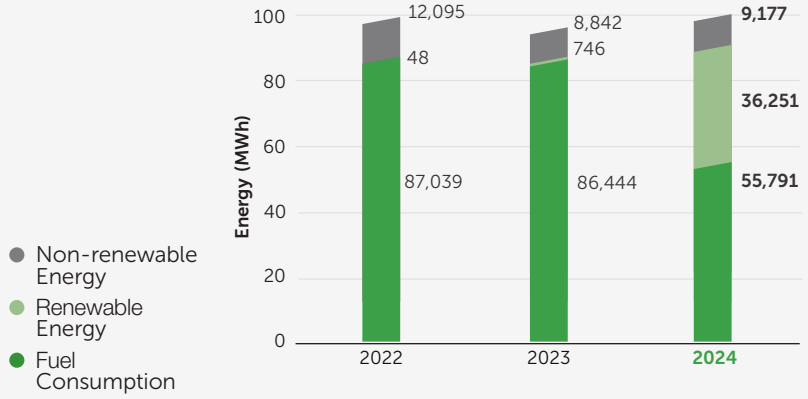
- Redemption of **36,000 MWh** in renewable energy certificates
- **251 MWh** renewable energy consumption
- **135 branches** owned by the Group in Malaysia will be equipped **with solar panels** in the next three years

**ooo Targets/Sub-targets**

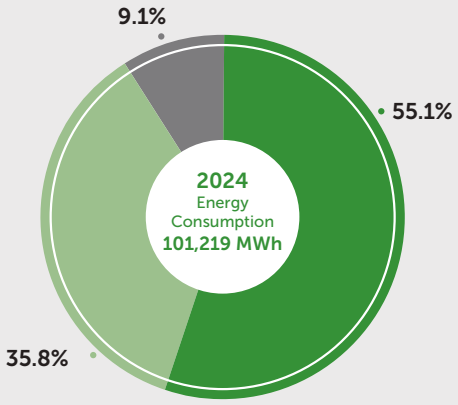
- Achieve a **30% reduction in energy consumption** from baseline by 2030
- Achieve a **30% reduction in water consumption** from baseline by 2030
- Achieve a minimum of **25% of Gross Floor Area ("GFA") operating under green building criteria** by 2030

## Energy Dashboard

### Public Bank Group Energy Consumption (MWh)




### Public Bank Group Energy Sources (MWh)




Past key initiatives include a chiller optimisation study, replacement of T5 fluorescent bulbs with energy-efficient light-emitting diodes ("LED"), installation of motion sensors, and replacement of air conditioners. To further improve energy efficiency across its operations, the Public Bank Group has, in 2024, installed LED signages for its bank branches in Malaysia and Public Bank Hong Kong. The Group has also replaced end-of-life non-inverter air conditioners with inverter types at its domestic bank branches, which efficiently regulate energy used for cooling.

Moving forward, the Public Bank Group will continue identifying opportunities to further improve energy efficiency by reducing energy demand and optimising resource use.

***Use of Renewable Energy***

The Public Bank Group's support of renewable energy adoption spans several key initiatives. This includes Menara Public Bank 2, which is certified Gold under the Leadership in Energy and Environmental Design ("LEED") Green Building Rating System Certification by the United States Green Building Council. Additionally, the Group had, in 2024, purchased a total of 36,000 megawatt-hours ("MWh") of renewable energy certificates. This resulted in a reduction of 100% fossil-fuel generated electricity in Malaysia's main buildings and contributed to a total reduction in carbon emissions from these buildings.

To maximise its renewable energy production, the Public Bank Group continues its expansion of solar panel installations at its domestic and overseas premises. In 2024, the Group had a total generation capacity of 232 kilowatt peak ("kWp"), which resulted in 268 MWh of solar energy generated over the year.

### Solar Energy Generation in 2024

**1 Malaysia – Main Buildings**

| | |
|---|---|
| Current Generation Capacity (kWp) | 104 |
| Total Solar Energy Generated (MWh) | 130 |

**2 Malaysia – Branches**

| | |
|---|---|
| Current Generation Capacity (kWp) | 107 |
| Total Solar Energy Generated (MWh) | 113 |

**3 Cambodia – Branches**

| | |
|---|---|
| Current Generation Capacity (kWp) | 21 |
| Total Solar Energy Generated (MWh) | 25 |

# Theme 1: Protecting the Environment

## In Focus: Scaling Renewable Energy

**Clean Energy**

In 2023, two pilot renewable energy projects in Malaysia were completed as proof of concept for its branch operations. Since then, over **347 MWh** of clean energy was consumed and **264 $tCO_2e$** avoided. In 2024, the Public Bank Group installed solar panels on the rooftop of Menara Public Bank, equivalent to a total area of **250 square meters ("$m^2$")**. With growing energy demands across the business operations, these pilot installations solidified the Group's commitment to scale its renewable energy generation capacity.




***Making a Difference***

Building on the success of the projects, a Memorandum of Understanding was signed to implement the large-scale expansion of solar panel installations at 135 branches in Malaysia, with a total planned capacity of **7,110 kWp**. The project is estimated to take three years to complete, and will further accelerate the Public Bank Group's efforts to achieve carbon neutrality by 2030, with a broader target of Net Zero Carbon by 2050.

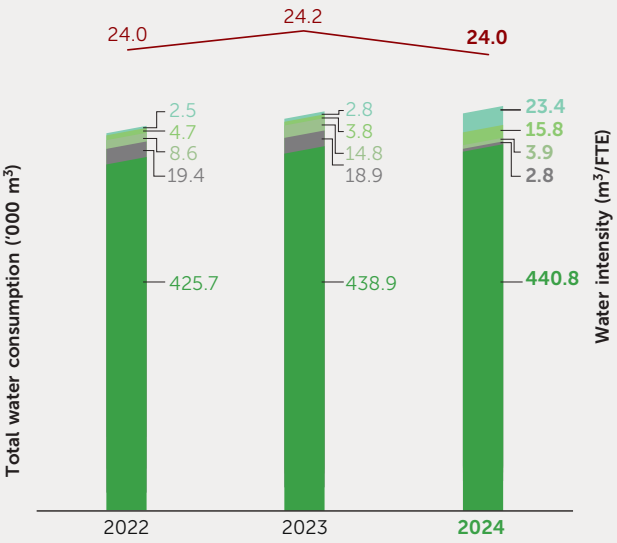
## Water

Recognising the importance of water as a key natural resource to the community, the Public Bank Group strives to reduce its water consumption. To enhance monitoring of its water footprint, the Group closely tracks water consumption in all domestic and overseas offices and branches sourced from the local municipal water supply. The Group has also implemented water optimisation measures, including the installation of water-efficient fittings to reduce water consumption.

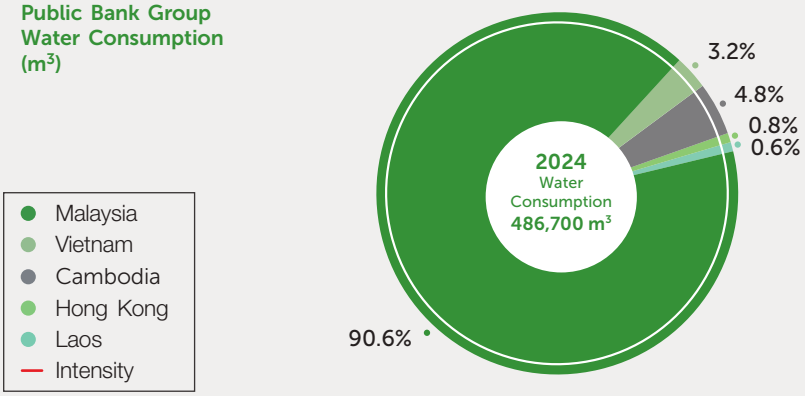
In 2024, the Public Bank Group's water consumption was at 486,700 cubic meters ("$m^3$"), representing a decrease of 0.8% in overall water intensity per full-time employee over the same period.

### Water Consumption Dashboard

**Public Bank Group Total Water Consumption and Water Intensity ($m^3$/FTE)**




**Public Bank Group Water Consumption ($m^3$)**



## Waste Management and Paper Consumption

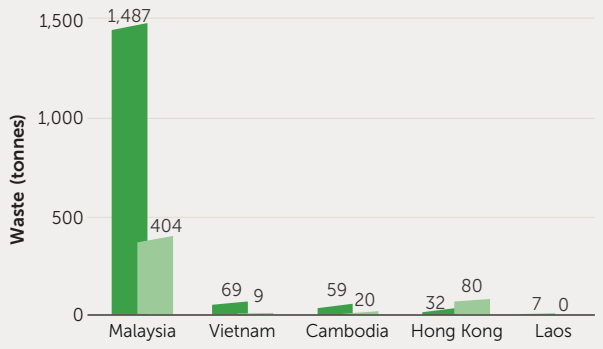
The Public Bank Group endeavours to manage its waste responsibly and reduce the amount sent to landfills. Emphasising sustainable practices based on the 3Rs—Reduce, Reuse, and Recycle, the Group ensures that its waste management practices comply with national environmental guidelines.

The Public Bank Group appoints vendors licensed by the Department of Environment to manage solid waste and electronic waste. Strict disposal policies are in place for sensitive documents to ensure proper disposal and recycling.

In 2024, the Public Bank Group generated an estimated 1,654 tonnes of waste and recycled about 513 tonnes of waste, including items such as paper, plastics and cardboard. As part of the Group's initiative to reduce its carbon footprint, the Group has started issuing cards made from sustainable materials. The Group aims to ensure that over 80% of its credit cards are eco-friendly by 2029.

### Total Waste Generated and Recycled in 2024

**Public Bank Group Total Waste Generated and Recycled**




### In Focus: Recycling

**Public Bank Fabric Recycling Campaign**

In line with its commitment to a sustainable future, Public Bank launched a large-scale fabric recycling initiative in Malaysia. The initiative aimed to reduce the growing amount of unwanted fabrics in landfills.




***Making a Difference***

The fabrics include unwanted garments, clothing accessories and household textiles. The unwanted fabrics were sorted based on usability and then distributed to charitable organisations such as underprivileged homes, B40 communities, disaster relief victims and Orang Asli communities. Those in poor condition were recycled.

Public Bank collected **2.9 tonnes** of fabrics throughout the three-month campaign.

### Wastewi$e Certificate

The Wastewi$e Certificate of the Hong Kong Green Organisation Certification ("HKGOC") acknowledges companies and organisations that demonstrate dedication and actions towards environmental protection by reducing waste and promoting recycling. In 2024, HKGOC awarded the Wastewi$e Certificate in Good Level to Public Bank Hong Kong to recognise its contribution to environmental protection.



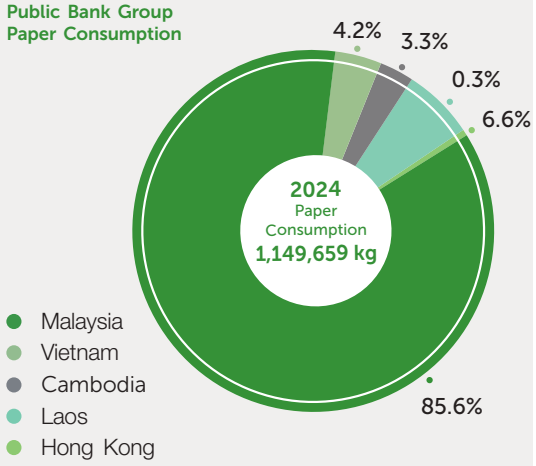
# Theme 1: Protecting the Environment

***Paper Consumption***

The Public Bank Group aims to reduce paper consumption by promoting digitalisation in all its business operations. The Group continues to monitor its paper consumption by tracking paper purchases. Additionally, the Group manages paper waste by recycling destroyed documents at proper disposal facilities.

In 2024, the Public Bank Group's total consumption amounted to 1,149,659 kg of paper[1]. Measures to reduce paper consumption include automating internal processes, issuing electronic statements and digital promotion flyers, and introducing online applications for banking products. A paper consumption reduction target was also set to accelerate the shift in consumption behaviour. While the Group acknowledges that reduction measures require time to implement, the Group has ensured that the paper purchased is certified by the Programme for the Endorsement of Forest Certification ("PEFC").

**Total Paper Consumption**




## In Focus: Recycling

**Public Bank's Collaboration with HP Go Green Programme**

Understanding the importance of a circular economy, Public Bank collaborated with Hewlett-Packard ("HP") in the HP Go Green Programme. This initiative involves recycling empty printer toner cartridges and supports tree planting efforts. Plastic from the empty toner cartridges are recycled to make new cartridges. Meanwhile, for every 30 empty toner cartridges collected, HP coordinates with Animal Projects & Environmental Education Sdn Bhd ("APE Malaysia") to plant a tree on behalf of the Bank.

Since 1 August 2024, a total of **1,130** empty toner cartridges have been collected from Public Bank's head office and branches. This amounted to **37 trees** being planted to restore the forest corridor along the Lower Kinabatangan in Sabah, Malaysia.



*For more information on the Group's environmental footprint, please refer to **Sustainability Performance Data 2024** on Public Bank's corporate website.*

[1] Paper consumption includes A3 and A4 paper.

# Sustainable Finance

## The Group's Approach

The Public Bank Group remains steadfast in its commitment to helping its customers transition and capitalise on low carbon opportunities. The Group's approach is guided by its sustainable financing framework and guidelines, and further supported by its targets to mobilise RM100 billion in sustainable financing by 2030 from 2020.

The Public Bank Group continues to develop and deliver sustainable financing solutions by integrating sustainability perspectives into its credit process to meet customers' different needs while managing their environmental and social impact.



Sustainable finance is defined based on the following three parameters:

1. **Use of Proceeds,** whereby the Bank ensures financing proceeds are directly channelled to or used for the environmental and social economic activities under the eligible categories;
2. **Business profile,** whereby if financing is catered for general corporate purposes, and the use of proceeds is not specified, sustainable financing will be assessed based on the customer's business profile; and
3. **Sustainability-linked products,** whereby financing instruments (financing) for which the pricing, margin of advance and incentives offered to customers are linked to the customer's pre-determined sustainability performance targets.

With this in mind, the Public Bank Group remains focused on supporting businesses that create lasting positive impact and value for society and the environment.

**Why it Matters**

The Public Bank Group recognises its responsibility in the low carbon transition, by directing capital towards environmentally and socially sustainable economic development. The Group supports its customers in the transition to net zero through the offerings of sustainable financing solution and customer engagement.

**Risks**

Failure to integrate sustainability considerations into loan decision-making could result in financial loss from higher default rates and devaluation of collateral values.

**How the Group Responds**

- Set target to mobilise RM100 billion of sustainable finance by 2030.
- Developed the Sustainable Finance Framework and Sustainable Products and Services Guideline.
- Implemented policies, tools and risk management processes to manage ESG risks such as ESG RAC Policy and Sectoral and General RAC checklists.

### Key Highlights

- Mobilised **RM67.88 billion** of sustainable finance since 2020
- Launched **PB Sustain**, a one-stop sustainable financing hub
- Developed **sectoral targets for palm oil, cement and construction**

### Targets/Sub-targets

- Mobilise **RM100 billion of sustainable finance** by 2030
- Set **portfolio emissions reduction targets** aligned with Paris Agreement and 1.5°C global warming trajectory

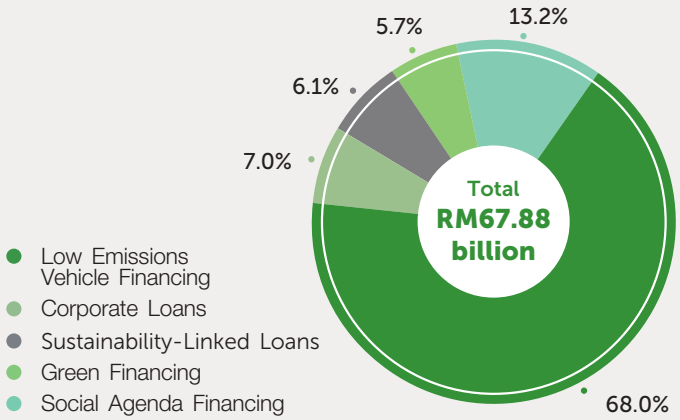
# Theme 1: Protecting the Environment

## Making Progress towards Sustainable Finance Target

The Public Bank Group continues to progress toward mobilising RM100 billion of sustainable finance by 2030. This target is one of the key components of the Group's broader sustainability commitments.

Since 2020, the Public Bank Group has mobilised RM67.88 billion of sustainable finance, achieving over 67% of the Group's target to mobilise RM100 billion by 2030. Sustainable financing has been channelled mainly towards the financing of low emissions vehicles and the social agenda, which includes affordable homes, and green financing. As the focus on impact financing increases, the Group's portfolio of sustainability-linked loans steadily grows, totalling RM4.16 billion as at the end of 2024.

**Progress of Sustainable Financing (2020 – 2024)**




**Low Emissions Vehicle Financing**
**RM46.12 billion**

**Sustainability-Linked Loans**
**RM4.16 billion**

**Social Agenda Financing**
**RM8.98 billion**

**Green Financing**
**RM3.85 billion**

**Corporate Loans**
**RM4.77 billion**

*The sustainable finance achievement has been internally audited. For more information on the Group's sustainable finance, please refer to* ***Sustainability Performance Data 2024*** *on Public Bank's corporate website.*

To facilitate the mobilisation of sustainable finance, the Public Bank Group is guided by the following:

### Sustainable Finance Framework

Introduced in 2023, the Public Bank Group Sustainable Finance Framework ("SFF") provides the overarching approach towards sustainable financing opportunities and safeguards. The SFF provides the governance process for sustainable finance classification to prevent greenwashing and social washing.

### High ESG Risk Sectors Position Statement

The High ESG Risk Sectors ("HERS") Position Statement entails ESG expectations for sectors, which are considered as having inherently elevated potential for negative environmental and social impact, to benchmark against good industry practices.

*Read more on* ***Public Bank Sustainable Finance Framework*** *and* ***Public Bank High ESG Risk Sectors ("HERS") Position Statement*** *at https://www.publicbankgroup.com/sustainability/sustainability-report/.*

### Sustainable Products and Services Guideline

The Public Bank Group Sustainable Products and Services Guideline ("SPSG") sets out the eligible economic activities for the Group's sustainable financing, whereby the economic activities must fulfil criteria listed in the environmental and social economic activities to be deemed as sustainable financing.

The SPSG was developed with reference to the principles and standards, such as International Capital Markets Association ("ICMA") Green, Social, and Sustainability-Linked Bond Principles; Loan Market Association ("LMA"), Loan Syndications & Trading Association ("LSTA") and the Asia Pacific Loan Market Association ("APLMA") Green, Social, & Sustainability-Linked Loan Principles; and Climate Bonds Initiative ("CBI") Climate Bonds Standard.

## Managing ESG and Climate-Related Risks through the Credit Process

The Public Bank Group aims to screen financing from material risk of environmental or social impact. The Group has developed the following processes and procedures to manage ESG and climate-related risks arising from its financing activities:

1. Conduct **ESG due diligence** and **CCPT assessment** to identify and assess ESG risks, including climate-related risk as well as to identify opportunities to support customers' transition journey to a low carbon economy

2. Use the **ESG Exclusion List**, which sets out the economic activities that the Group refrains from financing as guided by the SFF available on Public Bank's corporate website

3. Commit to **No Deforestation, No New Peat, No Exploitation ("NDPE")** principles across all financing activities, whereby customers when applying for loans must provide a declaration confirming their non-involvement in activities on the ESG Exclusion List and their adherence to the Group's NDPE principles

4. Adopt **Due Diligence Questionnaire in Assessing CCPT Guiding Principle 3 and 4 ("CCPT DDQ")** to classify financing and investment exposures into 'Climate Supporting', 'Transitioning' or 'Watchlist' categories

5. Use **Sectoral RAC Checklists for high ESG risk industries** like Palm Oil and Construction & Infrastructure to embed ESG assessment during onboarding and annual review process

6. Mandate **Malaysian Sustainable Palm Oil ("MSPO") or Roundtable on Sustainable Palm Oil ("RSPO")** certification for new financing in the palm oil sector (excluding smallholders) by 2030. The Group also actively engages with the smallholders financing customers, encouraging them to adopt sustainable practices and pursue MSPO certification

# Theme 1: Protecting the Environment

## Sustainable Financing Solutions

By developing and providing sustainability-related products, the Public Bank Group offers its customers a wide range of choices to meet their diverse needs and to support their transition to a low carbon economy.

**Dedicated Green Financing Facilities**

Cover environmentally friendly economic activities, including financing for green-certified properties, solar panel purchases, energy-efficient equipment, sustainable agro-technology, and capital raising for Research & Development in energy-saving technologies

Mobilised over **RM940 million** of green financing in 2024

**Sustainable Financing Package**

Collaborate with reputable developers to offer financing to purchase residential, industrial and commercial properties which are green-certified or under the Low Carbon Cities Framework

Mobilised over **RM860 million** of financing under the package in 2024

**Low Carbon Transition Facility**

BNM financing scheme to support SMEs' low carbon transition via funding a wide range of green-related capital expenditure as well as sustainability capacity building and the engagement of sustainability consultants

Mobilised over **RM24 million** of financing under the facility in 2024

**Social Agenda Financing**

Financing of social activities that promote strong social values and positive social impact, such as purchase of affordable homes, and development of public infrastructure projects (e.g. roads, public transport)

Mobilised over **RM1 billion** of social agenda financing in 2024

**Financing for Low Emissions Vehicles**

Automotive financing options for low emissions vehicles and electric vehicles ("EVs"). Efforts to strengthen the Group's market position in low emissions vehicles and EV segment, including collaboration with cars dealers and distributors, exclusive tie-ups, interest subsidy programme and promotional campaigns.

Mobilised over **RM7 billion** of financing for low emissions vehicles in 2024

## Public Islamic Bank's Solar Financing Initiatives

As part of its ongoing support to the Government's initiative to encourage Malaysia's Renewable Energy uptake, Public Islamic Bank, had in 2020, introduced the Solar Plus BAE Personal Financing-i, designed specifically for residential owners, followed by the launch of Solar BAE Term Financing-i in 2021 for commercial property. Additionally, the Bank offers a 0% profit facility via a credit card easy payment plan for employees and customers who wish to install solar panel systems with the Bank's solar energy partners.

Since the launch of the offering, Public Islamic Bank has assisted more than 900 homeowners in owning solar energy systems and reducing their monthly electricity bills. This figure contributed towards almost 1.0 $tCO_2e$ savings per year.

To further accelerate solar energy adoption, Public Islamic Bank participates in offering the Low Carbon Transition Facility, which was established by BNM to support SMEs in adopting sustainable and low carbon practices through funding capital expenditure or working capital.

In 2024, Public Islamic Bank approved more than RM23 million worth of solar financing transactions (inclusive of credit card transactions), which marked a 13% growth compared to RM20.3 million in 2023. As part of the Bank's Value-Based Intermediation agenda and commitment to sustainability, the Bank will continue to positively contribute to the global climate change agenda by financing renewable energy projects for a cleaner and greener future.

## Accelerating Sustainable Financing

To further educate customers on the impact of climate change and the benefits of adopting eco-friendly business practices, the Public Bank Group leverages its extensive branch network to engage with its customers, particularly SMEs, and distribute digital climate change message flyers embedded in the Letter of Offer issued upon financing approval.

Additionally, the Public Bank Group continues to enhance employee capacity building, especially those working in the branches, ensuring its employees are well-equipped to guide customers on sustainability transitions.

### In Focus: SME Engagement

**Supporting SMEs to Kick-start their Sustainability Journey**

During the year, the Public Bank Group organised a one-day Green Real Estate seminar for SME property developers in the southern and east coast regions of the Peninsular Malaysia.

The seminars were organised as part of the "Embracing Sustainable Development: The Way Forward for SME Developers" series, which aimed to raise SME developers' awareness of sustainable development. More than **190 delegates** from Johor, Melaka, Negeri Sembilan, Pahang and Kelantan attended the events.



### Sustainable Financing Hub




To improve customer engagement, the Public Bank Group launched PB Sustain, a one-stop digital platform for customers to kick-start their sustainability journey. PB Sustain serves as an informative platform with sustainability impact calculators, sustainable finance offerings, and an avenue for customers to source for capacity-building programmes and explore sustainability tools. The platform has been designed to be user-centric and intuitive to ensure a seamless experience.

*For more information, visit https://pbsustain.com*

**Get Measured**

Features quick access tools to assist customers in measuring their carbon footprint from current operations or potential impact from intended loan or financing

**Get Financed**

Showcases sustainable financing products tagged by customer groups for ease of navigation, guidance for the loan application process and a range of sustainability-related promotions

**Get Ahead**

Features sustainability events, news updates, learning content and tools curated to boost engagement and knowledge on the sustainability landscape

# Theme 1: Protecting the Environment

## Supporting Sustainable Development across the Region

In line with the Public Bank Group's sustainability commitments, the Group's overseas operations continue to make progress in mobilising sustainable financing. Campu Bank offers financing for affordable homes and electric vehicles ("EVs"), and to private water and electricity producers for the expansion of the power grid and water supply. Meanwhile, Public Bank Vietnam remains supportive of the environmental agenda with its offering of financing for the purchase of EVs and solar panel installations.

The Public Bank Group's subsidiary in Hong Kong, Public Bank (Hong Kong) Limited, continues to enrich its Green Financing Programmes, which comprises a Green Mortgage Plan, a Green Business Financing Plan, and an Electric Vehicle Promotion Programme.

ESG considerations are embedded into the credit assessment process during customer onboarding. For instance, overseas banking operations in Hong Kong, Cambodia and Vietnam have adopted the Public Bank Group's ESG-friendly business and economic sectors and the ESG Exclusion List, which align with the Group's sustainable financing practices.

## Sustainable Investment Advisory

The Public Bank Group's investment banking subsidiary, Public Investment Bank, remains guided by the Securities Commission's Sustainable and Responsible Investment ("SRI") Sukuk Framework in considering ESG aspects in its financial decisions to drive sustainable returns. Accordingly, Public Investment Bank provides advisory services for issuers of sustainable financing via the issuance of SRI Sukuk and Bonds under the ASEAN Green, Social and Sustainability Bond Standards.

## Sustainable and Responsible Investing

Sustainability is embedded in Public Mutual's values as the premier private unit trust and Private Retirement Scheme ("PRS") provider in Malaysia. It aims to deliver long-term value to all its stakeholders by focusing on ESG aspects in the business direction while protecting stakeholders' interests.

Public Mutual's responsible investing approach encompasses two key strategies:

1. Incorporating ESG considerations in the investment process of its unit trust and PRS funds

2. Offering more SRI products to cater to investors' preference for sustainability-focused funds

Public Mutual has the SRI Framework in place, which outlines its approach to incorporating ESG considerations in the investment process. This includes monitoring, engaging, and proxy voting for its investee companies regarding material ESG matters.

Public Mutual's SRI funds incorporate ESG considerations and invest in qualified ESG securities based on whether the companies are constituents of relevant ESG indices or meet minimum ESG grades based on ratings provided by ESG data providers or an internal evaluation. The ESG factors considered are referenced from Bursa Malaysia's Sustainability Reporting Guide, Securities Commission Malaysia's Malaysian Code on Corporate Governance, and from ESG index and data providers.

In line with its commitment towards responsible investing, Public Mutual became a signatory of the Malaysian Code for Institutional Investors ("MCII") in 2021. Public Mutual incorporates the fundamental stewardship principles under the MCII in managing its unit trust and PRS funds, and publishes the Statement of Compliance with the MCII on its corporate website highlighting the monitoring, engagement and voting policies of Public Mutual.

### Highlights of 2024

- Launched the **Public Islamic Global Sustainable Growth Fund and Public Islamic Sustainable Growth Fund**, raising the total number of its SRI funds to seven. Its aggregate net asset value ("NAV") of SRI funds under management amounted to RM2.11 billion as at the end of 2024
- The largest Islamic fund manager in the private unit trust industry with **66 Shariah-based funds and aggregate NAV of over RM47 billion** as at the end of 2024
- Won **two awards under the Funds Category** – Best Impact (Climate Action) at The Edge Malaysia ESG Awards 2024
- Awarded **the Islamic Asset Manager of the Year** – Retail award for Malaysia by The Asset Triple A Islamic Finance Awards 2024 for 14 consecutive years

# Sustainable Supply Chain

## The Group's Approach

The Public Bank Group's supply chain encompasses diverse categories, ranging from equipment vendors to IT service providers who drive the Group's business forward. The Group acknowledges the contributions of its suppliers and vendors, and the Group remains dedicated to boost collaboration with them to meet the Group's sustainability goals.

To mitigate potential risks arising from its business when dealing with suppliers and vendors, the Public Bank Group is committed to conducting its business in a legal, ethical and socially responsible manner, including reducing and managing the Group's environmental impact. To this end, the Group's suppliers and vendors are expected to maintain high standards in key sustainability areas such as ethical business conduct, human rights, labour practices and environmental management.



**Why it Matters**

A sustainable supply chain management protects a company from potential supply chain disruptions or single point of failure from suppliers' mismanagement of sustainability matters. The Public Bank Group is committed to advocating sustainable practices amongst its suppliers and vendors to safeguard a responsible value chain that will ensure long-term value creation.

**Risks**

- Legal and reputational risk due to unethical practices of suppliers.

**How the Group Responds**

- Developed the Public Bank Group Vendor Code of Conduct to ensure alignment with sustainable practices.
- Engaged with key suppliers and vendors for acknowledgement of the Public Bank Group Code of Conduct.

## Prioritising Local Supply Chains

The Public Bank Group continues to prioritise local supply chains for its procurement as socio-economic multiplier effects are then created for local businesses and the community in terms of economic growth, job creation and enhanced livelihoods.

**Over 97%**
**procurement spent on local suppliers**

### ooo Key Highlights

- **100%** of material suppliers and vendors engaged by the Group's banking entities in Malaysia have **acknowledged the Public Bank Group Vendor Code of Conduct in 2024**
- Over **500 vendor due diligence reviews conducted** in 2024

### ooo Targets/Sub-targets

- **100%** of suppliers and vendors to acknowledge the **Public Bank Group Vendor Code of Conduct by 2025**

## Encouraging Sustainable Practices amongst Suppliers

The Public Bank Group's sustainability expectations across its supply chain are exemplified through the Group's Vendor Code of Conduct ("Vendor CoC"), which sets out the best practices for sustainable procurement. The implementation of the Vendor CoC is focused on all vendors and/or suppliers who are directly engaged by the Group.

**Key Topics in the Public Bank Group Vendor Code of Conduct**

**Environmental**

- Resource Management
- Carbon Emissions Management
- Climate Resilience

**Social**

- Human Rights
- Health and Safety
- Forced and Child Labour
- Discrimination and Harassment
- Working Environment
- Freedom of Association
- Product Quality and Safety

**Governance**

- Anti-Bribery and Anti-Corruption
- Business Integrity and Ethics
- Confidentiality and Data Protection

*Read more on **Public Bank Group Vendor Code of Conduct** at https://www.publicbankgroup.com/sustainability/sustainability-disclosures/.*

# Theme 1: Protecting the Environment

To mitigate the sustainability risks and impact associated with procurement activities, the Public Bank Group expects its suppliers and vendors to acknowledge and adhere to the requirements set out in the Vendor CoC. In 2024, a total of 457 suppliers and vendors were engaged by the Group's banking entities in Malaysia, of which 56 were identified as material suppliers and vendors. All identified material suppliers and vendors have formally acknowledged the Vendor CoC, marking a key milestone in embedding sustainability and ethical practices across the supply chain.

**100%**
**material suppliers and vendors acknowledged the Vendor CoC in 2024**

**Public Bank and Public Islamic Bank*

***Key Priorities and Goals for Sustainable Supply Chain***

The Public Bank Group has set a target of 100% of material suppliers and vendors acknowledging the Vendor COC by 2025. To achieve the target, efforts to onboard suppliers and vendors will be accelerated in the coming year, ensuring full alignment across the Group. This proactive approach strengthens the Group's ability to address Scope 3 emissions, effectively managing indirect supply chain emissions with broader sustainability objectives.

There is a need to focus on collaborating with suppliers and customers to enhance their understanding of emissions reporting and develop the capability to measure and report these collectively. By leveraging supplier data, indirect climate impact can be assessed and monitored more effectively, enabling informed steps toward achieving net zero carbon.

Initiatives are being developed and designed to work with suppliers and vendors to reduce carbon emissions. As part of these initiatives, data analysis will be conducted to evaluate suppliers' capabilities, understand their progress toward net zero carbon, and identify areas where support is needed.

## Supporting Human Rights

The Public Bank Group is committed to promoting and respecting human rights through the consistent implementation of policies and practices that encompass its employees, customers, and third-party suppliers and vendors. In the coming years, review meetings will be conducted with key suppliers and vendors to address critical issues such as modern slavery and human rights. Efforts will focus on strengthening due diligence processes related to modern slavery. Enhanced training on modern slavery and human rights will be developed and provided for small suppliers and vendors in Malaysia. For more information on the Group's human rights commitment, please refer to **Human and Labour Rights** on page 204.

## Other Initiatives towards a Sustainable Supply Chain

- Selection of suppliers and vendors through a stringent and fair process
- Conduct vendor due diligence
- Embed sustainability criteria into supplier screening process
- Conduct annual site visits
- Require suppliers and vendors to sign a Letter of Indemnity on confidentiality and data protection
- Openly communicate with suppliers and vendors to understand their perspectives
- Monitor the performance of suppliers and vendors to ensure prompt service delivery and business continuity
- Actively encourage suppliers and vendors to use electronic purchase orders
- Periodically review the Group's procurement procedures and practices

**527**
Vendor due diligence conducted

**115**
ESG screenings performed

**Public Bank and Public Islamic Bank*

To effectively respond to financial risks and disruptions to supply chains due to climate change, the Public Bank Group ensures that vendors of critical services are being identified, and their climate-related risks are being managed to prevent disruption to the provision of the Group's products and services. The Group also practises a multi-vendor system to avoid overreliance on a single link in the supply chain.

*For more information on the Group's data on suppliers, please refer to **Sustainability Performance Data 2024** on Public Bank's corporate website.*

Theme 2:

# Proficient Employees

## Material Matters

- Diversity and Inclusion
- Employee Engagement and Development
- Human and Labour Rights

Related UN SDGs



# Theme 2: **Proficient Employees**

## Diversity and Inclusion

### The Group's Approach

Diversity, Equality, and Inclusion ("DEI") are the cornerstones of the Public Bank Group's culture and are embedded in its human resource management practices. This inclusive approach reflects a commitment to fostering a diverse, equitable, and inclusive workforce, which is imperative to driving the Group's long-term success and resilience.



**Why it Matters**

A culture of diversity and inclusion strengthens the Public Bank Group's ability to adapt, innovate and promote sustainable growth.

**Risks**

A lack of diversity and inclusion decreases the Group's ability to attract and retain top talent as the workforce of the future increasingly values diversity and inclusion in the workplace.

**How the Group Responds**

- Key diversity metrics are tracked for measurable progress, accountability, and to identify areas for improvement in fostering an inclusive workplace.
- The DEI Policy outlines the Group's commitment to sustainable inclusion, equity and diversity practices, ensuring fair opportunities for all individuals.

### Advancing People-Related Policies

The Public Bank Group's commitments are integrated into the following sustainable employment practices and processes:

- Equal employment opportunity, elimination of all forms of forced and compulsory labour as well as non-discrimination towards race, gender, religion, ethnicity, age, disability, nationality, culture, marital and parental status, physical impairment and religious beliefs;
- Fair and equal access to all developmental and career advancement opportunity;
- Prioritising the safety, health and well-being of employees;
- Fair and equitable remuneration, recognition and rewards;
- Transparent and fair performance appraisal system;
- Compliance with fair labour practices, uphold freedom of association, right to collective bargaining and minimum wage;
- Compliance with local law on working hours and overtime;
- Eradicate human trafficking or labour exploitation; and
- Embed supportive and inclusive culture through women empowerment in support of equal rights for women.

*Read more on the **DEI Policy** at https://www.publicbankgroup.com/sustainability/diverse-and-inclusive-workforce/.*

### Key Highlights

- **46.2% female representation** in Senior Management
- Over **2,400 new hires** during the year
- Healthy employee turnover rate at **8.7%**

### Targets/Sub-targets

- **More than 45.0% female representation** at Senior Management level

The DEI policy is communicated to all stakeholders through publication in the internal employee portal and Public Bank's corporate website to further strengthen awareness, promote its objectives, and establish a common understanding.

## Diverse and Inclusive Workforce

The Public Bank Group's talent management approach is underpinned by cultivating a diverse, future-ready workforce and fostering a culture of innovation, growth, and customer-centricity.

Adopting a gender equality principle and complementing the government's measures to enhance human capital by leveraging women's talent, the Public Bank Group promotes an environment for women's representation in the management of the Group's business and operations.

The Public Bank Group has a robust pipeline of female talent. In 2024, over 60% of its employees and more than 46% of its top management were women.

As an advocate of diversity, equality, and inclusiveness, the Public Bank Group employs 28 differently abled individuals within its banking operations. By integrating differently abled employees, the Group not only fosters a supportive and inclusive environment but also sets an example for others in the industry and demonstrates the value of diverse perspective and talent.

## Promoting Equal Opportunities

The Public Bank Group applies consistent employment practices for all employees, regardless of gender and background. All employees are subject to fair and equitable employment terms and equal opportunities for career advancement based on individual performance and merit. In 2024, 1,109 female employees and 839 male employees were granted promotions. For the domestic operations of the Group, the gender pay gap for female employees was 0.1 points less than the male index (based on a male index of 1.0).



*For more information on the Public Bank Group's data on employee diversity, please refer to* ***Sustainability Performance Data 2024*** *on Public Bank's corporate website.*

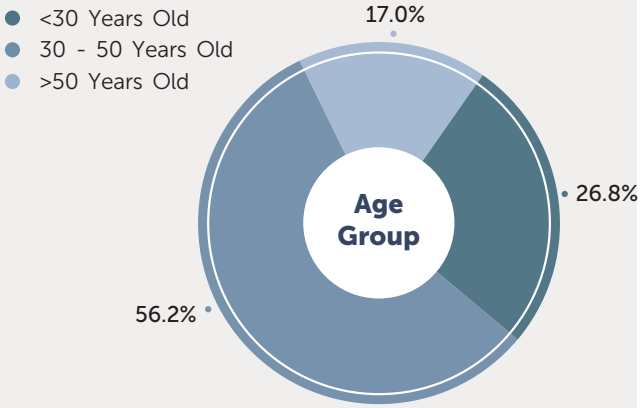
## Employee Diversity Dashboard

**20,295**
Total number of employees in 2024

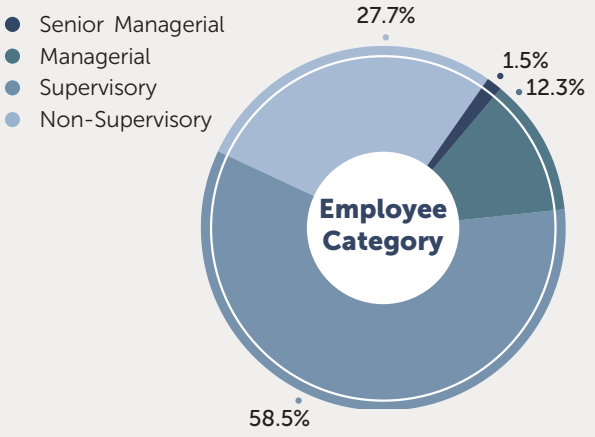
### By Gender




### By Age Group




### By Employee Category




**44.4%**
Public Bank Board female representation

**46.2%**
Female representation at Senior Managerial level

# Theme 2: Proficient Employees

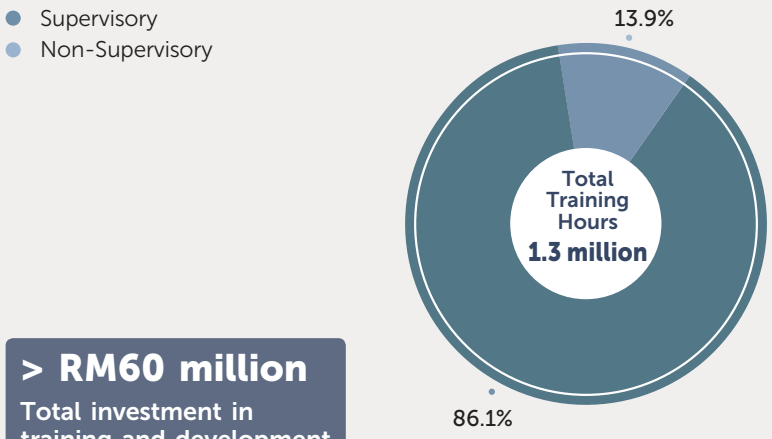
## Employee Engagement and Development

### The Group's Approach

Continuous learning, leadership development, and employee well-being create a workplace that enables employees to remain agile, future-ready, and thrive. This belief underscores the Public Bank Group's approach to ensuring its employees are engaged and empowered to perform better, reach their full potential, and contribute to the long-term success of the Group.

### Employee Training Dashboard

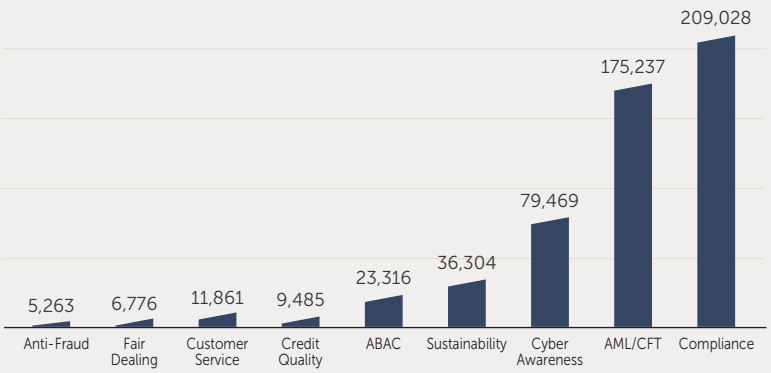
**Total Training Hours by Employee Category**




**> RM60 million**
Total investment in training and development

**556,739**
Total training enrolments in 2024

**Breakdown of Training Enrolments, by Key Training Programmes**




*ABAC: Anti-Money and Anti-Corruption*
*AML/CFT: Anti-Money Laundering/ Countering Finance of Terrorism*

**Why it Matters**

The Public Bank Group recognises that strategic employee engagement and development are the cornerstones to fostering a motivated and skilled workforce, driving both individual and organisational success.

**Risks**

- High talent turnover due to lack of engagement or development opportunities.
- Skill gaps impacting productivity and performance.

**How the Group Responds**

- Implement talent development strategies to enhance employee capabilities, build leadership pipelines and drive organisational innovation.
- Offer employees opportunities for skill enhancement and career growth.

### Key Highlights

- Over **RM60 million** spent on training and development
- Achieved more than **1.3 million** total training hours across the Group
- Achieved an average of **3.2 hours** of sustainability-related training completed

### Targets/Sub-targets

- Achieve a minimum of **two hours sustainability-related training per year** for all employees from 2024
- Establish a **Sustainability Centre of Excellence** to support internal and client transition by 2024

*For more information on the Public Bank Group's data on employee training, please refer to **Sustainability Performance Data 2024** on Public Bank's corporate website.*



## Building a Future-ready Workforce

In 2024, the Public Bank Group strengthened its commitment to ensuring employee growth and resilience by aligning its development strategy with the Future Skills Framework, launched by BNM in July 2024. This alignment ensures the Group's employees are equipped with the skills needed to excel in a dynamic financial landscape, driving both organisational success and industry relevance.

The Public Bank Group's strategy for developing proficient employees is holistic, blending continuous learning, practical experience, and alignment with business goals. The Group empowers employees through targeted training with technical expertise, regulatory and sustainability knowledge, digital fluency, and essential skills needed in a dynamic and highly regulated landscape. Beyond formal training, on-the-job mentorship connects employees with experienced leaders for guidance and knowledge-sharing. Additionally, the Group provides curated courses from renowned platforms such as Coursera, LinkedIn Learning, Harvard ManageMentor, and Udemy, ensuring its employees have the best tools to succeed in a rapidly evolving industry.

## Driving Certification and Professionalism

Maintaining the highest standards of professionalism is essential to the Public Bank Group's success. Employees are encouraged to acquire knowledge and skills by pursuing professional certifications to strengthen their foundation and elevate their professionalism.

**Professional Certifications Held by Employees**

- Chartered Banker
- Certification in Bank Management
- Certification in Regulatory Compliance
- Certification in Credit
- Certification in Bank Auditors
- Certification in Anti-Money Laundering/Counter Financing of Terrorism

In 2024, the Public Bank Group held the record of having the most Asian Institute of Chartered Bankers ("AICB") graduates for the 10th consecutive year. The 2024 graduates included 81 employees who were conferred the inaugural Associate Chartered Banker ("ACB") title.

**Number of AICB Graduates in Public Bank**

2015 – 2023 : **2,952**

2024 : **351**

In Islamic banking, the Public Bank Group actively collaborates with external training and certification providers, including the Islamic Banking and Finance Institute Malaysia, the Association of Islamic Banking Institutions Malaysia and the Chartered Institute of Islamic Finance Professionals.

Intermediate Qualification in Islamic Banking: **19 employees**

Chartered Professional in Islamic Finance: **2 employees**

Associate Qualification in Islamic Finance: **492 employees**

Certified Professional Shariah Auditors: **7 employees**

Fundamental Certificate in Islamic Banking: **747 employees**

Certified in Islamic Banking & Finance: **265 employees**

# Theme 2: Proficient Employees

## In Focus: Credit Training

**Credit Skills Health Check: Skill Gap Assessment on Credit**

In 2024, a comprehensive Skills Gap Assessment ("SGA") on Credit was undertaken, involving over **2,000** participants across Public Bank's branches and Head Office, to evaluate the knowledge and competencies of the Bank's credit team. By determining key competency gaps, the SGA enables the Bank to take proactive steps to support employee development and ultimately increase effectiveness in their roles. To address these gaps promptly, the Bank conducted SGA review sessions nationwide, ensuring its credit team is well equipped to navigate demands of today's financial landscape while advancing the Bank's strategic goals.

## Elevating Sustainability Awareness

With sustainability becoming the way of the future, training curricula on sustainability have been curated to cater to employees' needs through various learning modes. The training modes vary from dedicated classroom training to cater to specific needs for climate risk and sustainability assessment to keeping leaders up-to-date with contemporary sustainability issues via Learning Bites and increasing general awareness of the masses via various self-learning content on general sustainability topics. Sustainability is also duly incorporated into learning activities. Sustainability-related questions were embedded into the Skills Gap Assessments on Frontline Operations and Islamic Financing, and in question banks used during gamification campaigns.

**Average 3.2**

**hours of sustainability-related training completed in 2024**

## Nurturing Talent

Talent management continues to be a key focus for the Public Bank Group. As part of its continued efforts to build a sustainable talent pipeline, the Group held various engagement activities in 2024 to strengthen its branding and reputation amongst young budding talents.

### PB TalentMax Programme

The Group considers graduate recruitment and development a crucial strategy for fostering human capital and achieving sustainable economic growth. The Group's flagship PB TalentMax Programme includes classroom training, on-the-job training, projects or learning assignments, mentoring and attachments in relevant Head Office divisions. This Programme grooms young employees and prepares them for their transition into job positions. In 2024, **1,393** fresh graduates were enrolled in this Programme.

### Growing Local Talent

The Group assumes its role as a socially responsible corporate citizen in a tangible manner and adheres closely to national policies and objectives, thereby contributing towards the progress of the nation. In this regard, the Group upholds the philosophy of "hire local" first in its human resource strategy, creating employment opportunities and developing employability skills of the local talents. In 2024, **2,471** new hires were recruited into the Group's workforce.

### Internship Programme

The Group's internship programme serves as the first foray into the professional environment for young talents as they gain practical insights into the day-to-day functions and work culture of the Group. A total of **93** interns were hired during the year. Candidates with remarkable performance were selected for full-time employment.

### Return to Work Programme

Mindful of the other end of the workforce spectrum, the Group created the Return-to-Work Programme to provide meaningful employment for its retirees and enable them to continue contributing to the Group and the community. In 2024, the Group employed **77** retired employees to leverage their skills and experiences for special projects.

## Strengthening a Resilient Leadership Pipeline

The Public Bank Group acknowledges that its future growth depends on the strength of its leadership team. The Group has a comprehensive leadership development programme tailored to equip leaders at every stage of their journey. These programmes include training for emerging leaders, mid-level management, and senior executives, addressing the unique challenges leaders face at every job level.

**Power Skills for Our Leaders**

**Innovation & Delivery**

- Adaptability & Resiliency
- Learning Agility
- Digital Fluency
- Sustainability Awareness
- Innovation Thinking
- Critical Thinking
- Problem Solving
- Business Acumen
- Change Management

**Social Intelligence**

- Empathy
- Coaching & Mentoring
- Communication
- Collaboration
- Conflict Management
- Influencing & Negotiation

To ensure a sustainable leadership pipeline, the Public Bank Group has a comprehensive succession plan. It identifies potential successors early and equips them through targeted training for critical roles. Succession planning activities are carried out throughout the year to build a talent pool with the right skill set, experience, and leadership qualities to prepare them for the succession of Key Leadership Positions within the Group.

In upholding the Public Bank Group's philosophy of providing employees with opportunities for career advancement, 2,051 employees were assessed in 2024 and included in the Group's talent pool.

# Theme 2: Proficient Employees

## Driving Performance of Employees

The Public Bank Group's strength lies in creating a high-performance culture and driving sustained change by designing a motivating, fair, and employee-centric performance management system. The system takes into account both qualitative and quantitative factors to promote the Group's core values and expected conduct and behaviour.

Performance assessment and remuneration are determined by achieving KPIs set yearly. The KPIs are translated into achievements against budgets or business targets (financial and operational targets) and qualitative measures regarding key competencies relevant to their jobs and positions.

### Quantitative Sustainability KPIs

- Sustainability KPIs comprising among others, carbon reduction, resource management and sustainable financing were integrated into the annual performance evaluation of the Management team.
- Quantitative sustainability KPI on "Achievement of Sustainability Targets in respect of sustainability Initiatives" was incorporated into the performance assessment of the C-suite and Senior Management in Public Bank and Public Islamic Bank, as well as the CEOs of Public Mutual Berhad and Public Investment Bank Berhad.
- Quantitative sustainability KPI on "ESG Friendly Economic Activities/Green Initiatives" was assigned for Regional Managers and Branch Management Personnel (including Hire Purchase ("HP") Centres and HP Hubs).
- A Bank-Wide sustainability KPI on an "Annual five percent year-on-year reduction of paper usage" in the Bank's day-to-day operations has been included for Public Bank and Public Islamic Bank's C-Suites, Senior Management and Branch Management employees (including HP Centres and HP Hubs).

The Public Bank Group practices a structured and transparent performance assessment system, which correlates to an equitable reward and recognition system. Eligible employees are awarded performance-based bonuses, salary increments, and/or commissions commensurate with individual achievements and accomplishments, including career advancement. In 2024, 1,948 employees were promoted to take on greater responsibilities as part of their career advancement.

The conducive work environment and effective reward system have enabled the Public Bank Group to achieve a healthy attrition rate of 8.7% in 2024.

## Employee Engagement

The Public Bank Group believes an engaged workforce leads to a stronger, more dynamic and more resilient business. The Group encourages open and honest communication by actively listening to its employees and understanding their views to foster impactful collaboration.

### SEED Programme

The SEED ("Support, Engage, Empower and Develop") programme continues to bolster the development of young graduates, equipping the newly recruited Trainees also known as the "Apprentice" with essential values and critical skills to be a potential future leader.

The appointed "Talent Development Partner" ("TDP") assigned to each Apprentice plays a significant role in grooming and supporting the Apprentice's professional journey, which includes offering encouragement during challenging times, sharing knowledge and life experiences, as well as facilitating discussions on goal setting and career development.

The strong collaboration created between the TDPs and the Apprentice through active communication and engagement would not only enrich the learning experience of the Apprentice but can also sustain a high-employee engagement culture in the workplace for improved productivity and retention. This engagement effort led to a positive retention rate of management trainees at **84.1%** in 2024.

## In Focus: Employee Awareness Campaign

**Cybersecurity Awareness Campaign: "Be Alert, Stay Secure"**

Public Bank organised a one-day cybersecurity awareness event, "PB Cybersecurity Day," at Menara Public Bank in 2024. With the tagline "Be Alert, Stay Secure," the event aimed to raise awareness about cybersecurity risks and empower employees to actively contribute to the Bank's digital security and resilience.

Throughout the event, employees participated in various interactive games and challenges designed to deepen their cybersecurity knowledge in a fun way. Popular activities included the **CyberDunk, CyberWheel, Phishing Game**, and **Hotspot Game**. An innovative "**Escape Room**" team challenge was also part of the day's programme, where participants had to solve puzzles while learning key cybersecurity concepts to complete the challenge.

The event was the highlight of the **2024 Cybersecurity Awareness Campaign**, which engaged employees in cybersecurity training and activities all year round. The campaign includes two tailored learning levels: **Level 1**, designed for selected users of the Internet and functional email, and **Level 2**, catered to all employees.

Overall, this campaign reinforced the message that cybersecurity is a shared responsibility, and that all employees should stay vigilant and secure at all times.

**7,853**
employees participated




## Awards and Recognition

The Public Bank Group's dedication to supporting our people has garnered various recognitions in 2024.

### Public Bank

- **Top 3 Best Employer in the Banking sector** for the 7th consecutive year in the 2024 Graduates' Choice Award
- **Top 1% among Graduates Preferred Employer (Graduates' Top 25 Preferred Employers in Malaysia)** for the 4th consecutive year in the 2024 Graduates' Choice Award
- **Special Recognition Award** by Jobstreet Malaysia in the inaugural SEEK People & Purpose Awards 2024
- **Top 10 Graduate Recruiters** by Sunway University
- **Top Employer of the Year 2024** by INTI International University

### Public Islamic Bank

- **Talentbank Graduates' Choice Award (#6 Best Employer in Islamic Banking)**

### Public Mutual

- **Premium Employer Partner** for the 5th consecutive year since year 2020 by Chartered Financial Analyst ("CFA") Society Malaysia

### Public Investment Bank

- **Graduate's Choice Award 2024 (#4 in Investment Banking)**

### Public Bank Hong Kong

- **Super Manpower Developers Award** by Employees Retraining Board ("ERB") for 14 consecutive years since 2011

# Theme 2: Proficient Employees

## Human and Labour Rights

### The Group's Approach

The Public Bank Group's commitment to respecting human and labour rights is longstanding. By staying informed on evolving employment laws, industrial relations laws, international industry standards and human rights developments in communities where the Group operates, the Group integrates human rights considerations across all its operations. The Group expects all employees and partners across its value chain to adhere to the Group's Human Rights Policy to foster a safe, respectful, and inclusive environment for all its stakeholders.



### Protecting Human and Labour Rights

The Public Bank Group developed the Human Rights Policy in 2024 in response to increasing stakeholder expectations of the Group's ability to identify, prevent, and avoid human rights violations and, should they occur, mitigate their impacts transparently and responsibly.

The Human Rights Policy — guided by fundamental principles and standards set out in the United Nations Sustainable Development Goals ("UN SDGs") and the International Labour Organisation ("ILO") Declaration on Fundamental Principles and Rights at Work — articulates the Public Bank Group's commitment and aspiration to uphold human rights across its business activities and operations.

To this end, the Public Bank Group upholds zero-tolerance towards any malpractices, including, but not limited to, violations of human rights, labour practices, disrespectful behaviour, discrimination, or harassment of any form.

**Why it Matters**

As a 'Bank for the People', upholding human and labour rights reflects the Public Bank Group's core belief in ensuring dignity, fairness, and equal opportunities for all individuals. Protecting these rights fosters a positive work environment and supports long-term social and economic sustainability.

**Risks**

- Reputational risk arising from violations of human and labour rights can damage the Group's public image, leading to a decline in stakeholders' confidence.
- Compliance risk arising from failure to comply with local and international laws can result in legal liabilities.

**How the Group Responds**

- Established the Public Bank Group's Human Rights Policy to promote ethical practices, ensure compliance with international standards, and safeguard the rights and dignity of all stakeholders.
- A Safety and Health Steering Committee is responsible for maintaining a safe work environment.

**Key Highlights**

- Developed the **Public Bank Group's Human Rights Policy**
- **Zero** incidents of human rights violation

To reinforce the Public Bank Group's commitments, all employees are encouraged to raise concerns regarding human or labour rights violations through whistleblowing channels or the staff grievance portal. All concerns are treated with sensitivity and strict confidence without any risk of reprisal.

**Zero Incidents**
**of human rights violations, unfair labour practice, and/or discrimination reported in 2024**

Three fundamental policies, the Public Bank Group's Human Rights Policy, DEI Policy and the Vendor Code of Conduct, communicate the Group's expectations to the relevant stakeholders.

Recognising the potential impact of its business relationships, the Public Bank Group holds its suppliers and vendors to the same high standards, expecting them to respect human rights, prohibit forced or child labour, and comply with relevant employment and labour regulations.

Moving forward, the Public Bank Group is committed to transparency by reporting the progress of its efforts concerning human rights, the impact of human rights on its business and supply chain activities, and key performance metrics of human rights as part of its disclosure on human rights in the annual Public Bank Sustainability Report.

*Read more on the **Public Bank Group's Human Rights Policy** at https://www.publicbankgroup.com/sustainability/sustainability-disclosures/.*

## Creating Awareness on Sexual Harassment

Established in 2023, the Anti-Sexual Harassment Policy is designed to provide a safe work environment for all employees, free from sexual harassment arising from and during employment.

Sexual harassment in the workplace includes any employment-related sexual harassment occurring outside the workplace due to employment responsibilities or employment relationships. If a sexual harassment incident occurs in the workplace, a proper investigation will be conducted, and disciplinary action will be taken if the complaint is verified.

Following this, Non-Tolerance towards Sexual Harassment posters were posted on the notice board in office areas and on the intranet portal to communicate and raise awareness of the topic to all employees. This ensures that employees understand their role in helping to create a work climate which is free from sexual harassment.

## Health and Safety in the Workplace

The Public Bank Group Occupational Safety and Health ("OSH") Policy was developed to create a safe and healthy workplace environment. The Policy is guided by local regulatory guidelines, including the Occupational Safety and Health Act 1994 and its recent amendment — the Occupational Safety and Health (Amendment) Act 2022.

A Safety and Health Steering Committee is responsible for developing and reviewing workplace safety and health standards and procedures. The Steering Committee is further supported by an OSH Unit that conducts inspections to identify, assess, and mitigate potential workplace risks to the employees' health, safety, and security.

The Public Bank Group consistently ensures employees are equipped with comprehensive OSH training and knowledge to protect themselves and other stakeholders. In 2024, 262 OSH coordinators were trained and certified under the Section 29A Act, demonstrating the Group's proactive response to the Ministry of Human Resources of Malaysia's gazette and appointing a designated OSH coordinator at Public Bank's premises with five or more employees.

**Reporting process to manage any accidents or mishaps that may occur:**

- Employee reports accident or mishap to their superiors, who shall immediately notify the OSH unit
- A report is presented to the Safety and Health Committee ("SHC")
- An assigned SHC member inspects the place of accident or mishap and investigates the claim
- The SHC recommends corrective action and makes the necessary recommendations to Management, if any
- Corrective and preventive actions are taken
- A report is presented to the OSH unit for review or onward submission to Department of Occupational Safety and Health ("DOSH")

# Theme 2: Proficient Employees

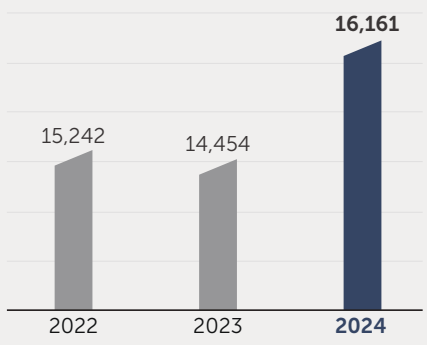
## OSH Co-ordinator's Role and Responsibilities

- Ensure adherence to Occupational Safety & Health Act ("OSHA") 1994 and other relevant regulations
- Implement the Bank's internal OSH policies and procedures
- Conduct risk assessments and develop mitigation strategies
- Promote safety culture by disseminating safety guidelines and updates
- Conduct regular workplace inspections to identify hazards
- Document and report workplace incidents, injuries and near misses
- Ensure readiness of emergency response plan within the branch
- Act as liaison personnel between branch, head office and authorities
- Maintain accurate records of OSH-related documentation

Additionally, the Public Bank Group continues to provide e-learning courses on OSH-related topics, such as Office Ergonomics, to raise employee awareness.

The Public Bank Group expects its suppliers, contractors and vendors to adhere to the same OSH principles and standards. The Group participates in the NIOSH-Financial Institution Safety Passport ("NFISP") initiative alongside other prominent banks, using the National Institute of Occupational Safety and Health ("NIOSH") platform to promote compliance, awareness and protection for all stakeholders. Suppliers, contractors and vendors operating within the Group's premises must adhere to its OSH Policy and requirements to maintain a safe working environment.

