

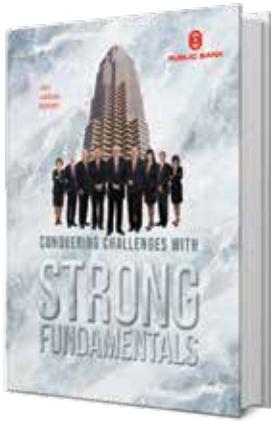


PUBLIC BANK

2021
ANNUAL
REPORT



CONQUERING CHALLENGES WITH
**STRONG
FUNDAMENTALS**



CONQUERING CHALLENGES WITH STRONG FUNDAMENTALS

This year's cover design with the marble base is reflective of our theme '**Conquering Challenges with Strong Fundamentals**'. Marble is a highly durable element known for its attributes of resilience, solidness and strength. Qualities which mirror the enduring strengths of Public Bank and our visionary leadership.

We credit our endurance to a resilient business model, prudent management and disciplined culture. The impeccable track record of the Bank is testament to our consistently strong financial and business performance. The strength of these fundamentals makes it possible for us to conquer challenges, step up our game and grow whilst navigating the ever-changing issues of these unprecedented times.

We will continue to leverage on our fundamentals to remain resilient and emerge stronger and better.



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Form of Proxy



To contact us, please refer to the Corporate Information on page 10 and the Group Corporate Directory on page 307



The financial statements are available in the Financial Statements book of the 2021 Annual Report



This Annual Report is available at
www.publicbankgroup.com



CORPORATE PHILOSOPHY

Public Bank Cares...



For Its Customers

- By providing the most courteous and efficient service in every aspect of its business
- By being innovative in the development of new banking products and services



For Its Shareholders

- By forging ahead and consolidating its position as a stable and progressive financial institution
- By generating profits and a fair return on their investment



For Its Employees

- By promoting the well-being of its staff through attractive remuneration and fringe benefits
- By promoting good staff morale through proper staff training and development and provision of opportunities for career advancement



For The Community It Serves

- By assuming its role as a socially responsible corporate citizen in a tangible manner
- By adhering closely to national policies and objectives thereby contributing towards the progress of the nation

...With Integrity



3RD LARGEST

bank in Malaysia by total assets



RM5.66 BILLION

net profit attributable to equity holders





CORPORATE MISSION

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



443 BRANCHES

network in the region



RM462.74 BILLION

in total assets



PUBLIC BANK

Company Registration No. 196501000672 (6463-H)
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 56th Annual General Meeting (AGM) of Public Bank Berhad (PBB or Company) will be held on Monday, 23 May 2022 at 11.00 a.m. and will be conducted on a virtual basis at the Broadcast Venue at 29th Floor, Menara Public Bank, 146 Jalan Ampang, 50450 Kuala Lumpur for the following purposes:

AS ORDINARY BUSINESS

- | | |
|--|------------------------------|
| 1. To lay before the meeting the Audited Financial Statements for the financial year ended 31 December 2021 and the Reports of the Directors and Auditors thereon. | Ordinary Resolution 1 |
| 2. To re-elect Ms Gladys Leong who retires pursuant to Clause 105 of the Company's Constitution. | Ordinary Resolution 2 |
| 3. To re-elect the following Directors who retire by rotation pursuant to Clause 107 of the Company's Constitution: | |
| i. Tan Sri Dato' Sri Dr. Teh Hong Piow | Ordinary Resolution 3 |
| ii. Tan Sri Dato' Sri Dr. Tay Ah Lek | Ordinary Resolution 4 |
| iii. Ms Cheah Kim Ling | Ordinary Resolution 5 |
| 4. To approve the payment of Directors' fees, Board Committees Members' fees, and allowances to Directors amounting to RM5,845,349 for the financial year ended 31 December 2021. | Ordinary Resolution 6 |
| 5. To approve the payment of remuneration and benefits-in-kind (excluding Director's fee and Board meeting allowance) amounting to RM20,000,000 for financial year ended 31 December 2021 to the Chairman Emeritus, Director and Adviser, Tan Sri Dato' Sri Dr. Teh Hong Piow. | Ordinary Resolution 7 |
| 6. To re-appoint Messrs Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2022 and to authorise the Directors to fix the Auditors' remuneration. | |

By Order of the Board

Wan Marhanim binti Wan Muhammad
LS0009365
SSM Practising Certificate No. 202008003885
Company Secretary

Kuala Lumpur
22 April 2022

Notes:**1. Remote Participation and Voting**

- As a precautionary measure in view of the COVID-19 pandemic, the 56th AGM will be conducted on a virtual basis through live streaming and online remote voting via 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>. Please follow the procedures provided in the Administrative Details of the 56th AGM in order to register, participate and vote remotely via the RPV facilities.
- The Broadcast Venue of the 56th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairperson of the meeting to be at the main venue of the meeting. Members/proxies are not allowed to attend the 56th AGM in person at the Broadcast Venue on the day of the 56th AGM.

2. Mode of Communication

Members may submit questions to the Board of Directors prior to the 56th AGM via Tricor's TIIH Online website at <https://tiih.online> by selecting "e-Services" to login, pose questions and submit electronically no later than 21 May 2022 at 11.00 a.m., or may use the query box to transmit questions to the Board of Directors via RPV facilities during the live streaming of the 56th AGM.

3. Entitlement to Participate and Vote

In respect of deposited securities, only Members whose names appear in the Record of Depositors on 17 May 2022 (General Meeting Record of Depositors) shall be entitled to participate and vote at the 56th AGM.

4. Appointment of Proxy

- Since the 56th AGM will be conducted as a virtual meeting, 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.
- A Member shall not be entitled to appoint more than 2 proxies to participate and vote at the 56th 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.

- 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.

- 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 56th AGM or no later than 21 May 2022 at 11.00 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@my.tricorglobal.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, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

5. 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.

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes on Ordinary Businesses:

1. Audited Financial Statements for the financial year ended 31 December 2021

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, 3 and 4 – 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.

The profiles of Directors seeking re-election are set out in the Board of Directors' Profiles section of the Company's 2021 Annual Report.

3. Ordinary Resolution 5 – Proposed payment of Directors' fees, Board Committees Members' fees, and allowances to Directors for the financial year ended 31 December 2021

The proposed payment of Directors' fees, Board Committees Members' fees, and allowances to Directors amounting to RM5,845,349 for the financial year ended 31 December 2021 is based on the following fee structure:

Director's Fees (per annum)		
Chairman Emeritus, Director and Adviser (RM)	Chairman (RM)	Other Directors (RM)
427,870	427,870	316,050
Board Committee Fees (per month)		
• Audit Committee	14,550	11,360
• Risk Management Committee	7,280	5,730
• Compliance Committee	7,280	5,730
• Credit Risk Management Committee	7,280	5,730
Meeting Attendance Allowances		RM per Meeting Attended
• Board of Directors		4,000
• Nomination and Remuneration Committee		4,000

4. Ordinary Resolution 6 – Proposed payment of remuneration and benefits-in-kind (excluding Director's fee and Board meeting allowance) for financial year ended 31 December 2021 to the Chairman Emeritus, Director and Adviser, Tan Sri Dato' Sri Dr. Teh Hong Piow

The proposed payment of remuneration and benefits-in-kind (excluding Director's fee and Board meeting allowance) amounting to RM20,000,000 for the financial year ended 31 December 2021 to the Chairman Emeritus, Director and Adviser, Tan Sri Dato' Sri Dr. Teh Hong Piow is in deep appreciation and recognition of his continuous invaluable contribution to the PBB Group's success.

The benefits-in-kind included company car, medical coverage and other claimable benefits.

FINANCIAL CALENDAR

Financial Year 2021



ANNOUNCEMENT OF CONSOLIDATED RESULTS



11 May 2021 (Tuesday)

Unaudited results for 1st quarter ended 31 March 2021

29 November 2021 (Monday)

Unaudited results for 3rd quarter ended 30 September 2021

27 August 2021 (Friday)

Unaudited results for 2nd quarter and half-year ended 30 June 2021

25 February 2022 (Friday)

Audited results for 4th quarter and financial year ended 31 December 2021



DIVIDEND



FIRST INTERIM DIVIDEND OF 7.5 SEN PER SHARE

27 August 2021 (Friday) Notice

14 September 2021 (Tuesday) Entitlement

23 September 2021 (Thursday) Payment

SECOND INTERIM DIVIDEND OF 7.7 SEN PER SHARE

25 February 2022 (Friday) Notice

14 March 2022 (Monday) Entitlement

22 March 2022 (Tuesday) Payment



ANNUAL GENERAL MEETING



22 April 2022 (Friday)

Notice of 56th Annual General Meeting

23 May 2022 (Monday)

56th Annual General Meeting

FINANCIAL HIGHLIGHTS

	GROUP		BANK	
	2021	2020	2021	2020
PROFITABILITY (RM'MILLION)				
Operating revenue	19,623	20,304	13,469	14,600
Operating profit	8,579	7,403	6,673	5,884
Profit before tax expense and zakat	7,367	6,285	5,798	5,156
Net profit attributable to equity holders of the Bank	5,657	4,872	4,635	4,125
KEY BALANCE SHEET DATA (RM'MILLION)				
Total assets	462,739	451,257	358,933	353,221
Gross loans, advances and financing	358,027	345,651	274,926	269,512
Deposits from customers	380,394	365,871	288,512	278,079
Shareholders' equity	48,163	47,248	40,038	39,940
FINANCIAL RATIOS (%)				
Profitability Ratios				
Net interest margin on average interest bearing assets	2.2	2.0	2.1	1.8
Net return on equity ¹	12.4	11.2	12.2	11.3
Return on average assets	1.6	1.4	1.6	1.5
Return on average risk-weighted assets	2.5	2.2	2.5	2.3
Capital Adequacy Ratios²				
Common Equity Tier I capital ratio	14.5	14.0	13.3	12.6
Tier I capital ratio	14.6	14.0	13.4	12.7
Total capital ratio	17.7	17.1	16.6	16.0
Asset Quality Ratio				
Gross impaired loans ratio	0.3	0.4	0.3	0.3

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

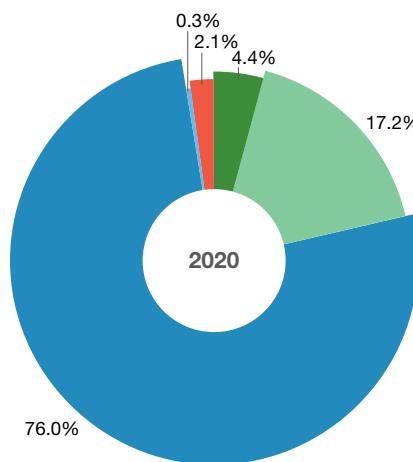
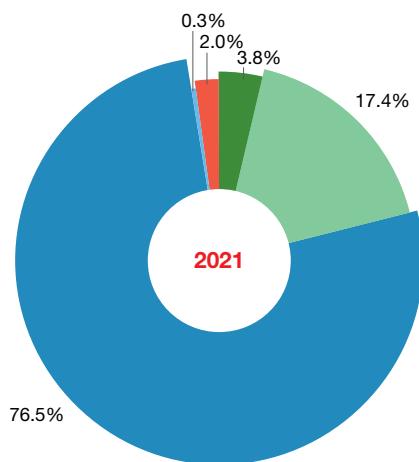
² After deducting dividend declared subsequent to year end.

SIMPLIFIED GROUP BALANCE SHEET

ASSETS

- Cash and balances with banks and reverse repurchase agreements
- Portfolio of financial investments

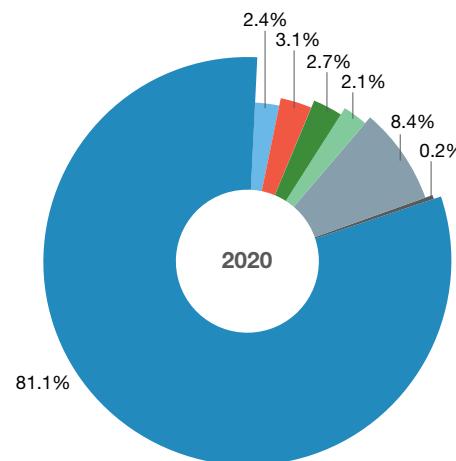
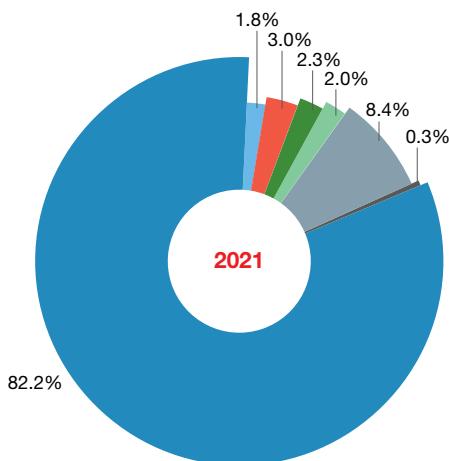
- Loans, advances and financing
- Statutory deposits with Central Banks
- Other assets (including intangible assets)



LIABILITIES & EQUITY

- Deposits from customers
- Deposits from banks
- Bills and acceptances payable and other liabilities
- Debt securities issued and other borrowed funds

- Share capital
- Reserves
- Non-controlling interests



CORPORATE INFORMATION

As at 1 April 2022

BOARD OF DIRECTORS



TAN SRI DATO' SRI DR. TEH HONG PIOW

Founder, Chairman Emeritus, Director and Adviser
PSM, SSAP, SPMJ, SIMP, SSIJ, DSAP, DPMJ,
Datuk Kurnia Sentosa Pahang, JP
Hon LLD (M'sia); EFMIM (M'sia); Fellow, AICB; FCIB (UK); FGIA (Aust);
CCMI (UK); FICM (UK); FinInstAM (UK); DUNiv Sunway hc; ICDM (HF)



LAI WAN

Non-Independent Non-Executive Chairman
(Re-designated as Non-Independent
Non-Executive Chairman on 26 April 2021)
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); PhD (*honoris causa*) (HELP)



CHEAH KIM LING

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 PHONG

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
(Appointed on 1 July 2021)
CPA (M'sia); CA (M'sia)

Details on the Board of Directors' profile on pages 46 to 55.

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

27th Floor, Menara Public Bank
 146 Jalan Ampang
 50450 Kuala Lumpur
 Malaysia
 Telephone No. : 603-2176 6341, 2163 8888
 Facsimile No. : 603-2163 9917

► Head Office

Menara Public Bank
 146 Jalan Ampang
 50450 Kuala Lumpur
 Malaysia
 Telephone No. : 603-2176 6000, 2176 6666,
 2163 8888, 2163 8899
 Facsimile No. : 603-2163 9917

► Company Registration No.

196501000672 (6463-H)

► Website

www.publicbankgroup.com

► Share Registrar

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
 Registration No. 197101000970 (11324-H)
 Unit 32-01, Level 32
 Tower A, Vertical Business Suite
 Avenue 3, Bangsar South
 No. 8, Jalan Kerinchi
 59200 Kuala Lumpur
 Malaysia
 Telephone No. : 603-2783 9299
 Facsimile No. : 603-2783 9222
 E-mail : is.enquiry@my.tricorglobal.com

Tricor Customer Service Centre:

Unit G-3, Ground Floor
 Vertical Podium
 Avenue 3, Bangsar South
 No. 8, Jalan Kerinchi
 59200 Kuala Lumpur
 Malaysia

Auditors

MESSRS ERNST & YOUNG PLT
 202006000003 (LLP 0022760-LCA) & AF 0039
 Chartered Accountants
 Level 23A, Menara Milenium
 Jalan Damanlela
 Pusat Bandar Damansara
 50490 Kuala Lumpur
 Malaysia

Telephone No. : 603-7495 8000
 Facsimile No. : 603-2095 5332

► Investor Relations

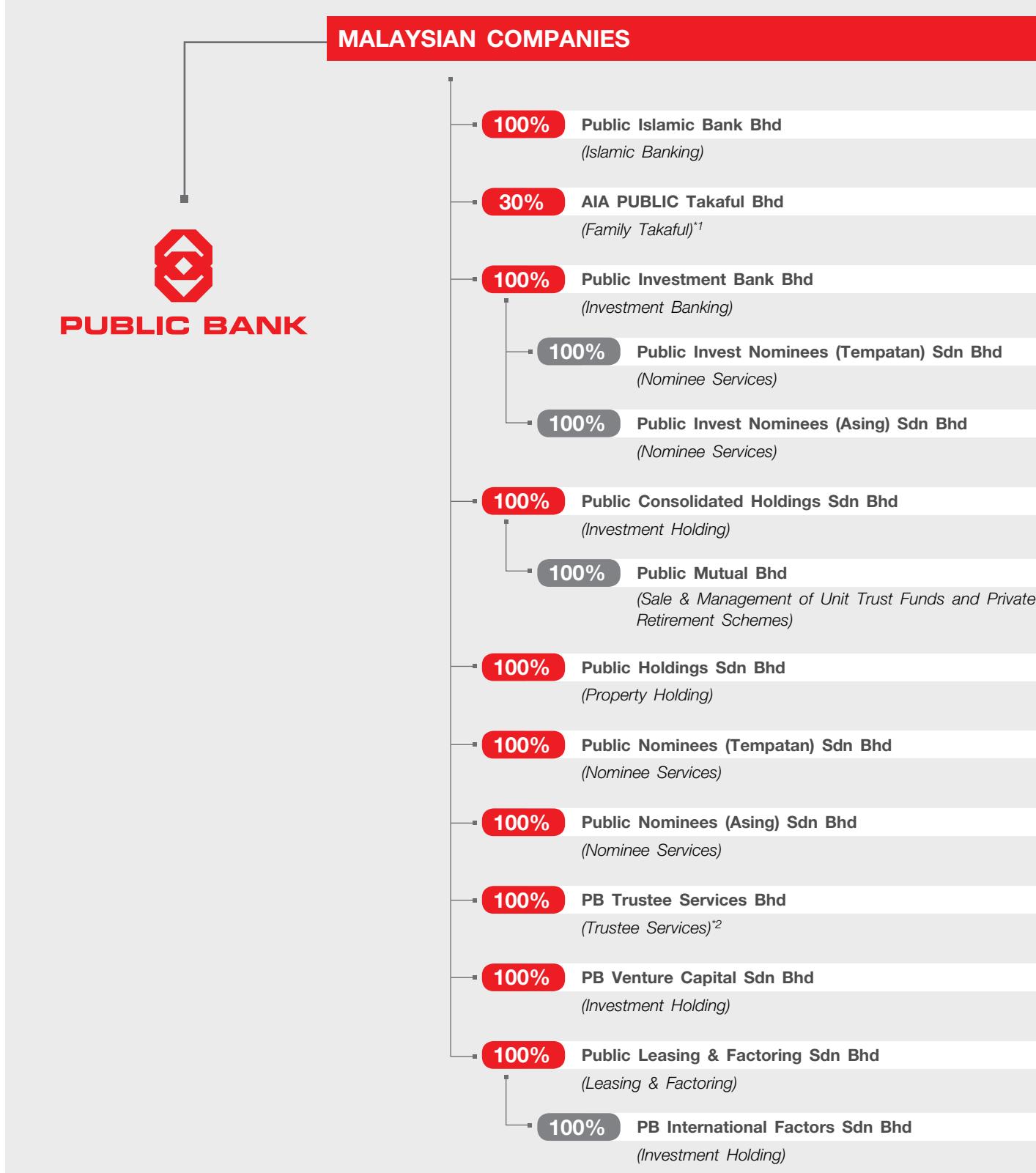
Telephone No. : 603-2176 6293
 Facsimile No. : 603-2163 9929
 E-mail : ir@publicbank.com.my

► Stock Exchange Listing

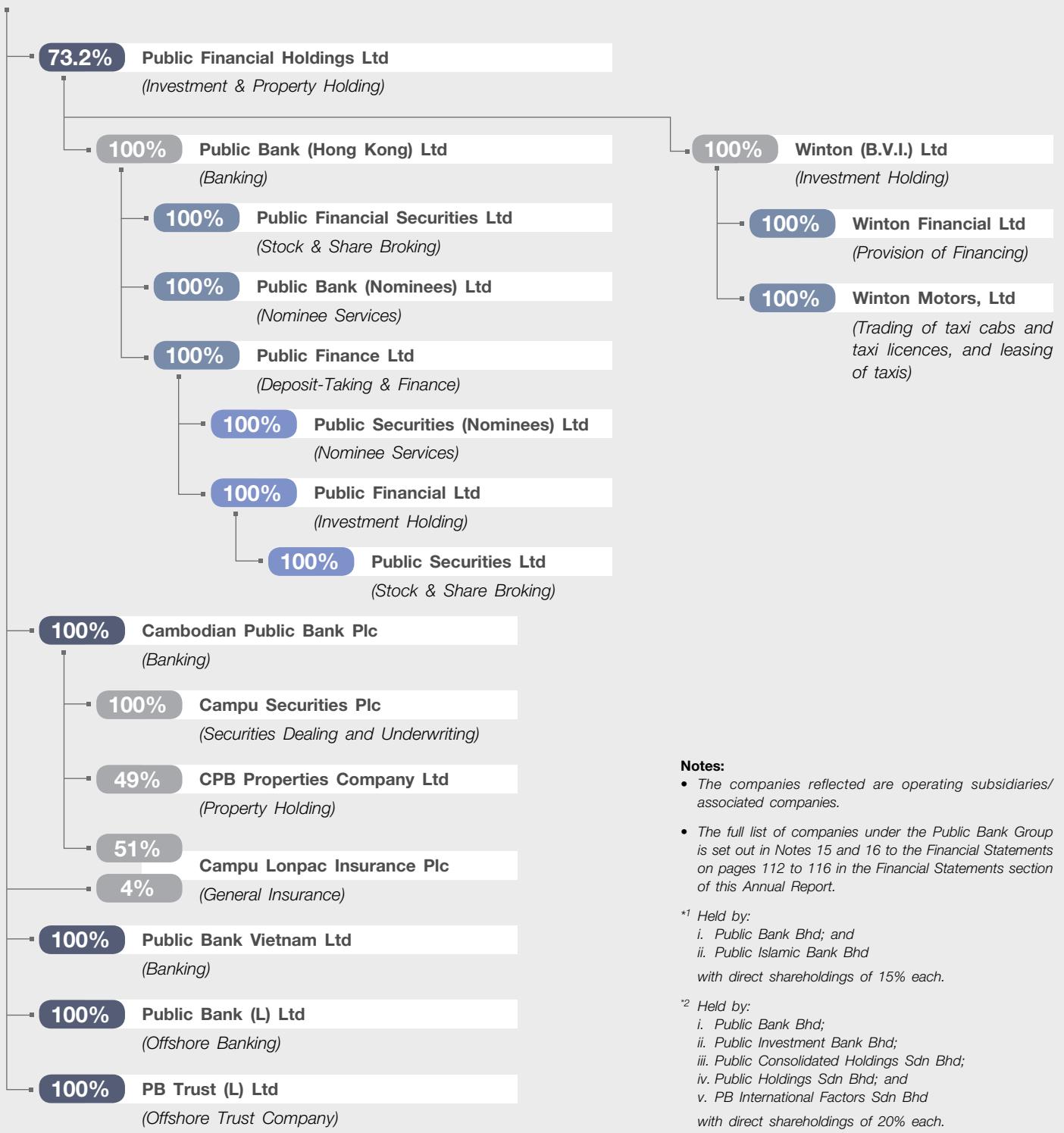
Listed on the Main Market of Bursa Malaysia Securities Berhad
 Listing Date : 6 April 1967
 Stock Name : PBBANK
 Stock Code : 1295

GROUP CORPORATE STRUCTURE

As at 1 April 2022



OVERSEAS AND OFFSHORE COMPANIES



Notes:

- The companies reflected are operating subsidiaries/associated companies.
- The full list of companies under the Public Bank Group is set out in Notes 15 and 16 to the Financial Statements on pages 112 to 116 in the Financial Statements section of this Annual Report.

*¹ Held by:

- Public Bank Bhd; and
 - Public Islamic Bank Bhd
- with direct shareholdings of 15% each.

*² Held by:

- Public Bank Bhd;
 - Public Investment Bank Bhd;
 - Public Consolidated Holdings Sdn Bhd;
 - Public Holdings Sdn Bhd; and
 - PB International Factors Sdn Bhd
- with direct shareholdings of 20% each.

CORPORATE PROFILE

Public Bank was founded in 1966 by Tan Sri Dato' Sri Dr. Teh Hong Piow. On 6 August 1966, Public Bank started its business at its first branch, which was located at Jalan Gereja, Kuala Lumpur. With its vision as '*a bank for the people*', Public Bank started providing banking services to ordinary people in Malaysia. 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 has expanded its banking business to include a comprehensive suite of financial products and services, which comprises of 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.

The Public Bank Group has a wide network of 293 domestic branches and 150 overseas branches, with a combined staff force of over 19,000 people in Malaysia and across the region, including Hong Kong, China, Cambodia, Vietnam, Laos and Sri Lanka.



7 Countries



443 Branches



>19,000 Staff



INVESTMENT CASE

Public Bank's asset size stood at RM462.74 billion and is the second largest company listed on Bursa Malaysia with total market capitalisation of RM80.75 billion as at the end of 2021.

Total Assets
RM462.74 BILLION

3rd Largest Bank in Malaysia

Market Capitalisation
RM80.75 BILLION

2nd Largest Company on Bursa Malaysia by Market Capitalisation

Track Record of Unbroken Profitability

Public Bank's vision continues to shape its resilient business model, steering its success story and track record of unbroken profitability for 55 consecutive years.



Net Profit

RM5.66 BILLION

55 years of unbroken profitability

Market Leading Positions in Domestic Consumer Banking, SME Lending and Private Unit Trust

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 as well as private unit trust.



**Residential Property Financing
20.4%**



**Commercial Property Financing
34.2%**



**Passenger Vehicle Financing
30.1%**



**Private Retail Unit Trust Business
34.6%**

Best Among Domestic Peers in Terms of Profitability, Cost Efficiency and Asset Quality

The Public Bank Group is highly reputed for its stellar performance, especially in sustaining the highest return on equity, most efficient cost to income ratio and the best asset quality among domestic banks.



Highest Return on Equity

12.4%

Lowest Gross Impaired Loans Ratio

0.3%

Lowest Cost to Income Ratio

31.6%

Strong Credit Ratings

The Public Bank Group's long term credit and financial ratings are rated highly by local and foreign rating agencies.

Moody's

- Long term deposit rating of A3.
- Short term deposit rating of P-2, with stable outlook.

Standard & Poor's

- Long term rating of A-.
- Short term counterparty credit rating of A-2, with negative outlook.

Rating Agency Malaysia

- Long term rating of AAA, the highest rating accorded by Rating Agency Malaysia.
- Short term rating of P1, with stable outlook.

CORPORATE PROFILE

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 Berhad ("Public Bank")

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



Public Investment Bank Berhad ("PIVB")

PIVB was established in 1974 as G.P. Securities (Sendirian) which was an unlimited company and subsequently changed its name to PB Securities Sdn Bhd following its acquisition by Public Bank Berhad in 1987. PIVB 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, treasury and stock broking services.



Public Islamic Bank Berhad ("Public Islamic")

Since 1993, Public Islamic 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 began operating as a wholly owned subsidiary of Public Bank, marking its transformation from an Islamic banking window operations into a full fledged Islamic subsidiary company. Public Islamic 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 Mutual Berhad ("Public Mutual")

Public Mutual is engaged in the sales and management of unit trust and private retirement scheme funds. Supported by its strong distribution network, Public Mutual is the No.1* private unit trust company and Private Retirement Scheme ("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, 21 March 2022.

INTERNATIONAL OPERATIONS



**大眾金融控股有限公司
PUBLIC FINANCIAL HOLDINGS LIMITED**

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, stockbroking and wealth management services, while Public Finance Limited specialises in personal financing.



**កម្មសារជាតិបាល័យ
CAMBODIAN PUBLIC BANK**

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, which is 55% owned by the Public Bank Group.



PUBLIC BANK VIETNAM

Public Bank Vietnam Limited (“PBVN”)

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



PUBLIC BANK

Public Bank Laos Operations

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.



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.

CORPORATE MILESTONES FROM 1966

1966

Official opening of Public Bank on 4 April 1967 by Malaysia's first Prime Minister, the late Y.T.M. Tunku Abdul Rahman.



1966

On 6 August 1966, Public Bank first opened its doors for business at No. 4 Jalan Gereja, Kuala Lumpur.



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.



1978

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

1996

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



1992

Signing ceremony for establishment of Cambodian Public Bank Plc, presently a wholly-owned subsidiary in Cambodia.



2007

Establishment of Campu Lonpac Insurance Plc, a 55% subsidiary of Public Bank Group, to provide general insurance business in Cambodia.

2010

Public Islamic Bank Berhad, a wholly-owned subsidiary, opened its first full-fledged Islamic branch offering Shariah-compliant products.

**2010**

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.

**2016**

Public Bank celebrated its 50th anniversary on 6 August 2016.

**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.

**2019**

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

**2020**

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

CORPORATE MILESTONES FROM 1966

<p>1966</p> <ul style="list-style-type: none"> 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 262 branches today. 1st five months of business yielded a profit of RM71,562, the start of an unbroken profitability track record of 55 years. 	<p>1992</p> <ul style="list-style-type: none"> 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. 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. 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.
<p>1967</p> <ul style="list-style-type: none"> 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). 	<p>1993</p> <ul style="list-style-type: none"> 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.
<p>1969</p> <ul style="list-style-type: none"> 1st RM1 million annual pre-tax profit. 	<p>1996</p> <ul style="list-style-type: none"> Public Bank moved to Menara Public Bank, its present landmark Head Office building in the heart of Kuala Lumpur's central business district.
<p>1970</p> <ul style="list-style-type: none"> 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. 	<p>1998</p> <ul style="list-style-type: none"> Paid-up capital of Public Bank exceeded RM1 billion.
<p>1978</p> <ul style="list-style-type: none"> Public Bank moved to Bangunan Public Bank, the first Head Office building owned by the Bank. 	<p>2000</p> <ul style="list-style-type: none"> 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.
<p>1980</p> <ul style="list-style-type: none"> 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. 	<p>2001</p> <ul style="list-style-type: none"> Completed the acquisition of Hock Hua Bank Berhad on 31 March 2001.
<p>1987</p> <ul style="list-style-type: none"> 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. 	<p>2002</p> <ul style="list-style-type: none"> Paid-up capital of Public Bank exceeded RM2 billion.
<p>1990</p> <ul style="list-style-type: none"> 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. 	<p>2003</p> <ul style="list-style-type: none"> 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.
<p>1991</p> <ul style="list-style-type: none"> 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. 	<p>2004</p> <ul style="list-style-type: none"> 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.
	<p>2005</p> <ul style="list-style-type: none"> Pre-tax profit surpassed RM2 billion for the 1st time. Total assets surpassed RM100 billion for the 1st time.

2006	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Pre-tax profit surpassed RM3 billion for the 1st time. Total loans, advances and financing exceeded RM100 billion for the 1st time. 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. Establishment of Campu Lonpac Insurance Plc, a 55% subsidiary of Public Bank Group, to provide general insurance business in Cambodia.
2008	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Total assets surpassed RM200 billion for the 1st time.
2010	<ul style="list-style-type: none"> Pre-tax profit surpassed RM4 billion for the 1st time. Profit after tax surpassed RM3 billion for the 1st time. 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. Public Islamic Bank Berhad, a wholly-owned subsidiary, opened its first full-fledged Islamic branch offering Shariah-compliant products.
2011	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Pre-tax profit surpassed RM5 billion for the 1st time.
2013	<ul style="list-style-type: none"> 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.
2014	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Pre-tax profit surpassed RM6 billion for the 1st time.
2016	<ul style="list-style-type: none"> 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. 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. Public Bank celebrated its 50th anniversary on 6 August 2016.
2017	<ul style="list-style-type: none"> Pre-tax profit surpassed RM7 billion for the 1st time. 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.
2018	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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.

MEDIA HIGHLIGHTS

Public Bank introduces easy cross border payment with Thailand

KUCHING: Public Bank Group (Public Bank) has extended its PB eQR service to support DuitNow QR Cross Border Payment between Malaysia and Thailand.

In a statement, it said, Public Bank is the first bank in Malaysia to enable the DuitNow QR Cross Border Payment which facilitates retail-based QR payment between the two countries.

This will pave the way forward when the borders are reopen post pandemic. The bank will continue to foster close collaboration with Payment Network Malaysia



Public Bank has extended its PB eQR service to support DuitNow QR Cross Border Payment between Malaysia and Thailand.

Media Highlights

Berita, 25 October 2021

Kongsi keseronokan menabung dengan anak anda

Public Bank perkenal aplikasi mudah alih bantu ibu bapa didik anak rancang kewangan

WSEF untuk anak anda dan meraffair untuk PB engage untuk memudahkan penyelesaian aplikasi PB Journey anak.

Aplikasi PB Journey dirancang khas untuk ibu bapa dan anak untuk dengarkan das modul i-iba Suku dan mendapat Matlamat.

Modul ini berfungsi untuk menjawabkan pertanyaan tentang pembelajaran interaktif antara ibu bapa dengan anak mengenai nilai wang dan juga dalam mencapai matlamat tabiatan mereka.

Media Highlights

大众银行赞助UCSI大学举办全国英语作文比赛，以激发年轻人对国家的热爱；此赛开放予16至20岁的学生参与，参赛作品提交截止日期为2021年8月31日。

该比赛是配合马来西亚独立64周年的庆祝活动而举行，旨在鼓励国内中学生对社会和社区问题产生更大兴趣，并通过使用英语写作方式来表达想法。

今年比赛主题为“马来西亚在今年2021庆祝第64个独立日。对你来说，取得独立意味著什么？对



dimulakan bersama-sama dengan memberi kesedaran kepada mereka mengenai pentingnya roda

Media Highlights

凭借对大马电子支付生态系统的卓越贡献，大众银行再次成为2021年大马电子支付卓越奖（NEEA）的最大赢家之一，共荣获3个奖项，包括MyDebit银行、最佳Debit（收单方）银行及最佳IBG银行奖。

众银行在过去多年赢得这些奖项，更是第5年获颁大马最佳ibit银行奖。

电子支付卓越奖每年由私人有限公司（PayNet）主办，为大马电子支付领域重大贡献的银行、企业和政府机构。

PayNet指出，大众银行

方面的承诺和整体努力，对推动大马电子支付化达到更高水平方面作出了重大的影响。

大众银行深信，在疫情新常态下，满足客户体验至为重要。该银行的主要数码化举措仍然专注于提高其产品和服务的便利性、效率、安全性和创新性，以持续为客户提供卓越的服务，尤其是提供非接触式和无现金数码支付服务。

大众银行将继续全力支持国家迁移至电子支付，

ME

ME

户未来可能面临的风险，同时不断审查信息安全和网络安全威胁管理的政策和标准。

(JC)

ME

Media Highlights

Offering a helping hand

Public Bank reaffirms commitment to assist customers affected by pandemic

Media Highlights

Public Bank 4Q net profit up 20%, declares 7.7 sen dividend

Syafiqah Salim / theedgemarkete.com
February 25, 2022 14:30 pm +08

Teh: As the economy gradually recovers, the group will continue to focus on further strengthening its business resilience, including preserving asset quality, maintaining cost discipline and upholding high standards of corporate governance.

KUALA LUMPUR (Feb 25): Public Bank Bhd, the country's third largest lender, posted a 20.3% increase in net profit to RM1.38 billion for the fourth quarter ended Dec 31, 2021 (4QFY21) from RM1.16 billion a year ago, mainly due to lower loan impairment allowance of RM274.3 million and higher net interest income of RM148.9 million.

However, this was partially offset by lower investment and other income. This resulted in a higher earnings per share of 7.11 sen for 4QFY21 compared with 5.91 sen for 4QFY20.

Media Highlights

Public Bank: Skim bantuan bayaran balik masih dibuka

Oktoper 25, 2021 @ 4:50pm

Media Highlights

Public Bank enhances digital business solutions

BANKING

Tuesday, 12 Oct 2021 10:16 AM MYT

Media Highlights

大眾銀行已批127億貸款助5萬中小企業振興業務

商業資訊

于去年4月至9月首次的6个月暂缓还贷计划中，大众银行总共为约150万名客户提供援助，涉及贷款总额超过2100亿令吉。

同时，大众银行也将提供各种灵活的针对性暂缓还贷计划协助客户。截至今年9月底，有超过42万9000名客户，涉及总额超过760亿令吉的贷款，继续获得这些针对性的还贷援助。

大众银行董事经理兼总执行长丹斯里郑亚历指出，随着经济逐步重启，大众银行了解到仍有客户需要获得援助。在这个充满挑战的时代，他们承诺支持所有客户。

此外，大众银行也不断支持从创业到对国家生产总值扮演重要角色的中小型企业。除了还贷援助，确保中小企业持续获得贷款是至关重要的。自新冠疫情爆发以来，尽管经营环境艰难，大众银行已批准超过127亿令吉贷款给超过5万家中小型企业。

郑亚历说，大众银行还参与政府和国家银行各种贷款计划，批准金额达34亿令吉，为超过1万7000家中小型企业提供协助。

他指出，作为拥有约22%市场分额的领先中小型企业融资机构之一，大众银行仍专注相关市场。这可从其4.6%的按年增长率，以及截至今年6月提

供给中小型企业达683亿令吉的贷款总额看出。

“至于新冠疫情继续为我们带来许多不确定性，我们也主办各种路演（roadshows），为中小型企业提供高素质的咨询服务，解决他们面临的信

息不对称问题。”

欲了解进一步详情，中小型企业可电邮或接电联絡大众银行，或浏览网站：<https://www.pbbank.com>

FIVE-YEAR GROUP FINANCIAL SUMMARY

YEAR ENDED 31 DECEMBER	2021	2020	2019	2018	2017
OPERATING RESULTS (RM'MILLION)					
Operating profit	8,579	7,403	7,283	7,270	7,319
Profit before tax expense and zakat	7,367	6,285	7,134	7,101	7,118
Net profit attributable to equity holders of the Bank	5,657	4,872	5,512	5,591	5,470
KEY BALANCE SHEET DATA (RM'MILLION)					
Total assets	462,739	451,257	432,831	419,693	395,276
Gross loans, advances and financing	358,027	345,651	330,468	317,302	304,453
Total liabilities	413,314	402,830	388,084	377,597	356,831
Deposits from customers	380,394	365,871	353,340	339,160	319,259
Core customer deposits	325,770	310,144	294,646	283,846	269,723
Share capital	9,418	9,418	9,418	9,418	9,418*
Shareholders' equity	48,163	47,248	43,594	40,973	37,365
Commitments and contingencies	102,643	106,934	94,315	96,368	95,443
SHARE INFORMATION AND VALUATION					
Share Information					
Per share (sen)					
Basic/Diluted earnings#	29.1	25.1	28.4	28.9	28.3
Dividend#	15.2	13.0	14.6	13.8	12.2
Net assets#	248.1	243.4	224.6	211.1	193.5
Share price as at 31 December (RM)#	4.16	4.12	3.89	4.95	4.16
Market capitalisation (RM'Million)	80,748	79,972	75,469	96,122	80,671
Valuation					
Dividend yield (%)	3.7	3.2	3.8	2.8	2.9
Dividend payout ratio (%)	52.2	51.8	51.4	47.9	43.1
Price to earnings multiple (times)	14.3	16.4	13.7	17.2	14.7
Price to book multiple (times)	1.7	1.7	1.7	2.3	2.1

* The Bank's share premium account was transferred to form part of the Bank's share capital pursuant to the Companies Act 2016 which came into force on 31 January 2017.

For comparative purpose, the earnings, dividend, net assets and price per share had been adjusted to reflect the bonus issue of four bonus shares for every one existing ordinary share which was completed on 29 January 2021.

YEAR ENDED 31 DECEMBER	2021	2020	2019	2018	2017
FINANCIAL RATIOS (%)					
Profitability Ratios					
Net interest margin on average interest bearing assets	2.2	2.0	2.2	2.2	2.3
Net return on equity ¹	12.4	11.2	13.6	14.8	15.8
Return on average assets	1.6	1.4	1.7	1.7	1.8
Return on average risk-weighted assets	2.5	2.2	2.6	2.7	2.8
Cost/income ratio	31.6	34.6	34.4	33.0	31.9
Asset Quality Ratios					
Gross loans to fund ratio	90.1	90.2	88.9	88.4	90.0
Gross loans to fund and equity ratio	80.0	80.0	79.2	79.0	80.7
Gross impaired loans ratio	0.3	0.4	0.5	0.5	0.5
Loan loss coverage					
– Exclude regulatory reserve	360.7	227.7	124.1	126.0	95.5
– Include regulatory reserve	383.2	325.1	249.8	237.5	256.5
Capital Adequacy Ratios²					
Common Equity Tier I capital ratio	14.5	14.0	13.5	13.1	12.2
Tier I capital ratio	14.6	14.0	13.5	13.7	13.0
Total capital ratio	17.7	17.1	16.8	16.3	16.0
PRODUCTIVITY RATIOS					
Number of employees	19,364	19,414	19,260	18,721	18,553
Gross loans per employee (RM'000)	18,489	17,804	17,158	16,949	16,410
Deposits per employee (RM'000)	19,644	18,846	18,346	18,117	17,208
Profit before tax per employee (RM'000)	380	324	370	379	384
MARKET SHARE (%)					
Domestic market share ³					
Loans, advances and financing	17.5	17.7	17.3	17.2	17.8
Deposits from customers	16.2	16.5	16.5	16.2	16.6
Core customer deposits	17.2	17.2	16.9	16.8	17.4

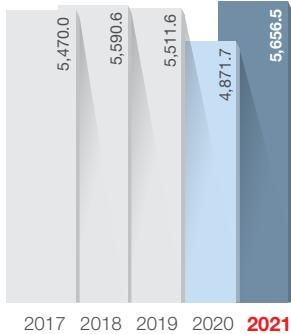
¹ Based on equity attributable to equity holders of the Bank, adjusted for dividend declared subsequent to year end.

² After deducting dividend declared subsequent to year end.

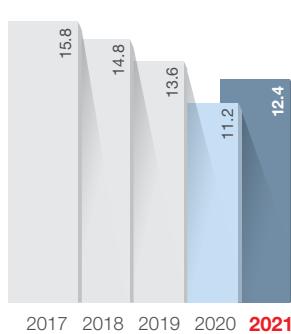
³ From year 2018 onwards, industry figures were revised to include data from MBSB Bank Bhd.

SUMMARY OF FIVE-YEAR GROUP GROWTH

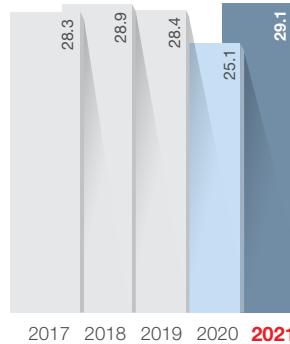
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS
RM'Million



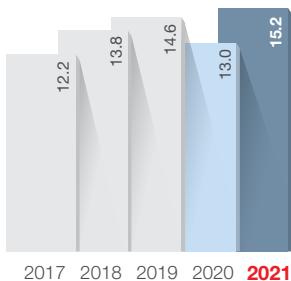
NET RETURN ON EQUITY
Percentage (%)



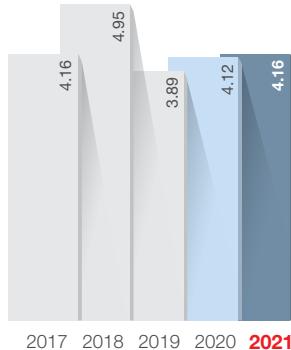
EARNINGS PER SHARE[#]
Sen



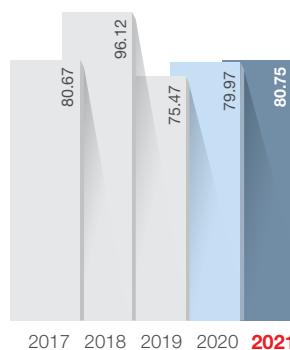
DIVIDEND PER SHARE[#]
Sen



SHARE PRICE[#]
RM



MARKET CAPITALISATION
RM'Billion



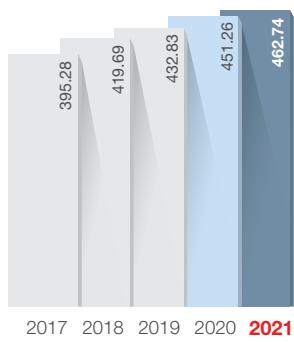
[#] Adjusted to reflect the bonus issue of four bonus shares for every one existing ordinary share which was completed and listed on Bursa Malaysia on 29 January 2021.

PUBLIC BANK'S RANKING BY MARKET CAPITALISATION ON BURSA MALAYSIA SECURITIES BERHAD

YEAR	2017	2018	2019	2020	2021
Ranking	3rd	2nd	2nd	2nd	2nd

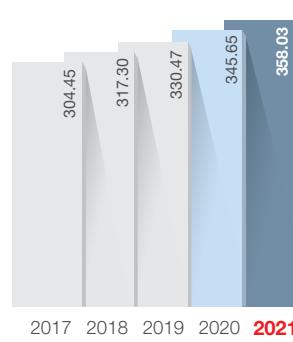
TOTAL ASSETS

RM'Billion



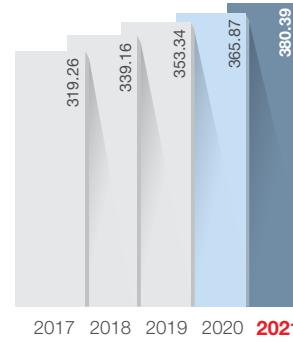
GROSS LOANS, ADVANCES AND FINANCING

RM'Billion



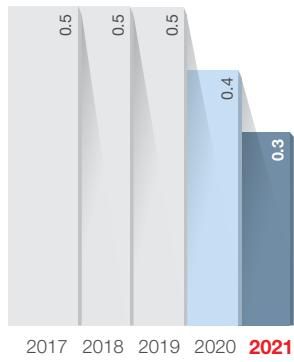
CUSTOMER DEPOSITS

RM'Billion



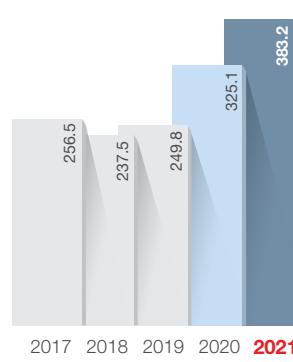
GROSS IMPAIRED LOANS RATIO

Percentage (%)



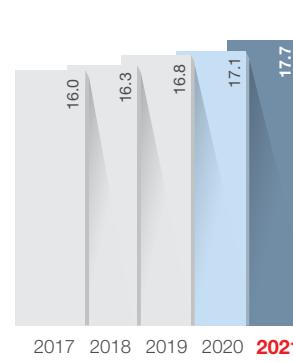
LOAN LOSS COVERAGE*

Percentage (%)



TOTAL CAPITAL RATIO**

Percentage (%)



* Including regulatory reserves.

** After deducting dividend declared subsequent to year end.

KEY INTEREST BEARING ASSETS & LIABILITIES

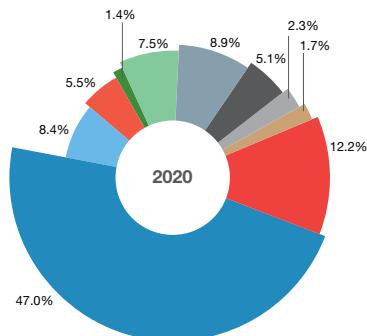
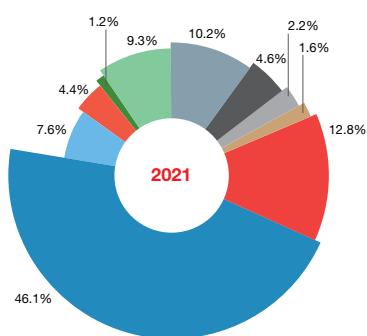
	2021			2020		
	Average Balance RM'Million	Average rate (%)	Interest RM'Million	Average Balance RM'Million	Average rate (%)	Interest RM'Million
INTEREST EARNING ASSETS						
Loans, advances and financing*	345,601	3.90	13,478	330,784	4.17	13,794
Balances with banks	11,182	1.72	192	12,192	1.95	238
Financial investments	77,359	2.89	2,236	75,956	3.27	2,484
Total	434,142	3.66	15,906	418,932	3.94	16,516
INTEREST BEARING LIABILITIES						
Deposits from customers	320,648	1.66	5,323	317,197	2.28	7,232
Deposits from banks	8,139	1.06	86	13,438	1.44	194
Recourse obligations on loans and financing sold to Cagamas	4,618	4.28	198	5,359	4.28	229
Debt securities issued and other borrowed funds	11,526	3.86	445	13,057	3.83	500
Total	344,931	1.75	6,052	349,051	2.34	8,155

* Including modification loss.

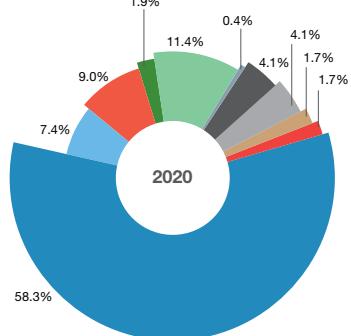
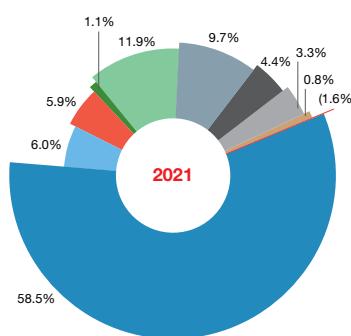
SEGMENTAL ANALYSIS

	Operating Revenue		Profit Before Tax		Total Assets	
	2021 (%)	2020 (%)	2021 (%)	2020 (%)	2021 (%)	2020 (%)
Hire purchase	12.8	12.2	(1.6)	1.7	9.4	9.5
Retail operations	46.1	47.0	58.5	58.3	53.4	51.8
Corporate lending	7.6	8.4	6.0	7.4	7.3	7.7
Treasury and capital market operations	4.4	5.5	5.9	9.0	12.9	13.5
Investment banking	1.2	1.4	1.1	1.9	0.4	0.4
Fund management	9.3	7.5	11.9	11.4	0.1	0.1
Others	10.2	8.9	9.7	0.4	9.4	9.8
Total domestic	91.6	90.9	91.5	90.1	92.9	92.8
Hong Kong SAR	4.6	5.1	4.4	4.1	3.9	4.0
Cambodia	2.2	2.3	3.3	4.1	1.8	2.0
Other countries	1.6	1.7	0.8	1.7	1.4	1.2
Total overseas	8.4	9.1	8.5	9.9	7.1	7.2
Total	100.0	100.0	100.0	100.0	100.0	100.0

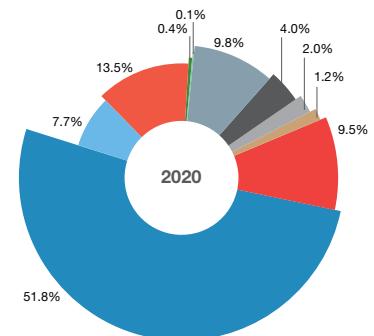
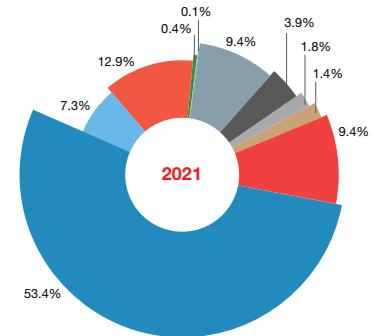
OPERATING REVENUE



PROFIT BEFORE TAX



TOTAL ASSETS



■ Hire purchase

■ Retail operations

■ Fund management

■ Others

■ Corporate lending

■ Hong Kong SAR

■ Treasury and capital market operations

■ Cambodia

■ Investment banking

■ Other countries

GROUP QUARTERLY PERFORMANCE

	2021				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 2021
FINANCIAL PERFORMANCE (RM'Million)					
Operating revenue	5,030.3	4,921.5	4,812.1	4,858.6	19,622.5
Net interest income and income from Islamic banking business	2,506.4	2,511.5	2,435.6	2,475.2	9,928.7
Operating profit	2,199.3	2,193.4	2,094.7	2,091.8	8,579.2
Profit before tax expense and zakat	1,998.9	1,795.4	1,766.1	1,806.2	7,366.6
Profit attributable to equity holders of the Bank	1,530.0	1,384.4	1,361.3	1,380.8	5,656.5
Earnings per share (sen)	7.9	7.1	7.0	7.1	29.1
Dividend per share (sen)	–	7.5	–	7.7	15.2

	2020				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 2020
FINANCIAL PERFORMANCE (RM'Million)					
Operating revenue	5,515.2	4,739.2	5,132.8	4,916.7	20,303.9
Net interest income and income from Islamic banking business	2,177.8	1,698.7	2,307.4	2,307.3	8,491.2
Operating profit	1,796.5	1,429.5	2,139.3	2,037.6	7,402.9
Profit before tax expense and zakat	1,727.2	1,280.4	1,802.8	1,474.7	6,285.1
Profit attributable to equity holders of the Bank	1,329.1	1,001.8	1,392.8	1,148.0	4,871.7
Earnings per share (sen)	6.8	5.2	7.2	5.9	25.1
Dividend per share (sen)	–	–	–	13.0	13.0

2021 AWARDS & ACHIEVEMENTS



1. ALPHA SOUTHEAST ASIA

15th Annual Alpha Southeast Asia Best Financial Institution Awards 2021:

- a. Best Bank in Malaysia
2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007
- b. Best Retail Bank in Malaysia
2021, 2020, 2018

2. ASSOCIATION OF ACCREDITED ADVERTISING AGENTS MALAYSIA

Putra Brand Awards 2020:

- Silver Award for the Banking, Investment and Insurance category
2020, 2018, 2015, 2014, 2013, 2012, 2011, 2010

3. ASIAN BANKING & FINANCE

Asian Banking & Finance Retail Banking Awards 2021:

- Domestic Retail Bank of the Year – Malaysia
2021, 2017, 2016, 2015, 2014, 2013, 2012, 2011, 2009, 2007
- COVID Management Initiative of the Year – Malaysia

4. BANK OF NEW YORK MELLON

Straight-Through Processing Award for achieving outstanding straight through processing rates in payment transfer operations for MT103
2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2011, 2010

5. CORPORATE GOVERNANCE ASIA

Asian ESG Award 2021 – The Best of Asia

- Icon on Corporate Governance
2021, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, 2006, 2005

6. CREDIT GUARANTEE CORPORATION (CGC)

CGC Top SME Supporter Awards 2020:

- Top F1 Partner 2020 (Commercial Bank category)
- Top F1 Partner 2020 (imSME category)

6

7

8

7. EUROMONEY

Euromoney Country Awards for Excellence 2021:

- Best Bank in Malaysia
2021, 2019, 2018, 2016, 2015, 2009, 2008, 2007, 2006, 2005, 2004, 2003, 2002, 1999, 1998, 1993

14

8. FINANCEASIA

FinanceAsia Country Awards 2021:

- Best Bank in Malaysia
2021, 2020, 2019, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, 2006, 2005, 2004, 2003, 2002, 2001, 2000, 1999
- Best Sustainable Bank in Malaysia
2021

12

13

9. FROST & SULLIVAN

2021 Frost & Sullivan Malaysia Excellence Award in Customer Experience for the following category:

- Excellence in Customer Experience – Banking Industry Malaysia – Branch Experience
2021, 2020

10. GLOBAL BANKING & FINANCE

Best Corporate Governance Bank in Malaysia 2021
2021, 2020

11. GLOBAL FINANCE

Best Bank in Malaysia
2021, 2019, 2017, 2015, 2014, 2010, 2009, 2004, 2003, 2002, 2000

12. J.P. MORGAN CHASE BANK

J.P. Morgan Elite Quality Recognition Award for achieving best-in-class straight-through processing rates for MT103 and MT202 USD payments:

- MT103 Elite Quality Recognition Award
2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, 2006, 2005, 2004, 2003, 2002
- MT202 Elite Quality Recognition Award
2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, 2006, 2005, 2004, 2003, 2002

13. MINORITY SHAREHOLDERS WATCH GROUP

MSWG-ASEAN Corporate Governance Award 2020

- Industry Excellence Award

14. PAYMENTS NETWORK MALAYSIA SDN BHD (PAYNET)

Malaysian e-Payments Excellence Awards 2021:

- Best Bank Award category – Best MyDebit Bank
2021, 2020, 2019, 2018, 2017
- Best Bank Award category – Best IBG Bank
2021, 2020, 2018
- Best e-Payments Acceptance Growth Award category – Best MyDebit (Acquirer-Bank)
2021

15. THE ASSET

Best Bank in Malaysia 2020
2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, 2006, 2005, 2004, 2003, 2002

16. THE BANKER

Bank of the Year in Malaysia 2021
2021, 2019, 2016, 2011, 2009, 2008, 2005, 2001

17. THE EDGE BILLION RINGGIT CLUB

The Edge Billion Ringgit Club Corporate Awards 2021:

- Highest Return on Equity Over Three Years Award under the Financial Services – RM10 Billion and Above Market Capitalisation category
2021, 2020, 2019, 2018
- Highest Return on Equity Over Three Years Award under the Super Big Cap Companies – Above RM40 Billion Market Capitalisation category
2021



INSPIRATIONAL LEGACY



ASIA'S BANKING GRANDMASTER

PRESENTED BY

THE ASSET
MARCH 2010

Asia's Banking Grandmaster Award bestowed to
Tan Sri Dato' Sri Dr. Teh Hong Piow by The Asset

While we adapt to unavoidable changes in our business environment brought about by the pandemic, there are certain factors that remain resolute – the **legacy** of our **Founder, Chairman Emeritus, Director and Adviser, Tan Sri Dato' Sri Dr. Teh Hong Piow.** His **visionary leadership, spirit and ethics** upheld for the past 55 years will continue to **guide us** in successfully navigating the road towards the future.

Conquering Challenges
with
Strong Fundamentals

The year 2021 was another year filled with significant uncertainties. The resurgence of COVID-19 cases led to various containment measures which had affected business and consumer sentiment. All these resulted in a highly challenging economic condition.

Amid the mounting challenges posed by the COVID-19 pandemic, the Public Bank Group remained unwavering in fulfilling its responsibilities to its stakeholders.

One key activity that the Public Bank Group has remained focused on and committed to, is ensuring that customers affected by the pandemic receive the assistance required to tide through the pandemic. Working closely with the Government and Bank Negara Malaysia (“BNM”), the Group had provided loan moratorium and various repayment assistance since the beginning of the pandemic in 2020, while ensuring access to financing for the businesses continues, including promoting the various Government and BNM financing schemes.

STATEMENT BY TAN SRI DATO' SRI DR. TEH HONG PIOW

Founder, Chairman Emeritus,
Director and Adviser



STATEMENT BY **TAN SRI DATO' SRI DR. TEH HONG PIOW**

Founder, Chairman Emeritus, Director and Adviser

BANKING ON STRONG FUNDAMENTALS

2021 was also the year where the Public Bank Group faced heightened challenges continuing from year 2020 when the pandemic first began.

Hence, the theme for 2021 Annual Report ‘Conquering Challenges with Strong Fundamentals’ is most fitting as the Public Bank Group navigates through the turbulence brought about by the COVID-19 pandemic.

The solid foundation built over the years is yielding results today with the Public Bank Group continuously delivering profitability with a pre-tax profit of RM7.37 billion and net profit attributable to shareholders of RM5.66 billion in 2021. With this, the Group continued to sustain a double-digit net return on equity of 12.4%.

In appreciation of shareholders' continuous support, the Board of Directors declared a total dividend of 15.2 sen for the financial year 2021. This is equivalent to a total dividend payout of RM2.95 billion, representing 52.2% of the Group's net profit for 2021.

Underpinning the Public Bank Group's achievements are the principles of integrity and accountability, which the Group has been embracing all these years. While the COVID-19 pandemic continues to unfold, the Group's commitment to good governance, prudent credit and risk management as well as excellence in customer service remains unwavering.

The Public Bank Group recognises that the world is rapidly evolving. ‘Business as usual’ also means emergence of a digitalised business environment where social media, e-commerce, virtual meetings and anything that one can do by just tapping or swiping on smart devices is a norm. With digital banking soaring, proactive digitalisation initiatives throughout the years have allowed the Group to continue serving its stakeholders relatively uninterrupted by the pandemic. Leveraging on digital platforms, the Group has also been exploring more business opportunities with better cost efficiency.

EVOLVING WITH THE TIMES

The Public Bank Group adopts an agile and forward looking strategy in its growth journey. With more than halfway to a century old, stakeholders can be assured of constant nurturing of Public Bank's culture of integrity.

To the customers, the Public Bank Group will continue to foster an excellent service culture to deliver great customer experience, whether it is a face-to-face or online interaction. Pursuing multiple approaches at service delivery, the Group will continue to harness technology innovation to appropriately respond to customers' expectations and demands.

Whilst evolving with the times, one fundamental remains – the Public Bank Group continues to uphold the highest integrity in discharging its responsibility as the custodian of public funds. The Group has been prudently managing its balance sheet and asset quality throughout this unprecedented period and will continue with its prudent risk management.

A SUSTAINABLE FUTURE FOR ALL

On the sustainability front, the Public Bank Group is cognisant of the importance of Environmental, Social, and Governance (“ESG”) for the Group and its stakeholders. The Group is committed to embedding ESG considerations into its business decisions and operations management. Leveraging on its role as a major financing provider in the country, the Group is targeting to mobilise RM40 billion in ESG-friendly financing by 2025.

Supporting the global action in battling climate change risk, the Group has joined the collective efforts in committing to achieving net zero greenhouse gas emission by 2050. The commitment to prohibit financing for coal mining and production activities, as well as support for sustainable agribusiness, amongst others, are the Group's key initiatives in promoting the transition to low carbon economy.

Teamwork is one of the hallmarks of the Public Bank Group and everyone in the Group has a role to play in its ESG journey. We have urged all employees to take ESG as an urgent and important issue. At the Public Bank Group, an effective pipeline of training programmes focusing on ESG is an ongoing initiative to intensify capacity building of employees.

THE YEAR AHEAD

Cautiously optimistic, 2022 is expected to see a gradual recovery of the Malaysian economy. The opening of the economy with improving external trade will continue to support economic activities. Ongoing policy support, stimulus assistance and the success of the COVID-19 inoculation programme are also likely to further improve both consumer and investor sentiment.

With strong fundamentals, the Public Bank Group has strengthened itself through the years and is well prepared for potential growth opportunities. Having managed its balance sheet and asset quality conscientiously throughout the COVID-19 pandemic, the Group is positioning itself for the economic recovery with adequate safeguards from the uncertainties ahead.

BEYOND GRATEFUL

The Public Bank Group and I wish to express our deepest appreciation to all our shareholders, customers, the Group's management and employees for their continuing support, confidence and trust.

Our sincere gratitude goes to Bank Negara Malaysia and relevant authorities for their extraordinary efforts in steering the nation's economy towards recovery and guiding the banking industry in navigating the present health crisis.

The Public Bank Group has not only continued to stand the test of time, but more importantly, it has continued to strengthen its resilience, sustainability and competency throughout this turbulent period. The Group will continue to stay vigilant and remain agile as the Group continues to strive to further enhance stakeholder value in the years ahead.

TAN SRI DATO' SRI DR. TEH HONG PIOW

Founder, Chairman Emeritus, Director and Adviser

The COVID-19 pandemic and climate change continued to pose healthcare and economic challenges in 2021. With the COVID-19 cases surging in mid-2021, the Government had implemented more stringent measures to contain the pandemic, which had weighed on the economic growth.

The Malaysian Government and Bank Negara Malaysia (“BNM”) swiftly announced various containment measures, and were also quick to assist the rakyat with various proactive stimulus and relief packages which helped in mitigating the adverse impact on individuals and businesses.

JOINT STATEMENT BY

Chairman & Managing Director/ Chief Executive Officer



▲
LAI WAN
Chairman

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

JOINT STATEMENT BY CHAIRMAN & MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER

The economic headwinds weighed on the Public Bank Group's business performance in 2021. Further, the modification loss arising from the loan repayment assistance under the PEMULIH package also affected earnings for the year.

However, with the solid foundation established, the Public Bank Group continued to sustain a resilient financial profile in 2021, achieving RM7.37 billion pre-tax profit and RM5.66 billion net profit attributable to shareholders, supported by the continued expansion of its loans and deposits as well as the increase in its fee based income.

In 2021, the Public Bank Group achieved total loans growth of 3.6%. For the consumer lending for purchase of residential properties segment, the Group continued to sustain its leading position with a growth of 8.7% in 2021.

As one of the leading financiers for small and medium enterprises ("SMEs"), the Public Bank Group remained dedicated to this mission which resulted in its domestic SME loan growth of 1.7% with total financing of RM67.9 billion as at the end of 2021.

The firm foundation built throughout the years – a resilient loan portfolio and prudent reserves for loan losses – provided a strong buffer for the Public Bank Group to weather any potential challenges in asset quality. The result is a resilient bank with strong asset quality.

Maintaining this high standard throughout the decades, the Public Bank Group made no exception despite the challenging operating environment in 2021. The Group's asset quality remained in good health, with a gross impaired loans ratio which stood at 0.3% as at the end of 2021, compared with the banking industry's gross impaired loans ratio of 1.4%.

The Public Bank Group's strong deposits franchise and long-standing PB brand continued to be the value drivers, mobilising higher deposits for the Group. This can be seen with the Group's total deposits which grew by 4.0% in 2021, mainly attributable to the stable core deposit growth.

Meanwhile, the Public Bank Group's non-interest income continued to complement the Group's profit growth. In 2021, Public Mutual, the Group's wholly-owned subsidiary managing its unit trust business, recorded profit growth of 22.8% and maintained its leading market position with the largest market share of 34.6% in the retail private unit trust industry.

Amid earnings pressure arising from the challenging operating environment, the Public Bank Group continued to emphasise on prudent and disciplined cost management. In 2021, the Group continued to sustain an efficient cost-to-income ratio which stood at 31.6%, significantly better than the industry's cost-to-income ratio of 48.1%.

CONTINUING TO HAND-HOLD CUSTOMERS AFFECTED BY THE PANDEMIC

The Public Bank Group remained committed to provide assistance to customers who face financial constraints due to the COVID-19 pandemic.