**Number of employees trained on health and safety standards**




## OSH Dashboard

**0 accidents**
with fatalities

**0.1 per 100 employees**
Lost Time Incident Rate

**262**
certified OSH coordinators

*For more information on the Public Bank Group's data on OSH, please refer to **Sustainability Performance Data 2024** on Public Bank's corporate website.*

## Giving Voice to Employee Concerns

Open and honest communication promotes impactful collaboration. The Public Bank Group adopts an open-door policy to foster a positive and harmonious working environment where employees have access to appropriate channels of communication for feedback and grievance resolution.

### Grievance Handling Mechanism

**Staff Grievance Policy** – A systematic and structured grievance handling mechanism for employees to voice concerns through the 'Staff Grievance Portal' digital platform.

**Whistleblowing Policy and Procedures** – A confidential avenue for employees and third parties to speak up and raise legitimate concerns about any wrongdoings at the workplace without any fear of reprisal.

## Supporting Employees' Well-being

Caring for employees has long been entrenched in the Public Bank Group's corporate philosophy. This value inspires the Group to create a workplace which places well-being at the top of the management's mind. To this end, employee benefits are regularly reviewed to enhance their well-being.

### Financial Assistance

- Childcare allowance
- Medical insurance subsidy for immediate family members
- Natural disaster financial aid/loan moratoriums
- Employee festive advance scheme
- Interest free solar panel financing
- Special loan schemes for the purchase of tablet/smartphone/computer, medical expenses for immediate family members, funeral expenses, disaster relief, pursuit of further studies and renovation of employee's residence
- Social Engagement Fund

### Health and Wellness

- Medical benefits for employees and immediate family members
- Medication Safety Locker
- Dedicated in-house clinic for on-site medical services
- Lactation facilities
- Long Term Medication Programme
- Various sporting events such as the inaugural Run for Change 2024, bowling and badminton tournaments
- Time-off for eligible female pregnant employees in their 22nd week of pregnancy and above

### Work-Life Balance

- Maternity leave up to maximum of 98 days on half-pay basis in addition to the 98 days paid maternity leave
- 10 days paternity leave
- 10 days marriage leave
- Study and exam leave
- Compassionate leave
- Sabbatical leave up to 24 months
- Volunteer leave
- Flexible work arrangements
- Smart casual work attire

The Public Bank Group's Wellness Programme includes a biennial medical examination to ensure its employees are healthy and facilitate early detection and treatment of any serious illness. This is further supplemented by the Staff Health and Wellness Day, conducted in collaboration with an appointed pharmacy to enhance employee well-being. Activities such as on-site health screening and virtual health talks were organised during the Staff Health and Wellness Day to encourage participation.

The Public Bank Group also recognises that education is the foundation of success and aims to help employees achieve their educational aspirations. To ease the financial burden, the Group has, in partnership with higher education institutions such as HELP University College, Taylors University, and Universiti Malaya Centre for Continuing Education ("UMCCed"), continued to offer discounted tuition fees for the Group's employees and their family members to pursue academic growth for a secure future.

**The Sustainable Employment Practice Taskforce ("SEPTF")** was set up to champion initiatives on work-life balance. In April 2024, a survey was conducted to obtain specific feedback from the branch network regarding three focus areas - working hours, work processes, and employee well-being-to identify causes of concern. The feedback was analysed, and targeted actions were implemented to address identified concerns.

Theme 3:

# Prosperous Customers and Communities



## Material Matters

- Responsible Lending Practices
- Financial Inclusion and Accessibility
- Customer Satisfaction
- Community Empowerment
- Digital Transformation

Related UN SDGs




**"A STRONG, THRIVING COMMUNITY IS THE CORNERSTONE OF THE PUBLIC BANK GROUP'S ENDURING SUCCESS AND SUSTAINABLE FUTURE."**

**Dato' Sulaiman Bin Abd Manap**
Senior Chief Operating Officer

# Responsible Lending Practices

## The Group's Approach

The Public Bank Group's responsible lending approach promotes a prudent credit culture, supported by its stringent credit appraisal system with individual accountability and reinforced by strong centralised credit control and risk management systems. A high level of lending prudence is essential to ensure a sound assessment of the borrowers' creditworthiness and maintain the resilience of the Group's loan portfolio.

The Public Bank Group's prudent lending practices are guided by the Public Bank Group Credit Policy, which aims to ensure the overall objectives in lending are achieved. It is imperative that the loan portfolio is strong and healthy and that credit risks are well diversified, which is in line with the Group's Risk Appetite.

The Public Bank Group Credit Policy provides a comprehensive framework covering lending directions, procedures, management of credit risks, and minimum credit standards in line with the Group's credit culture. It also embodies the top management's values and beliefs, creating a lending environment and behaviour acceptable to the Group.



**Why it Matters**

As the Public Bank Group grows its financing portfolio, the Group is cognisant of its duty to undertake responsible lending practices and act in the customers' best interests to prevent excessive debt and preserve the stability of the financial system.

**Risks**

Credit risk arising from a bank borrower failing to meet its obligation.

**How the Group Responds**

- Credit Policy sets out prudent and responsible lending criteria.
- Flexible repayment assistance is available to help borrowers overcome financial hardship.

### ooo Key Highlights

- Over **13,000 customers** benefitted from the Group's financial assistance programmes in Malaysia
- Organised **179 Financial Advisory Clinics and Carnivals**, attracting more than **2,600 customers**

## Embedding Responsible Lending Principles across the Group

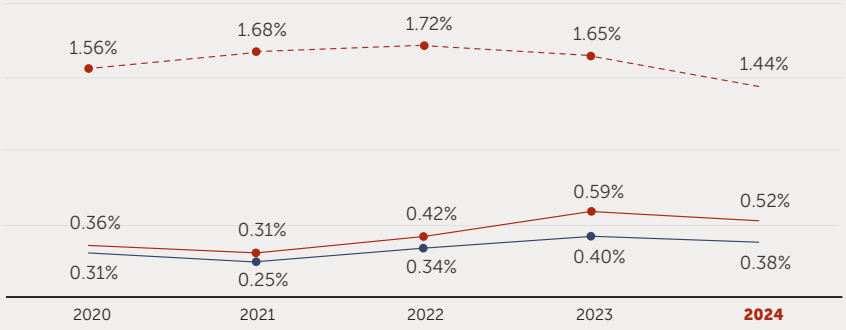
The Public Bank Group has put in place Risk Acceptance Criteria ("RAC") for housing loan/financing, hire purchase, commercial retail loan/financing, retail SME financing and corporate loans, which is in line with the sectoral concentration risk and key factors aligned with the Group's business strategy.

As a result of the Public Bank Group's approach to prudent lending, the Group's gross impaired loan ratio remained well below the industry's gross impaired loan ratio, both locally and abroad, including the Group's operations in Hong Kong, Cambodia and Vietnam.

# Theme 3: **Prosperous Customers and Communities**

## Gross Impaired Loans Ratio

### Public Bank Group



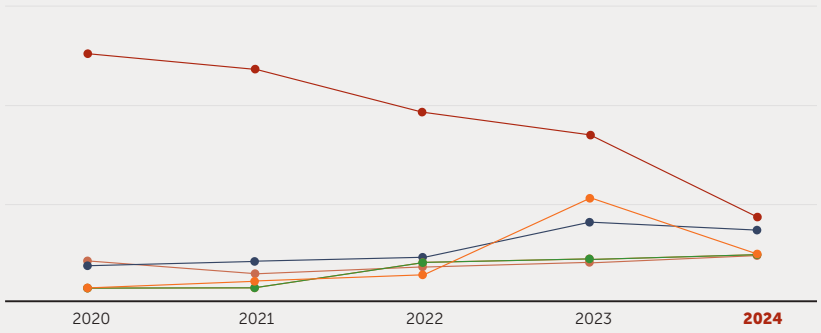

**Domestic Operations**

- Residential properties: **0.33%**
- Commercial properties: **0.68%**
- Transport Vehicles: **0.22%**

Domestic Operations
Group
Malaysia's Banking Industry

*Notes: 1. Industry's figures for 2021 onwards were based on the new set loan/financing data reflecting the latest requirements.*
*2. Domestic operations data covers Public Bank (excluding overseas branches), Public Islamic Bank, Public Bank (L) Ltd and Public Mutual.*

### Public Bank Group's Overseas Entities




| | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| Public Bank (Hong Kong) Limited | 0.62% | 0.90% | 1.22% | 4.46% | 2.03% |
| Public Bank Laos | 10.13% | 9.50% | 7.75% | 6.86% | 3.47% |
| Public Bank Vietnam | 1.50% | 1.67% | 1.84% | 3.26% | 2.93% |
| Campu Bank | 0.63% | 0.58% | 1.57% | 1.40% | 1.94% |
| Public Finance Limited | 1.69% | 1.17% | 1.43% | 1.63% | 1.91% |

**Banking Industry Data**

- Hong Kong : **1.99%** (as at end-September 2024)
- Cambodia : **7.90%**
- Vietnam : **4.60%**
- Laos : **NA**

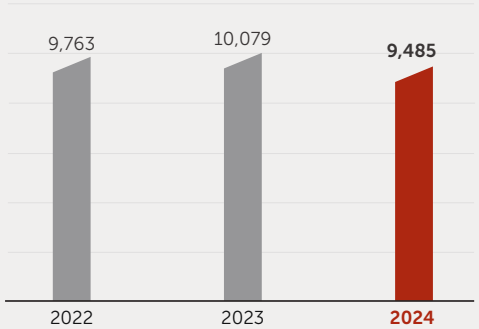
Public Bank (Hong Kong) Limited
Public Bank Laos
Public Bank Vietnam
Campu Bank
Public Finance Limited

*Notes: 1. Public Bank (Hong Kong) Limited and Public Finance Limited are major subsidiaries of PFHL.*
*2. NA: Not Available.*

## Competent Credit Assessment

Having a well-trained credit assessment team is essential to promoting prudent lending practices and ensuring employees are equipped with the credit skills and knowledge to assist borrowers. The Public Bank Group conducts regular training to enhance the credit team's skills and expertise.

### Credit Quality Training
(Number of enrolments)




*Note: Data excludes Public Mutual.*

## Helping Borrowers Overcome Financial Hardship

The Public Bank Group recognises the importance of responding to customers' financial hardships. The Group offers flexible repayment assistance programmes to assist individuals and businesses with cash flow constraints.

### AKPK's Debt Management Programme

- Repayment Relief Programme in collaboration with Agensi Kaunseling and Pengurusan Kredit ("AKPK") under Debt Management Programme
- Borrowers were given guidance to restructure their repayment and regain control of their finances

Referred more than **6,300** customers' accounts with loans over **RM840 million** to AKPK for repayment assistance in 2024

### Repayment Arrangement/Rescheduling and Restructuring

- Extension of facility tenure with re-amortisation of monthly instalment
- Retail loan/financing customers can digitally apply for repayment assistance in a hassle-free manner via Public Bank's website at www.pbebank.com

Approved over **RM1.5 billion** of Repayment Arrangement and Rescheduling and Restructuring for more than **7,000** borrowers in 2024

### Flood Moratorium

- Loan Repayment Relief of up to six Months Repayment Moratorium for borrowers affected by floods

Granted flood moratoria for more than **100** customers amounting to about **RM28 million in 2024**

AKPK

In collaboration with AKPK, the Public Bank Group has set up a Financial Advisory Clinic programme to assist and educate retail customers facing financial difficulties via a one-stop platform for financial assistance.

**179 Financial Advisory Clinics and Carnivals** were organised in 2024, attracting more than **2,600 customers** nationwide

# Theme 3: Prosperous Customers and Communities

## Financial Inclusion and Accessibility

### The Group's Approach

Financial inclusion is key to the nation's balanced and sustainable economic growth and development.

In supporting this national agenda, the Public Bank Group continues to play its part in ensuring financial inclusion by serving the public and ensuring accessibility for all. The Group provides access to financial services to all customer segments, encompassing corporate, SME and retail customers.

The Public Bank Group's commitment to financial inclusion extends beyond providing loans/financing to promoting financial literacy to targeted segments to help them take control of their financial future and build long-term wealth.




### Extensive Delivery Network

The Public Bank Group's presence is well established across its footprint in Asia to serve the financial needs of the public. Leveraging advanced banking technology, the Group constantly improves its digital banking platforms with enhanced and innovative features to further accelerate the efficiency of its internet and mobile banking services.

In 2024, the Public Bank Group continued to extend the coverage of its delivery network and registered increased usage of its digital banking platforms.

**Why it Matters**

Promoting financial inclusion is crucial for the broader economy and society to grow and develop in a just manner. As a trusted financial institution, Public Bank is mindful of its role in improving the overall quality of life of the community through financial aspects.

**Risks**

Lack of access to finance will cause income inequality and slower economic growth and stagnate the progress of a just transition.

**How the Group Responds**

- Extensive service delivery channels are available for convenient accessibility.
- Enable a fairer and more equitable shift to a sustainable and low carbon economy through its retail and SME products and services.

**Key Highlights**

- Mobilised over **RM8 billion** of affordable home financing since 2020
- Elevated the financial well-being of over **1.4 million** individuals since 2021
- Extended about **RM4 billion** of Government and BNM initiated financing schemes to benefit more than **20,000** businesses

**Targets/Sub-targets**

- Improve lives of **1.5 million individuals** through inclusive finance by 2025 starting 2021

**Network of Delivery Channels**

| | Malaysia | Hong Kong[3] | Cambodia | Vietnam | Laos |
|---|---|---|---|---|---|
| **No. of bank branches** | 264 | 73 | 32 | 40 | 4 |
| **No. of self-service banking terminals** | 2,061 | 27 | 87 | 66 | 5 |
| **Internet banking subscribers (% y-o-y)** | 8.3[1] | 9.1 | 16.2 | 62.2 | 1.5 |
| **Mobile banking subscribers (% y-o-y)** | 22.8[2] | 62.4 | 17.6 | 121.1 | NA |

*Notes:*
1. *This figure covers PBe and PB enterprise.*
2. *This figure covers MyPB app and PB engage.*
3. *Data covers Public Bank (Hong Kong) Limited only.*
4. *NA: Not Available.*

*For more information on the Group's data on digital banking, please refer to **Sustainability Performance Data 2024** on Public Bank's corporate website.*

## Inclusive Financing

Since 2021, the Public Bank Group has improved the lives of over 1.4 million individuals through its inclusive financing. The Group continues to offer affordable financial products and services accessible to all customer segments, enabling them to acquire funding to improve their lives and achieve their life goals, such as home ownership, purchase of motor vehicles and starting or expanding a business.

**New Loans Approved in 2024**

over **RM23 billion** for more than **48,200** home purchasers

over **RM26 billion** for more than **314,200** motor vehicle buyers

over **RM19 billion** for more than **50,700** SMEs

Financing for affordable homes has always remained a priority in the Public Bank Group's business. Since 2020, the Group has mobilised over RM8 billion in affordable home financing, benefiting over 44,000 low-to-medium income earners.

The Public Bank Group also has a dedicated home financing scheme for young adults who want to own their first home. In 2024, the Group launched the PB Young Graduate scheme, which offers up to 110% margin of finance and is intended to enable young graduates and professionals to secure financing for their first home purchase from the primary or secondary market.

# Theme 3: Prosperous Customers and Communities

## Enhancing Financial Inclusion for SMEs

As the SME industry progresses, the Public Bank Group has supported SMEs in expanding their operations, growing their business, and contributing to the economy by providing them with access to credit through various business funding solutions catering to their different needs. In addition to the Group's flagship SME financing product, the SWIFT Plan, the Group has been proactively supporting financing schemes established by the Government and BNM. As at the end of 2024, the Group approved more than RM4 billion of Government and BNM initiated financing schemes, benefitting over 20,00 businesses.

- Special Relief Facility
- Government Guarantee Scheme MADANI
- Government Guarantee Scheme MADANI 2
- BNM All Economic Sectors Facility
- PEMULIH Government Guarantee Scheme
- BNM Agrofood Facility
- BNM Micro Enterprises Facility
- BNM Automation and Digitalisation Facility
- PENJANA SME Financing
- BNM PENJANA Tourism Financing
- Targeted Relief and Recovery Facility
- BNM High Tech & Green Facility
- BNM Disaster Relief Facility 2022
- BNM Business Recapitalisation Facility
- BNM Low Carbon Transition Facility

### Initiatives to Support SME Growth

The Public Bank Group implemented several initiatives to support SMEs' growth, which include the following:

- Provide an ecosystem to support SME businesses via PB enterprise, enabling SMEs to adapt to evolving market changes and keep pace with rapid digitalisation;
- Offer the PB enterprise Digital SME Assist, a collaboration programme with SME digital partners to provide businesses with exclusive privileges and rewards for digital business solutions;
- Participate in the imSME online portal managed by Credit Guarantee Corporation Malaysia ("CGC") to help SMEs gain quick access to financing options; and
- Establish the SME Helpdesk based in the headquarters, extending virtual support for queries, and designated officers at the branches to assist SMEs with financing inquiries.

### In Focus: SME Financing

**Public Bank's Strategic Collaboration with CGC**

In 2024, Public Bank continued its partnership with CGC to extend **RM1 billion** in financing, reinforcing its commitment to supporting the growth and sustainability of SMEs. This financing includes the fifth and latest tranche of the Portfolio Guarantee scheme in which the Bank participates, specifically designed to assist SMEs with viable businesses that may lack the collateral to obtain financing. As at the end of 2024, a total of **RM473 million** of the RM1 billion financing guaranteed by CGC has been disbursed.



## Promoting Financial Literacy

Recognising that knowledge about personal finance planning and management forms the bedrock of the path to financial stability and good quality of life, the Public Bank Group actively organised various financial literacy programmes and events in 2024:

- Public Bank conducted four virtual SME roadshows for **89** SME participants, offering advisory services on available financing options and financial literacy resources;
- Public Investment Bank participated in Bursa Malaysia's The Youth Empowerment Fair 2024 and Karnival Saham Bersama Bursa Malaysia 2024, as well as Securities Commission's InvestSmart Fest® 2024 and Capital Market Graduates Programme ("investED"); and
- Public Mutual organised the MoneyKu talkshows – Beware of Debt and Heed the Danger Signs & Money Scams Targeting Millennials, Money Management Talks for single mothers and B40 entrepreneurs, webinars on Women & Money - Taking Control of Your Finances and Building Financial Resilience, and Fostering Young Minds programme for secondary school students, as well as Investors' Day 2024 - Navigating Investments for Long-Term Wealth Growth.







## Expanding Financial Inclusion in Cambodia




In collaboration with an affordable housing developer, Campu Bank has assisted more than 390 customers in owning a home, with approved affordable homes financing approximately USD11 million in 2024. In addition, Campu Bank continues to participate in the Business Recovery Guarantee Scheme by the Credit Guarantee Corporation of Cambodia ("CGCC") to support micro, small and medium enterprises. Under this scheme, CGCC provides guaranteed coverage of 70%-80% of the principal loan amount to businesses. In 2024, Campu Bank approved more than USD1.2 million of financing under this scheme.

# Theme 3: Prosperous Customers and Communities

## Customer Satisfaction

### The Group's Approach

In line with the Public Bank Group's corporate tagline, "Excellence is Our Commitment", the Group continually strives to maintain a high standard of service delivery. The Group remains customer-centric, understanding customers' needs and expectations while listening to their feedback through appropriate contact channels. The Group aims to maintain and expand its customer base in the long-term, which will strengthen the Group's foundation to stay ahead in the market.



### Maintaining Excellent Customer Service

The Public Bank Customer Service Charter, established in 2011, outlines the key commitments and service standards for all bankers when providing services to customers.

**Customer Service Charter**

| Pillar 1 | Pillar 2 | Pillar 3 | Pillar 4 |
|---|---|---|---|
| **Know Your Customer** | **Timely and Efficient Service** | **Transparent and Personal Service** | **Banking Made Accessible** |
| To understand the customer profile that enables the Bank to:<br>• Anticipate the customer's needs and preference.<br>• Offer products and services as per his/her requirements. | Deliver a seamless banking services wherein the customer is aware of:<br>• Time that will be taken.<br>• Broadly, the steps involved in executing their instructions. | Endeavour to deliver the customer experience wherein the customer:<br>• Is given access to products and services-related information.<br>• Is handled by competent and knowledgeable employees. | Offer an engagement model wherein the customer is aware of:<br>• Multi-channel options.<br>• Accessibility. |

**Why it Matters**

Customer experience is the defining differentiator in the financial services industry, driving financial institutions to a greater degree of customer centricity and providing customers with superior service standards. The Public Bank Group always prioritises customer satisfaction, solidifying its position as the preferred financial institution.

**Risks**

- Reputational risk arising from poor customer relationship management.
- Lack of customer satisfaction could potentially diminish the Group's customer base.

**How the Group Responds**

- Continuously deliver customer service excellence, in line with the Public Bank Customer Service Charter.
- Reinforce an effective and efficient complaint management solution to address customer concerns promptly and satisfactorily.

**Key Highlights**

- Public Mutual established **Process & Procedures on Treatment of Vulnerable Investors** to protect their vulnerable clients

The Public Bank Group was awarded the **Top Performer Pillar 4 Banking Made Accessible, Top Performer Branch, and Top Performer Online Banking** in the Customer Satisfaction Survey 2023 Awards by the Association of Banks in Malaysia

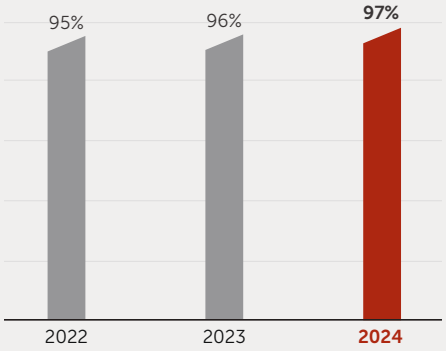


## Customer Feedback Surveys

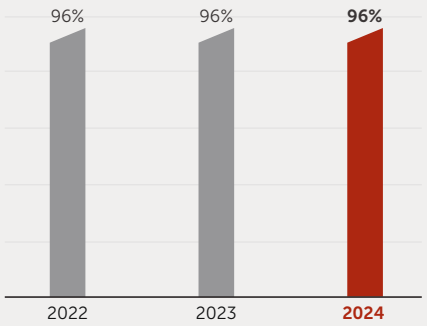
The Public Bank Group constantly seeks customer feedback on its service quality. This has enabled the Group to identify areas needing further improvement to increase customer satisfaction.

In terms of performance, the Public Bank Group achieved a conformance rate of 86% in meeting the 10-minute Waiting Time, exceeding the minimum industry standard of 80%, in 2024. Internally, the Group's higher expectations of serving customers within the 2-minute Standard Waiting Time achieved a conformance rate of 64% in 2024.

**97%**
**of customers rated Loan Delivery Service 'Exceeded Expectation' or 'Within Expectation'**




**96%**
**of customers rated Public Mutual's Service as 'Very Good' or 'Good'**




**ISO 9001 Certified Frontline Service and Loan Delivery**

The Public Bank Group's initiatives in providing customers with compelling experiences have continued to be validated by external recognition. The Group obtained a bank-wide ISO 9001:2000 certification for Quality Management System Frontline ("QMSFL") in 2001 and Quality Management System Loan Delivery ("QMSLD") in 2003. The QMSFL and QMSLD were subsequently upgraded to ISO 9001:2015 in 2018, a verification of the Group's service excellence.

## Customer Complaint Management

The Public Bank Group has developed several monitoring systems to ensure all complaints received are tracked, recorded, and followed up by the respective stakeholders effectively. Despite having a standard response timeline for complaints and feedback, the Group emphasises prompt response to ensure that complaints and feedback are addressed and responded to quickly.

The Public Bank Group has put in place an efficient customer complaint resolution process to ensure customers' banking complaints are addressed promptly and efficiently within the internally set standard of 10 days. In 2024, the Group achieved 100% compliance in meeting its internal turnaround time, whereby acknowledgement and addressing the complaints were within one day and 10 days, respectively. Meanwhile, Public Investment Bank and the Group's overseas operations in Vietnam, Cambodia and Laos remain committed to resolving customers' complaints within the industry standard of 14 days, while Public Mutual and Hong Kong's operations have set a standard of 30 days to resolve any complaints received.

# Theme 3: Prosperous Customers and Communities

## Responsible Marketing and Investing Practices

The Public Bank Group aspires to be the preferred financial service provider by putting its customers first. The Group aims to sustain its organisational success and foster strong relationships with customers by ensuring fair treatment. Through the 'Treat Customers Fairly Charter' and the Group's Fair Treatment of Financial Consumers ("FTFC") Policy, the Group pledges to uphold the highest standards of fairness in all customer dealings.

For Public Mutual, the Process & Procedures ("P&P") for the Treatment of Vulnerable Investors were established in 2024. The P&P outlines the roles and responsibilities of relevant parties regarding the treatment of vulnerable customers, including policies on handling complaints and training to enable employees to address customers' needs effectively.

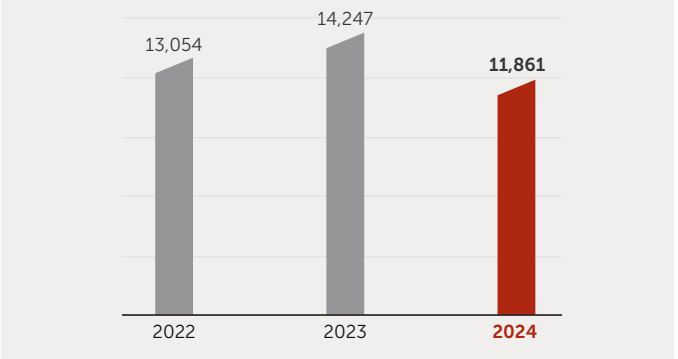
When promoting products and services, the Public Bank Group is guided by internal policies to provide clear and transparent information in marketing and advertising materials. The Product Disclosure Sheet provides information, such as products' features, fees, and charges to facilitate customers' decision-making. To ensure due compliance, sales and marketing personnel are required to attend the half-yearly briefing on Prohibited Business Conduct, Code of Ethics, and Rules of Professional Conduct, and undertake an assessment on Ethics in Selling for Sales and Marketing Executives.

With these robust controls in place, the Public Bank Group reported no material non-compliance with regulatory requirements concerning marketing communications in 2024.

## Enhancing Service Quality with Effective Training

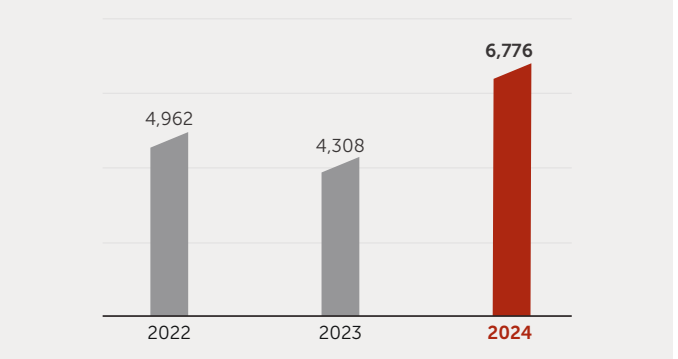
To better serve the customers, the Public Bank Group provides a pipeline of training programmes to constantly upgrade employees' customer service skills.

**Customer Service-Related Training**
(Number of enrolments)




*Note: Data excludes Public Bank Laos.*

**Fair Dealing/Responsible Sales Training**
(Number of enrolments)




*Note: Data excludes Public Bank Laos, Public Mutual and Public Investment Bank.*

*For more information on the Group's data on Customer Satisfaction, please refer to **Sustainability Performance Data 2024** on Public Bank's corporate website.*

# Community Empowerment

## The Group's Approach

As a socially responsible financial institution, the Public Bank Group has a duty to contribute to community welfare and development beyond financial support. The Group ensures that its conscious efforts generate long-lasting effects on the well-being of the communities where it operates.

The Public Bank Group's community engagement programmes are anchored by three focus areas, namely Community Well-being, Education and Environment.

### Key Focus Area and Priorities

**Community Well-being**
To enrich the lives of the communities

**Education**
To nurture future generations for nation development

**Environment**
To raise environmental awareness among the community

**Why it Matters**

The Public Bank Group believes that empowering and supporting sustainable development in communities will build stronger and more resilient societies. For this, the Group reaches out to the communities where it operates through impactful initiatives that underscore the Group's commitment to delivering a positive impact on the communities it serves.

**Risks**

Potential reputation risk arising from the absence of effective community engagement and inability to address the community needs.

**How the Group Responds**

- Various initiatives implemented to achieve the objective of the three focus areas of community well-being, education and environment.
- Employee volunteerism connects employees and the Group to the communities, strengthening its relationship with stakeholders.

### Key Highlights

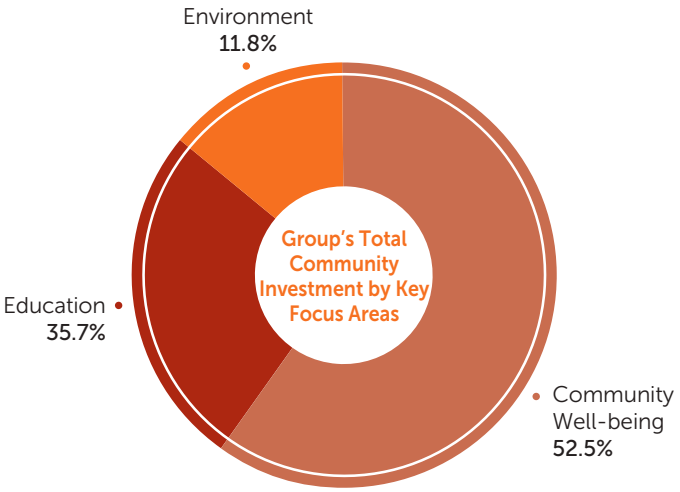
- Clocked more than **28,000** volunteer hours
- **RM2.5 million** spent on the community

### Targets/Sub-targets

- Achieve a minimum of **50,000** volunteer hours by 2025 and **RM10 million** spent on communities by 2030

# Theme 3: Prosperous Customers and Communities

## Community Investment Dashboard




Donated about **RM1.3 million** in cash and in-kind to more than **100** community groups

Over **RM890,000** invested in education-related programmes, benefitting more than **850** schools

Contributed over **290,000** to support environmental-related programmes

**RM2.5 million** spent on the community, benefitting over **7,000** people in 2024

*For more information on the Group's data on community investment, please refer to **Sustainability Performance Data 2024** on Public Bank's corporate website.*

### Community Well-being

The Public Bank Group continues to foster strong relationships with the communities it serves, by enhancing their quality of life and supporting their overall social and economic well-being. Key initiatives implemented in 2024 to support communities' diverse needs include:

**Donation to charity homes**

The Public Bank Group provided monetary and non-monetary assistance to improve the lives of the underprivileged.

About **RM270,000** donated to more than **60** nursing centres, welfare homes and orphanage homes

**Access to healthcare**

The Public Bank Group contributed to improving community access to healthcare.

Over **RM70,000** donated to Institut Jantung Negara Foundation, as well as to more than **10 hospitals** for their blood donation drives

**Food for the homeless**

The Public Bank Group helped serve and distribute meals to homeless people through four soup kitchens and food banks.

Contributed about **RM66,000** to **four** soup kitchens and food banks

**Advancing rural people**

The Public Bank Group conducted programmes aiming to narrow the socioeconomic disparity within the Orang Asli community.

About **RM11,000** spent on the programmes

## In Focus: Making a Difference

### Public Bank Run for Change 2024




In 2024, the Public Bank Group held the Run for Change 2024, which aimed to champion sustainable health and well-being, and enhance the quality of life through sustainable practices within the community.

In conjunction with World Environment Day, the inaugural Run for Change 2024 was held at Padang Merbok Kuala Lumpur, with over **1,200** Participants from Public Bank employees.

A portion of the participation fees was allocated towards purchasing young trees, which is in line with the nation's green initiative to enhance environmental sustainability and promote the importance of preserving nature for future generations. To make the event more inclusive, **100** students from the Public Bank Green Growth Asia Foundation ("GGAF") Eco-Schools programme and residents from three special homes—Lovely Disabled Home, Persatuan Kebajikan Kanak-Kanak Istimewa Insan, and Pusat Penjagaan Kanak-Kanak Cacat Taman Megah joined the run.







The second instalment of the Run for Change 2024 was held at Padang Kota Lama in Georgetown, Penang, attracting over **2,300** participants, including Public Bank employees, customers, friends, families, and business associates. Blind runners from St. Nicholas Home took part in the run, further highlighting the event's inclusive spirit. A total of **RM39,000** was donated to support four charitable homes across Penang.

# Theme 3: Prosperous Customers and Communities

## Education

The Public Bank Group is a firm believer that education plays a vital role in creating a better world. The Group strives to equip the young generation with the skills, knowledge and values needed to shape a brighter future for all. Key initiatives implemented in 2024 include:

### School Adoption Programme

The Public Bank Group continues to promote financial education and smart saving habits amongst school children with its participation in the School Adoption Programme. The Group has conducted financial literacy programmes and activities which include financial education talks, essay writing contest, drawing contest, video contest and opening of savings account at selected adopted schools nationwide. School children were exposed to basic concepts of financial planning, cashless transactions and online scams and safety tips.

**860** schools were adopted

### Star Achiever Programme

The Public Bank Group's Star Achiever Programme rewards WISE Savings Account holders who excel in the Sijil Pelajaran Malaysia examinations to motivate students towards educational excellence while encouraging the habit of saving.

**RM65,200** awarded to **250** students

### Financial Industry Collective Outreach ("FINCO")

The Public Bank Group continues to support FINCO, a collaborative initiative pioneered by all financial institutions in Malaysia to educate underprivileged children and youth with the support of BNM.

About **RM1.5 million** contributed since 2017

## In Focus: Grooming Future Sustainability Champions

### Eco-Schools Programme

Public Bank embarked on the Eco-Schools programme pilot project in 2023 to foster environmental awareness and sustainability education amongst students who will become leaders of society. The programme is carried out over a period of three years from 2023-2025, in collaboration with the GGAF, the Ministry of Education and state education departments.

The programme includes workshops on financial literacy, energy consumption, water conservation, green financing, and waste management. The programme also features climate action labs and practical projects such as energy retrofitting, rainwater harvesting, permaculture gardening, and food waste composting.

The programme benefits not just the students but also the teachers and school management who can integrate sustainability into their curriculum and lesson plans, thus enriching the educational experience. Local communities also benefit from sustainability projects such as permaculture gardening and energy retrofitting.



**Contributed over RM400,000 in 2024, the second tranche of total sponsorship of RM1.2 million over three years**

In 2024, the second year of its implementation, rigorous environmental action workshops were conducted, during which students learnt about fundamental principles, the concept of the environment, and sustainable practices.

## Environment

The Public Bank Group aims to raise awareness of environmental issues by working with local communities and organisations. The Group's initiatives promote environmental protection and raise conservation awareness amongst the community. Key initiatives implemented in 2024 include:

### Tree planting programmes

The Public Bank Group supports the Government's Greening Malaysia 100 million Tree Planting Campaign, which aims to preserve biodiversity and combat climate change. The Group has implemented tree planting initiatives at several key ecosystems in Malaysia, successfully planting 1,000 trees in 2024.

About **RM70,000** spent on tree planting initiatives

### Protect and preserve wildlife

The Public Bank Group has collaborated with Zoo Negara to raise awareness of the importance of protecting and preserving wildlife in Malaysia. The partnership supports Zoo Negara in its efforts to conserve and protect endangered species and their habitats, promote education and public awareness about wildlife, conservation, and environmental issues, and create a positive social impact by providing access to nature, encouraging leisure activities, and enhancing the overall well-being of the community.

About **RM50,000** donated to Zoo Negara

### Beach clean-up

The Public Bank Group completed beach clean-up programmes at several beaches and coastal areas in Malaysia. The programmes aimed to spread awareness and educate employees on the devastating impact of plastic pollution especially on marine life, and the importance of conserving a sustainable ecosystem and ecotourism.

About **RM21,000** spent to clean-up the coastal areas

### Gotong-royong

The Public Bank Group organised *gotong-royong* programmes with local communities to ensure the environmental cleanliness of the surrounding areas.

About **RM20,000** spent to organise the programmes

# Theme 3: Prosperous Customers and Communities

## In Focus: Preserving Biodiversity

### Tree Planting Initiatives

Acknowledging the importance of biodiversity, the Public Bank Group is mindful of its role in preventing biodiversity loss and restoring nature. The Group's environmental conservation initiatives are targeted at supporting nature and biodiversity conservation organisations. In 2024, the Group conducted a large-scale tree planting initiative covering several key ecosystems, where each of the ecosystems was selected for its ecological role and potential to sequester carbon effectively.

***Urban Flood Reservoirs***

Flood reservoirs help manage rainwater and mitigate urban flooding risks, while also providing a green space that promotes urban biodiversity. The initiatives include:

- Collaborated with Jabatan Pengairan dan Saliran ("JPS") Wilayah Persekutuan and Malaysian Nature Society ("MNS") in a multi-year establishment of a green lung at Kolam Takungan Banjir Sri Johor in Cheras, Kuala Lumpur. Since the project began in 2007, over **12,000** trees have been planted, amounting to an estimated annual carbon absorption capacity of **275,000** kilograms over **8.72** hectares of land.
- Partnered with Universiti Putra Malaysia ("UPM") and JPS to plant **100** rare, indigenous fruit trees and other suitable fruit-bearing trees and contributed up to **RM1.2** million in the purchase and maintenance of the trees since 2007.

***Coastal Mangroves***

The Public Bank Group's tree planting initiative also extends to coastal mangroves. Volunteers collaborated with Yayasan Hijau Malaysia in support of the "Greening Malaysia Programme through National 100 Million Tree Planting Campaign". Through this campaign, **900** mangrove saplings were planted across Selangor and Perak to preserve and conserve the forest heritage in degraded forest areas.

The Public Bank Group's tree planting initiative reflects a comprehensive approach to sustainability, achieving impactful results through scientific planning, ecosystem-specific strategies, and active community participation. By expanding natural carbon sinks and restoring vital ecosystems, the Group is making a meaningful contribution to global climate goals and local ecological health, ensuring future generations inherit a balanced and resilient environment that supports both natural systems and human communities.



## Employee Volunteerism

Volunteerism plays a vital role in nurturing workplace relationships and providing employees with a greater sense of belonging, identity, and purpose. Employees are encouraged to actively participate in community initiatives. Their contributions will not only enhance their sense of purpose and fulfilment but also boost morale, enhance engagement, strengthen alignment with the Public Bank Group's values, and reinforce the Group's reputation.

In 2024, the Public Bank Group developed an employee volunteering mechanism to nurture a positive work culture and demonstrate the Group's purpose and shared responsibility to make a positive impact. Public Bank's first-ever community engagement platform on Instagram, @publicbankcares, has also been actively engaging with the communities, aligning with the Group's mission to reach out to the underprivileged through volunteerism. In 2024, the Group clocked more than 28,000 employee volunteer hours, with over 6,800 employees participating in the activities.

Key volunteering activities in 2024 include:

| | | |
|---|---|---|
| **1** **Tree Planting at Bukit Cherakah Forest Reserve**<br>– Restore and protect forest | **400** volunteer hours contributed<br>**100** volunteers | **100** trees were planted to restore the depleted forest areas |
| **2** **Groom and Glow CSR Project at Zoo Negara**<br>– Upkeep of animals' living areas | **396** volunteer hours contributed<br>**66** volunteers | Improved the well-being and living conditions of the zoo animals |
| **3** **Eco Farm Escape Programme**<br>– Raise awareness of sustainable agriculture and eco-friendly farming | **136** volunteer hours contributed<br>**34** volunteers | Gained knowledge on organic farming techniques |
| **4** **PB Run for Change 2024**<br>– Promote sustainable health and well-being, as well as enhance the quality of life | **280** volunteer hours contributed<br>**70** volunteers | Engaged employees and the wider community in meaningful community run event |
| **5** **PB Fabric Recycle Campaign**<br>– Encourage recycling, upcycling and repurposing of fabrics | **114** volunteer hours contributed<br>**36** volunteers | **2.9 tonnes** of unwanted fabrics were collected and diverted from landfill |

# Theme 3: Prosperous Customers and Communities

## Public Islamic Bank: Supporting Economic Empowerment

Public Islamic Bank supports economic empowerment through its distribution of *Zakat Wakalah*, which aims to support eligible beneficiaries, including orphans, *Asnaf* (eligible recipients from an Islamic perspective), students, old folks, the homeless and the underserved communities.

In 2024, Public Islamic Bank assisted in the distribution of *Zakat Wakalah* to benefit underprivileged communities in the following sectors:

- Over **RM100,000** to charity homes
- Over **250,000** to support community well-being
- Over **RM200,000** for educational initiatives
- Over **RM170,000** to assist *Asnaf* entrepreneurs (including from iTEKAD)

### In Focus: Empowering Micro-entrepreneurs

**iTEKAD Programme**

Launched in 2023, Public Islamic Bank's iTEKAD 1.0 and 2.0 have assisted low-income micro-entrepreneurs through seed capital and structured training. Driven by the success of the two programmes, the Bank continued to launch iTEKAD 3.0, which focuses on **20** *Asnaf* micro-entrepreneurs in the sewing sector based in Selangor, through collaboration with Teraju Ekonomi Asnaf Sdn Bhd as the implementation partner. Subsequently, the Bank collaborated with Universiti Malaysia Pahang Al-Sultan Abdullah to launch iTEKAD 4.0 to benefit **25** micro-entrepreneurs in the poultry industry, specifically in duck egg farming.




Since its launch in 2023, Public Islamic Bank's iTEKAD programmes have benefitted **100** micro-entrepreneurs, utilising more than **RM570,000** from the Bank's *Zakat Wakalah* portion. The Bank aims to continue to uplift more underserved communities across Malaysia through social finance and financial inclusion programmes under the iTEKAD initiative.

## Staff Donation Programme

The Public Bank Group has a staff donation programme which started in 2004. The programme enables employees to assist their colleagues in need through voluntary donations. In 2024, about RM49,000 was handed out to employees needing financial assistance to overcome difficult times.

Benefitted more than **280 employees**, with cumulative amount of about **RM670,000** since 2004

*For more information on the Group's data on Customer Empowerment, please refer to* ***Sustainability Performance Data 2024*** *on Public Bank's corporate website.*

# Digital Transformation

## The Group's Approach

Digitalisation is fundamentally changing the way customers interact with banks, including the efficiency and quality of service delivery. This has led to a greater need for banks to embrace digitalisation while seizing opportunities arising from digital transformation.

To meet these challenges, the Public Bank Group's strategic approach to digitalisation remains focused on humanising banking with technology for a seamless digital banking experience and leveraging innovative technology to enhance operational efficiency.

In 2024, the Public Bank Group launched several digital initiatives aimed at enhancing the mobile banking experience, making cash withdrawals convenient and secure, and extending the accessibility of its products and services.




**Why it Matters**

In addition to delivering a digital banking experience to its customers, digital transformation provides opportunities to the Public Bank Group for greater innovation and competitiveness to enhance operational efficiency.

**Risks**

Rapid adoption of new digital solutions may lead to technology risks that can disrupt the Group's operations (i.e. system misconfigurations, data breaches and cyberattacks).

**How the Group Responds**

- Prioritising internal software development to improve operational efficiency.
- Adopting new technology and standards ensures industry competitiveness.

### Key Highlights

- Introduced **Cardless Withdrawal, $CO_2$ Tracker** and **Expense Tracker** on **MyPB Apps**
- Expanded **MyPB App's cross-border payment capabilities** to include **Alipay+**
- Public Mutual introduced **PMO PLUS mobile application**, a new version of previously known as Pocket-PMO

# Theme 3: Prosperous Customers and Communities

The Public Bank Group focuses on building digital solutions that not only provide customers with a more seamless experience but also enhance and reduce their environmental footprint.

***Sustainable Choices***

Through the MyPB app, customers can now track and monitor the real-time carbon footprint of their transactions using the **$CO_2$ Tracker feature**, with the option to offset the carbon. The app also has another new feature, **Expense Tracker**, enabling customers to view their monthly income and expenses with insights into spending patterns and personal cash flow to help them manage their funds more effectively.

***Convenience, Anytime, Anywhere***

- Introduced **Cardless withdrawal** for secure and convenient access to cash without using a physical ATM card and minimise plastic waste.
- Expanded **MyPB App's cross-border payment capabilities** to include **Alipay+** which covers 50 countries, **outbound transfer to Cambodia** via Bakong, and **DuitNow Cross-Border QR** which is a realtime payment solution that facilitates seamless cross-border QR payments to countries such as Singapore, Thailand and Indonesia.
- **Digitalised forms**, enabling customers to submit selected forms and questionnaires online such as application for Repayment/ Payment Assistance and Customer Feedback Questionnaires.

## Sustainable and Convenient

## Efficiency

The Public Bank Group works on streamlining and automating back-end processes to enhance operational efficiency.

- Implemented **Automated System Approval** for property purchase by individuals, and hire purchase financing applications by individual hirers.
- Expanded **Open Application Programming Interfaces** collaboration capabilities through partnerships to co-create innovative financial services and solutions.
- Leveraged its **Enterprise Data Warehouse** to facilitate advanced data analytics.
- Intensified the usage of **Artificial Intelligence and Machine Learning** to improve operational efficiency and productivity.
- Upskilled **digital capabilities of employees.**
- Deployed **cloud-based and on-premises systems** to deliver IT services with greater scalability and speed.

## Security

The Public Bank Group prioritises customers' digital safety and the security of their interests when utilising its banking products and services.

- Introduced **PB SecureSign (Digital Token) in PB enterprise Mobile Banking Application**, which serves as a new authentication method to replace SMS Personal Authentication Code ("PAC") and an alternative to SecureSign Token (Hard Token).
- Implemented **12-Hour Cooling-Off Period** for Activation of PB SecureSign (Digital Token), SecureSign Token (Hard Token), Maintenance of Daily Accumulated Transaction Limit and selected fund transfer services (such as Intrabank transfers, DuitNow Transfer and GIRO).
- Implemented **Kill Switch Service** that enables Corporate Users to immediately suspend their PB enterprise profile and/or the available Banking Account(s) with the Bank, should they suspect the account has been compromised.
- Implemented **Artificial Intelligence Fraud Prevention System ("AiFPS")** on PB enterprise web channel to monitor the Corporate User access behaviour by prompting Challenge Question & Answer to counter suspicious unauthorised access of the user profile.

*Section Reference:* ***Management Discussion and Analysis – Business Operations Review (Information and Communication Technology)*** *on page 125.*

## Improving Digital Banking Experience in Overseas Operations

### Hong Kong

Public Bank (Hong Kong) Limited is taking steps to implement the Interbank Account Data Sharing ("IADS"), which is an interbank customer-consented data sharing initiative, to digitalise banking operations and enhance customer experience.

### Cambodia

User interface enhancement is the main focus for Campu Bank's PB engage, with the aim of providing a seamless banking experience through a user friendly design and a faster response rate. The Bank also participated in the national Cross Institution Fund Transfer & Payment ("CIFTP") and Bakong Cross Border QR Payment.

### Vietnam

Public Bank Vietnam further enhanced its internet and mobile banking services, focusing on improving convenience for its users. This included an updated login interface, self-maintenance of transaction limit and daily limit for current account(s), and biometric authentication.

### Laos

Public Bank Lao partnered with Lao National Payment Network Co Ltd ("LAPNet") to leverage LAPNet's expertise and infrastructure for expanding the Bank's ATM network and electronic payment services, enhancing market presence and customer convenience.

## The Digital Way at Public Mutual

Public Mutual is committed to enhancing its clients' investment experience by making it more personalised, convenient, secure, and seamless. Driven by this commitment, Public Mutual has integrated advanced and innovative technology into its operations, marketing, and communication efforts. As a result, Public Mutual has improved its digital services, enabling over 30,500 unit trust consultants ("UTCs") to conduct their dealings with investors more efficiently.

As part of its efforts, Public Mutual actively maintains and improves its digital assets. With a large pool of UTCs, Public Mutual has various digital tools to assist the UTCs in dealing with investors. The Public Mutual Online ("PMO") platform is continuously updated to ensure a seamless mobile user experience for investors to plan, invest, and monitor their investments.

**65%** of Public Mutual's investors are **users of PMO**

**86%** of Public Mutual's investments are **transacted online**

# Theme 3: Prosperous Customers and Communities

## Investor Centric Digital Services

- **PMO investor portfolio dashboard**
  Enhanced to provide investors with a comprehensive overview of their investment holdings, including unrealised and realised profits, and total returns at the portfolio level.

- **PMO PLUS mobile application (previously known as Pocket-PMO)**
  The all-new version offers a more user-friendly interface and an improved dashboard, providing investors with a clear view of their portfolio holdings and includes comprehensive fund analytics.

- **Secure Token Authentication ("SecureSign") via PMO PLUS**
  Implemented PMO PLUS SecureSign as the default second-factor authentication, replacing the SMS PAC to enhance security for transactions and service requests initiated on PMO. This update enhances the prevention of unauthorised access to customer accounts and ensures the safety of online transactions.

- **Downloading Transaction Statements**
  Enabled the option to download investors' daily transaction statements on demand via PMO, eliminating the need for printing and mailing physical copies.

- **Scheduled Redemption Request Option**
  Embedded an investment redemption feature that allows investors to receive regular, predetermined payments from their investments while staying invested.

- **Family Members as Joint Holders**
  Simplified the process for investors to add family members, both adults and minors, to their accounts. This makes it easier to manage and add joint account holders. Once registered, investors can add family members to existing accounts or open new accounts with them.

## UTC Centric Digital Infrastructure

- **Client and Agency Management System 2 ("CAMS2")**
  Ability to monitor investors' investment portfolios and provide better after-sales support and services. It also helps UTCs monitor their sales performance to better manage their agency network.

- **UTC Connect**
  Web-based portal to access online services for UTCs. They can keep abreast of the latest information from Public Mutual, such as news, updates, announcements, and highlights.

- **Investor Engage**
  Overview of a particular investor's investment portfolio based on the fund category, geographical region, scheme, and composition.

- **UTC@Work**
  Mobile application that provides on-the-go services to allow UTCs to conduct their business and facilitates the process of closing sales and servicing their investors.

- **Online Enquiry System ("OLE")**
  Complementing CAMS2, the system provides more value-added business functions and analysis about unitholders and the UTC's agency network.

# Theme 4:
# Principled Conduct

“

## Material Matters

Data Privacy and Cybersecurity

Governance and Business Ethics

Transparency and Trust

Risk Management

Related UN SDGs




”

# Theme 4: **Principled Conduct**

## Data Privacy and Cybersecurity

### The Group's Approach

Data privacy and cybersecurity are of utmost importance to the Public Bank Group, forming the cornerstone of the Group's commitment to safeguard customers' information. The Group adopts a zero-tolerance policy on data breaches and non-compliance in cybersecurity. The Group employs a holistic approach for data governance and protection as well as to safeguard against cyber threats.




### Strengthening Data and Cybersecurity Governance

The Public Bank Group instituted a structured governance, whereby the Board is assisted by the Board Risk Management Committee in overseeing technology and cybersecurity-related matters.

To safeguard information security, the Public Bank Group has developed comprehensive policies and frameworks, and constantly reviews them to ensure they remain relevant with the latest regulations and evolving security landscape. These policies and frameworks, if relevant, are also applicable to the Group's subsidiaries.

The management of technology and cyber risk is under the purview of the Technology Risk Management ("TRM") team helmed by the Chief Information Security Officer ("CISO"). The CISO is responsible for ensuring the Public Bank Group's information assets and technologies are adequately protected. Guided by the Board-approved Technology Risk Management Framework and Cyber Resilience Framework, the CISO executes risk assessments to identify security risks and evaluates the effectiveness of the control measures taken. The risk reports are periodically reviewed to affirm the controls are operating as intended.

The CISO also identifies new risks emerging from the internal systems as well as from external developments that may bring about data breaches or cybersecurity incidents. The CISO brings to discussion with both Board and Management Committees the cybersecurity profile, state of implementation of the regulatory requirements as well as outcomes of the external and internal independent assessments on cyber resilience. Phishing exercises covering different scenarios are regularly conducted to enforce staff cybersecurity awareness. Moving forward, Red Team Exercises, cyber drills and scenario analysis are key pursuits of TRM to identify weaknesses and to test the effectiveness of the disaster recovery, business continuity and crisis communication channel.

**Why it Matters**

Data privacy and customers' trust go hand in hand. Data privacy protects customers' personal data from misuse, breaches and security incidents. Cybersecurity is key to safeguard data privacy from identity theft, financial fraud or money transfer scams, protecting both the customers and the Public Bank Group.

**Risks**

- Security lapses leading to loss of sensitive information.
- Loss of customers' trust.
- Financial losses or regulatory fines on the Group.

**How the Group Responds**

- Subjecting the Group's policies and frameworks to periodic review for its continued relevance and adopting best practices.
- Effective operationalisation of the internal policies involving the three lines of defence.
- Upgrading IT Infrastructure and Cybersecurity System to strengthen internal security controls.
- Deploy multilayer security systems.
- Launch scam prevention campaigns to increase public awareness.

**Key Highlights**

- Introduced the **PB Scam Rangers**, a mobile team comprising cybersecurity fraud experts
- Achieved **zero cyber incidents** affecting the Group's systems and business operations

## Data Privacy

The Public Bank Group has a strict zero-tolerance policy regarding any violation of privacy. This unwavering commitment to protecting data privacy is outlined in the following documents.

### Banking Secrecy Framework

The Framework provides comprehensive guidelines on protecting customer data against unauthorised access, misuse, or disclosure and includes standard protocols for reporting data breaches.

### Privacy Notice

The Privacy Notice explains to customers how the Group collects, uses, and protects their data. It is regularly updated and easily accessible online.

Mechanisms are in place to ensure the effective implementation of controls to safeguard customer data, including, but not limited to, regular audits, monitoring of data access, robust information communication technology controls, and periodic reviews of employee access rights to customer data to prevent privacy breaches.

### Measures to protect customer data and information systems

- Conduct enhanced due diligence, specifically for outsourcing arrangements, to evaluate the effectiveness of outsourced service providers' existing controls for safeguarding customer data before engagement and periodically thereafter;
- Establish the Business Continuity Management Policy to build the Group's readiness to respond to disasters such as cyber-attacks and minimise disruption to business operations. The Policy is reviewed and tested annually to stay abreast of relevant emerging threats; and
- Mandatory annual employee training programmes, encompassing comprehensive modules on phishing prevention, password security and data protection best practices, reinforced by ongoing awareness campaigns and simulated exercises to equip employees with the knowledge and skills necessary to recognise, respond to and mitigate potential data privacy threats effectively.

Public Mutual is guided by the Operational Guidelines for Customer Data Leakage Protection that sets out stringent system and data security controls to ensure that personal data is handled and processed responsibly.

***Cybersecurity***

Amid the growing complexity of information technology infrastructure and rising cyber threats, the Public Bank Group remains resolute to strengthen its cybersecurity capabilities to ensure the delivery of safe and secure financial services to customers. For this, the Group continues to maintain robust technology and cybersecurity governance and approaches to ensure overall technology and cyber resilience. In 2024, the Group spent more than RM40 million to enhance its cyber defence capabilities.

Comprehensive policies and frameworks are in place to manage technology and cyber risks, and wherever relevant, their applicability is extended to the Public Bank Group's subsidiaries.

# Theme 4: Principled Conduct

## Corporate Information Security Management Policy

The Policy outlines principles to ensure the Group's information and information systems are properly safeguarded and adequately protected from threats, including fraud, data leakage, service disruption and natural disaster.

## Enterprise Architecture Framework

The Framework outlines the overall technical design and high-level plan of the Group's information and communication technology architecture to promote standardisation and a disciplined way of delivering information technology solutions.

## Cyber Resilience Framework

The Framework sets out the risk management processes to manage cybersecurity risk and strengthen cyber resilience continuously. It identifies the risks of cyber threats and sets out measures to address and mitigate them.

## Technology Risk Management Framework

The Framework is developed based on the BNM Policy Document on Risk Management in Technology and sets out the key principles of risk governance and risk management processes to enable the Group to manage technology and cyber risks in a robust and consistent manner.

Public Mutual and Public Investment Bank are guided by the information and security policies and frameworks of the Securities Commission Malaysia, such as the Guidelines on Technology Risk Management and Guidelines on Conduct for Capital Market Intermediaries.

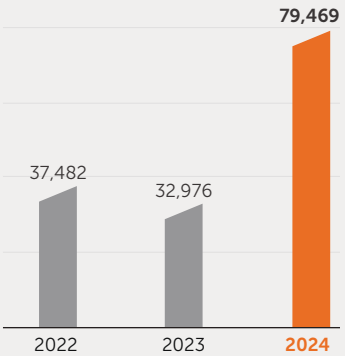
## Ongoing enhancements to the Group's cybersecurity capabilities

- Implement safe-to-fail strategies for greater cyber resiliency;
- Deploy multi-layered security defence systems and enhance 24x7 Security Operation Centre monitoring to protect against threats;
- Adopt security-by-design principles in developing banking products/services, systems and processes;
- Use machine-learning capabilities for anomaly detection to prevent data breaches, ransomware and other threats;
- Partner with Global Cyber Security Collaboration for global dissemination of threat intelligence and guidelines to mitigate cyberattacks;
- Engage independent security consultants to assess and validate the adequacy of the Group's cybersecurity infrastructure and security posture;
- Information sharing and collaboration with other Financial Institutions via the Financial Sector Cyber Threat Intelligence Platform established by BNM;
- Participate in annual cyber drill exercises organised by regulators to test the effectiveness of the Group's Cyber Incident Response Plan towards managing scenarios of current and emerging cybersecurity threats; and
- Business Continuity Management Policy is in place to ensure the Group's continuous functioning in the event of disruptions.

Awareness and knowledge of data privacy and cybersecurity are integrated across the Public Bank Group through:

- Regular updates of circulars and periodic reminders on safeguarding customer information;
- Review of control objectives, efficacy of controls, policies, standards, frameworks, processes and procedures for information security;
- Employee training on the latest digital security skills, as well as professional certification programmes; and
- Routine conduct of phishing simulation tests to gauge the level of security awareness amongst employees.

**Cyber Awareness Education Initiatives**
(Number of training enrolments)



## Tackling Frauds and Scams

Amidst the growing adoption of digital banking, fraudsters are using innovative ways to commit financial scams. The Public Bank Group has rolled out various measures throughout the year to enhance scam prevention effectiveness.

- Participated in the National Scam Response Centre to tackle financial scams
- Introduced the 'Kill Switch' function via PBe internet and mobile banking application to prevent unauthorised access
- Allowed PB SecureSign on a single designated device for authorisation
- Set up a 24-hour Case Management Digital Support Hotline for customers
- Set a 12-hour 'cooling-off' period for abnormal fund transfers and transactions
- Sent a prompt to e-banking users when transactions are deemed high risk or suspicious
- Introduced 'Report Fraud/Scam Incident' form on PBe login page to report fraud and scam cases
- Continuous customer education via digital touchpoints and physical presence in roadshows and events

To raise public awareness of the risk of scams and their responsibilities to safeguard their banking accounts, the Public Bank Group launched the PB Scam Prevention Campaign in 2024. As part of the campaign, the Group introduced the PB Scam Rangers, a mobile team comprising cybersecurity fraud experts who will travel around Malaysia to raise awareness, educate, and update the public on the latest scam trends.

Stationed at selected Public Bank branches, the PB Scam Rangers engage with customers and the public with educational sessions, quizzes, interactive educational displays, and information sharing with prizes and souvenirs.



**Given the proactive measures, more than 259,000 mule accounts had been blacklisted from multiple sources in 2024**

**More than 1.1 million of customers with over 3.6 million transactions totalling about RM1.71 billion, were prevented from falling into fraudsters' mule accounts in 2024**




*Section Reference:* ***Management Discussion and Analysis – Business Operations Review (Information and Communication Technology)*** *on page 125.*

# Theme 4: Principled Conduct

## Governance and Business Ethics

### The Group's Approach

The Public Bank Group remains committed to maintaining ethical business practices, stringent regulatory compliance and preventing bribery, corruption and fraud, while safeguarding the interests of the stakeholders. Solid fundamentals on governance and compliance are in place, with clear and actionable guidance and practices embedded in every business and operational process.

The Public Bank Group has a zero-tolerance stance against any legal and regulatory non-compliance. It expects all employees to comply with laws and regulations governing the Group's business and uphold the highest standards of ethical conduct. The Group will take necessary and appropriate action to deal with any breaches to its policies and rules, including, but not limited to, disciplinary and/or termination action.



### Compliance Governance Structure

The Board of Directors oversees the Public Bank Group's compliance risk management. The Board Compliance Committee has been established to assist the Board in discharging this responsibility.

The Public Bank Group adopts the three lines of defence approach as the framework for managing compliance risk. The effectiveness of the compliance environment is premised on a collaborative effort from the three lines of defence: the Business and Support Functions (first line), Compliance and Risk Management Functions (second line), and Internal Audit Functions (third line).

**Why it Matters**

Financial institutions are responsible for upholding good corporate governance and compliance. The Public Bank Group believes high compliance and governance standards are essential for sustaining business stability and stakeholders' trust.

**Risks**

- Regulatory fines, penalties and financial losses.
- Reputational damage due to failure to meet expectations of regulators and stakeholders.