Proactively engaging the affected borrowers since the beginning of the pandemic to provide various flexible repayment assistance packages, the Public Bank Group had assisted about 438,000 customers with total loans of about RM82 billion as at the end of February 2022.

The Public Bank Group had also been promoting special financing schemes initiated by the Government and BNM to assist the SMEs in overcoming the COVID-19 challenges. Underpinned by its proactive initiatives, the Group approved about RM3.4 billion for over 17,700 SME businesses under these special financing schemes as at the end of February 2022.

ENHANCING RESILIENCE BY EMBRACING SUSTAINABILITY

The Public Bank Group has also taken a proactive role in Environmental, Social, and Governance ("ESG") management. The Group has set new commitments to drive further progress on its sustainability journey. This includes mobilising RM25 billion financing for the purchase of energy efficient vehicles and RM15 billion for affordable home financing by 2025. To further mitigate climate related risk, the Group has conscientiously been working on embedding climate-related considerations into its business strategies and risk management.

To be sustainable also means being able to adapt to the changing societal needs. Moving with the times, the Public Bank Group had adapted quickly and responded promptly to the new normal, particularly on digital adoption due to mobility restrictions.

The Public Bank Group continued to invest in enhancement to its internet and mobile banking platforms to bring more seamless and efficient online banking to its customers. In 2021, the Group extended its PBe QR service by supporting cross border payments between Malaysia and Thailand.

Meanwhile, through its PB enterprise Digital SME Assist Programme, the Public Bank Group collaborated with various solution providers to help its SME customers to enhance their digital capabilities as they expand their businesses.

The Programme is an effort to provide SMEs with a one stop centre offering various digital business solutions, such as financial accounting, human resources, property management and e-commerce to enhance the efficiency of their operations and cost management.

The Group's proactive initiatives in promoting electronic payment continued to gain recognition from prestigious organisations. In the Malaysian e-Payments Excellence Awards 2021 by PayNet, the Group clinched three awards for its outstanding contribution in promoting e-payment.

STRENGTHENING HUMAN CAPITAL

The COVID-19 pandemic allowed the Public Bank Group's employees to continue sharpening their skillsets and broadening their horizons. As the Group continued to invest extensively on employee development and engagement programmes, various online training programmes to harness self-learning had been implemented, creating a more sustainable and resilient learning culture. Digitalisation is part and parcel of the Group's talent management initiatives and the Group has been nurturing its employees with a digital mindset to future proof them for the new challenges ahead.

GROUP'S PROSPECTS

Looking towards 2022, the Malaysian economy is expected to continue on a recovery path, underpinned by the achievement of high vaccination rates and booster dose rollout, various stimulus measures and relief support as well as improvement in global demand.

Whilst remaining optimistic, the Public Bank Group is not letting its guard down and will proactively grow its business and manage risks with banking best practices and superior customer services.

The Public Bank Group would like to put on record our utmost gratitude to our visionary leader, Tan Sri Dato' Sri Dr. Teh Hong Piow, Founder, Chairman Emeritus, Director and Adviser for his dedication in building the Group with a solid corporate culture which will see the Group through this challenging time.

This solid fundamental and the Public Bank Group's entrenched market position will continue to provide strong support in driving the Group's business growth. The Group will continue to leverage on its trusted and reputable PB Brand to achieve better performance in 2022 and beyond for its stakeholders.

LAI WAN

Chairman

TAN SRI DATO' SRI DR. TAY AH LEK

Managing Director/Chief Executive Officer

BOARD OF DIRECTORS





- 1 TAN SRI DATO' SRI DR. TEH HONG PIOW**
Founder, Chairman Emeritus, Director and Adviser
- 2 LAI WAN**
Non-Independent Non-Executive Chairman
- 3 TAN SRI DATO' SRI DR. TAY AH LEK**
Managing Director/ Chief Executive Officer
- 4 GLADYS LEONG**
Independent Non-Executive Director
- 5 LEE CHIN GUAN**
Non-Independent Non-Executive Director
- 6 DATO' MOHD HANIF BIN SHER MOHAMED**
Independent Non-Executive Director
- 7 CHEAH KIM LING**
Independent Non-Executive Director
- 8 LIM CHAO LI**
Independent Non-Executive Director
- 9 THAM CHAI FHONG**
Independent Non-Executive Director
- 10 WAN MARHANIM BINTI WAN MUHAMMAD**
Company Secretary

BOARD OF DIRECTORS' PROFILE

As at 1 April 2022

Tan Sri Dato' Sri Dr. Teh Hong Piow, aged 92, male, began his banking career in 1950 and has 72 years' experience in the banking and finance industry.

He founded Public Bank in 1965 at the age of 35. He was appointed as a Director of Public Bank on 30 December 1965 and had been the Chief Executive Officer of Public Bank since its commencement of business operations in August 1966. He was re-designated as Chairman of Public Bank with effect from 1 July 2002. He retired as Chairman of Public Bank on 31 December 2018. He was conferred the position of Chairman Emeritus and Adviser of Public Bank with effect from 1 January 2019.

TAN SRI DATO' SRI DR. TEH HONG PIOW

Founder, Chairman Emeritus,
Director and Adviser



Age/Gender:
92, Male



Nationality:
Malaysian



Date of Appointment:
30 December 1965



Tan Sri Teh had won both domestic and international acclaim for his outstanding achievements as a banker and the Chief Executive Officer of a leading financial services group. Awards and accolades that he had received include:

- Asia's Commercial Banker of the Year 1991
- The ASEAN Businessman of the Year 1994
- Malaysia's Business Achiever of the Year 1997
- Malaysia's CEO of the Year 1998
- Best CEO in Malaysia 2004
- The Most PR Savvy CEO 2004
- The Asian Banker Leadership Achievement Award 2005 for Malaysia
- Award for Outstanding Contribution to the Development of Financial Services in Asia 2006
- Lifetime Achievement Award 2006
- Award for Lifetime Achievement in Corporate Excellence, Dedication and Industry 2006
- Asia's Banker of High Distinction Award 2006
- The BrandLaureate Brand Personality Award 2007
- ASEAN Most Astute Banker Award 2007
- Lifetime Entrepreneurship Achievement Award 2007
- The Pila Recognition Award 2007
- Asian Banker Par Excellence Award 2008
- Best CEO in Malaysia 2009
- Asia's Banking Grandmaster 2010
- Asian Corporate Director Recognition Award 2010 for Malaysia
- Value Creator: Malaysia's Outstanding CEO 2010
- The BrandLaureate – Tun Dr. Mahathir Mohamad Man of the Year Award 2010 – 2011
- Best CEO (Investor Relations) 2011 for Malaysia
- Asian Corporate Director Recognition Award 2011 for Malaysia
- The BrandLaureate Premier Brand Icon Leadership Award 2011
- Best CEO (Investor Relations) 2012 for Malaysia
- Asian Corporate Director Recognition Award 2012 for Malaysia
- Best CEO (Investor Relations) 2013 for Malaysia
- Asian Corporate Director Recognition Award 2013 for Malaysia
- BrandLaureate Banker of the Year Award 2012 – 2013
- Best CEO (Investor Relations) 2014 for Malaysia
- Asian Corporate Director Recognition Award 2014 for Malaysia
- Banker Extraordinaire 2015
- Global Chinese Entrepreneur Lifetime Achievement Award 2015
- BrandLaureate "Icon of Icons – The King of Banking"
- Asia's Best CEO (Investor Relations) 2015 for Malaysia

- William "Bill" Seidman Lifetime Leadership Achievement in Financial Service Industry Award 2015
- Asian Corporate Director Recognition Award 2015 for Malaysia
- Asia's Best CEO (Investor Relations) 2016 for Malaysia
- Asian Corporate Director Recognition Award 2016 for Malaysia
- Asia's Best CEO (Investor Relations) 2017 for Malaysia
- Asian Corporate Director Recognition Award 2017 for Malaysia
- The Greatest Malaysian Banker of All Time
- Asia's Best CEO (Investor Relations) 2018 for Malaysia
- The BrandLaureate Hall of Fame – Lifetime Achievement Award 2018 – Man of the Year
- Grand Prix D'Excellence Brand Leadership Award in Banking
- The Best of Best in Brand Leadership Award 2018 – Overall Championship
- Asian Corporate Director Recognition Award 2018 for Malaysia
- Asian Corporate Director Recognition Award 2019 for Malaysia
- The BrandLaureate Hall of Fame Lifetime Achievement Award as the Greatest Banking Icon of the Decade
- Asian Corporate Director Recognition Award 2021

Tan Sri Teh was awarded the Medal "For the Course of Vietnamese Banking" by the State Bank of Vietnam in 2002 for his contributions to the Vietnamese banking industry over the past years. Tan Sri Teh was conferred the Recognition Award 2007 by the National Bank of Cambodia in appreciation of his excellent achievement and significant contribution to the banking industry in Cambodia.

Tan Sri Teh was conferred the Royal Order of Monisaraphon, Commander by The Royal Government of The Kingdom of Cambodia in 2016, in recognition of his outstanding leadership and immense social economic contributions towards the progress and development of Cambodia over the last 24 years. He is the first Malaysian banker ever to receive the Royal Order.

Tan Sri Teh was awarded the "Medal for the Development of Vietnam Banking Industry" in 2017 by the State Bank of Vietnam in recognition for his manifold contribution to the construction and development of Vietnam's banking industry. Tan Sri Teh is the first foreign banker in Vietnam to be awarded this medal.

Tan Sri Teh had received the "Outstanding Contribution in Promoting "Excellence at Work" and in Strengthening Trade Union in 2019" award from the Vietnam Banking Trade Union

in recognition of Tan Sri Teh's extraordinary contribution towards establishing and sustaining a strong corporate culture and promoting the well-being of all employees of Public Bank Vietnam Limited.

In recognition of his contributions to society and the economy, he was conferred the Doctor of Laws (Honorary) from University of Malaya in 1989.

Tan Sri Teh was conferred The Honorary Doctor of The University by The Board of Directors and The Academic Senate of Sunway University on 28 January 2019, in recognition of his distinction as one of the leading bankers of Malaysia, having founded and overseen the evolution of Public Bank into a modern and integrated financial institution, and for his outstanding contribution to the growth of the financial services industry of Malaysia.

Tan Sri Teh was conferred the inaugural Honorary Fellowship of The Institute of Corporate Directors Malaysia (ICDM) by ICDM in December 2021 in recognition of his exemplary leadership in upholding excellence in governance and high ethical standards, outstanding achievements, contribution and impact in the financial services sector.

He had served in various capacities in public service bodies in Malaysia; he was a member of the Malaysian Business Council from 1991 to 1993; a member of the National Trust Fund from 1988 to 2001; a founder member of the Advisory Business Council since 2003; and is a member of the IPRM Accreditation Privy Council.

He is an Emeritus Fellow of the Malaysian Institute of Management and is a Fellow of the Asian Institute of Chartered Bankers; the Chartered Institute of Bankers, United Kingdom; the Institute of Administrative Management, United Kingdom; and the Governance Institute of Australia.

His directorships in other public companies within the Public Bank Group are as Chairman of Public Mutual Bhd, Public Financial Holdings Ltd (a public company listed on the Stock Exchange of Hong Kong), Public Bank (Hong Kong) Ltd, Cambodian Public Bank Plc; and several other subsidiaries of Public Bank, and as Director of Public Investment Bank Bhd and Public Islamic Bank Bhd. His directorship in other public company is as Chairman of LPI Capital Bhd (a public company listed on the Main Market of Bursa Malaysia Securities Bhd).

Tan Sri Teh attended all the 17 Board meetings which were held in the financial year ended 31 December 2021.

BOARD OF DIRECTORS' PROFILE

As at 1 April 2022



LAI WAN
Non-Independent
Non-Executive Chairman

Age/Gender: 79, Male 

Nationality: Malaysian 

Date of Appointment: 26 April 2012 

Lai Wan, aged 79, male, was appointed as a Director of Public Bank on 26 April 2012. He 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. He is a member of the Risk Management Committee, the Compliance Committee and the Credit Risk Management Committee.

He graduated with a Bachelor of Arts (Honours) degree in Economics from the University of Malaya. He is an Associate of the Asian Institute of Chartered Bankers.

Mr Lai has 49 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.

His directorships in other public companies within the Public Bank Group are as Co-Chairman of Public Financial Holdings Ltd (a public company listed on the Stock Exchange of Hong Kong) and Public Bank (Hong Kong) Ltd and as Director of Public Bank (L) Ltd.

Mr Lai attended all the 17 Board meetings which were held in the financial year ended 31 December 2021.

Tan Sri Dato' Sri Dr. Tay Ah Lek, aged 79, male, has 61 years' experience in the banking and finance industry. He 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. 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 Berhad. He is the Chairman of the Management Committee, the Credit Committee, the IT Steering Committee, the Assets & Liabilities Management Committee, the Share Investment Committee, the Operational Risk Management Committee, the Business Continuity Management Committee, the Sustainability Management Committee, and the Losses and Claims Committee, and is a member of the Group Human Resource Committee.

He holds a Master's degree in Business Administration from Henley, United Kingdom and he is an Alumni of Harvard Business School. He is an Emeritus Fellow of the Malaysian Institute of Management, a Fellow, Chartered Banker, of the Asian Institute of Chartered Bankers, and is a Fellow of CPA Australia and the Financial Services Institute of Australasia. He was conferred the Honorary Doctor of Philosophy in Economics by HELP University.

He is presently the Chairman of the Association of Hire Purchase Companies Malaysia and is a Council Member of the Association of Banks in Malaysia and the Asian Institute of Chartered Bankers.

His directorships in other public companies in the Public Bank Group include as Director of Public Investment Bank Bhd, Public Mutual Bhd, Public Islamic Bank Bhd and Public Bank (Hong Kong) Ltd. His directorships in other public companies are in Cagamas Holdings Bhd and Ombudsman for Financial Services.

Tan Sri Tay attended all the 17 Board meetings which were held in the financial year ended 31 December 2021.

TAN SRI DATO' SRI DR. TAY AH LEK

Managing Director/
Chief Executive Officer

 Age/Gender:
79, Male

 Nationality:
Malaysian

 Date of Appointment:
18 June 1997



BOARD OF DIRECTORS' PROFILE

As at 1 April 2022



CHEAH KIM LING

Independent
Non-Executive Director

Age/Gender:
64, Female



Nationality:
Malaysian



Date of Appointment:
29 April 2014



Cheah Kim Ling, aged 64, female, was appointed as a Director of Public Bank on 29 April 2014. She serves as the Chairperson of the Compliance Committee and the Credit Risk Management Committee and is a member of the Audit Committee, the Nomination and Remuneration Committee and the Risk Management Committee.

Ms Cheah holds a Bachelor of Accounting (Honours) degree from the University of Malaya and is also a Chartered Accountant of the Malaysian Institute of Accountants.

She 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.

Ms Cheah 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.

Her directorship in other public company within the Public Bank Group is as Director of Public Financial Holdings Limited (a public company listed on the Stock Exchange of Hong Kong).

Ms Cheah attended all the 17 Board meetings which were held in the financial year ended 31 December 2021.

Lee Chin Guan, aged 63, male, was appointed as a Director of Public Bank on 27 December 2018. He is a member of the Nomination and Remuneration Committee, the Risk Management Committee and the Compliance Committee.

Mr Lee qualified as a Barrister-at-Law from the Middle Temple, United Kingdom in 1982. He also holds a Bachelor's Degree in Science (Honours) from the University of Manchester Institute of Science & Technology, England and Degrees in Law from Cambridge University, Oxford University and Chicago-Kent College of Law.

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

His directorships in other public companies within the Public Bank Group are as Director of Public Financial Holdings Ltd (a public company listed on the Stock Exchange of Hong Kong) and Public Bank (Hong Kong) Ltd. His directorships in other public companies are as Director of LPI Capital Bhd (a public company listed on the Main Market of Bursa Malaysia Securities Bhd) and Lonpac Insurance Bhd.

Mr Lee attended all the 17 Board meetings which were held in the financial year ended 31 December 2021.

LEE CHIN GUAN

Non-Independent
Non-Executive Director

 Age/Gender:
63, Male

 Nationality:
Malaysian

 Date of Appointment:
27 December 2018



BOARD OF DIRECTORS' PROFILE

As at 1 April 2022



DATO' MOHD HANIF BIN SHER MOHAMED

Independent
Non-Executive Director

Age/Gender:
70, Male



Nationality:
Malaysian



Date of Appointment:
22 January 2019



Dato' Mohd Hanif bin Sher Mohamed, aged 70, male, was appointed as a Director of Public Bank on 22 January 2019. He is the Chairman of the Audit Committee and the Nomination and Remuneration Committee, and is a member of the Risk Management Committee, the Compliance Committee and the Credit Risk Management Committee.

Dato' Mohd Hanif holds a Master's degree in Business Administration from Northland Open University, United Kingdom.

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) Berhad, where he had served for over 26 years, and he had held various senior management positions including managing associate companies in Singapore (Credit Corporation Singapore Ltd) and Brunei (Credit Corporation Brunei Ltd).

He is presently the Chairman of Sivash Holdings Bhd.

His directorship in other public company within the Public Bank Group is as Director of Public Mutual Bhd.

Dato' Mohd Hanif attended all the 17 Board meetings which were held in the financial year ended 31 December 2021.

Tham Chai Phong, aged 65, female, was appointed as a Director of Public Bank on 1 June 2019. She is a member of the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee and the Compliance Committee.

Ms Tham holds a Bachelor of Science (Honours) degree in Mathematics from the University of Malaya and a Postgraduate Diploma in Computer Science from University of Malaya.

She 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.

Ms Tham attended all the 17 Board meetings which were held in the financial year ended 31 December 2021.

THAM CHAI PHONG

Independent
Non-Executive Director

 Age/Gender:
65, Female

 Nationality:
Malaysian

 Date of Appointment:
1 June 2019



BOARD OF DIRECTORS' PROFILE

As at 1 April 2022



LIM CHAO LI

Independent
Non-Executive Director

Age/Gender:
55, Male



Nationality:
Malaysian



Date of Appointment:
5 April 2021



Lim Chao Li, aged 55, male, was appointed as a Director of Public Bank on 5 April 2021. He is the Chairman of the Risk Management Committee, and is a member of the Audit Committee, the Nomination and Remuneration Committee and the Compliance Committee.

Mr Lim holds a Bachelor of Science in Economics degree majoring in Accounting and Finance from the Wharton School of Business, University of Pennsylvania, USA. He also holds a Bachelor of Applied Science (Systems Engineering) degree from the School of Engineering and Applied Science, University of Pennsylvania, USA.

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. His directorships in other public companies within the Public Bank Group are as Director of Public Financial Holdings Limited (a public company listed on the Stock Exchange of Hong Kong) and Public Bank (Hong Kong) Ltd. His directorship in other public company is in JcbNext Berhad (a public company listed on the Main Market of Bursa Malaysia Securities Berhad).

Mr Lim attended 12 Board meetings that were held in the financial year ended 31 December 2021 following his appointment on 5 April 2021.

Gladys Leong, aged 60, female, was appointed as a Director of Public Bank on 1 July 2021. She is a member of the Nomination and Remuneration Committee, the Risk Management Committee and the Compliance Committee.

Ms Gladys is a Certified Public Accountant of the Malaysian Institute of Certified Public Accountants and a Chartered Accountant of the Malaysian Institute of Accountants.

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.

Her directorship in other public company is in Malaysia Marine and Heavy Engineering Holdings Berhad (a public company listed on the Main Market of Bursa Malaysia Securities Berhad).

Ms Gladys attended 8 Board meetings that were held in the financial year ended 31 December 2021 following her appointment on 1 July 2021.



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.

All of the Directors are Malaysians.



WAN MARHANIM BINTI WAN MUHAMMAD

Company Secretary

Age/Gender:
50, Female



Nationality:
Malaysian



Date of Appointment:
1 January 2021



Cik Wan Marhanim binti Wan Muhammad was appointed as the Company Secretary of Public Bank on 1 January 2021. She is also the Company Secretary of several Malaysian and overseas subsidiaries, and she oversees the Public Bank Group's company secretarial matters. She is the Secretary of various Board Committees of Public Bank Group.

She heads the Public Bank's Secretariat Division.

Cik Wan Marhanim holds a Bachelor of Human Science (English Language & Literature) and a Master of Law Executive (Business Law) from the International Islamic University Malaysia.

Cik Wan Marhanim is a licensed Company Secretary by the Companies Commission of Malaysia.



EXEMPLARY GOVERNANCE



The Asian ESG Award 2021 – The Best of Asia for Icon on Corporate Governance by Corporate Governance Asia

Integrity and **accountability** are embedded in every aspect of our operations.

We comply strictly to the **standards** and **best practices** of **corporate governance**.

Values such as **integrity**, **trust** and **prudence** are ingrained in our DNA. We will continue to further establish our reputation as one of Malaysia's most **trustworthy banks**.

Conquering Challenges

with

Strong Fundamentals

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

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 Malaysian Code on Corporate Governance 2021 ("MCCG 2021") issued by Securities Commission on 28 April 2021:

- (i) Principle A: Board leadership and effectiveness;
- (ii) Principle B: Effective audit and risk management; and
- (iii) Principle C: Integrity in corporate reporting and meaningful relationship with stakeholders.

Public Bank's applications of the practices as set out in the MCCG 2021 during the financial year 2021 are disclosed in the Public Bank's Corporate Governance Report for the financial year ended 31 December 2021 which 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 responsible for formulating and reviewing key policies and charting the course of the Bank's strategic directions. The Board, through the Audit Committee, Risk Management Committee, Compliance Committee and Credit Risk Management Committee provides effective oversight of the Management's performance, risk assessment and controls over business operations, and compliance with regulatory requirements. The Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives.

The key responsibilities of the Board are set out in the Board Charter and disclosed in the Public Bank's Corporate Governance Report for the financial year ended 31 December 2021 which can be downloaded from Public Bank's corporate website at www.publicbankgroup.com.

The Board has delegated authority to various Board Committees to enable them to support the Board effectively in accordance with their terms of reference.

Roles of Chairman, Managing Director/Chief Executive Officer and Non-Executive Directors

The Board has established the roles and responsibilities of the Non-Executive Chairman which are distinct and separate from the duties and responsibilities of the Managing Director/ Chief Executive Officer ("CEO"). This segregation between the duties of the Non-Executive Chairman and the Managing Director/CEO ensures an appropriate balance of role, responsibility and accountability at Board level.

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 positive culture in the Board as well as ensuring that the procedures and processes are in place to facilitate effective conduct of business of the Board. The Chairman also ensures that decisions are taken 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 open and frank deliberations by Directors at every Board meeting.

The Managing Director/CEO is primarily responsible for the effective management of the Bank's day-to-day operations. He is responsible for developing the business direction and strategies of the Bank and also to ensure that the Bank's business strategies and policies are effectively implemented.

The Non-Executive Directors scrutinise the performance of Management in meeting key performance targets and monitor the reporting of performance. Their role is to constructively challenge the Management and monitor the success of Management in delivering the approved targets and business plans within the risk appetite set by the Board. They have free and open contact with the Management at all levels. The Independent Non-Executive Directors provide independent and objective views, assessment and suggestions in deliberations of 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.

Company Secretary

The Board is supported by a qualified and competent Company Secretary who provides advice on governance matters, 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 communications of decisions made and policies set by the Board at Board meetings, to the Senior Management for action.

Board Meetings 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 are able to plan ahead and ensure their full attendance at Board meetings.

The Board holds regular meetings of no 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 in order to review and approve the results for submission to Bank Negara Malaysia ("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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Bank's Constitution allows a Member of the Board of Directors to participate in a meeting of the Directors by means of a conference telephone, video conference or any other instantaneous tele-communication device which allows all persons participating in the meeting to hear each other. In 2021, all the Board meetings were conducted virtually as a precautionary measure in view of the severity of the COVID-19 pandemic and the Government's implementation of movement control orders/conditional movement control orders.

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 registered full attendance at Board meetings held in 2021.

At the monthly Board meetings, 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 to the preceding month and year-to-date, and also the comparison against pro-rated business targets and against 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 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, and 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 policy documents issued by BNM.

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.

The minutes of 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. The meeting papers are uploaded onto a secure portal which are accessible by the Directors from the electronic devices provided by the Bank.

The Board Members are well prepared for Board meetings and engage in robust discussions on key matters in the agenda. The Managing Director/CEO provides comprehensive monthly updates to the Board on the Bank's and the Group's business operations.

A Director is required to abstain from deliberations and decisions of the Board on matters where he/she is the interested party, and he/she does not exercise any influence over the Board in respect of the matter. In the event 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.

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 to the Board 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 sit on the Boards of Public Bank's subsidiaries, and this gives the Board access to direct insight of the performance and operations of the subsidiaries. In addition, in promoting Group governance and as part of the enhanced Public Bank's oversight over its subsidiaries, the CEOs of the domestic and overseas subsidiaries are to escalate the reporting of significant events (if any) to the Bank's Board as soon as practicable.

Board Charter

The Board Charter 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 reflects the procedures of the Board and matters reserved for the Board's consideration and approval. The Board Charter is available on Public Bank's corporate website at www.publicbankgroup.com.

Sustainability Management

The Board has an overall responsibility for sustainability management of the Bank. The Risk Management Committee assists the Board on the oversight and management of the Bank's environmental, social and governance ("ESG") matters. At the management level, the Sustainability Management Committee reviews the Bank's sustainability commitments, performance and endorses the operational initiatives formulated to drive the progressive achievement of its sustainability objectives. The Climate Risk Management Task Force has been set up to be responsible for embedding the Board's approved climate-related risk policies into the Bank's operations.

In setting the Public Bank's business plans, the Board ensures ESG considerations are embedded into the Bank's business strategies and action plans, together with priorities and set targets. The Board also ensures that the Bank's sustainability strategies, priorities, performance, commitments and targets are communicated to its key stakeholders in a comprehensive, timely and transparent manner through various channels including the Sustainability Statement in Public Bank annual report, emails, teleconferencing, investors' meetings and annual general meeting.

Sustainability training is conducted for the Board and Senior Management to provide them insights into sustainability issues, including climate-related matters. The Senior Management also keeps the Board updated on any latest ESG development and initiatives.

Board Size and Composition

The Board currently comprises 9 Members. During the financial year 2021, Mr Tang Wing Chew, a Non-Independent Non-Executive Director and Ms Lai Wai Keen who had completed 9 years as an Independent Non-Executive Director, had retired as Directors on 29 May 2021. Mr Lim Chao Li and Ms Gladys Leong were appointed as Independent Non-Executive Directors with effect from 5 April 2021 and 1 July 2021 respectively.

The size and composition of the Board are optimum to provide for a diversity of views, facilitate effective decision making, and appropriate balance of executive, independent and non-independent directors. The present Board is well balanced with Board Members possessing varied experiences and skill sets in banking and finance, accountancy, law, information technology, economics, business and commerce.

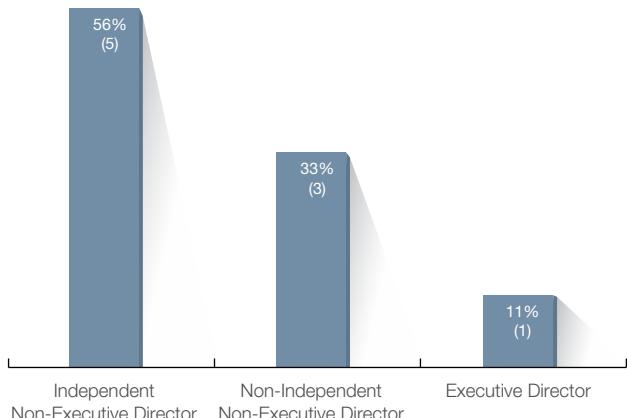
The 9 Members of the Board are persons of high calibre and integrity, and they have a sound understanding of the Bank's business as well as deep industry expertise. They possess the skills, knowledge, experience and competencies to address key risks and major issues relating to the Bank's business and its policies and strategies. The Directors more than adequately fulfil the fit and proper criteria as specified in the Financial Services Act 2013 ("FSA") and the BNM Policy Document on Fit and Proper Criteria. None of the Members of the Board is an active politician.

The profile of each of the Member of the Board is as presented on pages 46 to 55 of this annual report.

Board Balance and Independence

The Board comprises only 1 Executive Director and a strong presence of 8 Non-Executive Directors, of whom 5 ie. more than half of the Board Members are Independent Non-Executive Directors. The presence of a majority of Independent Non-Executive Directors provides effective check and balance in the functioning of the Board to safeguard the interests of the Bank and all stakeholders.

Board Composition

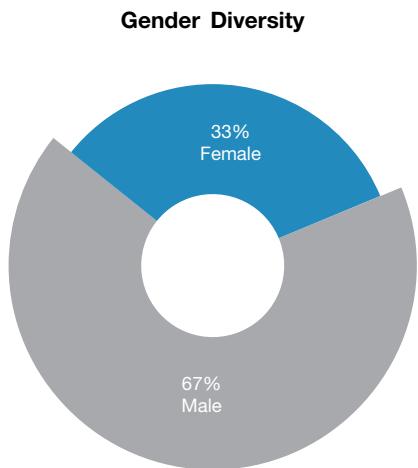


The Nomination and Remuneration Committee and the Board had assessed the independence of each Independent Non-Executive Director during the financial year 2021 as part of the annual fit and proper assessment and were satisfied that all the Independent Non-Executive Directors continue to meet the criteria of an Independent Director as specified in the BNM Policy Document on Corporate Governance and the Bursa Malaysia Securities Berhad Main Market Listing Requirements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Gender Diversity

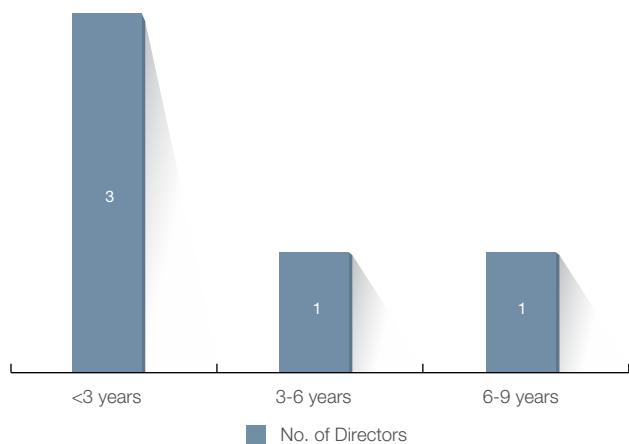
In line with the best practices of the MCCG 2021, the Board has in 2021 formally adopted a gender diversity policy whereby the Board shall comprise at least 30% women Directors. The current Board comprises 33% women Directors ie. 3 out of the 9 Members of the Board. The 3 women Directors provide the Board with gender diversity that serves to bring value to Board discussions from the different perspectives and approaches of the women Directors.



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 redesignated as Non-Independent Non-Executive Director. The current tenure of the Independent Non-Executive Directors of the Bank is as follows:

Tenure of Independent Non-Executive Directors



New Appointment and Re-Appointment of Director

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 and Remuneration Committee is responsible for assessing the candidate for proposed directorship and thereupon submitting their recommendation to the Board for decision. The Nomination and Remuneration Committee's recommendation is made after due consideration of, inter-alia, the following:

- 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 candidate'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 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:
 - Probity, Personal Integrity and Reputation
 - Competence and Capability
 - Financial Integrity
- The candidate meets regulatory requirements for appointment and possesses the qualifications to be able to contribute effectively as a Member of a harmonious Board.

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 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 to submit the application to BNM for the proposed re-appointment of the Director concerned.

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 23 May 2022 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 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 non-profit organisations that a Director can hold in Malaysia and offshore/overseas, which is as follows:

- Maximum of 5 directorships held in public listed companies.
- Maximum of 15 directorships/positions held in non-public listed companies and non-profit organisations.

The Directors remain fully committed in carrying out their duties and responsibilities and are able to give sufficient time commitment to their duties and responsibilities as reflected by, inter-alia, the following:

- Their full attendance at the Board meetings held during the financial year ended 31 December 2021.
- The total number of directorships held by each Director is in compliance with the maximum number set by the Board.

Directors' Training

Directors' training is an on-going process as the Directors acknowledge the need to continually develop and refresh their knowledge and skills, and to update themselves on developments in the financial industry and business landscape both domestically and internationally.

During the financial year 2021, Members of the Public Bank Board had received training on areas relevant to their duties and responsibilities as Directors by participating in external seminars/talks and internally facilitated sessions. The Directors had participated in talks, webinars, dialogue sessions and focus group sessions organised by Financial Institutions Directors' Education ("FIDE") Forum, an initiative of the alumni members of the FIDE Programme, which is set up to enhance corporate governance practices in the boards of financial institutions and to develop world class directors who are advocates of best practices and excellence in corporate governance.

The Directors had also kept up-to-date with market developments and related issues through Board discussion meetings with the Deputy CEO, Senior Chief Operating Officers, Chief Financial Officer and other Senior Management Officers.

The Company Secretary and the Bank's Knowledge & Learning Centre undertake the role as the co-ordinator to manage and co-ordinate the Directors' training requirements, which include the following:

- **Mandatory**

- Pursuant to the Bursa Malaysia Main Market Listing Requirements, a newly appointed Director is required to attend the Mandatory Accreditation Programme within 4 months of his/her appointment.
- New Directors are to participate in induction programmes which allow the new Directors to meet with the CEO/Senior Management staff and be accustomed with the Public Bank's governance framework, financial management and business operations.
- FIDE Core Programme shall be the core training for Directors.
- All newly appointed Directors are required to complete the Islamic Finance for Board Programme within 2 years of their appointment.

- **Electives**

Upon completion of the FIDE Core Programme, Directors are eligible to attend FIDE Elective programmes that focus on Board Committees, technical and advanced governance issues.

- **Enrichment**

To keep abreast with the developments in the marketplace, Directors will be provided with opportunities to attend public programmes or seminars on the areas related to their functions/roles and for continuous development.

Directors may request that training programmes on specific subjects be arranged in order to facilitate them to discharge their duties effectively.

The Company Secretary and Secretaries of Audit Committee, Compliance Committee and Risk Management Committee regularly update and apprise the Directors on new statutes, policy documents and guidelines issued by the regulatory authorities, and the requirements to be observed by the Company and Directors thereupon.

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

Conferences, seminars and training programmes participated by Directors in 2021 included the following:

Board Leadership/Corporate Governance

- Webinar on Managing Human Rights: Why is it important to corporations?
- FIDE Forum Webinar on Board Effectiveness Evaluation Framework & Approach
- Webinar on Implementing Amendments in the Malaysian Code on Corporate Governance
- BNM-FIDE Forum Dialogue on The Role of Independent Director in Embracing Present and Future Challenges
- Webinar on Nomination and Remuneration Committee: Beyond Box-Ticking and Enhancing Effectiveness
- FIDE Forum Engagement Session on Board Leadership Framework
- Webinar on the Board's Role and Responsibilities in Crisis Communication
- Focus Group Discussion for BNM-FIDE Forum Dialogue
- BNM-FIDE Forum Annual Dialogue with Governor of BNM

Sustainability

- Online Workshop on Climate Change: Climate Risk Management and Climate Scenario Analysis
- Webinar on Identifying and Reporting Climate-Related Financial Risk
- Webinar on Climate Change and Finance: Risks and Opportunities
- Webinar on Sustainability as a Business Strategy for Financial Institutions
- Joint Committee on Climate Change (JC3) Flagship Conference 2021
- Bursa-FIDE Forum Dialogue on Sustainability
- FIDE Forum Dialogue on "The 2050 Net Zero Carbon Emissions Target" Finance's Role

Risk/Compliance/Regulatory

- Webinar on Audit Committee Conference 2021
- Webinar on Board & Audit Committee Priorities 2021
- Webinar on Emerging Stronger: Navigating the Changing Nature of Risk
- Islamic Finance for Board of Directors Programme
- BNM-FIDE Forum Dialogue on Risk Management in Technology: Insights 1 Year On
- Webinar on Legal Perspective of Anti-Money Laundering/Counter Financing Terrorism
- Webinar on BNM Policy Document on Recovery Planning
- Webinar on Developments in Anti-Bribery and Corruption Practices and Corporate Governance
- Audit Oversight Board Conversation with Audit Committee

Banking, Finance & Economy

- Webinar on Business Interrupted: The UK Supreme Court Decision – What does it mean for policy holders around the world?
- Webinar on Economic Outlook 2021 – Investing at the Right Time and Sector
- Webinar on The Phoenix Encounter Method
- BNM-FIDE Forum-MASB Dialogue: MFRS 17 Insurance Contracts: What Every Director Must Know
- Webinar on Risk Perspectives: Insurance Market Outlook Asia 2021
- BNM-FIDE Forum Dialogue on The Future of Malaysia's Financial Sector
- Webinar on Financial Crime & Market Misconduct Post COVID-19 and Beyond
- Webinar on US Forced Labour Legislation Impact on Corporate Malaysia
- Webinar on Global Economic Outlook
- SC-FIDE Forum Dialogue on Capital Market Masterplan 3
- Webinar on Sustainability Insurance

Digital Banking/Cyber Security

- FIDE Forum 1st Distinguished Board Leadership Webinar on Rethinking Our Approach to Cyber Defence in Financial Institutions
- Webinar on Digital Strategies for Banks to Thrive in Today's Crisis and Beyond
- Webinar on Cybersecurity – The Way Forward
- Webinar on Cyber Risks
- Webinar on Digital Transformation in the US and China - Lessons We Can Draw From

Board 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.

The details of the process of the annual performance evaluation are disclosed in the Public Bank's Corporate Governance Report for the financial year ended 31 December 2021 which can be downloaded from Public Bank's corporate website at www.publicbankgroup.com.

The Board upon its annual assessment carried out for financial year 2021, concurred with the Nomination and Remuneration Committee that:

- The present size and composition of the Board are optimum to provide for a diversity of views, facilitate effective decision making, and appropriate balance of executive, independent and non-independent directors. The present Board is well balanced with Board Members possessing varied experiences and skill sets in banking and finance, accountancy, law, information technology, economics, business and commerce.

- All the Members of the Board are persons of high calibre and integrity, and they have a sound understanding of the Bank's business as well as 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 2021.
- The Board Committees had remained effective in the financial year 2021 and each individual Audit Committee Member had discharged his/her duties and responsibilities effectively.

The Board as a whole determines the remuneration of Non-Executive Directors. The remuneration of the Non-Executive Directors for financial year ended 31 December 2021 is based on the following fee structure:

Director's Fees (per annum)		
Chairman Emeritus, Director and Adviser (RM)	Chairman (RM)	Other Directors (RM)
427,870	427,870	316,050

Board Committee Fees (per month)	Chairman (RM)	Member (RM)
• Audit Committee	14,550	11,360
• Risk Management Committee	7,280	5,730
• Compliance Committee	7,280	5,730
• Credit Risk Management Committee	7,280	5,730

Meeting Attendance Allowances	RM per Meeting Attended
• Board of Directors	4,000
• Nomination and Remuneration Committee	4,000

Directors' Remuneration

The Nomination and Remuneration Committee recommends the level and structure of Directors' fees which comprise an annual fee for service on the Board and ensures that the level of remuneration for Non-Executive Directors is linked 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Details of the total remuneration (including benefits-in-kind) of each Director for the financial year 2021 are as follows:

2021	Remuneration Received from the Bank					Bank Total RM'000	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		Fees RM'000	Other Emoluments RM'000	
Executive Director									
Tan Sri Dato' Sri Dr. Tay Ah Lek	12,168	316	18,968	7,662	40	39,154	588	816	40,558
Non-Executive Directors									
Tan Sri Dato' Sri Dr. Teh Hong Piow	-	428	-	20,012	56	20,496	1,635	436	22,567
Lai Wan	-	428	-	360	-	788	286	-	1,074
Cheah Kim Ling	-	316	-	480	-	796	-	-	796
Lee Chin Guan	-	316	-	238	-	554	271	104	929
Dato' Mohd Hanif bin Sher Mohamed	-	316	-	494	-	810	300	224	1,334
Tham Chai Phong	-	316	-	362	-	678	-	-	678
Lim Chao Li (Appointed on 5 April 2021)	-	237	-	295	-	532	138	-	670
Gladys Leong (Appointed on 1 July 2021)	-	158	-	121	-	279	-	-	279
Tang Wing Chew (Retired on 29 May 2021)	-	131	-	106	-	237	120	-	357
Lai Wai Keen (Retired on 29 May 2021)	-	132	-	159	-	291	-	-	291
	-	2,778	-	22,627	56	25,461	2,750	764	28,975
Total Directors' remuneration	12,168	3,094	18,968	30,289	96	64,615	3,338	1,590	69,533

Senior Management

A strong corporate governance lays the foundation for all sustainable business activities. The Senior Management led by the CEO is the pivot of good governance culture. They continuously strive to set the “tone at the top” and cascade ethical values and standards across every level of the Group. The Senior Management is responsible for the development and execution of strategic business plans in accordance with the directions set out by the Board of Directors.

The Bank has a well-established organisation structure with clearly defined lines of responsibility, authority limits, and accountability aligned with business and operations requirements which support a strong control environment. It also serves as an embedded check and balance system in the management of the Bank.

The internal control mechanisms which include compliance with regulatory requirements and internal policies are consistently being monitored and reviewed by the Bank's control functions namely Risk Management Division, Compliance Division and Internal Audit

Division, in order to enforce good corporate governance and robust risk management across the Group. The independent control functions report directly to the respective Board Committees i.e. Risk Management Committee, Compliance Committee and Audit Committee.

Senior Management Appointment and Removal

Structured processes and procedures relating to the appointment and removal of the relevant Key Responsible Persons (KRPs) and the stringent assessment of candidates against the minimum requirements are embedded in the Bank's Fit and Proper Policy. All KRPs are assessed to have met all the fit and proper criteria based on the following factors:

1. Probity, Personal Integrity and Reputation
2. Competence and Capability
3. Financial Integrity
4. They do not hold an aggregate interest of 5% or more in the shares of Public Bank.

Succession Planning

An effective succession management is fundamental to activate, drive and execute the Bank's business priorities. The Bank has a robust succession planning framework with a strong leadership pipeline to continue creating sustainable growth for long term business performance.

In tandem with the evolving and strategic human resource practices as well as to align with the Group's business priorities, the succession planning process has been further enhanced for a more effective talent identification and talent management. The succession planning process covers talent assessment and identification to create a sizeable talent pool as well as identifying developmental areas. Customised individual developmental plans are drawn up for each talent in addressing their competency gaps.

The Bank continues to practise a 'Look Within' policy so as to retain corporate knowledge and ensure that the Bank's corporate values are embedded at Senior Management level. The implementation of the succession planning process is also extended to subsidiaries to ensure consistency in practice within the Group and standardisation in talent benchmarking.

The Bank's succession planning policy and programme is subject to review and approval of the Board of Directors assisted by the Nomination and Remuneration Committee and collectively implemented by the Senior Management team.

Remuneration Policy & Practice

The Public Bank Remuneration Policy is established in line with its corporate vision, strategic business objectives and ethical values. The Remuneration Policy is anchored in the Bank's philosophy and principles to perpetuate a performance-orientated culture whilst appropriately balanced with prudent risk-taking across its business practices in support of the Bank's strategies and its long term vision.

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 staff including Senior Management and other staff not governed by any collective agreement in the Bank. Senior Management in this context refers to management staff who are KRPAs 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. These comprise:

1. CEO
2. Deputy CEO
3. Senior Officers, defined as follows:
 - i. KRPs who are defined under 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 staff performing group-wide management responsibilities.
 - iii. Other Senior Management staff 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 staff of the control functions are to be assessed independently from the business units that they oversee. For effective segregation, these staff are appraised principally based on the achievement of their control objectives set out by the Board Committees of their respective control function and differentiated from that of the business units they oversee.

The remuneration framework outlines the total compensation packages of fixed remuneration and variable remuneration payable to staff. Fixed remuneration refers to basic salary and other fixed income, commensurate with the role and position of an individual staff, including professional experience, qualifications, responsibilities, job complexity and local market condition 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 pay-out criteria. The first component of the performance bonus is linked to the individual performance of Senior Management and the pay-out 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 achievement of TSR 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 bad 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 staff.

Members of Senior Management have 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 following shows the total value of cash-based remuneration paid out to Senior Management staff of Public Bank for financial year 2021:

Remuneration	Deferred					
	Non-Deferred		Paid in the Financial Year		Outstanding	
	No.	Amount (RM)	No.	Amount (RM)	No.	Amount (RM)
Fixed	28	25,795,251	-	-	-	-
Variable	28	3,817,348	27	13,441,517	26	5,557,662

Note: The above excludes the remuneration of Managing Director/CEO which has been declared under the Directors' Remuneration.

Strengthening Corporate Governance Culture

A strong corporate governance is imperative to long-term value creation and sustainable business performance. The Group regularly reviews its corporate governance policies and procedures to ensure they reflect the latest curation of thoughts, market dynamics and best practices whilst simultaneously addressing the needs of the Group. The following policies have been established to reinforce the internalisation of ethical values and strengthen the governance culture in the Group:

- **Public Bank Group Code of Ethics**

The Public Bank Group Code of Ethics is aligned with the Professional Code established by the Financial Services Professional Board and it is encapsulated in 5 Fundamental Ethical Principles which the Group and each employee must adhere to, both in letter and in spirit. The 5 Fundamental Ethical Principles are as follows:

1. Competence
2. Integrity
3. Fairness
4. Confidentiality
5. Objectivity

Further details of the Public Bank Group Code of Ethics are set out on page 84 of this annual report.

- **Whistleblowing Policy and Procedures**

The Bank's Whistleblowing Policy and Procedures encapsulate the governance and standards to promote transparency and accountability in the workplace as well as providing secure avenues for staff and third parties to report improper conduct or irregularities without the fear of reprisals or any adverse consequences. The Group's Whistleblowing Policy and Procedures is aligned with the Standard on Whistleblowing for Financial Institutions by the Financial Services Professional Board.

The Whistleblowing Policy and Procedures is accessible via the Group's corporate website at www.publicbankgroup.com. The platform, accessibility and channels of reporting are secure and user-friendly to facilitate the submission of disclosure and the information are managed by authorised personnel with strictest 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 86 of this annual report.

• Anti-Fraud Policy

The Anti-Fraud Policy articulates the Group's expectations on all its staff and the requirements relating to the prohibition, recognition, reporting and investigation of suspected fraud, corruption, misappropriation and other similar irregularities.

The ultimate objective of the Policy is to eliminate any form of fraud from all its business activities as the Group has zero-tolerance towards any form of fraud.

Further details of the Anti-Fraud Policy are set out on page 85 of this annual report.

• Anti-Bribery and Anti-Corruption Policy

The Bank adopts a high standard of business ethics and has a zero-tolerance approach towards any acts of bribery and corruption within the business environment of the Group. The Anti-Bribery and Anti-Corruption Policy (hereinafter referred to as "ABAC Policy") embodies the Group's commitment in this regard, and sets out what is permissible and non-permissible conduct in the business practices of the Group.

The ABAC Policy is developed with the following objectives:

1. Build and foster a business environment which is free of bribes and corruption and which enhances integrity, transparency and accountability.
2. Inculcate in all Members of the Board of Directors and staff the commitment of the Bank against corruption in all its forms, including bribery.
3. Define what constitutes bribery and corruption and other prohibited practices.

Board Committees

The Board has established Board Committees to support the Board in carrying out its functions, as depicted below:



The Audit Committee is made-up of solely 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 and the Nomination and Remuneration Committee, and he does not chair the Risk Management Committee, Compliance Committee and Credit Risk Management Committee.

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 Corporate Governance Report for the financial year ended 31 December 2021 which can be downloaded from Public Bank's corporate website at www.publicbankgroup.com.

The main activities of the Nomination and Remuneration Committee in 2021 included the following:

- Annual review of size and composition of Board, Board balance and independence of Directors and skill sets of Directors.
- Annual evaluation of performance and effectiveness of the Board as a whole and annual evaluation of performance of each individual Director.
- Annual review of compositions, functions and terms of reference of Board Committees.
- Annual evaluation of Board Committees and individual Audit Committee Member.
- Assessment of fitness and propriety of Directors for re-appointment/re-election.
- Assessment of fitness and propriety of candidate for proposed appointment as Director of Public Bank.
- 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 of Senior Management staff.
- Recommendation to the Board on renewal of contracts of employment of Senior Management staff.
- Review of Public Bank's succession planning for key leadership positions.
- Review of key performance indicators/leadership competencies for C-suite and Heads of Divisions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

- 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.
- Review of Public Bank's Remuneration Policy.
- Recommendation to Board on Gender Diversity Policy.

MCCG 2021 PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The Audit Committee is established by the Board and comprises 4 Members as at 31 December 2021, 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 in the Public Bank's corporate website at www.publicbankgroup.com.

The Audit Committee's terms of reference stipulate that, among others, a former partner is to observe a cooling-off period of at least 3 years before being appointed as a Member of the Audit Committee. In relation to this requirement, none of the Members of the Audit Committee is associated with or had been a former partner of the external auditors appointed by the Bank in the past 3 years.

Collectively, the Audit Committee Members have a wide range of necessary skill, knowledge and experience, including accounting or related banking expertise and experience, ranging from banking regulatory, finance, research, information technology functional areas, training and stewardship of financial institutions to discharge their duties. In addition, one (1) Audit Committee Member 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.

The Audit Committee Members have attended various training courses, conferences, seminars and topical talks arranged by the Bank's Knowledge & Learning Centre in 2021 to keep themselves abreast of relevant developments in the banking industry including accounting and auditing standards, 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 including from the Chief Financial Officer and the Group Chief Internal Auditor 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 up with the 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 94 to 100 of this annual report.

Relationship with External Auditors

The Audit Committee has put in place policies and procedures to assess 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 set out in the Public Bank Group's Policies and Procedures for Appointment/Re-appointment of External Auditors for Audit and Non-Audit Services ("Group Policies and Procedures") to ensure that the independence and objectivity of the external auditors as statutory auditors are not compromised. The Group Policies and Procedures are in line with the requirements 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 assessment criteria as set out in the Group Policies and Procedures. This assessment checklist covers all relevant professional and regulatory requirements, the competency, audit quality and resources capacity of the external auditors in relation to the audit 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 and that there is no element of conflict of interest. The accumulated fees to be charged shall be within the allowable threshold set. Additionally, the Audit Committee ensures that the proposed fees are within the allowable threshold set before recommending the proposed engagement to the Board of Directors 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 2021 are set out in Practice 9.3 of the Public Bank's Corporate Governance Report for the financial year ended 31 December 2021 which 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 Internal Audit 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 ensures that internal audit staff have the authority to carry out their work objectively and independently, free from any relationship or conflicts of interest.

Public Bank's IAD is staffed by 200 individuals and majority of them are equipped with relevant experience and qualifications. IAD comprises 9 sections which specialise in various auditing/business areas.

The Group Chief Internal Auditor ("GCIA"), Mr Lim Then Fui ("Mr Lim") oversees the Internal Audit functions of Public Bank and the Public Bank Group. He is a Chartered Accountant of the Malaysian Institute of Accountants and a Member of the Malaysian Institute of Certified Public Accountants ("MICPA"). He is also a Certified Bank Auditor. Mr Lim has a total of 42 years of working experience in auditing, risk management, compliance and commercial banking.

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 documents issued by BNM and the Basel Committee on Banking Supervision, is subject to review annually to ensure that it remains relevant and is updated with the latest developments in the applicable regulatory requirements. The 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 Internal Audit function, Internal Audit 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, whistle-blowing 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.

As part of the measures to ensure that Internal Audit staff are free from any relationship or conflicts of interest situations which could impair their objectivity and independence, Internal Audit staff who are transferred from other divisions or branches within the Bank are not allowed to conduct audit on areas in which 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 Internal Audit 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 94 to 100 of this annual report.

Risk Management and Internal Control Framework

The Board has established a risk management and internal control system that enables the identification, measurement, 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's Policy Document on Risk Governance. The key principles of the Public Bank Group's Risk Management Framework set out the requirements for an 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 Chief Executive Officer 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 88 to 93 of this annual report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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. It currently comprises 7 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

The Board acknowledges the importance of maintaining a meaningful relationship with its shareholders and other key stakeholders. The Bank upholds transparency, accountability and openness in its communication with stakeholders, while ensuring its stakeholders are well-informed of the Bank's latest developments in a regular and timely manner to facilitate and enhance their understanding on the Bank's strategic direction, business activities, financial performance, governance practices and sustainability performance.

Public Bank has an extensive investor relations channel to promote effective communication with its investors. The investment community is engaged through multiple platforms including quarterly results briefings, roadshows and conferences, investors' meetings, annual report, corporate website as well as annual general meeting and extraordinary general meeting.

Given the rising importance of ESG matters, Public Bank has continued to enhance its engagement with stakeholders on ESG communication. The Bank ensures it provides prompt response to ESG-related enquiries via its investor relations communication channels.

The investment community can engage with Public Bank through a dedicated investor relations team as follows:

PUBLIC BANK

Tan Sri Dato' Sri Dr. Tay Ah Lek

Managing Director/Chief Executive Officer
Telephone number: +603-21766000
E-mail: ir@publicbank.com.my

Chang Siew Yen

Senior Chief Operating Officer
Telephone number: +603-21767461
E-mail: changsiewyen@publicbank.com.my

Yik Sook Ling

Chief Financial Officer
Telephone number: +603-21773310
E-mail: yiksookling@publicbank.com.my

Chong Soo Loong

Director, Corporate Planning, Strategy & Economics
Telephone number: +603-21773152
E-mail: chongsooloong@publicbank.com.my

PUBLIC FINANCIAL HOLDINGS LIMITED

Tan Yoke Kong

Executive Director
Telephone number: +852-25419200
E-mail: yktan@publicbank.com.hk

INVESTOR RELATIONS UNIT

Denise Fong Po Yen

Corporate Planning, Strategy & Economics
Telephone number: +603-21766293
E-mail: ir@publicbank.com.my

In addition, the Bank also regularly updates its corporate website at www.publicbankgroup.com, with its dedicated investor relations and corporate governance webpage updated timely to ensure effective transmission of information to stakeholders.

General Meetings

Annual general meeting is the major avenue for its shareholders to interact directly with the Bank's Directors and Senior Management. In line with the Malaysian Government's containment measures to the COVID-19 pandemic, Public Bank conducted its annual general meeting virtually on 24 May 2021. The Bank also held a virtual extraordinary general meeting on 12 January 2021.

At the annual general meeting, the Managing Director/CEO presented a comprehensive review of the Public Bank Group's financial performance as well as the outlook and strategies going forward. Shareholders were allowed to submit their questions electronically to the Directors, prior to or/and during the live streaming of general meetings, to seek clarifications on the Bank's overall agenda. All the queries from shareholders related to the agenda of the general meetings were addressed, while feedback and suggestions were noted by the Directors and Senior Management.

Public Bank's general meetings have continued to garner strong support from its shareholders, fostering strong stakeholder relationship. A summary of the proceedings of the general meetings has been made available at the 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 28 February 2022.

RISK MANAGEMENT

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Despite the challenging operating environment in 2021, the Public Bank Group remained resilient built on its incessant prudent risk management practices.

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In 2021, Malaysia continued to navigate through the pandemic dealing with resurgence of COVID-19 cases in the first half of 2021 and the reimposition of the stricter Full Movement Control Order (“FMCO”) nationwide in the second quarter of 2021, which had weighed on the country’s economic recovery plans. However, the achievement of high vaccination rates by September 2021, reaching around 80.0% of the country’s adult population, had enabled economic resumption in the fourth quarter of 2021.

The Public Bank Group had entered the year 2021 with expectations that the COVID-19 pandemic will come to pass. Notwithstanding the outcome, the Group was well prepared with continued disruptions owing to the pandemic. In the banking operations front, business continuity measures were immediately invoked, continuing on with the modified operations put in place in 2020. All the actions implemented by the Group at all times put customers’ safety at the forefront. On the financing front, pursuing financing growth remained a key target, tapping on financing growth opportunities in unaffected sectors as well as on the various Government and Bank Negara Malaysia’s (“BNM”) funded and guaranteed schemes. Supporting the Government’s initiatives, the Credit Control units were immensely occupied with borrower engagement and rolling out various financial repayment assistances. Risk Management Division (“RMD”) continued with its roles to independently challenge the operational and credit practices, reviewing and revising risk initiatives applied to identify risks as well as ensuring timely escalation of the risk positions to risk management committees at both the management and board levels for assessment and where applicable, decision making.

Credit Risk

With the resurgence of COVID-19 infections prompting the reimposition of stricter nationwide containment measures in the first half of the year, the economy experienced setbacks particularly in the construction, real estate, services and tourism-related sectors. To alleviate the situation, financial repayment assistance packages were offered for a second year, but based on a targeted approach.

Corporate Borrowers

For large corporate borrowers, the take-up rate for repayment assistance was not material at 12.0% of the Public Bank Group’s total corporate portfolio. This was due to corporate borrowers being better placed to weather financial challenges given their stronger financial buffers. The Group’s corporate portfolio is supported by good names with strong financial standing or backed by strong promoters. Certain borrowers had deferred their projects under the current subdued demand for properties to preserve cash flows and/or revised their project composition to meet current market demands. During the year, the frequency and manner of engagement with affected large corporate borrowers were intensified for borrowers in affected sectors such as hotels. These borrowers were required to furnish regular updates of their business operations, source of cash flows and cost control measures. Meanwhile, various flexible relief assistance packages were offered with varying financial conditions to suit the needs of different corporate borrowers.

In the onboarding and review process, forward looking factors were incorporated in cash flow projections by sensitising the cash flows with emerging risks that may have an adverse impact on the projected cash flows. In addition, borrowers’ strategies and business plans were reviewed and challenged by independent credit review to assess the reasonableness of the plans to substantiate repayments. During the year, the Public Bank Group expanded its lending into prospective sectors such as transport, storage and communication sectors.

Small and Medium Enterprises (“SME”) Financing

As expected, the financial repayment assistance take-up rate of SME borrowers increased following the rollout of PEMULIH Expanded Targeted Repayment Assistance (“ETRA”). The relief from deferred loan repayments aims to assist SMEs during this difficult time and supplement the SMEs’ internal measures. The Public Bank Group’s Credit Control units continued to engage SME borrowers via business visits, where possible, and telephone interviews to keep abreast with the financial conditions of the borrowers and their needs for financial assistance. Special reviews were performed on SME borrowers in distressed sectors to have a deeper understanding of their businesses. Additionally, their business plans in response to the pandemic as well as post pandemic plans were also reviewed. RMD on its part, ran independent sensitivity analysis, explored and applied alternative risk factors to identify vulnerable borrowers as well as tested the resilience of the SME portfolios under various stress scenarios. Potential vulnerable segments and borrowers were escalated to the Credit Control units for further engagement or to prioritise collection efforts. As at the end of 2021, 98.4% of the Group’s SME borrowers under financial repayment assistance continued to make payments.

RISK MANAGEMENT

During the year, the Public Bank Group continued to lend to viable SME businesses tapping on the various Government and BNM funded and guarantee schemes as well as through the Group's internal loan packages to support viable SME businesses. Virtual SME financing roadshows were conducted at regional level as an alternative avenue to engage with SME customers and to enhance SME awareness of the Group's various financing solutions. Promotional rates were offered to viable SME customers for the purchase or refinancing of commercial properties and working capital. To safeguard the assets onboarded during this period, credit underwriting processes and standards were reviewed to identify alternative forward looking factors to support customers' future repayment capacity and sustainability of business performance as the use of past audited financial statements was no longer appropriate for most businesses.

Household Financing

On the household lending front, application for financial repayment assistance had similarly risen with the rollout of the PEMULIH ETRA. The more flexible eligibility criteria too had encouraged take-up. Many borrowers had taken the financial repayment assistance as a precautionary measure to conserve cash flow and to cope with financial uncertainties as there were no clear signs of the pandemic abating. As at the end of 2021, the financial repayment assistance take-up rate of the domestic household financing was 24.8% and 94.6% of borrowers under financial repayment assistance continued to make payments.

At the onset of the pandemic in 2020, RMD and the Credit Control units have adapted credit risk identification process in response to the unprecedented operating environment. RMD tested various risk factors to identify secondary risk factors that could supplement discernible risk factors. The Credit Control units also actively engaged borrowers to offer financial repayment assistance to customers who face financial difficulties. These actions continued in 2021 and were evaluated for their applicability as the pandemic and economic situation evolved. As the financial repayment assistance measures have resulted in a temporary delay in an increase in delinquencies, the Public Bank Group has pre-emptively set aside provisions for potential materialisation of credit losses. Identification of borrowers-at-risk ("BAR") was key at the onset and this was applied to guide the Credit Control units in borrower engagement for financial repayment assistance and in estimating credit management overlay for potential increase in credit risk. The BAR is subject to periodic review and will be redefined as the situation develops.

In 2021, the Public Bank Group's domestic household financing grew by 5.5% contributed primarily from the house financing and hire purchase segments, benefited from various Government and developers' incentives under the extended Home Ownership Campaign and Sales and Service Tax exemption for new vehicles during the year. Notwithstanding the distorted repayment behaviour due to the financial repayment assistance, the credit underwriting assessment took into consideration cash flow obligations under the original loan repayment terms. The occupation type and employment sectors were also used to support lending but were applied collectively with other traditional credit risk factors.

The impact from the expiry of the financial repayment assistance programme is expected to surface commencing January 2022. To ensure a soft landing, the Public Bank Group's domestic operations had rolled out its internal financial repayment assistance programme in October 2021 offering flexible repayment terms to assist borrowers to gradually transition back to their original repayment obligations. This programme is targeted towards borrowers who should be able to normalise their repayment obligations over time. The Group will continue to monitor the behavioural repayment trend of borrowers under various financial repayment assistance programmes, particularly upon expiry of these programmes.

Stress Testing

Stress testing continued to be a core focus of the risk management team. Apart from conducting the BNM Industry-Wide Bottom Up Stress Test in July 2021, the team also conducts enterprise stress test as well as sensitivity stress test. High severity stress test and sensitivity parameters were applied to test the capital resilience of the Public Bank Group and to identify areas of vulnerabilities. The BAR is a key input to the stress test exercises and were increased many folds under various stress test scenarios. Although it is challenging to narrow down the plausible level of impaired loans/financing when the pandemic ends, the stress test results played a material role to provide assurance that the Group is well-positioned to withstand high severity stress conditions, propelling considerations for the actions necessary to safeguard the asset quality as well as the level of credit charges to be set aside.

Operational Risk

Despite the reimposition of the FMCO in 2021, the Public Bank Group was well prepared to manage the consequential operational challenges. The closure of branches due to either the reimposition of the FMCO or as a result of increased COVID-19 cases was well coordinated. To keep the Group's customers and employees safe, the Group adhered strictly to the Standard Operating Procedures ("SOP") issued by the Majlis Keselamatan Negara as well as the Group's internal SOP. There had been no major operational disruptions recorded.

With the use of various channels to support work place mobility, remote working arrangements are rapidly becoming the new norm. This trend further reinforces the need to safeguard the Public Bank Group's confidential data across the Group's banking system and platforms. Any suspicious activities involving access to customers' confidential data are immediately reported to Internal Audit for further investigation. It is also an inherent part of the internal audit work programme to assess adequacy of controls in safeguarding customers' information. The Data Leakage Protection System and other measures such as exception reports and user monitoring solution are put in place to detect data leakage activities. Internal SOP for Work-From-Home arrangement is also issued to provide guidance to staff on the "Dos" and "Don'ts" of working from home which also further reinforces the safeguarding of both customers' and the Group's confidential data. During the year, there has been no incident of confidential data loss.

Evolving Operational Incidents Under the New Normal

Operational incidents which traditionally stem from branch operations, contributed by staff negligence or miscommunication in executing customers' requests and processing transactions, continued to trend down with significant reduction in branch visits by customers during the FMCO period as well as the migration of customers to digital platforms.

During the year, the Public Bank Group's customers continued to embrace digitalisation to meet their banking needs. The Group achieved a steady stream of newly registered subscribers to PBe and PB engage which saw an increase of 4.0% and 45.3% respectively in 2021. The Group has been active in supporting the Government's banking services digitalisation and was the first in enabling DuitNow QR Cross Border. Apart from supporting the Government's initiatives, the Group has also implemented many electronic banking ("e-banking") financial solutions to improve customer experience and as business enablers. The growing digitalisation has heightened the risk of customers falling prey to phishing and smishing scams from Short Message Service and phone calls. Customers divulging their banking credentials either inadvertently or misled to do so were identified as the key reasons for unauthorised fund transfers. During the year, BNM and financial institutions continued to step up financial education and awareness of internet scams and cyber hygiene practices to enhance user protection against financial scams and internet frauds. To ensure the continued resilience of the Group's internet and mobile platforms, the platforms are subject to periodic penetration testing conducted internally and by external consultants to reaffirm the security of the Group's platforms. The security monitoring capabilities were enhanced with the implementation of Security Orchestration, Automation and Response solution to enable Security Operations Centre to detect and respond to cyber threats affecting the network and internet-facing systems.

The Public Bank Group's Case Management Team ("CMT") is responsible to respond to any incidents of unauthorised funds transfers reported by customers. CMT owns the fraud monitoring system, being the tool used to monitor, detect, trigger challenge response and real-time blocking of suspicious transactions on a continuous basis. Suspicious transactions are flagged, investigated and customers are contacted to reaffirm the execution of the transactions. The rules of the fraud prevention system are periodically reviewed for their continued effectiveness in detecting suspicious transactions.

Internet incidents reported by customers are reviewed by CMT to ensure that the incidents are not new modus operandi and/or not arising from any internal system breaches. Any identification of new modus operandi by fraudsters or scammers are communicated to BNM. For new modus operandi that are alerted via BNM, third party security service providers and/or other jurisdictions or financial institutions, the incidents are immediately assessed to ensure that

the Public Bank Group's digital platforms and processes are able to safeguard customers from falling prey to the new modus operandi. In most instances, the Group will immediately publish advisories and fraud alerts to create awareness and educate customers to stay vigilant to new scam tactics, highlighting actions that customers should avoid and reinforcing the practise of cyber hygiene. Where necessary, the Group will also tighten existing controls such as reducing transaction limits and revising existing fraud monitoring rules to combat new fraud trends or institute additional measures to safeguard customers.

Ensuring Business Continuity and Operational Resilience

Post-mortem and review of business continuity measures are crucial to ensure the smooth running of banking operations as well as to ensure customer needs are met with minimum delay during disruptions caused by either the current COVID-19 pandemic or under any disruptions that may arise from a cyber threat event. It is also a source of information for the Public Bank Group to identify areas of vulnerabilities and strengthen its risk management practices to anticipate, prepare for, and to manage unexpected shocks. This iterative process is also accompanied by scenario analysis. The coverage of review and scenario analysis include, amongst others, the sudden unavailability of key third-party service providers or major breakdowns in critical Information Technology ("IT") systems.