**How the Group Responds**

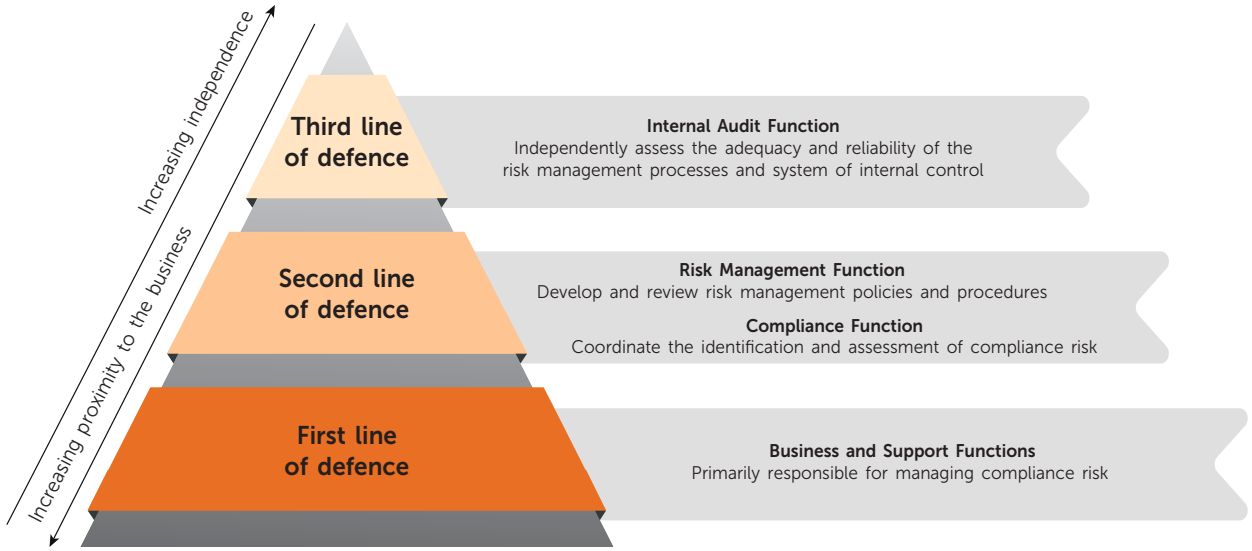
- Develop stringent policies and procedures to cultivate a professional and ethical workforce.
- Mandatory training on compliance matters to ensure employees are aligned with regulatory requirements.

**Key Highlights**

- **Zero incidents** of corruption
- **100%** of the Group's banking entities operated in Malaysia have conducted corruption-related risk assessment

**Targets/Sub-targets**

- Develop business underpinned by ethical conduct and compliance




*Section Reference:* ***Corporate Governance Overview Statement*** *on page 280.*

## Guiding Policies and Procedures

The Public Bank Group has developed a wide range of policies and procedures to guide its employees in upholding good business ethics and integrity. In addition, Public Mutual is guided by its Personal Dealing Policy and Managing Conflicts of Interest Policy.

### Compliance Policy

The Policy is established in accordance with three overarching principles for managing compliance risk and cultivating high standards of integrity and conduct within the Group, namely (i) Zero-Tolerance Approach, (ii) Compliance is Everyone's Responsibility, and (iii) Risk-based Approach.

### Anti - Fraud Policy

The Policy sets out the Group's expectations of all its employees and the requirements relating to the prohibition, recognition, reporting, and investigation of suspected fraud, corruption, misappropriation, and other similar irregularities.

### Code of Ethics

The Code of Ethics serves as a basis and benchmark for all employees to conduct themselves in accordance with the five fundamental ethical principles, namely competence, integrity, fairness, confidentiality and objectivity.

### Anti-Money Laundering, Countering Financing of Terrorism, Countering Proliferation Financing and Targeted Financial Sanctions ("AML/CFT, CPF and TFS") Policy

The AML/CFT, CPF and TFS policy articulates the stringent risk-based approach and procedures involving ongoing due diligence, screening and monitoring of all business transactions to counteract potential illicit activities or malicious endeavours associated with money laundering, terrorism financing, proliferation financing or financial sanctions.

### Anti-Bribery and Anti-Corruption Policy ("ABAC Policy")

The Public Bank Group adopts a zero-tolerance approach to any form of bribery and corruption. The ABAC Policy applies to all entities within the Group, including its overseas branches and subsidiaries, all members of the Board and employees, and all third parties working for, associated with or acting on behalf of the Group.

# Theme 4: Principled Conduct

While the Board's oversight of anti-bribery and anti-corruption is assisted by three Board Committees which consists of Compliance Committee, Risk Management Committee and Audit Committee, the Ethics and Integrity Working Group is established at the management level to oversee the management of the ABAC programme.

Bribery and corruption risk assessment ("BCRA") is undertaken to identify areas susceptible to bribery corruption risks covers the areas as identified in the ABAC policy. This is accompanied by the assessment of the enterprise and/or specific operational controls in place to mitigate the risks. Any breach in the ABAC policy will result in disciplinary proceedings, including, but not limited to, employee dismissal and the right to terminate any relationship with third parties.

In 2024, 100% of the Public Bank Group's banking entities in Malaysia have conducted corruption-related risk assessments.

With the Vision of "Advancing to Sustain a Corruption-Free Banking Environment", the Public Bank Group, has in 2024, further enhanced the Anti-Corruption Plan 2024 – 2027, which sets out the following objectives:

- Outline the framework and preventive actions to mitigate corruption risk;
- Manage challenges regarding governance, integrity and corruption;
- Increase awareness and commitment amongst stakeholders to fight corruption; and
- Enhance the image of the Bank and the trust of stakeholders.

The Public Bank Group requires all employees to complete a series of mandatory e-learning modules annually to raise awareness and understanding of employees' responsibilities regarding the principles and guidelines of ABAC Policy. These modules cover critical topics, including Defining Bribery and Corruption, the Principles of ABAC Policy, Breaches of ABAC Policy, and Reporting Channels and Protection Accorded to Whistleblower(s).

*Read more: https://www.publicbankgroup.com/about-us/corporate-governance/anti-bribery-anti-corruption-policy/.*

Bribery and corruption generally refer to offences involving giving or receiving of "gratification" which is defined within Section 3 of the Malaysian Anti-Corruption Commission Act 2009 as:

a) Money, donation, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, financial benefit, or any other similar advantage;
b) Any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;
c) Any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
d) Any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;
e) Any forbearance to demand any money or money's worth or valuable thing;
f) Any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and
g) Any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).

### Whistleblowing Policy and Procedures

The Public Bank Group has put in place the Whistleblowing Policy and Procedures to serve as a confidential platform for all employees and third parties, including interns, consultants, contractors, vendors, suppliers and customers, to report any acts of bribery and/or corruption, as well as any alleged illegal, unethical, questionable practices or improper conduct committed or about to be committed within the Group.

Reporting can be made via the PBALERT Link at https://www.pbebank.com/Whistleblowing or email address at PBALERT@publicbank.com.my. Whistleblowers may also lodge a report with the Royal Malaysia Police, BNM, the Malaysian Anti-Corruption Commission or any other enforcement agencies as defined under the Whistleblower Protection Act 2010.

*Read more: https://www.publicbankgroup.com/about-us/corporate-governance/whistleblowing-policy-procedures/*

**Consequence Management Framework**
Transparent, fair and appropriate disciplinary actions in accordance with the Public Bank Group's Consequence Management Framework will be applied should there be any contravention by employees.

## Embedding Stringent Compliance Culture

In 2024, various initiatives and ongoing education and training were implemented to ensure employees' awareness is at the highest level.

- **12 regional dialogue sessions with** 330 participants and a virtual briefing session with 54 participants on compliance and AML/CFT matters were carried out.
- **18 briefing sessions** were conducted with 154 Management Trainees involved in hire purchase ("HP") processing to increase awareness of HP fraud detection and prevention.
- **493 compliance reviews** were carried out at domestic branches and securities documentation centres.
- **211 branch visits for compliance checks** were carried out at the Group's operations in Hong Kong, Cambodia and Vietnam.
- **67 compliance reviews** were carried out at HP centres, HP hubs and full-fledged HP branches to assess the overall state of compliance with AML/CFT/CPF, regulatory requirements and the Group's internal procedures and guidelines.
- **Due diligence assessments** were carried out on customers and suppliers.
- **Compliance risk assessment** was conducted to identify the Group's compliance risk profile and understand its exposure to the business operations.
- **Four bulletins and eight newsletters** were published to update employees on compliance matters.
- Islamic Banking training and awareness programme were conducted via the **Islamic Banking Ambassador ("IBA") Programme,** consisting of **414 IBAs** nationwide. Shariah awareness was further strengthened through the issuance of eight editions of Quick **Buzz (newsletters), four Islamic Banking Bulletins, two series of Shariah Awareness Short Videos,** and nine series of **Insight Out: Islamic Finance (carousel posts).**

Periodic refresher courses on compliance-related topics are conducted to strengthen knowledge, and a compliance communication platform is made available for employees to escalate and raise regulatory compliance issues.

*For information on the Group's key compliance-related training programmes enrolments, please refer to* ***Sustainability Performance Data 2024*** *on Public Bank's corporate website.*

# Theme 4: Principled Conduct

## Transparency and Trust

### The Group's Approach

The Public Bank Group values the importance of transparency and accountability, which are essential for building and maintaining the trust of its stakeholders. The Group continues to provide transparent and timely disclosures to its stakeholders on the Group's management of matters covering sustainability practices, business activities, financial situation and tax management.

#### Building Long-Term Trust with Stakeholders

The Public Bank Group ensures regular and constructive engagement with its stakeholders, in order to fulfil their sustainability interests and concerns.

To this end, the Public Bank Group communicates its sustainability disclosures, including climate-related matters, to its stakeholders in a comprehensive, timely and transparent manner through various channels, including disclosure in the Annual Sustainability Report in the Public Bank Integrated Annual Report, Annual General Meeting, investors' meetings, roadshows and conferences.

The Public Bank Group regularly updates its dedicated section on Public Bank's corporate website, which provides an overview of the Bank's approach towards sustainability.



**Why it Matters**

The Public Bank Group builds trusted and long-lasting relationship with its stakeholders to adequately meet their needs and expectations. To fulfill its social obligations to the economic growth and community development, the Group adheres to regulatory disclosure requirements and ethical tax practices.

**Risks**

- Unethical conduct or failure to make timely tax payments can lead to regulatory fines, penalties and a loss of confidence and trust from stakeholders.
- Lack of transparency can erode trust, foster misinformation and hinder effective decision-making by stakeholders.

**How the Group Responds**

- Adherence to the highest standards and best practices.
- Timely and transparent sustainability disclosures.
- Set the Public Bank Group's Tax Policy.

**Key Highlights**

- Income tax payment of **RM2.05 billion** was made in 2024

## Responsible Tax Management

As a responsible corporate player, the Public Bank Group is committed to handle tax-related matters in a compliant and professional manner, minimising any risk that could lead to negative financial implications and reputational issues. The Group adopts a healthy tax risk appetite by promoting a corporate culture that upholds strong compliance with tax legislation.

### *Tax Governance*

The Public Bank Group's Tax Policy is established with oversight from the Board of Directors which sets the tone from the top. Any material tax issues or new emerging tax risks will be reported to management promptly for deliberation on the proposed actions.

### *Management of Tax Risk*

To minimise potential tax risk, employees handling the tax function are expected to keep abreast of tax developments and ensure a deep understanding of the relevant expectations of the tax authority to minimise any misinterpretation of tax laws. The Public Bank Group seeks professional advice and clarifications from the tax consultant or tax authorities to enhance understanding of the tax requirements.

Continuous education and regular training on direct and indirect tax requirements are conducted for all the relevant employees across business units and support units within the Public Bank Group. The objective of the education and training is to ensure awareness and compliance. With the good tax practices that employees from all levels have continuously adopted, the Group is able to manage its tax risk in the most efficient manner. Tax risks that could arise due to late tax submission or payment can be eliminated through early submission. It is also fundamental that the Group prepares its tax submission with thorough checking to minimise any inaccurate tax filing.

### *Relationship with Tax Authorities*

The Public Bank Group maintains a collaborative and professional relationship with the tax authorities. Any queries raised by the tax authorities are addressed promptly and professionally.

The Public Bank Group upholds integrity in handling tax matters and strictly avoids engaging in tax evasion or tax avoidance arrangements. Although the Group operates business in Labuan and other jurisdictions that impose lower corporate income tax rates, it is always the practice of the Group to conduct its intra-group business activities based on the arm's length principle, which is in line with the Transfer Pricing requirements set by local and international tax laws.

# Theme 4: Principled Conduct

## Risk Management

### The Group's Approach

The Public Bank Group's foundation to create value to its shareholders, customers, counterparties, employees, investors and the community it serves is premised on an effective risk management system across all lines of defence. This is supported by the Group's Risk Management Framework embedded into the day-to-day operations and decision making process.

### Governance Oversight

Risk management is a shared responsibility that involves all levels of the organisation. The highest responsibility is the Board, assisted primarily by the Risk Management Committee and other dedicated risk committees.

The Public Bank Group adopts a three-lines of defence approach consisting of business and support units as the first line of defence, compliance and risk management functions as the second line of defence, and internal audit as the third line of defence.



*Section Reference:* ***Risk Management (under Corporate Governance section)*** *on page 307.*

### Risk Management Framework

The Public Bank Group is guided by the Risk Management Framework, which outlines the overarching risk management approach to enable the identification, measurement, continuous monitoring, and reporting of all risks for all entities within the Group.

**Why it Matters**

Effective risk management is integral to ensure the business strategy and risk-taking activities remain in line with the desired Public Bank Group-wide Risk Appetite.

**Risks**

- Poor risk management exposes the Group to financial and non-financial risks.

**How the Group Responds**

- Adopts the three Lines of Defence model.
- Risk appetite and risk policies to guide the effectiveness of risk management.

### Key Highlights

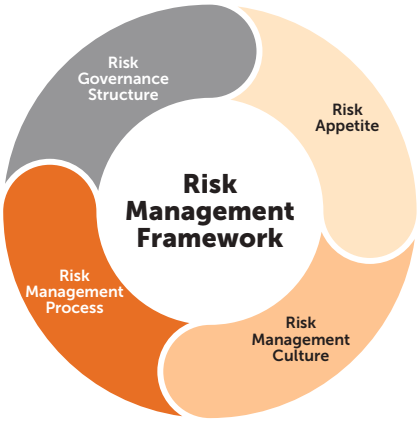
- **Developments** in the regulatory and operating environment are key inputs to **risk management strategies**
- **All risk thresholds and risk policies are subject to review** to ensure continued relevance
- **Completed 100% of assessments on borrowers operating in High ESG Risk Sectors ("HERS")**, and **65% of borrowers operating in non-HERS**

### Targets/Sub-targets

- **100%** of loans/financing undergone ESG RAC screening by 2025 for Large Corporates*
- **100%** client engagement by 2025 for High Risk Large Corporates*

* *Large Corporates refer to all large corporate borrowers under the corporate financing segment*

The key principles and components of the Risk Management Framework include the following:




Growing traction on climate-related risk has evolved the Public Bank Group's approach to managing risk. Over the years, the Group has progressively enhanced risk tools and processes to incorporate climate-related risk considerations to ensure exposures are managed and to safeguard the Group's interest while ensuring business viability. The ESG RAC Policy guides the Group's operationalisation of the Impact-Based Assessments comprising ESG practices in the customer onboarding process.

*Section Reference:* ***Risk Management (under Corporate Governance section)*** *on page 307.*

## Risk-Focused Organisation Culture

To enhance risk awareness and foster a culture of risk management throughout the Public Bank Group, the practice of managing risk is integrated into daily operations and decision-making processes:

**Risk Integration into Culture and Business Operation**




The compliance culture is integrated across the Public Bank Group, particularly at the beginning of employment. The Group conducts a strict pre-employment screening process to ensure potential candidates have the required knowledge, skills, and competencies. The screening consists of personal background, employment history, financial screening, criminal records, and cyber-crime screening.

In addition, the Public Bank Group has a transparent consequence management framework in place to impose the appropriate disciplinary actions should any of the Group's employees contravene.

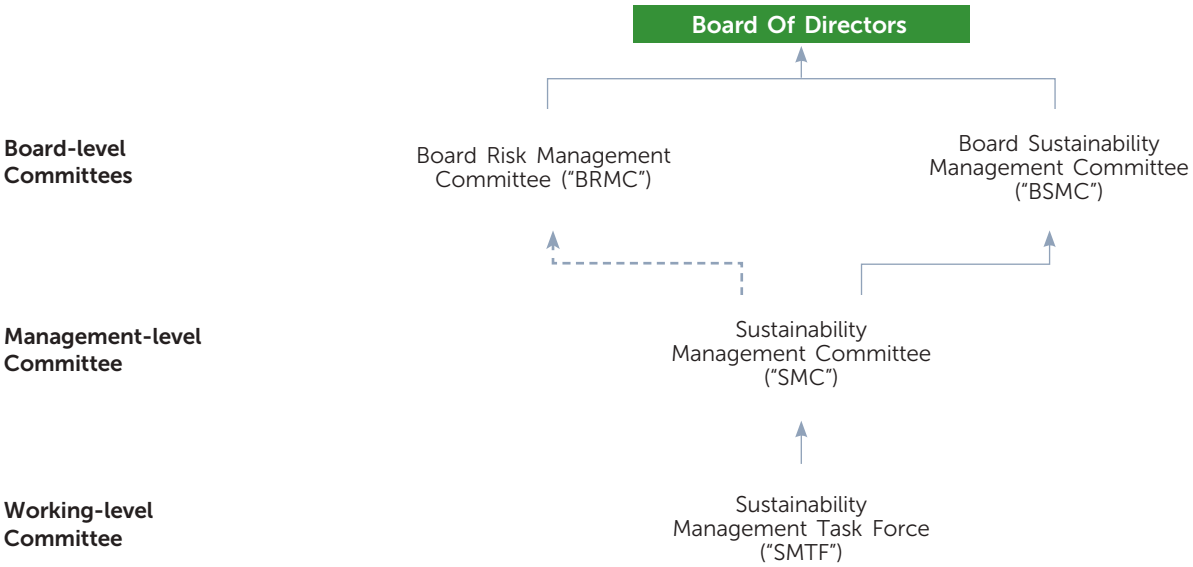
*Section Reference:* ***Risk Management (under Corporate Governance section)*** *on page 307.*

# Disclosures Aligned with

# Governance

## Sustainability and Climate-Related Governance

A strong governance structure is important to steer the Public Bank Group's sustainability and climate change management efforts to achieve the Group's long-term strategic directions which are aligned with the climate risk appetite. The Group's sustainability and climate-related risk governance structure is as follows:




*Note:*

*Reporting of climate-related risk matters to BRMC by SMC/SMTF.*

*For more information, please refer to **Sustainability Governance** on page 164.*

## Sustainability and Climate-Related Topics Discussed

During the year, the Board Committees discussed the following agenda:

| Board Sustainability Management Committee | Board Risk Management Committee |
|---|---|
| • Approved the appointment of an external consultant to conduct ESG Data (emissions) Assurance 2024<br>• Reviewed Public Bank's Sustainable Finance Target<br>• Received progress updates on the sustainability and climate-related targets and commitments<br>• Approved the Public Bank Group Financed Emissions Internal Methodology<br>• Reviewed the Public Bank Group's Decarbonisation Plan and recommended to the Board for approval<br>• Received updates on regulatory developments on sustainability and climate-related matters | • Reviewed the Climate Risk Appetite Statement<br>• Reviewed the climate-related risk management policies<br>• Approved the BNM's Climate Change and Principle-based Taxonomy ("CCPT") Internal Operational Guideline<br>• Reviewed the outcome of CCPT classification of the financing assets and the ongoing actions to improve the process<br>• Reviewed the recommendation to appoint an external consultant to undertake the BNM Climate Risk Stress Testing ("CRST") exercise<br>• Reviewed and challenged the outcome of CRST exercise on mortgage financing portfolio<br>• Received updates on regulatory developments on sustainability and climate-related matters |
| Meeting frequency: Quarterly<br>Number of meetings with climate-related agenda discussed: **4** | Meeting frequency: Monthly<br>Number of meetings with climate-related agenda discussed: **5** |

# Governance

Management-level committees being the Sustainability Management Committee ("SMC") and Sustainability Management Task Force ("SMTF") are responsible to implement the directions of the BSMC and RMC. During the year, the SMC and SMTF deliberated and took actions on the following:

- Reviewed the initiatives by business units, support units and local subsidiaries to achieve the sustainability and climate-related targets
- Deliberated on the progress of the actions taken to meet sustainability and climate-related targets
- Reviewed the Public Bank Group Financed Emissions Internal Methodology
- Deliberated on the Public Bank Group's Decarbonisation Plan
- Reviewed the CCPT Due Diligence ("DDQ") Implementation Workplan
- Received updates on regulatory developments on sustainability and climate-related matters, and reviewed plans to address the requirements

## Sustainability and Climate-Related Training

The Board members and all levels of employees of the Public Bank Group participated in various conferences and trainings to continuously build knowledge and keep informed of sustainability and climate change developments. Notable conferences and trainings participated during the year are as follows:

1. Asia School of Business: Kuala Lumpur International Sustainability Conference
2. JC3: Measuring What Matters: Designing Climate-Related Metrics and Targets
3. JC3: Navigating Climate Risk for Financial Institutions
4. EY: Sharing Session on IFRS S1 and S2
5. REDmoney Seminars: Climate Risk Stress Testing for Financial Institutions
6. KPMG Symposium: Beyond ESG
7. Bloomberg Sustainability Event
8. Bursa Malaysia: Sustainability Disclosure Best Practices Training
9. JC3: Measuring What Matters: Designing Climate-Related Metrics and Targets (for Banks)
10. JC3: Transition Planning Clinic 1 – Foundations of Transition Planning and Target Setting
11. Sustainable Financing Series: Financing Solar Panels for Residential and Commercial Buildings
12. Business and Human Rights Asia: Introductory Training on Biodiversity and Climate Change for Financial Institutions
13. Risk and Opportunities-Understanding the Materiality of Climate Change to FIs
14. Bursa Malaysia: Navigating Bursa Malaysia's Enhanced Sustainability Reporting Framework
15. Bursa Malaysia: Workshop on IFRS Sustainability Standards
16. Climate Change: What Bankers Need To Know
17. Global Association of Risk Professionals: Sustainability and Climate Risk Certificate
18. Frankfurt School of Business: Expert in Sustainable Finance
19. JC3: Navigating Greenwashing Risks
20. Asian Institute of Chartered Bankers and the Global Ethical Finance Initiative: Scaling up Sustainable Finance

## External Associations and Memberships

The Joint Committee on Climate Change ("JC3"), co-chaired by BNM and Securities Commission Malaysia, aims to build capacity through knowledge sharing on climate change as well as actively looking into resolving collective climate change challenges faced by the financial sector. The Public Bank Group is a member of the JC3 Sub-Committee 1: Risk Management ("JC3 SC1"), JC3 SME Focus Group and its various JC3-related working groups. JC3 platforms have provided invaluable insights and feedback in the formulation of industry best practices and methodologies to address climate change concerns. JC3 is also a source of information on regulatory developments and is instrumental to propel industry stakeholders to take cohesive measures to work towards the national climate agenda.

| Associations |
| --- |
| JC3 Sub-Committee 1: Risk Management<br>– CCPT Implementation Group<br>– Physical Risk Working Group<br>– Transition Risk Working Group |
| JC3 SME Focus Group |

## Sustainability Key Performance Indicators

The Key Performance Indicators ("KPIs") of C-suites, Senior Management, Regional Managers and Branch Management employees are developed in alignment with the Public Bank Group's sustainability commitments to achieve Net Zero Carbon by 2050 and to mobilise RM100 billion of sustainable financing by 2030.

*For more information, please refer to **Progress towards Sustainability Commitments** on page 160.*

# Strategy

## Climate Risk Appetite Statement

**Public Bank Group's Climate Risk Appetite Statement**

*"The Public Bank Group aims to measure and manage financial and non-financial risks from climate change and reduce emissions from our own activities and those related to the financing of clients in alignment with the Group's commitment to achieve Carbon Neutral position for Scope 1 and Scope 2 by 2030 and Net Zero Carbon by 2050"*

Public Bank Group's Climate Risk Appetite Statement sets the tone for development of the three (3) climate-related strategic directions guiding the operationalisation of the Group's plans for Theme 1: Protecting the Environment and are institutionalised through the Group's Climate-Related Strategy Policy ("CRSP"), being the internal document to guide all entities within the Group to formulate consistent initiatives to achieve the Group's climate-related commitments.

## Three (3) Climate-Related Strategic Directions

The key progress to achieve the three (3) Strategic Directions are as follows:

| | Governing Internal Documents | Benefits to Public Bank Group | Achievements |
|---|---|---|---|
| **Strategic Direction 1: Accelerating Sustainable Financing and Investing**<br>Nurture and support customers in their transition to a low carbon economy by offering diverse and fit-for-purpose sustainable financing and investing products | • Sustainable Finance Framework ("SFF")<br>• Sustainable Products and Services Guidelines ("SPSG")<br>• High ESG Risk Sectors Position Statement<br>*For more information please refer to Strategic Direction 1: Accelerating Sustainable Financing and Investing on Page 249* | • Increase revenue through demand for sustainable and climate-friendly financing and investing products<br>• Improve branding and competitive position to adapt to shifting customer preferences<br>• Reduce Scope 3 carbon emissions through providing financing to assist customers to transition to more sustainable practices | Mobilised RM67.88 billion of sustainable finance since 2020, of which green-related financing are:<br>• RM46.12 billion of Low Emissions Vehicle Financing<br>• RM3.85 billion under Green Financing Facilities |
| **Strategic Direction 2: Reducing Operational and Financed Footprint**<br>Meeting climate commitments by reducing emissions from own operations and by assisting customers to transition into a low carbon economy in a just and orderly manner | • Public Bank Group's Decarbonisation Plan<br>• Carbon Emissions Internal Methodology for Scope 1, Scope 2 and Scope 3<br>*For more information please refer to Strategic Direction 2: Reducing Operational and Financed Footprint on Page 250* | • In the immediate term, increase expenditure on infrastructure enhancement and technology adoption to reduce carbon emissions<br>• Reduce operational cost through energy and electricity savings<br>• Reduce Scope 1, Scope 2 and Scope 3 carbon emissions | • Established the Public Bank Group's Decarbonisation Plan in 2024<br>• Achieved Carbon Neutrality for all main buildings in Malaysia in 2024 |
| **Strategic Direction 3: Managing the Resultant Risks Manifesting from Climate Change**<br>Embedding climate-related risk considerations into risk culture, processes and manage risk from physical risk and transition risk | • Climate-Related Risk Management Policy<br>• Policy on Risk Acceptance Criteria on Environmental, Social and Governance ("ESG RAC Policy")<br>• CCPT Internal Operational Guidelines<br>*For more information please refer to Strategic Direction 3: Risk Management on Page 251* | • Reduce climate-related risk exposures which cut across all risk types<br>• Ensure compliance with latest regulatory requirements on climate change | • Completed 100% of Environmental, Social and Governance ("ESG") RAC assessment on large corporates in high ESG Risk Sectors ("HERs") in 2024<br>• Performed climate stress testing on mortgage financing portfolio in 2024<br>• Performed preliminary flood risk profiling on the Group's own domestic operations in 2024 |

## Strategic Direction 1: Accelerating Sustainable Financing and Investing

A key contributor to meeting the Public Bank Group's climate targets is mobilising capital for the transition to Net Zero Carbon by 2050. To support borrowers' transition, the Group targets to mobilise RM100 billion in sustainable financing by 2030. Green and climate-friendly criteria outlined in the Group's Sustainable Finance Framework ("SFF") and Sustainable Products and Services Guideline ("SPSG") set out the activities that are eligible to be categorised as sustainable finance and contribute towards the Group's sustainable financing target.

The Group has identified key priority sectors as follows:

| | | |
|---|---|---|
| **Green Buildings** | Promote sustainable and green buildings to lower the overall $CO_2$ emissions and save resources such as water, energy, etc. while utilising renewable energy sources and eco-friendly building materials |  |
| **Renewable Energy (Solar)** | Step up efforts to encourage the use of solar energy by households and industries in line with targets outlined in the Malaysia Renewable Energy Roadmap ("MyREP") to reach 31% of renewable energy share in the national installed capacity mix by 2025 and to increase it to 40% by 2035 |  |
| **Circular Economy** | Promote sustainable production and consumption model to reduce use of natural resources through reuse, recycle and repurpose waste materials/used products across the product lifecycle |  |

Sustainable financing products is key to support orderly transition towards a low carbon economy. SME sustainable products are developed to increase SME access to sustainable finance with low entry barriers enabling the bridging of maturity gap between SMEs and large corporations. To date, the Public Bank Group has successfully mobilised RM67.88 billion of sustainable financing, of which RM49.97 billion of the proceeds are disbursed through green and low emissions vehicle loans.

To foster sustainable and responsible investing, Public Mutual offers Sustainable and Responsible Investment ("SRI") funds which incorporate ESG considerations.

*For more information, please refer to* ***Sustainable Finance*** *on page 187.*

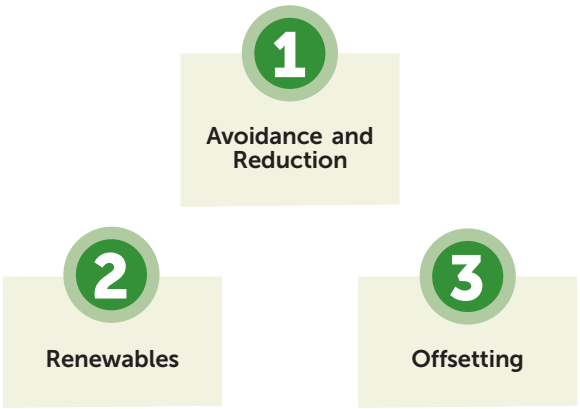
# Strategy

## Strategic Direction 2: Reducing Operational and Financed Footprint

The Public Bank Group's Decarbonisation Plan sets out the Group's plans to achieve Carbon Neutral position for Scope 1 and Scope 2 by 2030 and Net Zero Carbon by 2050.

### Carbon Neutral Position for Scope 1 and Scope 2 by 2030

The Public Bank Group's decarbonisation approach to achieve Carbon Neutral position by 2030 is guided by three (3) strategic enablers which embrace principles of energy hierarchy and prioritise energy demand reduction to minimise environmental impact as follows:




### Net Zero Carbon by 2050

In addition to Scope 1 and Scope 2, the Public Bank Group recognises five (5) categories of Scope 3 emissions as material and impactful to decarbonise as follows:




*For more information, please refer to **Carbon Emissions** on page 174.*

Financed emissions is the most significant contributor to the Public Bank Group's Scope 3 emissions. For the Group's initial decarbonisation plan for financed emissions, three (3) sectors have been identified and are prioritised in setting the sectoral targets. These are Palm Oil, Cement and Construction and Infrastructure sectors.

Nonetheless, the ability of the Group to achieve its Net Zero Carbon target is reliant on the ability of borrowers in these sectors to transition and decarbonise. To achieve, it is critical for the Group to engage and support its borrowers in their transition journey. The Business Managers are progressively equipped with capabilities to identify borrowers' transition risks and challenges in order to offer financing options to assist borrowers.

| No | Role | Reduction Approach | Target Metric | 2023 Baseline | 2030 Target | 2050 Target |
|---|---|---|---|---|---|---|
| 1 | Palm Oil | Emissions Intensity | $tCO_2e$/tonne crude palm oil | 1.99 | 1.53 | 0.14 |
| 2 | Cement | | $tCO_2e$/tonne cementitious product | 0.72 | 0.46 | 0.03 |
| 3 | Construction and Infrastructure | | $tCO_2e$/RM'Million | 11.45 | 9.19 | 1.51 |

*For more information, please refer to **Carbon Emissions** on page 174.*

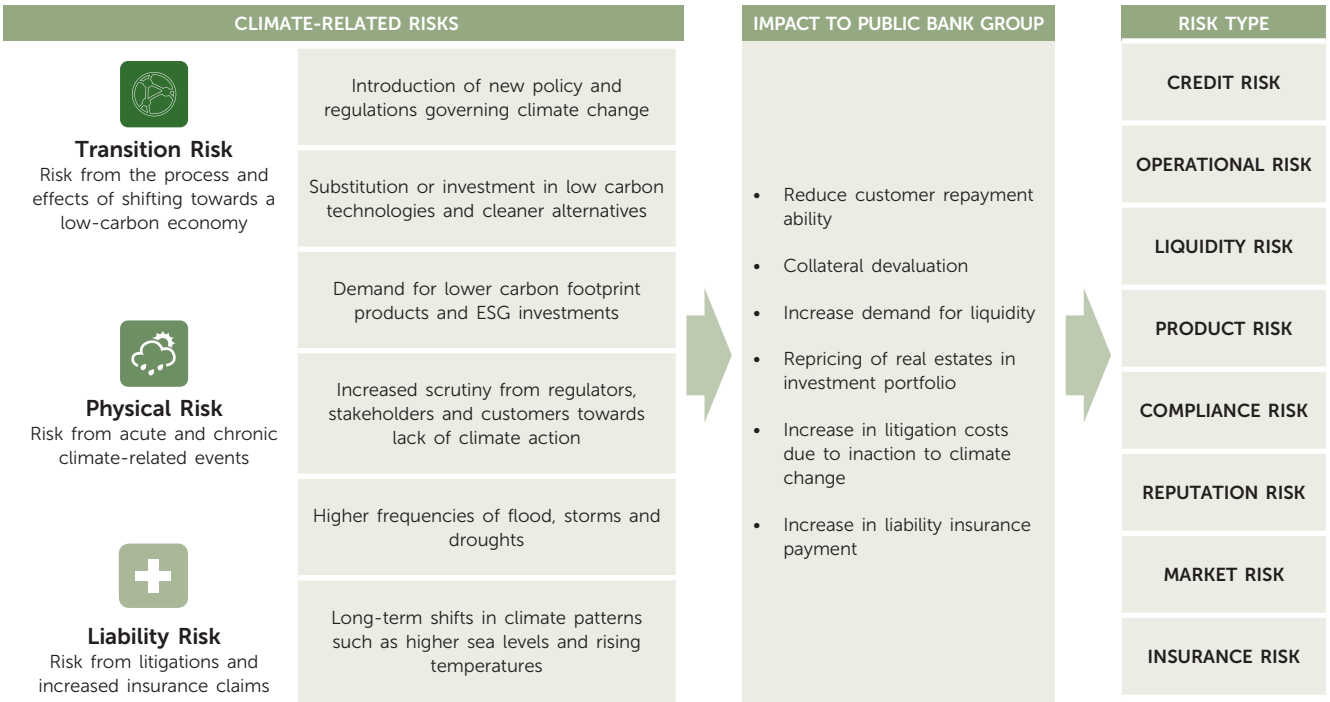
## Strategic Direction 3: Managing the Resultant Risks Manifesting from Climate Change

The Public Bank Group's approach in managing the resultant risks manifesting from climate change is set out in Risk Management section.

# Risk **Management**

## Climate-Related Risks Transmission Mapping

The Public Bank Group is exposed to climate-related risks from various sources; primarily from its financing portfolio as well as its own operations, suppliers and vendors. To effectively manage climate-related risk impact, continuous enhancements to the existing risk tools and frameworks are essential. The Group's climate-related risk management initiatives are planned out in the Climate Risk Management and Scenario Analysis Board-Approved Implementation Plan ("CRMSA BAIP") submitted to BNM in May 2023.



# Risk Management

## Identification and Management of Climate-Related Risk

In 2024, the Public Bank Group continued its efforts to enhance processes to support the identification and management of climate-related risk. Governing the management of climate-related risk of the Group is the Climate-Related Risk Management Policy. The table below summarises the key activities and progress during the year.

| Key Risk Types and Impact to Public Bank Group | Risk Tools and Methodology | Progress in 2024 | Next Steps | Horizon |
|---|---|---|---|---|
| **Credit Risk from Physical Risk**<br>• Devaluation of collateral values in flood-prone risk locations<br>• Higher default rates from borrowers with key operations residing in flood-prone risk locations | Established:<br>• Flood Risk Assessment Methodology applying external flood map | • Commenced Climate Scenario Analysis and Stress Testing guided by BNM requirements<br>• Quantified physical risk impact and exposure on mortgage financing portfolio | • Tagging and tracking the credit portfolio with heightened physical risk<br>• Integrate climate-related risk metrics into existing risk monitoring, reporting and escalation to support effective decision making | Short-Term |
| **Credit Risk from Transition Risk**<br>• Higher default rates on high ESG Risk Grade borrowers from reduced repayment ability | Established:<br>• High ESG risk sectors ("HERS")<br>• ESG Exclusion List<br>• ESG RAC Policy guiding the establishment of the sectoral specific RAC checklists applied to conduct ESG due diligence<br>• Sectoral RAC (i.e. Palm Oil, Construction and Infrastructure) and General RAC checklists for corporate banking borrowers | • Completed ESG RAC assessment on all corporate banking borrowers in HERS | • Monitor the Time-Bound Plan ("TBP") of "High" ESG Risk Grade borrowers<br>• Engagement with borrowers from targeted sectors to develop transition strategy and/or monitor progress of the TBP | Short-Term |
| **Operational Risk**<br>• Potential disruption to the Group's operations and third party service providers from physical risk events | Established:<br>• Flood Risk Assessment Methodology<br>• Risk and Control Self-Assessment to identify any vulnerabilities in internal operations to physical risk<br>• Key Risk Indicators to capture incidents caused by physical risk<br>• Business Continuity Plans ("BCP") to manage operational disruption from physical risk on internal operations and critical third party service providers | • Profiled the Group's own domestic operations covering bank branches and data centres, amongst others, against flood risk map<br>• Implemented various initiatives to improve building resilience towards physical risk | • Perform ongoing assessment on the resilience of internal operations to reduce potential disruptions<br>• Develop internal risk practices on climate adaptation strategies to reduce physical risk impact | On-going |

| Key Risk Types and Impact to Public Bank Group | Risk Tools and Methodology | Progress in 2024 | Next Steps | Horizon |
|---|---|---|---|---|
| **Liquidity Risk**<br>• Potential material outflows or reduced liquidity buffers as a result of vulnerabilities experienced by certain sectors or segments of borrowers from climate change | To develop:<br>• Methodology to collect appropriate borrowers' data and in response to climate-related risk event for future modelling of potential liquidity impact<br>• Identify climate events that may heighten borrowers' vulnerability in certain sectors | • On-going research and engagement with industry experts to gain deeper understanding on transmission and impact of climate-related risks on borrower's cash flow profile | • To develop internal methodology to collect and to link borrowers' behavioural data to climate events as inputs to the liquidity stress scenarios | Medium-Term |
| **Product Risk**<br>• Inadequate consideration of climate-related factors in designing of products<br>• Lack of policies, processes and controls to mitigate greenwashing | Established:<br>• Requirement for new products to undergo climate-related risk assessment<br>• Sustainable Finance Framework ("SFF")<br>• Sustainable Products and Services Guidelines ("SPSG") | • Developed Guidance Notes and Green Product Tool to operationalise SFF and SPSG<br>• Inaugural internal audit on sustainable financing mobilised for accuracy and compliance with the SFF and SPSG | • To develop a mechanism to embed the calculation of emissions from every loan/financing activity | On-going |
| **Compliance Risk**<br>• Failure to comply with legal and regulatory requirements leading to regulatory penalties | Established:<br>• Mapping process on every applicable regulatory requirement against the relevant internal process/ procedures<br>• Self-compliance checklist to identify non-compliance | • Reviewed the mapping process of the regulatory requirements against the internal processes to ensure compliance with regulatory requirements<br>• Reviewed the self-compliance checklists completed by business units to surface risk of non-compliance | • Ongoing compliance checks on the existing process and procedures of Business and Support Units to comply with the regulatory requirements | On-going |
| **Reputation Risk**<br>• Negative perception by stakeholders if necessary actions are not taken or not assuming more social responsibilities to manage climate-related risk in the conduct of business | Established:<br>• Climate Risk Appetite Statement ("Climate RAS")<br>• ESG Exclusion List<br>• Commitment to No Deforestation, No New Peat, No Exploitation<br>• Reputation Risk Self-Assessment | • Operationalised the risk tools and internal methodologies for adoption by all entities within the Group | • On-going review and refinement to existing controls<br>• Employee training on operationalising internal climate-related risk policies and processes | On-going |

Execution Time: Short-term - 1 to 2 years/Medium-term - 3 to 5 years/Long-term - 6 to 10 years

Transition Risk  Physical Risk

# Risk Management

## Integration of Climate-Related Risks into Risk Management Processes

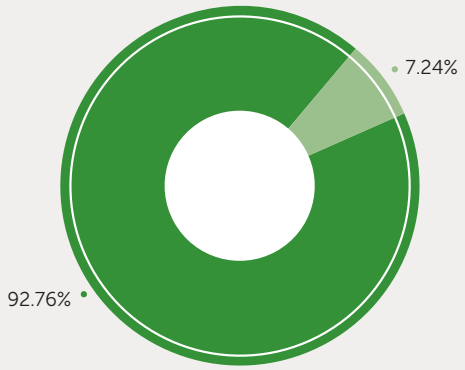
### Climate-Related Risk Management In Financing Portfolios

To manage the climate change transition and physical risks impacting borrowers, the Public Bank Group has progressively implemented policies, tools and risk management processes to execute actions to promote and support business borrowers in their transition to more sustainable and climate-resilient practices.

#### High Environment, Social, Governance Risk Sectors ("HERS") Profile

The internally defined HERS is guided by global and regional ESG/climate-related taxonomies and Value-based Intermediation Financing and Investment Impact Assessment Framework ("VBIAF") sector guides. To date, eleven (11) sectors have been identified as HERS. As at 31 December 2024, the Group's HERS exposures are as follows:

**HERS Financing Exposures**




**7.24%**
of Public Bank Group's Total Gross Financing

**OR**

**23.97%**
of Public Bank Group's Total Gross Business Financing

In 2025, the internal HERS definition will be reviewed to align to BNM 2024 Climate Risk Stress Testing Exercise Methodology Document issued on 29 February 2024 ("CRST") which had identified twelve (12) sub-sectors that are deemed more vulnerable to climate-related risks.

The composition of the HERS by sectors are as follows:

| Sectors | Exposure against Group Total Gross Financing (%) 2024 | 2023 |
|---|---|---|
| Construction | 4.28 | 4.36 |
| Manufacturing (Selective) | 1.27 | 1.21 |
| Transport and Storage | 0.66 | 0.65 |
| Perennial and non-Perennial Crops (including Palm Oil) | 0.55 | 0.57 |
| Maintenance and Repair of Motor Vehicles, Motorcycles and related Parts and Accessories | 0.20 | 0.20 |
| Water Supply, Sewerage, Waste Management and Remediation Activities | 0.10 | 0.08 |
| Forestry and Logging | 0.06 | 0.05 |
| Livestock | 0.05 | 0.06 |
| Mining and Quarrying | 0.04 | 0.05 |
| Fishing and Aquaculture | 0.03 | 0.03 |
| Electric Power Generation, Transmission and Distribution | <0.01 | 0.01 |
| **Total** | **7.24** | **7.27** |

*Note:*
*Selective manufacturing sectors comprises of:*
*Manufacture of motor vehicles, trailers and semi-trailers, Manufacture of furniture, Manufacture of paper and paper products, Manufacture of electrical equipment, Manufacture of wood, and products of wood and cork, Manufacture of chemicals and chemical products, Manufacture of rubber and plastic, Manufacture of basic metals, Manufacture of other non-metallic mineral products.*

## The Public Bank Group's High ESG Risk Sectors Position Statement

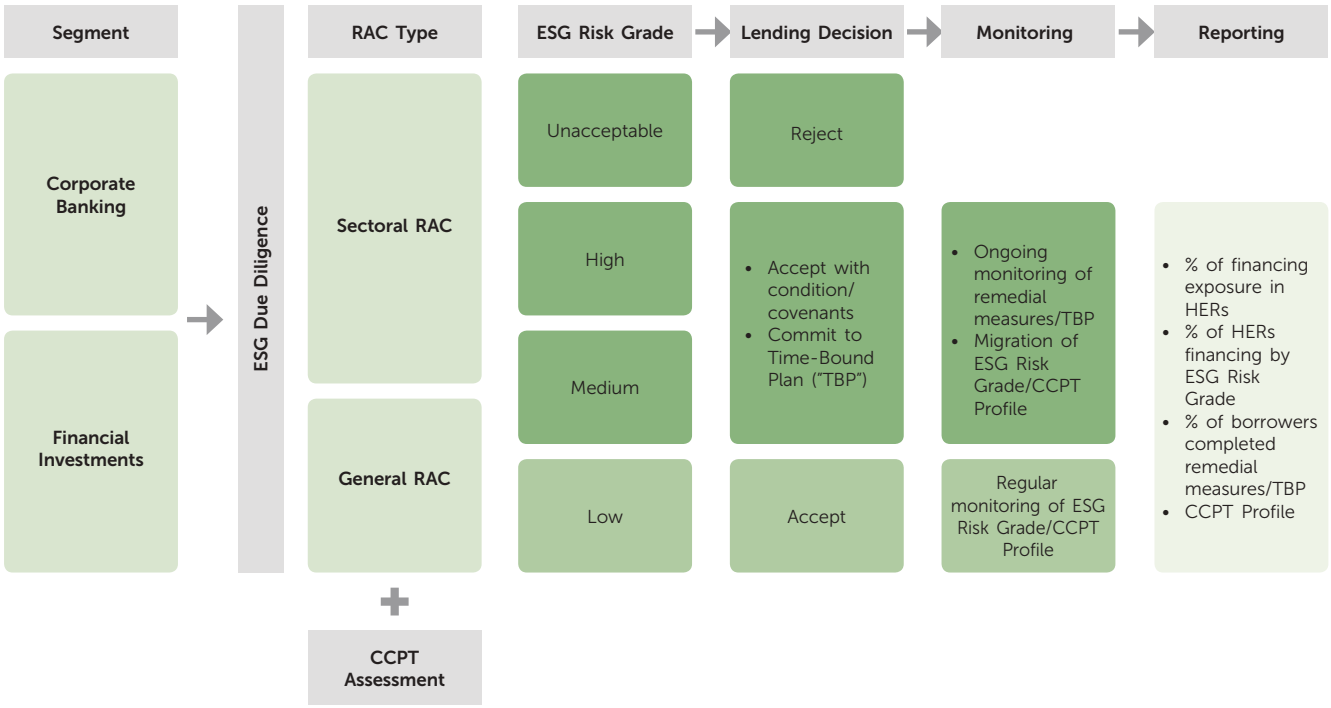
| | PALM OIL | CONSTRUCTION AND INFRASTRUCTURE |
|---|---|---|
| BASIC PRACTICE | • Obtain and maintain Malaysian Sustainable Palm Oil ("MPSO") and/or Indonesian Sustainable Palm Oil ("ISPO") certifications(s)<br>• Implement zero burning and fire prevention measures<br>• Conduct Environmental and Social Impact Assessment ("ESIA")<br>• Comply with land use title condition | • Conduct Environmental and Social Impact Assessment ("ESIA") for major construction projects or infrastructure developments<br>• Provide safe working conditions, Personal Protective Equipment ("PPE") and safety training for employees<br>• Comply with regulatory requirements to minimise pollution (air, noise and water contamination) to the environment |
| BEST PRACTICE | • Obtain Free, Prior and Informed Consent ("FPIC") from affected communities, if applicable<br>• Obtain Roundtable on Sustainable Palm Oil ("RSPO") certification or develop time-bound plan to obtain RSPO certification<br>• Monitor greenhouse gas ("GHG") emissions<br>• Develop integrated pest and weed management plan<br>• Conduct Climate Risk and Vulnerability Assessment ("CRVA") and develop climate adaptation measures (e.g. cultivate productive yields which can withstand climate change such as heat stress and floods, etc.)<br>• Practice rehabilitation and biodiversity restoration of land used (e.g. adopt Best Management Practices ("BMPs") for existing plantains on peat)<br>• Perform environmental and social due diligence on operations and supply chain<br>• Identify and protect or enhance forests with High Conservation Values ("HCV") or High Carbon Stock ("HCS") | • Obtain FPIC from affected communities, if applicable<br>• Develop properties that meet green certification (e.g. Green Building Index, Green Mark, Sustainable Infrastructure Rating Tool, Greenroads Rating System, etc.)<br>• Maximise usage of locally supplied materials and also green building materials<br>• Assess supplier's ESG practices as part of sourcing consideration<br>• Conduct CRVA and develop building/infrastructure for climate adaptation (e.g. flood barriers, slope protection from landslides, etc.) |

The position statement is benchmarked against industry practices setting out the Public Bank Group's ESG expectations and is applicable to all business borrowers.

# Risk Management

## Transition Risk

### ESG Due Diligence on Corporate Banking Borrowers




Environmental, Social and Governance ("ESG") assessments are embedded in the credit on-boarding process, annual credit review and during the extension of additional financing. This is applicable to all borrowers under the corporate banking segment and is executed by subjecting the borrowers to an internal ESG Due Diligence ("ESG DD").

The ESG DD process assesses borrowers on ESG factors guided by the Public Bank Group's Policy on ESG Risk Acceptance Criteria ("RAC Policy") implemented since 2021. The RAC Policy outlines the overall approach to managing ESG-related risks, with the objective of nurturing and supporting borrowers' orderly transition towards a low carbon economy and sustainable practices. The requirements of the RAC Policy to execute the ESG DD is operationalised via the Sectoral and General RACs. Two (2) Sectoral RACs are used, Palm Oil sector and Construction and Infrastructure sector. The sectoral RACs set out the ESG standards and ESG-related certifications specific to the industry and are applied to evaluate, monitor and review the borrowers' ESG standing on a continuous basis. The General RAC, is applicable to all borrowers that do not fall within sector-specific RAC and covers both HERS and non-HERS borrowers. The RAC checklist assessment also requires the collection of borrowers' environmental data such as carbon emissions and corresponding mitigation and adaptation measures. This enables the Group to develop a better understanding of borrowers' exposures to climate-related risk and borrowers' commitment and transition strategies or plans in managing the risks.

Upon completion of the ESG DD, each borrower is assigned with an ESG Risk Grade of "Low", "Medium", "High" or "Unacceptable" to represent the borrowers' ESG standing. Borrower's business activities which fall within the Public Bank Group's ESG Exclusion List are assigned with an ESG Risk Grade of "Unacceptable" and new financing application will be rejected. For borrowers with a "High" ESG Risk Grade, credit approval is conditional upon borrowers committing to a Time-Bound Plan ("TBP") to support borrowers' transition journey and to improve their ESG Risk Grade over time. "Medium" ESG Risk Grade borrowers are accepted with conditions, while "Low" ESG Risk Grade borrowers are automatically accepted. Notwithstanding the ESG Risk Grade, all borrowers are subject to the usual credit assessment process prior to granting financing.

As at the end of 2024, 100% of the Corporate Banking borrowers operating in HERS have undergone ESG DD with the following outcome:

| HERS Borrowers By ESG Risk Grade | |
|---|---|
| Low<br>– Borrowers with minimal or no adverse ESG impact, and actively apply best ESG management procedures and practices in its operations | 93% |
| Medium<br>– Borrowers with some level of ESG impact, and have put in place some ESG management procedures and practices in its operations | 7% |
| High<br>– Borrowers with significant and adverse ESG impact, and have limited management procedures and practices to mitigate ESG impact | Nil |
| Unacceptable<br>– Borrowers falling under the ESG Exclusion List with major and irreversible ESG impact, have no ESG management procedures and practices in place and are not willing to improve | Nil |
| **Total** | **100%** |

## ESG Due Diligence on Financial Investments

The financial investments of the Public Bank Group are also subject to abridged ESG DD assessment process at inception and in subsequent annual review. This is to keep sight of the ESG profile and to ensure financial investments do not contravene with the Group's ESG Exclusion List.

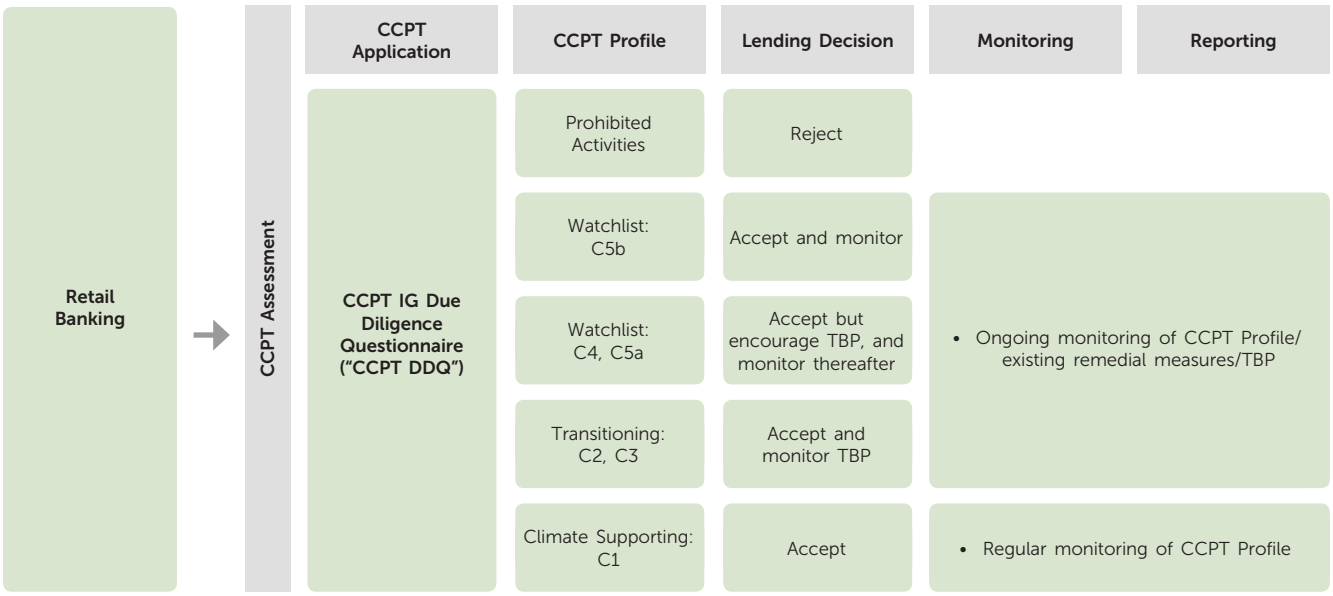
## CCPT Assessment

Apart from assigning the corporate banking borrowers and financial investments with an ESG Risk Grade, each borrower is also assigned with a BNM CCPT Classification. At the start of the 2024, the CCPT assessment has been enhanced to align to the new CCPT Due Diligence Questionnaire in Assessing CCPT Guiding Principle 3 and 4 ("CCPT DDQ"), developed by CCPT Implementation Group ("CCPT IG"), a working group under JC3 Sub-Committee 1. The adoption of CCPT DDQ is an industry initiative supported by BNM.

For more information, please refer to Climate Due Diligence on Retail Banking Borrowers on page 258.

# Risk Management

## Climate Due Diligence on Retail Banking Borrowers




The classification of the retail borrowers, (herein "non-SME and SME borrowers"), had commenced since the issuance of the BNM CCPT Policy Document dated 30 April 2021. The CCPT assessment is applicable to borrowers on-boarded from 1 January 2022 and by end June 2023, the entire retail borrower portfolio has been classified into 'Climate Supporting', 'Transitioning', 'Watchlist' or 'Prohibited' categories based on the purpose of the financing, the impact of borrowers' business activities on the environment, and their progress in climate transitioning.

In 2024, the CCPT IG issued "Due Diligence Questionnaire in Assessing CCPT Guiding Principle 3 and 4" (herein referred to as "CCPT DDQ"), accompanied by a set of guidance notes and a list of Frequently Asked Questions ("FAQ"). The CCPT DDQ's objective is to standardise CCPT classification across financial institutions and to encourage financial institutions to streamline the information requested from the borrowers. The CCPT DDQ is applicable to all corporate banking and all non-SME borrowers. For SME borrowers, only those operating in the six (6) high emitting sectors as prescribed by BNM are subjected to the CCPT DDQ.

To operationalise the CCPT DDQ and FAQ, the credit support, risk management and sustainability management units have developed internal guidance notes, amongst others, to provide internal interpretation of the CCPT DDQ and FAQ and the use of examples to illustrate climate issues and possible actions to mitigate climate-related risk of retail borrowers. The internal guidance notes also set out specific types of business activities that will cause harm to the environment, the actions that can be recognised as risk mitigants, the requirements of time-bound remedial plan as well as specific relevant certifications borrowers can pursue as part of the transition journey. This process is to achieve standardisation of information requested, measurement of emissions and standardised CCPT classifications at Bank-wide level. In turn, this will also provide clarity, improve communication with, and raise awareness of the borrowers on the national climate policy. The information collected are valuable to expand the financing of climate-related opportunities and sustainable economic activities to support a low carbon economy. The initiatives to standardise the classification will be intensified in 2025.

## Monitoring and Reporting

As part of risk monitoring, borrowers scoped under the ESG DD and/or CCPT DDQ are subject to an annual review to ensure no deterioration in ESG Risk Grade or CCPT classification. The annual review will assess progress on the implementation of remedial measures or the committed Time-Bound Plan to reaffirm the ESG Risk Grade or CCPT classification. Any non-achievements are assessed for their impact on the classification, and engagement with borrowers are initiated to understand their challenges and assist them in getting back on track.

Under the Public Bank Group's Decarbonisation Plan, engagement with borrowers under Palm Oil, Cement and Construction sectors will be prioritised to understand borrowers' transition plans. The engagements will involve, amongst others, a deeper understanding of the challenges faced by borrowers and for the Group to support borrowers' transition strategies which may include the offering of the right products and financing. Supporting this process is the Sustainable Financing Playbook, which is currently under development, to guide Business Managers to communicate with borrowers on sustainability and climate change management. This document, together with the ESG DD process, enables Business Managers to identify the potential areas contributing to the borrowers' ESG Risk Grade and/or any deterioration in ESG Risk Grade. With better understanding, Business Managers can recommend actions for borrowers to mitigate risks and offer financing or products to assist borrowers in their transition journey. Ultimately, the active engagement of borrowers will not only assist them to transition overtime but also reduce the Group's Scope 3 financed emissions.

**High ESG Risk Grade**

**Prioritiy Sectors**

**Borrowers' Engagement**

- Understand borrowers' emission targets, their transition journey, challenges and needs
- Understand the ESG risk associated with borrowers' business activities
- Monitor progress of Time-Bound Plan to ensure actions are followed through

## Physical Risk

| | | | | |
|---|---|---|---|---|
| Impact on | Physical Risk | | | |
| | Financing Assets | | Internal Group Operations | |
| | Physical Collaterals | Borrowers' Business Operations* | Own Operations | Third Party Suppliers and Vendors |
| Assessment and Controls | Guided by BNM's Climate Risk Stress Testing Exercise Methodology Paper | | • Flood Risk Assessment on Operations<br>• Business Continuity Management | • Vendor Code of Conduct<br>• Outsourcing Policy |

*Note*: This will be conducted in 2025.*

# Risk Management

## Financing Assets

Physical risk from climate-related events that damage property, reduce productivity and disrupt trades can in turn increase the financial risk to the Public Bank Group as the revenue generating capacity and creditworthiness of borrowers are materially impacted. Physical risk also impacts collateral value pledged to the Group as climate-related event can destroy or significantly damage the collateral.

Recognising these material risks to the banking assets, BNM had on 29 February 2024 issued 2024 Climate Risk Stress Testing ("CRST") Exercise Methodology Paper to facilitate financial institutions' learning and capacity building in addressing risks from climate change. The objective of BNM's CRST exercise is to enhance financial institutions' capabilities in three core areas:

(i) To improve understanding and appreciation among Board, Senior Management and employees on the manner in which the business and operations could be impacted by climate-related risks;
(ii) To explore approaches to better identify and measure the exposures to climate change; and
(iii) To identify current gaps specifically related to data, measurement, methodology, technology, and capabilities as well as potential solutions to address challenges.

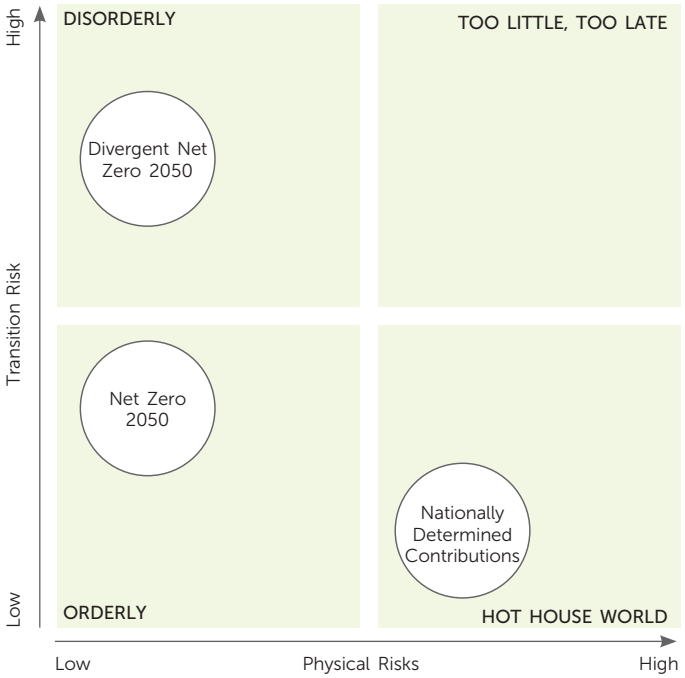
In 2024, the Public Bank Group commenced addressing the requirements of the CRST assisted by external consultant and the scope is on Malaysian operations as prescribed by CRST. Aligning to the Group's core activities of taking physical collateral, the physical risk assessment on mortgage financing portfolio was prioritised and was completed during the year. In 2025, the rest of the BNM CRST requirements will be completed by BNM submission timeline of 30 June 2025.