Managing Cyber Threats

In 2021, Distributed Denial-of-Service ("DDoS") and ransomware attacks were the key cyber threats experienced across all industries both locally and globally. Financial institutions were not spared. This was heightened by the rapid adoption of digitalisation by financial institutions in the provision of e-banking services, the growth in real-time payment transactions and the transformation of business processes to improve operational efficiencies. Emerging cyber threats that come to the knowledge of BNM are immediately communicated to all financial institutions via security alerts and in December 2021, via Financial Sector Cyber Threat Intelligence Platform. Security alerts are also received from cyber threat intelligence service providers. On receipt of any security alerts, the Public Bank Group's IT Division will conduct assessment on the Group's IT systems. Actions to mitigate identified risks and/or pre-emptive measures will be made to address any areas of vulnerabilities affecting customers or the Group. These actions are independently reviewed by the Technology Risk Management Department.

The strengthening of the Public Bank Group's cyber resilience is geared towards the use of Artificial Intelligence and Machine-Learning analytics to detect, analyse and hunt current and emerging cyber threats. This effort is expected to be further intensified moving forward.

RISK MANAGEMENT

Liquidity and Funding Risk

The banking industry's loans growth improved in 2021, recording a 4.5% growth as compared to 3.4% in 2020, driven mainly by growth in the house financing and financing for working capital. Liquidity in the banking industry remained ample, with deposits growing at a resilient pace of 6.3% (2020: 4.4%) and Broad Money ("M3") growing by 6.4%. The deposits growth was mainly due to precautionary savings by households and businesses, propelled by reduced spending during movement restrictions, funds from government stimulus packages, funds from Employees Provident Fund withdrawals and the various repayment assistance programmes. Against this backdrop, the Public Bank Group's domestic operations recorded deposits growth of 4.5% outpacing loans growth of 3.4%. The Group's deposits growth was in line with the banking system's deposit growth profile and was mainly from demand and savings deposits.

In 2021, the Public Bank Group's Liquidity Coverage Ratio and Net Stable Funding Ratio averaged at healthy levels of 135.6% and 117.1% respectively as compared to the regulatory prudential limit of 100%. As at the end of 2021, the holdings of government securities and bonds rated AA and above stood at 68.5% and 13.3% respectively of total securities held, providing a strong liquidity buffer for the Group.

The Public Bank Group remained steadfast in its strategy of growing deposits from individuals and SMEs as a stable source of funds. As at the end of 2021, retail deposits constituted 67.4% of the Group's total deposits, of which 52.9% are from individuals and 14.5% are from SME. Internal limits are established to pursue deposits diversification, manage single largest depositor as well as the top ten depositors. To date, there has been no material concentration in the Group's deposits profile. The Group's Senior and Subordinated Medium Term notes programmes will be tapped upon as an alternative source of funds or to manage capital requirements, if required.

In 2021, the risk management focus was primarily on the close monitoring of depositors' behaviours, deposits movements, placement tenures as well as the impact from various financial repayment assistance. This monitoring is accompanied by dynamic and static liquidity stress testing, aimed at testing the resilience of the Public Bank Group's liquidity positions, compliance with regulatory limits under scenarios of stress condition and to identify areas of vulnerabilities. Notwithstanding that the Group is able to weather liquidity stress backed by its strong retail franchise, as part of its Contingency Funding Plan ("CFP"), sources to secure funds during a liquidity stress period are identified and tested. The CFP is subject to annual review and updated when necessary to ensure its continued relevance. The CFP is also tested for its operational readiness during a liquidity stress period. Funding projections under various assets and liabilities growth scenarios are also a key agenda at the Assets & Liabilities Management Committee which deliberates on the plausibility of stress scenarios derailing funding plans and are accompanied by discussions on business and risk management strategies.

With the country's economy projected to be on a recovery path in 2022, the Public Bank Group's liquidity profile is poised to meet funding demand required to capitalise on opportunities when they arise.

Interest Rate Risk

In 2021, the Overnight Policy Rate ("OPR") was maintained at 1.75% to remain accommodative to cushion the economic impact from the containment measures in mid-2021. The stable OPR have resulted in an improvement in Net Interest Margin ("NIM"). The NIM on average interest bearing assets ratio stood at 2.2% in 2021 as compared to 2.0% in 2020.

As at the end of 2021, the proportion of the Public Bank Group's variable rate assets stood at 79% and is a natural hedge against interest rate risk. Internal limits are established to manage the size of the maturity repricing mismatch in the time buckets and Economic Value of Equity risk as part of the management of interest re-pricing and yield curve risks. It is part of the Group's policy to subject material long term fixed rate financing to interest rate risk hedging assessment to assess hedging feasibility. Hedging is primarily conducted using closed ended interest rate swaps.

The resumption of economic activities in 2022 and the elevated global inflationary rates may result in gradual tightening of the OPR. Nevertheless, the interest rate risk will be managed within the risk appetite established.

Foreign Exchange Risk

Fluctuations in exchange rates affect the value of the Public Bank Group's assets and liabilities denominated in foreign currencies as well as the earnings from the Group's overseas operations. Sharp currency movements can also impact trade flows and the wealth of clients both of which could have an impact on the Group's performance. Fluctuations in exchange rates are being closely monitored by the Group's Treasury Division and RMD. The funding of assets in the same currency is key in the Group's exchange rate risk management. It is the Group's policy to hedge its foreign exchange exposures in order to protect the Group's reserves and capital ratios from the effects of fluctuations in exchange rates. In determining the ability to hedge, the Group takes into account the cost of hedging and the liquidity of the hedging instruments. As the Group's financial business is domestically focused, the Group has minimal exposure to foreign exchange risk.

London Interbank Offered Rate ("LIBOR") Transition

The tentative date for LIBOR to be completely phased out is 30 June 2023. The size and volume of the Public Bank Group's exposures to LIBOR is not significant. The Group is ready to transition from LIBOR to alternative Risk Free Rates as part of the global benchmark interest rates reform.

Risk Management Framework

The key principles and components of the Public Bank Group's Risk Management Framework are as follows:

- Risk Governance Structure
- Risk Appetite
- Risk Management Culture
- Risk Management Processes

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		
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 Shariah Compliance Function	10. COMPLIANCE COMMITTEE (supported by Compliance Function)	11. AUDIT COMMITTEE (supported by Internal Audit 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		

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, scale 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 the 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 risk appetite and credit risk strategy.

Compliance Committee

The Compliance Committee maintains overall responsibility to oversee the design and implementation of sound compliance management system in assessing the compliance profile, and evaluating the effectiveness of the overall management of compliance risks. The Compliance Committee also deliberates on compliance issues identified regularly to ensure such issues are resolved effectively, and ensures appropriate infrastructure, resources, processes and systems are in place for effective compliance risk management.

Audit Committee

The Audit Committee assists the Board to review and evaluate the adequacy, effectiveness and integrity of the governance processes, system of risk management and internal controls across all the first and second lines of defence. In performing this role, the Audit Committee reviews the internal control issues reported, the root causes and impacts identified by the internal and external auditors as well as regulatory authorities during their periodic audits. The Audit Committee also reviews and ensures the Management has

taken appropriate and adequate remedial actions in a timely manner to address and resolve the control weaknesses, non-compliance with laws, regulatory requirements, policies and other operational lapses highlighted by the internal and external auditors, and regulators. In addition, the Audit Committee also reviews the performance and effectiveness of the Internal Audit function, with particular focus on the achievement of its key performance indicators, audit methodology applied, adequacy of audit scope and coverage, adequacy of resources and knowledge as well as competency of the internal audit personnel.

Shariah Committee

The Shariah Committee ("SC") is responsible to provide advice to ensure Public Islamic Bank Berhad's operations, business, affairs and activities are 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 a potential Shariah Non-Compliance ("SNC") event and endorse rectification measures to address the actual SNC events.

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:

- Ensuring all relevant and material risks associated with the Public Bank Group's business operations have been identified and assessed, and are operating within the Group's risk appetite
- Implementing, assessing and monitoring the risk management and internal control system in accordance with the Group's risk management strategies and overall risk appetite
- Identifying changes in the operating environment which may give rise to risks and taking the appropriate actions followed by the prompt escalation of the identified risks and actions to the Board

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 sets out 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

The principal risks faced by the Public Bank Group together with the key risk management processes and internal controls are outlined below.

Principal Risks	Definition	Key Risk Management Processes and Internal Controls
Credit Risk (including counterparty credit risk and country risk)	Potential loss of revenue as a result of defaults by the borrowers/customers or counterparties through lending/financing, hedging, trading and investing activities	<ul style="list-style-type: none"> • Credit policy incorporating prudent lending criteria and guidelines to manage credit risk • Clearly 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 • Monitoring mechanisms to identify potential distress for early intervention and/or to take prompt recovery actions • Independent credit review by RMD on large loan application, credit request and review
Market Risk	Risk that movements in market variables, including interest/profit rates, foreign exchange rates, credit spreads, commodity prices and equity prices, will reduce the earnings or capital of the Group	<ul style="list-style-type: none"> • Regular review of the market and economic conditions to identify areas which may give rise to market risk • Market risk policies, procedures and internal controls are in place • Derivative activities for trading are strictly prohibited. Approval from the Board is required • Hedging interest rate/rate of return risk and foreign exchange risk in the event the exposures exceed the risk appetite
Liquidity and Funding Risk	Risk that the Group does not have sufficient financial resources to meet its expected or unexpected cash flows/commitments, or securing financial resources at excessive cost. Funding risk is the risk that the Group does not have sufficiently stable and diverse sources of funding or the funding structure is inefficient	<ul style="list-style-type: none"> • Pursuing growth in stable customer deposits • Maintaining a diversified and balanced funding portfolio • Adequate liquidity cushion to withstand stress conditions • Subsidiaries are to attain self-funding position • CFP to manage any potential liquidity crisis and testing of CFP to ensure operational feasibility • Liquidity stress test to anticipate potential impact from liquidity stress event including pandemic related stress

RISK MANAGEMENT

Principal Risks	Definition	Key Risk Management Processes and Internal Controls
Operational Risk	Risk of loss resulting from inadequate or failed internal processes, people and systems or from external events	<ul style="list-style-type: none"> Day-to-day management of operational risk through system of internal controls and risk management processes to ensure compliance with internal policies, guidelines, controls and limits Use of operational risk management tools such as loss incident management, Risk and Control Self-Assessment, Key Risk Indicators and Scenario Analysis New products or services introduced and variations are subject to a systematic evaluation process Disaster recovery and business continuity plans covering all critical business operations are regularly tested and updated
Technology and Cyber Risk	Risk emanating from the use of IT and the Internet. This risk arises from 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 to the Group	<ul style="list-style-type: none"> Technology Risk Management Framework and Cyber Resilience Framework are established to ensure technology and cyber risk is identified, assessed and managed effectively Regular IT risk assessment is conducted to assess the resiliency of the IT infrastructure and adequacy of cybersecurity preparedness and to identify areas for enhancement Risk assessment is conducted prior to implementing new e-banking services or material enhancement to the e-banking services Rigorous systems development life cycle procedures to ensure the development, testing, implementation and maintenance of information systems are carried out Continuous cyber security awareness programs/trainings such as phishing email attack tests and e-learning courses on information security are conducted
Capital Risk	Risk of insufficient capital to meet the capital required to support the Group's business growth strategies and to satisfy regulatory capital adequacy requirements	<ul style="list-style-type: none"> Internal Capital Targets to reflect the Group's risk profile and risk taking capacities Monitoring of capital positions against Internal Capital Targets Enterprise stress test exercise to assess the adequacy of capital Capital deficiency plan to identify early warning signals of capital deficiency and set out capital restoration strategies
Reputation Risk	Risk arising from negative perception on the part of customers, counterparties, shareholders, investors, debt-holders, market analysts, staff, community, other relevant parties or regulators (collectively known as stakeholders) that can adversely affect the Group's ability to maintain existing or establish new business relationships and continued access to sources of funding	<ul style="list-style-type: none"> Identify risk drivers and emerging risk that may have an impact on reputation and assessment of the controls in place to manage the risks identified Establish procedures on the escalation and management of potential or current reputation events
Strategic Risk	Risk of current or prospective impact on the entities' earnings, capital or reputation arising from changes in the environment in which the Group operates, adverse strategic directions, improper implementation of decisions and lack of responsiveness to industry, economic or technological changes	<ul style="list-style-type: none"> Business plans and targets are aligned to the risk appetite and strategic directions approved by the Board 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 Regular review of the Group's business strategies taking into account the market conditions and developments

Principal Risks	Definition	Key Risk Management Processes and Internal Controls
Shariah Non-Compliance Risk	<p>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, 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</p>	<ul style="list-style-type: none"> • The Shariah Governance Policy, Shariah Risk Management Policy and other relevant Shariah policies and procedures to manage the Islamic banking operations, business, affairs and activities to ensure Islamic products including its execution are in compliance with Shariah principles • Use of Shariah risk management tools such as Risk and Control Self-Assessment, Key Risk Indicators and SNC incident reporting and Scenario Analysis • New Islamic products or services introduced and variations are subject to a systematic evaluation process • Continuous enforcement to promote Shariah compliance culture and awareness and upgrading staff capabilities • Staff involved in Islamic banking operations to acquire Islamic Finance certification e.g. Islamic Banking and Finance Institute Malaysia's Fundamental Certificate in Islamic Banking, Associate Qualification in Islamic Finance and Certified Professional Shariah Auditor • Implement independent review program to assess Shariah Compliance at Islamic Banking Units
Compliance risk	<p>Risk of legal or regulatory sanctions, financial loss or reputational damage which a financial institution may suffer as a result of its failure to comply with legal and regulatory requirements applicable to its activities</p>	<ul style="list-style-type: none"> • 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 • 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 for the Group • Resident/Mobile Compliance Officers are deployed to perform compliance checks at branches, Hire Purchase ("HP") Centres, HP Hubs and Securities Documentation Centres • Dedicated Compliance Officers are appointed to support the business/support units to establish and execute their compliance risk mitigation strategies and processes • Compliance Checklists are the core tools to monitor the compliance status of the compliance risk areas at each business/support unit within the Group
Climate Risk	<p>Risk arising due to the Group's exposure to physical or transition risks caused by or related to climate change, such as damage caused by extreme weather events or a decline in asset value in carbon-intensive sectors</p>	<ul style="list-style-type: none"> • Climate Related Risk Management Policy to set out the risk management practices to ensure climate-related risks are identified, measured and managed progressively • Capturing of assets exposures according to BNM's Climate Change and Principle-based Taxonomy

The Public Bank Group's risk management governance and approaches, together with the various analyses of risk exposures and comparative figures are detailed in:

- i. Note 45 to the financial statements
- ii. Pillar 3 Disclosure

ETHICS, INTEGRITY AND TRUST

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Unwavering commitment in promoting a culture of integrity and transparency is the competitive edge which enables the organisation to stand the test of time and navigate through the evolving business landscape.

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Tan Sri Dato' Sri Dr. Teh Hong Piow

The Public Bank Group's Code of Ethics articulates the following five (5) fundamental principles and behavioural standards expected of all employees:

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.

ETHICAL LEADERSHIP

The Public Bank Group's corporate culture of ethics and integrity is set from the top, embraced by all employees and manifested in all the Group's business dealings. The Group is committed to build a workforce that is primed to comply with the fast-changing regulatory environment whilst maintaining the highest standards of ethical behaviours in all the Group's business activities.

A comprehensive set of policies have been established and reviewed from time to time to set the ethical and integrity standards required of all staff. The key policies are summarised as follows:

PUBLIC BANK GROUP'S CODE OF ETHICS

The Public Bank Group's Code of Ethics is consistent with the Professional Code for the Financial Services Industry issued by the Financial Services Professional Board to ensure that the corporate culture of professionalism and responsible conduct are embedded in all the Group's business operation and processes.

FIT AND PROPER POLICY FOR KEY RESPONSIBLE PERSONS

The Fit and Proper Policy for Key Responsible Persons has been established in accordance with the corresponding guidelines set out by Bank Negara Malaysia ("BNM") to ensure that key leadership positions in the Public Bank Group are assumed by personnel who have fulfilled the following criteria of qualities, competencies and experience:

- Probity, Personal Integrity and Reputation - possess 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.
- Financial Integrity - able to manage his financial affairs properly and prudently.

It is 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 & Proper assessment to ensure that there is a clear separation between ownership and management of Public Bank. 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 adheres to the prevailing provisions of the Capital Market and Service Act 2007 by conducting periodic review and maintenance of related policies, systems and internal controls to ensure compliance with the provisions including the following:

- Standards on “fit and proper” on its employees carrying out permitted capital market activities.
- Investor protection.
- Maintenance of a register of names of employees undertaking permitted capital market activities.

COMPLIANCE POLICY

The compliance culture is an intrinsic part of an effective compliance framework and further underscores the Public Bank Group’s commitment to comply with all legal provisions and the regulatory framework applicable to the Group in all its business activities.

The Public Bank Group’s Compliance Policy has been developed with the following objectives in order to uphold this commitment:

- Set out the roles and responsibilities of the Board of Directors, Senior Management and employees of the Public Bank Group in managing compliance risk.
- Set out the mandate of the Compliance Function for the Public Bank Group.
- Set out the compliance requirements and standards for the Public Bank Group.
- Set out the operating model for Compliance Function with regards to the identification, management and reporting of compliance risk.
- 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.

ANTI-FRAUD POLICY

The Public Bank Group adopts a zero-tolerance approach towards any form of fraud. In line with the Group’s commitment to act professionally and with integrity in all business activities, the Anti-Fraud Policy is established with the following objectives:

- Ensure the Public Bank Group’s business is conducted in accordance with the law.
- Nurture an environment of honesty and integrity.
- Promote awareness of the Public Bank Group’s stand on improper, illegal and dishonest acts and the consequences of such acts.
- Create employee awareness of their roles, rights and responsibilities in relation to improper, illegal and dishonest acts.

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY (“ABAC POLICY”)

The Public Bank Group is committed to conducting its business in accordance with the highest ethical standards and in full compliance with all applicable laws and regulations in all locations and jurisdictions in which the Group operates. Accordingly, the Anti-Bribery and Anti-Corruption Policy (hereinafter referred to as “ABAC Policy”) has been developed in line with the Guidelines on Adequate Procedures issued by the Prime Minister’s Department on 4 December 2018 and Subsection (5) of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (“MACC Act 2009”), as stated in the MACC Amendment Act 2018.

The ABAC Policy is put in place with the following objectives:

- Build and foster a business environment which is free of bribes and corruption, enhancing integrity, transparency and accountability.
- Inculcate in all members of the Board of Directors and staff the corporate values and commitment of the Public Bank Group against corruption in all its forms, including bribery.
- Define what constitutes bribery and corruption and other prohibited practices.

ANTI-MONEY LAUNDERING, COUNTERING FINANCING OF TERRORISM AND TARGETED FINANCIAL SANCTIONS POLICY (“AML/CFT AND TFS”)

The Public Bank Group is vigilant of the ever-changing mode and platform of money laundering and the financial crimes threatening the integrity and stability of the financial industry. Beyond the moral imperative to combat money laundering and financing of terrorism, the Group has instituted a comprehensive AML/CFT and TFS framework encompassing both the legal and regulatory requirements. Robust infrastructure and system of internal controls are in place to detect and prevent the risk of the Group’s business from being misused as a conduit for money laundering and financing of terrorism and to deter illicit funds from flowing into the financial system.

The Public Bank Group’s AML/CFT and TFS Policy is established with the following objectives:

- Set out the expectation of AML/CFT and TFS requirements for the entities within the Public Bank Group.
- Establish a framework to ensure that all employees understand and comply with the AML/CFT and TFS requirements to combat against money laundering or terrorism financing.

ETHICS, INTEGRITY AND TRUST

WHISTLEBLOWING POLICY AND PROCEDURE (“WBP”)

The Public Bank Group’s Whistleblowing Policy and Procedures mobilise its employees and third parties to communicate their suspicions of malpractice, impropriety, non-compliance or improper conduct by its employees in the course of their work in a responsible and transparent manner without the fear of reprisals or any detrimental action. The Group’s WBP is aligned with the Standard on Whistleblowing for Financial Institutions by the Financial Services Professional Board.

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.
- 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 has been appointed to be responsible for the effective implementation of this Policy.

SOCIAL MEDIA POLICY

The rapid adoption of technological advances has revolutionised the way we communicate. Social media interactions become increasingly important in our daily lives as well as in business engagements. With the exponential growth and application in social media, the Social Media Policy is established to mitigate the risks and ramifications brought on by unguided or irresponsible usage of social media platforms.

The Public Bank Group’s Social Media Policy provides the guidelines, behavioural conducts and decorum, clearly articulating the Group’s expectations which every employee must observe while engaging in social media activities both in their personal or professional capacity.

The Public Bank Group’s Social Media Policy is developed with the following objectives:

- To set out the guidelines on the responsible and ethical usage of social media by all employees of the Public Bank Group.
- To set out the possible consequences of policy violation by employees.

INFORMATION SECURITY POLICY

Information security lays a solid foundation in preserving the availability, integrity and confidentiality of information for all business operations and mitigate the risk of growing information security threats. As a responsible and committed financial institution, it is incumbent of the Public Bank Group and its employees to manage information in a secure and confidential manner. In this regard, the Information Security Policy is implemented with the following objectives:

- Protect the Public Bank Group’s information from possible threats whether internal or external, deliberate or accidental.
- Enable secure information sharing.
- Ensure all employees are aware of their roles and responsibilities in managing and protecting the confidentiality and integrity of the information they handle.
- Protect the Public Bank Group from legal liability due to inappropriate use of its information.
- Comply with applicable laws and regulations such as Financial Services Act 2013, Personal Data Protection Act 2010 etc.

EMBEDDING ETHICS, INTEGRITY AND TRUST IN THE PUBLIC BANK GROUP CORPORATE CULTURE

A mutually respectful work environment which upholds honesty and ethical values is fundamental to the success of any establishment. In line with this commitment, the Public Bank Group has emplaced a comprehensive framework aimed to inculcate and strengthen ethical behaviour and conduct among its employees. The framework covers the following:

- 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 the induction programme for new employees.
- 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.
 - Enabling employees to comply with the Public Bank Group’s Code of Ethics and Conduct.

- Extensive supervisory control and procedures in the Public Bank Group's daily operations to ensure scrupulous dealings which are integral to the Group's corporate culture.
- Conducting stringent and vigorous pre-employment screening on potential incumbents in order to prevent or minimise infiltration of undesirable elements into the staff force.
- Conducting checks and monitoring on employee compliance with relevant guidelines or policies by the internal audit or compliance team on a regular basis.
- Implementing a performance management system incorporating the achievement of expected ethical standards and compliance in the performance evaluation criteria.
- Adopting strategic risk governance on employee remuneration through malus reversal or downward revaluation of rewards in the event of fraud and misconduct.

PRUDENTIAL FRAMEWORK AGAINST UNETHICAL PRACTICES

Ethical culture and conduct in any business are important to sustain the trust of customers. The Public Bank Group does not tolerate any form of unethical behaviour and takes a serious view on any violations of the Group's Code of Ethics and Conduct or any applicable laws, regulations or policies. Strict enforcement with appropriate disciplinary actions are meted out on staff who have contravened the Group's policies, rules and regulations. All breaches to the Group's Code of Ethics and Conduct are reported to the Board of Directors on a timely basis for the Board to exercise proactive oversight on business integrity issues.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

This Statement on Risk Management and Internal Control is made pursuant to Bursa Malaysia Securities Berhad's Main Market Listing Requirements which require the Board of Directors ("the Board") to include in the Company Annual Report a statement about the state of the Company's risk management and internal control. Accordingly, the Board is pleased to provide the Statement on Risk Management and Internal Control that has been prepared in accordance with the "Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers" endorsed by Bursa Malaysia Securities Berhad.

BOARD'S RESPONSIBILITY

The Board has oversight responsibility for the Public Bank Group's ("the Group") risk management and internal control system and for reviewing its adequacy and effectiveness. The Board ensures the risk management and internal control system manages the Group's relevant and material risks within its risk appetite in the Group's pursuit of its strategies and business objectives. Such a system is designed to identify, evaluate and manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

The Board has established an ongoing process for identifying, evaluating and managing the relevant and material risks encountered by the Group and adopts the three lines of defence model which sets out risk management and control responsibilities of the parties involved. The process for assessing the adequacy and effectiveness of the risk management and internal control system is regularly reviewed by the Board, which is assisted by the Risk Management Committee, the Compliance Committee, the Audit Committee and the independent control functions, comprising the second and third lines of defence.

MANAGEMENT'S RESPONSIBILITY

Management is overall responsible for ensuring the day-to-day management of the Group's activities is consistent with the risk strategy, including the risk appetite and policies approved by the Board. To this end, the key responsibilities of the Management in respect of implementing the processes for risk management and internal control system are as follows:

- Ensuring all relevant and material risks associated with the Group's business operations have been identified and assessed and are operating within the Group's risk appetite

- Designing, implementing and monitoring of the risk management and internal control system in accordance with the Group's strategies and overall risk appetite
- Identifying changes in the operational environment which give rise to risks or emerging risks and taking appropriate actions and prompt escalation of the identified risks and actions to the Board

KEY RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The key risk management and internal control processes that the Board has established in reviewing the adequacy and effectiveness of the system of risk management and internal control, including compliance with applicable laws, regulations and guidelines, are as follows:

Risk Management

• Group Risk Management

The Group Risk Management Framework, developed based on the Bank Negara Malaysia's ("BNM") Policy Document on Risk Governance, sets out the key principles of risk governance, and the development of risk management practices and tools which enable the continuous identification, measurement, mitigation and monitoring of all relevant and material risks of the Group including the identification of emerging risks. The Risk Management Function ("RMF") of Public Bank ("the Bank") is responsible for the development and the implementation of the Group Risk Management Framework.

The key elements of the Group Risk Management Framework approved by the Board are as follows:

– Risk Governance

The Group's risk governance sets out the roles and responsibilities of the Board, the risk committees and the three lines of defence consisting of the business and support units as the first line of defence, risk management and compliance functions as the second line of defence, and internal audit as the third line of defence.

The Board is assisted by the Risk Management Committee ("RMC") to oversee the management of all identified risks and that the risk-taking activities are operating within the risk appetite. The core committees and working groups set up to manage specific risk areas include the Credit Risk Management Committee, 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.

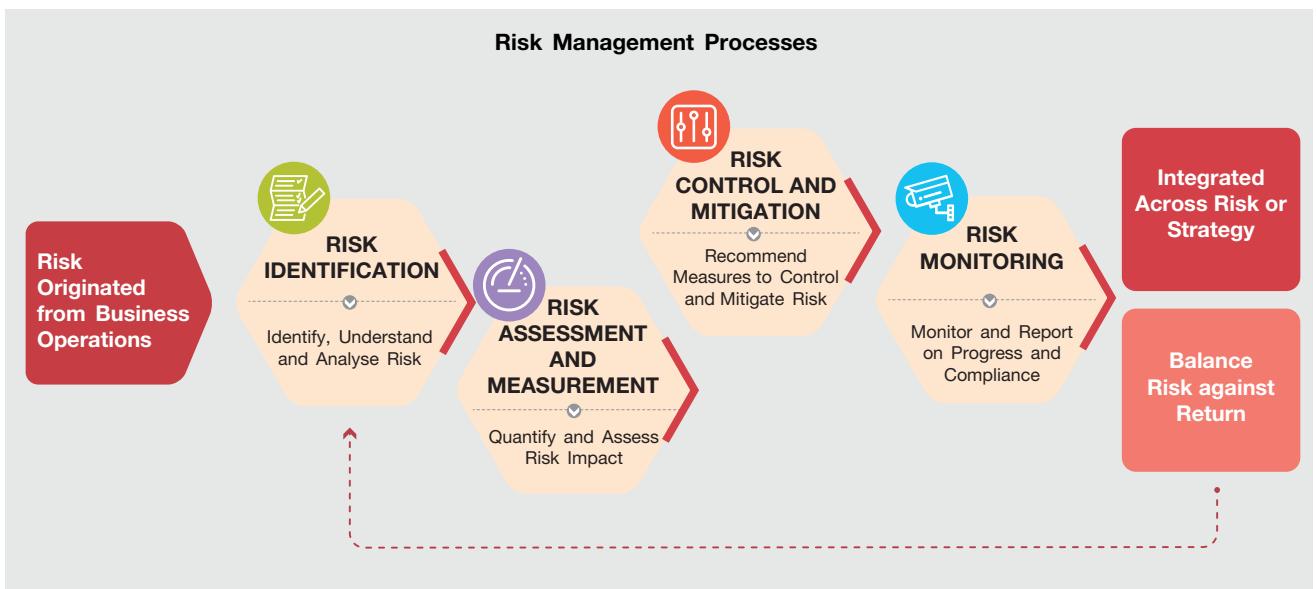
RMF of the Bank provides main support to the RMC and to the other risk management committees to enable the discharge of their respective responsibilities. RMF is responsible to develop and maintain group risk management policies and procedures that consider changes in operating environment and regulatory requirements. Group risk management policies and procedures are extended to the subsidiaries for adoption and where necessary, are customised to comply with the local regulatory requirements.

- Risk Appetite

The Group's risk appetite defines the amount and 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 risk appetite of the Group 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 that have considered the Group's risk guiding principles and the respective entities' strategic business directions, risk taking capacity, risk profile and the operating environment. The processes for establishing, cascading, monitoring and ongoing review of the risk appetite are governed by the Group Risk Appetite Framework.

- Risk Management Processes

A structured approach to risk management balancing risks against returns is established for all relevant and material risks. The four broad processes for risk management to lead to a balanced risk-return framework are as follows:



The risk management processes are supported by management information systems that facilitate timely and accurate reporting of risks to the Board and Management for deliberation.

- Risk Culture

The inculcation of a risk awareness culture is key in managing risk. The key factors of the Group's risk culture are as follows:

- 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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

• Group Compliance

The Group Compliance Policy, developed based on BNM's 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 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 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 Group

The Board is assisted by the Compliance Committee ("CC") to oversee compliance matters including the implementation of the Group Compliance Policy.

The Compliance Functions of the Bank and its major subsidiaries are responsible for the management of statutory and regulatory compliance risk of the 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 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 discernable 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") was established in accordance with BNM's Shariah Governance Policy Document to ensure the Islamic operations, business, affairs and activities are conducted in accordance with Shariah rules and principles. The SGP sets out the responsibilities of the Board, Senior 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 encompassing the identification, assessment, control, mitigation and monitoring/reporting of the

risk exposures including emerging risks. This is articulated in the Shariah Risk Management Policy of Public Islamic Bank. The Shariah risk management process similarly encompasses the three lines of defence approach as follows:

- **First line of defence**

Shariah Division, Business and Support Units including entities and parties under Resource Sharing Arrangement

- **Second line of defence**

Shariah Risk Management, Compliance Division and Shariah Review & Compliance

- **Third line of defence**

Internal Audit

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 systems and the governance process. The Shariah Advisory Function of Public Mutual and Public Investment Bank is carried out by their own independent Shariah Adviser.

• Technology and Cyber Risk Management

The Group Technology Risk Management Framework ("TRMF") is established to enable the Group to manage technology risks and its operating processes in a robust and consistent manner. It sets out the risk governance structure and risk management processes for identification, assessment, control and mitigation, monitoring and reporting of technology risks to which the Group is exposed, including risks from the adoption of new technology. The TRMF is developed with reference to BNM's Policy Document on Risk Management in Technology ("RMIT").

The management of cyber risk is governed by the Group Cyber Resilience Framework ("CRF"). The CRF sets out the measures to manage cybersecurity risk, to improve cyber resilience as well as to ensure adequate cybersecurity preparedness across the Group on a continuous basis.

Continuous and systematic reviews are conducted by Information Technology Functions and are subject to independent review by Risk Management, Compliance and Internal Audit Functions. External consultants are engaged periodically to conduct assessments on cyber risks such as assessing the resilience of cybersecurity.

• Sustainability Management

The Group's approach to sustainability is founded on its duties as a financial services provider and its responsibilities toward society and the environment, as well as its role as an employer. The Group has in place a Sustainability Framework which sets out its governance, guiding principles and processes to assist

the Group to embed material sustainability matters, namely economic, environmental, social and governance risks and opportunities into its day-to-day operations and business.

Further details of the sustainability management of the Group are set out in the Sustainability Statement section in the Annual Report.

- **Reputation Risk Management**

The reputation of the 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 the utmost importance that it is protected. The Group Policy on Managing Reputation Risk is established to ensure factors giving rise to reputation risk is 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 process.

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 such as the Nomination and Remuneration 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 the Bank and its major operating subsidiaries are established to ensure the day-to-day business operations are consistent with the corporate objectives, strategies and business plans approved by the respective Boards including addressing issues emanating from both the external and internal operating conditions.

The management working committees include the Group 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 Functions of the Bank and its major subsidiaries check for compliance with statutory/regulatory requirements, internal policies and procedures and review the work processes/procedures for accuracy, efficiency and effectiveness. During the course of audits, the Internal Audit Functions assess the operating effectiveness of the risk management and internal control systems. Audits are carried out by Internal Audit Functions on all units and branches, the frequency is determined by the level of assessed risks, to provide an independent and objective report on operational and management activities of the units and branches. The annual audit plan is reviewed and approved by the respective entities' Audit Committees. Audit findings are submitted to the respective entities' Audit Committees for review at their monthly or periodic meetings. Audit findings on Shariah matters are escalated to the Shariah Committee/Shariah Advisers. The Audit Committees also approved the Internal Audit Frameworks.