### Physical Risk Assessment on Mortgage Financing Portfolio

Key to the physical risk assessment is the conduct of CRST exercise by the application of four (4) climate scenarios and the related climate, macroeconomic and financial market variables as prescribed by BNM. The internal input parameters, key assumptions and methodologies forming part of the design of the CRST mortgage financing portfolio were deliberated by the management committee and RMC to challenge the appropriateness on the parameters having considered the nature, scale and complexity of the Group's risk-taking activities.

### Climate Scenarios, Scope and Parameters

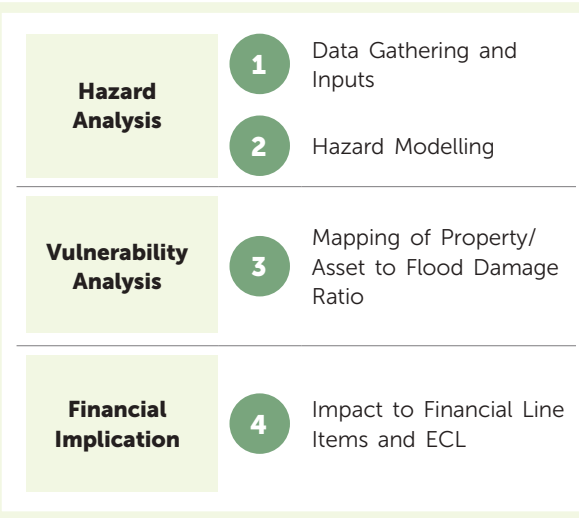
The CRST started off with the assessment of physical risk on the Public Bank Group's domestic mortgage financing portfolio. The mortgage financing portfolio exposures constitutes 62.2% of total on- and off-balance sheet exposures of the Group's domestic financing. Both short term and long term climate scenarios were used in this exercise. The long term scenarios are based on Network for Greening the Financial System ("NGFS") Scenarios Framework while the short term scenario is based on Representative Concentration Pathway ("RCP") with an assumption of 1-in-200 years flood (aligned to scenario prescribed by BNM for CRST).



| Scenario Name | Description as defined by NGFS, RCP and BNM |
|---|---|
| Net Zero 2050 ("NZ 2050") | • An orderly transition long-term scenario that assumes global warming is limited to 1.5°C increase through stringent climate policies and significant green technology breakthroughs<br>• Transition risk is high but physical risk is relatively subdued |
| Divergent Net Zero 2050 ("DNZ") | • Disorderly transition long-term scenario that assumes divergent policies introduced across sectors. Nonetheless, global warming is limited to 1.5°C and net zero is reached around 2050, similar to NZ 2050<br>• Divergent policies result in a medium to higher transition risks compared to the NZ 2050. |
| Nationally Determined Contributions ("NDC") | • One of the "Hot House World" long-term scenarios that assume on global level, both implemented and pledged policy measures are fully implemented but are insufficient to halt significant global warming<br>• This scenario will lead to 2.5°C increase in temperatures and consequently result in severe physical risk including irreversible impact like sea-level rise. On the contrary, transition risk is lower than NZ 2050 and DNZ scenarios |
| RCP 8.5[1] with 1-in-200 years flood | • Extreme scenario that assumes no global policy change is adopted, leading to highest physical risks<br>• Projected global temperature increases ~4°C<br>• Assume a short term acute physical risk event, i.e. 1-in-200 year flood which is more severe than past floods in Malaysia |

[1] *Representative Concentration Pathways ("RCP") are climate change scenarios that are represented by the concentration of greenhouse gases.*

**Approach and Methodology**




**Step 1:** The CRST exercise required large amount of internal data (e.g. collateral data covering locations, types of property and appraised values). As part of the data gathering process, data gaps were identified and temporary data assumptions were made. Action plans are formulated to progressively address the data gaps.

**Step 2:** External data providers were engaged to obtain forward-looking pluvial and fluvial flood depth data under the selected climate scenarios. The data was subsequently used to model the damage ratios on properties based on location.

**Step 3:** The domestic residential and non-residential properties under mortgage financing portfolio were mapped to the flood damage ratio modelled for the different scenarios

**Step 4:** The assigned damage ratio was applied to derive climate stressed Loss Given Default ("LGD") and was used to compute climate-stressed Estimated Credit Losses ("ECL") to assess the potential adverse impact on the Group's key ratios.

# Risk Management

**Key Outcomes**

From the exercise, the following outcomes were achieved:

(i) Identified flood risk hotspots/locations within Malaysia;
(ii) Identified mortgage collaterals-at-risk based on flood risk hotspots/locations;
(iii) Developed impact pathways to stress the Probability of Default ("PD") and LGD arising from flood risk;
(iv) Developed approaches and methodologies to quantify potential losses due to flood risk;
(v) Identified gaps related to data, methodology and assumptions and action plans to address these gaps; and
(vi) Upskilled internal team capabilities in executing climate models.

The preliminary observations from the CRST exercise are as follows:

(i) 95% of mortgage collaterals are located in "Very Low" flood risk postcode areas and consequently the impact to key ratios are not material;
(ii) Incremental ECL impact is the highest under short term scenario, RCP 8.5. This is expected as the scenario factors in a 1-in-200 years flood event which is significantly more severe than past flood events; and
(iii) Among the three (3) long term scenarios, NDC scenario demonstrated the highest incremental ECL impact as the NDC scenario result in more severe physical risk compared to other scenarios due to the assumption of insufficient climate policies, leading to a 2.5°C increase in temperature.

Given the complexities and uncertainties in climate stress testing, limitations were inevitably experienced in conducting this exercise. A number of underlying assumptions were made based on the Group's historical data and where applicable, external researches. The risk models, methodologies and assumptions adopted for this exercise are expected to be continually reviewed for enhancements.

Another inherent limitation faced was data quality. Whilst data gaps identified were temporarily addressed with the use of assumptions and proxies, the Group expects to continuously improve its data collection process and to refine data to ensure more accurate CRST results.

The results of the scenario analysis had been deliberated at the management committee and RMC whereby assumptions and data applied were challenged to ensure reasonableness of approach and the results. The CRST exercise will be run annually and upon completion of the CRST, the Bank will look into embedding climate information into the assessment process.

## Internal Group Operations

### Own Operations

Following the severe flood events experienced in the past, annual flood risk assessment is conducted on branch operations to continuously identify branches-at-risk to flood events. The information is used to implement or prioritise precautionary measures and close monitoring during monsoon seasons.

In 2024, tapping on the external flood map and data of CRST exercise, the information was applied to identify branches and operations at risk to flood events. The flood hazards assessed were pluvial and fluvial floods. The results from the use of the external data was back-tested against the Bank's past flood experience to check the reasonableness of the outcome. Outcomes from this exercise being the branches- and operations-at-risk to flood are shared with business units as an insight to their flood resilience planning. Supplementing the flood risk assessment is the Risk and Control Self-Assessment ("RCSA") to identify any vulnerabilities in internal operations to physical risk.

Managing operations disruption due to physical risk is included in the Public Bank Group's Business Continuity Management ("BCM") Policy. The key risk controls and mitigating actions in place to manage disruptions and asset damages from extreme weather events and floods are:

| | |
|---|---|
| **Branch & Operations Business Continuity Plan** | Guidelines to assist branches and operations to manage flood impact and business resumption in the shortest time possible. |
| **Flood Preemptive Actions Checklist** | Outlines climate adaptation measures for branches and operations to take action to reduce flood impact. For example, deploy building protective barriers such as sandbags, and relocation of critical banking-related assets and documents. |

### Third Party Suppliers and Vendors

The management of third party suppliers and vendors are guided by the Public Bank Group's Vendor Code of Conduct which outlines expectations of vendors to build operational resilience and manage their climate-related risks to ensure the provision of services to the Group are not disrupted. The Group's Outsourcing Policy prescribes climate change as a risk assessment criteria in the due diligence process prior to onboarding a third party vendor and as part of ongoing assessments. The due diligence process is to assess the extent of physical risk impact to the third party service provider's business sustainability and resilience in the event it is hit by flood.

# Metrics **and Targets**

## Carbon Emissions

| | Emissions source | Emissions ($tCO_2e$) 2022[1] | 2023 | 2024 |
|---|---|---|---|---|
| **Scope 1 (Direct emissions)** | Stationary fuel, mobile fuel and refrigerants | 2,460 | 2,891 | **3,964** |
| **Scope 2 – location-based (Indirect emissions)** | Purchased electricity | 62,590 | 62,551 | **65,992** |
| **Scope 2 – market-based (Indirect emissions)** | Purchased electricity | 62,590 | 62,048 | **38,128** |
| **Scope 3 (Other indirect emissions)** | Business travel (road and air) | 1,407 | 1,693 | **1,939** |
| | Employee commuting[2] | 24,829 | 21,467 | **25,872** |
| | Paper | NA | 1,013 | **1,540** |
| | Water | 69 | 85 | **75** |
| | Downstream Leased Assets | NA | NA | **585** |
| **Total (location-based)** | | **91,355** | **89,700** | **99,967** |

*Notes:*

*1. Scope 2 emissions were restated due to the changes in grid emission factors.*
*2. Data collection for employee commuting commenced in 2022.*
*3. NA: Not Available.*

*For more information on full carbon emissions performance, reporting scope and methodology, please refer to **Sustainability Performance Data 2024** on Public Bank's corporate website. For more information on Scope 3 Financed Emissions, please refer to **Carbon Emissions** on page 174.*

## Sustainable Finance

| | Metrics | Target | Achievements End 2024 |
|---|---|---|---|
| 1 | Total sustainable financing (includes social agenda financing) mobilised since 2020 | RM100 billion by 2030 | **RM67.88 billion** |
| 2 | Low emissions vehicle financing since 2020 | – | **RM46.12 billion** |
| 3 | Green financing mobilised since 2020 | – | **RM3.85 billion** |

*Note: The sustainable finance achievements have been internally audited.*

*For more information, please refer to **Sustainable Finance** on page 187.*

# Bursa Malaysia **ESG Reporting Platform Performance Data Table**

| Indicator | Measurement Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| **Carbon Emissions** | | | | |
| Bursa C11(a) Scope 1 emissions in tonnes of CO2e | Metric tonnes | 2,460.00 | 2,891.00 | 3,964.00 |
| Bursa C11(b) Scope 2 emissions in tonnes of CO2e | Metric tonnes | 62,590.00 | 62,551.00 * | 65,992.00 |
| Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting) | Metric tonnes | 26,305.00 | 24,258.00 * | 30,011.00 |
| **Resource Management** | | | | |
| Bursa C4(a) Total energy consumption | Megawatt | 99,182.00 | 96,032.00 | 101,219.00 |
| Bursa C9(a) Total volume of water used | Megalitres | 0.460193 | 0.479193 | 0.486700 |
| Bursa C10(a) Total waste generated | Metric tonnes | - | 2,180.00 * | 2,167.00 |
| Bursa C10(a)(i) Total waste diverted from disposal | Metric tonnes | - | 602.00 | 513.00 |
| Bursa C10(a)(ii) Total waste directed to disposal | Metric tonnes | - | 1,578.00 * | 1,654.00 |
| **Sustainable Supply Chain** | | | | |
| Bursa C7(a) Proportion of spending on local suppliers | Percentage | 96.80 | 97.00 * | 97.20 |
| **Diversity and Inclusion** | | | | |

Internal assurance | External assurance | No assurance | (*)Restated

| Indicator | Measurement Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Bursa C3(a) Percentage of employees by gender and age group, for each employee category | | | | |
| Age Group by Employee Category | | | | |
| Senior Managerial Under 30 | Percentage | 0.00 | 0.00 | 0.00 |
| Senior Managerial Between 30-50 | Percentage | 29.90 | 31.60 * | 35.30 |
| Senior Managerial Above 50 | Percentage | 70.10 | 68.40 * | 64.70 |
| Managerial Under 30 | Percentage | 0.90 | 1.00 | 1.30 |
| Managerial Between 30-50 | Percentage | 65.30 | 64.80 * | 64.10 |
| Managerial Above 50 | Percentage | 33.80 | 34.20 * | 34.60 |
| Supervisory Under 30 | Percentage | 33.20 | 35.70 * | 36.60 |
| Supervisory Between 30-50 | Percentage | 55.10 | 51.80 * | 50.20 |
| Supervisory Above 50 | Percentage | 11.70 | 12.50 * | 13.20 |
| Non-Supervisory Under 30 | Percentage | 22.00 | 20.40 * | 18.80 |
| Non-Supervisory Between 30-50 | Percentage | 66.70 | 66.70 * | 66.60 |
| Non-Supervisory Above 50 | Percentage | 11.30 | 12.90 * | 14.60 |
| Gender Group by Employee Category | | | | |

Internal assurance | External assurance | No assurance | (*)Restated

# Bursa Malaysia ESG Reporting Platform Performance Data Table

| Indicator | Measurement Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Senior Managerial Male | Percentage | 53.00 | 52.60 * | 53.80 |
| Senior Managerial Female | Percentage | 47.00 | 47.40 * | 46.20 |
| Managerial Male | Percentage | 53.70 | 52.80 * | 51.90 |
| Managerial Female | Percentage | 46.30 | 47.20 * | 48.10 |
| Supervisory Male | Percentage | 38.50 | 39.00 * | 38.90 |
| Supervisory Female | Percentage | 61.50 | 61.00 * | 61.10 |
| Non-Supervisory Male | Percentage | 35.80 | 35.70 * | 35.30 |
| Non-Supervisory Female | Percentage | 64.20 | 64.30 * | 64.70 |
| Bursa C3(b) Percentage of directors by gender and age group | | | | |
| Male | Percentage | 62.50 | 55.60 | 55.60 |
| Female | Percentage | 37.50 | 44.40 | 44.40 |
| Under 60 | Percentage | 12.50 | 22.20 | 22.20 |
| Between 60-70 | Percentage | 50.00 | 44.50 | 44.50 |
| Above 70 | Percentage | 37.50 | 33.30 | 33.30 |
| Bursa C6(b) Percentage of employees that are contractors or temporary staff | Percentage | 4.30 | 5.40 | 5.00 |
| Bursa C6(c) Total number of employee turnover by employee category | | | | |
| Senior Managerial | Number | 19 | 9 * | 5 |

Internal assurance | External assurance | No assurance | (*)Restated

| Indicator | Measurement Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Managerial | Number | 111 | 99 * | 72 |
| Supervisory | Number | 1,359 | 1,338 * | 1,342 |
| Non-Supervisory | Number | 493 | 433 * | 338 |
| **Employee Engagement and Development** | | | | |
| Bursa C6(a) Total hours of training by employee category | | | | |
| Supervisory | Hours | 974,746 | 983,062 * | 1,152,273 |
| Non-Supervisory | Hours | 217,361 | 230,224 * | 186,412 |
| **Human and Labour Rights** | | | | |
| Bursa C5(a) Number of work-related fatalities | Number | 0 | 0 | 0 |
| Bursa C5(b) Lost time incident rate ("LTIR") | Rate | 0.06 | 0.07 * | 0.10 |
| Bursa C5(c) Number of employees trained on health and safety standards | Number | 15,242 | 14,454 * | 16,161 |
| Bursa C6(d) Number of substantiated complaints concerning human rights violations | Number | 0 | 0 | 0 |
| **Community Empowerment** | | | | |
| Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer | MYR | 900,000.00 | 1,400,000.00 * | 2,500,000.00 |

Internal assurance | External assurance | No assurance | (*)Restated

# Bursa Malaysia ESG Reporting Platform Performance Data Table

| Indicator | Measurement Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Bursa C2(b) Total number of beneficiaries of the investment in communities | Number | 1,912 | 2,584 * | 7,068 |
| **Data Privacy and Cybersecurity** | | | | |
| Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data | Number | 0 | 0 | 2 |
| **Governance and Business Ethics** | | | | |
| Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category | | | | |
| Supervisory | Percentage | 97.70 | 95.40 | 96.00 |
| Non-Supervisory | Percentage | 96.30 | 95.10 * | 67.40 |
| Bursa C1(b) Percentage of operations assessed for corruption-related risks | Percentage | - | 100.00 | 100.00 |
| Bursa C1(c) Confirmed incidents of corruption and action taken | Number | 0 | 0 | 0 |

Internal assurance | External assurance | No assurance | (*)Restated

# Limited **Assurance Report**

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The Board of Directors
**Public Bank Berhad**
27th Floor, Menara Public Bank
146, Jalan Ampang
50450 Kuala Lumpur

**Independent Practitioners' Limited Assurance Report on Public Bank Berhad's (the "Company") Selected Sustainability Indicators for the financial year ended 31 December 2024 ("FYE 2024") presented in its Sustainability Report for the financial year ended 31 December 2024 ("Sustainability Report 2024")**

**Conclusion**

We have performed a limited assurance engagement on whether the Company's selected sustainability indicators for the financial year ended 31 December 2024 listed below ("Selected Sustainability Indicators") have been prepared in accordance with the Company's definition and calculation methodologies as set out in Sustainability Performance Data 2024 on Public Bank's corporate website ("Applicable Criteria"):

| No. | Selected Sustainability Indicators | Boundary |
|---|---|---|
| 1 | Total scope 1 greenhouse gas (GHG) emissions (company-owned vehicles, refrigerant in stationary air-conditioning equipment and generator set) ($tCO_2e$) | Public Bank Berhad's operations in Malaysia, Hong Kong, Vietnam, Cambodia, Laos and Sri Lanka (except for Hong Kong and Vietnam where refrigerant in stationary air-conditioning equipment is excluded) |
| 2 | Total scope 2 GHG emissions (purchased electricity) ($tCO_2e$) | Public Bank Berhad's operations in Malaysia, Hong Kong, Vietnam, Cambodia, Laos and Sri Lanka |

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Selected Sustainability Indicators of the Company for the financial year ended 31 December 2024 presented in the Company's Sustainability Report 2024 are not prepared, in all material respects, in accordance with the Applicable Criteria.

**Basis for Conclusion**

We conducted our engagement in accordance with Malaysian Approved Standard on Assurance Engagements ("ISAE") 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. Our responsibilities under this standard are further described in the *Our responsibilities* section of our report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

KPMG PLT, a limited liability partnership under Malaysian law and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

# Limited Assurance Report



**Basis for Conclusion (continued)**

*Our Quality Management and Independence*

Our firm applies Malaysian Approved Standard on Quality Management, ISQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

**Restriction on Distribution and Use of Our Report**

Our report has been prepared for the Directors of the Company solely in accordance with the terms of our Engagement Letter.

Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Company for any purpose or in any context. Any party other than the Company who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, we will accept no responsibility or liability in respect of our report to any other party, other than the Company, for our work, for the assurance report we will issue, and for the conclusion we reach.

Without affecting, adding to or extending our duties and responsibilities to the Company or giving rise to any duty or responsibility being accepted or assumed by or imposed on us by any other party, we consent to the inclusion of this report in the Company's Integrated Annual Report 2024 and Sustainability Report 2024, to assist the Directors of the Company in responding to their governance responsibilities by obtaining independent limited assurance report on the Selected Sustainability Indicators.

Our conclusion is not modified in respect of this matter.

**Responsibilities for the Selected Sustainability Indictors**

The Management of the Company is responsible for:

(a) Designing, implementing and maintaining internal control relevant to the preparation of the the Selected Sustainability Indicators such that they are free from material misstatement, whether due to fraud or error;

(b) Selecting or developing suitable criteria for preparing the Selected Sustainability Indicators and appropriately referring to or describing the criteria used, including who developed them, when not readily apparent from the engagement circumstances;

(c) Preparing and properly calculating the Selected Sustainability Indicators in accordance with the Applicable Criteria;

(d) Preventing and detecting fraud; and

(e) Selecting the content of the Selected Sustainability Indicators, including identifying and engaging with intended users to understand their information needs.

KPMG

**Inherent Limitations**

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Company's Sustainability Report 2024 may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Sustainability Report 2024, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

**Our Responsibilities**

We are responsible for:

(a) Planning and performing the engagement to obtain limited assurance about whether the Selected Sustainability Indicators are free from material misstatement, whether due to fraud or error;

(b) Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and

(c) Reporting our conclusion to the Directors.

**Summary of the Work Performed as the Basis for Conclusion**

We exercised professional judgement and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the Selected Sustainability Indicators that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the Selected Sustainability Indicators and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, we have performed the following procedures, amongst others:

(a) Enquired Management to gain an understanding of the processes established from which the Selected Sustainability Indicators are derived;

(b) Interviewed relevant staff responsible for preparing and presenting the Selected Sustainability Indicators in the Company's Sustainability Report 2024;

(c) Compared the Selected Sustainability Indicators presented in the Sustainability Report 2024 to underlying sources on a sample basis; and

(d) Read the Selected Sustainability Indicators presented in the Company's Sustainability Report 2024 to determine whether they are in line with our overall knowledge of, and experience with, the sustainability performance of Public Bank Berhad.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

# Limited Assurance Report

***Public Bank Berhad ( the "Company")***
*Independent Practitioner's Limited Assurance Report on*
*The Company's Selected Sustainability Indicators for the FYE 2024*
*presented in its Sustainability Report 2024*
*27 February 2025*

**Other matter**

Our assurance conclusion was with respect to the Company's Selected Sustainability Indicators for the financial year ended 31 December 2024 and we have not performed any procedures with respect to earlier periods or any other elements included in the Company's Sustainability Report 2024 and therefore, we do not express any conclusion thereon.

**KPMG PLT**
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya

Date: 27 February 2025

# Performance **Data Index**

The following table summarises the Public Bank Group's Sustainability Performance Data for 2024. The full performance data for 2022 – 2024 is available at: https://www.publicbankgroup.com/sustainability/sustainability-disclosures/.

| Category | Indicator | Page number |
|---|---|---|
| **Workforce** | Workforce Profile | 1 |
| | Employment Status | 1 |
| | Employee Category | 2 |
| | New Employee Hires | 3 |
| | New Employee Hire Rate | 3 |
| | Employee Turnover | 3 |
| | Employee Turnover Rate | 4 |
| | Board Diversity | 4 |
| | Gender Pay Ratio | 4 |
| | Number of Differently-abled Employees | 4 |
| | Employee Training and Development Investment | 4 |
| | Employee Training Hours | 5 |
| | Employee Training Participation | 5 |
| | Occupational Safety and Health | 5 |
| | Workplace Ethics | 5 |
| | Employee Welfare | 5 |
| | Parental Leave | 6 |
| **Customers** | Customer Experience | 6 |
| | Digital Banking | 6 |
| | Financial Inclusion | 7 |
| | Sustainable Financing | 7 |
| **Suppliers** | Procurement Practices | 7 |
| **Community** | Community Stewardship | 7 |
| **Environment** | Energy | 8 |
| | Water Consumption | 8 |
| | Waste Management | 8 |
| | Paper Consumption | 9 |
| | Emissions | 9 |

# GRI **Content Index**

The Public Bank Group began adopting the GRI Standards in 2022 in line with its commitment to provide transparency and comparability to the Group's stakeholders on sustainability topics.

The following table summarises the Public Bank Group's GRI Content Index. The full GRI Content Index is available at: https://www.publicbankgroup.com/sustainability/sustainability-disclosures/.

| GRI Standards and Disclosures | Page Number in GRI Content Index |
|---|---|
| **GRI 2: General Disclosure 2021** | |
| The Organisation and its Reporting Practices | 1 |
| Activities and Workers | 2 |
| Governance | 2 |
| Strategy, Policies and Practices | 5 |
| Stakeholder Engagement | 7 |
| **GRI 3: Material Topics 2021** | |
| Disclosures on material topics (3-1 and 3-2) | 7 |
| **Material Matter: Climate Change Resilience** | |
| GRI 3: Material Topics 2021 (3-3) | 8 |
| GRI 201: Economic Performance 2016 | 8 |
| **Material Matter: Carbon Emissions** | |
| GRI 3: Material Topics 2021 (3-3) | 8 |
| GRI 305: Emissions 2016 | 8 |
| **Material Matter: Resource Management** | |
| GRI 3: Material Topics 2021 (3-3) | 9 |
| GRI 302: Energy 2016 | 10 |
| GRI 303: Water and Effluents 2018 | 11 |
| GRI 306: Waste 2020 | 11 |
| **Material Matter: Sustainable Finance** | |
| GRI 3: Material Topics 2021 (3-3) | 12 |
| GRI 201: Economic Performance 2016 | 12 |

| GRI Standards and Disclosures | Page Number in GRI Content Index |
|---|---|
| **Material Matter: Sustainable Supply Chain** | |
| GRI 3: Material Topics 2021 (3-3) | 13 |
| GRI 204: Procurement Practices 2016 | 13 |
| GRI 308: Supplier Environmental Assessment 2016 | 13 |
| GRI 407: Freedom of Association and Collective Bargaining 2016 | 14 |
| GRI 414: Supplier Social Assessment 2016 | 14 |
| **Material Matter: Diversity and Inclusion** | |
| GRI 3: Material Topics 2021 (3-3) | 14 |
| GRI 401: Employment 2016 | 15 |
| GRI 405: Diversity and Equal Opportunity 2016 | 15 |
| **Material Matter: Employee Engagement and Development** | |
| GRI 3: Material Topics 2021 (3-3) | 15 |
| GRI 404: Training and Education 2016 | 16 |
| **Material Matter: Human Rights and Labour Rights** | |
| GRI 3: Material Topics 2021 (3-3) | 16 |
| GRI 401: Employment 2016 | 17 |
| GRI 403: Occupational Health and Safety 2018 | 17 |
| GRI 406: Non-discrimination 2016 | 19 |
| **Material Matter: Responsible Lending Practices** | |
| GRI 3: Material Topics 2021 (3-3) | 19 |
| **Material Matter: Financial Inclusion and Accessibility** | |
| GRI 3: Material Topics 2021 (3-3) | 19 |
| GRI 203: Indirect Economic Impacts 2016 | 19 |
| **Material Matter: Customer Satisfaction** | |
| GRI 3: Material Topics 2021 (3-3) | 19 |
| GRI 417: Marketing and Labelling 2016 | 20 |

# GRI Content Index

| GRI Standards and Disclosures | Page Number in GRI Content Index |
|---|---|
| **Material Matter: Community Empowerment** | |
| GRI 3: Material Topics 2021 (3-3) | 20 |
| GRI 201: Economic Performance 2016 | 21 |
| GRI 413: Local Communities 2016 | 22 |
| **Material Matter: Digital Transformation** | |
| GRI 3: Material Topics 2021 (3-3) | 22 |
| GRI 203: Indirect Economic Impacts 2016 | 22 |
| **Material Matter: Data Privacy and Cybersecurity** | |
| GRI 3: Material Topics 2021 (3-3) | 23 |
| GRI 418: Customer Privacy 2016 | 23 |
| **Material Matter: Governance and Business Ethics** | |
| GRI 3: Material Topics 2021 (3-3) | 23 |
| GRI 205: Anti-corruption 2016 | 23 |
| GRI 415: Public Policy 2016 | 23 |
| **Material Matter: Transparency and Trust** | |
| GRI 3: Material Topics 2021 (3-3) | 24 |
| GRI 207: Tax 2019 | 24 |
| **Material Matter: Risk Management** | |
| GRI 3: Material Topics 2021 (3-3) | 25 |

# Acronyms **and Abbreviations**

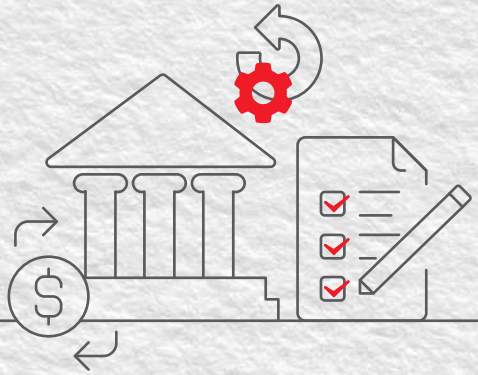
| | |
|---|---|
| **ABAC** | Anti-Bribery and Anti-Corruption Policy |
| **ABM** | The Association of Banks in Malaysia |
| **ACB** | Associate Chartered Banker |
| **AIBIM** | Association of Islamic Banking and Financial Institutions Malaysia |
| **AICB** | Asian Institute of Chartered Bankers |
| **AML/CFT** | Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions |
| **APLMA** | Asia Pacific Loan Market Association |
| **BCRA** | Bribery and corruption risk assessment |
| **BNM** | Bank Negara Malaysia |
| **BSMC** | Board Sustainability Management Committee |
| **CAMS2** | Client and Agency Management System 2 |
| **CBI** | Climate Bonds Initiative |
| **CCPT** | Climate Change and Principle-based Taxonomy |
| **CGC** | Credit Guarantee Corporation Malaysia |
| **CGC** | Credit Guarantee Corporation of Cambodia |
| **CISO** | Chief Information Security Officer |
| **$CO_2$** | Carbon dioxide |
| **COE** | Centre of Excellence |
| **CRMSA** | Climate Risk Management and Scenario Analysis |
| **CRSP** | Climate-Related Strategy Policy |
| **Defra** | Department for Environment, Food and Rural Affairs (United Kingdom) |
| **DEI** | Diversity, Equality, and Inclusion |
| **DOSH** | Department of Occupational Safety and Health |
| **E&I** | Energy & Industrial |
| **ESG** | Environmental, social, and governance |
| **ESG RAC** | Environmental, Social and Governance Risk Acceptance Criteria |
| **EVs** | Electric vehicles |
| **FIDE** | Financial Institutions Directors' Education Forum |
| **FIMM** | Federation of Investment Managers Malaysia |
| **FINCO** | Financial Industry Collective Outreach |
| **FLAG** | Forest, Land and Agriculture |
| **FTE** | Full-time employee |
| **GCA** | Graduates' Choice Award |
| **GFA** | Gross floor area |
| **GGAF** | Green Growth Asia Foundation |
| **GRI** | Global Reporting Initiative |
| **HERS** | High ESG Risk Sectors |
| **IADS** | Interbank Account Data Sharing |
| **IATA** | International Air Transport Association |
| **ICMA** | International Capital Markets Association |
| **IIC** | Institutional Investors Council Malaysia |
| **ILO** | International Labour Organisation |
| **ISAE** | International Standard on Assurance Engagements |
| **ISSB** | International Sustainability Standards Board |
| **JC3** | Joint Committee on Climate Change |
| **JPS** | Jabatan Pengairan dan Saliran |
| **kg** | Kilogramme |
| **KPIs** | Key performance indicators |
| **$ktCO_2e$** | Kilotonnes of carbon dioxide equivalent |
| **kWp** | Kilowatt peak |
| **LAPNet** | Lao National Payment Network Co Ltd |
| **LED** | Light-emitting diodes |

# Acronyms and Abbreviations

| | |
|---|---|
| **LEED** | Leadership in Energy and Environmental Design |
| **LMA** | Loan Market Association |
| **LSTA** | Loan Syndications & Trading Association |
| **$m^3$** | Cubic metre |
| **MCCG** | Malaysian Code on Corporate Governance |
| **MCII** | Malaysian Code for Institutional Investors |
| **MIBA** | Malaysian Investment Banking Association |
| **MNS** | Malaysian Nature Society |
| **MSPO** | Malaysian Sustainable Palm Oil |
| **MWh** | Megawatt hour |
| **NAV** | Net asset value |
| **NDPE** | No Deforestation, No New Peat and No Exploitation |
| **NFISP** | NIOSH-Financial Institution Safety Passport |
| **NGFS REMIND** | Network for Greening the Financial System Regional Model of Investments and Development |
| **NIOSH** | National Institute of Occupational Safety and Health |
| **OFS** | Ombudsman for Financial Services |
| **OLE** | Online Enquiry System |
| **OSH** | Occupational Safety and Health |
| **OSHA** | Occupational Safety & Health Act |
| **PAC** | Personal Authentication Code |
| **PCAF** | Partnership for Carbon Accounting Financials |
| **PEFC** | Programme for the Endorsement of Forest Certification |
| **PIDM** | Perbadanan Insurans Deposit Malaysia |
| **PMO** | Public Mutual Online |
| **PRS** | Private Retirement Scheme |
| **QMSFL** | Quality Management System Frontline |
| **QMSLD** | Quality Management System Loan Delivery |
| **RAC** | Risk Acceptance Criteria |
| **RECs** | Renewable Energy Certificates |
| **RSPO** | Roundtable on Sustainable Palm Oil |
| **SASB** | Sustainability Accounting Standards Board |
| **SBTi** | Science Based Targets initiative |
| **SFF** | Sustainable Finance Framework |
| **SGA** | Skills Gap Assessment |
| **SHC** | Safety and Health Committee |
| **SJKP** | Syarikat Jaminan Kredit Perumahan Berhad |
| **SMC** | Sustainability Management Committee |
| **SMEs** | Small and medium enterprises |
| **SMTF** | Sustainability Management Task Force |
| **SPSG** | Sustainable Products and Services Guideline |
| **SRI** | Sustainable and Responsible Investment |
| **TCFD** | Task Force on Climate-related Financial Disclosures |
| **$tCO_2e$** | Tonnes of carbon dioxide equivalent |
| **TDP** | Talent Development Partner |
| **UN SDGs** | United Nations Sustainable Development Goals |
| **UPM** | Universiti Putra Malaysia |
| **UTCs** | Unit trust consultants |
| **VBI** | Value-based Intermediation |
| **VBIAF** | Value-based Intermediation Financing and Investment Impact Assessment Framework |

# Upholding
# THE HIGHEST STANDARDS.

At Public Bank, trust is key. We **maintain high ethical standards, strong governance, and a culture of compliance** to ensure integrity, transparency, and accountability in everything we do.



# Corporate Governance
# Overview Statement

Public Bank is committed to upholding high standards of corporate governance in line with the principles set out in the Malaysian Code on Corporate Governance 2021 ("MCCG 2021") issued by the Securities Commission Malaysia on 28 April 2021. The Board of Directors strives to ensure that sound governance practices are deeply embedded within the Bank's operations, in fostering sustainable growth and delivering consistent long-term values to stakeholders.

This statement provides an overview by the Public Bank Board of Public Bank's application of the following 3 key principles of good corporate governance as set out in the MCCG 2021:

**Principle A**
Board leadership and effectiveness

**Principle B**
Effective audit and risk management

**Principle C**
Integrity in corporate reporting and meaningful relationship with stakeholders

The Bank has applied all recommended practices in the MCCG 2021 except for Practice 8.2 and Step-up 8.3 (in respect of disclosure of Senior Management's remuneration).

Public Bank's application of the practices set out in the MCCG 2021 during the financial year 2024 is disclosed in its Corporate Governance Report ("CG Report") for the financial year ended 31 December 2024.

*The CG Report can be downloaded from Public Bank's corporate website at www.publicbankgroup.com.*

## MCCG 2021 PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### Board Responsibilities

The Board is collectively responsible for the long-term success of the Bank and delivery of sustainable value to the stakeholders. It plays a pivotal role in formulating and reviewing key policies and charting the Bank's strategic directions. The Board, through the Audit Committee, Risk Management Committee, Compliance Committee, Credit Risk Management Committee and Board Sustainability Management Committee provides effective oversight of the Management's performance, risk assessment and controls over business operations, sustainability management, and compliance with regulatory requirements. The Board is responsible for determining the nature and extent of the principal risks the Bank is willing to take in achieving its strategic objectives.

The key responsibilities of the Board and matters reserved for the Board's consideration and approval are set out in the Board Charter and disclosed in the Public Bank's CG Report for the financial year ended 31 December 2024.

The Board has delegated authority to the various Board Committees to enable them to support the Board effectively in accordance with their terms of reference.

*The Board Charter and CG Report can be downloaded from Public Bank's corporate website at www.publicbankgroup.com.*

### Separation of Roles of Non-Executive Chairman and Managing Director & Chief Executive Officer

The Board has established the roles and responsibilities of the Non-Executive Chairman, which are distinct and separate from the roles and responsibilities of the Managing Director & Chief Executive Officer ("CEO"). This segregation between the roles and responsibilities of the Non-Executive Chairman and the Managing Director & CEO ensures an appropriate balance of role, responsibility and accountability at the Board level.

### Roles of Chairman, Managing Director & CEO and Non-Executive Directors

The Non-Executive Chairman plays a pivotal role in leading an effective and cohesive Board, guiding strategic decision-making and fostering a collaborative and constructive board environment.

In providing leadership to the Board, the Non-Executive Chairman leads the Board in the adoption and implementation of good corporate governance practices in the Bank. He ensures the smooth functioning of the Board and inculcates a positive culture in the Board as well as ensuring that the procedures and processes are in place to facilitate the effective conduct of business of the Board. The Chairman acts as the facilitator at Board meetings to ensure that healthy discussions take place by fostering the free expression of opinions of Board Members so as to arrive at optimal decisions. The Chairman also ensures that decisions are made on a sound and well-informed basis, with all strategic and critical issues considered by the Board, and that Directors receive the relevant information on a timely basis.

The Chairman encourages robust discussions and in-depth deliberations amongst Directors at every Board meeting to ensure that the Board effectively discharges its roles and responsibilities.

The Managing Director & CEO assumes a critical role in effective management by overseeing the Bank's day-to-day operations with a focus on strategic direction and organisational objectives. He is responsible for developing the business direction and strategies of the Bank and ensuring that the Bank's business strategies and policies are effectively implemented.

The Non-Executive Directors undertake reviews on, among other things, the performance of the Management in achieving key performance targets and monitor the Group's performance reporting. They also provide constructive feedback and input to the Management in respect of execution and implementation of the Bank's business plans within the Bank's risk appetite and governance framework. They have free and open interactions with the Management at all levels. The Independent Non-Executive Directors provide independent views and objective assessments and suggestions on matters deliberated at the Board.

The Directors are at liberty to seek independent professional advice on matters relating to the fulfilment of their roles and responsibilities. The cost of procuring these professional services will be borne by the Bank.

# Corporate Governance Overview Statement

The Board recognises the importance of strengthening its oversight of the Bank's management of fraud and data security, as well as whistleblowing matters to ensure that business operations are conducted ethically and responsibly. Accordingly, the Board has appointed selected Board Members to undertake additional responsibilities to enhance governance in these areas:

- Pursuant to Bank Negara Malaysia ("BNM")'s requirement, an Independent Non-Executive Director has been appointed as the Senior Independent Director to support the Board in providing focused oversight over the management of fraud and data breach incidents.
- To ensure the effective implementation of the Bank's Whistleblowing Policy and Procedures, an Independent Non-Executive Director, who also serves as the Chairman of Audit Committee, has been appointed as the designated Non-Executive Director responsible for overseeing the effective implementation of this Policy.

The roles and responsibilities of the Non-Executive Chairman, Managing Director & CEO and Non-Executive Directors are set out in the Board Charter.

*The Board Charter can be downloaded from Public Bank's corporate website at www.publicbankgroup.com.*

## Company Secretary

The Board is supported by a qualified and competent Company Secretary who provides advice on matters relating to governance, Board policies and procedures as well as requirements to be observed by the Company and the Directors arising from new statutes and guidelines issued by the regulatory authorities. The Company Secretary also facilitates timely communication of decisions made and policies set by the Board at Board meetings to the Senior Management for action.

## Board Meetings, Attendance and Access to Information

Board meetings for the ensuing financial year are scheduled in advance before the end of the current financial year so that the Directors can plan ahead and ensure their full attendance at Board meetings.

The Board holds regular meetings of not less than 16 times a year. In addition to monthly Board meetings, the Board also meets as soon as the Bank's quarterly and annual results are finalised to review and approve the results for submission to BNM. Special Board meetings may be convened as and when necessary to consider urgent proposals or matters that require the Board's expeditious review or consideration.

Pursuant to the BNM Policy Document on Corporate Governance, the quorum for Board meetings is at least half the number of the Board Members and a Director is required to attend at least 75% of the Board meetings held in each financial year. All Directors had demonstrated their commitment to the Bank by registering full attendance at Board meetings held in 2024.

At the monthly Board meetings, the Managing Director & CEO provides comprehensive monthly updates to the Board on the Bank's and the Group's business operations. The Board reviews management reports on the business performance of the Bank as well as the Group and major subsidiaries, and reviews, inter-alia, the results compared with the preceding month and year-to-date, and also the comparison against pro-rated business targets and the industry. As part of the integrated risk management initiatives, the Board is informed of the decisions and salient issues deliberated by the Audit Committee, Risk Management Committee, Compliance Committee, Credit Risk Management Committee, Board Sustainability Management Committee and Management Working Committees through minutes of these committees. The Board Members deliberate on and, in the process, assess the viability of business propositions and corporate proposals, the principal risks that may have significant impact on the Bank's business or on its financial position, and the mitigating factors. The Board also assesses various types of credit propositions and matters that are required to be submitted to the Board for concurrence or approval, in accordance with the relevant regulatory requirements.

The Chairs of various Board Committees would inform the Directors at Board meetings, of salient recommendations and matters that may have arisen at their respective meetings which require the Board's notice or direction to be given to the Management.

Minutes of the various Board Committees' meetings which record the key deliberations and the decisions taken during these meetings are circulated to all Board Members for noting together with the monthly Board meeting agenda items.

To facilitate productive and meaningful deliberations, the proceedings of the Board meetings are conducted in accordance with a structured agenda. The agenda together with comprehensive management reports and proposal papers are furnished to the Directors at least 7 days before the Board meeting. This is to allow time for the Directors to review the Board papers and to enable robust discussion at Board meetings. The meeting papers are uploaded onto a secure portal which is accessible by the Directors from the electronic devices provided by the Bank.

The Board Members are well prepared for Board meetings and engage in discussions on key matters on the agenda.

A Director is required to abstain from deliberations and decisions of the Board on matters where he/she is an interested party so that he/she does not exercise any influence over the Board's decision in respect of the matter. In the event that a corporate proposal is required to be approved by shareholders, interested Directors are required to abstain from voting on their shares held in Public Bank on the shareholders' resolutions pertaining to the corporate proposal, and will further undertake to ensure that persons connected to them similarly abstain from voting on the relevant shareholders' resolutions.

The minutes of Board meetings are circulated to all Directors for their perusal prior to confirmation of the minutes to be done at the commencement of the following Board meeting and thereafter signed by the Chairman of meeting.

The Deputy CEO attends all Board meetings by invitation, while the Senior Chief Operating Officers and Senior Management Officers are invited to attend Board meetings to report on matters pertaining to their respective areas of responsibility, and also to brief and provide details to the Directors on recommendations or reports submitted to the Board. The Chief Financial Officer also attends Board meetings by invitation to update the Board on financial guidelines issued by BNM and new accounting standards, and to brief the Board on matters relating to the finance portfolio, such as guidelines and policies to be implemented by the Bank pursuant to BNM policy documents or new accounting standards.

Some Directors also serve on the Boards of the Bank's subsidiaries to enhance co-ordination and understanding of their performance and operations. In promoting group governance on the Bank's subsidiaries, the CEOs of the domestic and overseas subsidiaries provide half-yearly briefings to the Board on business performance and developments in their respective subsidiaries. These briefings enable alignment with the Bank's strategic goals and provide a channel for the Board to foster transparency and accountability across the Group.

## Board Charter

The Board Charter serves as the primary guiding reference on the governance and conduct of the Board. It sets out the roles and responsibilities of the Board, Board Committees, individual Directors and Management in upholding sound corporate governance standards and practices. The Board Charter encapsulates the procedures to be followed by the Board and matters reserved for the Board's consideration and approval. The Board Charter is subject to periodic review to ensure it remains fit for purpose.

*The Board Charter can be downloaded from Public Bank's corporate website at www.publicbankgroup.com.*

## Sustainability Management

The Board is responsible for overseeing Public Bank's sustainability and climate-related matters. The Board Sustainability Management Committee assists the Board in overseeing Public Bank's sustainability strategies, priorities, and targets, while the Risk Management Committee assists the Board in identifying, measuring, monitoring, and mitigating enterprise climate-related risks.

At the management level, the Sustainability Management Committee oversees the overall management of Public Bank's sustainability initiatives. The Sustainability Management Task Force assists the Sustainability Management Committee in driving and executing the implementation of sustainability and climate-related initiatives in the Bank's operations.

Further details of the Sustainability Governance are set out in the Sustainability Report 2024 on page 164 of this 2024 Integrated Annual Report.

The Board receives regular training to upskill their knowledge and keep abreast of emerging developments in the sustainability landscape, reinforcing their oversight on the management of sustainability-related matters. The Board also ensures the Bank invests in sustainability-related learning and training for its employees.

The Board acknowledges that the sustainability expectations of the Bank's stakeholders are increasing across multiple fronts, and therefore accord heightened considerations including climate-related matters in all its decision-making process.

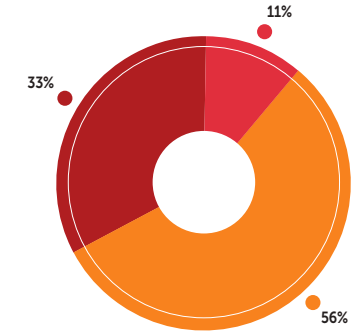
The Board ensures regular and meaningful engagement with the Bank's stakeholders to address their sustainability interests and concerns. The Bank makes timely sustainability disclosures in the Sustainability Report included in the Public Bank Integrated Annual Report, Annual General Meeting, investors' meetings, roadshows, and conferences.

Public Bank's corporate website features a dedicated sustainability section that provides regular updates. Additionally, a sustainability email address is available for stakeholders to submit their inquiries, comments, or feedback regarding sustainability.

# Corporate Governance Overview Statement

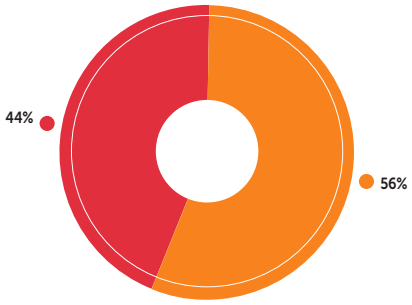
## OUR BOARD AT A GLANCE

### BOARD COMPOSITION



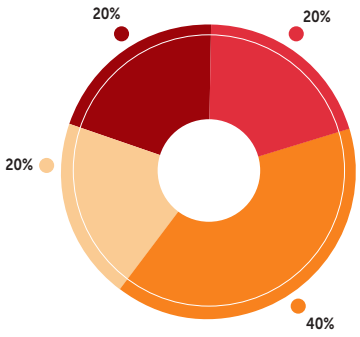

| | |
|---|---|
| Executive Director | 1 |
| Independent Non-Executive Director | 5 |
| Non-Independent Non-Executive Director | 3 |

### GENDER DIVERSITY



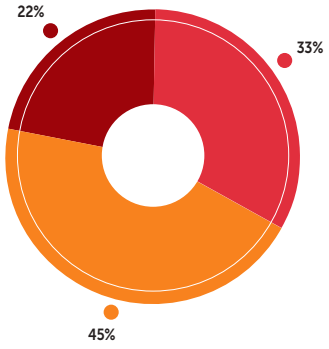

| | |
|---|---|
| Male | 5 |
| Female | 4 |

### TENURE OF INDEPENDENT DIRECTORS




| | | | |
|---|---|---|---|
| Less than 2 years | 1 | 2-5 years | 2 |
| 5-6 years | 1 | 6-9 years | 1 |

### AGE




| | |
|---|---|
| >70 years | 3 |
| 60 - 70 years | 4 |
| <60 years | 2 |

### Skills/Experience



## Board Size and Composition

The Board currently comprises 9 Members, an optimal composition that fosters diverse perspectives, enables effective decision making, and ensures a well balance mix of Executive, Non-Executive and Independent Directors.

The present Board brings together a diverse range of skills, professional expertise and experience in banking and finance, business administration, accountancy, business advisory, information technology and legal. The 9 Members of the Board are persons of high calibre and integrity, equipped with deep understanding of the Bank's business and a wealth of experience in the banking industry and financial markets. These competencies help to further strengthen key areas in corporate governance, risk management and internal controls of the Bank and its subsidiaries. The collective capabilities of the Board also bring valuable industry insights, experience and best practices in operations, strategic planning and quality management to further enhance business performance.

The Directors fulfil the fit and proper criteria as specified in the Financial Services Act 2013 ("FSA"), the BNM Policy Document on Fit and Proper Criteria as well as the Bank's Fit and Proper Policy for Directors. None of the Members of the Board is an active politician.

The profile of each Member of the Board is as presented on pages 134 to 138 of this 2024 Integrated Annual Report.

## Board Balance and Independence

The Board currently comprises only 1 Executive Director and a strong presence of 8 Non-Executive Directors, of whom 5 are Independent Non-Executive Directors, thus constituting the majority on the Board. The presence of a majority of Independent Non-Executive Directors provides an effective check and balance in the functioning of the Board to safeguard the interests of the Bank and all stakeholders.

Based on the outcome of the Board Effectiveness Evaluation exercise conducted for financial year 2024, all the Independent Non-Executive Directors continue to meet the criteria of an Independent Director as specified in the BNM Policy Document on Corporate Governance and the Bursa Malaysia Securities Berhad Main Market Listing Requirements. An Independent Non-Executive Director has an ongoing obligation to inform the Board of any circumstances which could impair his or her independence.

## Gender Diversity

In line with the best practices of the MCCG 2021, the Board has a gender diversity policy whereby the Board shall comprise at least 30% women Directors. The current Board has exceeded the 30% benchmark with 44% or 4 out of the 9 Members of the Board comprising women Directors. The 4 women Directors contribute to the Board's cognitive variety, enriching discussions with diverse perspectives and approaches. Their unique viewpoints enhance the overall value brought to the Board's deliberation.

## Tenure of Independent Directors

The maximum tenure of an Independent Non-Executive Director is a cumulative term of 9 years. Upon reaching such maximum tenure, the Independent Non-Executive Director may continue to serve on the Board but shall be re-designated as Non-Independent Non-Executive Director. During the financial year 2024, none of the Independent Directors had surpassed a tenure of more than 9 years from their initial appointment.

## Fit and Proper Policy for Directors

The Members of the Board provide strategic leadership that influences the financial position and future direction of the Bank. All Members of the Board are required to have the necessary qualities, competencies and experience that will allow them to perform the duties and carry out the responsibilities required of the position.

The Nomination and Remuneration Committee takes into consideration the following in conducting the assessment of the fitness and propriety of the person identified for appointment as a Director or for re-appointment/re-election as a Director:

- The Board's composition and requirements in terms of appropriate size, required mix of skills, experience and core competencies, diversity and adequacy of balance between Executive Director, Non-Executive Directors and Independent Directors.

- The person's ability to supplement the collective skill sets of the Directors and bring different perspectives to the Board, and his/her fitness and propriety to be considered for appointment/re-appointment/re-election based on the factors specified in the Bank's Fit and Proper Policy and the BNM Policy Document on Fit and Proper Criteria which include the following overarching criteria:

  – Probity, Personal Integrity and Reputation

    The person must have personal qualities such as honesty, integrity, diligence, independence of mind and fairness.

# Corporate Governance Overview Statement

– Competence and Capability

The person must have the necessary skills, ability, experience and commitment to carry out the role.

– Financial Integrity

The person must manage his or her debts and financial affairs prudently.

A person who has been identified for appointment as a Director or for re-appointment/re-election as a Director shall be required to provide a declaration that he/she complies with the fit and proper criteria as specified in the Bank's Fit and Proper Policy and the BNM Policy Document on Fit and Proper Criteria.

- The person must not be disqualified under Section 59(1) of the FSA.
- The person must not have competing time commitments that impair his/her ability to discharge his/her duties effectively.
- In the case of proposed appointment/re-appointment/re-election of an Independent Director, the person must be free of any business or other relationship with the Company which could reasonably be perceived to materially interfere with the exercise of unfettered and independent judgment, and must fulfil the criteria of an Independent Director as defined in the BNM Policy Document on Corporate Governance and Bursa Malaysia Securities Berhad Main Market Listing Requirements.
- The person meets regulatory requirements for appointment/re-appointment/re-election and possesses the qualifications to be able to contribute effectively as a Member of a harmonious Board.

The fit and proper assessment of the person identified for appointment as a Director or for re-appointment/re-election as a Director shall be conducted prior to the initial appointment or proposed re-appointment/re-election as a Director. The fit and proper assessment of a Director shall also be conducted at regular intervals of at least annually or whenever the Bank becomes aware of information that may materially compromise a Director's fitness and propriety.

## New Appointment and Re-Appointment of Director

The Nomination and Remuneration Committee is responsible for identifying, evaluating and selecting candidates for appointment as Directors, ensuring that they possess the right mix of skills, competencies, experience and qualities which are aligned with the Bank's strategic direction.

The Nomination and Remuneration Committee sources the curriculum vitae of potential candidates from several channels including recommendations by the current Board Members and/or external sources such as Financial Institutions Directors' Education ("FIDE") Forum Directors' Register, to identify suitable candidates for the proposed appointment as Director based on the prerequisite skill sets identified by the Board during the Board Effectiveness Evaluation exercise.

The Nomination and Remuneration Committee is responsible for assessing the fitness and propriety of the candidate for proposed directorship and, thereupon, submitting their recommendation to the Board for decision. Pursuant to provisions of the FSA and policy documents and guidelines issued by BNM, the proposed appointment of a new Director is subject to the prior approval of BNM, and the term of appointment shall be as specified by BNM in its approval.

The nomination process for the appointment of new Director is summarised below:

**Stage 1**
Identification of candidate

**Stage 2**
Engagement with candidate

**Stage 3**
Deliberation by Nomination and Remuneration Committee on the fitness and propriety of candidate and recommendation to Board for decision

**Stage 4**
Application to BNM

The proposed re-appointment of a Director, upon expiry of his/her current term of appointment as approved by BNM, is also subject to the approval of BNM. The Nomination and Remuneration Committee is responsible for assessing the performance and the fitness and propriety of Directors whose current term of appointment as approved by BNM is due to expire, and for submitting their recommendation to the Board for decision on the submission of the application to BNM for the proposed re-appointment of the Director concerned.

The Board's succession planning remains adaptable in ensuring that its Members' collective knowledge, experience and skill sets align with the evolving demands of the dynamic financial industry.

## Re-Election of Directors

The Constitution of Public Bank provides that at every Annual General Meeting of Public Bank, one-third of the Directors for the time being or the number nearest to one-third, and those Directors newly appointed subsequent to the preceding Annual General Meeting, shall retire from office and shall be eligible for re-election. The Constitution further provides that all Directors shall retire from office once at least in each 3 years but shall be eligible for re-election.

The performance and the fitness and propriety of those Directors who are subject to re-election at the Annual General Meeting of Public Bank will be assessed by the Nomination and Remuneration Committee whereupon recommendation will be submitted to the Board for decision to table the resolution on the re-election of the Director concerned for shareholders' approval at the next Annual General Meeting.

The Nomination and Remuneration Committee had carried out the fit and proper assessment of the Directors who are retiring by rotation at the forthcoming Annual General Meeting to be held on 8 May 2025 and the Board was satisfied with the favourable evaluation of the performance and contributions of the Directors to the Board as well as their fitness and propriety.

## Time Commitment

To ensure that Directors do not have competing time commitments that will impair their ability to discharge their duties effectively, the Board has established a policy on the maximum number of directorships in public listed companies, non-public listed companies and positions in non-profit organisations that a Director can hold in Malaysia and offshore/overseas, which is as follows:

- A maximum of 5 directorships held in public listed companies; and
- A maximum of 15 directorships/positions held in non-public listed companies and non-profit organisations.

All Directors are in compliance with the Policy on Maximum Number of Directorships and they remain fully committed in carrying out their duties and responsibilities. The Directors are able to give sufficient time commitment to their duties and responsibilities as reflected by their full attendance at the Board meetings held during the financial year ended 31 December 2024.

The Directors demonstrate virtuous commitment and a high level of accountability, and are steadfast in devoting time and providing crucial support in steering Public Bank to greater heights.

## Directors' Training and Development

In recognition of the increasingly complex and multi-dimensional responsibilities of a Director, the Board places significant emphasis on continuous training and professional development to keep abreast of emerging trends, regulations and operating environments.

The Board actively fosters a culture of continuous learning by encouraging Directors to participate in training programmes and seminars. Directors are supported in identifying their training needs by the Company Secretary and the Bank's Knowledge & Learning who facilitate and coordinate for the relevant programmes which are applicable to their development requirements.

To keep everyone on key market trends and developments, the Bank's Knowledge & Learning plays a vital role in organising in-house tailored programmes for both the Directors and Management of the Bank. These programmes frequently feature external subject-matter experts who provide insights on topics relating to current market issues or trends. Such training sessions have proven to keep the Directors and Management abreast and in tune with market developments so that they are well equipped to identify emerging risks and opportunities in their respective role within the Bank.

The Company Secretary and the respective Secretaries of the Audit Committee, Compliance Committee, Risk Management Committee and Board Sustainability Management Committee, update the Directors promptly and regularly on new (or changes to) statutes, policy documents and guidelines issued by the regulatory authorities, and the compliance obligations of the Bank and its Directors. This ongoing support reinforces the Directors' ability to navigate regulatory and governance challenges and avoids or minimises incidents of non-compliance.

The Nomination and Remuneration Committee conducts annual review of training received by the Directors during each financial year and recommends to the Board for approval, the budget for Directors' training and development on yearly basis.

# Corporate Governance Overview Statement

In 2024, the Directors had participated in various training programmes, seminars and talks covering a variety of topics, including:

- Board leadership and governance
- Environmental, social and governance ("ESG")
- Sustainability
- Risk, compliance and regulatory
- Banking, finance and economy
- Artificial intelligence and cybersecurity

The Board remains steadfast in ensuring that all Directors consistently fulfil the mandatory training requirements as prescribed by regulatory authorities. All Directors have successfully completed the Mandatory Accreditation Programme ("MAP") Part I, the FIDE Core Programme and the Islamic Finance for Board Programme. In addition, the Board has proactively adopted the MAP Part II mandatory training under the new Bursa Malaysia Securities Berhad Main Market Listing Requirements. As of 2024, all Directors have successfully completed the new MAP Part II on sustainability, well ahead of the stipulated deadline of 1 August 2025.

The list of the training programmes participated by the Directors during the financial year 2024 is disclosed in the Public Bank's CG Report for the financial year ended 31 December 2024.

*The CG Report can be downloaded from Public Bank's corporate website at www.publicbankgroup.com.*

## Board Effectiveness Evaluation

The Board has established an annual performance evaluation process to assess the performance and effectiveness of the Board and Board Committees, as well as the performance of each Director and each Audit Committee Member. The Board evaluation exercise assists the Board to address any gaps and improvement required for the Board.

In line with Practice 6.1 of the MCCG 2021, an independent expert is engaged at least every 3 years to facilitate the evaluation of the effectiveness of the Board, its Committees and each individual Director. This provides the Board with an independent perspective of the Board's performance, including benchmarking against peer Boards and industry best practices.

As the Board had engaged an independent external consultant to conduct the Board Effectiveness Evaluation exercise for the financial year 2023, it was agreed that for the financial year 2024, the Board Effectiveness Evaluation exercise would be conducted internally through a comprehensive set of questionnaire.

The Board Effectiveness Evaluation process for financial year 2024 is as depicted below:

In 2024, the Bank in its continuing review and enhancement of its governance requirements, approved and adopted a new Board Effectiveness Evaluation Form.

The Board Effectiveness Evaluation Form covers the following assessment topics:

- Board of Directors' Assessment
- Board Skills Matrix Assessment
- Directors' Self and Peer Assessment
- Fit and Proper Assessment
- Independence Assessment of Independent Directors
- Board Committees Assessment
- Audit Committee Members' Self and Peer Assessment

The Board Effectiveness Evaluation Form was circulated to all Directors. The Company Secretary collated the responses and produced a report on the feedback and recommendations.

The feedback and recommendations were discussed and deliberated by the Nomination and Remuneration Committee and thereafter submitted to the Board for review and concurrence.

The Board, following its Board Effectiveness Evaluation exercise carried out for financial year 2024, concurred with the Nomination and Remuneration Committee that:

- The composition of the Board was well balanced with Members possessing extensive experience, complementing knowledge and skills which are relevant to the financial and banking industry, and applicable to the Bank's business and operating model.

  The Directors are able to identify key issues and provide valuable insights into strategy and risk management matters, reflecting their strong analytical skills and engagement during discussions at Board and Board Committee meetings.

- All the Members of the Board are persons of high calibre and integrity, and they have a sound understanding of the Bank's business and deep industry expertise. They possess the skills, knowledge, experience and competencies to address the key risks and major issues relating to the Bank's business and its policies and strategies. All Members of the Board had discharged his/her duties and responsibilities effectively for the financial year 2024.

- The Board Committees had remained effective and had provided strong support to the Board in the financial year 2024. The Board Committees have demonstrated strong alignment with the Board's strategic objectives, providing timely and well-considered recommendations to enhance governance and decision-making processes. Each Audit Committee Member was appraised to have effectively discharged his/her duties and responsibilities.

## Directors' Remuneration

The Nomination and Remuneration Committee recommends the level and structure of Directors' remuneration such that the level of remuneration for Non-Executive Directors commensurate to their level of responsibilities undertaken and contributions to the effective functioning of the Board. In making its recommendation, the Nomination and Remuneration Committee considers the responsibilities of the Directors and also by benchmarking against the Directors' fees structure of peer banks, in order to be competitive to retain skills and talent, and achieve diversity, on the Board.