The respective entities' Audit Committees review the issues identified by the respective Internal Audit Functions, the external auditors, the regulatory authorities and the Management, including the remedial actions taken to address and resolve the issues identified, and evaluate the adequacy and effectiveness of the risk management and internal control systems. The Audit Committees also review the Internal Audit Functions with particular emphasis on the audit scope, the frequency of audits and the adequacy and knowledge of the auditors, the audit reports and internal audit annual assurance statement on the overall adequacy and effectiveness of the Bank's risk management systems, internal controls and governance processes. The minutes of the Audit Committee meetings are tabled to the respective Boards.

Further details of the activities undertaken by the Audit Committee of the Bank are set out in the Audit Committee Report in the Annual Report.

Control Activities

- **Annual Business Plans, Budgets and Management Reports**

Annual business plans and budgets of the Bank and its major operating subsidiaries, which are developed in line with the Group's strategic direction 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

• 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 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 to 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 Functions, Compliance Functions and Internal Audit Functions.

In addition, procedural guidelines are established to set out a systematic process and procedure for the annual review of the adequacy and effectiveness of the risk management and internal control system to provide assurance that the Group's risk management and internal control system is operating as intended.

• Business Continuity Management

The 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 and are regularly tested to ensure the preparedness of staff, the readiness of alternate worksites, the reliability of backup IT systems, and the effectiveness of communication, escalation and recovery procedures. The respective entities' BCP are reviewed and enhanced for their continued relevance. Any changes in systems, applications and procedures are updated in the DRP.

• Information Asset Security and Data Privacy

The 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 that 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 Group manages its human capital according to a framework based on the employee life cycle which covers different phases and the associated risks of each phase. The framework encompasses policies and operating standards relating to workforce planning, talent acquisition, employment practices, talent management and succession planning to manage staff-related risks.

The 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.

• Group Code of Ethics

The Group 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 Code of Ethics are competence, integrity, fairness, confidentiality and objectivity. They are observed in all business and professional dealings with all stakeholders.

• Anti-Fraud Policy

The Anti-Fraud Policy is established to ensure the Group's business is conducted in accordance with the laws as well as to articulate the Group's zero tolerance towards any illegal and/or fraudulent acts.

It also sets out the Group's expectations on all its 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 helps to manage the Group's reputational and operational risks arising from any fraudulent acts committed by staff. Disciplinary actions including that of dismissal will be taken against staff who breach the provisions of the Anti-Fraud Policy.

• Anti-Bribery and Anti-Corruption Policy

The Group is committed to conduct its activities free from any form of bribery, corruption or any acts which are contrary to the ethics and integrity. The Group adopts a zero tolerance approach towards any form of bribery and corruption. This is governed by the Group Anti-Bribery and Anti-Corruption Policy ("the ABAC Policy") established to ensure all staff and third parties working for, associated with or acting on behalf of the Group 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 as part of the continuous management of bribery and corruption risks.

- **Whistleblowing Policy and Procedures**

The Group is committed to conduct its business and operations 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 employees, 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 disclosures are treated in strict confidence without any risk of reprisal.

COVID-19

With the ongoing COVID-19 pandemic and the various movement restrictions in force during the year, the Group had pivoted and adapted its plans and processes to operate under the restricted conditions. The business continuity management plans and processes including split operations and remote working arrangements were adopted to protect staff while allowing operations to continue.

The increased use of digital platforms by customers was one of many consequences of COVID-19. Risk of cyberattacks by cybercriminals capitalising on the pandemic too were heightened. The Group had focused on ensuring the resilience of its technology infrastructure and services in view of the material and heightened risks; enhancing its cyber defences as well as continuous education of staff and customers on the emerging cyber threats.

During the year, the Group reviewed the enhancements made to its risk management approaches and processes to ensure their continued relevance. The reviews and post-mortems focused on the adequacy and effectiveness of the Group's internal control system. There have been no significant incidents or findings in the Group's internal control system. Notwithstanding this, the Group remained vigilant to the developments necessitated by COVID-19 and the impacts on both the customers and the Group.

FLOOD MANAGEMENT

In December 2021, several states in Malaysia were severely affected by the unprecedented massive flood. Prior to the flood, branches were directed to take preparatory flood measures as part of the annual flood management process to minimise business disruptions and the resumption of operations in the shortest time possible. Loan moratorium of up to six months of the monthly loan instalments were immediately offered to customers.

CONCLUSION

The Board has received assurance from the Chief Executive Officer and the Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system implemented by the Group. Taking into consideration the assurance from the Management and input from the relevant assurance providers, the Board is of the view that the Group's risk management and internal control system in place for the financial year under review and up to the date of approval of this statement for inclusion in the Annual Report is generally adequate and effective to safeguard the interests of shareholders, customers, employees and the Group's assets.

Amidst the evolving and challenging business environment brought about by the pandemic and increased regulatory scrutiny, the Board is satisfied that the risk processes in place are continuously reviewed and updated to ensure their continued relevance and effectiveness.

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 Group for the year ended 31 December 2021, 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 Group's risk management and internal control system including the assessment and opinion by the Board of Directors 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.

AUDIT COMMITTEE REPORT



DATO' MOHD HANIF BIN SHER MOHAMED

Chairman/Independent Non-Executive Director



CHEAH KIM LING

Member/Independent Non-Executive Director



THAM CHAI PHONG

Member/Independent Non-Executive Director



LIM CHAO LI

Member/Independent Non-Executive Director

1. COMPOSITION

The Audit Committee is a Board-delegated Committee established by the Board of Directors. The Audit Committee comprises four (4) Members, all of whom are Independent Non-Executive Directors and the Chairman of the Board is not a Member of the Audit Committee.

Collectively, the Audit Committee Members have a wide range of necessary skills, knowledge and experience, including expertise in accounting, related credit, banking and information technology in discharging their roles, duties and responsibilities.

The composition of the Audit Committee is in compliance with the requirements set out in the following:

- The Malaysian Code of Corporate Governance revised by the Securities Commission Malaysia on 28 April 2021;
- Bursa Malaysia Securities Berhad's Main Market Listing Requirements last updated on 1 June 2020; and
- Policy Document on Corporate Governance issued by Bank Negara Malaysia ("BNM") on 13 December 2019.

2. ATTENDANCE OF MEETINGS

Pursuant to the Terms of Reference of the Audit Committee which stipulated that meetings shall be held not less than 12 times a year, the Audit Committee had met 16 times in year 2021.

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 Chairman/Independent Non-Executive Director	16/16
Cheah Kim Ling Member/Independent Non-Executive Director	16/16
Tham Chai Phong Member/Independent Non-Executive Director	16/16
Lim Chao Li * Member/Independent Non-Executive Director	12/12

* Mr Lim Chao Li was appointed as a Member of the Audit Committee with effect from 5 April 2021.

Mr Lai Wan and Ms Lai Wai Keen ceased to be a Member of the Audit Committee with effect from 26 April 2021 and 29 May 2021 respectively. Mr Lai Wan was re-designated to a Non-Independent Non-Executive Chairman of Public Bank upon reaching a maximum tenure of 9 years as Independent Non-Executive Director. During his tenure as Member of the Audit Committee from 1 January 2021 to 26 April 2021, he had attended five (5) meetings. Ms Lai Wai Keen retired as Director of Public Bank and during her tenure as Member of Audit Committee from 1 January 2021 and 29 May 2021, she had attended seven (7) meetings.

3. 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 BNM's Policy Document on Corporate Governance, Bursa Malaysia Securities Berhad's Main Market Listing Requirements and Securities Commission Malaysia's The Malaysian Code of 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 as well as unrestricted access to any information relating to the affairs of Public Bank and the Public Bank Group.

The Audit Committee is supported by an independent Internal Audit function established by the Board of Directors in accordance with the BNM'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 and governance processes and reports the outcome of such reviews and assessments directly 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 and governance processes implemented in Public Bank.
- Reviews and recommends any proposed revisions to the Internal Audit Charter to the Board of Directors for approval as well as approves the annual audit plan, annual training plan for internal audit 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 Division as well as evaluates the annual performance appraisals of the GCIA and the Senior Management staff of the Internal Audit Division 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 function against the approved key performance indicators, assesses the competency and knowledge of the Senior Management staff of Internal Audit as well as the adequacy of resources to enable the Internal Audit function to carry out its work effectively. The Audit Committee also ensures that Internal Audit staff have the authority to carry out their work objectively and independently, 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 internal and external audit reports to ensure 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/ lapses have been resolved, in order to identify the impact of such disagreements that may have on the audit process 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, ensures 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 BNM's Policy Document on External Auditor and based on the set of criteria stipulated in the Public Bank Berhad Group's Policies and Procedures for Appointment/Re-appointment of External Auditors for Audit and Non-Audit Services ("Group Policies and Procedures"). This includes a comprehensive assessment conducted on the performance

AUDIT COMMITTEE REPORT

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, independent and objective in the provision of such services and there is no element of conflict of interest situation. Additionally, the Audit Committee ensures that the proposed fees are within the allowable threshold set before recommending the proposed engagement to the Board of Directors for consideration and approval.

The details of the terms of reference of the Audit Committee are available at www.publicbankgroup.com/About-Us/Board-Of-Directors/Composition-And-Terms-of-Reference-of-Audit-Committee.

4. SUMMARY OF ACTIVITIES

For the financial year ended 31 December 2021, the Audit Committee had carried out the following activities in the discharge of its roles and responsibilities:

4.1 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 BNM 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, 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 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 up with the 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 are 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 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 its oversight role over the Malaysian Financial Reporting Standards 9 ("MFRS 9"): Financial Instruments, 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 macro economic adjustments, management overlay adjustments for corporate and retail loans. In addition, the Audit Committee had also reviewed on the adequacy and effectiveness of the Bank's processes, procedures and internal controls put in place to ensure that 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 an ongoing 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 2021.

4.2 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 2021.

4.3 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 2021. In so doing, the Audit Committee had:

- Reviewed and deliberated the audit plan for the financial year ending 31 December 2021;
- Reviewed, followed up and where necessary sought explanations from EY on the results of their audits including the half-yearly limited review;
- Reviewed the recommendations set out in the Memorandum of Recommendations for the financial year ended 31 December 2021 as presented by EY; and
- Discussed and analysed matters relating to EY's recommendation on stage transfer criteria during the payment moratorium period, observations on Shariah-Compliance review within Public Bank Group, challenges and areas of focus in the year 2021.

In discharging its duties, the Audit Committee 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 ensure 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 Group Policies and Procedures, 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 and 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 Management or Internal Audit Staff shall be held at least twice a year. In 2021, the Audit Committee had three (3) such meetings with the EY's engagement team to discuss matters of interest without the presence of Management and Internal Audit staff.

4.4 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 to ensure 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 function'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.

AUDIT COMMITTEE REPORT

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 audit issues, including the implementation status of the Management's corrective action plans are tracked and tabled to the Audit Committee in its monthly meetings for review, deliberations and noting. 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 Management to rectify and improve control procedures based on the internal auditors' recommendations. For the financial year under review, the Audit Committee is not aware of any significant disagreement between the GCIA and 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 their recommendations, remedial actions taken and the committed timeline to rectify the gaps highlighted for recommendations to the Board of Directors for approval.

The Audit Committee also monitored the timeliness of the resolution of key audit issues and areas of concern highlighted by Internal Audit. In this regard, the Audit Committee reviewed the progress of the corrective actions taken by Management to ensure 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 identified in the internal audit reports.

The Audit Committee reviewed on a quarterly basis the tests conducted on the Bank's Business Continuity Plan and Disaster Recovery Plan and assessed annually Public Bank's level of commitment to Business Continuity Management and overall preparedness to ensure compliance with the BNM's Guidelines 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.

The Audit Committee through its Chairman, had met with the GCIA and Senior Management staff of the Internal Audit function once in 2021. During the meeting, the Chairman of the Audit Committee sought more in-depth understanding on the challenges faced by Internal Audit in the light of changes to the banking industry landscape consequent to the developments in the financial technology and digital revolution as well as the impact of COVID-19 pandemic on the work progress of the Internal Audit function.

The Chairman also advised Internal Audit on the need to provide adequate training 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.

4.5 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.

4.6 Audit Committee's Oversight Over the Implementation of Whistleblowing Policies and Procedures

The Audit Committee oversees the implementation of Public Bank'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 BNM's Policy Document on Corporate Governance as well as the requirements under the Public Bank Group Anti-Bribery and Anti-Corruption Policy was first established on 31 March 2020, last reviewed and approved by Board of Director on 27 April 2021.

Pursuant to this Policy Document, 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.

5. 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 Internal Audit Charter ("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 BNM and the Basel Committee on Banking Supervision, is reviewed and updated annually. The revised IAC which was approved by the Board of Directors, is published at the Public Banks's electronic publication homepage on 27 August 2021 and a copy of which was extended to the Internal Audit function of subsidiary companies for their adoption.

Public Bank's Internal Audit Division has a total staff strength of 200 and comprises nine (9) sections, specialising in various auditing/business areas. Most of the Internal Audit staff possessed 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 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 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 function 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 ensure 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 ensure 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 BNM, 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;

AUDIT COMMITTEE REPORT

- 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 and disaster recovery plan testing exercises (under live or simulation scenarios and live split operations) to ensure that all the relevant critical business functions and critical application systems are able to resume operations/recover within the established timeline;
- Escalates the audit findings to relevant parties such as Banking Operations Division, Compliance Division and Knowledge and Learning Centre 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;
- Arranges for in-house trainings and conducts internal workshops virtually to further equip the 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 staff to attain relevant certification programmes set by regulators/offered by professional bodies such as Asian Institute of Chartered Banker, 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; and
- Conducts the 2021 planned audits via off-site during the Movement Control Order period imposed by the Government.

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.

The total costs incurred for the Internal Audit function of Public Bank and the Public Bank Group for 2021 are as follows:

	RM'000
Public Bank	32,426
Public Bank Group	49,199

Further details of the activities of Internal Audit function are set out in the Statement on Risk Management and Internal Control.

GROUP MANAGEMENT PROFILE



TAN SRI DATO' SRI DR. TAY AH LEK



DATO' CHANG KAT KIAM

Managing Director/Chief Executive Officer

Public Bank Berhad



Age/Gender:
79, Male



Nationality:
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 61 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

- Director of Public Investment Bank Bhd
- Director of Public Islamic Bank Bhd
- Director of Public Mutual Bhd
- Director of Public Bank (Hong Kong) Ltd
- Director of Cagamas Holdings Bhd
- Director of Ombudsman for Financial Services

Deputy Chief Executive Officer

Public Bank Berhad



Age/Gender:
67, Male



Nationality:
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 Public Finance 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 AIA PUBLIC Takaful Bhd

GROUP MANAGEMENT PROFILE



CHANG SIEW YEN



DATO' SULAIMAN BIN ABD MANAP



LEE YO-HUNN

Senior Chief Operating Officer Public Bank Berhad

	Age/Gender:	53, Female		Nationality:	Malaysian
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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 28 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, Corporate Planning, Strategy & Economics, Information Technology and Property

Present Directorship in other Public Companies

- Director of PB Trust (L) Ltd
- Director of PB Trustee Services Bhd

Senior Chief Operating Officer Public Bank Berhad

	Age/Gender:	65, Male		Nationality:	Malaysian
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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, Credit Administration & Supervision, HP Credit Control, Compliance and Loan Rehabilitation/Credit Review of Corporate Banking

Present Directorship in other Public Companies

- Nil

Chief Executive Officer

Public Investment Bank Berhad

	Age/Gender:	46, Male		Nationality:	Malaysian
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Qualifications

- Certified Practising Accountants (CPA) Australia
- Bachelor of Commerce, The University of Western Australia, Australia

Experience

- Mr Lee has a total of 24 years of working experience, comprising 7 years of assurance and advisory work in both Malaysia and Australia and 17 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



YEOH KIM HONG



TAN YOKE KONG

Chief Executive Officer

Public Islamic Bank Berhad

Age/Gender:
45, MaleNationality:
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 23 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

Chief Executive Officer

Public Mutual Berhad

Age/Gender:
60, FemaleNationality:
Malaysian**Qualifications**

- Chartered Accountant of the Malaysian Institute of Accountants (MIA)
- Certified Public Accountant of the Malaysian Institute of Certified Public Accountants (MICPA)
- Certified Financial Planner

Experience

- Ms Yeoh has more than 26 years of experience in the unit trust industry
- Joined Public Mutual in 1996 and appointed to her present position in July 2007
- She is a member of the Board of Directors and the Investment Committees of Public Mutual
- She has played an active role in the development of the unit trust industry
- She sits on the Board of the Federation of Investment Managers Malaysia (FIMM) and is a member of the Industry Development Committee, Regulatory Committee and Disciplinary Committee

Present Directorship in other Public Companies

- Nil

Executive Director & Chief Executive

Public Bank (Hong Kong) Limited

Age/Gender:
69, MaleNationality:
Malaysian**Qualifications**

- Fellow of the Association of Chartered Certified Accountants, United Kingdom
- Fellow of The Chartered Governance Institute, United Kingdom
- Fellow of The Hong Kong Chartered Governance Institute
- Diploma in Commerce, TAR College

Experience

- Mr Tan has over 40 years of experience in the banking and finance industry
- He was seconded from Public Bank to Hong Kong in 1991
- Appointed to his current position as Executive Director & Chief Executive of Public Bank (Hong Kong) Limited after its acquisition by the Group in 2006
- Prior to this, he was the Executive Director & Chief Executive of Public Finance Limited
- He has served as the Vice Chairman of The Hong Kong Association of Restricted Licence Banks and Deposit-taking Companies (The DTC Association) and a member of The Deposit-taking Companies Advisory Committee of Hong Kong Monetary Authority in Hong Kong for several years prior to his appointment in Public Bank (Hong Kong)

Present Directorship in other Public Companies

- Executive Director/Chief Executive of Public Financial Holdings Ltd

GROUP MANAGEMENT PROFILE



CHONG YAM KIANG



CHEE KENG ENG



ONG MING TECK

Executive Director & Chief Executive Public Finance Limited

	Age/Gender: 71, Male		Nationality: Malaysian
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Qualifications

- Diploma in Management Programme (DIMP), Malaysian Institute of Management

Experience

- Mr Chong has more than 52 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 to his present position as Executive Director & Chief Executive of Public Finance Limited in January 2020

Present Directorship in other Public Companies

- Director of Public Financial Holdings Ltd
- Director of Public Bank (Hong Kong) Ltd

General Director

Public Bank Vietnam Ltd

	Age/Gender: 52, Male		Nationality: Malaysian
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Qualifications

- Master in Business Administration, University of Malaya
- Bachelor of Economics, 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 to his current position as General Director in June 2016

Present Directorship in other Public Companies

- Nil

Chief Executive Officer

Cambodian Public Bank Plc

	Age/Gender: 59, Male		Nationality: Malaysian
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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

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



**DATO' AB. RAZAK BIN
MD DALI**

Senior General Manager
Public Affairs



Age/Gender:
67, Male



Nationality:
Malaysian

Qualifications

- Master in Science (Corporate Communication), Universiti Putra Malaysia

Experience

- Joined Public Bank in 1977
- Experienced in branch banking and appointed Head of Public Affairs in 1994
- Responsible for the Bank's public relations, corporate communication, advertising and sports portfolio

Present Directorship in other Public Companies

- Nil

CHAN CHEW FUNG

Senior General Manager,
Corporate Banking/Credit
Operations/HP Operations



Age/Gender:
63, Female



Nationality:
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
- In January 2016, her portfolio was expanded to oversee Credit Operations, HP Operations and Share Investment

Present Directorship in other Public Companies

- Director of Public Bank (L) Ltd



CHAN CHIEW PENG

Senior General Manager
Retail Financial Services



Age/Gender:
58, Female



Nationality:
Malaysian

Qualifications

- Bachelor of Economics (Analytical Economics) (Hons), University of Malaya

Experience

- Joined Public Bank Group in 1986
- Held several managerial portfolios at Head Office before her appointment as 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

Present Directorship in other Public Companies

- Nil

KOAY SEOK KHM

Senior General Manager
Knowledge & Learning



Age/Gender:
68, Female



Nationality:
Malaysian

Qualifications

- Bachelor of Arts (Economics) (Hons), Ealing Technical College, United Kingdom

Experience

- Joined Public Bank in 1981 as a Trainer
- Appointed Head of Knowledge & Learning Centre since 1993

Present Directorship in other Public Companies

- Nil

HEADS OF DIVISION



LIM THEN FUI
Group Chief Internal Auditor

Age/Gender:
67, Male

Nationality:
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 42 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



MARY NG POH LYN
Senior General Manager
Human Capital Management

Age/Gender:
58, Female

Nationality:
Malaysian

Qualifications

- The Institute of Chartered Secretaries and Administrators (ICSA)

Experience

- Joined Public Bank in 1989 and has more than 35 years of experience in the HR field
- Appointed Head of Human Capital Management in January 2020 and oversees the Group's Human Resource portfolio

Present Directorship in other Public Companies

- Nil



YIK SOOK LING
Chief Financial Officer

Age/Gender:
52, Female

Nationality:
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 as Deputy Director
- Appointed Head of Finance and Chief Financial Officer in July 2012

Present Directorship in other Public Companies

- Director of PB Trust (L) Ltd
- Director of PB Trustee Services Bhd



EDDIE CHAN KOK KWAI
General Manager
Credit Administration &
Supervision

Age/Gender:
64, Male

Nationality:
Malaysian

Qualifications

- Bachelor of Economics (Business Administration) (Hons), University of Malaya
- The Financial Studies Diploma, The Institute of Bankers, United Kingdom
- Diploma in Banking and Finance, Institut Bank-Bank Malaysia

Experience

- Joined Public Bank in 1982 and appointed Head of Credit Administration and Supervision in 1992
- Responsible for credit control and recovery of impaired retail loans
- Promoted to General Manager in 2011

Present Directorship in other Public Companies

- Nil



CHAN SEE CHOI

General Manager
HP Credit Control

Age/Gender:
55, Male

Nationality:
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

Present Directorship in other Public Companies

- Nil



FAM YOKE FONG

General Manager
Information Technology

Age/Gender:
52, Female

Nationality:
Malaysian

Qualifications

- Bachelor of Computer Science, Universiti Sains Malaysia

Experience

- Joined Public Bank in 1994
- Has more than 27 years of experience in the IT field
- Appointed Head of Division in January 2017

Present Directorship in other Public Companies

- Nil



CARENE KHOO GEOK KHENG

General Manager
Wealth Management & Transaction Banking

Age/Gender:
55, Female

Nationality:
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



LEE KOK KEONG

General Manager
Credit Operations

Age/Gender:
53, Male

Nationality:
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

HEADS OF DIVISION



JASMINE LOH SOOK LING
Chief Risk Officer



Age/Gender:
50, Female



Nationality:
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 31 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



SAMUEL SOH BOON LEONG
General Manager
Corporate Banking



Age/Gender:
49, Male



Nationality:
Malaysian

Qualifications

- Bachelor of Economics (Hons), University of London, United Kingdom

Experience

- Joined Public Bank in 1996 and has more than 25 years of experience in managing corporate loans
- Appointed Head of Corporate Banking in 2016

Present Directorship in other Public Companies

- Nil



TAN SHIEN DOON
Chief Compliance Officer



Age/Gender:
50, Male



Nationality:
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



TEE CHUI CHEE
General Manager
PB Card Services & Support



Age/Gender:
59, Male



Nationality:
Malaysian

Qualifications

- Bachelor of Science (Computer Science) (Hons), Universiti Sains Malaysia

Experience

- Joined Public Bank in 1991 and has more than 35 years of experience in the card industry
- Appointed Head of Division in January 2014

Present Directorship in other Public Companies

- Nil



WONG MAN HOE
General Manager
HP Operations

 Age/Gender: 52, Male	 Nationality: Malaysian
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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



TUAN HAJI A WAHAB BIN A RAMAN
Director
Security

 Age/Gender: 63, Male	 Nationality: Malaysian
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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



BACIL FERNANDEZ
Head
Treasury

 Age/Gender: 63, Male	 Nationality: Malaysian
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Qualifications

- Bachelor of Social Science (Management) (Hons), Universiti Sains Malaysia

Experience

- Mr Fernandez has more than 39 years of experience in treasury and capital markets
- Joined Public Bank in 2009 as a Senior Manager of Treasury
- Appointed Head of Treasury in September 2018

Present Directorship in other Public Companies

- Nil



CHONG SOO LOONG
Director
Corporate Planning,
Strategy & Economics

 Age/Gender: 45, Male	 Nationality: Malaysian
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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

Present Directorship in other Public Companies

- Nil

HEADS OF DIVISION



LIM SAY HUAT
Director
Overseas Operations

 **Age/Gender:**
52, Male  **Nationality:**
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



SUNNY NG CHEONG SAN
Director
Banking Operations

 **Age/Gender:**
60, Male  **Nationality:**
Malaysian

Qualifications

- Master in Business Administration, Heriot-Watt University, United Kingdom
- Advanced Certification in AML/CFT, International Compliance Association/Asian Institute of Chartered Bankers
- Certified Financial Planner, Financial Planning Association of Malaysia

Experience

- Joined the Public Bank Group in 1981
- Has more than 33 years of audit experience prior to his transfer to Banking Operations as Senior Manager in 2017
- Appointed Head of Banking Operations in November 2018 and promoted to current position in June 2020

Present Directorship in other Public Companies

- Nil



POON YUEW SIM
Director
Branch Business Review & Support/Trade Finance & Share Investment Centre

 **Age/Gender:**
54, Female  **Nationality:**
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



WAN MARHANIM BINTI WAN MUHAMMAD
Director
Secretariat

 **Age/Gender:**
50, Female  **Nationality:**
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 25 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

Present Directorship in other Public Companies

- Nil

**EDDIE LIM YEW HUI**

Head
Property



Age/Gender:
52, Male



Nationality:
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

Present Directorship in other Public Companies

- Nil

None of the Heads of Division has:

- Any family relationship with any Director and/or major shareholder of Public Bank, except for Mr Eddie Chan Kok Kwai who is the brother-in-law of Mr Lee Chin Guan, Board Member of Public Bank
- Any conflict of interest with Public Bank
- Any conviction for offences within the past 5 years, other than traffic offences

STELLAR PERFORMANCE



Highest Return on Equity Over Three Years Award under the Super Big Cap Companies
– Above RM40 Billion Market Capitalisation
by The Edge Billion Ringgit Club

Against the backdrop of a challenging operating environment, Public Bank continues to achieve **stable profit** by anchoring on the Group's **time-tested business model**. Our continued focus on **operational efficiency, prudent management** and **strong corporate governance** allows us to execute our growth strategies effectively and deliver the best possible outcomes for all.

Conquering Challenges
with
Strong Fundamentals

PUBLIC BANK GROUP'S VALUE CREATION MODEL

CORPORATE PHILOSOPHY

Public Bank Cares...

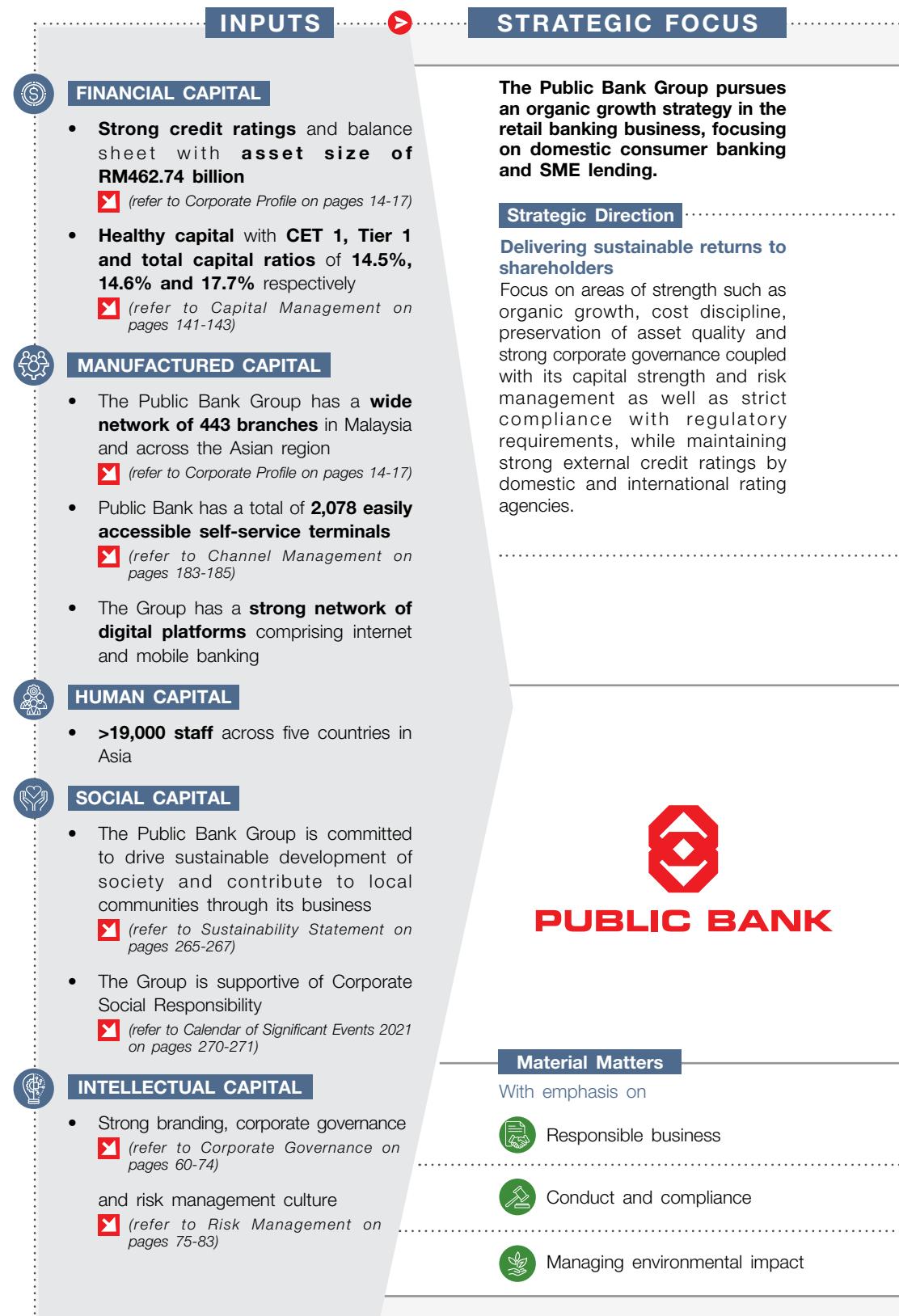
- For its customers
- For its shareholders
- For its employees
- For the community it serves

...With integrity

Which is integrated into the Public Bank Group's corporate culture and guides the fulfilment of the Group's Corporate Mission

CORPORATE MISSION

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





OUTPUTS



Enhancing customer experience

- Solidify customer loyalty and trust through strong data security, ethical banking and service quality.
- Embrace digital transformation and enhance further its digitalisation efforts to meet the evolving needs of customers.

Developing employees

Building capabilities for the future through employee education and development, talent attraction and retention, employment practices as well as employees' health, safety and well-being.

Supporting the communities

Financial inclusion and accessibility to provide ongoing financial support and cater to the community's financial needs while nurturing future generation for nation development and strengthening communities through volunteerism and charitable donations.

Key Business Areas

To shape the Public Bank Group's business actions in **Key Business Areas**

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

(refer to *Business Operations Review* on pages 145-179, which also include the anticipated risk and prospects of key business areas)

Developing employees

Corporate citizenship

(refer to *Sustainability Statement* on pages 214-267)

The Public Bank Group's **financial performance for 2021** is a result of its value creation through strategic focus in key business areas.

(refer to *Group Financial Review* on pages 120-137)

TO MEET STAKEHOLDERS' NEEDS

FOR CUSTOMERS

By providing the most courteous and efficient services to customers. **The Public Bank Group's frontline services at branches and loan service delivery are certified to internationally benchmarked ISO 9001:2015 standards.**

FOR SHAREHOLDERS/INVESTORS

By forging ahead as a stable and progressive financial institution while generating profits and a fair return on investments to investors. Public Bank rewarded its shareholders with **total dividend of 15.2 sen per share in 2021**, which is equivalent to a **dividend yield of 3.7%**. This represents a **dividend payout of 52.2% of the Public Bank Group's net profit for 2021**. The Group's **return on equity stood at 12.4%** in 2021.

FOR EMPLOYEES

By promoting the well-being of staff through attractive remuneration and fringe benefits, proper staff training and development as well as provision of opportunities for career advancement. The Public Bank Group has a **low employee attrition rate of 5.1% in 2021**. A total of **70 hours of training per employee** was recorded in 2021.

(refer to 'Theme 4: Developing Employees' of the Sustainability Statement on pages 253-264).

FOR THE COMMUNITIES AND NON-GOVERNMENTAL ORGANISATIONS

By conducting business as a socially responsible corporate citizen. **Total tax contribution** amounted to **RM2.06 billion** for nation building and economic development.

(refer to 'Theme 5: Corporate Citizenship' of the Sustainability Statement on pages 265-267).