The Board as a whole determines the remuneration of its Directors. For the financial year ended 31 December 2024, it was proposed that an adjustment be made to the Directors' and Board Committees Members' fees in view of the Board's expanding responsibilities. With the increasing complexity of governance standards and the evolving regulatory landscape, Directors are dedicating more time, commitment, and expertise to ensure the continued oversight and strategic guidance that drive the Group's growth and sustainability. Furthermore, the proposed adjustment aligns with market benchmarks and ensures the Bank remains competitive in attracting and retaining highly qualified Directors.

The Board, upon the recommendation of the Nomination and Remuneration Committee, proposed, subject to shareholders' approval at the forthcoming Annual General Meeting to be held on 8 May 2025, that the remuneration of the Directors for the financial year ended 31 December 2024 shall be based on the following fee structure:

| Board of Directors' Fees/Allowances (per annum) | Chairman (RM) | Other Director (RM) |
|---|---|---|
| • Director's Fee | 470,650 | 347,650 |
| • Chairman Allowance | 196,000 | – |
| • Chairman Transport Allowance | 96,000 | – |

| Board Committee Fees (per month) | Chairman (RM) | Member (RM) |
|---|---|---|
| • Audit Committee | 16,000 | 12,500 |
| • Risk Management Committee | 8,000 | 6,300 |
| • Compliance Committee | 8,000 | 6,300 |
| • Credit Risk Management Committee | 8,000 | 6,300 |

| Meeting Attendance Allowances (per meeting attended) | Chairman (RM) | Member (RM) |
|---|---|---|
| • Board of Directors | 5,000 | 4,000 |
| • Nomination and Remuneration Committee | 4,800 | 4,000 |
| • Board Sustainability Management Committee | 4,800 | 4,000 |

# Corporate Governance Overview Statement

Details of the total remuneration (including benefits-in-kind) of each Director for the financial year 2024 are as follows:

| 2024 | Remuneration Received from the Bank | | | | | | Remuneration Received from Subsidiary Companies | | Group Total RM'000 |
|---|---|---|---|---|---|---|---|---|---|
| | Salary RM'000 | Fees RM'000 | Bonus RM'000 | Other Emoluments RM'000 | Benefits-in-kind RM'000 | Bank Total RM'000 | Fees RM'000 | Other Emoluments RM'000 | |
| **Executive Director** | | | | | | | | | |
| Tan Sri Dato' Sri Dr. Tay Ah Lek | 19,354 | 348 | 35,527 | 1,863 | 28 | 57,120 | 816 | 920 | 58,856 |
| **Non-Executive Directors** | | | | | | | | | |
| Mr Lai Wan | – | 471 | – | 665 | – | 1,136 | 315 | – | 1,451 |
| Ms Cheah Kim Ling | – | 348 | – | 276 | – | 624 | – | 155 | 779 |
| Mr Lee Chin Guan | – | 348 | – | 261 | – | 609 | 313 | 265 | 1,187 |
| Dato' Mohd Hanif bin Sher Mohamed | – | 348 | – | 572 | – | 920 | 300 | 267 | 1,487 |
| Ms Tham Chai Fhong | – | 348 | – | 447 | – | 795 | – | – | 795 |
| Mr Lim Chao Li | – | 348 | – | 449 | – | 797 | 298 | – | 1,095 |
| Ms Gladys Leong | – | 348 | – | 446 | – | 794 | 300 | 249 | 1,343 |
| Ms Teoh Meow Choo | – | 348 | – | 469 | – | 817 | – | – | 817 |
| | – | 2,907 | – | 3,585 | – | 6,492 | 1,526 | 936 | 8,954 |
| **Total Directors' remuneration** | **19,354** | **3,255** | **35,527** | **5,448** | **28** | **63,612** | **2,342** | **1,856** | **67,810** |

## Senior Management

Senior Management together with the Board of Directors are responsible for setting the tone at the top, ensuring that the Bank's policies and procedures are in compliance with applicable laws and regulations, and creating a culture of accountability, ethical behaviour, fairness and transparency.

Good corporate governance is a key factor in underpinning the integrity and efficiency of a company. Public Bank's governance framework is therefore anchored on competent leadership, effective internal controls, risk management and strong ethics and accountability to all stakeholders. The principles of good corporate governance permeate the Bank's People, Processes, Performance and Purpose.

Senior Management is entrusted with clear and well-defined discretionary power and authority limits, which are aligned with the principles of good governance in upholding accountability and transparency and serve as an embedded check and balance mechanism in the management of the Bank's business and operations.

The Bank's control functions report directly to its respective Board Committees, namely Audit Committee, Risk Management Committee and Compliance Committee and are assessed independently from the business units that they oversee to preserve the quality and independence of the control functions. The internal control mechanisms which include compliance with regulatory requirements and the Bank's policies are consistently being monitored and reviewed by the Bank's control functions in order to strengthen the effectiveness of the internal control and enforce good corporate governance.

## Senior Management Appointment and Removal

The Bank's Fit and Proper Policy sets out the structured process and procedure relating to the appointment and removal of Key Responsible Persons ("KRPs") and the stringent assessment of candidates against the requirements. All KRPs are assessed to have met all the fit and proper criteria based on the following factors:

- Probity, Personal Integrity and Reputation
- Competence and Capability
- Financial Integrity
- They do not hold an aggregate interest of 5% or more in the shares of Public Bank.

## Succession Planning

A structured and effective succession planning process is the cornerstone of sustainable business growth as it plays a pivotal role in maintaining leadership continuity and supporting the Group's strategic objectives.

The Bank has put in place a robust and inclusive succession planning process which covers multi-pronged approaches in talent identification and development to facilitate the building of a talent pool equipped with the right skill sets, experience and leadership qualities and ready for succession to all the Key Leadership Positions.

The Bank adopts a 3-dimensional assessment in the succession planning process to evaluate the competency, behavioural tendencies of identified talent and their career aspirations. This approach offers a holistic perspective towards their potential, readiness, strengths and developmental gaps. Customised individual development plans are drawn up for the talent with insights derived from the assessments, incorporating accelerated and personalised learning opportunities to nurture talent and close any developmental gaps. The development plan aims to fast track their growth and strengthen their competencies to prepare them for the transition to a leadership or critical role.

Succession planning has been expanded to cover middle management roles in order to strengthen the leadership pipeline and talent supply chain.

The Bank adopts a 'Look Within' policy which gives impetus to the career advancement of the talent whilst retaining the invaluable corporate knowledge and ensures that corporate values are perpetuated across all management levels.

The Board of Directors with the assistance of the Nomination and Remuneration Committee oversees the succession management process to ensure succession planning is in place for the Key Leadership Positions. Regular updates on the talent pool, succession readiness and leadership development are provided to the Board for review and approval.

## Remuneration Policy & Practice

The Public Bank's Remuneration Policy is developed to perpetuate a performance-orientated culture and a robust balance between attracting, retaining, motivating staff and prudent risk management which is aligned with its corporate and risk culture.

The Bank's commitment to sustainability is further evidenced by the incorporation of ESG key performance indicators ("KPIs") in the C-Suites and Senior Management's performance assessment to drive collective commitment and responsibility in implementing the sustainability roadmap of the Group.

The Bank's Remuneration Policy is reviewed by the Nomination and Remuneration Committee and approved by the Board of Directors for implementation across all levels of employees including Senior Management and other employees not governed by any collective agreement in the Bank. Senior Management in this context refers to management employees who are KRPs as defined in the Bank's Fit and Proper Policy as well as persons who are accountable or responsible for the management and oversight of the Bank, comprising the following:

- Managing Director & CEO
- Deputy CEO
- Senior Officers, defined as follows:
    i. KRPs who are defined under the BNM Policy Document on Fit and Proper Criteria as those who have primary and significant responsibility for the management and performance of significant business activities of the Group.
    ii. Other Senior Management performing group-wide management responsibilities.
    iii. Other Senior Management who are Heads of Divisions.

The remuneration framework is designed to ensure that reward is measurably linked to the achievement of business and performance objectives. However, to prevent any conflict of interest, the framework stipulates that employees of the control functions be assessed independently from the business units. For effective segregation, these employees are appraised principally based on the achievement of their control objectives as set out by the Board Committees of their respective control functions and differentiated from the business units.

# Corporate Governance Overview Statement

The remuneration framework outlines the total compensation packages of fixed remuneration and variable remuneration payable to employees. Fixed remuneration refers to basic salary and other fixed income, commensurate with the role and position of an individual employee, including professional experience, qualifications, responsibilities, job complexity, local market conditions, etc.

The variable remuneration refers to the discretionary performance bonus which is cash-based and does not consist of shares or non-cash instruments. The pool for the variable remuneration is determined by financial matrices such as the Bank's overall performance, achievement of selected financial ratios, market trends and economic outlook.

The variable performance bonus for the Senior Management is separated into two main components with different payout criteria. The first component of the performance bonus is linked to the individual performance of Senior Management and the payout above a set threshold is subject to a deferment of 3 years. The proportion of the deferred amount corresponds to the level of risks assumed by the respective job positions. The prescribed deferred amount of performance bonus is further subject to a multi-year framework, minimally a 3-year graded vesting with a proportionate rate of 35%/35%/30% and payable annually at the end of each vested period.

The second component of the variable performance bonus is cash-based and linked to the Total Shareholder's Return ("TSR") of the Bank. However, it is cliff-vested over a period of 3 years. The quantum is calculated as a percentage of the individual eligible performance bonus for the prevailing financial year but payable at the end of the cliff-vested period of 3 years and further subject to the TSR achievement and good individual performance.

The variable performance bonus, whether it is vested or unvested, is subject to adjustments (e.g. malus, clawback and other reversals or downward revaluation of awards) in the event of poor performance of the business unit or the Bank, attributable to the individual or if he/she commits serious legal, regulatory or internal policy breaches. The awards may be clawed back within 3 years from the date of payment to the employee.

Members of Senior Management have further committed not to undertake activities (such as personal hedging strategies and liability-related insurance) that will undermine the risk alignment effects embedded in their remuneration.

The Bank embraces agile methodologies and has intricately calibrated a set of KPIs to evaluate the performance of its employees and to accentuate a high-performance work environment where all employees are evaluated and rewarded fairly corresponding to their performance. The KPIs are reviewed regularly to align with the business strategies whilst balancing business, risk, compliance and sustainability agendas effectively.

The performance assessment for employees is conducted annually via a structured performance appraisal exercise where both qualitative (e.g. work and behavioural competencies) and quantitative (e.g. financial and sustainability targets) metrics are used to assess the performance of the employees.

The performance of the Managing Director & CEO of the Bank is assessed in a comprehensive and holistic way where the assessment criteria comprise the Bank's overall financial achievement against the approved KPIs, compliance, ESG initiatives, succession planning and behavioural competencies.

The following depicts the total value of cash-based remuneration paid out to Senior Management employees of Public Bank for financial year 2024:

| Remuneration | Non-Deferred | | Deferred | | | |
|---|---|---|---|---|---|---|
| | | | Paid in the Financial Year | | Outstanding | |
| | No. | Amount (RM) | No. | Amount (RM) | No. | Amount (RM) |
| Fixed | 27 | 33,961,815 | - | - | - | - |
| Variable | 27 | 4,849,262 | 27 | 26,918,462 | 27 | 9,709,231 |

*Note: The above excludes the remuneration of Managing Director & CEO which has been declared under the Directors' Remuneration.*

## Strengthening Corporate Governance Culture

The Public Bank Group continues to leverage on its principles of excellence, integrity, prudent management and a strong corporate governance culture to perpetuate a sustainable value proposition for its shareholders, customers, employees and the community.

The Group's compliance and governance culture is driven and cascaded from the top across all levels of employees of the Group. The following policies have been put in place to further ingrain the values and principles of conduct in all business activities across the Group:

- **Public Bank Group Code of Ethics**

  The Public Bank Group Code of Ethics ("CoE") is aligned with the "Code of Ethics for the Financial Services Industry" established by the Financial Services Professional Board. It sets out the standards of good and ethical behaviour and work practices which all employees are required to uphold.

  The 5 CoE Fundamental Ethical Principles are as follows:

  - Competence
  - Integrity
  - Fairness
  - Confidentiality
  - Objectivity

  Further details of the Public Bank Group Code of Ethics are set out on page 314 of this 2024 Integrated Annual Report.

- **Diversity, Equality and Inclusion Policy**

  The Public Bank Group's philosophy on diversity, equality and inclusion is deeply rooted in its corporate culture where it is a core value of the Group that each employee is respected, valued and appreciated for their differences.

  The Group endeavours to create a positive and inclusive work environment. To this end, it has implemented the Diversity, Equality and Inclusion Policy, which articulates the practices and approach in the workplace and requires all employees to comply.

  The Group's commitment to diversity and gender representation is reflected in the high participation of 46.2% of women in the Senior Management.

  Further details of the Diversity, Equality and Inclusion Policy are set out on pages 314 and 315 of this 2024 Integrated Annual Report.

- **Whistleblowing Policy and Procedures**

  The Public Bank Group is committed to ensure its business and operations are conducted in an ethical, moral and legal manner. In line with this commitment, the Group has put in place the Whistleblowing Policy and Procedures to provide an avenue for all staff, interns, consultants, contractors, vendors, suppliers and/or customers to disclose any illegal, unethical, questionable practices or improper conduct committed or about to be committed within the Group.

  The Group's Whistleblowing Policy and Procedures are in line with the Standard on Whistleblowing for Financial Institutions established by the Financial Services Professional Board and the principles prescribed in the Whistleblower Protection Act 2010.

  The Whistleblowing Policy and Procedures are accessible via the Group's corporate website at www.publicbankgroup.com. The platform, accessibility and channels of reporting are user-friendly to facilitate the submission of disclosure. All disclosures are further managed by an authorised personnel in strict confidentiality.

  A Board Member who is also the Chairman of the Audit Committee has been appointed and designated as the Non-Executive Director responsible for the effective implementation of this Policy.

  Further details of the Whistleblowing Policy and Procedures are set out on page 316 of this 2024 Integrated Annual Report.

- **Anti-Sexual Harassment Policy**

  The Public Bank Group is committed to providing a work environment free from any form of harassment and unlawful discrimination in which every employee is treated with dignity and respect. This commitment is defined in the Bank's Anti-Sexual Harassment Policy.

  The work environment of the Group is characterised by mutual trust and the absence of intimidation, oppression or exploitation. The Group does not tolerate any abusive behaviour nor any form of harassment, humiliation and/or intimidation.

  The Group views sexual harassment as a serious misconduct and any employee found to be guilty of any form of sexual harassment is subject to disciplinary action including but not limited to termination of employment.

  Further details of the Anti-Sexual Harassment Policy are set out on page 316 of this 2024 Integrated Annual Report.

# Corporate Governance Overview Statement

- **Anti-Fraud Policy**

  The Public Bank Group Anti-Fraud Policy reinforces the Group's zero tolerance towards any form of fraud and sets out the Group's expectations on all its staff and the requirements relating to the prohibition, detection, reporting and investigation of suspected fraud, corruption, misappropriation and other irregularities.

  It is the responsibility of all employees to familiarise themselves with the Group's Anti-Fraud Policy and be aware of and vigilant to the prevention, detection of defalcations, misappropriations, irregularities and all types of improprieties that might occur within their areas of work.

  Further details of the Anti-Fraud Policy are set out on page 315 of this 2024 Integrated Annual Report.

- **Compliance Policy**

  Compliance entails more than the mere adherence to the laws and regulations. A sound compliance framework is pertinent and forms the backbone to safeguard the Public Bank Group from any potential risks and legal repercussions. The Group's compliance culture is enforced through the implementation of the Group's Compliance Policy which has the following objectives:

  - To set out the roles and responsibilities of the Board of Directors, Senior Management and employees of the Public Bank Group in managing compliance risk.
  - To set out the mandate of the Compliance function for the Public Bank Group.
  - To set out the compliance requirements and standards for the Public Bank Group.
  - To set out the operating model for Compliance function with regards to the identification, management and reporting of compliance risk.
  - To promote a corporate culture that upholds high standards of zero tolerance for legal and regulatory non-compliance, integrity and ethics in the conduct of the Public Bank Group's business.

  Further details of the Compliance Policy are set out on page 315 of this 2024 Integrated Annual Report.

- **Anti-Bribery and Anti-Corruption Policy**

  The Public Bank Group adopts a zero-tolerance approach to any form of bribery and corruption in the Group's business activities. The Group is a strong advocate for conducting business dealings with integrity, honesty and respect while maintaining good corporate governance.

  The Group's Anti-Bribery and Anti-Corruption ("ABAC") Policy sets out the Group's approach in combating bribery and corruption and the ABAC Policy is consistent with all applicable laws and regulations including but not limited to the Malaysian Anti-Corruption Commission Act 2009 and its amendments and all other laws which are applicable to the Group's business.

  The objectives of the ABAC Policy are as follows:

  - To build and foster a business environment which is free of bribes and corruption and which enhances integrity, transparency and accountability.
  - To inculcate in all Members of the Board of Directors and employees the commitment of the Bank against corruption in all its forms, including bribery.
  - To define what constitutes bribery and corruption and other prohibited practices.

  Further details of the ABAC Policy are set out on pages 315 and 316 of this 2024 Integrated Annual Report.

- **Human Rights Policy**

  The Public Bank Group acknowledges that respect for human rights is a fundamental responsibility that extends to its employees, customers and third-party suppliers, service providers, consultants and contractors.

  The Group's Human Rights Policy articulates the Group's commitment and approach to respecting human rights as an employer, as a financial products and services provider, and as a goods and services procurer.

  The Group aims to identify, prevent and avoid human rights violations and, should they occur, to mitigate their impacts, which may not only harm affected parties but also damage the Group's reputation and stakeholders' trust.

  The Human Rights Policy is developed with the following objectives:

  - Establish the Group's commitment to respecting and supporting human rights in all aspects of its operations.
  - Outline clear expectations for the Group's employees, customers and vendors.
  - Ensure that the Group operates the business responsibly and transparently, and manages any human rights impact that may arise throughout the Group's value chain.
  - Promote continuous improvement in human rights practices through regular review and adaptation of policies and procedures.
  - Enhance stakeholder confidence by demonstrating the Group's dedication to ethical and sustainable business practices.
  - These objectives were developed in line with the United Nations Sustainable Development Goals ("UN SDGs") with relevance to human rights and relevance to the Group:

| Goal | Impact |
|---|---|
|  | Promotes employee health and well-being with comprehensive health benefits including regular health checks and stress management programs. |
|  | Promotes a diverse, equal and inclusive workplace culture, where our employees feel empowered and respected through the Group's Diversity, Equality and Inclusion Policy. |
|  | Fosters sustainable and inclusive economic growth, and contributes to job creation by providing businesses with access to capital and financing solutions. |
|  | Ensures equitable access to its products and services for all customer segments through its inclusive finance. |
|  | Promotes transparency, zero tolerance against bribery and corruption, and robust governance, guided by its internal policies and procedures. |

- **Staff Grievance Policy**

  Clear and effective communication between management and employees is fundamental in the workplace in order to maintain a positive, harmonious and conducive work environment.

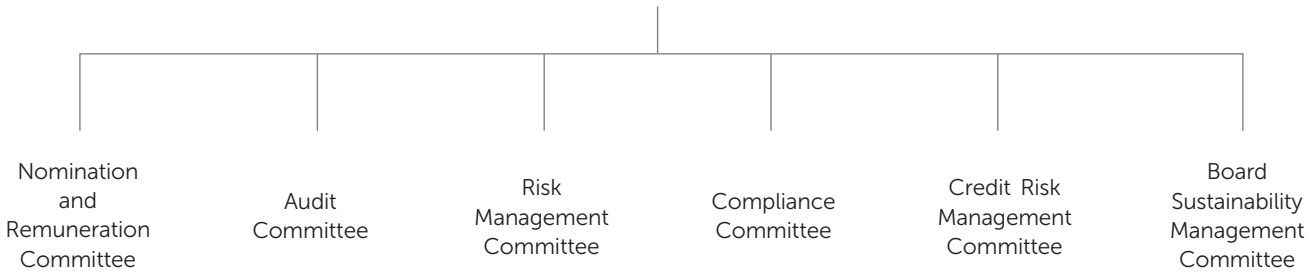
  Public Bank has a systematic grievance handling procedure as set out in its Staff Grievance Policy. Employees are encouraged to raise concerns relating to the work conditions, unfair labour practices or terms of employment, violations of human rights and/or work related disputes with supervisors so that the voice of employees are heard and action taken promptly with an amicable resolution at the lowest possible level.

Further details of the Staff Grievance Policy are set out on page 317 of this 2024 Integrated Annual Report.

# Corporate Governance Overview Statement

## Board Committees

While the Board has ultimate responsibility for the affairs of the Bank, dedicated Board Committees have been established with delegated authority to support the Board in carrying out its functions, as depicted below:




The Audit Committee is made up solely of Independent Non-Executive Directors while the other Board Committees comprise majority Independent Non-Executive Directors. The Chairman of the Board is not a Member of the Audit Committee or the Nomination and Remuneration Committee. The exclusion of the Chairman of the Board from the Audit Committee and Nomination and Remuneration Committee represents a position that is aligned with MCCG 2021. The Chairman of the Board does not chair the Risk Management Committee, Compliance Committee, Credit Risk Management Committee and Board Sustainability Management Committee, which is in line with the BNM Policy Document on Corporate Governance which restricts the Chairman of the Board from chairing Board Committees.

The roles and responsibilities of Board Committees as well as authority delegated by the Board to these Committees, are reviewed from time to time to ensure that they remain relevant and are up-to-date.

The roles and responsibilities of the Board Committees and attendance of each Director at the Board Committee meetings are disclosed in the Public Bank's CG Report for the financial year ended 31 December 2024.

*The CG Report can be downloaded from Public Bank's corporate website at www.publicbankgroup.com.*

The main activities of the Nomination and Remuneration Committee in 2024 included the following:

- Review of outcome of the Board Effectiveness Evaluation for financial year 2023.
- Annual review of composition and terms of reference of Board Committees.
- Assessment of fitness and propriety of Directors for re-appointment/re-election.
- Annual review of training attended by Directors and recommendation to the Board on budget for Directors' training and development.
- Annual fit and proper assessment of Senior Management who are KRPs.
- Recommendation to the Board on promotion and renewal of contracts of employment of Senior Management staff.
- Review of Public Bank's succession planning for Key Leadership Positions.
- Recommendation to the Board on proposed fine-tuning of performance appraisal formats for certain C-Suite.
- Reorganisation of selected Divisions and promotion of KRPs.
- Recommendation to the Board on proposed payment of Directors' fees, Board Committee Members' fees and allowances to Directors subject to shareholders' approval.
- Recommendation to the Board on proposed cap on bonus payment and salary adjustments to be granted by the Bank.
- Recommendation to the Board on bonus payment and annual increment for the Managing Director & CEO, Deputy CEO and other KRPs.
- Recommendation to the Board on proposed adoption of new Board Effectiveness Evaluation Form.

## MCCG 2021 PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### Audit Committee

The Audit Committee is established by the Board and comprises 5 Members, all of whom are Independent Non-Executive Directors. The Chairman of the Board is not a Member of the Audit Committee.

The composition, authority as well as the roles and responsibilities of the Audit Committee are set out in its terms of reference which are approved by the Board and published on Public Bank's corporate website at www.publicbankgroup.com.

The Audit Committee's terms of reference stipulate that, among others, a former partner of the Bank's external audit firm is to observe a cooling-off period of at least 3 years before being appointed as a Member of the Audit Committee. Pursuant to this requirement, none of the Members of the Audit Committee is associated with or had been a former partner of the Bank's appointed external audit firm in the past 3 years.

The Members of the Audit Committee collectively have a wide range of skills, knowledge and experience necessary to discharge their duties. These include accounting, assurance and advisory services, information technology and banking related expertise and experience, ranging from finance/corporate finance and consumer/investment banking. In addition, 1 Member of the Audit Committee is a Chartered Accountant of the Malaysian Institute of Accountants.

With the relevant skill sets, knowledge and experience, the Audit Committee Members are financially literate and are able to understand, analyse and challenge matters under the purview of the Audit Committee, including the financial reporting process.

In 2024, the Audit Committee Members have attended various training courses, conferences, seminars and topical talks arranged by the Bank's Knowledge & Learning to keep themselves abreast of the relevant and latest developments in the banking industry including accounting and auditing standards, ESG/climate risk, relevant regulatory requirements as well as effective governance practices.

The Audit Committee assists the Board in overseeing the financial reporting process and assessment of the reliability of the financial reporting and financial positions of Public Bank and the Public Bank Group. The Audit Committee also seeks explanations and additional information from the Senior Management team, including the Chief Financial Officer and the Group Chief Internal Auditor ("GCIA") in regard to the financial performance and preparation of the financial statements of Public Bank and the Public Bank Group. In addition, the Audit Committee also meets with the Bank's external auditors to discuss their audit plan, audit findings and observations on the annual and interim financial results of Public Bank and the Public Bank Group.

The details of the duties and responsibilities of the Audit Committee are set out under the Audit Committee Report on pages 318 to 323 of this 2024 Integrated Annual Report.

### Relationship with External Auditors

The Audit Committee assesses the suitability, objectivity and independence as well as the performance of the external auditors. In performing this role, the Audit Committee reviews and conducts assessment, on an annual basis, the appointment or re-appointment of external auditors in accordance with the criteria as set out in the Public Bank Group's Policy for Appointment/Re-appointment of External Auditors for Audit and Non-Audit Services ("Group Policy") to ascertain that the independence and objectivity of the external auditors as statutory auditors are not compromised. The Group Policy is in line with the requirements stipulated in the BNM Policy Document on External Auditors.

The assessments of the external auditors for audit and non-audit services are carried out vide an assessment checklist in accordance with the criteria as set out in the Group Policy. This assessment checklist covers all relevant professional and regulatory requirements, the competency, audit quality and resources capacity of the external auditors pertaining to the audit and non-audit services rendered as well as the independence and objectivity of the external auditors.

Before Management can engage the external auditors to provide any non-audit services to Public Bank and/or the Public Bank Group, the Audit Committee has to be satisfied that the external auditors are suitable, independent and objective in the provision of such services. The Audit Committee must also be satisfied with the nature and extent of the non-audit services, there is no element of conflicts of interest, and the proposed fees are within the allowable threshold set before recommending the proposed engagement to the Board for consideration and approval.

The details of the fees paid/payable to the external auditors for their provision of statutory audit, audit related and non-audit related services in 2024 are set out in Practice 9.3 of the Public Bank's CG Report for the financial year ended 31 December 2024.

*The CG Report can be downloaded from Public Bank's corporate website at www.publicbankgroup.com.*

### Internal Audit Function

Public Bank has an in-house Internal Audit function which is carried out by the Internal Audit Division ("IAD"). The Audit Committee oversees the performance and effectiveness of the Internal Audit function based on the approved key performance indicators, assesses the competency and experience of the IAD staff as well as the adequacy of resources in order for the Internal Audit function to carry out its work effectively. The Audit Committee also reviews the adequacy of the Internal Audit function's authority and resources to carry out their work objectively and independently, free from any relationships or conflicts of interest.

Public Bank's IAD has a total staff strength of 205, and a majority of them possess the relevant experiences and qualifications. IAD comprises 10 sections, which specialise in auditing the various business areas of Public Bank.

# Corporate Governance Overview Statement

The GCIA, Mr Lim Then Fui oversees the Internal Audit functions of Public Bank and the Public Bank Group. He is a Chartered Accountant of the Malaysian Institute of Accountants, a Member of the Malaysian Institute of Certified Public Accountants, and a Certified Bank Auditor. The GCIA has a total of 45 years of working experience in auditing, risk management, compliance and commercial banking. He is also a member of the Chief Internal Auditors Networking Group.

The Internal Audit Charter sets out the purpose, objectives, authority, scope of work and responsibilities of the Internal Audit function in Public Bank and the Public Bank Group. The Internal Audit Charter, which was drawn up with reference to the relevant guidelines and policy document issued by BNM and the Basel Committee on Banking Supervision, is reviewed annually to ensure that it remains relevant and is updated with the latest developments in the applicable regulatory requirements. The latest Internal Audit Charter is published in the Public Bank's intranet for all the staff of Public Bank and the Public Bank Group to access.

To reflect the independence of the Internal Audit function, IAD staff report directly to the GCIA, who in turn reports functionally to the Board through the Audit Committee. The Audit Committee approves the appointment, replacement and dismissal of the GCIA, evaluates the GCIA's performance and reviews the remuneration and/or bonus, if any, payable to the GCIA and the Senior Management staff of IAD.

The Internal Audit function performs ongoing periodic reviews and assessments on the Bank's risk management systems, internal controls, anti-corruption, whistleblowing and governance processes in accordance with and conforming to the requirements set out in the BNM's Guidelines on Internal Audit Function of Licensed Institutions as well as MCCG 2021.

Internal Audit had, at the end of third quarter 2023 engaged an external consultant to conduct a Quality Assurance Review ("QAR") to assess its effectiveness.

As at 31 December 2024, Internal Audit had implemented all the enhancement initiatives recommended in the QAR report to further enhance the effectiveness of Internal Audit function.

As part of the measures to ascertain that IAD staff are free from any relationship or conflicts of interest situations which could impair their objectivity and independence, IAD staff who are transferred from other divisions or branches within the Bank are not allowed to conduct audit on areas where they were previously engaged, until the "cooling off" period is over or after an independent audit has been conducted, whichever is earlier. For this purpose, the "cooling off" period shall not be less than 6 months from the date they joined IAD or such longer period as may be determined by the GCIA. Staff upon joining IAD are required to declare to the GCIA that they are free from any relationships or conflicts of interest that could impair their objectivity.

The details of the Audit Committee's oversight over the activities carried out by the Internal Audit function are set out under the Audit Committee Report on pages 318 to 323 of this 2024 Integrated Annual Report.

## Risk Management and Internal Control Framework

The Bank has established a risk management and internal control system that enables the identification, measurement, mitigation, continuous monitoring and reporting of all relevant and material risks on a group and entity-wide basis, including new and emerging risks. The Board ensures that the risk management and internal control system manages the Public Bank Group's relevant and material risks within its risk appetite in the Public Bank Group's pursuit of its strategies and business objectives.

The establishment of the risk management and internal control system is driven by the Public Bank Group's Risk Management Framework which is approved by the Board and developed based on the BNM Policy Document on Risk Governance. The key elements of the Public Bank Group's Risk Management Framework set out the requirements for effective risk management covering risk governance, risk appetite, risk management processes and risk culture.

The adequacy and effectiveness of the risk management and internal control system as well as the level of compliance with the relevant laws, regulations, policies and procedures are subject to ongoing assessment by the Risk Management function, Compliance function and Internal Audit function. The Board in discharging its risk and internal control oversight responsibilities is assisted by the independent control functions, the Risk Management Committee, the Credit Risk Management Committee, the Compliance Committee and the Audit Committee.

The Board receives assurance from the Managing Director & CEO and the Chief Financial Officer on the adequacy and effectiveness of the Public Bank Group's risk management and internal control system on an annual basis.

For further information, please refer to the Statement on Risk Management and Internal Control as set out on pages 301 to 306 of this 2024 Integrated Annual Report.

## Risk Management Committee

The Risk Management Committee is established by the Board and supports the Board in carrying out its risk management roles and responsibilities as delegated and authorised by the Board. Currently, it comprises 8 Members of whom 5 Members including the Chair of the Risk Management Committee are Independent Directors. All Members are Non-Executive Directors. The Chair of the Risk Management Committee is appointed by the Board and is not the Chair of the Board. The Risk Management Committee assists the Board in discharging its risk and internal control oversight responsibilities.

## MCCG 2021 PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### Stakeholder Engagement

A meaningful and transparent stakeholder engagement with its stakeholders is one of the hallmarks of Public Bank. The Board recognises the importance of ensuring adequate, accurate and timely disclosure of the Bank's latest developments. These include its strategic directions, business activities, financial performance, governance practices as well as sustainability efforts, all of which are communicated regularly.

To achieve this, Public Bank maintains a holistic investor relations approach that spans several platforms, covering online, print and physical presence. The Integrated Annual Report, quarterly results briefings, investors' meetings, roadshows and conferences, Annual General Meeting, Extraordinary General Meeting, press conference and corporate website are some of the avenues made available to the investing community, keeping them up-to-date with Public Bank's latest developments. In particular, its corporate website at www.publicbankgroup.com, which incorporates dedicated sections for investor relations, corporate governance and sustainability, is promptly updated to ensure timely and regular communication with stakeholders.

To keep investors informed about Public Bank's efforts in the area of ESG, the Bank publishes a dedicated sustainability report, as part of its Integrated Annual Report. This report highlights Public Bank's management of sustainability matters including its initiatives, objectives and achievements. Further, regular engagement through the Bank's various investor relations channels ensures that the Board and Management are up-to-date with stakeholders' ESG expectations, leading to timely and meaningful correspondence.

Public Bank's dedicated investor relations team, as outlined below is ever ready to correspond with the investing community:

### PUBLIC BANK BERHAD

**Tan Sri Dato' Sri Dr. Tay Ah Lek**
*Managing Director & Chief Executive Officer*
Telephone number: +603-2176 6000
E-mail: ir@publicbank.com.my

**Chang Siew Yen**
*Senior Chief Operating Officer*
Telephone number: +603-2176 7461
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**Yik Sook Ling**
*Chief Financial Officer*
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**Chong Soo Loong**
*General Manager, Corporate Planning, Economics & Sustainability Management*
Telephone number: +603-2177 3152
E-mail: chongsooloong@publicbank.com.my

### PUBLIC FINANCIAL HOLDINGS LIMITED

**Chong Yam Kiang**
*Chief Executive*
Telephone number: +852-2853 4768
E-mail: chongyk@publicbank.com.hk

### LPI CAPITAL BERHAD

**Tan Kok Guan**
*Executive Director/Group Chief Executive Officer*
Telephone number: +603-2034 2670
E-mail: kgtan@lonpac.com

### INVESTOR RELATIONS UNIT

**Denise Fong Po Yen**
*Corporate Planning, Economics & Sustainability Management*
Telephone number: +603-2176 6293
E-mail: ir@publicbank.com.my

### General Meetings

The Annual General Meeting serves as an avenue for shareholders to interact with the Board and Senior Management, vote on issues at hand, express concerns, and seek clarifications regarding the Bank's strategic directions, operations and business performance.

On 8 May 2024, Public Bank's 58th Annual General Meeting was held remotely, as it has been for the past four years. In addition, the Bank held a virtual Extraordinary General Meeting on 28 November 2024 to seek shareholders' approval on the proposed acquisition by Public Bank of 44.15% equity interest in LPI Capital Berhad ("LPI") ("Proposed Acquisition") and the resultant proposed mandatory general offer to acquire all the remaining LPI shares not already held by Public Bank after the Proposed Acquisition. This approach provides shareholders the convenience of global accessibility, while streamlining the meeting process and improving operational efficiency.

At the Annual General Meeting, the Managing Director & Chief Executive Officer delivered a comprehensive review of the Public Bank Group's financial performance, prospects, strategic direction and sustainability initiatives. The Bank also fostered active participation by the shareholders as they could submit their enquiries relevant to the Bank's agenda in advance of or during the live streaming of the Annual General Meeting and Extraordinary General Meeting. The valuable feedback and suggestions from shareholders were duly acknowledged and carefully considered by both the Board and Senior Management.

Public Bank's general meetings have continued to garner strong support from its shareholders, fostering strong stakeholder relationships.

*The minutes of the general meeting proceedings can be downloaded from Public Bank's corporate website at www.publicbankgroup.com.*

This Corporate Governance Overview Statement is made in accordance with the resolution of the Board of Directors dated 27 February 2025.

# Bursa Malaysia Listing Requirements **Compliance Information**

The information set out below is disclosed in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"):

## I) UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

During the year, the following issuances were made by the Public Bank Group:

a) On 25 July 2024, Public Bank issued the second tranche of RM1.5 billion Subordinated Notes under its RM20.0 billion Subordinated Medium Term Notes Programme.

b) On 23 October 2024, Public Islamic Bank issued the fifth tranche of RM500 million Subordinated Sukuk Murabahah under its RM5.0 billion Sukuk Murabahah Programme.

c) On 11 December 2024, Public Bank issued the third tranche of RM500 million Subordinated Notes under its RM20.0 billion Subordinated Medium Term Notes Programme.

The proceeds raised from the corporate proposals above have been used for working capital, general banking and other corporate purposes, as intended.

Aside from this, there was no other issuance of debt and equity securities by Public Bank and its subsidiary companies for the financial year ended 31 December 2024.

*Disclosed in accordance with Appendix 9C, Part A, item 13 of the Listing Requirements of Bursa Malaysia.*

## II) AUDIT AND NON-AUDIT FEES

A breakdown of fees for statutory audit and non-audit services incurred by the Public Bank Group and Public Bank for the financial year ended 31 December 2024 is set out in Note 38 on page 144 of the Financial Book.

*Disclosed in accordance with Appendix 9C, Part A, item 18 of the Listing Requirements of Bursa Malaysia.*

## III) MATERIAL CONTRACTS

There were no material contracts entered into by Public Bank and its subsidiary companies involving the interests of directors or major shareholders, which subsisted at the end of the financial year ended 31 December 2024 or, if not then subsisting, entered into since the end of the previous financial year.

*Disclosed in accordance with Appendix 9C, Part A, item 21 of the Listing Requirements of Bursa Malaysia.*

## IV) RECURRENT RELATED PARTY TRANSACTION OF REVENUE OR TRADING NATURE

Public Bank did not seek any mandate from its shareholders as required under Paragraph 10.09(2)(b), Part E of Chapter 10 of the Listing Requirements of Bursa Malaysia as the recurrent related party transactions of a revenue or trading nature entered into by the Public Bank Group qualified as exempted transactions as defined under Paragraph 10.08(11)(e), Part E of Chapter 10 of the Listing Requirements of Bursa Malaysia.

*Disclosed in accordance with Paragraph 10.09(2)(b) of the Listing Requirements of Bursa Malaysia.*

# Statement on Risk Management and Internal Control

This Statement on Risk Management and Internal Control has been prepared in accordance with paragraph 15.26(b) of Bursa Malaysia Main Market Listing Requirements which requires the Board of Directors ("the Board") to include in its annual report a statement about the state of the listed issuer's risk management and internal control. Accordingly, the Board is pleased to provide the statement outlining key features of the Public Bank Group's risk management and internal control system during the year under review and up to the date of approval of this statement.

## BOARD'S RESPONSIBILITIES

The Board is overall responsible for establishing a sound risk management and internal control system, as well as for reviewing its adequacy and effectiveness in identifying, assessing and responding to risks surfaced during the course of the Public Bank Group's business operations.

The Board is responsible to set the tone and culture of effective risk management and internal controls and this is through the establishment of the Public Bank Group's risk appetite, risk strategies and risk policies, articulating the risk types and levels of risk the Group is willing to accept in the pursuit of its business and strategic objectives. In this respect, the Board actively participates in the Group's strategic directions and plans, ensuring formulation of business plans and risk taking activities are within the risk appetite. In view of the inherent limitations in any risk management and internal control system, the risk management and internal control system can therefore only provide reasonable and not absolute assurance against the occurrence of any material financial misstatement, fraud or losses.

To ensure the effective oversight of a sound risk management and internal control system, the Board is assisted by the Risk Management Committee, the Compliance Committee and the Audit Committee with delegated authorities to oversee matters relating to risk, compliance and controls respectively.

The Board has received assurance from the Managing Director & Chief Executive Officer and the Chief Financial Officer that the Public Bank Group's risk management and internal control system is operating adequately and effectively.

## MANAGEMENT'S RESPONSIBILITIES

The Management is overall responsible for effective implementation of the risk and controls framework and policies approved by the Board in the day-to-day management of the Public Bank Group's business operations. To this end, the Management's key responsibilities on risk management and internal control system include:

- Formulating processes and internal practices to operationalise the risk policies and risk limits
- Ensuring all relevant and material risks including emerging risks associated with the Public Bank Group's business operations are identified, assessed and mitigated to the levels within the risk appetite or risk limits
- Designing monitoring and reporting procedures to ensure risks identified are surfaced for deliberation and actions
- Implementing remedial actions to address any new or emerging risks or any deficiencies as identified or as directed by the Board

## RISK MANAGEMENT

- **Group Risk Management**

  The Board-approved Public Bank Group's Risk Management Framework ("GRMF"), developed based on the Bank Negara Malaysia ("BNM") Policy Document on Risk Governance, sets out the key principles of risk governance, and the risk management practices and tools to enable the continuous identification, measurement, mitigation and monitoring of all relevant and material risks of the Group including emerging risks.

  The key elements are as follows:

  - Risk Governance

    The risk governance sets out the roles and responsibilities of the Board, the board risk committees, management committees and the three lines of defence.

    The Risk Management Committee ("RMC") assists the Board to oversee the management of all identified risks and that the risk-taking activities are operating within the risk appetite. In addition, the Credit Risk Management Committee ("CRMC"), a board risk committee, assists the Board to oversee the management of all matters relating to credit risks. The management risk committees and working groups to manage specific risk areas include the Assets & Liabilities Management Committee, the Credit Committee, the Operational Risk Management Committee, the Shariah Committee and the Internal Capital Adequacy Assessment Process Working Group.

# Statement on Risk Management and Internal Control

Business and support functions, the first line of defence are responsible for risk management on a day-to-day basis by taking actions to mitigate risks. Risk Management Function ("RMF"), the second line of defence provides oversight and performs independent monitoring and reporting to Management, RMC and CRMC. Internal Audit Function, the third line of defence provides independent assurance on the effectiveness of the internal controls and risk management processes.

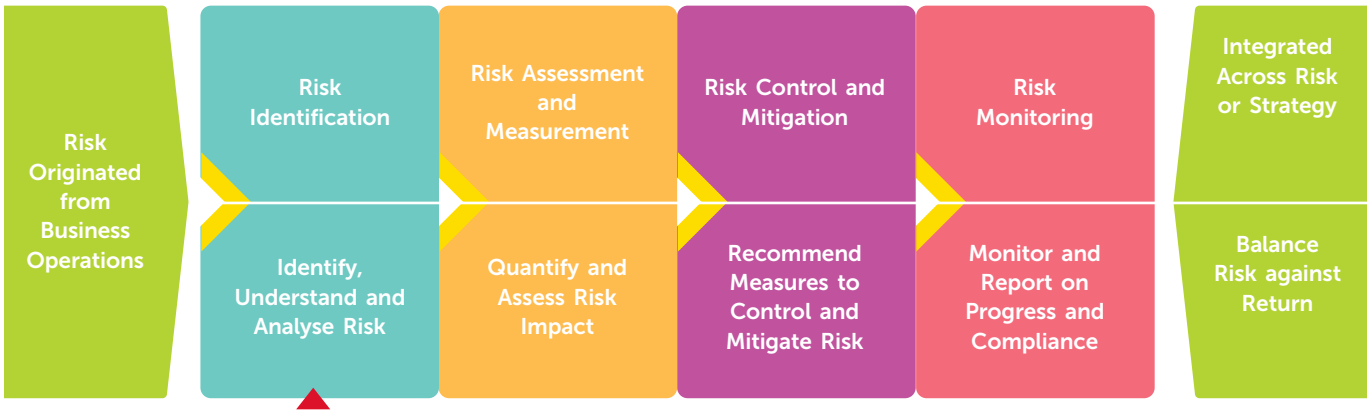
RMF is responsible to develop and maintain related group risk management policies and procedures, which will be subject to periodic review to ensure its continued applicability and effectiveness. All Group related risk management policies are extended to the subsidiaries for adoption and where necessary, are customised to incorporate the local regulatory requirements.

- Risk Appetite

  The risk appetite defines the amount and types of risk that the Public Bank Group is able and willing to accept in pursuit of its business objectives. It also reflects the level of risk tolerance and limits to govern the Group's risk-taking activities. The Group risk appetite is articulated via a set of risk indicators, risk limits and risk guiding principles. All entities within the Group are required to develop risk indicators and risk limits having considered the Group's risk guiding principles and the respective entities' strategic business directions, risk taking capacity, risk profile and the operating environment.

- Risk Management Processes

  The four broad risk management processes to achieve a balanced risk-return framework are as follows:-




The risk management processes are supported by management information systems facilitating timely and accurate reporting of risks to the Board and Management for deliberation.

- Risk Culture

  The culture of managing risk is embedded in the day-to-day operations and decision-making process through the following:-

  - Strong corporate governance
  - Organisational structure with clearly defined roles and responsibilities
  - Effective communication
  - Commitment to compliance with laws, regulations and internal controls
  - Integrity in fiduciary responsibilities
  - Clear policies, procedures and guidelines
  - Continuous training

- **Group Compliance**

  The Public Bank Group's Compliance Policy, developed based on BNM Policy Document on Compliance, sets out the following principles for managing compliance risk and in cultivating high standards of integrity and conduct within the Group:-

  - Zero Tolerance Approach

    The Public Bank Group adopts a zero tolerance approach towards legal and regulatory non-compliance and all staff are expected to comply with the laws and regulations governing the Group's business

  - Compliance is Everyone's Responsibility

    Compliance is the responsibility of all staff, regardless of their position within the Public Bank Group

  - Risk-based Approach

    The Compliance Function undertakes a periodic Compliance Risk Assessment to identify and prioritise the legal and regulatory requirements applicable to the Public Bank Group

  The Board is assisted by the Compliance Committee ("CC") to oversee compliance matters including the implementation of the Public Bank Group's Compliance Policy.

  The Compliance Function of Public Bank and its major subsidiaries are responsible for the management of statutory and regulatory compliance risk of the Public Bank Group across all jurisdictions in which the Group operates. The Compliance Function's overall responsibility of coordinating the management of the Group's compliance risk is guided by the Group's Compliance Policy, which sets out the mandate of the Compliance Function for the Group and the compliance expectations for its entities to adopt and implement.

  Reports on compliance matters covering compliance findings, corrective measures, the latest regulatory environment and any discernible areas of regulatory focus such as anti-money laundering, counter financing of terrorism and counter proliferation financing are tabled to the CC for review and deliberations at the monthly meetings.

- **Shariah Governance, Risk and Compliance**

  The Shariah Governance Policy of Public Islamic Bank ("SGP"), developed based on BNM Policy Document on Shariah Governance, sets out the key principles to ensure the Islamic operations, business, affairs and activities are conducted in accordance with Shariah rules and principles. The SGP also sets out the responsibilities of the Board, Management, Shariah Committee and Shariah control functions, namely, Shariah Risk Management, Shariah Review & Compliance and Shariah Audit.

  Shariah non-compliance risks are managed as part of the enterprise risk management and are articulated in the Shariah Risk Management Policy of Public Islamic Bank. The Shariah risk management processes similarly encompass the three lines of defence approach as follows:-

  - First line of defence

    Shariah Division, business and support functions including entities and parties under Resource Sharing Arrangement

  - Second line of defence

    Shariah Risk Management and Shariah Review & Compliance

  - Third line of defence

    Shariah Audit

  The Shariah Advisory Function of Public Mutual and Public Investment Bank is carried out by their respective independent Shariah Advisers. On an ongoing basis, the respective entities' Compliance and Internal Audit Functions provide independent assessment on the state of Shariah compliance. This will include assessment on the adequacy and effectiveness of the internal controls, risk management tools and the governance process.

- **Technology and Cyber Risk Management**

  The Public Bank Group's Technology Risk Management Framework ("TRMF"), developed based on BNM Policy Document on Risk Management in Technology ("RMiT"), sets out the key principles of risk governance and risk management processes to enable the Group to manage technology and cyber risks in a robust and consistent manner. The Group's Cyber Resilience Framework ("CRF") sets out the risk management processes to manage cybersecurity risk and to strengthen cyber resilience on a continuous basis. Both frameworks ensure the Group's risk management practices and controls are aligned with regulatory requirements and financial services industry standards, supporting the effective management of technology and cyber risks to minimise adverse impact on customers and to the Group.

  The outcome of the reviews on technology control measures by respective entities' Information Technology Function are subject to independent review by Technology Risk Management, Compliance and Internal Audit Functions. External consultants are engaged periodically to conduct security assessments or penetration tests on the internal and external network infrastructure, critical systems and all internet-facing systems.

# Statement on Risk Management and Internal Control

Given the rapid evolving cyber threat landscape, the Public Bank Group continues to invest in cyber defence capabilities to protect its information assets against cyber threats and to strengthen its ability to detect and to respond to these threats. In addition, cybersecurity programme, cyber risk awareness, training and testing programme, cybersecurity incident response and crisis management and cyber insurance are in place to manage cyber risk.

- **Sustainability Management**

The Public Bank Group's Sustainability Framework is to integrate sustainability practices across the Group's business and operations. The Group's approach to sustainability is driven by four Sustainability Themes, being "Protecting the Environment", "Proficient Employees", "Prosperous Customers and Communities", and "Principled Conduct" and is aligned to the Group's strategic business directions.

The Board is assisted by the Board Sustainability Management Committee responsible to oversee the setting of the sustainability strategies, priorities and targets, in alignment with the Public Bank Group's sustainability commitments and goals.

At the management level, the Sustainability Management Committee oversees the implementation of the sustainability initiatives to progressively achieve the Public Bank Group's sustainability commitments and goals.

- **Reputation Risk Management**

The reputation of the Public Bank Group is founded on trust from its customers, shareholders, employees, regulators and from the public in general. Isolated events can undermine that trust and negatively impact the Group's reputation and it is therefore of utmost importance that it is protected. The Group's Policy on Managing Reputation Risk is established to ensure factors giving rise to reputation risk are identified, assessed, controlled/mitigated, monitored and reported. Procedures on the escalation and management of potential or current reputation events are in place to ensure any reputation events are managed timely and appropriately. With the wide use of social media, the social media views on the Group are also monitored as part of the overall reputation risk management processes.

## INTERNAL CONTROL SYSTEM

### Control Environment and Monitoring

- **Board Committees**

To discharge its stewardship and fiduciary obligations more effectively, the Board has delegated authority to various Board committees being the Nomination and Remuneration Committee, the Board Sustainability Management Committee, the Risk Management Committee, the Credit Risk Management Committee, the Compliance Committee and the Audit Committee to oversee specific responsibilities based on the approved terms of reference. Any change to the terms of reference of the Board committees requires the Board's approval.

- **Management Committees and Management Working Committees**

Management committees and the management working committees of Public Bank and its major subsidiaries are established to ensure the execution of the day-to-day business operations are consistent with the corporate objectives, strategies, risk appetite and business plans approved by the respective Boards.

The management working committees are the Human Resource Committee, the Credit Committee, the Operational Risk Management Committee, the Assets & Liabilities Management Committee, the Share Investment Committee, the Business Continuity Management Committee, the IT Steering Committee and the Sustainability Management Committee.

- **Internal Audit Function**

The Internal Audit Function of Public Bank and its major subsidiaries independently assesses the adequacy and effectiveness of risk management and internal control system as well as compliance with applicable laws, regulations and guidelines through the performance of regular audits of the operations and activities in accordance with the approved Annual Audit Plan.

The Internal Audit Function applies a risk-based approach to draw up the Annual Audit Plan and to determine the audit cycle of each auditable area. The Annual Audit Plan is approved by the respective entities' Audit Committee, Board Committee or the Board.

Outcome of the audit is tabled to the respective entities' Audit Committee or Board and the minutes of the Audit Committee meetings are tabled to their respective Boards. Audit issues on Shariah matters are escalated to the Shariah Committee or Shariah Adviser of the respective entities.

The Internal Audit Function follows up on the remedial actions to ensure the actions are executed timely and effectively to address and resolve the audit issues surfaced. The authority and independence of the Internal Audit Function are governed by the Internal Audit Charter approved by the respective Boards.

The Internal Audit Function also provides an annual assurance statement to the respective entities' Audit Committee and Board on the state, soundness and effectiveness of the risk management and internal control system put in place to manage and mitigate the associated risks arising from the business operations.

## Control Activities

- **Annual Business Plans, Budgets and Management Reports**

  Annual business plans and budgets of Public Bank and its major subsidiaries, developed in line with the Public Bank Group's strategic directions and risk appetite, are reviewed and approved by the respective Boards. Performance achievements are assessed against the approved budgets and actions are taken to address variances identified and are periodically escalated to the respective Boards. In addition, the respective Boards receive and review reports from the Management on a regular basis. These reports cover business propositions, proposals on introduction of new products or services and management reports highlighting the key financial and performance indicators, as well as developments and compliance requirements on legal and regulatory matters. The Boards deliberate on the reports to ensure appropriate actions are taken to resolve issues identified and where applicable, provide directions to the Management.

- **Internal Controls, Policies and Procedures**

  A system of internal controls based on segregation of duties, independent checks, segmented system access control and multi-tier authorisation processes is in place to ensure control procedures and limits are implemented and complied with. Authority limits are in place to govern the day-to-day risk-taking activities such as extension of credits, treasury operations, investments, acquisitions and disposals of assets. Policies and procedures to govern the business and operations of the Public Bank Group are formulated to ensure compliance with internal controls and relevant laws and regulations. These policies and procedures are subject to periodic review to ensure continuing relevance having considered the changes in the operational needs, business environment or regulatory requirements and are approved by the approving authorities prior to implementation.

  The adequacy and effectiveness of the internal controls, policies and procedures as well as the level of compliance with the relevant laws, regulations, policies and procedures are subject to ongoing assessment by the Risk Management, Compliance and Internal Audit Functions.

- **Business Continuity Management**

  Public Bank and its subsidiaries have established the Business Continuity Management Policy which sets out the objectives, scope, strategies and response procedures as well as the lines of authority and responsibility for effective implementation of business continuity management throughout the organisation. In addition, Business Continuity Plans ("BCP") and Disaster Recovery Plans ("DRP") are established for critical business functions and critical application systems respectively. Both the BCP and DRP are tested regularly to ensure the response plan encompassing the preparedness of staff, the readiness of alternate worksites, the reliability of backup IT systems, and the effectiveness of communication, escalation and recovery procedures are working as intended. The BCP is reviewed annually for its continued relevance. The DRP is updated for any changes in systems, applications and procedures.

- **Information Asset Security and Data Privacy**

  The Public Bank Group holds and processes confidential and personal information of customers, employees, business partners and suppliers as well as information relating to its own operations. To safeguard data privacy and prevent the misuse of confidential information, the Group has established principles and standards expected of staff when accessing and processing information in the course of their duties. In addition, policies, systems and control measures are put in place to ensure the information assets are properly managed, controlled and protected including but not limited to the collection, storage, use, transmission, sharing, disclosure and disposal of confidential and personal information in compliance with relevant laws.

- **Human Capital Management**

  The Public Bank Group manages its human capital according to a framework focusing on the employee lifecycle comprising attraction, recruitment, onboarding, retention, development and separation. Related policies and standard operating procedures have been established to manage staff-related risks.

  The Public Bank Group undertakes a structured screening in the acquisition and placement of talents designed to attract and match the right talents to job functions. Customised training programmes are in place to groom and nurture staff at all levels to enhance their professional competencies, knowledge and skills. Various awareness programmes are conducted regularly to inculcate ethical conduct and professionalism in the staff force.

  The Public Bank Group is committed in building and fostering a fair, secure and inclusive workplace for employees. The Group's Diversity, Equality and Inclusion Policy was established to drive equality, talent diversity and inclusion, by fostering an inclusive culture with equal opportunities, and free from discrimination and harassment. As part of the Group's commitment to maintaining a safe and conducive workplace, staff are encouraged to report any unlawful acts, social misconduct or inappropriate behaviour via the Group's existing reporting channels.

- **Code of Ethics**

  The Public Bank Group's Code of Ethics sets out the organisational values and ethical principles including the ethical standards of behaviour expected of all staff in the Group. It is aligned to the Financial Services Professional Board's Professional Code for the Financial Services Industry. The five fundamental ethical principles outlined in the Group's Code of Ethics are Competence, Integrity, Fairness, Confidentiality and Objectivity. They are observed in all business and professional dealings with all stakeholders.

# Statement on Risk Management and Internal Control

- **Anti-Fraud Policy**

  The Anti-Fraud Policy is established to ensure the Public Bank Group's business is conducted in accordance with the laws as well as to articulate the Group's zero tolerance approach towards any illegal and/or fraudulent acts.

  It also sets out the Public Bank Group's expectations on staff and the requirements relating to the prohibition, recognition, reporting and investigation of suspected fraud, corruption, misappropriation and other irregularities. The enforcement of the Anti-Fraud Policy enhances the management and control of the Group's reputational and operational risks arising from any fraudulent acts by staff. Disciplinary action will be taken against staff who breach the provisions of the Anti-Fraud Policy.

- **Anti-Bribery and Anti-Corruption Policy**

  The Public Bank Group is committed to conduct its activities free from any form of bribery, corruption or any acts contrary to its ethics and integrity. The Group adopts a zero tolerance approach towards any form of bribery and corruption. The Group Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") sets out the expectations and requirements for all staff and third parties working for, associated with or acting on behalf of the Group to understand their responsibilities, and uphold the highest standard of integrity and accountability in discharging their duties. Any breach of the ABAC Policy will result in disciplinary actions including staff dismissal and the right to terminate any relationships with third parties.

  The Ethics and Integrity Working Group is responsible to oversee the implementation of anti-bribery and anti-corruption programme and to promote culture of integrity within the Public Bank Group.

- **Whistleblowing Policy and Procedures**

  The Public Bank Group is committed to conduct its business and operations in an ethical, moral and legal manner. The Group Whistleblowing Policy and Procedures is in place to provide an avenue for all employees, interns, consultants, contractors, vendors, suppliers and/or customers to report any illegal, unethical, questionable practices or improper conduct committed or about to be committed within the Group and such disclosures are treated in strict confidence without any risk of reprisal.

## CONCLUSION

From the updates received from the Board Committees and assurance from the Management, the Board is of the view the Public Bank Group's risk management and internal control system is generally adequate and effective to safeguard the interests of shareholders, customers, employees and the Group's assets for the financial year under review and up to the date of approval of this Statement.

On the areas with heightened regulatory emphasis and heightened risks, particularly in the areas of cyber threat and information technology, Shariah compliance, anti-money laundering, counter financing of terrorism and counter proliferation financing, the Board continued to intensify its focus on these areas. All actions taken to manage the risks were reviewed to ensure effective and timely resolution. The Board will continue to review and enhance the internal controls, policies and procedures in response to developments in the operating and regulatory environment.

## REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants for inclusion in the annual report of the Public Bank Group for the year ended 31 December 2024, and reported to the Board that nothing has come to their attention that causes them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers; or

b) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Public Bank Group's risk management and internal control system including the assessment and opinion by the Board and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

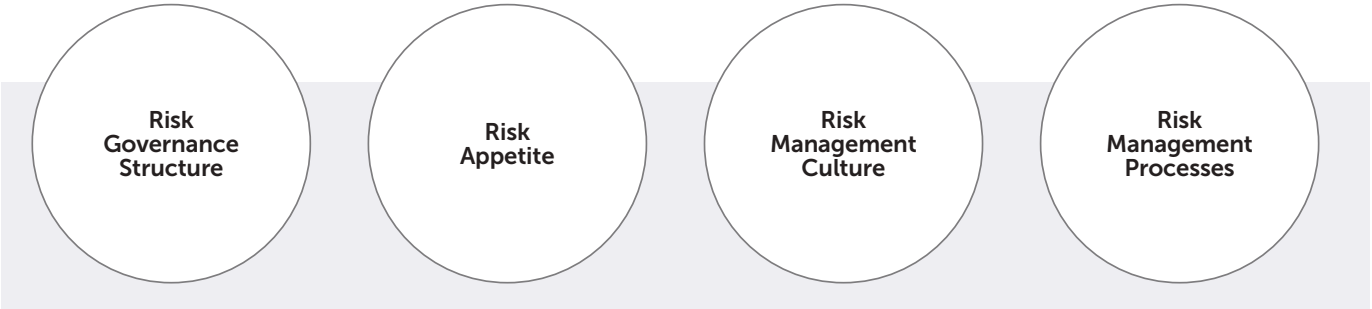
# Risk **Management**

## RISK MANAGEMENT OVERVIEW

The Public Bank Group's foundation to create value to its shareholders, customers, counterparties, employees, investors and the community it serves is premised on an effective risk management system across all lines of defence. This is supported by the Group's Risk Management Framework embedded into the day-to-day operations and decision making process.

## RISK MANAGEMENT FRAMEWORK

The key principles and components of the Public Bank Group's Risk Management Framework are as follows:




## RISK GOVERNANCE STRUCTURE

The Public Bank Group's risk governance structure is as follows:

**ESTABLISH RISK APPETITE & POLICY**

1. **Board of Directors**
2. **Risk Management Committee**
3. **Credit Risk Management Committee**
4. **Shariah Committee/Shariah Adviser**

**ENSURE IMPLEMENTATION OF RISK AND COMPLIANCE POLICY**

5. **Dedicated Risk Committees**
   - Assets & Liabilities Management Committee
   - Operational Risk Management Committee
   - Internal Capital Adequacy Assessment Process Working Group
6. **Credit Committee**
7. **Risk Management and Control Functions**
   - Risk Management Function
   - Compliance Function

**IMPLEMENT AND COMPLY WITH RISK POLICY**

8. **Support Functions**
   - Human Resource
   - Information Technology
   - Finance
   - Banking Operations
   - Credit Control, Administration & Supervision
   - Property
   - Security
9. **Business Functions**
   - Corporate Lending
   - Investment Banking
   - Islamic Banking
   - Retail Banking and Financing Operations
   - Share Broking
   - Fund Management
   - Treasury and Capital Market Operations

**11. AUDIT COMMITTEE**
(supported by Internal Audit Function)

# Risk Management

## BOARD OF DIRECTORS

The Board of Directors ("Board") is overall responsible for the Public Bank Group's risk management and internal control system. For this purpose, the Board:

- Ensures the corporate objectives are supported by sound risk strategies and an effective risk management framework that is appropriate to the nature, size and complexity of the Group's activities
- Is responsible for the overall oversight on the soundness of the risk management processes and internal controls
- Is responsible for the remuneration of the Senior Management and that the remuneration is aligned with prudent risk taking
- Provides direction and guidance to the Senior Management on the management of material risks.