REGULATORS

By ensuring compliance to regulatory requirements in conducting business.

MEDIA AND PUBLIC DOMAIN

By engaging with the media to make information publicly available through interviews, press releases announcements and media releases.

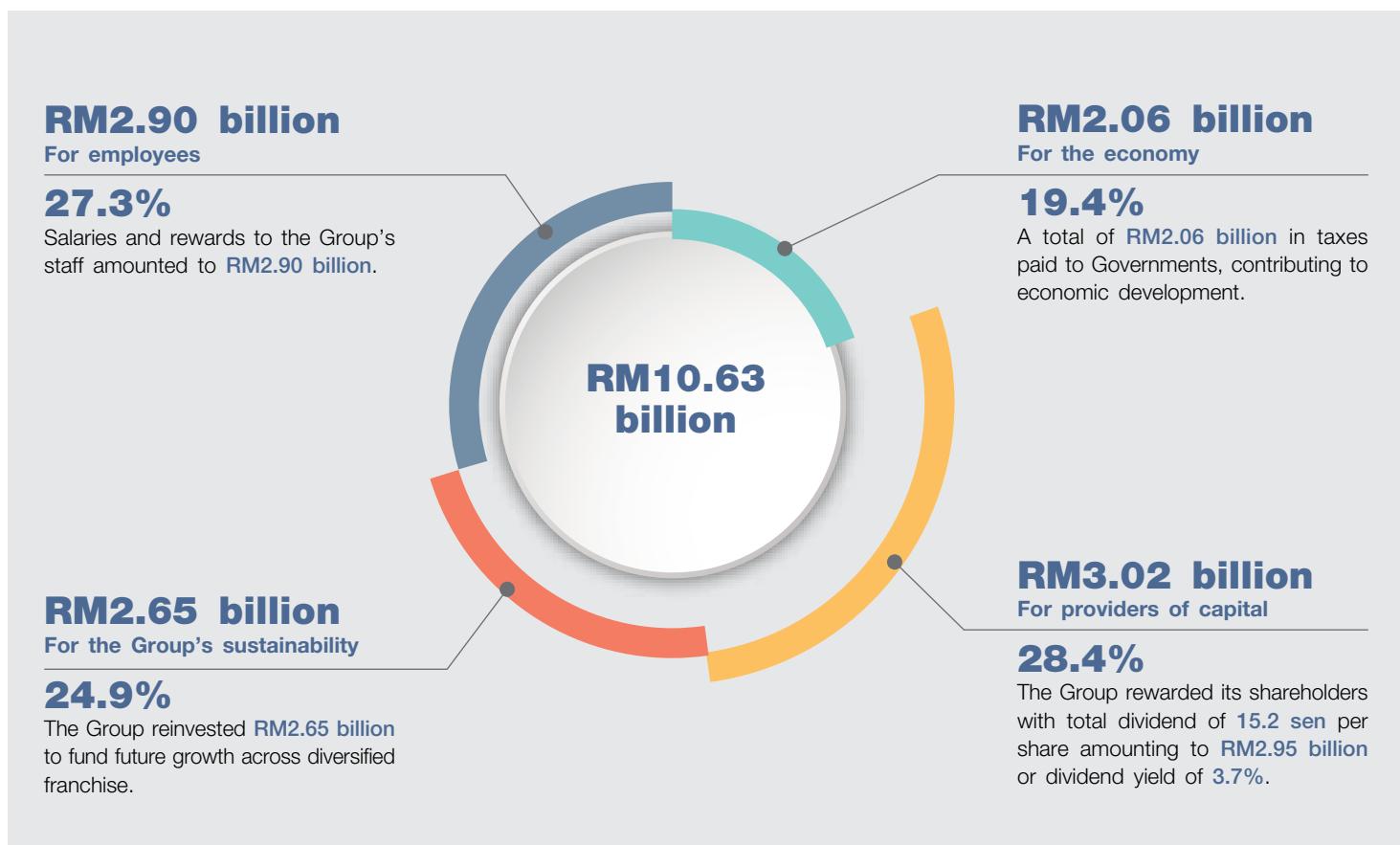
SUPPLIERS AND VENDORS

By engaging with suppliers and vendors for procurement and/or maintenance of banking solutions. **94% of the Public Bank Group's total ICT procurement cost was channelled to local vendors in 2021.**

DISTRIBUTION OF VALUE

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.

	2021 RM'000	2020 RM'000
DISTRIBUTION OF VALUE ADDED		
To employees:		
Personnel costs	2,896,211	2,866,523
To the Governments:		
Taxation	2,061,768	1,097,185
To providers of capital:		
Dividends paid to shareholders	2,950,425	2,523,390
Non-controlling interests	73,346	60,558
To reinvest in the Group:		
Depreciation	363,314	364,419
Retained profits	2,281,036	2,603,930
Total distributed	10,626,100	9,516,005



KEY HIGHLIGHTS 2021

RESILIENT EARNINGS SUPPORTED
BY CONTINUED EXPANSION IN
LOANS AND DEPOSITS



PROFIT BEFORE TAX

RM7.37 bil

↑ 17.2%

2020: RM6.29 billion

NO. 1 AMONGST
DOMESTIC BANKS



HIGHEST NET
RETURN ON
EQUITY

12.4%



LOWEST COST
TO INCOME
RATIO

31.6%



LOWEST GROSS
IMPAIRED
LOANS RATIO

0.3%



EARNINGS
PER SHARE

29.1 sen

↑ 16.1%

2020: 25.1 sen



DIVIDEND
PER SHARE

15.2 sen

↑ 2.2 sen
2020: 13.0 sen

LOANS

↑ **3.6%**
GROUP

↑ **3.4%**
DOMESTIC

DEPOSITS

↑ **4.0%**
GROUP

↑ **4.5%**
DOMESTIC

HEALTHY CAPITAL
POSITIONS

14.5%

CET-I CAPITAL RATIO

14.6%

TIER I CAPITAL RATIO

17.7%

TOTAL CAPITAL RATIO

STRONG CREDIT
RATINGS

AAA

RAM

A-

S&P

A3

MOODY'S

HEALTHY LIQUIDITY

127.3%

LIQUIDITY COVERAGE RATIO

MANAGEMENT DISCUSSION & ANALYSIS





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SUMMARY OF GROUP FINANCIAL PERFORMANCE

AT A GLANCE

	2021	2020	Variance %
PROFITABILITY (RM'MILLION)			
Operating revenue	19,623	20,304	(3.4)
Profit before tax expense and zakat	7,367	6,285	17.2
Net profit attributable to equity holders	5,657	4,872	16.1
Earnings per share (sen)	29.1	25.1	16.1
BALANCE SHEET (RM'MILLION)			
Total assets	462,739	451,257	2.5
Gross loans, advances and financing	358,027	345,651	3.6
Deposits from customers	380,394	365,871	4.0
Shareholders' equity	48,163	47,248	1.9
FINANCIAL INDICATORS			
Net return on equity	12.4%	11.2%	1.2
Cost to income ratio	31.6%	34.6%	(3.0)
Gross impaired loans ratio	0.3%	0.4%	(0.1)
Loan loss coverage	360.7%	227.7%	>100.0
Liquidity coverage ratio	127.3%	138.0%	(10.7)
Gross loans to fund ratio [^]	90.1%	90.2%	(0.1)
Gross loans to fund and equity ratio [^]	80.0%	80.0%	–
Common Equity Tier I capital ratio [#]	14.5%	14.0%	0.5
Tier I capital ratio [#]	14.6%	14.0%	0.6
Total capital ratio [#]	17.7%	17.1%	0.6

[^] 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.

INCOME STATEMENT ANALYSIS

	2021 RM'Million	2020 RM'Million	Variance	
			RM'Million	%
Net interest income	8,315	7,180	1,135	15.8
Net income from Islamic banking business	1,613	1,311	302	23.1
Other operating income	2,616	2,821	(205)	(7.3)
Net income	12,544	11,312	1,232	10.9
Other operating expenses	(3,965)	(3,909)	(56)	(1.4)
Operating profit	8,579	7,403	1,176	15.9
Allowance for impairment on loans, advances and financing	(1,201)	(1,106)	(95)	(8.6)
Other allowances	(6)	(14)	8	56.6
Share of (loss)/profit after tax of equity accounted associated companies	(5)	2	(7)	(>100.0)
Profit before tax expense and zakat	7,367	6,285	1,082	17.2
Net profit attributable to equity holders	5,657	4,872	785	16.1
Net interest margin (%)	2.22	1.95		

The operating environment in 2021 remained very challenging amid the prolonged COVID-19 pandemic, rising inflationary pressure and unexpected flood in several states throughout the country in December 2021. Despite various challenges faced, the Public Bank Group recorded profit before tax and net profit attributable to equity holders of RM7,366.6 million and RM5,656.5 million respectively in 2021, which represented a 17.2% and 16.1% increase respectively in 2021 as compared to RM6,285.1 million and RM4,871.7 million respectively in 2020. Hence, earnings per share also increased from 25.1 sen in 2020 to 29.1 sen in 2021.

NET INCOME

The Public Bank Group's net income increased by RM1,232.1 million or 10.9% in 2021 to RM12,544.5 million. The increase in the Group's net income was mainly due to higher net interest income by RM1,135.3 million due to low base effect in the prior year and higher net income from Islamic banking business by RM302.3 million, partially offset by lower other operating income by RM205.4 million.

NET INTEREST INCOME

Net interest income, the main contributor to the Public Bank Group's total income, accounted for 66.3% of the Group's total net income in 2021. Net interest income grew by 15.8% mainly due to the normalisation of growth subsequent to the adverse effect of the one-off items in 2020 arising from the net modification loss due to the COVID-19 related automatic moratorium offered to individuals and businesses as well as the reduction in Bank Negara Malaysia's Overnight Policy Rate by 125 basis points coupled with growth of its core business of lending and deposit-taking.

Consequently, net interest margin improved to 2.22% in 2021 from 1.95% in 2020 as margins gradually normalised in 2021 following the adverse effect of one-off items in 2020.

NET INCOME FROM ISLAMIC BANKING BUSINESS

Net income from Islamic banking business, which represented 12.9% of the Public Bank Group's total net income in 2021, grew by 23.1% or RM302.3 million to RM1,613.7 million in 2021 following the adverse effect of the one-off items in 2020. The Group's net income was also supported by a 9.9% growth in Islamic financing and 7.3% growth in Islamic deposit-taking, partially offset by lower gains on investment securities during the year.

SUMMARY OF GROUP FINANCIAL PERFORMANCE

OTHER OPERATING INCOME

	2021 RM'Million	2020 RM'Million	Variance	
			RM'Million	%
Income from fund management business	1,242	1,051	191	18.1
Net commission, service charges and fees	715	631	84	13.2
Brokerage and commissions from stock broking activities	190	247	(57)	(22.9)
Net fee and commission income	2,147	1,929	218	11.3
Net gains and losses on financial instruments	60	448	(388)	(86.6)
Foreign exchange income	255	302	(47)	(15.6)
Others	154	142	12	8.3
Other income	409	444	(35)	(8.0)
Total other operating income	2,616	2,821	(205)	(7.3)

Other operating income which accounted for 20.8% of the Public Bank Group's total net income in 2021 decreased by 7.3% or RM205.4 million to RM2,615.8 million in 2021. The decline was mainly due to lower net gains on financial instruments and foreign exchange income, partially offset by higher net fee and commission income.

Net fee and commission income rose by 11.3% or RM217.4 million to RM2,146.8 million in 2021 mainly due to higher contribution from fund management business, which saw an increase of 18.1% in 2021 from higher management fees and fees earned from sales of trust units.

Net gains and losses on financial instruments recorded a decline of 86.6% or RM387.5 million to RM60.2 million in 2021 as a result of lower level of investment activities in 2021.

Foreign exchange profit decreased by 15.6% or RM47.2 million to RM255.3 million in 2021 mainly due to unfavourable market conditions.

OTHER OPERATING EXPENSES

	2021 RM'Million	2020 RM'Million	Variance	
			RM'Million	%
Personnel costs	2,896	2,867	29	1.0
Establishment costs	739	715	24	3.3
Marketing expenses	117	118	(1)	(0.9)
Administration and general expenses	213	209	4	1.8
Total other operating expenses	3,965	3,909	56	1.4
Cost to income ratio (%)	31.6	34.6		
Staff strength	19,364	19,414		

The Public Bank Group continued to maintain operational efficiency and prudent cost management. The Group's total other operating expenses increased marginally by 1.4% or RM55.8 million to RM3,965.3 million in 2021. Owing to continued income growth and prudent cost discipline, the Group's cost to income ratio improved from 34.6% in 2020 to 31.6% in 2021, which continued to be the most cost efficient bank in the domestic banking industry.

Personnel costs, which accounted for 73.0% of the Group's total other operating expenses, rose slightly by 1.0% or RM29.7 million to RM2,896.2 million in 2021. The Group's staff strength stood at 19,364 as at the end of 2021.

Establishment costs rose by 3.3% or RM23.4 million to RM738.8 million in 2021 mainly due to higher general repairs and maintenance as well as higher information technology related expenses.

Marketing expenses fell by 0.9% or RM1.1 million to RM117.6 million in 2021 due to lower advertisement and promotional expenses during the year as a result of containment measures.

Administration and general expenses recorded an increase of 1.8% or RM3.9 million to RM212.7 million in 2021 mainly due to higher communication expenses.

ALLOWANCE FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING

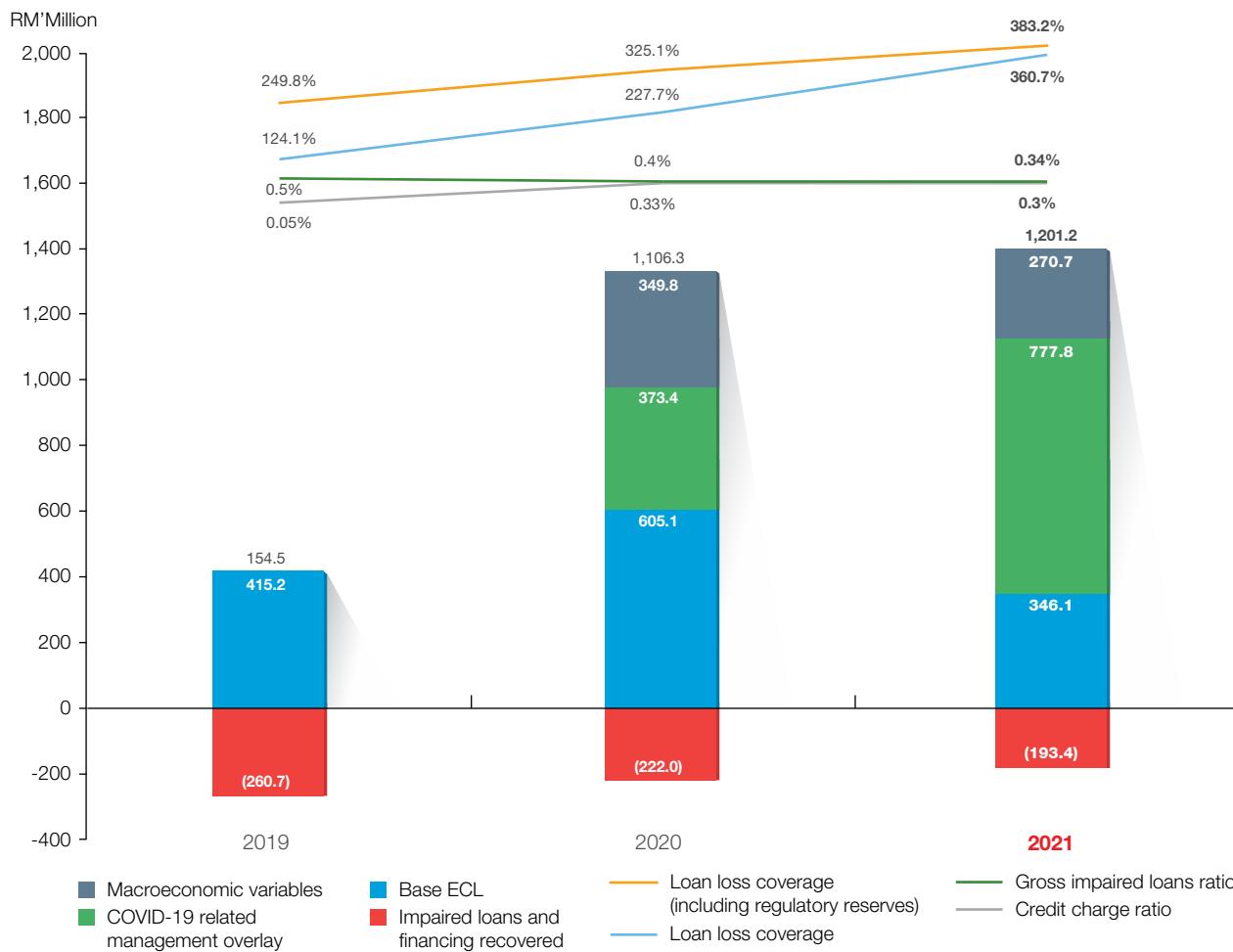
	2021 RM'Million	2020 RM'Million	Variance	
			RM'Million	%
Expected credit losses, including loan/financing commitments and financial guarantees:	1,394	1,328	66	5.0
Stage 1	577	573	4	0.7
Stage 2	583	403	180	44.7
Stage 3	234	352	(118)	(33.5)
Recoveries	(193)	(222)	29	12.9
Total allowance for impairment on loans, advances and financing	1,201	1,106	95	8.6
Credit charge ratio (%)	0.34	0.33		

SUMMARY OF GROUP FINANCIAL PERFORMANCE

The total allowance for impairment on loans, advances and financing increased by 8.6% or RM94.9 million to RM1,201.2 million in 2021 mainly due to higher pre-emptive provisioning set aside for potential increase in credit losses due to the COVID-19 pandemic. Credit charge ratio rose slightly by 1 basis points ("bps") to 34 bps in 2021.

The increase in expected credit loss ("ECL") of RM66.3 million was mainly due to the following:

- Stage 1: The higher ECL in 2021 was mainly due to pre-emptive provisioning through additional management overlay and revision of forward-looking macroeconomic variables to reflect the expected impact of the COVID-19 pandemic.
- Stage 2: The higher ECL in 2021 was mainly due to pre-emptive provisioning through additional management overlay and revision of forward-looking macroeconomic variables to reflect the expected impact of the COVID-19 pandemic.
- Stage 3: The decrease in ECL by RM118.1 million in 2021 was mainly due to repayment received from loans, advances and financing as well as reduction in credit-impaired loans, advances and financing.



Since 2020, the Public Bank Group has been setting aside pre-emptive provision as additional credit risk absorbent for potential credit risk deterioration due to the COVID-19 pandemic. The increase in ECL in 2021 was mainly due to additional COVID-19 related management overlay provisions and forward looking macroeconomic variables. As at the end of 2021, the Group's gross impaired loans ratio remained stable at 0.3%. As a result of pre-emptive provisioning to cater for the impact from the COVID-19 pandemic, the Group's loan loss coverage ratio increased significantly to 360.7% as at the end of 2021, compared to 227.7% as at the end of 2020. Including the Group's regulatory reserves, the loan loss coverage ratio is higher at 383.2%.

SEGMENTAL PROFITABILITY

(I) PROFIT BEFORE TAX BY BUSINESS SEGMENT

	2021		2020		Growth %	
	RM'Million	% of Contribution	RM'Million	% of Contribution		
Domestic Operations						
<i>Comprise of:</i>						
Retail	4,311	58.5	3,666	58.3	17.6	
Hire Purchase	(117)	(1.6)	106	1.7	(>100.0)	
Fund Management	878	11.9	715	11.4	22.8	
Corporate Lending	445	6.0	462	7.4	(3.7)	
Treasury and Capital Market	433	5.9	568	9.0	(23.8)	
Investment Banking	81	1.1	117	1.9	(31.0)	
Head office, funding centre and others*	713	9.7	27	0.4	>100.0	
Total domestic operations	6,744	91.5	5,661	90.1	19.1	
Overseas Operations	623	8.5	624	9.9	(0.3)	
Profit before taxation	7,367	100.0	6,285	100.0	17.2	

* Others comprise mainly of other miscellaneous domestic segment and domestic share of results of equity accounted associated company.

- Retail operations contributed 58.5% to the Public Bank Group's pre-tax profit in 2021, followed by fund management business which contributed 11.9% to the Group's pre-tax profits.
- Retail operations reported an increase of 17.6% or RM644.9 million in pre-tax profit to RM4,311.4 million in 2021 mainly due to higher net interest income on higher average loan balances, lower loan impairment allowance and higher fee and other income. These were partially offset by higher other operating expenses.
- Hire purchase operations reported pre-tax loss of RM117.1 million in the current year as compared to pre-tax profit of RM106.5 million in the previous year mainly due to higher loan impairment allowance made in anticipation of the potential effect of the COVID-19 pandemic, partially offset by higher net interest income.
- Fund management operations' pre-tax profit increased by 22.8% or RM163.3 million to RM878.1 million in 2021 mainly due to higher management fee from higher average net asset value of funds and higher fee income on sale of trust units arising from higher equity sales achieved.
- Corporate lending's pre-tax profit dropped by 3.7% or RM16.9 million to RM444.8 million mainly due to higher loan impairment allowance made in anticipation of the potential effect of the COVID-19 pandemic, partially offset by higher net interest income and fee income.
- Treasury and capital market operations' pre-tax profit decreased by 23.8% or RM135.2 million to RM432.6 million mainly due to lower investment income arising from unfavourable market condition in the current year and lower net interest income.
- Investment banking operations' pre-tax profit decreased by 31.0% or RM36.2 million to RM80.7 million mainly due to lower stock broking and investment income.
- The pre-tax profit from head office, funding centre and others increased by more than 100.0% or RM687.1 million to RM713.5 million mainly due to the low base effect arising from the modification loss on COVID-19 relief measures and negative effect of the Overnight Policy Rate reduction of 125 basis points in 2020. These were partially offset by lower investment income in 2021.

SUMMARY OF GROUP FINANCIAL PERFORMANCE

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

	2021		2020		Growth %
	RM'Million	% of Contribution	RM'Million	% of Contribution	
In Malaysia	6,744	91.5	5,661	90.1	19.1
of which:					
<i>Public Bank Berhad*</i>	5,041	68.4	4,361	69.4	15.6
<i>Public Islamic Bank Berhad*</i>	729	9.9	506	8.1	44.0
<i>Public Mutual Berhad</i>	878	11.9	715	11.4	22.8
<i>Public Investment Bank Berhad*</i>	80	1.1	117	1.9	(31.1)
Outside Malaysia	623	8.5	624	9.9	(0.3)
of which:					
<i>Hong Kong operations</i>	320	4.3	259	4.1	23.5
– <i>Public Finance Limited*</i>	156	2.1	120	1.9	30.5
– <i>Public Bank (Hong Kong) Limited*</i>	139	1.9	131	2.1	6.0
<i>Cambodian operations</i>					
<i>Cambodian Public Bank Plc</i>	236	3.2	253	4.0	(6.7)
<i>Vietnam operations</i>					
<i>Public Bank Vietnam Limited</i>	85	1.2	76	1.2	12.8
Profit before taxation	7,367	100.0	6,285	100.0	17.2

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

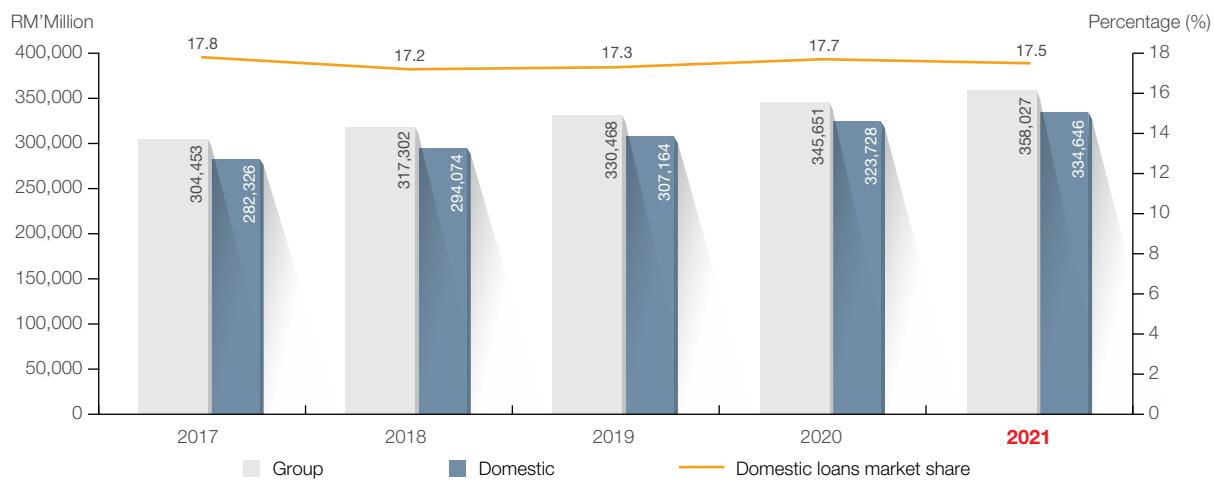
- In 2021, domestic operations contributed 91.5% to the Public Bank Group's pre-tax profit while overseas operations contributed the remaining 8.5%, which was mainly from Public Financial Holdings Group in Hong Kong and Cambodian Public Bank Plc.
- The pre-tax profit from the Group's overseas operations fell slightly by 0.3% to RM622.5 million in 2021 mainly due to the impact of unfavourable foreign exchange translation in the current year. Excluding the impact of foreign exchange movements, pre-tax profit of the overseas operations would have increased by 1.1%.

LOANS AND DEPOSITS

CONTINUED EXPANSION IN LOANS AND DEPOSITS

Amid the very challenging operating environment due to the prolonged COVID-19 pandemic, the Public Bank Group was able to achieve continued expansion in loans and deposits in 2021.

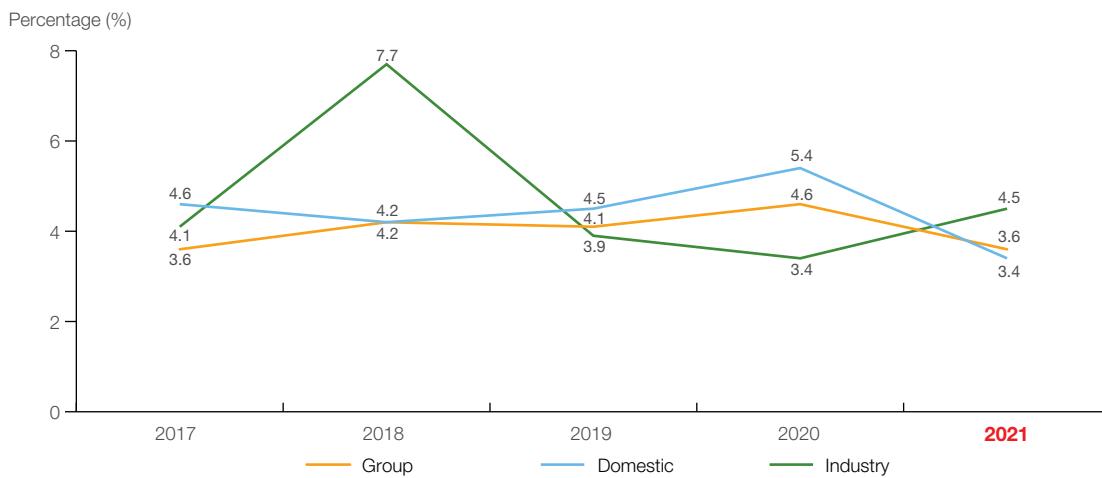
Loans – Outstanding Balance and Domestic Market Share



Note: From year 2018 onwards, industry figures were revised to include data from MBSB Bank Berhad.

- The Public Bank Group's gross loans, advances and financing grew by 3.6% or RM12.38 billion to RM358.03 billion as at the end of 2021 mainly contributed by domestic loans growth of 3.4% or RM10.92 billion to RM334.65 billion as at the end of 2021.
- The Group's domestic loans market share remained broadly stable at 17.5% as at the end of 2021.

Loans Growth vs Industry

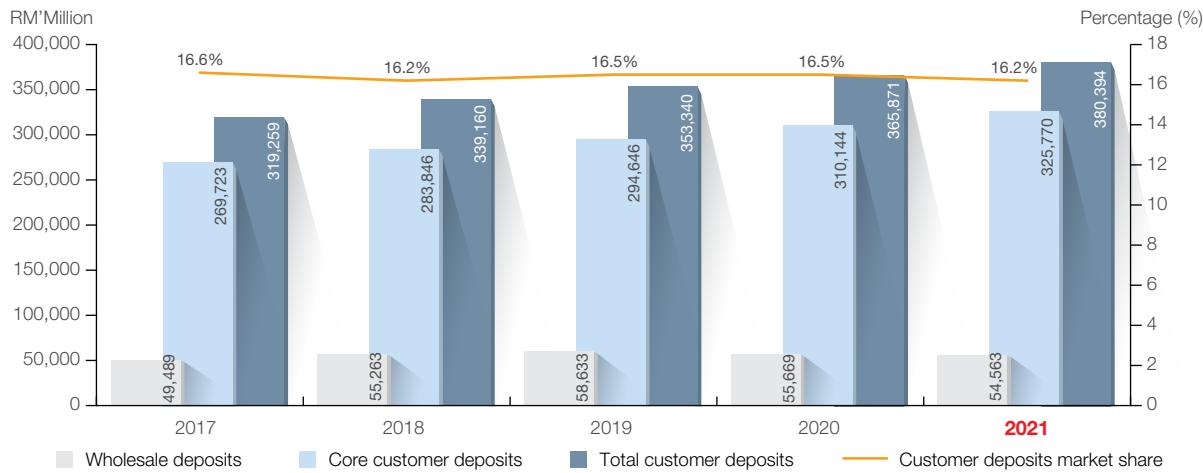


Note: From year 2018 onwards, industry figures were revised to include data from MBSB Bank Berhad.

- Despite the challenging business environment amid the COVID-19 pandemic, both the Public Bank Group's total and domestic loans grew by 3.6% and 3.4% respectively in 2021, compared to the banking industry's loans growth of 4.5%.

SUMMARY OF GROUP FINANCIAL PERFORMANCE

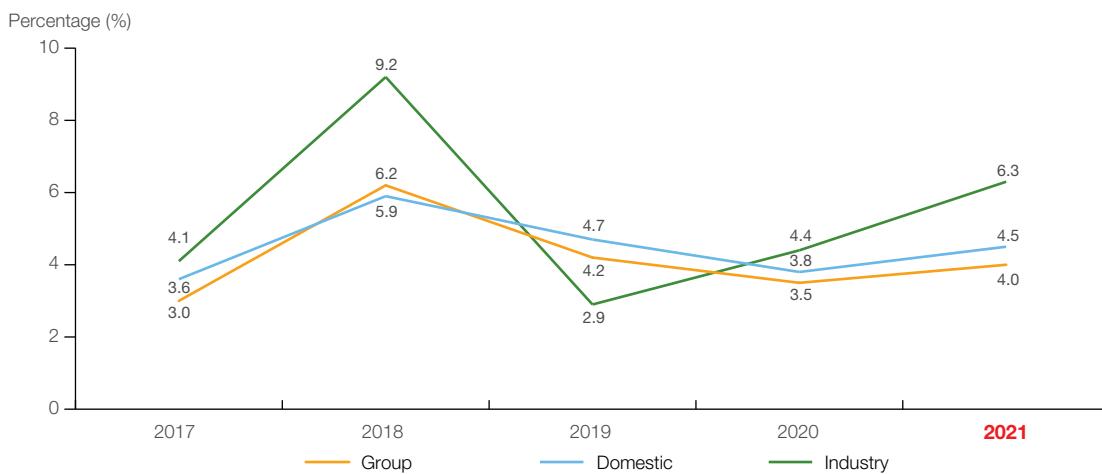
Deposits – Outstanding Balance and Domestic Market Share



Note: From year 2018 onwards, industry figures were revised to include data from MBSB Bank Berhad.

- The Public Bank Group is cognisant of the importance of liquidity strength to preserve the Group's financial resilience especially during macro uncertainties.
- The Group's customer deposits increased by 4.0% or RM14.52 billion to RM380.39 billion as at the end of 2021 mainly supported by strong growth of current and savings accounts ("CASA") of 11.7% or RM12.40 billion to RM118.00 billion as at the end of 2021. Consequently, core customer deposits grew by 5.0% or RM15.63 billion to RM325.77 billion as at the end of 2021.
- The Group's domestic customer deposits market share stood at 16.2% as at the end of 2021, supported by the Group's strong retail franchise and large domestic depositor base.