## RISK MANAGEMENT COMMITTEE

The Risk Management Committee ("RMC") assists the Board to oversee the management of all material risks including inter-alia reviewing risk management frameworks and policies, reviewing risk management limits, risk exposures and portfolio composition and ensuring risk infrastructure, resources and systems are put in place for effective risk management oversight.

## CREDIT RISK MANAGEMENT COMMITTEE

The Credit Risk Management Committee assists the Board in discharging its oversight role over the management of credit risk including inter-alia in ensuring the risk infrastructures and systems are able to manage and control the risk taking activities within the credit risk appetite and credit risk strategy.

## COMPLIANCE COMMITTEE

The Compliance Committee is responsible for the oversight of compliance management system which encompasses assessment of compliance risk profile and evaluation of compliance risks. The Compliance Committee deliberates on identified compliance issues regularly to ensure they are resolved effectively, and adequate infrastructure, resources, processes and systems are in place to effectively manage compliance risks.

## AUDIT COMMITTEE

The Audit Committee assists the Board to review and evaluate the adequacy, soundness and effectiveness of the risk management systems, internal controls, anti-bribery and anti-corruption measures, whistleblowing policy and procedures, financial reporting disclosures and governance processes implemented in Public Bank.

The Audit Committee also reviews the appropriateness, adequacy and timeliness of the remedial actions taken by the Management to address and resolve any control weaknesses and operational lapses highlighted by the internal and external auditors, and the regulators in ensuring continuous compliance with the applicable laws and regulatory requirements as well as internal policies.

Additionally, Audit Committee also reviews the appropriateness of the risk thresholds for statistical tests used in the quantitative assessment of various credit models. The model validation results of various MFRS 9 models, including recommendations arising from the model validation exercise were also tabled to the Audit Committee for review and concurrence.

The Audit Committee reviews the independent review report on the assessment outcome of the Operational Risk Scenario Analysis/Stress Test exercise so as to ascertain whether the governance process and established policies and procedures for the exercise are adequate and the assumptions applied are reasonable.

## SHARIAH COMMITTEE

The Shariah Committee ("SC") is responsible to provide advice to ensure Public Islamic Bank Berhad's operations, business, affairs and activities are conducted in accordance with Shariah principles. This includes advising the Board and Management on the application of any Shariah Advisory Council's ("SAC") rulings or standards on Shariah matters, endorsing Shariah related policies, products and services and the relevant documentation in relation to Islamic banking operations. The SC is also responsible to deliberate and affirm the status of any potential Shariah Non-Compliance ("SNC") event confirmed by Potential SNC Committee and endorse rectification measures to address the actual SNC events prior to the approval by the Board.

## DEDICATED RISK COMMITTEES

The dedicated risk committees assist the RMC in the management of all material risks. The committees are responsible for the effective implementation of the risk management strategies and policies as approved by the Board or RMC. The key responsibilities of the dedicated risk committees are as follows:

- Formulating processes and internal practices to operationalise the risk policies and risk limits
- Ensuring all relevant and material risks including emerging risks associated with the Public Bank Group's business operations are identified, assessed and mitigated to the levels within the risk appetite or risk limits
- Designing monitoring and reporting procedures to ensure risks identified are surfaced for deliberation and actions

## RISK APPETITE

The Public Bank Group's risk appetite defines the amount and the types of risk that the Group is able and willing to accept in pursuit of its business objectives. It also reflects the level of risk tolerance and limits to govern, manage and control the Group's risk taking activities. The strategic objectives, business plans, desired risk profile and capital plans are aligned to the risk appetite.

## RISK MANAGEMENT CULTURE

The culture of managing risk is embedded into the day-to-day operations and decision-making process through the following:

- Strong corporate governance
- Organisational structure with clearly defined roles and responsibilities
- Effective communication
- Commitment to compliance with laws, regulations and internal controls
- Integrity in fiduciary responsibilities
- Clear policies, procedures and guidelines
- Continuous training

## RISK MANAGEMENT PROCESSES - PRINCIPAL RISKS

The principal risks of the Public Bank Group together with the implications to the Group and key risk management processes are outlined below.

| Principal Risks | Definition & Impact | Key Risk Management Processes & Internal Controls |
|---|---|---|
| **Credit Risk (including counterparty credit risk and country risk)** | Risk of defaults by the borrowers/ customers or counterparties through lending/financing/premium receivables, reinsurance, hedging, trading and investing activities<br><br>**Impact on:**<br>FC Financial Capital<br>SC Social Capital<br>IC Intellectual Capital | • Credit policy incorporating prudent and responsible lending criteria and guidelines to manage credit risk<br>• Defined levels of authority to ensure the role of approving authorities commensurate with the level of credit experience, complexity of the credit and clear segregation of duties between parties originating and approving credits<br>• Monitoring mechanisms to identify potential distress for early intervention and/or to take prompt recovery actions<br>• Independent credit review on large loan application, credit request and review<br>• Adherence to the Insurance Credit Policy for managing the receivables of insurance contracts and reinsurance contracts |
| **Market Risk** | Risk of movements in market variables, including interest/profit rates, foreign exchange rates, credit spreads, commodity prices and equity prices<br><br>**Impact on:**<br>FC Financial Capital<br>IC Intellectual Capital | • Identify market risk exposure through active portfolio analysis and sensitivity testing<br>• Market risk policies, methodologies and internal controls are in place<br>• Derivative activities for trading are strictly prohibited. Approval from the Board is required<br>• Hedging interest rate/rate of return risk and foreign exchange risk to manage risk exposures within the risk appetite |

# Risk Management

| Principal Risks | Definition & Impact | Key Risk Management Processes & Internal Controls |
|---|---|---|
| **Liquidity and Funding Risk** | Risk of insufficient financial resources to meet obligations due and/or inefficient funding structure resulting in high funding cost<br><br>**Impact on:**<br>FC Financial Capital<br>IC Intellectual Capital | • A range of funding strategies to maintain a stable, diversified and balanced funding portfolio<br>• Subsidiaries are to attain self-funding position<br>• Liquidity risk policies, methodologies and tools are employed to manage liquidity risk<br>• Liquidity stress test to assess vulnerabilities and the adequacy of liquidity buffer<br>• Integration of Contingency Funding Plan with Recovery Planning and Business Continuity Management to ensure effective crisis management |
| **Operational Risk** | Risk of loss resulting from inadequate or failed internal processes, people and systems or from external events<br><br>**Impact on:**<br>FC Financial Capital<br>MC Manufactured Capital<br>HC Human Capital<br>IC Intellectual Capital | • Day-to-day management of operational risk through system of internal controls and risk management processes<br>• Operational risk management tools such as loss incident management, Risk and Control Self-Assessment, Key Risk Indicators and Scenario Analysis to enable assessment of risks and improve operational resilience<br>• Introduction of new products or services and variations are subject to a systematic evaluation process to ensure all related risks are identified and mitigated<br>• Disaster recovery and business continuity plans covering all critical business operations to ensure continued provision of essential services |
| **Technology and Cyber Risk** | Risk of ineffective IT strategy, failures or breaches of IT systems, applications, platforms, infrastructure, processes or human errors which could result in financial loss, disruptions in financial services or operations, or reputational harm<br><br>**Impact on:**<br>FC Financial Capital<br>MC Manufactured Capital<br>IC Intellectual Capital | • Technology Risk Management Framework and Cyber Resilience Framework are established to govern the effective management of technology and cyber risk<br>• Cloud Risk Management Policy is established to set out the minimum standards incorporating the regulatory requirements as well as the risk management processes to safeguard the confidentiality, integrity and availability of data handled through cloud services and to ensure service reliability<br>• Regular IT risk assessment to assess the resilience of the IT infrastructure and adequacy of cybersecurity preparedness and to identify areas for enhancement<br>• "Red Team" exercise emulating real-world attacker scenarios based on predefined objectives is conducted to identify potential security vulnerabilities<br>• Risk assessment is conducted prior to implementing new e-banking services or material enhancement to the e-banking services<br>• Systems development life cycle procedures to govern the development, testing, implementation and maintenance of information systems<br>• Conduct continuous cyber security awareness programs/ trainings such as phishing email attack tests and e-learning modules on information security |

| Principal Risks | Definition & Impact | Key Risk Management Processes & Internal Controls |
|---|---|---|
| **Capital Risk** | Risk of insufficient capital to meet the capital required to support the business growth strategies, risk profile and regulatory capital<br><br>**Impact on:**<br>FC Financial Capital<br>IC Intellectual Capital | • Internal Capital Targets established under the Internal Capital Adequacy Assessment Process ("ICAAP") and are subject to annual review<br>• Monitoring of capital positions against Internal Capital Targets<br>• Enterprise stress test to assess the adequacy of capital to withstand stress scenarios<br>• Capital deficiency plan to identify early warning signals of capital deficiency and the accompanying capital restoration strategies<br>• Recovery plan established to define recovery indicators, escalation processes and a set of management actions to address severe stress events that may threaten the Group's viability |
| **Reputation Risk** | Risk of negative perception by customers, counterparties, shareholders, investors, debt-holders, market analysts, staff, community, other relevant parties or regulators (collectively known as stakeholders) affecting the ability to maintain existing or establish new business relationships and access to funding<br><br>**Impact on:**<br>FC Financial Capital<br>SC Social Capital<br>IC Intellectual Capital | • Identify risk drivers and emerging risk that may have an impact on reputation and assessment of the controls in place to manage the risks<br>• Establish procedures on the escalation and management of any potential or current reputation events |
| **Strategic Risk** | Risk of the internal and external events that challenges the ability of the Group to achieve its strategic goals or objectives<br><br>**Impact on:**<br>FC Financial Capital<br>MC Manufactured Capital<br>HC Human Capital<br>SC Social Capital<br>IC Intellectual Capital | • Regular review of business plans and targets taking into account the market conditions and developments<br>• Monitoring of the achievements against the business targets and prompt actions are instituted to arrest any variances identified and escalated periodically to the respective Boards<br>• Strategy Management Policy sets out the governance and strategy management process to oversee the implementation of strategic directions |

# Risk Management

| Principal Risks | Definition & Impact | Key Risk Management Processes & Internal Controls |
|---|---|---|
| **Shariah Non-Compliance ("SNC") Risk** | Risk of legal or regulatory sanctions, financial loss or non-financial implications including reputational damage, which the entities may suffer arising from failure to comply with the rulings of the SAC of BNM and/or the SAC of Securities Commission Malaysia, Bursa Malaysia, standards on Shariah matters issued by BNM pursuant to section 29 (1) of the Islamic Financial Services Act 2013, or decisions or advice of the respective entities' Shariah Committee/Shariah Advisers<br><br>**Impact on:**<br>FC Financial Capital<br>SC Social Capital<br>IC Intellectual Capital | • Shariah Governance Policy, Shariah Risk Management Policy, SNC Event Reporting and Escalation Guidelines and other relevant Shariah policies and procedures to manage the compliance with Shariah principles of the Islamic banking operations<br>• Shariah risk management tools such as Risk and Control Self-Assessment, Key Risk Indicators and SNC incident reporting and Scenario Analysis<br>• New Islamic products or services introduced and variations are subject to a systematic evaluation process<br>• Continuous enforcement of Shariah compliance culture, awareness and upgrading staff knowledge<br>• Certification in Islamic Finance e.g. Islamic Banking and Finance Institute Malaysia's Fundamental Certificate in Islamic Banking, Associate Qualification in Islamic Finance and Certified Professional Shariah Auditor<br>• Independent review program to assess Shariah Compliance at Islamic Banking Units |
| **Compliance Risk** | Risk of failure to comply with legal and regulatory requirements applicable to its activities resulting in regulatory sanctions<br><br>**Impact on:**<br>FC Financial Capital<br>MC Manufactured Capital<br>HC Human Capital<br>SC Social Capital<br>IC Intellectual Capital | • Policies and procedures to ensure compliance with internal controls and the relevant laws and regulations are set out in operations manuals, guidelines and directives which are updated periodically<br>• Compliance Function undertakes Compliance Risk Assessment ("CRA") to identify and prioritise the legal and regulatory requirements and develops appropriate testing and resource plans based on the results of the CRA, to assess, monitor and report on compliance risk<br>• Resident/Mobile Compliance Officers are deployed to perform compliance checks at branches, Hire Purchase ("HP") Centres, HP Hubs and Securities Documentation Centres<br>• Dedicated Compliance Officers are appointed to support the business/support units to establish and execute their compliance risk mitigation strategies and processes<br>• Compliance Checklists are the core tools to monitor the compliance status of the compliance risk areas at each business/support unit within the Group |

| Principal Risks | Definition & Impact | Key Risk Management Processes & Internal Controls |
|---|---|---|
| **Climate Risk** | Risks from climate change, the related impacts and the economic and financial consequences, as a result of physical damage caused by extreme weather events, from transitioning towards a low-carbon economy or increased climate-related compensation and litigation cases<br><br>**Impact on:**<br>FC Financial Capital<br>MC Manufactured Capital<br>HC Human Capital<br>SC Social Capital<br>IC Intellectual Capital<br>NC Natural Capital | • Climate Related Risk Management Policy setting out the risk governance and risk management practices to ensure climate-related risks are progressively identified, measured, mitigated and monitored<br><br>*For more information, please refer to 'Disclosures Aligned with Task Force on Climate-Related Financial Disclosures' of the Sustainability Report on pages 244 to 263* |
| **Insurance Risk** | Risk arising from insurance business (i.e. underwriting & claims).<br><br>**Impact on:**<br>FC Financial Capital<br>MC Manufactured Capital<br>HC Human Capital<br>SC Social Capital<br>IC Intellectual Capital<br>NC Natural Capital | • Ongoing discussion of Group's specific trends, changes in business environment and claims processes<br>• Balance of portfolio to ensure spread of risk<br>• Annual independent review of product pricing<br>• Annual review of underwriting guidelines<br>• Monitoring exposures of the flood-prone areas for prudent underwriting practices<br>• Regular monitoring of claims experience<br>• Stress-testing to identify potential threats due to exceptional but adverse plausible events |

The Public Bank Group's risk management governance and approaches, together with the various analyses of risk exposures are detailed in:

i. Note 47 to the financial statements
ii. Pillar 3 Disclosure

# Ethics, Integrity **and Trust**

*"I would like to reiterate that in the Public Bank Group, an irreproachable standard of ethical behaviour and a strong sense of responsibility in self-regulation is upheld. This is an area where Management will not compromise. We have to impose on ourselves standards of business conduct that go beyond the letter of the law."*

**The late Tan Sri Dato' Sri Dr. Teh Hong Piow**

## ETHICAL LEADERSHIP

As a bank for the people and a custodian of public funds, the Public Bank Group is committed to maintaining the highest level of professionalism and integrity in all its dealings to safeguard the interest and confidence of its stakeholders such as customers, shareholders, employees and the society as a whole.

Excellence, uncompromised integrity and strong work ethics are embedded in the Public Bank Group's collective psyche. Such culture of ethics and integrity of the Group are set from the top with the Board of Directors setting the exemplary corporate conduct and strategic direction.

Robust integrity focused policies have been established to foster a strong ethics and compliance culture.

## THE PUBLIC BANK GROUP'S CODE OF ETHICS

The Public Bank Group's Code of Ethics is aligned to the Financial Services Professional Board's Professional Code for the Financial Services Industry. The Group's Code of Ethics is encapsulated in the five (5) Fundamental Ethical Principles as follows:

| Fundamental Ethical Principles | Concise Definition |
|---|---|
| 1. Competence | To develop and maintain the relevant knowledge, skills and behaviour to ensure that activities are conducted professionally and proficiently. |
| 2. Integrity | To be honest and open in all business dealings or relationships. Behaving in an accountable and trustworthy manner. |
| 3. Fairness | To be responsible and take actions that are fair and transparent towards all stakeholders. |
| 4. Confidentiality | To protect the confidentiality and sensitivity of information, including customer's relationship with Public Bank. |
| 5. Objectivity | To not allow bias, conflict of interest or undue influence of others to override business and professional judgement. |

## FIT AND PROPER POLICY FOR KEY RESPONSIBLE PERSONS

The Fit and Proper Policy for Key Responsible Persons has been developed in accordance with the Bank Negara Malaysia's policy document of Fit and Proper Criteria to ensure that the key positions of the Public Bank Group are led by competent personnel who fulfil the following criteria:

- **Probity, Personal Integrity and Reputation –** possess the personal qualities such as honesty, integrity, diligence, independence of mind and fairness;
- **Competence and Capability –** have the relevant knowledge, skills, experience, ability and commitment to carry out the person's role; and
- **Financial Integrity –** able to manage personal financial affairs properly and prudently.

It is also a requirement for all members of Senior Management to declare whether they hold an aggregate interest of 5% or more in the shares of Public Bank during their initial fit and proper assessment to preserve an appropriate separation between ownership and management of the Public Bank Group. Thereafter, they are required to inform the Bank as and when there are changes pertaining to their declaration.

## INVESTOR PROTECTION POLICY

The Public Bank Group complies with the prevailing provisions of the Capital Markets and Services Act 2007 and its amendments to preserve market integrity by regularly maintaining and developing its policies, systems and internal controls, including adherence to the following:

- Standards on *'fit and proper'* on its employees carrying out permitted capital market activities;
- Investor protection; and
- Maintenance of a register of names of employees undertaking permitted capital market activities.

## DIVERSITY, EQUALITY AND INCLUSION ("DEI") POLICY

The Public Bank Group unwaveringly believes that it is its people who define the Group, spearhead growth of the business and further entrench the Group's reputation as one of Malaysia's most respected financial institutions.

The Public Bank Group's DEI Policy demonstrates the Group's commitment to drive positive change and foster a workplace where individuals from diverse backgrounds feel welcomed and receive the necessary support to grow, thrive and contribute.

The Public Bank Group has zero tolerance towards any discrimination and harassment as they are contrary to the Group's corporate culture and core values. As part of the Group's commitment to maintaining a respectful workplace, employees are encouraged to report any unlawful acts/misconduct/inappropriate behaviour via whistleblowing channels and staff grievance portal. Employees in violation of the DEI Policy will be subject to disciplinary action(s) corresponding to its severity in accordance with the Public Bank Group's Consequence Management Framework.

## COMPLIANCE POLICY

The Public Bank Group recognises that the quintessence of compliance lies in its proactive stance toward identifying, assessing and managing risks meticulously.

The Public Bank Group's Compliance Policy clearly sets out the requirements of compliance, governance as well as roles and responsibilities of the Board of Directors, Senior Management, Business and Support functions as well as employees in managing compliance risk.

The Public Bank Group's Compliance Policy has been enacted to ensure the integrity of the Group's operations with the following objectives:

- To set out the roles and responsibilities of the Board of Directors, Senior Management and employees of the Public Bank Group in managing compliance risk;
- To set out the mandate of the Compliance Function for the Public Bank Group;
- To set out the compliance requirements and standards for the Public Bank Group;
- To set out the operating model for Compliance Function with regards to the identification, management and reporting of compliance risk; and
- To promote a corporate culture that upholds high standards of zero tolerance for legal and regulatory non-compliance, integrity and ethics in the conduct of the Public Bank Group's business.

The Public Bank Group's Compliance Policy stipulates three (3) over-arching principles:

√ ***'Zero Tolerance Approach' towards legal and regulatory non-compliance***
All employees are expected to comply with the laws and regulations governing the Public Bank Group's business and operations.

√ ***'Compliance is Everyone's Responsibility'***
All employees, regardless of their position are responsible for the effective management of compliance risk within their work scope.

√ ***'Risk-based Approach' in managing compliance risk***
The Compliance Function undertakes a periodic Compliance Risk Assessment to identify and prioritise the legal and regulatory requirements set out by regulators, relevant to the Public Bank Group.

## ANTI-FRAUD POLICY

The Public Bank Group continuously inculcates a culture of vigilance among employees in identifying, handling and combating fraud.

The stringent and uncompromising adherence to the Public Bank Group's zero tolerance stance towards fraud and ethical conduct has long been embedded in the business processes and embraced as a corporate philosophy.

The Public Bank Group's Anti-Fraud Policy underscores its commitment to eliminate fraud from all its business activities.

The key objectives of the Public Bank Group's Anti-Fraud Policy are as follows:

- To ensure the Public Bank Group's business is conducted in accordance with the law;
- To nurture an environment of honesty and integrity;
- To promote awareness of the Public Bank Group's stand on improper, illegal and dishonest acts and the consequences of such acts; and
- To create employee awareness of their roles, rights and responsibilities in relation to improper, illegal and dishonest acts.

## ANTI-BRIBERY AND ANTI-CORRUPTION ("ABAC") POLICY

The Public Bank Group is committed to conducting its business and operations in accordance with the highest standards of ethics and integrity. The Group adopts a zero-tolerance policy against all forms of bribery and corruption. The culture of compliance is imbued into the very fabric of the Group's organisational ethos and values.

The Public Bank Group's ABAC Policy complies with all the applicable laws and regulations, including but not limited to Malaysian Anti-Corruption Commission Act 2009 and its amendments which are applicable to the Group's business.

The Public Bank Group's ABAC Policy has been in place with the following objectives:

- To build and foster a business environment which is free of bribes and corruption, enhancing integrity, transparency and accountability;

# Ethics, Integrity and Trust

- To inculcate in all members of the Board of Directors and the employees the commitment of the Public Bank Group against corruption in all its forms, including bribery; and
- To define what constitutes bribery and corruption and other prohibited practices.

## ANTI-MONEY LAUNDERING, COUNTERING FINANCING OF TERRORISM, COUNTERING PROLIFERATION FINANCING AND TARGETED FINANCIAL SANCTIONS ("AML/CFT/CPF AND TFS") POLICY

The Public Bank Group's commitment to combat the evolving risks of AML/CFT/CPF and TFS is demonstrated through its robust and comprehensive AML/CFT/CPF and TFS Framework and Policy encompassing extensive infrastructure and system of internal controls to curtail illicit activities and safeguard the financial system.

The key objectives of the Public Bank Group's AML/CFT/CPF and TFS Policy are as follows:

- To set out the expectation of AML/CFT/CPF and TFS requirements for the entities within the Public Bank Group; and
- To establish a framework to ensure that all employees understand and comply with the AML/CFT/CPF and TFS requirements to combat against money laundering or terrorism financing and proliferation of financing risks.

## WHISTLEBLOWING POLICY AND PROCEDURES ("WBP")

A robust Whistleblowing Policy is fundamental to an open and effective speak-up culture leading to a transparent, compliant and ethical work environment.

The Public Bank Group's WBP is in line with BNM's Policy Document on Corporate Governance, Standard on Whistleblowing for Financial Institutions by the Financial Services Professional Board as well as the principles set out in the Whistleblower Protection Act 2010.

The objectives of the WBP are:

- To provide an avenue or channel(s) for employees and third parties (e.g. interns, consultants, contractors, vendors, suppliers, customers) to disclose any alleged illegal, unethical, questionable practices or improper conduct within the Public Bank Group; and
- To set out the protection accorded to the whistleblowers who disclose such allegations in good faith.

A Non-Executive Director who is also the Chairman of the Audit Committee is responsible for the effective implementation of the WBP.

## ANTI-SEXUAL HARASSMENT POLICY

The Public Bank Group endeavours to maintain a work environment where employees are treated with dignity and respect. Such environment is characterised by mutual trust and the absence of intimidation, oppression, exploitation, harassment, humiliation or any abusive behaviour. The Group has zero-tolerance towards any form of sexual harassment.

Various reporting channels are available for employees who have knowledge of sexual harassment and/or the victims to lodge a report. All reports of sexual harassment are treated seriously and in strict confidence. Employee who is found to be in violation of this Policy will be subject to disciplinary action(s) in accordance with the Public Bank Group's Consequence Management Framework.

The key objectives are as follows:

- To prevent and eradicate sexual harassment in the workplace;
- To provide a safe and healthy working environment in every place of employment where individual employees irrespective of status or position are treated with dignity and free from any form of harassment, humiliation and intimidation of a sexual nature;
- To educate and create awareness among employees on what constitute sexual harassment in the workplace;
- To educate and create awareness among employees on the available channels for reporting sexual harassment at the workplace; and
- To set out the consequences of policy violations by employees.

## SOCIAL MEDIA POLICY

Social media has emerged as a formidable force that has revolutionised the way we communicate, share information and interact with the world around us. Such paradigm shift in social media, however, also presents challenges such as misinformation, privacy concerns and security risks which must be managed vigilantly to mitigate related risks.

The Public Bank Group's Social Media Policy serves as the employee's guidebook for navigating the dynamic social media landscape, by setting clear expectations for ethical conduct in social media, both in a professional and personal capacity. It reflects the shared responsibility of the Group and its employees in safeguarding the Group's reputation in the online sphere.

The Public Bank Group's Social Media Policy articulates the following objectives:

- To set out the guidelines and standards expected of all employees on the responsible and ethical usage of social media by all employees of the Public Bank Group; and
- To set out the possible consequences of policy violation by employees.

## INFORMATION SECURITY POLICY

The Public Bank Group's Information Security Policy underscores its resolute commitment to continuously uphold the confidentiality, integrity and availability of data. It serves as the foundation for establishing a secure environment and mitigating potential risks in respect of the data residing within the Group's IT infrastructure.

The Public Bank Group adopts a structured approach to the information security management where the principles, conduct and action required in protecting data and intellectual property from any security threats as well as procedures for mitigating IT security risks are clearly set out in the Group's Information Security Policy.

The objectives of this Policy are as follows:

- To protect the Public Bank Group's information from possible threats whether internal or external, deliberate or accidental;
- To enable secure information sharing;
- To ensure all employees are aware of their roles and responsibilities in managing and protecting the confidentiality and integrity of the information they handle;
- To protect the Public Bank Group from legal liability due to inappropriate use of its information; and
- To comply with applicable laws and regulations such as Financial Services Act 2013, Personal Data Protection Act 2010 etc.

## STAFF GRIEVANCE POLICY

The Public Bank Group genuinely cares for the wellbeing of employees and strongly believe that regular and effective communication is integral to reduce conflict and misunderstanding. The Group's Staff Grievance Policy acts to spearhead a positive, fair and supportive workplace. Staff may voice their concern via the Group Staff's Grievance Portal where all grievances are managed in a fair and equitable manner aimed to resolve any conflict amicably.

The objectives of this Policy are as follows:

- To set out the channel and procedures for staff to submit their grievance(s) (e.g. violation of or unfair labour practices, violation of human rights, dissatisfactions with their terms of employment etc); and
- To ensure any grievances received are brought up for the timely attention of Management in order to achieve a quick and amicable resolution/settlement at the lowest possible level to maintain industrial harmony as well as a positive and conducive working environment.

## EMBEDDING ETHICS, INTEGRITY AND TRUST IN THE PUBLIC BANK GROUP'S CORPORATE CULTURE

The sustenance of ethical culture is an intricate task requiring continuous engagement, reinforcement of core values and leadership by example. The Public Bank Group's commitment to nurturing an ethical and compliance culture stands as a beacon of integrity and trust and has embedded the following encompassing initiatives and measures into the Group's human resource management and practices:

- Stringent and vigorous pre-employment screening on potential incumbents in order to prevent or minimise infiltration of undesirable elements into the staff force;
- Incorporation of applicable guidelines and policies in the offer letter and service undertaking to be read, understood and acknowledged by all employees upon their appointment;
- Emphasis of the guidelines and policies during induction programme for new employees;
- Regular reminders via employee circulars;
- Comprehensive training on the standards of ethical conduct expected of employees in the Public Bank Group with emphasis on:
  - Enhancing employees' knowledge on regulatory requirements;
  - Enabling employees to understand and internalise the ethical standards set by the Public Bank Group;
  - Equipping employees with knowledge and skills to handle ethical dilemmas with integrity;
  - Equipping employees with knowledge and skills to detect early warning signs of fraud and malpractices; and
  - Enabling employees to comply with the Public Bank Group's Codes of Ethics and Conduct, the Group's Compliance Policy and the Group's Anti-Bribery and Anti-Corruption Policy.
- Extensive supervisory control and procedures in the Public Bank Group's daily operations to ensure scrupulous dealings;
- Checks and monitoring on employee compliance with relevant guidelines or policies by internal audit or compliance team on a regular basis;
- Implementing a performance management system incorporating the achievement of expected ethical standards, governance and compliance in the performance evaluation criteria; and
- Adopting strategic risk governance on employee remuneration through malus reversal or downward revaluation of rewards in the event of fraud and/or misconduct.

## PRUDENTIAL FRAMEWORK AGAINST UNETHICAL PRACTICES

The Public Bank Group subscribes to a corporate culture where *'integrity'* is an utmost critical factor in its business considerations. This uncompromised ethical excellence is in the DNA of the Group.

The Board of Directors are actively involved in steering the direction and setting the tone across each segment of employees. Senior management and employees are collectively responsible to shape, uphold and perpetuate the trust and ethical culture of the Public Bank Group.

The Public Bank Group therefore will not hesitate to take stern disciplinary action in accordance with its Consequence Management Framework on any non-compliance with the laws, the Group's policies, rules or regulations in order to protect the interest of the Group and its stakeholders. Any integrity and ethics violations are reported to the Board of Directors for its supervisory oversight of the ethical climate within the Group.

# Audit Committee **Report**

## COMPOSITION

The Audit Committee is a Board-delegated Committee established by the Board of Directors. The Audit Committee comprises five (5) Members, all of whom are Independent Non-Executive Directors and the Chairman of the Board of Directors is not a Member of the Audit Committee.

The Members of the Audit Committee collectively have a wide range of skills, knowledge and experience necessary to discharge their duties. These include accounting, assurance and advisory services, information technology as well as banking related expertise and experience, ranging from finance/corporate finance and consumer/investment banking. In addition, one (1) Member of the Audit Committee is a Chartered Accountant of the Malaysian Institute of Accountants.

The composition of the Audit Committee is in compliance with the requirements set out in the following:

- Policy Document on Corporate Governance issued by Bank Negara Malaysia on 3 August 2016;
- Malaysian Code on Corporate Governance revised by the Securities Commission Malaysia on 28 April 2021; and
- Chapter 15 of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements in relation to Corporate Governance which were amended and updated on 26 May 2023.

## ATTENDANCE OF MEETINGS

Pursuant to the Terms of Reference of the Audit Committee which stipulates that meetings shall be held not less than 12 times a year, the Audit Committee had met 17 times in year 2024. The attendance of each Audit Committee Member at the meetings held during the year is shown in the table below:

| Name of Audit Committee Members | Attendance at Audit Committee Meetings |
|---|---|
| **Dato' Mohd Hanif bin Sher Mohamed**<br>*Chairman/Independent Non-Executive Director* | 17/17 |
| **Ms Tham Chai Fhong**<br>*Member/Independent Non-Executive Director* | 17/17 |
| **Mr Lim Chao Li**<br>*Member/Independent Non-Executive Director* | 17/17 |
| **Ms Gladys Leong**<br>*Member/Independent Non-Executive Director* | 17/17 |
| **Ms Teoh Meow Choo**<br>*Member/Independent Non-Executive Director* | 17/17 |

## ROLES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

The Board-approved terms of reference including the roles and responsibilities of the Audit Committee were drawn up with reference to and in compliance with the requirements as set out in the Bank Negara Malaysia's Policy Document on Corporate Governance, Bursa Malaysia Securities Berhad's Main Market Listing Requirements and Securities Commission Malaysia's Malaysian Code on Corporate Governance. Public Bank's Audit Committee is supported by the respective Audit Committees established at the subsidiaries as the case may be.

In discharging its duties, the Audit Committee is empowered to carry out its roles and responsibilities with unambiguous authority to investigate any matter within its terms of reference, to seek independent professional advices, if necessary, and to require essential resources to perform its duties. The Audit Committee has full and unrestricted access to any information and documents pertaining to Public Bank and the Public Bank Group provided that such access and/or the disclosure of the information and documents by Public Bank and/or Public Bank Group is permitted, not restricted and/or prohibited under all applicable laws in the relevant jurisdiction, whether in or outside of Malaysia including but not limited to Financial Services Act 2013 and Islamic Financial Services Act 2013.

The Audit Committee is supported by an independent Internal Audit function established by the Board of Directors in accordance with the Bank Negara Malaysia's Guidelines on Internal Audit Function of Licensed Institutions. The Internal Audit function performs ongoing periodic reviews and assessments on the adequacy and effectiveness of the established risk management systems, internal controls, anti-corruption measures, whistleblowing policy and governance processes and reports the outcome of such reviews and assessments to the Audit Committee in its monthly meetings.

The roles and responsibilities of the Audit Committee, amongst others, include the following:

- Reviews the adequacy, soundness and effectiveness of the risk management systems, internal controls, anti-corruption measures, whistleblowing policy and governance processes implemented in Public Bank.
- Reviews and recommends any proposed revisions to the Internal Audit Charter ("IAC") to the Board of Directors for approval as well as approves the annual audit plan, annual training plan for Internal Audit Division's staff and any new/proposed revisions to the Internal Audit frameworks.
- Assesses and approves the appointment, replacement and dismissal of the Group Chief Internal Auditor ("GCIA"). On an annual basis, the Audit Committee assesses the suitability of the GCIA in assuming his position in accordance with the fit and proper criteria as approved by the Board of Directors. The Audit Committee also approves the recruitment and dismissal of Senior Management staff of Internal Audit as well as reviews the annual performance appraisals of the GCIA and the Senior Management staff of the Internal Audit and approves their remunerations as proposed by Human Capital Management.
- Reviews the Internal Audit activities and evaluates the performance and effectiveness of the Internal Audit against the approved key performance indicators. The Audit Committee also reviews the adequacy of the Internal Audit's authority and resources to carry out its work effectively, objectively and independently and that the Internal Audit staff are free from any conflict of interest arising, either from their professional or personal relationships or from other interest in the Bank or activity which is subject to audit.
- Reviews the external and internal audit reports to ascertain that appropriate remedial actions are taken timely by Management to address and resolve identified key issues/significant lapses in controls and procedures. The Audit Committee also notes any significant disagreements over audit issues between the GCIA and the Bank's Senior Management team, irrespective of whether these issues have been resolved, in order to identify the impact of such disagreements that may have on the audit processes or findings.
- Reviews the audit report on related party transactions on a quarterly basis for assurance that these transactions are conducted at arm's length and to advise the Board of Directors should there be any irregularities noted.
- On its role with regard to financial reporting, the Audit Committee is entrusted to review the unaudited quarterly and half-yearly financial results and annual audited financial statements of Public Bank and the Public Bank Group prior to its recommendation to the Board of Directors for approval. The Audit Committee, through the Internal Audit function, ascertains that the Bank's financial reporting process is reliable and transparent.
- Reviews and assesses the performance of the external auditors pursuant to the requirements as set out in Bank Negara Malaysia's Policy Document on External Auditor and based on the set of criteria stipulated in the Public Bank Group's Policy for the Appointment/Re-appointment of External Auditors for Audit and Non-Audit Services. This includes a comprehensive assessment conducted on the performance of the external auditors prior to recommendation to the Board of Directors for consideration on their appointment/re-appointment, remuneration and removal. For provision of non-audit services by the external auditors, the Audit Committee reviews and evaluates that the external auditors have the capability and are independent as well as objective in the provision of such services and there is no conflict of interest situation before recommending the proposed engagement to the Board of Directors for consideration and approval.
- Reviews and concurs the proposed provision of non-audit services by the external auditor of Public Bank (i.e. the Parent Bank Auditor) and/or a firm or corporation affiliated with the Parent Bank Auditor, to Public Bank's subsidiary companies and overseas branches.

The details of the terms of reference of the Audit Committee are available at https://www.publicbankgroup.com/media/r0kn4pl1/tor-13sept23.pdf

# Audit Committee Report

## SUMMARY OF ACTIVITIES

For the financial year ended 31 December 2024, the Audit Committee had carried out the following activities in the discharge of its roles and responsibilities:

### Financial Reporting

The Audit Committee had reviewed the unaudited quarterly and half-yearly financial results as well as the annual audited financial statements of Public Bank and the Public Bank Group prior to its recommendation to the Board of Directors for approval, submission to Bank Negara Malaysia and thereafter release to Bursa Malaysia Securities Berhad pursuant to its Main Market Listing Requirements. The review focused on, amongst others, an assessment on the appropriateness of the accounting standards applied and its treatments as well as financial reporting and disclosures are in compliance with the relevant regulatory requirements and applicable accounting standards.

In carrying out such a review, the Audit Committee had sought explanations and additional information from the Senior Management team including the Chief Financial Officer on the reasons for any significant variances/fluctuations in the financial performance of Public Bank and the Public Bank Group, including the key income components and operating expenses.

In reviewing the unaudited quarterly, half yearly and annual audited financial results of Public Bank and the Public Bank Group, the Audit Committee met with the Bank's external auditors, Messrs. Ernst & Young PLT ("EY") to discuss the outcome of EY's audit on Public Bank and the Public Bank Group with particular focus on:

- Key audit matters, significant accounting and auditing issues, the relevancy and appropriateness of the accounting principles applied and judgement exercised that may have material impact to the financial statements as well as the pertinent audit issues raised in its Memorandum of Recommendations and how these matters were addressed and resolved; and
- Compliance with the applicable approved accounting/auditing standards in Malaysia and other legal and regulatory requirements.

The Audit Committee had also discussed with the GCIA on the Internal Audit's coverage pertaining to the Bank's interim financial results including the adequacy and effectiveness of the procedures put in place for the Bank's financial reporting processes, consistency in the methodology adopted and applied for impairment assessment and computation of impairment allowance, the adequacy of the processes and procedures put in place to account for the significant adjustments made to the financial statements and the risk of material misstatement due to fraud.

Arising from the above reviews and discussions, the Audit Committee is satisfied that the accounting standards applied as well as the financial reporting and disclosures presented in the financial statements are in conformity with the applicable accounting and financial reporting standards in Malaysia and in compliance with the relevant regulatory requirements in terms of disclosures.

The Audit Committee in carrying out its oversight role over Public Bank and the Public Bank Group's conformance with the Malaysian Financial Reporting Standards 9: Financial Instruments ("MFRS 9"), had reviewed the adequacy of processes and procedures established in the management of/developments with regard to the MFRS 9 stage classification, stage transfer criteria and provision of macroeconomic adjustments as well as management overlay for corporate and retail loans. In addition, the Audit Committee also reviewed the adequacy and effectiveness of the Bank's processes, procedures and internal controls put in place with respect to the allowance for expected credit loss ("ECL") conforms with MFRS 9 requirements.

Overall, the Audit Committee had reviewed and noted that the financial statements of Public Bank and the Public Bank Group are presented on a going concern basis, fairly presented and in conformance with the relevant accounting standards in all material aspects of its financial position and performance for the financial year ended 31 December 2024.

### Annual Report

The Audit Committee reviewed, deliberated and recommended the Corporate Governance Overview Statement, Corporate Governance Report, and Statement on Risk Management and Internal Control for Board of Directors' approval. The Audit Committee also reviewed and approved the Audit Committee Report for inclusion into the Public Bank's Annual Report for the financial year ended 31 December 2024.

### External Audit

The Audit Committee met three (3) times with Public Bank's external auditors, EY, to apprise on matters under review pertaining to the financial statements for the financial year ended 31 December 2024. In so doing, the Audit Committee had:

- Reviewed and deliberated the audit plan for the financial year ended 31 December 2024;
- Reviewed, followed up and where necessary sought explanations from EY on the results of its audits including the limited review for the 6-month period ended 30 June 2024;
- Discussed EY's areas of audit emphasis, internal control observations including the Shariah matters within Public Bank Group; and
- Reviewed the recommendations set out in the Memorandum of Recommendations for the financial year ended 31 December 2024 as presented by EY.

In discharging its duties, the Audit Committee had reviewed the key audit matters raised by EY arising from its annual audit. The Audit Committee, through the Internal Audit function, also followed up on the Management's responses/actions taken on the resolution of issues raised in EY's Memorandum of Recommendations.

The Audit Committee is satisfied that EY has put in place adequate policies and procedures to uphold its independence, demonstrated professionalism and objectivity in interpreting accounting standards and policies adopted by Public Bank and the Public Bank Group. The Audit Committee had also assessed and is satisfied with the performance and effectiveness of EY based on the criteria set out in the Public Bank Group's Policy for the Appointment/Re-appointment of External Auditors for Audit and Non-Audit Services, and recommended to the Board of Directors to approve the re-appointment of EY as the external auditors for Public Bank and the Public Bank Group as well as the proposed remuneration for its services.

Pursuant to the Terms of Reference of the Audit Committee, meetings with the external auditors without the presence of the Bank's Senior Management team or Internal Audit staff shall be held at least twice a year. In 2024, the Audit Committee had three (3) such meetings with the EY's engagement team to discuss matters of interest without the presence of the Bank's Senior Management team and Internal Audit staff.

## Internal Audit Matters

In its oversight over the Internal Audit function, the Audit Committee approved the Internal Audit frameworks and its subsequent revisions. These frameworks were developed with reference to the standards outlined in the International Professional Practices Framework and the Conceptual Framework, an organised authoritative guidance promulgated by The Institute of Internal Auditors (IIA). The Audit Committee also reviewed and approved the annual audit plan, including the adequacy of audit scope and comprehensiveness of coverage over the activities of Public Bank and the Public Bank Group and that all high risk areas are audited at least annually.

In addition, the Audit Committee also reviewed and monitored the Internal Audit's performance, progress of its achievement against the approved annual audit plan and key audit activities on a quarterly basis, including Internal Audit's response to the emerging risks emanating from the rapid changes in the business, operations and regulatory environment.

The Audit Committee had reviewed and deliberated the revisions of the Internal Audit Charter and recommended the same to the Board of Directors for approval. The Audit Committee also reviewed and approved the revised Internal Audit frameworks and the action plans to address the competency gaps of the Internal Audit function.

The Executive Summary of each Internal Audit report as well as a status report on the progress of actions taken/to be taken to address and resolve the outstanding key audit issues and areas of concern, including the implementation status of the Management's corrective action plans are tracked and tabled to the Audit Committee for review, deliberations and noting. In this regard, the Audit Committee reviewed the progress of the corrective actions taken by Management to ascertain that appropriate and adequate remedial actions are taken on a timely basis to address and resolve the key issues/significant lapses in controls and procedures that are reported in the Internal Audit reports.

Senior Management staff of the Bank were invited to attend the Audit Committee meetings as and when necessary to brief the Audit Committee on matters relating to their areas of responsibility. Wherever appropriate, the Audit Committee had directed the Bank's Senior Management to rectify and improve control procedures based on the internal auditors' recommendations. For the financial year under review, the Audit Committee was not aware of any significant disagreements over the audit issues between the GCIA and the Bank's Senior Management.

As for the reports issued by regulatory authorities, the Audit Committee reviewed the Management's responses to the supervisory concerns and areas for improvement as well as remedial actions taken and the committed timeline to rectify the gaps highlighted for recommendation to the Board of Directors for approval.

The Audit Committee reviewed on a quarterly basis the tests conducted on the Bank's Business Continuity Plan, Disaster Recovery Plan and Crisis Management Plan and assessed annually the Bank's level of commitment to Business Continuity Management and overall preparedness to comply with the Bank Negara Malaysia's Policy Document on Business Continuity Management. The Audit Committee also reviewed the Internal Audit report on related party transactions entered into by Public Bank on a quarterly basis for assurance that these transactions are conducted at arm's length.

In 2024, the Audit Committee had reviewed the outcome of the independence and objectivity assessment conducted to engage an affiliate of Public Bank's external auditor to perform a Climate Risk Stress Testing Exercise. Additionally, the Audit Committee had also reviewed the independent review report on the assessment outcome of the Operational Risk Scenario Analysis/Stress Test exercise so as to ascertain whether the governance process and established policies and procedures for the exercise are adequate and the assumptions applied are reasonable.

The Chairman of the Audit Committee, had met with the GCIA and Senior Management staff of the Internal Audit twice in 2024. During the meetings, the Chairman of the Audit Committee sought more in-depth understanding on the challenges faced by the Internal Audit function in light of changes to the banking industry landscape consequent to the developments in the financial technology and digital revolution.

The Chairman also advised Internal Audit on the need to provide adequate training and certification courses to its staff in order to further enhance their competency level and skill sets so that they are prepared and ready to meet the challenges ahead.

# Audit Committee Report

### Follow-up on Resolution of Issues Raised at the Audit Committee Meetings

The Audit Committee reviewed and deliberated at length critical issues and expressed concerns over the following areas which required Management's actions:

- Contributory causes to incidents of staff misconduct/ shortcomings and actions taken to address and resolve the control weaknesses highlighted; and
- Key audit findings and significant matters highlighted in the internal/external audit reports and the adequacy and timeliness of Management's action plans to address and resolve the issues.

All comments/issues raised during the Audit Committee meetings are monitored and followed up by the Internal Audit function and the Audit Committee is updated in its monthly meeting on the progress of the actions taken until resolution of the comments/issues.

### Audit Committee's Oversight Over the Implementation of Whistleblowing Policies and Procedures

The Audit Committee oversees the implementation of Public Bank Group's Whistleblowing Policies and Procedures that set out the avenues or channels for Public Bank's staff and other relevant stakeholders such as vendors, suppliers, contractors, consultants and interns to report, in confidence and without the risk of reprisal, instances of any illegal, unethical or questionable practices.

Public Bank had further strengthened its whistleblowing policies and procedures taking into consideration the requirements set out in Bank Negara Malaysia's Policy Document on Corporate Governance as well as the requirements under the Public Bank Group's Anti-Bribery and Anti-Corruption Policy, which was last reviewed and approved by the Board of Directors on 30 April 2024.

Pursuant to the Bank Negara Malaysia's Policy Document on Corporate Governance, the Board of Directors had appointed the Chairman of the Audit Committee as the designated non-executive director responsible for the effective implementation of the whistleblowing policies and procedures, encompassing how disclosures on concerns are timely escalated and dealt with including the punitive action taken against errant staff.

### Special Matters for Audit Committee's Review, Deliberation and Concurrence

A special Audit Committee meeting was held on 9 October 2024 to review, deliberate and concur on the following proposals:

a. Acquisition of 175,896,000 ordinary shares in LPI Capital Bhd (LPI), representing 44.15% equity interest in LPI, by Public Bank Berhad from the estate of the Late Tan Sri Dato' Sri Dr. Teh Hong Piow and Consolidated Teh Holdings Sdn. Bhd.; and

b. Mandatory take-over offer by PBB to acquire all the remaining LPI Shares not already owned by Public Bank upon completion of the proposed acquisition.

## INTERNAL AUDIT FUNCTION

Internal Audit function, being the third line of defence, is responsible to provide independent assessment of the Bank's state of compliance with statutory/regulatory requirements and adherence to internal policies and procedures. The assessment also covers the adequacy and effectiveness of the risk management systems, internal controls, anti-corruption, whistleblowing and governance processes put in place by Public Bank and the Public Bank Group to manage and mitigate the key areas of risk.

The IAC sets out the purpose, objectives, authority, scope of work and responsibilities of the Internal Audit function in Public Bank and the Public Bank Group. The IAC, which was drawn up with reference to the relevant guidelines and Policy Documents issued by Bank Negara Malaysia and the Basel Committee on Banking Supervision, is reviewed and updated annually. The revised IAC was approved by the Board of Directors on 27 June 2024.

The Public Bank's Internal Audit has a total staff strength of 205 and comprises ten (10) sections, specialising in auditing the various business areas of Public Bank. Most of the Internal Audit staff possess the relevant experience and qualifications. The GCIA reports directly to the Audit Committee. The Internal Audit function has unfettered access to the Board of Directors, Audit Committee and the Bank's Senior Management, as well as the authority to seek information and explanations, for the purpose of conducting its audit.

Internal Audit function provides independent assurance to the Audit Committee and the Bank's Senior Management based on its report on the adequacy and effectiveness of the internal control environment of the areas audited upon the completion of each audit. Internal Audit adopts a risk-based approach to prioritise the audit work and to scope the audits on high risk auditable areas. Internal Audit's assurance which covers a broad spectrum of business activities, support, control and operations audited including the Outsourced Service Providers, is to provide a reasonable assurance on the adequacy and effectiveness of the internal controls in place to safeguard the assets and its quality, accuracy of records and transactions, compliance with relevant laws and regulations as well as adherence to established policies and procedures.

Internal Audit's assurance covers a comprehensive review of the established controls to determine if they are appropriate, effectively applied and consistent with Public Bank and the Public Bank Group's risk management policies. Internal Audit's recommendations for improvement to the existing system of internal controls and work processes are highlighted to the Management for resolutions where necessary.

Internal Audit function also carried out the following:

- Audits on the information systems of Public Bank and the Public Bank Group to ascertain that the computing resources are adequately secured to protect the data integrity and confidentiality, and there are adequate measures to safeguard and provide for the continued availability of the systems to support business operational needs;
- Reviews the risk exposures of new systems, business products and services to establish that adequate controls are in place to mitigate the risks identified prior to implementation. When performing such review, Internal Audit function is not involved in the system selection or implementation process in order to maintain its objectivity and independence;
- Conducts investigation audits into improper, illegal or dishonest acts reported. The outcome of the investigation is tabled to the Audit Committee for review;
- Conducts ad-hoc reviews/audits requested by regulators such as Bank Negara Malaysia, Securities Commission Malaysia and Payments Network Malaysia Sdn Bhd;
- Reviews the unaudited quarterly and half-yearly financial results and annual audited financial statements focusing on Public Bank's conformity with applicable approved accounting and financial reporting standards as well as compliance with the relevant regulatory requirements;
- Reviews the level of commitment to Business Continuity Management and overall preparedness, against the Bank's Business Continuity Management policies and regulatory requirements as well as to participate as an independent observer in the various Business Continuity Plan, Disaster Recovery Plan and Crisis Management Plan testing exercises (under live or simulation scenarios and live split operations) to ascertain that all the relevant critical business functions and critical application systems are able to resume operations/recover within the established timelines;
- Escalates the audit findings to relevant parties such as Banking Operations Division, Compliance Division and Knowledge & Learning for them to take necessary actions to beef up the branches' internal controls and to reinforce the Bank's compliance culture vide issuance of circulars to remind branches on the Bank's established processes and procedures, ongoing publishing of compliance bulletins to create staff's awareness on compliance issues and focus training to elevate the staff's knowledge and skill sets;
- Conducts periodic audits/reviews on the key audit risk areas, frameworks, audit methodologies, scope and extent of audit coverage of the subsidiaries' Internal Audit function as well as to provide guidance and support to the subsidiaries' Head of Internal Audit in managing an effective Internal Audit function;
- Arranges for in-house trainings, townhall sessions with external consultants for knowledge sharing and conducts internal workshops to further enhance the Internal Audit staff's knowledge and skill sets to enable them to perform their audit roles more effectively and progressively, to assume higher responsibilities;
- Monitors and encourages eligible Internal Audit staff to attain relevant certification programmes set by regulators/ offered by professional bodies such as Asian Institute of Chartered Bankers, Islamic Banking and Finance Institute Malaysia as well as the Information Systems Audit and Control Association to equip themselves with the necessary knowledge and understanding of the subject matter relevant to their job functions;
- Conducts periodic review to assess the adequacy and effectiveness of fraud countermeasures implemented by the Bank to combat fraud monetised via internet and mobile banking; and
- Verifies the accuracy, completeness and consistency of sustainable finance data as well as reviews the reliability of sustainability disclosures included in the Sustainable Finance section published in the Annual Report.

Internal Audit function works collaboratively with Compliance function and Risk Management function to review and assess the risk governance framework and risk management processes of Public Bank and the Public Bank Group in respect of their adequacy and effectiveness in managing the identified key risks of Public Bank and the Public Bank Group.

Internal Audit had engaged an external consultant at the end of third quarter 2023 to conduct a Quality Assurance Review ("QAR") to assess its effectiveness. As at 31 December 2024, Internal Audit had implemented all the enhancement initiatives recommended in the QAR report to further enhance the effectiveness of Internal Audit function.

The total costs incurred for the Internal Audit function of Public Bank and the Public Bank Group for 2024 are as follows:

| | RM'000 |
|---|---|
| Public Bank | 35,827 |
| Public Bank Group | 58,691 |

Further details of the activities of Internal Audit function are set out in the Statement on Risk Management and Internal Control.

# Achievements **2024**

**9 COMMONWEALTH BANK OF AUSTRALIA**
Straight Through Processing Award for year 2023 for achieving high straight through processing rates in MT103 and MT202 payments

**10 THE ASIAN BANKER**
TAB Global – 1000 World's Largest and Strongest Banks Rankings 2024:

- **The Strongest Bank by Balance Sheet in Malaysia**

**11 STANDARD CHARTERED BANK**
Straight Through Processing Awards 2023 for achieving outstanding straight through process rates in:

- **EUR Clearing Payment**
- **USD Clearing Payment**

**12 DEUTSCHE BANK**
Client Excellence Award 2023 - Institutional Cash Management for achieving outstanding straight through processing rates for EUR payments

**13 DEWAN BANDARAYA KUALA LUMPUR**

- **Menara Public Bank**
  Iconic Building Lighting Award

**14 US GREEN BUILDING COUNCIL (USGBC)**

- **Gold Leadership in Energy and Environmental Design (LEED)**

## MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER'S AWARDS:

**A CORPORATE GOVERNANCE ASIA**
14th Asian Excellence Awards 2024:
**Asia's Best CEO (Investor Relations)**
Tan Sri Dato' Sri Dr. Tay Ah Lek

**B THE EDGE BILLION RINGGIT CLUB**
The Edge Billion Ringgit Club Awards 2024:
**Value Creator: Outstanding CEO of Malaysia**
Tan Sri Dato' Sri Dr. Tay Ah Lek

**C THE ASIAN BANKER**
The Asian Banker Leadership Achievement Awards 2024:
**The William "Bill" Seidman Leadership Lifetime Achievement Award**
Tan Sri Dato' Sri Dr. Tay Ah Lek

**D Hall of Fame Recognition by The Association of Banks in Malaysia:**
Honouring Tan Sri Dato' Sri Dr. Tay Ah Lek for His Illustrious Career in Banking


A
B
C
1
2
J.P.Morgan
PUBLIC BANK BERHAD


3
5
FinanceAsia
AWARDS
2024
MALAYSIA
DOMESTIC
Best Bank
Winner
Public Bank Bhd
Biggest ESG Impact Banks
Winner
Public Bank Bhd
Best Sustainable Bank
Highly Commended
Public Bank Bhd
8
6
7
9
10
14
ESG
GOLD
HENARA PUBLIC BANK 2
THE ASIAN BANKER

# Media Highlights **2024**

THE STAR

## PUBLIC BANK'S FIRST PENANG EDITION RUN A ROARING SUCCESS

By K.KASTURI DEWI
north@thestar.com.my

PUBLIC Bank's second run of the year - Run For Change 2024 Penang Edition, returned bigger and better with more than 2,300 participants taking part in the event held at Padang Kota Lama, Penang.

The event, held in Penang for the first time, was aimed at being the symbol of the perfect synergy between fitness and philanthropy, creating a meaningful and lasting impact.

From young ones to seasoned runners, they put on their running shoes and came together for a good cause to celebrate health, fitness and community spirit.

Those who took part in both the 5km and 10km races included the bank's employees, communities, customers, friends, families and business associates.

**Running for a good cause**

Joining them were residents from homes including Agape Home, Shamsah Children's Home, and Shan Children's Home.

Additionally, 27 blind runners from the St Nicholas' Home took part in the run, further highlighting the event's inclusive spirit.

Participants started trickling in as early as 6am for the run held on Oct 13, which was flagged off by Public Bank managing director and chief executive officer (CEO) Tan Sri Tay Ah Lek, deputy CEO Datuk Chang Kat Kiam, senior chief operating officer (SCOO) Datuk Sulaiman Abd Manap, SCOO Chang Siew Yen and senior management staff in front of the City Hall Building.

A similar 10km race was held by the bank in Padang Merbok, Kuala Lumpur in June, which saw over 1,200 staff members coming together to raise awareness on fostering a culture of sustainability through environmental, social and governance (ESG)



Participants having a great start during the flag off of the Public Bank's Run for Change at the Esplanade in George Town, Penang on Oct 13 — Photos by LIM BENG TATT/The Star



Permasivan say the bank should hold more such events to foster community spirit.



Megat Zaidi says the event helps motivate him to keep fit and live healthy.



Shamiza says such events encourage the disabled and less privileged to come together.



Wong won the Women's Veteran category and looks forward to taking part next year.





(From right) Public Bank's senior chief operating officer Datuk Sulaiman Abd Manap, deputy chief executive officer Datuk Chang Kat Kiam, managing director and chief executive officer Tan Sri Dr Tay Ah Lek and senior chief operating officer Chang Siew Yen flagging off participants.

Bong (middle) who participated in the event with his enthusiastic kids daughter Bong Jin Han (left) and son Bong Rui Ze (right), said it was the second time they were taking part in such an event.

THE STAR

## Lecture theatre named after late philanthropist

### Varsity honours bank founder for his contributions to education



would enable people to cre
their own lives and benefit
around them.
"He often said knowledge
the key that opens every do
"He reminded me that th
reason he could go from m
beginnings to founding Pub
Bank was his opportunities
develop and learn."
Dr Sak said, "Today, we g
to celebrate the legacy of th
Tan Sri Dr Teh Hong Piow.
"His generosity and phila
thropy have touched count
lives and his belief in educa
has also transformed lives
helped create better futures
many others.
"We are thankful and ho
oured to be able to share a
uphold his beliefs, through
lecture theatre and Wall of
which will inspire students
strive for excellence and en
age them to showcase their
ent, skills and intellect in co
uting towards society and t

THE STAR

## Public Bank offers loan repayment relief for customers affected by floods

NATION

Tuesday, 03 Dec 2024 6:09 PM MYT



"Public Bank has repayment relief and other services in place to support customers who have been affected by the floods," said Tay.

THE STAR

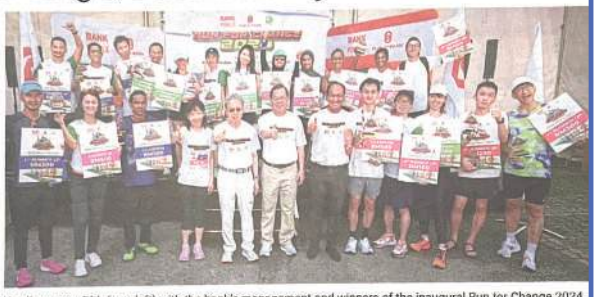
## Running for change, sustainability awareness

CHAMPIONING sustainable health and wellness, Public Bank successfully concluded its first-ever Run for Change 2024.

The 10km race at Padang Merbok, Kuala Lumpur saw over 1,200 staff members coming together to raise awareness on fostering a culture of sustainability through environmental, social and governance (ESG) practices.

Held in conjunction with World Environment Day, the event was more than just a race as it was a platform for people to unite to make a meaningful impact on the environment, according to the bank in a press release.

A portion of participation fees was allocated towards buying



Tay (front row, fifth from left) with the bank's management and winners of the inaugural Run for Change 2024.

THE STAR

## Robust earnings drive Public Bank's profit optimism

STAR BIZ7

Saturday, 30 Nov 2024



Public Bank managing director and chief executive officer Tan Sri Tay Ah Lek.

BERNAMA

## Public Bank's 2Q Net Profit Rises To RM1.78 Bln, Declares 10 Sen Dividend

27/08/2024 03:16 PM




KUALA LUMPUR, Aug 27 (Bernama) -- Public Bank's net profit rose to RM1.78 billion in the second quarter ended June 30, 2024 (2Q 2024) compared to RM1.61 billion a year ago.

Revenue also increased to RM6.69 billion in the quarter from RM6.26 billion previously.

The better performance during the quarter was primarily due to several factors, namely improved net profit attributable to equity holders; increased net interest and islamic banking income; higher contribution from associated companies; and increase in non-interest/financing income.

Nonetheless, the bank said it was partially offset by the increase in other operating expenses by RM101 million.

"Higher non-interest/financing income was mainly due to higher investment income, higher unit trust related fee income and higher stock-broking income, but was partially offset by lower foreign exchange and other income.

"Higher other operating expenses was mainly due to higher personnel and establishment costs arising from increasing business activities," it added.

THE STAR

# Raising awareness with scam prevention campaign

The initiative aims to educate public on fraudulent activities and trend, strengthen security




CHINA PRESS

# 網安奏效防94萬人被騙 大馬銀行阻15億轉賬



THE STAR

# PBB remains proactive in sustainable financing

Group has mobilised more than RM53bil since 2020

FINANCE

"With the Malaysian economy expected to remain stable, supported by domestic demand, we will continue to drive business growth, riding on potential growth opportunities."

Tan Sri Tay Ah Lek

BERITA HARIAN

# Public Bank catat untung bersih RM7.15b

THE MALAYSIAN RESERVE

# Public Bank posts 12% 3Q24 profit growth on strong income

PUBLIC Bank Bhd's net profit for the three months ending Sept 30, 2024 (3Q24), rose 12% to RM1.91 billion, fuelled by growth in operating income.

The growth was supported by a 5% rise in net interest income and a 6.5% increase in income from Islamic banking.

Additionally, non-interest income, including fees and commissions, climbed 18%, said Malaysia's third-largest bank by assets.

"Tapping into improved economic prospects, Public Bank continues to see opportunities for business banking growth," said group MD in a statement last Friday.

He also noted the importance of maintaining prudence while focusing on enhancing the bank's resilience.

For the nine-month period ending Sept 30, 2024, Public Bank posted a net profit of RM5.35 billion, or 27.55 sen per share, marking a 6% increase from RM5.03 billion, or 25.93 sen per share, in the same period last year.

Revenue grew by 7.6% to RM20.2 billion, up from RM18.87 billion a year earlier.

"The commendable achievements in the first nine months of 2024 were mainly due to the stable growth in loans and deposits as well as stabilising net interest margin. This is further contributed by higher non-interest income and lower credit cost," Tay stated.

Public Bank's total loan portfolio expanded at an annualised rate of 5.2% to RM414.5 billion, with domestic loans rising by 6.2% to RM390.1 billion.

However, the bank also highlighted the potential risks from weaker global demand and geopolitical tensions.

"The treasury operations will remain vigilant in its business approach, maintaining a prudent risk profile while further strengthening its risk management capabilities to navigate ongoing market risks," the bank added. — *TMR*

THE STAR

# Public Bank, Jati Tinggi sign RM14.9mil deal for solar panel installation at 135 branches

BANKING

Tuesday, 17 Dec 2024 5:59 PM MYT



From left: Jati Tinggi Holding Sdn Bhd executive director Chin Jiunn Shyong, Jati Tinggi Holding Sdn Bhd managing director Datuk Seri Lim Yeong Seong, Public Bank Bhd managing director & chief executive officer Tan Sri Dr Tay Ah Lek and Public Bank deputy chief executive officer Datuk Chang Kat Kiam.

FREE MALAYSIA TODAY

# Public Bank to acquire 44.51% stake in LPI Capital for RM1.72bil

Danish Raja Reza - 10 Oct 2024, 04:09 PM

The acquisition involves 175.9 million shares at RM9.80 per share.

**Capital for RM1.72bil**

Danish Raja Reza - 10 Oct 2024, 04:09 PM

The acquisition involves 175.9 million shares at RM9.80 per share.

27 SHARES



*Public Bank CEO Tay Ah Lek (left) exchanging documents with Diona Teh, daughter of the late Teh Hong Piow at Menara Public Bank, Kuala Lumpur today.*

# Calendar of **Significant Events 2024**

## CORPORATE

**17 January**
Public Bank hosted its Annual Sales Conference with the theme '*Bank for the People*,' which gathered 1,400 sales personnel, including those from the Group's overseas operations.



**2 April**
The Annual Management Seminar brought together 1,000 managers from diverse corners of Malaysia, including overseas colleagues from Vietnam, Cambodia, Sri Lanka, Laos and Hong Kong.



**3 April**
Public Bank staff visited the Menara Maxis Business Innovation Centre at Menara Maxis, Kuala Lumpur.



**8 May**
Public Bank's 58th Annual General Meeting was conducted virtually. The Managing Director & CEO, Tan Sri Dato' Sri Dr. Tay Ah Lek presented the Public Bank Group's performance review for 2023 and the Group's strategic direction.




**9 May**
Public Bank organised the Annual Business Meeting with regional and branch managers at Menara Public Bank.




**13 May**
The executive staff of Resona Bank, Japan, visited Menara Public Bank as part of their overseas training programme in Malaysia and Singapore.



**18 May**
Four Fellow Chartered Bankers, 103 Chartered Bankers and over 230 Associate Chartered Bankers conferees gathered at Sasana Kijang, Bank Negara Malaysia for the Asian Institute of Chartered Bankers Seventh Chartered Banker Conferment Ceremony. The ceremony was graced by Bank Negara Malaysia Deputy Governor, En. Adnan Zaylani bin Mohamad Zahid. The event featured speeches from AICB Chairman Tan Sri Azman Hashim and Dr. Giles Cuthbert, Managing Director of the Chartered Banker Institute, United Kingdom.



### 9 June

'*Run for Change 2024*' was held at Padang Merbok, Kuala Lumpur, to raise awareness about the importance of environmental sustainability and promote a healthy lifestyle among staff and the community.



### 20 June

'*PB Scam Prevention Campaign*' was launched at Menara Public Bank. The campaign introduced the PB Scam Rangers, a mobile team of cybersecurity experts dedicated to educating the public on the latest scam trends.




### 9 September

In strategic collaboration with Credit Guarantee Corporation Malaysia Berhad, Public Bank is committed to extending RM1.0 billion in financing to Small and Medium Enterprises ("SME") across Malaysia.



### 2 October

Public Bank organised a green real estate seminar for the Southern Region's property developers in the SME category to raise awareness of sustainability.



### 3 August

Public Bank successfully held its 58th Anniversary Banquet, with the theme 'Honouring Our Past, Embracing the Future'.




### 10 October

Public Bank Berhad proposed to acquire 44.15% equity interest in LPI Capital Bhd. The Estate of the Late Tan Sri Dato' Sri Dr. Teh Hong Piow and Consolidated Teh Holdings Sdn Bhd to streamline their equity position and remain as major shareholders of Public Bank.



# Calendar of Significant Events 2024

## CORPORATE

**13 October**

'*Run for Change 2024*' (Penang Edition) was held at Padang Kota Lama.




**24 October**

'*PB MSME Day 2024*' was held at Menara Public Bank to raise awareness and promote micro and SMEs across Malaysia.



**29 October**

The unveiling ceremony of a lecture theatre was held at UTAR Kampar Campus. The lecture theatre was named after the late Tan Sri Dato' Sri Dr. Teh Hong Piow, Founder and Chairman Emeritus of Public Bank.



**12 December**

Public Bank hosted a memorial event at EQ Kuala Lumpur to honour the second anniversary of the late Tan Sri Dato' Sri Dr. Teh Hong Piow, Founder and Chairman Emeritus of Public Bank.




**17 December**

The signing ceremony between Public Bank and Jati Tinggi Group Berhad was held at Menara Public Bank. It was the beginning of a strategic Memorandum of Understanding ("MOU") focused on advancing sustainability through innovative solar energy solutions.



# CORPORATE SOCIAL RESPONSIBILITY

**20 January**

Public Bank contributed to the *National 100 Million Tree Planting Campaign 2021 – 2025*' by planting 100 trees at Bukit Cherakah Forest Reserve. This was also part of the Bank's Environmental, Social and Governance ("ESG") initiative.



**10 March**

Public Bank collaborated with *Zoo Negara Malaysia* for the '*Groom and Glow ESG*' initiative. The Bank donated RM10,000 to *Zoo Negara Malaysia* for its upkeep.




**23 January**

A charity programme was held with *Pusat Jagaan Kanak-kanak ini Disayangi, Pertubuhan Kebajikan Anak Yatim* Mary KL and Promise Home. A donation of RM20,000 was presented to these homes.



**24 February**

In conjunction with the Chinese New Year, staff from various branches in the Central Region (Ipoh District) came together to participate in Public Bank's Festive Charity Programme at *Pusat Jagaan Orang-Orang Tua* and *Pusat Jagaan Rumah Sejahtera Jelapang*. Each home received a donation of RM8,888 and RM88 in angpows to senior citizens at the homes.



**24 March**

In conjunction with the *Hari Raya* Celebration, Public Bank organised a Corporate Social Responsibility ("CSR") '*Festive Charity Programme*' for children in two orphanages in Melaka. RM12,000 was donated to these orphanages.







**4 May**

Public Bank extended a helping hand by donating RM10,000 to bolster the TARCian Alumni Association's efforts at the at the Tunku Abdul Rahman University of Management and Technology's Setapak Campus.

# Calendar of Significant Events 2024

## CORPORATE SOCIAL RESPONSIBILITY

### 23 May

Public Bank supported journalism and media by presenting the ("MPI") with RM10,000 at Hotel Hilton Petaling Jaya, Selangor.




### 25 May

BERNAMA hosted '*National Journalists' Day 2024*' in Kuching, Sarawak, drawing journalists from across the globe. Public Bank sponsored RM10,000 for the event.




### 6 June

'*PB Start Smart*' is a syllabus developed by Knowledge and Learning for Eco-Schools students to understand better the Malaysian banking system and the importance of sustainable financial practices. The Public Bank Eco-Schools programme collaborated with the Green Growth Asia Foundation.



### 22 June

Public Bank planted 900 mangrove trees as part of the Public Bank Group's '*Tree Planting Project*' at *Hutan Simpan Tanjung Burung Pantai Remis*, Perak. This initiative was carried out in collaboration with *Jabatan Perhutanan Negeri Perak* and *Yayasan Hijau Malaysia*.



### 4 June

Public Bank sponsored the Gold partnership package valued at RM100,000, cementing its role as a pivotal partner for the '*2024 International Social Well-being Conference*', which will focus on '*Ageing and Longevity: Towards a Meaningful Retirement*'.




### 2 July

Public Bank sponsored Eco-Schools, SMK Seri Keramat Kuala Lumpur and had the honour of welcoming 18 delegates from the Asia Pacific Region.



**24 August**

The *Institut Jantung Negara Foundation's 'Charity Golf Challenge 2024'* was held at the prestigious Kota Permai Golf and Country Club, where Public Bank contributed a RM40,000 Gold Package.




**24 August**

Public Bank's Credit Administration Centre Penang Hire Purchase Supervision Division initiated their inaugural ESG CSR programme with devotion at the NAAM Nursing Centre ("Home For Aged People") in Penang.

**24 August**

Public Bank's East Coast Region branches planted trees at Pantai Impian Kemasin, Bachok, Kelantan. 121 staff volunteers from six Branches in Kelantan planted 80 *'nyok'* (coconut) trees.



**24 August**

Public Bank organised *'Gotong Royong Education by Action'* which was held at Taman Melawati River Three Park in collaborative effort with Community Action Nexus Berhad.



**7 September**

*Gotong-Royong* clean-up at Jalan Wong Ah Fook and Jalan Trus was held in collaboration with Majlis Bandaraya Johor Bahru. The staff from Johor Bahru branch joined as well as Johor Bahru Securities Documentation Centre and Credit Control Centre for a collaborative clean-up initiative.



**7 September**

Public Bank staff from the East Coast Region's Regional Office, along with Kuantan, Jalan Beserah, Chukai Branch and Jalan Beserah HP Centre in collaboration with Majlis Bandaraya Kuantan, Pahang demonstrated tremendous dedication to the community with their programme at Pantai Taman Gelora, Kuantan, Pahang.



**26 October**

Public Bank held a community service programme at Taiping Zoo, Perak, to celebrate Taiping's 150th Anniversary and World Zoo Day.



**9 November**

Public Bank organised the *'Back to Earth Programme'* at the Bug's Paradise Farm, Puchong to promote sustainability and improve community well-being.




**30 November**

The Overseas Union Garden Branch organised an ESG event at the *Pertubuhan Kebajikan Orang Tua dan Kanak-Kanak Cacat* at Jalan Sungai Long, Taman Makmur facility.



**14 December**

*'The Christmas Charity Programme'* was held in Southern Region II, specifically at Kelab Johor and Pusat Jagaan Kasih Sayang Angel in Melaka.



# Calendar of Significant Events 2024

## PRODUCT AND SERVICES

### 11 January

Public Bank collaborated with Maxis to boost digital adoption among Malaysian SMEs by paving the way for access to digital solutions and financial assistance. The Memorandum of Understanding ("MOU") was signed at Maxis Business Innovation Centre, Menara Maxis, Kuala Lumpur.




### 31 January

A new mobile banking app, PB enterprise, was launched, featuring the PB SecureSign digital token service.




### 28 February

Five top spenders of Public Bank's '*Spend Now & Get Luxury Timepieces*' campaign were awarded exquisite luxury timepieces worth RM50,000 each in a prize-giving ceremony held at Sincere Fine Watches, Pavilion Kuala Lumpur.




### 1 February

The MyPB App was rolled out to offer customers a superior banking experience and the ease of global payments with the new Alipay+ Cross-Border QR Payments. Coinciding with the CNY festive, the app's launch was marked with two major campaigns: '*Win Cash with MyPB App*' and, *Happy 'Dragon,* 龍 Year with PBB'.




### 21 April

Vietnamese students were introduced to a wealth of academic opportunities in Malaysia at the '*Study in Malaysia Education Fair*', an event organised by Education Malaysia Global Services ("EMGS") to foster higher education links between the two nations.



### 8 June

In collaboration with BMW Malaysia Sdn Bhd, Public Bank hosted an exclusive event for Red Carpet Banking ("RCB") customers at Tian Siang Premium Auto Showroom.




### 6 July

Public Bank East Coast Region, in collaboration with Branch Business Support, participated in the *Karnival Celik Kewangan Pahang 2024* from 6 to 7 July 2024 at East Coast Mall, Kuantan. Bank Negara Malaysia organised the event to promote financial literacy and inclusion during Financial Literacy Month.




### 26 July

Public Bank awarded a Tesla Model 3 to Mr. Chong Zouh Ting from Kuala Lumpur, the grand prize winner of the Bank's '*Accelerate Your Journey towards Carbon Neutrality*' campaign at Tesla Experience Centre, Pavilion Damansara Heights.




### 10 August

In partnership with Auto Bavaria Sdn Bhd, Public Bank hosted an exclusive lifestyle event for over 200 RCB customers at the Kuala Lumpur Golf and Country Club's International Gallery.



### 11 October

Public Bank expanded its presence of Red Carpet Banking ("RCB") nationwide by successfully opening the 21st RCB Centre at Ipoh Garden ("IGN"), marking the second RCB Centre in the Central Region.



# Malaysian Economy: **Review and Outlook**

## I. GLOBAL PERSPECTIVE

Global economic activities were stable in 2024, supported by accommodative policies, better alignment of economic activities, coupled with inflation that gradually receded. However, external shocks raised concerns that underlying economic vulnerabilities deepened. Several low-income developing countries have also experienced downside to growth.

In the United States of America (US), the Federal Reserve lowered its federal funds rate to between 4.25% and 4.50% by the end of 2024 (2023: 5.25% - 5.50%). Against this backdrop, the US dollar depreciated against regional currencies in 2024 amid the repatriation of funds from the US.

In Europe, the European Central Bank lowered its main refinancing rate to 3.15% in 2024 (2023: 4.50%). Meanwhile, the Bank of England reduced its key interest rate to 4.75% in 2024 (2023: 5.25%).

As for Asia, key interest rates were mostly maintained in 2024 but with several exceptions, among which include Bank of Japan (BOJ), the People's Bank of China (PBOC) and the Central Bank of the Philippines. BOJ's key policy rate stood at 0.25%, following several rate hikes during the year which raised interest rate from -0.10% since January 2016. Meanwhile, the PBOC's one-year loan prime rate stood at 3.10% as at the end of 2024, amid the rate cuts in 2024 (2023: 3.45%). The Central Bank of the Philippines lowered its benchmark interest rate to 5.75%, ensuing rate cuts in 2024 (2023: 6.50%).

## II. MALAYSIAN ECONOMY: REVIEW

In 2024, the Malaysian economy grew by 5.1% in 2024 (2023: 3.6%) (Table 1). The growth was mainly supported by expansion in domestic demand as well as a rebound in exports.

Aggregate domestic demand was supported by investment activities in both public and private sector amid further progress of multi-year projects. Household spending improved due to favourable labour market conditions and policy support.

**Table 1**
Malaysia: Gross Domestic Product (GDP) by Expenditure Components, 2023 – 2024
(at constant 2015 prices)

| | % Annual Change | | | | | |
|---|---|---|---|---|---|---|
| | | | 2024 | | | |
| | 2023 | 2024 | 1Q | 2Q | 3Q | 4Q |
| **Aggregate Domestic Demand** | 4.6 | **6.5** | 6.1 | 6.9 | 7.0 | 6.1 |
| Private Sector | 4.6 | **6.6** | 5.7 | 7.3 | 7.0 | 6.3 |
| *Consumption* | *4.7* | ***5.1*** | *4.7* | *6.0* | *4.8* | *4.9* |
| *Investment* | *4.6* | ***12.3*** | *9.2* | *12.0* | *15.5* | *12.7* |
| Public Sector | 4.6 | **6.3** | 8.4 | 4.9 | 7.1 | 5.3 |
| *Consumption* | *3.3* | ***4.7*** | *7.3* | *3.6* | *4.9* | *3.3* |
| *Investment* | *8.6* | ***11.1*** | *11.5* | *9.1* | *14.4* | *10.0* |
| **Net Exports** | -16.2 | **2.2** | -24.5 | 3.4 | -8.8 | 57.6 |
| Exports of Goods and Services | *-8.1* | **8.5** | *5.2* | *8.4* | *11.8* | *8.5* |
| Imports of Goods and Services | *-7.4* | **8.9** | *8.0* | *8.7* | *13.5* | *5.7* |
| **GDP** | **3.6** | **5.1** | **4.2** | **5.9** | **5.4** | **5.0** |

*Source: Department of Statistics, Malaysia, Gross Domestic Product.*

On the supply side, all segments registered a positive growth in 2024 (Table 2). Services sector was supported by both consumer-related and business-related subsectors. Construction activities edged higher amid progress of commercial and industrial projects. Agriculture sector growth was sustained by steady oil palm output. Manufacturing sector was driven by the demand for electrical and electronic products. In the mining sector, production grew due to the increase in natural gas output.

**Table 2**
Malaysia: GDP by Economic Activity, 2023 – 2024
(at constant 2015 prices)

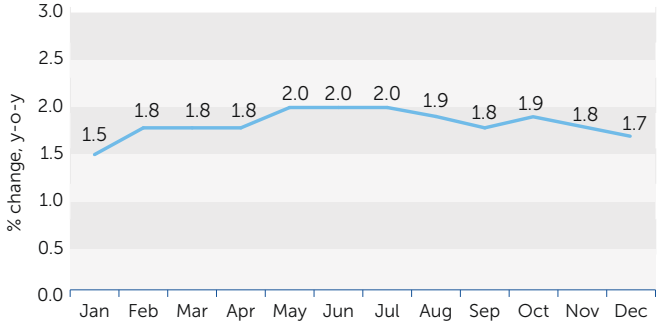
| | % Annual Change | | | | | |
|---|---|---|---|---|---|---|
| | | | 2024 | | | |
| | 2023 | 2024 | 1Q | 2Q | 3Q | 4Q |
| Services | 5.1 | **5.4** | 4.8 | 5.9 | 5.2 | 5.5 |
| Manufacturing | 0.7 | **4.2** | 1.9 | 4.7 | 5.6 | 4.4 |
| Agriculture | 0.7 | **3.1** | 1.7 | 7.3 | 4.0 | -0.5 |
| Mining | 0.5 | **0.9** | 5.7 | 2.7 | -3.9 | -0.9 |
| Construction | 6.1 | **17.5** | 11.9 | 17.3 | 19.9 | 20.7 |
| **GDP** | 3.6 | **5.1** | **4.2** | **5.9** | **5.4** | **5.0** |

*Source: Department of Statistics, Malaysia, Gross Domestic Product.*

Malaysia's inflation rate was 1.7% in December 2024 (Dec'23: 1.5%) due to utilities and fuel cost (Graph 1).

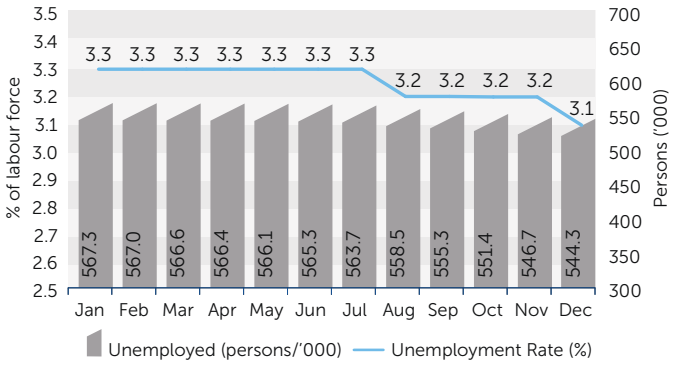
Labour market continued to improve with the unemployment rate at 3.1% in December 2024 (Dec'23: 3.3%) (Graph 2).

**Graph 1**
Malaysia: Inflation Rate, 2024




*Source: Department of Statistics, Malaysia, Consumer Price Index.*

**Graph 2**
Malaysia: Unemployment Rate and Unemployed Persons, 2024

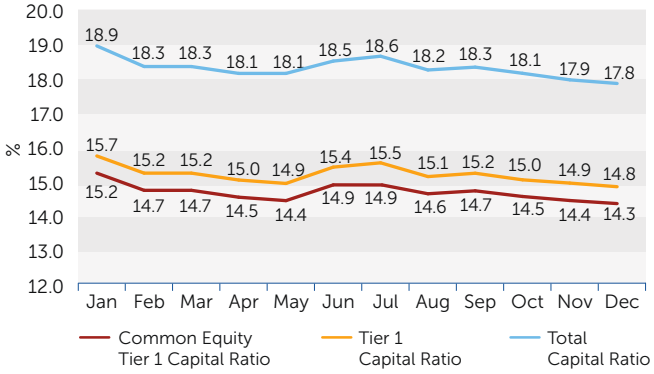



*Source: Department of Statistics, Malaysia, Labour Force Statistics.*

## Banking System

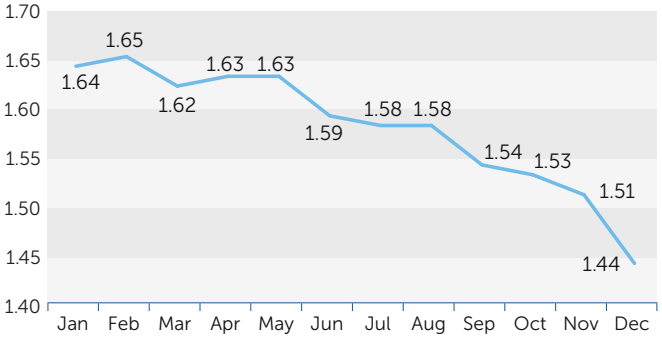
The banking sector remained stable, underpinned by sustained liquidity and healthy capital buffers. The industry's Common Equity Tier I capital ratio, Tier I capital ratio and total capital ratio stood at 14.3%, 14.8% and 17.8%, respectively as at the end of 2024 (2023: 15.4%, 15.9% and 19.0%, respectively) (Graph 3), which remained well above the minimum regulatory requirements under Basel III. Overall, the gross impaired loans ratio improved to 1.44% as at the end of 2024 (2023: 1.65%) (Graph 4). The loan to fund ratio stood at 83.2 as at the end of 2024 (2023: 81.7%) (Graph 5).

**Graph 3**
Banking System: Capital Strength, 2024



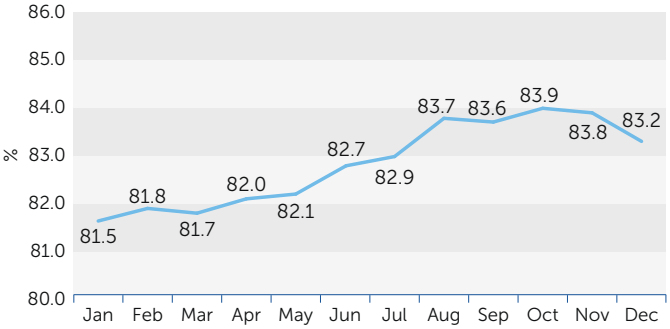

*Source: Bank Negara Malaysia, Monthly Highlights and Statistics.*

**Graph 4**
Banking System: Gross Impaired Loans Ratio, 2024




*Source: Bank Negara Malaysia, Monthly Highlights and Statistics.*

**Graph 5**
Banking System: Loan to Fund Ratio, 2024

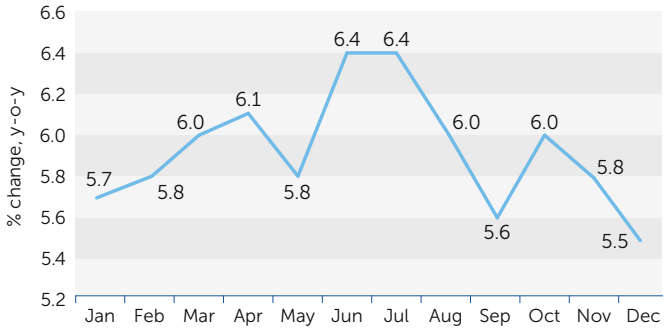



*Source: Bank Negara Malaysia, Monthly Highlights and Statistics.*

# Malaysian Economy: Review and Outlook

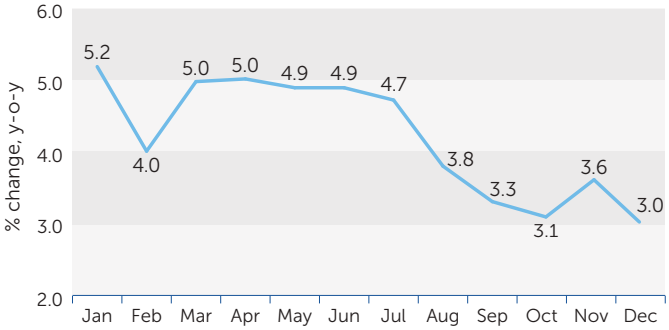
Banking sector indicators remained favourable following steady economic activities. Total loans in the banking system grew by 5.5% in December 2024 (2023: 5.3%) (Graph 6). Total deposits increased by 3.0% (2023: 5.6%), supported by growth in deposits placements by most holders (Graph 7).

**Graph 6**
Banking System: Loans Growth, 2024




*Source: Bank Negara Malaysia, Monthly Highlights and Statistics.*

**Graph 7**
Banking System: Deposits Growth, 2024

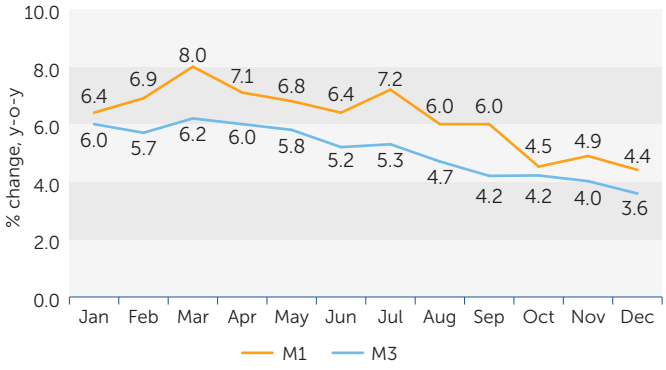



*Source: Bank Negara Malaysia, Monthly Highlights and Statistics.*

## Monetary Aggregates

Monetary aggregates registered a growth in 2024. Narrow money supply (M1) grew by 4.4% in December 2024 (2023: 5.9%), mainly due to the increase in demand deposits. Meanwhile, broad money supply (M3) increased by 3.6% (2023: 6.0%) supported by amongst others fixed deposits, foreign currency deposits and savings deposits (Graph 8).

**Graph 8**
Malaysia: Monetary Aggregates, 2024




*Source: Bank Negara Malaysia, Monthly Highlights and Statistics.*

## Monetary Policy

BNM's Overnight Policy Rate (OPR) was kept at 3.00% in 2024 (Table 3). The Statutory Reserve Requirement (SRR) Ratio was also maintained at 2.00% in 2024, to ensure ample liquidity to support financial intermediation activities (Graph 9).

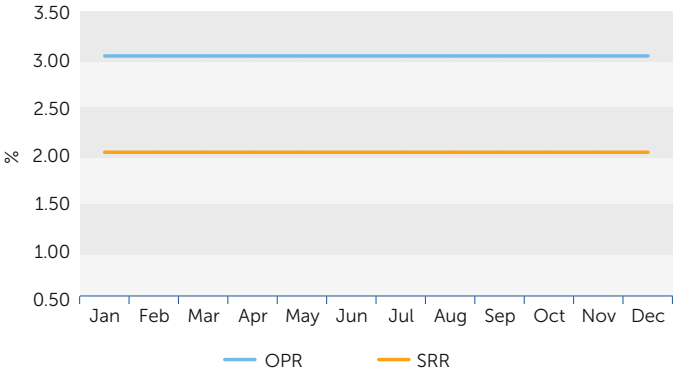
Interest rates for banks were broadly stable in tandem with unchanged OPR during the year. The base lending rate, average lending rate and weighted base rate was at 6.68%, 5.11% and 3.66%, respectively as at the end of 2024 (2023: 6.68%, 5.45% and 3.67%, respectively) (Graph 10). The average interest rate of savings deposits (SD) for commercial banks stood at 0.89% (2023: 0.94%), while the 3-month fixed deposits (FD) rate was at 2.61% as at the end of 2024 (2023: 2.72%) (Graph 11).

**Table 3**
Malaysia: Monetary Policy Committee Meetings, 2024

| | Dates | Policy Decisions |
|---|---|---|
| 1st | 23 and 24 January 2024 | 3.00% (Unchanged) |
| 2nd | 6 and 7 March 2024 | 3.00% (Unchanged) |
| 3rd | 8 and 9 May 2024 | 3.00% (Unchanged) |
| 4th | 10 and 11 July 2024 | 3.00% (Unchanged) |
| 5th | 4 and 5 September 2024 | 3.00% (Unchanged) |
| 6th | 5 and 6 November 2024 | 3.00% (Unchanged) |

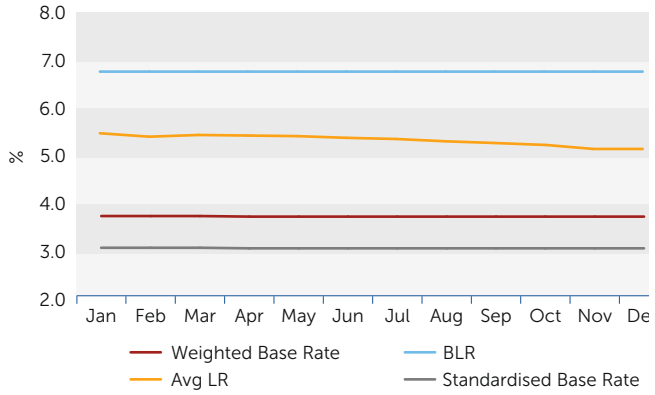
*Source: Bank Negara Malaysia*

**Graph 9**
Malaysia: Overnight Policy Rate and Statutory Reserve Requirement Ratio, 2024



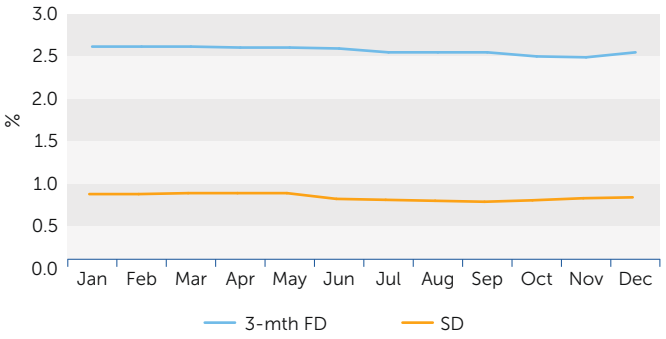

*Sources: Bank Negara Malaysia, Press Statements on Overnight Policy Rate and Statutory Reserve Requirement Ratio.*

**Graph 10**
Banking System: Lending Rates of Commercial Banks, 2024




*Source: Bank Negara Malaysia, Monthly Highlights and Statistics.*

**Graph 11**
Banking System: Deposit Rates of Commercial Banks, 2024

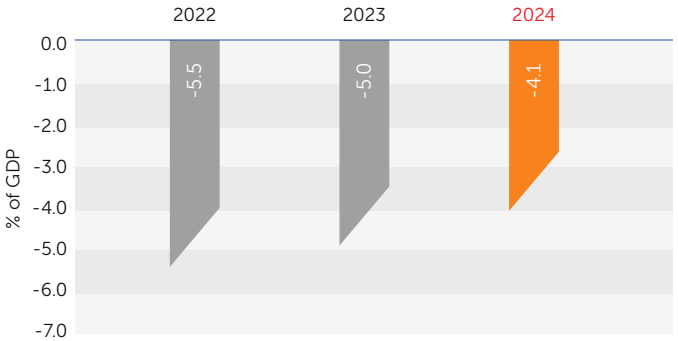



*Source: Bank Negara Malaysia, Monthly Highlights and Statistics.*

## Fiscal Policy

The Government's budget deficit reduced to 4.1% of GDP in 2024 (2023: -5.0% of GDP) (Graph 12) owing to the lower net development expenditure as the Government maintained fiscal prudence. Meanwhile, the Federal Government debt stood at 64.6% of GDP in 2024 (2023: 64.3% of GDP).

**Graph 12**
Malaysia: Federal Government Fiscal Balance, 2022 – 2024




*Source: Bank Negara Malaysia, Quarterly Bulletin.*

# Malaysian Economy: Review and Outlook

## External Position

Malaysia's current account surplus widened in 2024, supported by lower deficits in the services accounts. Current account surplus amounted to RM32.80 billion or 1.8% of gross national income ("GNI") (2023: RM28.20 billion or 1.6% of GNI) (Table 4).

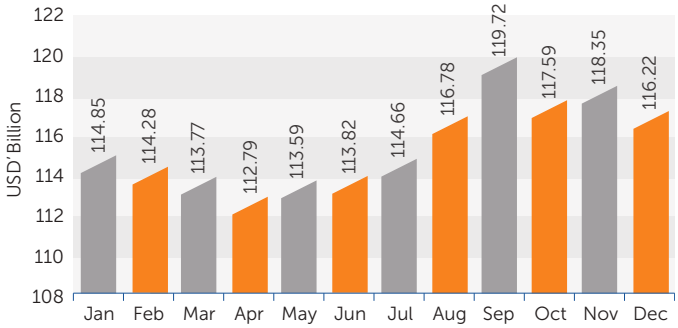
Malaysia's international reserves stood at USD116.22 billion as at the end of 2024 (2023: USD113.48 billion) (Graph 13), which is sufficient to finance 5.0 months of retained imports and 1.0 times of total short term external debt.

**Table 4**
Malaysia: Current Account Balance, 2023 – 2024

| | | 2024 | | | | |
|---|---|---|---|---|---|---|
| | 2023 | 2024 | 1Q | 2Q | 3Q | 4Q |
| Current Account Balance (RM'Billion) | 28.20 | **32.80** | 16.20 | 3.00 | 2.18 | 11.42 |
| % of Gross National Income | 1.6 | **1.8** | 3.6 | 0.7 | 0.5 | 2.4 |

*Sources: Bank Negara Malaysia, Quarterly Bulletin, various issues and Department of Statistics, Malaysia, Gross Domestic Product.*

**Graph 13**
Malaysia: International Reserves, 2024




*Source: Bank Negara Malaysia, Press Statements on International Reserves.*

Malaysia's external debt increased as total external debt amounted to RM1,345.38 billion or 69.7% of GDP in 2024 (2023: RM1,242.56 billion or 68.2% of GDP).

## Ringgit Exchange Rate

The Ringgit appreciated against regional currencies, including the appreciation of 2.5% against the USD to close at RM4.476 per USD as at the end of 2024 (2023: RM4.590 per USD) (Table 5). The strongest of the Ringgit was vis-à-vis KRW, with an appreciation of 14.1% to close at RM0.303 per 100 KRW (2023: RM0.353 per 100 KRW).

**Table 5**
Malaysia: Performance of Ringgit, 2024

| | RM/Foreign Currency (end-period) | | % change* |
|---|---|---|---|
| Currencies | Dec 2023 | Dec 2024 | 2024 /2023 |
| 100 KRW | 0.3531 | **0.3033** | **14.1** |
| 100 JPY | 3.2435 | **2.8661** | **11.6** |
| AUD | 3.1311 | **2.7817** | **11.2** |
| EUR | 5.0768 | **4.6626** | **8.2** |
| 100 IDR | 0.0298 | **0.0278** | **6.7** |
| 100 PHP | 8.2882 | **7.7391** | **6.6** |
| SGD | 3.4787 | **3.2878** | **5.5** |
| CNY | 0.6458 | **0.6131** | **5.1** |
| GBP | 5.8474 | **5.6185** | **3.9** |
| 100 THB | 13.4309 | **13.0662** | **2.7** |
| USD | 4.5900 | **4.4755** | **2.5** |
| 100 HKD | 58.7599 | **57.6424** | **1.9** |

*Note: *Positive territory indicates appreciation of the Ringgit against foreign currencies and negative territory indicates depreciation.*
*Source: Bank Negara Malaysia.*

## III. PROSPECTS FOR 2025

### Geopolitical situation and policy uncertainty in the global arena

The global outlook remains dependent on the overall policy environment and geopolitical situation. Potential downside risks are mainly due to elevated policy uncertainty and geopolitical tensions. In the US, the overall outlook will be subjected to the policy changes. Regional economies are expected to be impacted by the potential deeper slowdown in China. Meanwhile, the Euro area economy is expected to grow, driven by domestic demand and a gradual easing of monetary policy.

### Malaysia: Steady domestic growth backed by firm fundamentals

The economic growth in Malaysia is expected to be backed by firm fundamentals, stable labour market conditions and its diversified economic structure. National pursuits and Government initiatives encompassing a wide area of environmental, social and governance are expected to augur well for economic growth.

On the policy front, Malaysia's macro landscape is supported by appropriate policies and reform initiatives which enhance business resilience and encourage domestic investments. Other supportive measures include providing financial and fiscal impetus to businesses in need, especially the small and medium enterprises.

Continued policy support will also help to cushion the impact of potential downside risks stemming from weaker-than-expected external demand and commodity production.

# Investor **Information**

## STOCK MARKET PERFORMANCE IN 2024

- Resilient global economic data helped investors get into a more positive frame of mind during the first quarter of 2024. Easing financial conditions and optimistic sentiment surrounding anticipated rate cuts, particularly in the United States of America ("US"), upheld the positive momentum in consumer spending, underpinned by resilience in wage growth. China was a point of concern amid struggles in its property sector, and the Government's crackdown on local Government debt in high-risk provinces. Trading activity on Bursa Malaysia was notably robust as positive momentum carried through from the immediate preceding quarter. The benchmark FTSE Bursa Malaysia Composite Index ("FBM KLCI") rose by 81.41 points or +5.6% quarter-on-quarter (q-o-q) to close at 1,536.07 points. The Malaysian economy recorded Gross Domestic Product ("GDP") growth of 2.9% year-on-year (y-o-y) in the fourth quarter of 2023, following a 3.1% expansion in the preceding quarter.

- Market sentiment continued to be buoyant in the second quarter of 2024, underpinned by better-than-expected economic conditions globally. The International Monetary Fund, in its April 2024 outlook, raised its global growth expectation for the year to +3.2%, attributing it to strength in the US and certain emerging market economies, though also flagging for heightened risks. The FBM KLCI added another 54.02 points or +3.5% q-o-q to close at 1,590.09 points. Growth of the Malaysian economy accelerated to 4.2% y-o-y in the first quarter of 2024.

- Market sentiment demonstrated resilience in third quarter of 2024, buoyed by supportive economic data globally. The US Federal Reserve (Fed) announced its first interest rate cut since the Covid-19 pandemic. The Federal Funds Rate was lowered by 0.5% in an effort to calm nerves frayed by a slowing labour market, a product of aggressive monetary policy tightening in efforts to fight runaway inflation between March 2022 and July 2023. The FBM KLCI continued on its uptrend, gaining a further 58.82 points or 3.7% q-o-q to close at 1,648.91 points. Malaysia sustained its economic growth momentum, with GDP growth at an admirable 5.9% y-o-y in the second quarter of 2024.

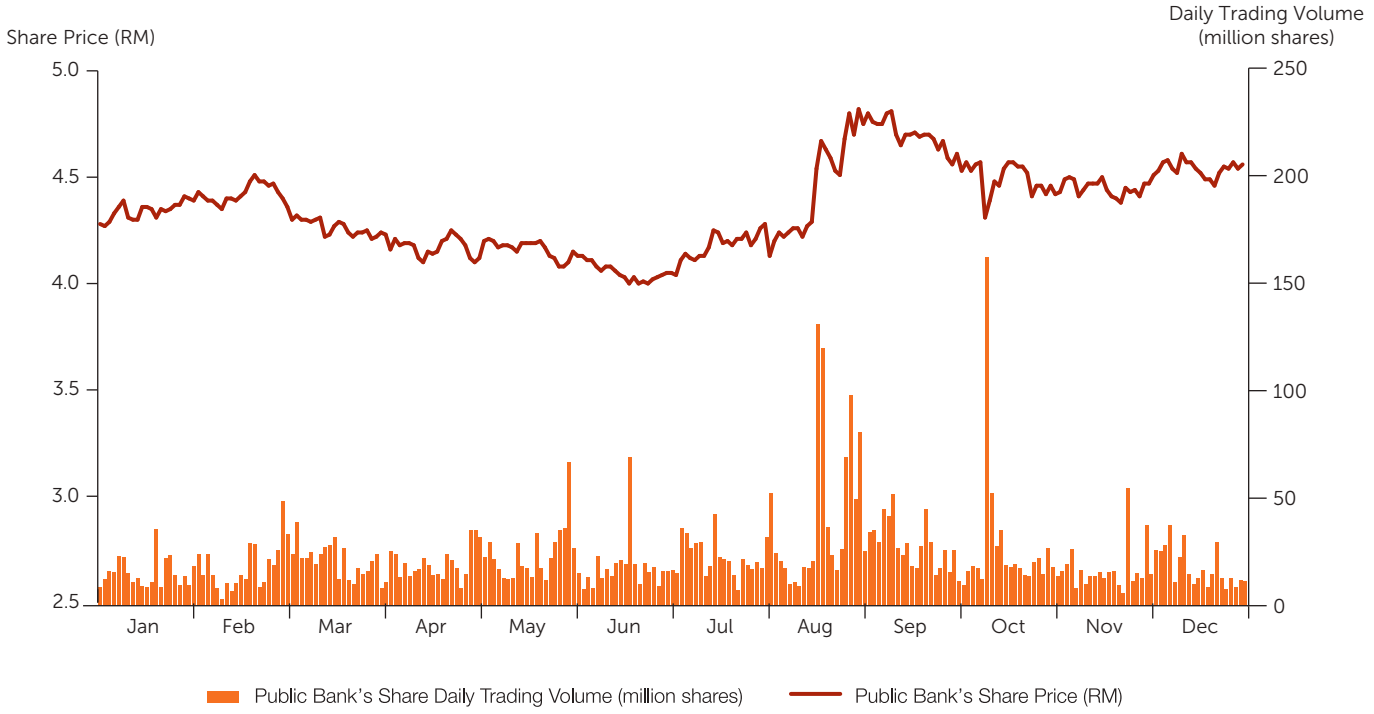
- In the final quarter of the year, the FBM KLCI fell marginally by 6.58 points or 0.4% q-o-q. The economy grew by 5.3% y-o-y in the third quarter of 2024 amid sustained positive sentiment and steady domestic demand. The Fed made two more rate cuts in November and December 2024 respectively – which boosted the US equity markets. For the full year, the benchmark FBM KLCI rose by 187.67 points or +12.9% to close at 1,642.33 points as at the end of 2024. The Malaysian economy recorded GDP growth of 5.0% y-o-y in the fourth quarter of 2024 (3Q24: 5.4%), driven by resilient domestic demand. Investment activity remained strong, supported by the continued realisation of new and existing projects. Private consumption was sustained amid a favourable labour market and ongoing policy support.

## PUBLIC BANK'S SHARE PRICE PERFORMANCE IN 2024

Public Bank remained as the second largest company listed on Bursa Malaysia with market capitalisation of RM88.51 billion as at the end of 2024. The Bank's shares traded higher in line with the movement of the FBM KLCI in 2024. On average, the daily trading volume and value of the Bank's shares recorded 22.7 million shares (2023: 15.2 million shares) and RM99.3 million (2023: RM62.5 million) respectively in 2024.

| Share Price | Market Capitalisation | Earnings Per Share | Dividend Per Share |
|---|---|---|---|
| **RM4.56** | **RM88.51 Bil** | **36.8 sen** | **21.0 sen** |
| 2023: RM4.29 | 2023: RM83.27 Bil | 2023: 34.3 sen | 2023: 19.0 sen |

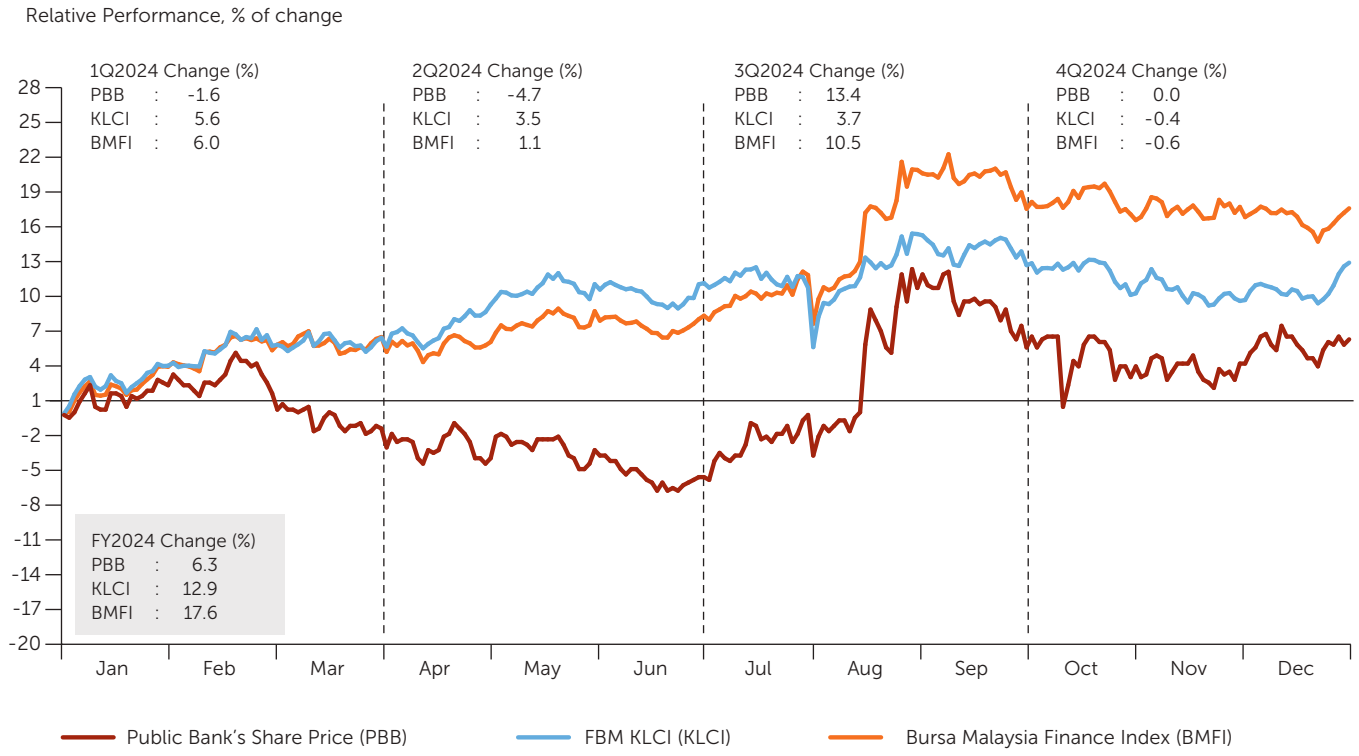
## PUBLIC BANK'S SHARE PRICE AND TRANSACTIONS IN 2024




| Public Bank | 1Q | | 2Q | | 3Q | | 4Q | | FY2024 | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Share Price (RM):** | | | | | | | | | | |
| High | 4.52 | 21 Feb | 4.27 | 24 Apr | 4.84 | 29 Aug<br>10 Sep | 4.64 | 1 Oct | 4.84 | 29 Aug<br>10 Sep |
| Low | 4.18 | 13 Mar<br>14 Mar | 3.98 | 24 Jun | 4.01 | 1 Jul | 4.30 | 11 Oct | 3.98 | 24 Jun |
| Close | 4.22 | 29 Mar | 4.02 | 28 Jun | 4.56 | 30 Sep | 4.56 | 31 Dec | 4.56 | 31 Dec |
| **Average Daily Trading Volume (million shares)** | 18.39 | | 20.76 | | 30.40 | | 20.62 | | 22.66 | |

# Investor Information

## RELATIVE PERFORMANCE OF PUBLIC BANK'S SHARE PRICE VS BENCHMARK INDICES IN 2024




Public Bank's share price fell by 7 sen or -1.6% q-o-q in the first quarter of 2024, compared to a gain in the FBM KLCI by 5.6% q-o-q. An interim dividend of 10.0 sen per share was declared during the period.

Public Bank's share price fell by 20 sen or -4.7% q-o-q in the second quarter of 2024, compared to FBM KLCI which rose by 3.5% q-o-q. The Bank's net profit fell 3.5% year-on-year (y-o-y) to RM1.65 billion in the first quarter of 2024.

Similar to the previous year, Public Bank's share price turned around significantly in the third quarter of 2024 with an increase of 54 sen or 13.4% q-o-q, which outperformed the increase in FBM KLCI by 3.7%. The cumulative net profit increased by 3.1% y-o-y to RM3.44 billion in the first half of 2024. An interim dividend of 10.0 sen per share was declared during the period.

Public Bank's share price was unchanged in the fourth quarter of 2024. The cumulative nine-month net profit increased by 6.2% y-o-y to RM5.35 billion.

As at the end of 2024, Public Bank's share price rose by 27 sen or 6.3% y-o-y to close at RM4.56 compared to RM4.29 as at the end of 2023. The FBM KLCI rose by 187.67 points or +12.9% for the full year of 2024. Backed by strong business fundamentals, investments in the shares of the Bank remain a safe haven amid uncertain market conditions.

# Financial **Calendar**

## FINANCIAL YEAR 2024

### Announcement of Consolidated Results

**20 May 2024 (Monday)**
Unaudited results for 1st quarter ended 31 March 2024

**27 August 2024 (Tuesday)**
Unaudited results for 2nd quarter and half-year ended 30 June 2024

**29 November 2024 (Friday)**
Unaudited results for 3rd quarter ended 30 September 2024

**26 February 2025 (Wednesday)**
Audited results for 4th quarter and financial year ended 31 December 2024

## DIVIDEND

### First Interim Dividend of 10 sen per share

**27 August 2024 (Tuesday)**
Notice

**11 September 2024 (Wednesday)**
Entitlement

**23 September 2024 (Monday)**
Payment

### Second Interim Dividend of 11 sen per share

**26 February 2025 (Wednesday)**
Notice

**13 March 2025 (Thursday)**
Entitlement

**24 March 2025 (Monday)**
Payment

# Analysis of **Shareholdings**

As at 28 February 2025

Number of Issued Shares : 19,410,691,735 ordinary shares
Class of Shares : Ordinary shares
Voting Rights : One vote per ordinary share

## ANALYSIS BY SIZE OF SHAREHOLDINGS BASED ON RECORD OF DEPOSITORS

| | Shareholders | | | | No. of Shares Held | | | |
|---|---|---|---|---|---|---|---|---|
| | Malaysian | | Foreigner | | Malaysian | | Foreigner | |
| Size of shareholdings | No. | % | No. | % | No. | % | No. | % |
| Less than 100 | 4,470 | 2.45 | 105 | 0.06 | 162,077 | * | 3,396 | * |
| 100 – 1,000 shares | 44,385 | 24.32 | 425 | 0.23 | 28,324,880 | 0.15 | 246,430 | * |
| 1,001 – 10,000 shares | 84,150 | 46.12 | 1,149 | 0.63 | 377,068,284 | 1.94 | 5,782,957 | 0.03 |
| 10,001 – 100,000 shares | 39,087 | 21.42 | 1,952 | 1.07 | 1,158,988,191 | 5.97 | 74,176,876 | 0.38 |
| 100,001 – 970,534,585 (less than 5% of issued shares) | 5,310 | 2.91 | 1,445 | 0.79 | 5,945,877,998 | 30.63 | 5,049,568,013 | 26.01 |
| 970,534,586 (5% of issued shares) and above | 2 | * | – | – | 6,770,492,633 | 34.88 | – | – |
| Total | 177,404 | 97.22 | 5,076 | 2.78 | 14,280,914,063 | 73.57 | 5,129,777,672 | 26.43 |
| **Grand Total** | **182,480** | | | | **19,410,691,735** | | | |

***Note:***
** Less than 0.01%.*

## DIRECTORS' DIRECT AND DEEMED INTERESTS IN SHARES IN THE COMPANY AND IN SUBSIDIARY COMPANIES BASED ON REGISTER OF DIRECTORS' SHAREHOLDINGS

### Shares Held in the Company

| | Direct Interests | | Deemed Interests | | Total Interests | |
|---|---|---|---|---|---|---|
| Name | No. of Shares Held | % of Issued Shares | No. of Shares Held | % of Issued Shares | No. of Shares Held | % of Issued Shares |
| Lai Wan | – | – | 93,270[*1] | [*3] | 93,270 | [*3] |
| Tan Sri Dato' Sri Dr. Tay Ah Lek | 27,944,225 | 0.14 | 3,448,725[*2] | 0.02 | 31,392,950 | 0.16 |
| Cheah Kim Ling | – | – | 51,960[*1] | [*3] | 51,960 | [*3] |
| Lee Chin Guan | 1,000,150 | [*3] | – | – | 1,000,150 | [*3] |
| Tham Chai Fhong | 73,500 | [*3] | – | – | 73,500 | [*3] |
| Lim Chao Li | 151,710 | [*3] | – | – | 151,710 | [*3] |
| Gladys Leong | 20,000 | [*3] | – | – | 20,000 | [*3] |
| Teoh Meow Choo | 46,000 | [*3] | – | – | 46,000 | [*3] |

***Notes:***
*[*1] These shares are held by his/her spouse.*
*[*2] Deemed to have interests in PBB shares held by his spouse and child and held by other corporations by virtue of Section 8(4) of the Companies Act, 2016.*
*[*3] Less than 0.01%.*

## Shares Held in Subsidiary Companies

### – Shares Held in LPI Capital Berhad

| Name | Direct Interests | | Deemed Interests | | Total Interests | |
|---|---|---|---|---|---|---|
| | No. of Shares Held | % of Issued Shares | No. of Shares Held | % of Issued Shares | No. of Shares Held | % of Issued Shares |
| Tan Sri Dato' Sri Dr. Tay Ah Lek | 333,849 | 0.08 | 87,552* | 0.02 | 421,401 | 0.10 |
| Lee Chin Guan | 2,300,000 | 0.58 | – | – | 2,300,000 | 0.58 |

***Note:***
** Deemed to have interests in LPI shares held by his spouse and held by other corporation by virtue of Section 8(4) of the Companies Act, 2016.*

### – Shares Held in Public Financial Holdings Limited

| Name | Direct Interests | |
|---|---|---|
| | No. of Shares Held | % of Issued Shares |
| Tan Sri Dato' Sri Dr. Tay Ah Lek | 350,000 | 0.03 |

## SUBSTANTIAL SHAREHOLDERS BASED ON REGISTER OF SUBSTANTIAL SHAREHOLDERS

| Name | Direct Interests | | Deemed Interests | | Total Interests | |
|---|---|---|---|---|---|---|
| | No. of Shares Held | % of Issued Shares | No. of Shares Held | % of Issued Shares | No. of Shares Held | % of Issued Shares |
| The Estate of the late Tan Sri Dato' Sri Dr. Teh Hong Piow | 123,556,410 | 0.64 | 4,200,680,375* | 21.64 | 4,324,236,785 | 22.28 |
| Consolidated Teh Holdings Sdn Bhd | 4,200,680,375 | 21.64 | – | – | 4,200,680,375 | 21.64 |
| Employees Provident Fund Board | 2,935,012,283 | 15.12 | – | – | 2,935,012,283 | 15.12 |

***Note:***
** Deemed to have interests in PBB shares held by other corporation by virtue of Section 8(4) of the Companies Act, 2016.*

## TOP THIRTY SECURITIES ACCOUNT HOLDERS BASED ON RECORD OF DEPOSITORS

(Without aggregating the securities from different securities accounts belonging to the same Depositor)

| | Name | No. of Shares Held | % of Issued Shares |
|---|---|---|---|
| 1. | Consolidated Teh Holdings Sdn Berhad | 4,200,680,375 | 21.64 |
| 2. | Citigroup Nominees (Tempatan) Sdn Bhd<br>*Employees Provident Fund Board* | 2,569,812,258 | 13.24 |
| 3. | Kumpulan Wang Persaraan (Diperbadankan) | 789,047,948 | 4.07 |
| 4. | DB (Malaysia) Nominee (Asing) Sdn Bhd<br>*Exempt An for State Street Bank & Trust Company (West CLT OD67)* | 295,899,281 | 1.52 |
| 5. | Amanahraya Trustees Berhad<br>*Amanah Saham Bumiputera* | 226,215,800 | 1.17 |
| 6. | LPI Capital Bhd | 212,603,520 | 1.10 |
| 7. | HSBC Nominees (Asing) Sdn Bhd<br>*JPMCB NA for Vanguard Total International Stock Index Fund* | 208,973,415 | 1.08 |

# Analysis of Shareholdings

| | Name | No. of Shares Held | % of Issued Shares |
|---|---|---|---|
| 8. | Citigroup Nominees (Tempatan) Sdn Bhd<br>*Exempt An for AIA Bhd* | 201,340,405 | 1.04 |
| 9. | Amanahraya Trustees Berhad<br>*Amanah Saham Malaysia* | 196,809,700 | 1.01 |
| 10. | HSBC Nominees (Asing) Sdn Bhd<br>*JPMCB NA for Vanguard Emerging Markets Stock Index Fund* | 191,097,890 | 0.98 |
| 11. | Public Invest Nominees (Tempatan) Sdn Bhd<br>*Public Bank Group Officers' Retirement Benefits Fund* | 144,581,910 | 0.74 |
| 12. | Citigroup Nominees (Tempatan) Sdn Bhd<br>*Employees Provident Fund Board (Nomura)* | 135,685,300 | 0.70 |
| 13. | Cartaban Nominees (Tempatan) Sdn Bhd<br>*PAMB for Prulink Equity Fund* | 127,711,400 | 0.66 |
| 14. | UOB Kay Hian Nominees (Asing) Sdn Bhd<br>*Exempt An for UOB Kay Hian Pte Ltd (A/c Clients)* | 125,900,230 | 0.65 |
| 15. | The Estate of the late Tan Sri Dato' Sri Dr. Teh Hong Piow | 123,556,410 | 0.64 |
| 16. | Citigroup Nominees (Tempatan) Sdn Bhd<br>*Great Eastern Life Assurance (Malaysia) Berhad (Par 1)* | 123,468,705 | 0.64 |
| 17. | HSBC Nominees (Asing) Sdn Bhd<br>*JPMCB NA for Blackrock Institutional Trust Company, N.A. Investment Funds for Employee Benefit Trusts* | 113,181,576 | 0.58 |
| 18. | Cartaban Nominees (Asing) Sdn Bhd<br>*BNYM SA/NV for People's Bank of China (SICL Asia EM)* | 110,268,500 | 0.57 |
| 19. | Cartaban Nominees (Tempatan) Sdn Bhd<br>*Prudential Assurance Malaysia Berhad for Prulink Strategic Fund* | 108,110,600 | 0.56 |
| 20. | HSBC Nominees (Asing) Sdn Bhd<br>*JPMCB NA for Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II* | 108,016,800 | 0.55 |
| 21. | Citigroup Nominees (Asing) Sdn Bhd<br>*Exempt An for Citibank New York (Norges Bank 19)* | 107,156,000 | 0.55 |
| 22. | Citigroup Nominees (Asing) Sdn Bhd<br>*CB Spore GW for Government of Singapore (GIC C)* | 101,994,755 | 0.53 |
| 23. | Maybank Nominees (Tempatan) Sdn Bhd<br>*Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)* | 82,913,565 | 0.43 |
| 24. | Amanahraya Trustees Berhad<br>*Amanah Saham Bumiputera 2* | 82,130,000 | 0.42 |
| 25. | Citigroup Nominees (Asing) Sdn Bhd<br>*Exempt An for Citibank New York (Norges Bank 14)* | 81,491,300 | 0.42 |
| 26. | Amanahraya Trustees Berhad<br>*Amanah Saham Malaysia 2 - Wawasan* | 76,000,000 | 0.39 |
| 27. | Citigroup Nominees (Asing) Sdn Bhd<br>*UBS AG* | 73,617,841 | 0.38 |
| 28. | Citigroup Nominees (Tempatan) Sdn Bhd<br>*Great Eastern Life Assurance (Malaysia) Berhad (Par 3)* | 68,743,980 | 0.35 |
| 29. | Amanahraya Trustees Berhad<br>*Amanah Saham Malaysia 3* | 66,925,000 | 0.34 |
| 30. | DB (Malaysia) Nominee (Asing) Sdn Bhd<br>*State Street London Fund OQ78 for Ishares IV Public Limited Company* | 64,550,800 | 0.33 |
| | | **11,118,485,264** | **57.28** |

# Share **Capital**

As at 28 February 2025

The total number of issued shares as at 28 February 2025 stands at 19,410,691,735 ordinary shares. The changes in the number of issued shares are as follows:

| Date of Allotment | No. of Shares Allotted | Consideration | Total Number of Issued Shares |
|---|---|---|---|
| Up to 30.08.1966 | 16,000,000 | Cash | 16,000,000 |
| 15.11.1978 | 4,000,000 | Capitalisation of general reserve account (Bonus Issue 1:4) | 20,000,000 |
| 22.07.1981 | 5,000,000 | Capitalisation of general reserve account (Bonus Issue 1:4) | 25,000,000 |
| 07.01.1982 | 10,000,000 | Capitalisation of capital reserve account and general reserve account (Bonus Issue 2:5) | 35,000,000 |
| 11.02.1982 | 35,000,000 | Rights Issue 1:1 at RM2.00 per share | 70,000,000 |
| 22.06.1983 | 42,000,000 | Capitalisation of share premium account and general reserve account (Bonus Issue 3:5) | 112,000,000 |
| 22.08.1983 | 56,000,000 | Rights Issue 1:2 at RM2.00 per share | 168,000,000 |
| 05.07.1984 | 42,000,000 | Capitalisation of share premium account and general reserve account (Bonus Issue 1:4) | 210,000,000 |
| 05.02.1988 | 42,000,000 | Capitalisation of share premium account and general reserve account (Bonus Issue 1:5) | 252,000,000 |
| 03.08.1988 | 105,000,000 | Rights Issue 1:2 at RM1.60 per share | 357,000,000 |
| 11.10.1989 | 218,500 | Exercise of share options under Public Bank Berhad Employees' Share Option Scheme (PBB ESOS) at option price of RM3.80 per share | 357,218,500 |
| 02.05.1990 | 1,237,500 | Exercise of share options under PBB ESOS at option price of RM3.80 per share | 358,456,000 |
| 15.06.1990 | 119,485,333 | Capitalisation of share premium account and general reserve account (Bonus Issue 1:3) | 477,941,333 |
| 06.08.1990 | 71,691,200 | Rights Issue 1:5 at RM2.20 per share | 549,632,533 |
| 08.10.1990 | 138,500 | Exercise of share options under PBB ESOS at option price of RM2.76 per share | 549,771,033 |
| 12.04.1991 | 3,828,850 | Exercise of share options under PBB ESOS at option price of RM2.76 per share | 553,599,883 |
| 24.09.1991 | 334,300 | Exercise of share options under PBB ESOS at option price of RM2.76 per share | 553,934,183 |
| 25.03.1992 | 114,700 | Exercise of share options under PBB ESOS at option price of RM2.76 per share | 554,048,883 |
| 15.04.1993 | 1,038,701 | Exercise of share options under PBB ESOS at option price of RM2.76 per share | 555,087,584 |
| 01.10.1993 | 9,912,337 | Exercise of share options under PBB ESOS at option price of RM2.76 per share | 564,999,921 |
| 20.04.1994 | 3,434,479 | Exercise of share options under PBB ESOS at option price of RM2.76 per share | 568,434,400 |
| 05.10.1994 | 1,113,000 | Exercise of share options under PBB ESOS at option price of RM7.84 per share | 569,547,400 |

# Share Capital

| Date of Allotment | No. of Shares Allotted | Consideration | Total Number of Issued Shares |
|---|---|---|---|
| 27.12.1994 | 50,000,000 | Issue and private placement of 50,000,000 new shares as follows:<br>– 35,000,000 PBB local shares at RM8.28 per share<br>– 15,000,000 PBB foreign shares at RM10.62 per share | 619,547,400 |
| 18.04.1996 | 25,500 | Exercise of share options under PBB ESOS at option price of RM7.84 per share | 619,572,900 |
| 07.08.1996 | 206,524,300 | Capitalisation of share premium account (Bonus Issue 1:3) | 826,097,200 |
| 25.10.1996 | 143,541 | Exercise of share options under PBB ESOS at option price of RM5.88 per share | 826,240,741 |
| 12.05.1997 | 358,850 | Exercise of share options under PBB ESOS at option price of RM5.88 per share | 826,599,591 |
| 06.01.1998 | 165,319,918 | Capitalisation of share premium account (Bonus Issue 1:5) | 991,919,509 |
| 09.03.1998 | 165,319,918 | Rights Issue 1:5 at RM2.00 per PBB local share and at RM2.28 per PBB foreign share | 1,157,239,427 |
| 11.02.1999 | 8,007,750 | Exercise of share options under PBB ESOS at option price of RM3.32 per share | 1,165,247,177 |
| 11.05.1999 | 35,500 | Exercise of share options under PBB ESOS at option price of RM4.48 per share | 1,165,282,677 |
| 19.05.1999 | 4,736,865 | Exercise of share options under PBB ESOS at option price of RM4.48 per share | 1,170,019,542 |
| 07.06.1999 | 1,077,950 | Exercise of share options under PBB ESOS at option price of RM4.48 per share | 1,171,097,492 |
| 02.07.1999 | 12,063,250 | Exercise of share options under PBB ESOS at option price of RM3.32 per share | 1,183,160,742 |
| 08.12.2000 | 11,899,125 | Exercise of share options under PBB ESOS at option price of RM3.32 per share | 1,195,059,867 |
| 15.02.2001 | 1,662,500 | Exercise of share options under PBB ESOS at option price of RM3.32 per share | 1,196,722,367 |
| 31.03.2001 | 213,140,892 | New PBB local shares issued in exchange for 125,377,000 ordinary shares of RM1.00 each in Hock Hua Bank Bhd (HHB) pursuant to terms of merger of PBB and HHB | 1,409,863,259 |
| 23.04.2001 | 422,958,977 | Capitalisation of share premium account and retained profits (Bonus Issue 3:10) | 1,832,822,236 |
| 11.12.2001 | 996,387 | Exercise of share options under PBB ESOS at option price of RM2.54 per share | 1,833,818,623 |
| 12.03.2002 | 1,025,362 | Exercise of share options under PBB ESOS at option price of RM2.54 per share | 1,834,843,985 |
| 12.07.2002 | 458,710,997 | Capitalisation of share premium account (Bonus Issue 1:4) | 2,293,554,982 |
| 13.09.2002 | 13,570,954 | Exercise of share options under PBB ESOS as follows:<br>- 1,488,329 shares at option price of RM2.04 per share<br>- 12,082,625 shares at option price of RM4.44 per share | 2,307,125,936 |
| 08.10.2002 | 7,153,442 | Exercise of share options under PBB ESOS as follows:<br>- 412,567 shares at option price of RM2.04 per share<br>- 6,740,875 shares at option price of RM4.44 per share | 2,314,279,378 |

| Date of Allotment | No. of Shares Allotted | Consideration | Total Number of Issued Shares |
|---|---|---|---|
| 12.12.2002 | 247,675 | Exercise of share options under PBB ESOS as follows:<br>- 130,050 shares at option price of RM2.04 per share<br>- 117,625 shares at option price of RM4.44 per share | 2,314,527,053 |
| 14.03.2003 | 153,158 | Exercise of share options under PBB ESOS as follows:<br>- 112,408 shares at option price of RM2.04 per share<br>- 40,750 shares at option price of RM4.44 per share | 2,314,680,211 |
| 09.04.2003 | 37,907 | Exercise of share options under PBB ESOS at option price of RM2.04 per share | 2,314,718,118 |
| 13.06.2003 | 202,598,923 | New PBB local shares issued in exchange for 135,065,949 ordinary shares of RM1.00 each in Public Finance Bhd (PFB) pursuant to terms of privatisation of PFB | 2,517,317,041 |
| 16.07.2003 | 629,329,261 | Capitalisation of share premium account (Bonus Issue 1:4) | 3,146,646,302 |
| 14.08.2003 | 8,337,798 | Exercise of share options under PBB ESOS as follows:<br>- 250,423 shares at option price of RM1.64 per share<br>- 8,087,375 shares at option price of RM3.56 per share | 3,154,984,100 |
| 05.09.2003 | 2,804,031 | Exercise of share options under PBB ESOS as follows:<br>- 75,156 shares at option price of RM1.64 per share<br>- 2,728,875 shares at option price of RM3.56 per share | 3,157,788,131 |
| 08.09.2003 | 2,902,623 | Exercise of share options under PBB ESOS as follows:<br>- 67,856 shares at option price of RM1.64 per share<br>- 1,595,142 shares at option price of RM3.56 per share<br>- 1,239,625 shares at option price of RM3.40 per share | 3,160,690,754 |
| 12.09.2003 | 7,001,644 | Exercise of share options under PBB ESOS as follows:<br>– 54,489 shares at option price of RM1.64 per share<br>– 4,948,530 shares at option price of RM3.56 per share<br>– 1,998,625 shares at option price of RM3.40 per share | 3,167,692,398 |
| 24.09.2003 | 1,216,063 | Exercise of share options under PBB ESOS as follows:<br>– 6,250 shares at option price of RM1.64 per share<br>– 915,688 shares at option price of RM3.56 per share<br>– 294,125 shares at option price of RM3.40 per share | 3,168,908,461 |
| 15.10.2003 | 3,518,818 | Exercise of share options under PBB ESOS as follows:<br>– 15,169 shares at option price of RM1.64 per share<br>– 2,515,399 shares at option price of RM3.56 per share<br>– 988,250 shares at option price of RM3.40 per share | 3,172,427,279 |
| 27.10.2003 | 2,054,251 | Exercise of share options under PBB ESOS as follows:<br>– 3,313 shares at option price of RM1.64 per share<br>– 1,457,938 shares at option price of RM3.56 per share<br>– 593,000 shares at option price of RM3.40 per share | 3,174,481,530 |
| 29.10.2003 | 6,748,111 | Exercise of share options under PBB ESOS as follows:<br>– 32,993 shares at option price of RM1.64 per share<br>– 3,781,268 shares at option price of RM3.56 per share<br>– 2,933,850 shares at option price of RM3.40 per share | 3,181,229,641 |
| 06.11.2003 | 4,913,239 | Exercise of share options under PBB ESOS as follows:<br>– 39,115 shares at option price of RM1.64 per share<br>– 3,806,374 shares at option price of RM3.56 per share<br>– 1,067,750 shares at option price of RM3.40 per share | 3,186,142,880 |

# Share Capital

| Date of Allotment | No. of Shares Allotted | Consideration | Total Number of Issued Shares |
|---|---|---|---|
| 13.11.2003 | 1,202,135 | Exercise of share options under PBB ESOS as follows:<br>– 5,040 shares at option price of RM1.64 per share<br>– 961,220 shares at option price of RM3.56 per share<br>– 235,875 shares at option price of RM3.40 per share | 3,187,345,015 |
| 18.11.2003 | 455,750 | Exercise of share options under PBB ESOS as follows:<br>– 406,250 shares at option price of RM3.56 per share<br>– 49,500 shares at option price of RM3.40 per share | 3,187,800,765 |
| 21.11.2003 | 5,801,710 | Exercise of share options under PBB ESOS as follows:<br>– 33,297 shares at option price of RM1.64 per share<br>– 2,989,788 shares at option price of RM3.56 per share<br>– 2,778,625 shares at option price of RM3.40 per share | 3,193,602,475 |
| 01.12.2003 | 1,417,894 | Exercise of share options under PBB ESOS as follows:<br>– 16,324 shares at option price of RM1.64 per share<br>– 1,062,070 shares at option price of RM3.56 per share<br>– 339,500 shares at option price of RM3.40 per share | 3,195,020,369 |
| 04.12.2003 | 68,000 | Exercise of share options under PBB ESOS at option price of RM3.56 per share | 3,195,088,369 |
| 22.12.2003 | 2,297,250 | Exercise of share options under PBB ESOS as follows:<br>– 13,484 shares at option price of RM1.64 per share<br>– 1,889,391 shares at option price of RM3.56 per share<br>– 394,375 shares at option price of RM3.40 per share | 3,197,385,619 |
| 26.12.2003 | 9,214,108 | Exercise of share options under PBB ESOS as follows:<br>– 20,525 shares at option price of RM1.64 per share<br>– 6,642,458 shares at option price of RM3.56 per share<br>– 2,551,125 shares at option price of RM3.40 per share | 3,206,599,727 |
| 27.01.2004 | 1,883,267 | Exercise of share options under PBB ESOS as follows:<br>– 4,547 shares at option price of RM1.64 per share<br>– 1,680,345 shares at option price of RM3.56 per share<br>– 198,375 shares at option price of RM3.40 per share | 3,208,482,994 |
| 20.02.2004 | 483,813 | Exercise of share options under PBB ESOS as follows:<br>– 457,313 shares at option price of RM3.56 per share<br>– 26,500 shares at option price of RM3.40 per share | 3,208,966,807 |
| 01.03.2004 | 1,024,066 | Exercise of share options under PBB ESOS as follows:<br>– 886,316 shares at option price of RM3.56 per share<br>– 137,750 shares at option price of RM3.40 per share | 3,209,990,873 |
| 03.03.2004 | 13,717,282 | Exercise of share options under PBB ESOS as follows:<br>– 38,231 shares at option price of RM1.64 per share<br>– 10,718,176 shares at option price of RM3.56 per share<br>– 1,647,375 shares at option price of RM3.40 per share<br>– 1,313,500 shares at option price of RM4.60 per share | 3,223,708,155 |
| 05.03.2004 | 28,660,157 | Exercise of share options under PBB ESOS as follows:<br>– 253,907 shares at option price of RM1.64 per share<br>– 28,406,250 shares at option price of RM3.56 per share | 3,252,368,312 |
| 11.03.2004 | 13,177,700 | Exercise of share options under PBB ESOS as follows:<br>– 36,366 shares at option price of RM1.64 per share<br>– 10,361,459 shares at option price of RM3.56 per share<br>– 940,875 shares at option price of RM3.40 per share<br>– 1,839,000 shares at option price of RM4.60 per share | 3,265,546,012 |

| Date of Allotment | No. of Shares Allotted | Consideration | Total Number of Issued Shares |
|---|---|---|---|
| 17.03.2004 | 12,271,286 | Exercise of share options under PBB ESOS as follows:<br>– 46,892 shares at option price of RM1.64 per share<br>– 10,183,769 shares at option price of RM3.56 per share<br>– 597,125 shares at option price of RM3.40 per share<br>– 1,443,500 shares at option price of RM4.60 per share | 3,277,817,298 |
| 23.03.2004 | 8,575,825 | Exercise of share options under PBB ESOS as follows:<br>– 38,252 shares at option price of RM1.64 per share<br>– 6,166,723 shares at option price of RM3.56 per share<br>– 867,350 shares at option price of RM3.40 per share<br>– 1,503,500 shares at option price of RM4.60 per share | 3,286,393,123 |
| 06.04.2004 | 1,919,157 | Exercise of share options under PBB ESOS as follows:<br>– 1,703,532 shares at option price of RM3.56 per share<br>– 69,625 shares at option price of RM3.40 per share<br>– 146,000 shares at option price of RM4.60 per share | 3,288,312,280 |
| 13.04.2004 | 4,016,890 | Exercise of share options under PBB ESOS as follows:<br>– 3,078,890 shares at option price of RM3.56 per share<br>– 405,000 shares at option price of RM3.40 per share<br>– 533,000 shares at option price of RM4.60 per share | 3,292,329,170 |
| 16.04.2004 | 1,233,902 | Exercise of share options under PBB ESOS as follows:<br>– 10,500 shares at option price of RM1.64 per share<br>– 1,017,652 shares at option price of RM3.56 per share<br>– 85,750 shares at option price of RM3.40 per share<br>– 120,000 shares at option price of RM4.60 per share | 3,293,563,072 |
| 17.08.2004 | 11,152,166 | Exercise of share options under PBB ESOS as follows:<br>– 13,349 shares at option price of RM1.64 per share<br>– 6,270,567 shares at option price of RM3.56 per share<br>– 857,550 shares at option price of RM3.40 per share<br>– 2,299,700 shares at option price of RM4.60 per share<br>– 1,711,000 shares at option price of RM4.92 per share | 3,304,715,238 |
| 30.08.2004 | 12,767,404 | Exercise of share options under PBB ESOS as follows:<br>– 57,078 shares at option price of RM1.64 per share<br>– 7,127,076 shares at option price of RM3.56 per share<br>– 618,450 shares at option price of RM3.40 per share<br>– 2,372,800 shares at option price of RM4.60 per share<br>– 2,592,000 shares at option price of RM4.92 per share | 3,317,482,642 |
| 09.09.2004 | 1,649,681 | Exercise of share options under PBB ESOS as follows:<br>– 908,831 shares at option price of RM3.56 per share<br>– 67,350 shares at option price of RM3.40 per share<br>– 260,500 shares at option price of RM4.60 per share<br>– 413,000 shares at option price of RM4.92 per share | 3,319,132,323 |
| 27.09.2004 | 623,819 | Exercise of share options under PBB ESOS as follows:<br>– 8,125 shares at option price of RM1.64 per share<br>– 344,819 shares at option price of RM3.56 per share<br>– 63,375 shares at option price of RM3.40 per share<br>– 136,000 shares at option price of RM4.60 per share<br>– 71,500 shares at option price of RM4.92 per share | 3,319,756,142 |

# Share Capital

| Date of Allotment | No. of Shares Allotted | Consideration | Total Number of Issued Shares |
|---|---|---|---|
| 28.09.2004 | 1,737,912 | Exercise of share options under PBB ESOS as follows:<br>– 795,637 shares at option price of RM3.56 per share<br>– 120,875 shares at option price of RM3.40 per share<br>– 347,900 shares at option price of RM4.60 per share<br>– 473,500 shares at option price of RM4.92 per share | 3,321,494,054 |
| 04.10.2004 | 4,621,593 | Exercise of share options under PBB ESOS as follows:<br>– 33,767 shares at option price of RM1.64 per share<br>– 2,569,876 shares at option price of RM3.56 per share<br>– 267,650 shares at option price of RM3.40 per share<br>– 1,187,300 shares at option price of RM4.60 per share<br>– 563,000 shares at option price of RM4.92 per share | 3,326,115,647 |
| 26.10.2004 | 1,755,048 | Exercise of share options under PBB ESOS as follows:<br>– 665,498 shares at option price of RM3.56 per share<br>– 71,650 shares at option price of RM3.40 per share<br>– 527,400 shares at option price of RM4.60 per share<br>– 490,500 shares at option price of RM4.92 per share | 3,327,870,695 |
| 19.11.2004 | 4,569,277 | Exercise of share options under PBB ESOS as follows:<br>– 187,546 shares at option price of RM1.64 per share<br>– 2,491,856 shares at option price of RM3.56 per share<br>– 289,375 shares at option price of RM3.40 per share<br>– 1,212,000 shares at option price of RM4.60 per share<br>– 388,500 shares at option price of RM4.92 per share | 3,332,439,972 |
| 25.11.2004 | 20,935,350 | Exercise of share options under PBB ESOS as follows:<br>– 31,710 shares at option price of RM1.64 per share<br>– 9,479,777 shares at option price of RM3.56 per share<br>– 653,600 shares at option price of RM3.40 per share<br>– 4,162,263 shares at option price of RM4.60 per share<br>– 6,608,000 shares at option price of RM4.92 per share | 3,353,375,322 |
| 03.12.2004 | 2,392,002 | Exercise of share options under PBB ESOS as follows:<br>– 1,183,077 shares at option price of RM3.56 per share<br>– 140,300 shares at option price of RM3.40 per share<br>– 604,125 shares at option price of RM4.60 per share<br>– 464,500 shares at option price of RM4.92 per share | 3,355,767,324 |
| 28.01.2005 | 20,743,000 | Exercise of share options under PBB ESOS at option price of RM4.92 per share | 3,376,510,324 |
| 31.01.2005 | 2,415,001 | Exercise of share options under PBB ESOS as follows:<br>– 15,475 shares at option price of RM1.64 per share<br>– 985,926 shares at option price of RM3.56 per share<br>– 104,200 shares at option price of RM3.40 per share<br>– 954,400 shares at option price of RM4.60 per share<br>– 355,000 shares at option price of RM4.92 per share | 3,378,925,325 |
| 07.02.2005 | 10,466,250 | Exercise of share options under PBB ESOS as follows:<br>– 2,406,250 shares at option price of RM3.56 per share<br>– 2,250,000 shares at option price of RM4.60 per share<br>– 5,810,000 shares at option price of RM4.92 per share | 3,389,391,575 |
| 21.02.2005 | 7,511,743 | Exercise of share options under PBB ESOS as follows:<br>– 26,106 shares at option price of RM1.64 per share<br>– 3,364,187 shares at option price of RM3.56 per share<br>– 377,950 shares at option price of RM3.40 per share<br>– 2,883,000 shares at option price of RM4.60 per share<br>– 860,500 shares at option price of RM4.92 per share | 3,396,903,318 |

| Date of Allotment | No. of Shares Allotted | Consideration | Total Number of Issued Shares |
|---|---|---|---|
| 25.02.2005 | 639,342 | Exercise of share options under PBB ESOS as follows:<br>– 6,094 shares at option price of RM1.64 per share<br>– 236,373 shares at option price of RM3.56 per share<br>– 14,875 shares at option price of RM3.40 per share<br>– 291,000 shares at option price of RM4.60 per share<br>– 91,000 shares at option price of RM4.92 per share | 3,397,542,660 |
| 01.08.2005 | 12,813,748 | Exercise of share options under PBB ESOS as follows:<br>– 14,482 shares at option price of RM1.64 per share<br>– 1,382,291 shares at option price of RM3.56 per share<br>– 194,275 shares at option price of RM3.40 per share<br>– 1,397,700 shares at option price of RM4.60 per share<br>– 6,670,000 shares at option price of RM4.92 per share<br>– 3,155,000 shares at option price of RM6.37 per share | 3,410,356,408 |
| 31.10.2005 | 2,114,074 | Exercise of share options under PBB ESOS as follows:<br>– 1,063 shares at option price of RM1.64 per share<br>– 442,561 shares at option price of RM3.56 per share<br>– 96,950 shares at option price of RM3.40 per share<br>– 424,800 shares at option price of RM4.60 per share<br>– 1,014,500 shares at option price of RM4.92 per share<br>– 134,200 shares at option price of RM6.37 per share | 3,412,470,482 |
| 09.11.2005 | 3,737,523 | Exercise of share options under PBB ESOS as follows:<br>– 1,269 shares at option price of RM1.64 per share<br>– 1,429,354 shares at option price of RM3.56 per share<br>– 238,525 shares at option price of RM3.40 per share<br>– 1,537,875 shares at option price of RM4.60 per share<br>– 204,000 shares at option price of RM4.92 per share<br>– 326,500 shares at option price of RM6.37 per share | 3,416,208,005 |
| 15.11.2005 | 660,400 | Exercise of share options under PBB ESOS as follows:<br>– 163,100 shares at option price of RM3.56 per share<br>– 61,700 shares at option price of RM3.40 per share<br>– 390,100 shares at option price of RM4.60 per share<br>– 45,500 shares at option price of RM4.92 per share | 3,416,868,405 |
| 05.12.2005 | 504,684 | Exercise of share options under PBB ESOS as follows:<br>– 217,309 shares at option price of RM3.56 per share<br>– 35,375 shares at option price of RM3.40 per share<br>– 202,500 shares at option price of RM4.60 per share<br>– 23,500 shares at option price of RM4.92 per share<br>– 26,000 shares at option price of RM6.37 per share | 3,417,373,089 |
| 13.01.2006 | 3,553,363 | Exercise of share options under PBB ESOS as follows:<br>– 2,587 shares at option price of RM1.64 per share<br>– 391,750 shares at option price of RM3.56 per share<br>– 77,325 shares at option price of RM3.40 per share<br>– 519,300 shares at option price of RM4.60 per share<br>– 71,000 shares at option price of RM4.92 per share<br>– 86,000 shares at option price of RM6.37 per share<br>– 2,405,401 shares at option price of RM5.67 per share | 3,420,926,452 |
| 18.01.2006 | 115,100 | Exercise of share options under PBB ESOS as follows:<br>– 8,600 shares at option price of RM3.56 per share<br>– 83,500 shares at option price of RM4.60 per share<br>– 23,000 shares at option price of RM4.92 per share | 3,421,041,552 |

# Share Capital

| Date of Allotment | No. of Shares Allotted | Consideration | Total Number of Issued Shares |
|---|---|---|---|
| 08.02.2006 | 329,363 | Exercise of share options under PBB ESOS as follows:<br>– 45,938 shares at option price of RM3.56 per share<br>– 2,425 shares at option price of RM3.40 per share<br>– 27,500 shares at option price of RM4.60 per share<br>– 7,500 shares at option price of RM4.92 per share<br>– 7,000 shares at option price of RM6.37 per share<br>– 239,000 shares at option price of RM5.67 per share | 3,421,370,915 |
| 28.02.2006 | 3,922,364 | Exercise of share options under PBB ESOS as follows:<br>– 302 shares at option price of RM1.64 per share<br>– 234,931 shares at option price of RM3.56 per share<br>– 20,125 shares at option price of RM3.40 per share<br>– 293,500 shares at option price of RM4.60 per share<br>– 63,500 shares at option price of RM4.92 per share<br>– 255,000 shares at option price of RM6.37 per share<br>– 3,055,006 shares at option price of RM5.67 per share | 3,425,293,279 |
| 09.03.2006 | 8,050,287 | Exercise of share options under PBB ESOS as follows:<br>– 1,282 shares at option price of RM1.64 per share<br>– 296,195 shares at option price of RM3.56 per share<br>– 3,125 shares at option price of RM3.40 per share<br>– 314,600 shares at option price of RM4.60 per share<br>– 108,000 shares at option price of RM4.92 per share<br>– 402,390 shares at option price of RM6.37 per share<br>– 6,924,695 shares at option price of RM5.67 per share | 3,433,343,566 |
| 14.03.2006 | 12,000 | Exercise of share options under PBB ESOS at option price of RM5.67 per share | 3,433,355,566 |
| 14.08.2006 | 1,960,920 | Exercise of share options under PBB ESOS as follows:<br>– 2,094 shares at option price of RM1.64 per share<br>– 94,596 shares at option price of RM3.56 per share<br>– 11,625 shares at option price of RM3.40 per share<br>– 212,500 shares at option price of RM4.60 per share<br>– 40,000 shares at option price of RM4.92 per share<br>– 115,000 shares at option price of RM6.37 per share<br>– 1,485,105 shares at option price of RM5.67 per share | 3,435,316,486 |
| 22.08.2006 | 13,588,150 | Exercise of share options under PBB ESOS as follows:<br>– 17,923 shares at option price of RM1.64 per share<br>– 411,452 shares at option price of RM3.56 per share<br>– 44,250 shares at option price of RM3.40 per share<br>– 555,000 shares at option price of RM4.60 per share<br>– 72,900 shares at option price of RM4.92 per share<br>– 319,000 shares at option price of RM6.37 per share<br>– 12,167,625 shares at option price of RM5.67 per share | 3,448,904,636 |
| 04.09.2006 | 1,147,600 | Exercise of share options under PBB ESOS as follows:<br>– 34,600 shares at option price of RM3.56 per share<br>– 83,500 shares at option price of RM4.60 per share<br>– 51,500 shares at option price of RM4.92 per share<br>– 978,000 shares at option price of RM5.67 per share | 3,450,052,236 |

| Date of Allotment | No. of Shares Allotted | Consideration | Total Number of Issued Shares |
|---|---|---|---|
| 22.09.2006 | 754,127 | Exercise of share options under PBB ESOS as follows:<br>– 16,127 shares at option price of RM3.56 per share<br>– 22,000 shares at option price of RM4.60 per share<br>– 7,000 shares at option price of RM4.92 per share<br>– 16,000 shares at option price of RM6.37 per share<br>– 693,000 shares at option price of RM5.67 per share | 3,450,806,363 |
| 20.11.2006 | 1,735,884 | Exercise of share options under PBB ESOS as follows:<br>– 2,698 shares at option price of RM1.64 per share<br>– 31,886 shares at option price of RM3.56 per share<br>– 6,500 shares at option price of RM3.40 per share<br>– 130,500 shares at option price of RM4.60 per share<br>– 19,000 shares at option price of RM4.92 per share<br>– 542,500 shares at option price of RM6.37 per share<br>– 1,002,800 shares at option price of RM5.67 per share | 3,452,542,247 |
| 30.11.2006 | 3,142,529 | Exercise of share options under PBB ESOS as follows:<br>– 1,358 shares at option price of RM1.64 per share<br>– 90,371 shares at option price of RM3.56 per share<br>– 4,000 shares at option price of RM3.40 per share<br>– 188,500 shares at option price of RM4.60 per share<br>– 43,500 shares at option price of RM4.92 per share<br>– 1,083,300 shares at option price of RM6.37 per share<br>– 1,731,500 shares at option price of RM5.67 per share | 3,455,684,776 |
| 05.12.2006 | 4,553,096 | Exercise of share options under PBB ESOS as follows:<br>– 4,092 shares at option price of RM1.64 per share<br>– 161,211 shares at option price of RM3.56 per share<br>– 18,793 shares at option price of RM3.40 per share<br>– 349,600 shares at option price of RM4.60 per share<br>– 78,000 shares at option price of RM4.92 per share<br>– 1,655,200 shares at option price of RM6.37 per share<br>– 2,286,200 shares at option price of RM5.67 per share | 3,460,237,872 |
| 15.12.2006 | 2,407,500 | Exercise of share options under PBB ESOS as follows:<br>– 30,700 shares at option price of RM3.56 per share<br>– 1,800 shares at option price of RM3.40 per share<br>– 82,200 shares at option price of RM4.60 per share<br>– 59,000 shares at option price of RM4.92 per share<br>– 729,000 shares at option price of RM6.37 per share<br>– 1,504,800 shares at option price of RM5.67 per share | 3,462,645,372 |
| 22.12.2006 | 179,500 | Exercise of share options under PBB ESOS as follows:<br>– 17,500 shares at option price of RM4.60 per share<br>– 50,000 shares at option price of RM6.37 per share<br>– 112,000 shares at option price of RM5.67 per share | 3,462,824,872 |
| 25.01.2007 | 7,252,589 | Exercise of share options under PBB ESOS as follows:<br>– 473 shares at option price of RM1.64 per share<br>– 184,208 shares at option price of RM3.56 per share<br>– 14,800 shares at option price of RM3.40 per share<br>– 234,500 shares at option price of RM4.60 per share<br>– 43,500 shares at option price of RM4.92 per share<br>– 3,230,108 shares at option price of RM6.37 per share<br>– 3,545,000 shares at option price of RM5.67 per share | 3,470,077,461 |

# Share Capital

| Date of Allotment | No. of Shares Allotted | Consideration | Total Number of Issued Shares |
|---|---|---|---|
| 30.01.2007 | 16,102,248 | Exercise of share options under PBB ESOS as follows:<br>– 5,228 shares at option price of RM1.64 per share<br>– 68,187 shares at option price of RM3.56 per share<br>– 29,000 shares at option price of RM3.40 per share<br>– 254,031 shares at option price of RM4.60 per share<br>– 60,200 shares at option price of RM4.92 per share<br>– 11,004,802 shares at option price of RM6.37 per share<br>– 4,680,800 shares at option price of RM5.67 per share | 3,486,179,709 |
| 05.02.2007 | 2,798,614 | Exercise of share options under PBB ESOS as follows:<br>– 16,239 shares at option price of RM3.56 per share<br>– 775 shares at option price of RM3.40 per share<br>– 35,100 shares at option price of RM4.60 per share<br>– 11,000 shares at option price of RM4.92 per share<br>– 1,971,000 shares at option price of RM6.37 per share<br>– 764,500 shares at option price of RM5.67 per share | 3,488,978,323 |
| 15.02.2007 | 3,449,000 | Exercise of share options under PBB ESOS as follows:<br>– 8,000 shares at option price of RM3.56 per share<br>– 1,000 shares at option price of RM3.40 per share<br>– 48,500 shares at option price of RM4.60 per share<br>– 25,500 shares at option price of RM4.92 per share<br>– 2,387,000 shares at option price of RM6.37 per share<br>– 979,000 shares at option price of RM5.67 per share | 3,492,427,323 |
| 23.02.2007 | 118,000 | Exercise of share options under PBB ESOS as follows:<br>– 3,500 shares at option price of RM4.60 per share<br>– 49,000 shares at option price of RM6.37 per share<br>– 65,500 shares at option price of RM5.67 per share | 3,492,545,323 |
| 14.05.2007 | 5,659,529 | Exercise of share options under PBB ESOS as follows:<br>– 22,492 shares at option price of RM1.64 per share<br>– 75,283 shares at option price of RM3.56 per share<br>– 24,350 shares at option price of RM3.40 per share<br>– 185,000 shares at option price of RM4.60 per share<br>– 43,500 shares at option price of RM4.92 per share<br>– 3,516,279 shares at option price of RM6.37 per share<br>– 1,792,625 shares at option price of RM5.67 per share | 3,498,204,852 |
| 17.05.2007 | 7,553,346 | Exercise of share options under PBB ESOS as follows:<br>– 3,371 shares at option price of RM1.64 per share<br>– 114,070 shares at option price of RM3.56 per share<br>– 31,507 shares at option price of RM3.40 per share<br>– 216,500 shares at option price of RM4.60 per share<br>– 54,300 shares at option price of RM4.92 per share<br>– 4,608,696 shares at option price of RM6.37 per share<br>– 2,524,902 shares at option price of RM5.67 per share | 3,505,758,198 |
| 30.05.2007 | 224,369 | Exercise of share options under PBB ESOS as follows:<br>– 9,369 shares at option price of RM3.56 per share<br>– 6,500 shares at option price of RM4.60 per share<br>– 2,500 shares at option price of RM4.92 per share<br>– 128,000 shares at option price of RM6.37 per share<br>– 78,000 shares at option price of RM5.67 per share | 3,505,982,567 |

| Date of Allotment | No. of Shares Allotted | Consideration | Total Number of Issued Shares |
|---|---|---|---|
| 04.06.2007 | 2,962,800 | Exercise of share options under PBB ESOS as follows:<br>– 43,000 shares at option price of RM3.56 per share<br>– 1,000 shares at option price of RM3.40 per share<br>– 117,000 shares at option price of RM4.60 per share<br>– 34,000 shares at option price of RM4.92 per share<br>– 1,931,000 shares at option price of RM6.37 per share<br>– 836,800 shares at option price of RM5.67 per share | 3,508,945,367 |
| 07.06.2007 | 33,900 | Exercise of share options under PBB ESOS as follows:<br>– 400 shares at option price of RM3.56 per share<br>– 1,500 shares at option price of RM4.60 per share<br>– 25,000 shares at option price of RM6.37 per share<br>– 7,000 shares at option price of RM5.67 per share | 3,508,979,267 |
| 10.07.2007 | 1,974,411 | Exercise of share options under PBB ESOS as follows:<br>– 379 shares at option price of RM1.64 per share<br>– 47,133 shares at option price of RM3.56 per share<br>– 91,000 shares at option price of RM4.60 per share<br>– 15,500 shares at option price of RM4.92 per share<br>– 1,201,900 shares at option price of RM6.37 per share<br>– 618,499 shares at option price of RM5.67 per share | 3,510,953,678 |
| 17.07.2007 | 7,444,206 | Exercise of share options under PBB ESOS as follows:<br>– 82,283 shares at option price of RM3.56 per share<br>– 19,925 shares at option price of RM3.40 per share<br>– 95,575 shares at option price of RM4.60 per share<br>– 16,100 shares at option price of RM4.92 per share<br>– 6,428,923 shares at option price of RM6.37 per share<br>– 801,400 shares at option price of RM5.67 per share | 3,518,397,884 |
| 20.07.2007 | 727,500 | Exercise of share options under PBB ESOS as follows:<br>– 3,000 shares at option price of RM3.56 per share<br>– 21,000 shares at option price of RM4.60 per share<br>– 10,000 shares at option price of RM4.92 per share<br>– 512,000 shares at option price of RM6.37 per share<br>– 181,500 shares at option price of RM5.67 per share | 3,519,125,384 |
| 14.11.2007 | 6,071,344 | Exercise of share options under PBB ESOS as follows:<br>– 727 shares at option price of RM1.64 per share<br>– 68,822 shares at option price of RM3.56 per share<br>– 450 shares at option price of RM3.40 per share<br>– 138,900 shares at option price of RM4.60 per share<br>– 26,000 shares at option price of RM4.92 per share<br>– 4,763,700 shares at option price of RM6.37 per share<br>– 1,072,745 shares at option price of RM5.67 per share | 3,525,196,728 |
| 16.11.2007 | 1,834,280 | Exercise of share options under PBB ESOS as follows:<br>– 32,006 shares at option price of RM3.56 per share<br>– 29,075 shares at option price of RM3.40 per share<br>– 86,969 shares at option price of RM4.60 per share<br>– 16,000 shares at option price of RM4.92 per share<br>– 1,117,231 shares at option price of RM6.37 per share<br>– 552,999 shares at option price of RM5.67 per share | 3,527,031,008 |

# Share Capital

| Date of Allotment | No. of Shares Allotted | Consideration | Total Number of Issued Shares |
|---|---|---|---|
| 26.11.2007 | 849,375 | Exercise of share options under PBB ESOS as follows:<br>– 9,700 shares at option price of RM3.56 per share<br>– 19,075 shares at option price of RM3.40 per share<br>– 38,000 shares at option price of RM4.60 per share<br>– 19,500 shares at option price of RM4.92 per share<br>– 479,800 shares at option price of RM6.37 per share<br>– 283,300 shares at option price of RM5.67 per share | 3,527,880,383 |
| 17.12.2007 | 11,000 | Exercise of share options under PBB ESOS at option price of RM6.37 per share | 3,527,891,383 |
| 21.01.2008 | 701,527 | Exercise of share options under PBB ESOS as follows:<br>– 46,600 shares at option price of RM3.56 per share<br>– 125 shares at option price of RM3.40 per share<br>– 19,000 shares at option price of RM4.60 per share<br>– 8,500 shares at option price of RM4.92 per share<br>– 481,302 shares at option price of RM6.37 per share<br>– 146,000 shares at option price of RM5.67 per share | 3,528,592,910 |
| 05.02.2008 | 710,476 | Exercise of share options under PBB ESOS as follows:<br>– 11,109 shares at option price of RM3.56 per share<br>– 4,700 shares at option price of RM4.60 per share<br>– 8,000 shares at option price of RM4.92 per share<br>– 502,167 shares at option price of RM6.37 per share<br>– 184,500 shares at option price of RM5.67 per share | 3,529,303,386 |
| 18.02.2008 | 1,595,474 | Exercise of share options under PBB ESOS as follows:<br>– 10,262 shares at option price of RM3.56 per share<br>– 50 shares at option price of RM3.40 per share<br>– 61,862 shares at option price of RM4.60 per share<br>– 10,500 shares at option price of RM4.92 per share<br>– 1,090,800 shares at option price of RM6.37 per share<br>– 422,000 shares at option price of RM5.67 per share | 3,530,898,860 |
| 21.02.2008 | 65,000 | Exercise of share options under PBB ESOS as follows:<br>– 2,500 shares at option price of RM4.60 per share<br>– 41,500 shares at option price of RM6.37 per share<br>– 21,000 shares at option price of RM5.67 per share | 3,530,963,860 |
| 05.03.2008 | 748,792 | Exercise of share options under PBB ESOS as follows:<br>– 2,121 shares at option price of RM1.64 per share<br>– 23,221 shares at option price of RM3.56 per share<br>– 4,750 shares at option price of RM3.40 per share<br>– 37,700 shares at option price of RM4.60 per share<br>– 17,500 shares at option price of RM4.92 per share<br>– 462,400 shares at option price of RM6.37 per share<br>– 201,100 shares at option price of RM5.67 per share | 3,531,712,652 |
| 12.03.2008 | 213,182 | Exercise of share options under PBB ESOS as follows:<br>– 18,982 shares at option price of RM3.56 per share<br>– 11,500 shares at option price of RM4.60 per share<br>– 5,500 shares at option price of RM4.92 per share<br>– 123,000 shares at option price of RM6.37 per share<br>– 54,200 shares at option price of RM5.67 per share | 3,531,925,834 |
| 01.08.2014 | 350,212,513 | Rights Issue 1:10 at RM13.80 per share | 3,882,138,347 |
| 27.01.2021 | 15,528,553,388 | Bonus Issue 4:1 | 19,410,691,735 |

# Summary of Properties Owned **by Public Bank Group**

As at 31 December 2024

| Area | No. of Properties | | Net Book Value (RM'000) |
|---|---|---|---|
| | Freehold | Leasehold | |
| **DOMESTIC** | | | |
| **PUBLIC BANK BERHAD** | | | |
| Kuala Lumpur | 2 | – | 190,620 |
| Perak | 1 | – | 198 |
| Sarawak | – | 1 | 111 |
| **PUBLIC MUTUAL BERHAD** | | | |
| Kuala Lumpur | 1 | 3 | 6,953 |
| Johor | – | 1 | 607 |
| Pahang | 1 | – | 1,392 |
| Pulau Pinang | 1 | – | 1,482 |
| Sarawak | – | 2 | 1,964 |
| Selangor | 1 | 1 | 4,634 |
| **PUBLIC HOLDINGS SDN BHD** | | | |
| Kuala Lumpur | 5 | 4 | 680,012 |
| Johor | 4 | – | 67,454 |
| Kedah | 1 | – | 1,353 |
| Melaka | – | 2 | 755 |
| Pahang | 1 | – | 70 |
| Perak | 3 | 1 | 3,835 |
| Pulau Pinang | 7 | 1 | 3,563 |
| Sabah | – | 1 | 1,200 |
| Sarawak | 1 | 2 | 2,624 |
| Selangor | 1 | 2 | 58,184 |
| **OVERSEAS** | | | |
| **CAMBODIAN PUBLIC BANK PLC** | | | |
| Phnom Penh | 1 | – | 26,502 |
| **LPI CAPITAL BHD** | | | |
| Singapore | – | 1 | 32,604 |
| **PUBLIC FINANCIAL HOLDINGS GROUP** | | | |
| Hong Kong | – | 35 | 743,686 |

*Note: The details of the top 10 properties as included in the above summary are disclosed in the following page.*

# Top 10 List of Properties Owned by Public Bank Group

As at 31 December 2024

| Location | Description | Current Use | Tenure | Remaining Lease Period (Expiry Date) | Age of Property | Built-up Area (sq m) | Date of Last Revaluation/ Acquisition | Net Book Value (RM'000) |
|---|---|---|---|---|---|---|---|---|
| Menara Public Bank 2<br>No 78, Jalan Raja Chulan<br>50200 Kuala Lumpur<br>Malaysia | 40-storey office block including a 4-level commercial podium with a 6-level basement carpark | Public Bank's Jalan Raja Chulan Branch and Public Mutual's Head Quarters; Public Investment Bank; office space rented to third parties | Freehold | – | 8 Years<br>CCC issued on 1-1-2017 | 58,865 (gross)<br>42,816 (net lettable) | 18-11-2024 (R) | 592,390 |
| Menara Public Bank<br>146 Jalan Ampang<br>50450 Kuala Lumpur<br>Malaysia | 36-storey office tower and 5-storey podium (L/B) | Public Bank's Head Office and Kuala Lumpur City Main Office; business premises of subsidiary and associated companies | Freehold | – | 30 Years | 46,436 | 2-1-1995 | 190,463 |
| Basement, Ground Floor 1st-12th floor, Flat A & B on 14th Floor, 17th Floor, Flat A on 19th Floor, 21st Floor and Main Roof<br>Public Bank Centre<br>120 Des Voeux Road Central<br>Central Hong Kong | A shop unit on ground floor and basement; and office floors of a 23-storey commercial building | Public Bank (Hong Kong) Ltd.'s Main Branch and administrative office | Leasehold 999 Years | 818 Years (26-6-2842) | 47 Years | 5,451 | 30-5-2006** | 141,507 |
| 11th Floor<br>Argyle Centre Phase 1<br>688 Nathan Road<br>65 Argyle Street<br>Mongkok Kowloon<br>Hong Kong | Office space on the 11th Floor of a 21-storey commercial building | Public Financial Holdings Group office; part of office space leased to third parties | Leasehold 150 Years | 36 Years (18-2-2060) | 42 Years | 1,465 | 31-12-2024 (R) | 114,206 |
| Public Bank Tower<br>19, Jalan Wong Ah Fook<br>80000 Johor Bahru<br>Johor<br>Malaysia | 30-storey office tower (L/B) | Public Bank's Johor Bahru Branch and Head Office Divisions/ Departments; Lonpac Insurance; office space rented to third parties | Freehold | – | 30 Years | 15,926 | 18-11-2024 (R) | 64,825 |
| Bangunan Public Bank<br>6, Jalan Sultan Sulaiman<br>50000 Kuala Lumpur<br>Malaysia | 30-storey office tower (L/B) | Public Bank's Jalan Sultan Sulaiman Branch and Head Office Divisions/ Departments; Lonpac Insurance | Freehold | – | 47 Years | 18,277 | 18-11-2024 (R) | 54,975 |

| Location | Description | Current Use | Tenure | Remaining Lease Period (Expiry Date) | Age of Property | Built-up Area (sq m) | Date of Last Revaluation/ Acquisition | Net Book Value (RM'000) |
|---|---|---|---|---|---|---|---|---|
| 11th Floor<br>Wing On House<br>71 Des Voeux<br>Road Central<br>Central Hong Kong | 11th floor of a 31-storey office building built on a 2-storey podium | Office of Public Financial Holdings Group | Leasehold 999 Years | 878 Years (14-8-2902) | 57 Years | 1,464 | 11-6-1993 | 49,684 |
| Unit A, Ground Floor<br>Wing On House<br>71 Des Voeux<br>Road Central<br>Central Hong Kong | Ground floor of a 31-storey office building built on a 2-storey podium | Leased to third parties | Leasehold 999 Years | 878 Years (14-8-2902) | 57 Years | 113 | 31-12-2024 (R) | 49,106 |
| Shop B Ground Floor and Office B 1st to 17th Floor<br>JCG Building<br>16 Mongkok Road<br>Mongkok Kowloon<br>Hong Kong | A shop unit on ground floor and all B units for 1st to 17th floors of an 18-storey commercial building with shops and offices | Public Bank (Hong Kong) Ltd.'s and Public Finance Ltd.'s Mongkok Branch; storeroom of Public Financial Holdings Group; office space leased to third parties | Leasehold 150 Years | 26 Years (27-5-2050) | 37 Years | 2,215 | 31-12-2024 (R) | 48,001 |
| Shop 2, 3, 3A & 4 Ground Floor<br>Fok Cheong Building<br>No. 1032-1044 King's Road<br>Quarry Bay<br>Hong Kong | A shop unit on ground floor of a 20-storey composite building | Leased to third parties | Leasehold 150 years | 93 Years (16-5-2117) | 52 Years | 152 | 31-12-2024 (R) | 40,302 |

***Notes:***

*( L/B )* *Land and building*

*( R )* *Revaluation was performed as at 31 December 2024*

**** *The acquisition date of 30 May 2006 is the date such property was acquired upon acquisition of Public Bank (Hong Kong) Limited by Public Financial Holdings Group*

*Public Financial Holdings Group hold the land portion of all properties by means of leases, in Hong Kong SAR.*

# Notice of Public Bank 59th Annual General Meeting

PUBLIC BANK
Company Registration No. 196501000672 (6463-H)
(Incorporated in Malaysia)

**NOTICE IS HEREBY GIVEN THAT** the 59th Annual General Meeting (AGM) of Public Bank Berhad (PBB or Company) will be held on Thursday, 8 May 2025 at 10.00 a.m. at the Grand Ballroom, Shangri-La Hotel Kuala Lumpur, 11 Jalan Sultan Ismail, 50250 Kuala Lumpur (Main Venue) and virtually by way of electronic means via the TIIH Online website at https://tiih.online (Online Platform) for the following purposes:

## AS ORDINARY BUSINESS

1. To lay before the meeting the Audited Financial Statements for the financial year ended 31 December 2024 and the Reports of the Directors and Auditors thereon.

2. To re-elect the following Directors who retire by rotation pursuant to Clause 107 of the Company's Constitution and who being eligible, offer themselves for re-election:

   i. Tan Sri Dato' Sri Dr. Tay Ah Lek — **Ordinary Resolution 1**

   ii. Ms Cheah Kim Ling — **Ordinary Resolution 2**

   iii. Ms Tham Chai Fhong — **Ordinary Resolution 3**

3. To approve the payment of Directors' fees, Board Committees Members' fees, and allowances to Directors amounting to RM6,910,970 for the financial year ended 31 December 2024. — **Ordinary Resolution 4**

4. To re-appoint Messrs Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2025 and to authorise the Directors to fix the Auditors' remuneration. — **Ordinary Resolution 5**

By Order of the Board

**Wan Marhanim binti Wan Muhammad**
LS0009365
SSM Practising Certificate No. 202008003885
Company Secretary

Kuala Lumpur
9 April 2025

**Notes:**

**1. Hybrid 59th AGM**

1.1 The 59th AGM will be held in hybrid mode whereby Member(s), proxy(ies), corporate representative(s) or attorney(s) are given an option, either:

- to attend in person at the Main Venue (Physical Attendance); or
- to attend virtually using the Remote Participation and Voting (RPV) facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's TIIH Online website at https://tiih.online (Virtual Attendance).

Please refer to the Administrative Details for the full guide to Physical Attendance and Virtual Attendance at the 59th AGM.

1.2 All Member(s), proxy(ies), corporate representative(s) or attorney(s) who wish to attend the 59th AGM **must register** as a user with TIIH Online first and then **pre-register** their attendance on TIIH Online to verify their eligibility to attend the 59th AGM based on the General Meeting Record of Depositors as at 2 May 2025 and to confirm their mode of attendance, either Physical Attendance or Virtual Attendance.

1.3 The pre-registration is open from the date of the Notice of the 59th AGM on **Wednesday, 9 April 2025** and the closing date and time shall be:

- at **10.00 a.m.** on **Tuesday, 6 May 2025** for Physical Attendance at the Main Venue; or
- until such time before the voting session ends at the 59th AGM on Thursday, 8 May 2025 for Virtual Attendance using RPV facilities.

**2. Appointment of Proxy**

2.1 A Member entitled to participate and vote at the meeting may appoint the Chairman of the meeting as his/her proxy and indicate the voting instruction in the form of proxy.

2.2 A Member shall not be entitled to appoint more than 2 proxies to participate and vote at the 59th AGM provided that where a Member of the Company is an authorised nominee as defined in accordance with the provisions of the Securities Industry (Central Depositories) Act, 1991, it may appoint up to 2 proxies in respect of each securities account it holds with ordinary shares in the Company standing to the credit of the said securities account.

Where a Member appoints 2 proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.

Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act, 1991 which is exempted from compliance with the provisions of subsection 25A(1) of the said Act.

2.3 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney of the corporation duly authorised.

2.4 The appointment of a proxy may be made in the following manner and must be received by the Company via its Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd not less than 48 hours before the time set for the 59th AGM or no later than 6 May 2025 at 10.00 a.m.:

– By electronic means via online
The proxy appointment must be made via Tricor's TIIH Online website at https://tiih.online.

– By electronic means via email
The form of proxy must be received via email at Tricor's email address at is.enquiry@vistra.com.

– By electronic means via facsimile
The form of proxy must be received via facsimile at Tricor's fax no. 03-2783 9222.

– In hard copy form
The form of proxy must be deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

# Notice of Public Bank 59th Annual General Meeting

**3. Poll Voting**

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.

## Explanatory Notes on Ordinary Businesses:

**1. Audited Financial Statements for the financial year ended 31 December 2024**

The Audited Financial Statements are for discussion only as they do not require shareholders' approval pursuant to Section 340(1)(a) of the Companies Act, 2016. Hence, this matter will not be put for voting.

**2. Ordinary Resolutions 1, 2 and 3 - Re-election of Directors**

The Nomination and Remuneration Committee had carried out the fit and proper assessment of the Directors who are retiring at this AGM and the Board was satisfied with the favourable evaluation of the performance and contributions of the Directors to the Board as well as their fitness and propriety.

In accordance with the PBB Fit and Proper Policy for Directors, the Nomination and Remuneration Committee had considered the following in conducting the assessment of the Directors' fitness and propriety:

- The person's ability to supplement the collective skill sets of the Directors and bring different perspectives to the Board, and his/her fitness and propriety to be considered for re-election based on the factors specified in PBB Fit and Proper Policy and the Bank Negara Malaysia (BNM) Policy Document on Fit and Proper Criteria which include the following overarching criteria:
  - Probity, Personal Integrity and Reputation
    The person must have personal qualities such as honesty, integrity, diligence, independence of mind and fairness.
  - Competence and Capability
    The person must have the necessary skills, ability, experience and commitment to carry out the role.
  - Financial Integrity
    The person must manage his or her debts and financial affairs prudently.

  A person who has been identified for re-election as a Director shall be required to provide a declaration that he/she complies with the fit and proper criteria as specified in PBB Fit and Proper Policy and the BNM Policy Document on Fit and Proper Criteria.
- The person must not be disqualified under Section 59(1) of the Financial Services Act 2013.
- The person must not have competing time commitments that impair his/her ability to discharge his/her duties effectively.
- In the case of proposed re-election of an Independent Director, the person must be free of any business or other relationship with the Company which could reasonably be perceived to materially interfere with the exercise of unfettered and independent judgement, and must fulfil the criteria of Independent Director as defined in the BNM Policy Document on Corporate Governance and Bursa Malaysia Main Market Listing Requirements.
- The person meets regulatory requirements for re-election and possesses the qualifications to be able to contribute effectively as a Member of a harmonious Board.

The retiring Directors have met the fit and proper criteria specified in the PBB Fit and Proper Policy and the BNM Policy Document on Fit and Proper Criteria. The retiring Independent Director fulfilled the independence criteria set out in the BNM Policy Document on Corporate Governance and Bursa Malaysia Main Market Listing Requirements.

Based on the results of the Board Effectiveness Evaluation exercise conducted for the financial year ended 31 December 2024, the performance of each of the retiring Directors was found to be satisfactory.

The profiles of Directors seeking re-election are set out in the Board of Directors' Profiles section of the Company's 2024 Integrated Annual Report.

Directors referred to in Ordinary Resolutions 1, 2 and 3 who are also shareholders of the Company will abstain from voting on the resolution in respect of his/her re-election at this AGM.

**3. Ordinary Resolution 4 - Proposed payment of Directors' fees, Board Committees Members' fees, and allowances to Directors for the financial year ended 31 December 2024**

The Nomination and Remuneration Committee recommends the level and structure of Directors' remuneration such that the level of remuneration for Non-Executive Directors commensurate to their level of responsibilities undertaken and contributions to the effective functioning of the Board. In making its recommendation, the Nomination and Remuneration Committee considers the responsibilities of the Directors and also by benchmarking against the Directors' fees structure of peer banks, in order to be competitive to retain skills and talent, and achieve diversity, on the Board.

The Board as a whole determines the remuneration of its Directors. For the financial year ended 31 December 2024, it was proposed that an adjustment be made to the Directors' and Board Committees Members' fees in view of the Board's expanding responsibilities. With the increasing complexity of governance standards and the evolving regulatory landscape, Directors are dedicating more time, commitment, and expertise to ensure the continued oversight and strategic guidance that drive the Group's growth and sustainability. Furthermore, the proposed adjustment aligns with market benchmarks and ensures the Bank remains competitive in attracting and retaining highly qualified Directors.

The Board, upon the recommendation of the Nomination and Remuneration Committee, proposed that the remuneration of the Directors for the financial year ended 31 December 2024 be based on the following fee structure:

| Board of Directors' Fees/Allowances (per annum) | Chairman (RM) | Other Director (RM) |
|---|---|---|
| • Director's Fee | 470,650 | 347,650 |
| • Chairman Allowance | 196,000 | – |
| • Chairman Transport Allowance | 96,000 | – |

| Board Committee Fees (per month) | Chairman (RM) | Member (RM) |
|---|---|---|
| • Audit Committee | 16,000 | 12,500 |
| • Risk Management Committee | 8,000 | 6,300 |
| • Compliance Committee | 8,000 | 6,300 |
| • Credit Risk Management Committee | 8,000 | 6,300 |

| Meeting Attendance Allowances (per meeting attended) | Chairman (RM) | Member (RM) |
|---|---|---|
| • Board of Directors | 5,000 | 4,000 |
| • Nomination and Remuneration Committee | 4,800 | 4,000 |
| • Board Sustainability Management Committee | 4,800 | 4,000 |

**4. Ordinary Resolution 5 - Re-appointment of Auditors**

The Audit Committee had at its meeting held on 27 November 2024 conducted an assessment of the performance as well as independence and objectivity of the external auditors of the Company, Messrs Ernst and Young PLT (E&Y) in accordance with the BNM Policy Document on External Auditors and the PBB Group's Policy for the Appointment/ Re-appointment of External Auditors for Audit and Non-Audit Services.

Following the review and assessment, the Audit Committee was satisfied that E&Y has met all the criteria for its re-appointment pursuant to the requirements set out in the BNM Policy Document on External Auditors and the PBB Group's Policy for the Appointment/Re-appointment of External Auditors for Audit and Non-Audit Services.

The Board had at its meeting held on 28 November 2024 approved as recommended by the Audit Committee, that shareholders' approval be sought at the 59th AGM on the re-appointment of E&Y as external auditors of the Company for the financial year ending 31 December 2025 and to authorise the Directors to fix the remuneration of the external auditors.

BNM has on 14 February 2025 granted approval for the proposed re-appointment of E&Y as external auditors of the Company for the financial year ending 31 December 2025.

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# Form **of Proxy**

PUBLIC BANK

Company Registration No. 196501000672
(6463-H)
(Incorporated in Malaysia)

| Number of shares held | CDS Account No. |
|---|---|
| | |

I/We _____ NRIC No./Co. Registration No. _____
(FULL NAME IN BLOCK LETTERS AS PER NRIC/ CERTIFICATE OF INCORPORATION)

of _____
(FULL ADDRESS)

_____ Tel No. _____ being a Member of PUBLIC BANK BERHAD, hereby appoint

_____ NRIC No. _____
(FULL NAME IN BLOCK LETTERS AS PER NRIC)

of _____
(FULL ADDRESS)

and/or failing him/her, _____ NRIC No. _____
(FULL NAME IN BLOCK LETTERS AS PER NRIC)

of _____
(FULL ADDRESS)

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to participate and vote for me/us on my/our behalf at the 59th Annual General Meeting (AGM) of the Company to be held at the Grand Ballroom, Shangri-La Hotel Kuala Lumpur, 11 Jalan Sultan Ismail, 50250 Kuala Lumpur (Main Venue) and virtually by way of electronic means via the TIIH Online website at https://tiih.online (Online Platform) on Thursday, 8 May 2025 at 10.00 a.m. or at any adjournment thereof.

The proportions of my/our holding to be represented by my/our proxy are as follows:

| | |
|---|---|
| First Proxy | % |
| Second Proxy | % |
| | 100% |

My/our proxy shall vote as follows:

***(Please indicate with an "X" in the space provided below how you wish your votes to be cast on the resolutions specified in the notice of meeting. If you do not do so, the proxy will vote, or abstain from voting on the resolutions as he/she may think fit.)***

| NO. | ORDINARY RESOLUTIONS: | FIRST PROXY | | SECOND PROXY | |
|---|---|---|---|---|---|
| | | FOR | AGAINST | FOR | AGAINST |
| 1. | Re-election of Tan Sri Dato' Sri Dr. Tay Ah Lek as Director. | | | | |
| 2. | Re-election of Ms Cheah Kim Ling as Director. | | | | |
| 3. | Re-election of Ms Tham Chai Fhong as Director. | | | | |
| 4. | Approval of payment of Directors' fees, Board Committees Members' fees, and allowances to Directors for financial year ended 31 December 2024. | | | | |
| 5. | Re-appointment of Messrs Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2025 and authority to the Directors to fix the Auditors' remuneration. | | | | |

Signed this _____ day of _____ 2025.

_____
Signature of Member/Common Seal

**Notes:**

1. The 59th AGM will be held in hybrid mode whereby Member(s), proxy(ies), corporate representative(s) or attorney(s) are given an option, either:
   - to attend in person at the Main Venue (Physical Attendance); or
   - to attend virtually using the Remote Participation and Voting (RPV) facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's TIIH Online website at https://tiih.online (Virtual Attendance).

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   The pre-registration is open from the date of the Notice of the 59th AGM on Wednesday, 9 April 2025 and the closing date and time shall be:
   - at 10.00 a.m. on Tuesday, 6 May 2025 for Physical Attendance at the Main Venue; or
   - until such time before the voting session ends at the 59th AGM on Thursday, 8 May 2025 for Virtual Attendance using RPV facilities.

2. A Member entitled to participate and vote at the meeting may appoint the Chairman of the meeting as his/her proxy and indicate the voting instruction in the form of proxy.

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   Where a Member appoints 2 proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.

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3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney of the corporation duly authorised.

4. The appointment of a proxy may be made in the following manner and must be received by the Company via its Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd not less than 48 hours before the time set for the 59th AGM or no later than 6 May 2025 at 10.00 a.m.:
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     The proxy appointment must be made via Tricor's TIIH Online website at https://tiih.online.
   - By electronic means via email

     The form of proxy must be received via email at Tricor's email address at is.enquiry@vistra.com.
   - By electronic means via facsimile

     The form of proxy must be received via facsimile at Tricor's fax no. 03-2783 9222.
   - In hard copy form

     The form of proxy must be deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

5. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of meeting will be put to vote by way of poll.

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STAMP

**TO:** **SHARE REGISTRAR**
**TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD**
Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

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**PUBLIC BANK BERHAD**
196501000672 (6463-H)
Menara Public Bank, 146 Jalan Ampang, 50450 Kuala Lumpur
Tel: 603 2163 8888 / 2163 8899

**www.publicbankgroup.com**