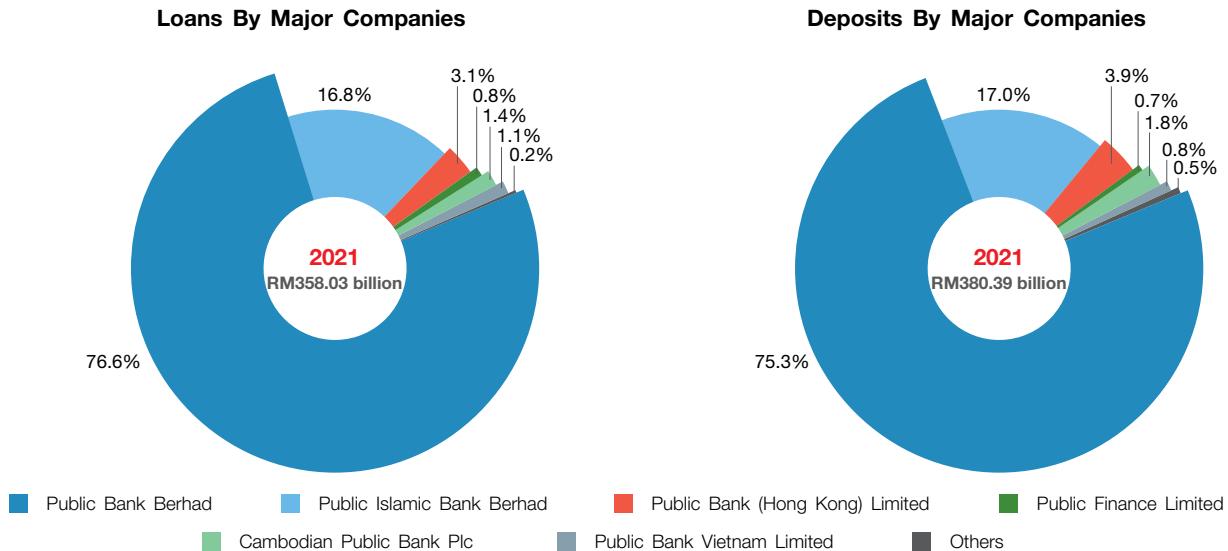
Deposits Growth vs Industry



Note: From year 2018 onwards, industry figures were revised to include data from MBSB Bank Berhad.

- The Public Bank Group's deposits grew by 4.0% in 2021 led by domestic deposits which increased at a faster pace of 4.5%.

(I) LOANS AND DEPOSITS BY MAJOR COMPANIES



Loans and Deposits Growth by Geographical Locations and Major Companies

	Loans Growth Rate		Deposits Growth Rate	
	2021 %	2020 %	2021 %	2020 %
Domestic*	3.4	5.4	4.5	3.8
of which:				
Public Bank Berhad	2.0	4.6	3.8	3.7
Public Islamic Bank Berhad	9.9	9.2	7.3	4.1
Overseas	6.6	(5.9)	(2.2)	1.0
of which:				
Public Bank (Hong Kong) Limited**	0.8	(8.5)	(5.2)	2.5
Public Finance Limited**	(4.2)	(11.2)	(9.2)	(7.4)
Cambodian Public Bank Plc**	2.9	(0.6)	(10.1)	(1.1)
Public Bank Vietnam Limited**	21.6	16.1	10.9	29.0
Group	3.6	4.6	4.0	3.5

* Excluding overseas branches as well as intercompany loans and deposits.

** Loans and deposits growth computed based on their respective local currency.

- The domestic market continues to be the Public Bank Group's key focus. The Group remains committed to strengthen its regional presence and expand its business, particularly in the Indo-China region, capitalising on potential growth opportunities ahead.
- In 2021, the domestic market remained challenging with continued uncertainties and intense competition for loans and deposits. Despite the economic challenges, the Group's domestic loans and customer deposits grew by 3.4% and 4.5% respectively in 2021.
- The performance of the Group's overseas operations was mixed in 2021. Other than Public Bank Vietnam Limited ("PBVN"), the performance of the Group's overseas operations remained lacklustre due to the prevailing economic challenges faced in light of the COVID-19 pandemic. Overall, total loans of the Group's overseas operations grew by 6.6% while total deposits fell by 2.2% in 2021. In particular, PBVN recorded commendable double-digit loans and deposits growth of 21.6% and 10.9% respectively in 2021 as a result of the Group's continued business expansion in Vietnam.

SUMMARY OF GROUP FINANCIAL PERFORMANCE

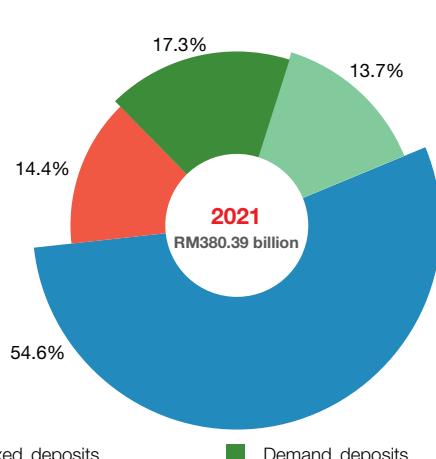
(II) LOANS, ADVANCES AND FINANCING BY KEY RETAIL BANKING SEGMENT

	Outstanding		Growth Rate		Market Share	
	2021 RM'Million	2020 RM'Million	2021 %	2020 %	2021 %	
Residential Properties	147,680	135,970	8.6	8.0		
– Domestic	141,177	129,844	8.7	8.2	20.4	
Passenger Vehicles	56,214	54,983	2.2	6.2		
– Domestic	53,441	52,363	2.1	6.6	30.1	
SME	72,254	70,743	2.1	3.4		
– Domestic	67,868	66,760	1.7	3.4	21.6	

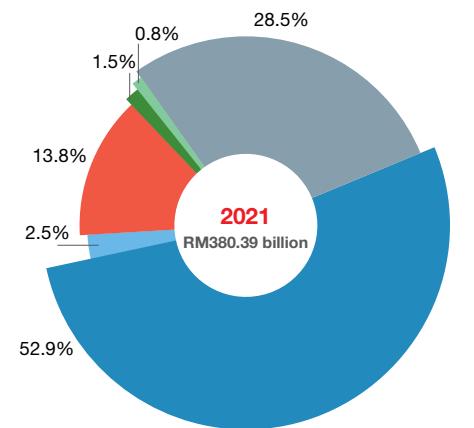
- The Public Bank Group continued to focus its lending activities on the financing for the purchase of residential properties, passenger vehicles and commercial lending to SMEs, which collectively accounted for 77.1% of the Group's total gross loans, advances and financing as at the end of 2021.
- The Group's financing of residential properties, passenger vehicles and lending to SMEs grew by 8.6%, 2.2% and 2.1% respectively in 2021.
- The Group continued to be a market leader in the domestic financing for the purchase of residential properties and commercial lending to SMEs, with market shares of 20.4% and 21.6% respectively as at the end of 2021. The Group also sustained a strong market position in the domestic financing of passenger vehicles with market share of 30.1% as at the end of 2021.

(III) COMPOSITION OF CUSTOMER DEPOSITS

Customer Deposits Mix



Customer Deposits by Type of Customers

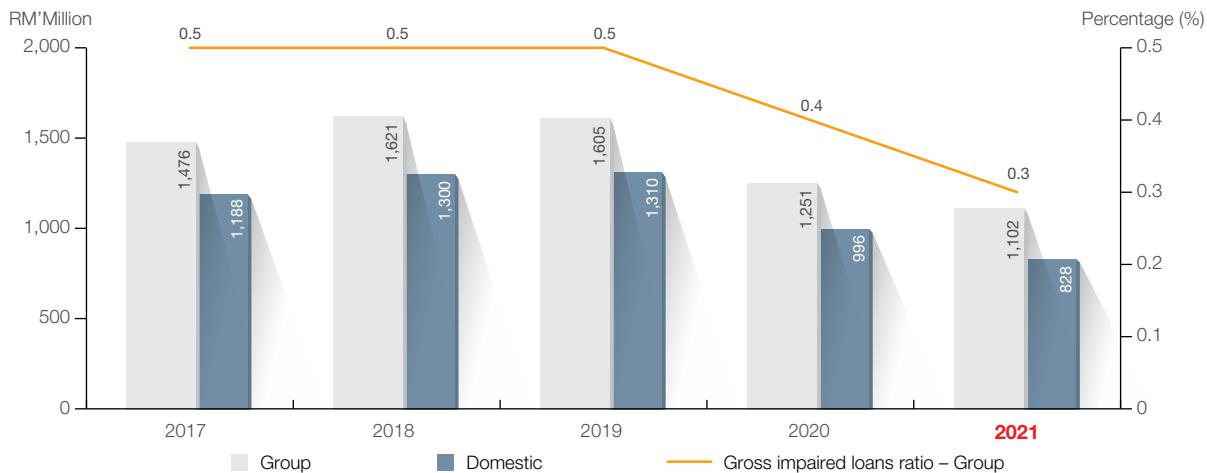


- Core customer deposits consisting of demand deposits, savings deposits and fixed deposits accounted for 85.6% of the Public Bank Group's total customer deposits as at the end of 2021. Driven by robust CASA growth, the composition of CASA mix increased from 28.9% a year ago to 31.0% of the Group's total customer deposits as at the end of 2021.
- Individual depositors remained the largest group of the Group's depositors, representing 52.9% of the Group's total customer deposits as at the end of 2021.

ASSET QUALITY

RESILIENT ASSET QUALITY

Gross Impaired Loans

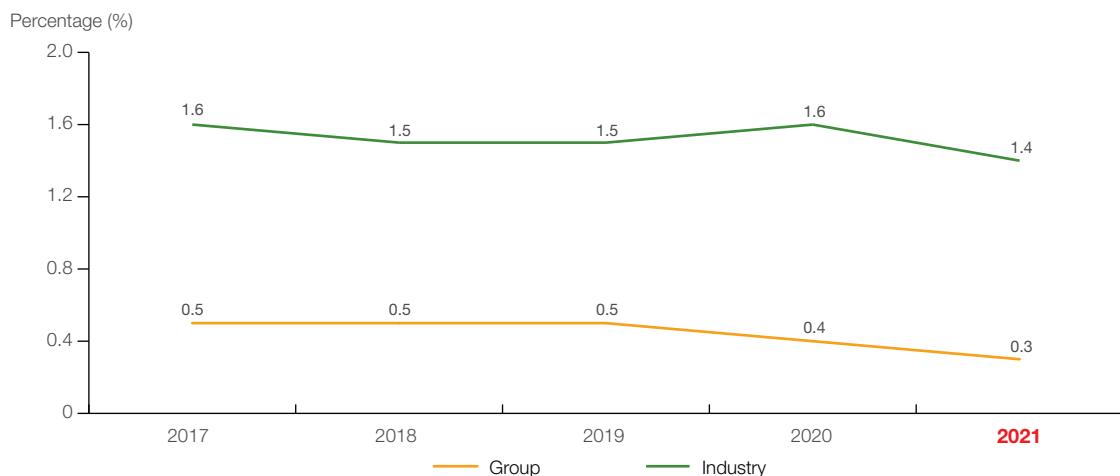


- The Public Bank Group's asset quality remained sound and continues to rank No.1 in the domestic banking industry with the lowest gross impaired loans ratio of 0.3% as of the end of 2021.
- Whilst there remains downside risks of heightened pressure on asset quality, the overall asset quality of the banking sector has remained broadly stable at this juncture, partly supported by the financial and monetary relief measures by both the Government and Bank Negara Malaysia which helped alleviate the exacerbated downside risks.
- In light of the fluid and uncertain business landscape, the Group will continue to prioritise the preservation of its asset quality, maintain prudent provision buffers as well as continue to proactively engage its customers, especially those who are in need of financial assistance through various flexible loan repayment assistance packages. These measures coupled with the Group's resilient credit profile, prudent lending practices as well as its large loan loss reserves will provide adequate loan loss absorption capacity for the Group to weather any potential pressure on its asset quality.

	2021 %	2020 %
Gross Impaired Loans Ratio		
Domestic	0.2	0.3
of which:		
Public Bank Berhad	0.3	0.3
Public Islamic Bank Berhad	0.2	0.3
Overseas	1.2	1.2
of which:		
Public Bank (Hong Kong) Limited	0.9	0.6
Public Finance Limited	1.2	1.7
Cambodian Public Bank Plc	0.6	0.6
Public Bank Vietnam Limited	1.7	1.5
Group	0.3	0.4

- The Public Bank Group's domestic gross impaired loans ratio which stood at 0.2% as at the end of 2021, remained the lowest amongst the Malaysian banking groups.
- The Group's overseas operations also maintained stable asset quality with gross impaired loans ratio of 1.2% as at the end of 2021.

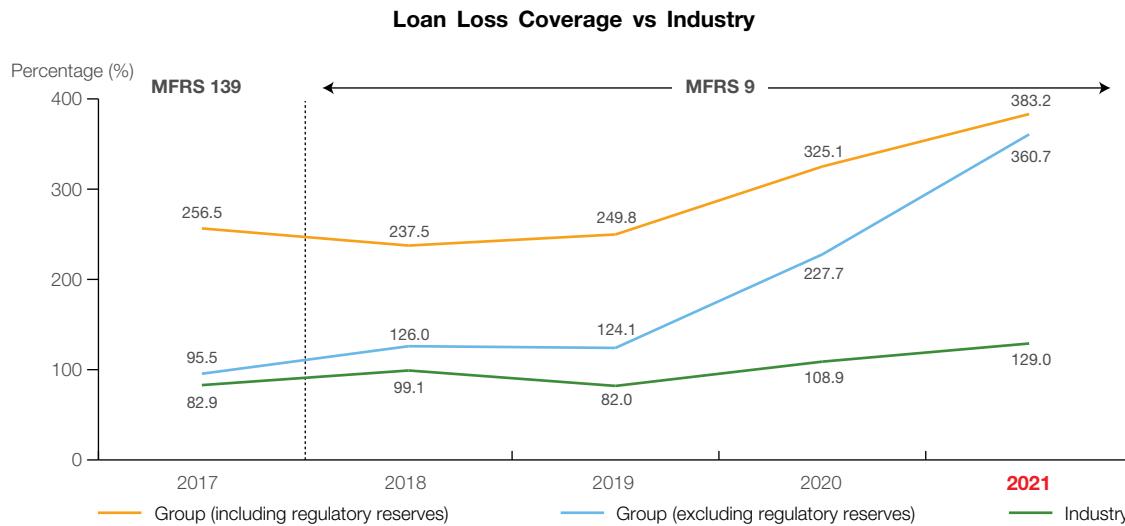
SUMMARY OF GROUP FINANCIAL PERFORMANCE

Gross Impaired Loans Ratio vs Industry

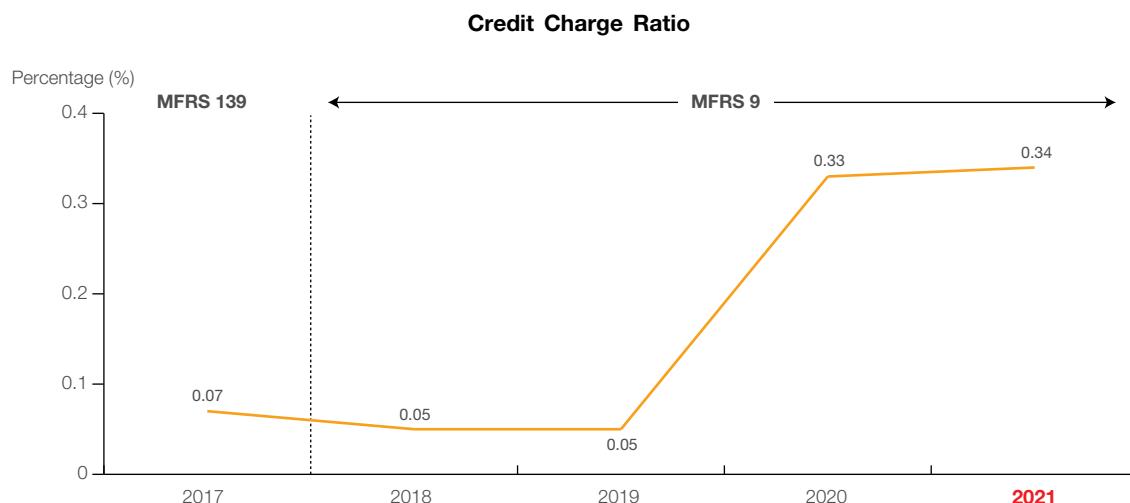
- Over the past five years, the Public Bank Group's gross impaired loans ratio was well below the banking industry's gross impaired loans ratio.

Gross Impaired Loans Ratio by Type	Public Bank Group		Industry Average
	2021 %	2020 %	%
Consumer			
Housing Loans	0.2	0.3	1.2
Hire Purchase	0.3	0.3	0.7
Commercial Properties	0.2	0.2	1.5

- As at the end of 2021, the Public Bank Group's gross impaired loans ratio for housing loans, hire purchase and commercial properties financing of 0.2%, 0.3% and 0.2% respectively, continued to be well below the industry's average of 1.2%, 0.7% and 1.5% respectively.



- Due to the economic uncertainties, the Public Bank Group continued to maintain prudent provisions by setting aside pre-emptive provisions for potential effects from the COVID-19 pandemic. The Group's loan loss coverage ratio further increased to 360.7% as at the end of 2021, which remained significantly higher than the banking industry's loan loss coverage ratio of 129.0%. This is notwithstanding that more than 90% of the Group's impaired loans are secured.
- With the inclusion of the Group's regulatory reserves of RM248.2 million, the loan loss coverage ratio is higher at 383.2%. The Group will continue to preserve its resilient asset quality and maintain prudent loan loss reserves in order to provide a strong buffer to absorb any potential increase in credit loss arising from the uncertainties.



- Prior to the COVID-19 pandemic, the Public Bank Group's credit charge ratio has remained stable and low in line with its strong asset quality over the years. Since 2020, the Group's credit charge ratio has risen significantly due to the prudent pre-emptive provisioning set aside for potential increase in credit losses due to the COVID-19 pandemic.
- The credit charge ratio of the Group increased slightly from 0.33% in 2020 to 0.34% in 2021 due to additional pre-emptive provision set aside for the potential effects of the COVID-19 pandemic.

SUMMARY OF GROUP FINANCIAL PERFORMANCE

COVID-19 DIRECT IMPACTED SECTOR

	Total Outstanding Domestic Loans as at 28 February 2022			
	Public Bank Berhad ("PBB") RM'Million	Public Islamic Bank Berhad ("PIBB") RM'Million	Public Investment Bank Berhad ("PIVB") RM'Million	Total RM'Million
Hotel and Accommodation/Restaurants	4,199	234	4	4,437
Arts, Entertainment and Recreation/Tourism	200	28	–	228
Oil and Gas Related	66	61	–	127
Selective Air/Water/Land Transport	1,593	332	–	1,925
Shopping Malls/Complexes	6,904	–	–	6,904
Total	12,962	655	4	13,621
% of total outstanding domestic loans				4.1%

Based on the Public Bank Group's internal assessment, RM13.62 billion or 4.1% of total outstanding domestic loans as at the end of February 2022 were directly impacted by the COVID-19 pandemic, mainly from shopping malls/complexes sector followed by hotel and accommodation/restaurants and selective air/water/land transport sectors.

COVID-19 REPAYMENT ASSISTANCE ("RA") PROGRAMMES

Since 2020, the Public Bank Group has proactively offered various flexible loan repayment assistance programmes to financially constraint customers/borrowers. These programmes include loan moratorium and the Targeted Repayment Assistance ("TRA"), Expanded TRA, Pakej Perlindungan Rakyat & Pemulihian Ekonomi ("PEMULIH") ETRA as well as AKPK Financial Management and Resilience Programme ("URUS"), offered in various flexible packages to suit the needs of different customers with varying financial conditions.

(a) RA by key business segments

i) Total cumulative loans approved under RA Programmes up to 28 February 2022

Key Business Segment	PBB	PIBB	PIVB	Total	Total RA against Outstanding Domestic Portfolio
	RM'Million	RM'Million	RM'Million	RM'Million	%
Individual	42,917	13,098	–	56,015	24.4
of which:					
Housing Loans	24,759	7,874	–	32,633	23.8
Hire Purchase	7,755	2,642	–	10,397	22.9
Non-Individual	21,551	4,502	130	26,183	24.5
of which:					
Retail Business	17,647	4,042	126	21,815	33.6
Total	64,468	17,600	130	82,198	24.4

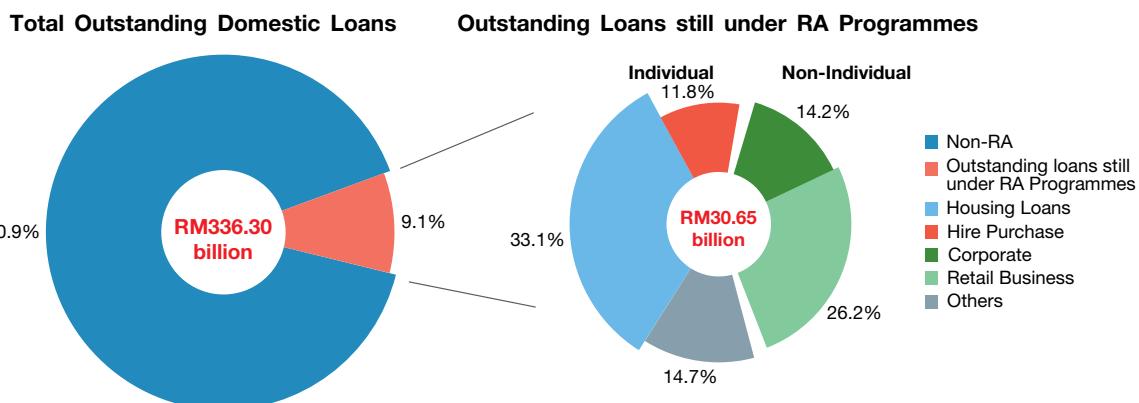
As at the end of February 2022, the Public Bank Group has approved RA amounting to RM82.20 billion or 24.4% of the Group's domestic loans. 78.4% and 21.4% of the Group's RA loans were approved by PBB and PIBB respectively. RA were approved for 24.4% and 24.5% of individual and non-individual loans respectively whilst RA for retail business loans stood at 33.6%. The domestic housing and hire purchase loans which are under RA stood at 23.8% and 22.9% respectively as at the end of February 2022.

ii) Outstanding loans still under RA Programmes as at 28 February 2022

Key Business Segment	PBB	PIBB	PIVB	Total	Total RA against Outstanding Domestic Portfolio
	RM'Million	RM'Million	RM'Million	RM'Million	%
Individual	14,083	4,159	—	18,242	8.0
of which:					
Housing Loans	7,738	2,400	—	10,138	7.4
Hire Purchase	2,661	948	—	3,609	8.0
Non-Individual	10,435	1,910	67	12,412	11.6
of which:					
Retail Business	6,531	1,450	63	8,044	12.4
Total	24,518	6,069	67	30,654	9.1

As more borrowers exited the RA programmes and resumed their normal repayments upon the expiry of these programmes, the domestic RA loans has reduced significantly. As at the end of February 2022, the remaining outstanding loans still under RA Programmes amounted to RM30.65 billion or 9.1% of the Public Bank Group's total outstanding domestic loans. Outstanding loans still under RA Programmes of individual and non-individual loans stood at 8.0% and 11.6% respectively whilst outstanding loans still under RA Programmes for retail business loans accounted for 12.4%. The domestic housing and hire purchase loans still under RA Programmes stood at 7.4% and 8.0% respectively as at the end of February 2022.

(b) Composition of RA loans as at 28 February 2022



>30 days past due as at 28 February 2022:

Key Business Segment	PBB		PIBB		PIVB		Total	
	RA* %	Outstanding Loans %	RA* %	Outstanding Loans %	RA* %	Outstanding Loans %	RA* %	Outstanding Domestic Loans %
Individual	3.1	1.4	4.0	2.0	—	—	3.3	1.5
Non-Individual	1.8	0.8	0.5	0.4	—	—	1.6	0.8
Total	2.5	1.0	2.9	0.3	—	—	2.6	1.3

* Outstanding loans still under RA Programmes.

The Public Bank Group's outstanding loans still under RA Programmes was primarily from housing and retail business loans which represent 33.1% and 26.2% respectively of total outstanding loans still under RA Programmes as at the end of February 2022. In terms of ageing profile, 2.6% of the total outstanding loans still under RA Programmes or 1.3% of the total domestic loans portfolio were past due for more than 30 days as at the end of February 2022.

SUMMARY OF GROUP FINANCIAL PERFORMANCE

FUNDING AND LIQUIDITY

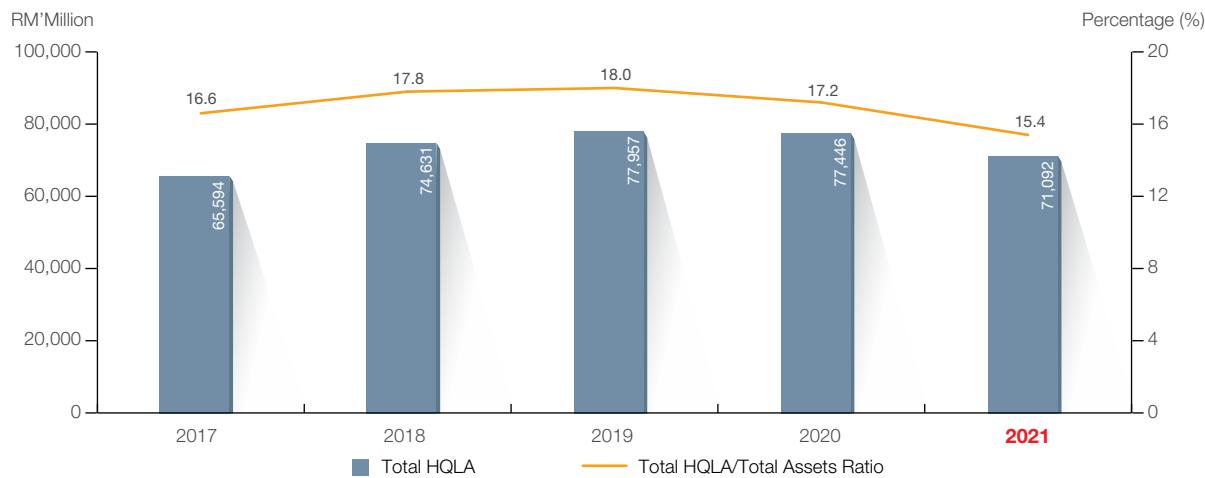
STABLE FUNDING AND LIQUIDITY POSITIONS

Group Funding Profile

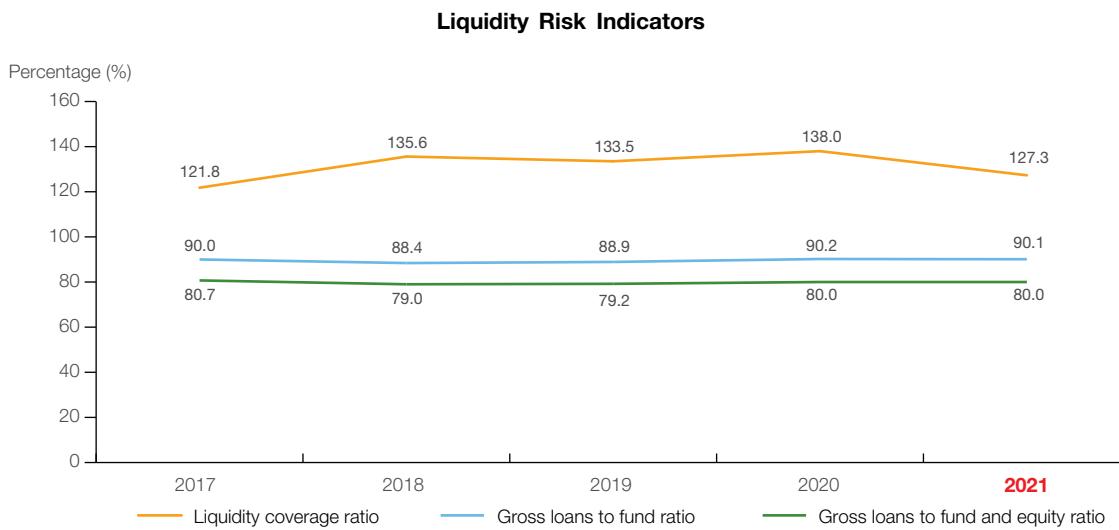
Year	2017 %	2018 %	2019 %	2020 %	2021 %
Core customer deposits	69.5	68.8	69.4	70.2	71.7
Wholesale deposits	12.8	13.4	13.8	12.6	12.0
Deposits from banks	3.0	2.3	2.0	2.4	1.8
Debt capital funding	2.5	2.5	2.2	2.2	1.7
Equity capital	9.6	9.9	10.3	10.7	10.6
Others	2.6	3.1	2.3	1.9	2.2

- Conserving and maintaining healthy liquidity positions are paramount for preserving the Public Bank Group's financial resilience especially during unprecedented times. As at the end of 2021, the Group remained well-funded, supported by its stable funding profile and healthy liquidity position.
- The Group's main funding is derived from core customer deposits, followed by wholesale deposits which contributed 71.7% and 12.0% respectively to the Group's total funding. Over the last five years, core customer deposits contributed approximately two-third to the Group's total funding.
- The Group's equity capital and long term debt capital funding comprising of Senior Medium Term Notes, Subordinated Notes, Subordinated Sukuk Murabahah and additional Tier I Capital Securities formed 12.3% of the Group's total funding as at the end of 2021.

High Quality Liquid Assets (“HQLA”) Profile



- The Public Bank Group continues to maintain high quality, well diversified liquid assets to meet liquidity buffers and regulatory requirements. The Group's high quality liquid assets remained high at RM71.09 billion as at the end of 2021, which formed 15.4% of the Group's total assets as at the end of 2021.



- The Public Bank Group will maintain vigilance and closely monitor developments in the banking system liquidity amidst challenges both domestically and globally. The Group will continue to pursue growth in stable customer deposits and safeguard its deposits market share while exercising prudence in its cash flow to maintain its healthy liquidity position.
- The Group's liquidity position remained stable with a healthy gross loans to fund ratio as well as gross loans to fund and equity ratio of 90.1% and 80.0% respectively as at the end of 2021. The Group's liquidity coverage ratio ("LCR") of 127.3% as at the end of 2021 was also well above BNM's minimum LCR requirement of 100%.

KEY PERFORMANCE INDICATORS

The table below summarises the key performance indicators of the Public Bank Group over the last 5 years.

Key Performance Indicators	2017	2018	2019	2020	2021
Profitability (%)					
Net return on equity	15.8	14.8	13.6	11.2	12.4
Cost to income ratio	31.9	33.0	34.4	34.6	31.6
Asset Quality (%)					
Gross impaired loans ratio	0.5	0.5	0.5	0.4	0.3
Balance Sheet (RM'Billion)					
Assets	395.3	419.7	432.8	451.3	462.7
Gross loans	304.5	317.3	330.5	345.7	358.0
Deposits	319.3	339.2	353.3	365.9	380.4

PROFITABILITY

- The Public Bank Group's profitability improved in 2021 due to the low base effect in 2020 and positive loans as well as deposits growth achieved in the current year.
- The Group sustained the highest net return on equity amongst Malaysian banking groups with net return on equity of 12.4% in 2021.
- The Group's long-standing prudent cost discipline has enabled the Group to continue to be the most cost efficient bank in the domestic banking industry with the lowest cost to income ratio of 31.6%.

ASSET QUALITY

- The Public Bank Group's gross impaired loans ratio of 0.3% as at the end of 2021 remained the lowest and best amongst domestic banking groups.

BALANCE SHEET STRENGTH

- The Public Bank Group's total assets grew by 17.1% since the end of 2017 to RM462.74 billion as at the end of 2021 whilst total loans and deposits increased by 17.6% and 19.1% respectively to RM358.03 billion and RM380.39 billion respectively as at the end of 2021.

MANAGEMENT DISCUSSION AND ANALYSIS – GROUP FINANCIAL REVIEW

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.

Key Financial Indicators	2021		2020	
	Public Bank Group	Latest Industry Average	Public Bank Group	Latest Industry Average
Profitability (%)				
Pre-tax return on average equity	15.7	9.6	14.1	8.4
Pre-tax return on average assets	1.6	1.1	1.4	1.0
Cost to income ratio	31.6	48.1	34.6	44.3
Productivity (RM'000)				
Pre-tax profit/employee	380	NA	324	NA
Gross loans/employee	18,489	NA	17,804	NA
Deposits/employee	19,644	NA	18,846	NA
Asset Quality (%)				
Gross impaired loans ratio	0.3	1.4	0.4	1.6
Loan loss coverage	360.7	129.0	227.7	108.9
Growth Rate (%)				
Gross loans (domestic)	3.4	4.5	5.4	3.4
Customer deposits (domestic)	4.5	6.3	3.8	4.4

NA Not available

The Public Bank Group was the third largest banking group in Malaysia with total assets of RM462.74 billion as at the end of 2021, which accounted for 13.6% of the domestic industry's total assets. The Group's domestic market share of gross loans and customer deposits stood at 17.5% and 16.2% respectively as at the end of 2021.

PROFITABILITY

- The Public Bank Group continued to rank first 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 15.7% and 1.6% respectively, surpassed the banking industry's average of 9.6% and 1.1% respectively.
- The Group continued to be the most cost efficient domestic banking group in Malaysia with the lowest cost to income ratio of 31.6%, which remained well below the banking industry's average cost to income ratio of 48.1%.

PRODUCTIVITY

- The Public Bank Group's gross loans per employee grew by 3.8% to RM18.5 million while deposits per employee increased by 4.2% to RM19.6 million as at the end of 2021. The Group's pre-tax profit per employee also rose by 17.5% from RM323,700 a year ago to RM380,400 in 2021.

ASSET QUALITY

- The Public Bank Group continued to rank first amongst Malaysian banking groups with gross impaired loans ratio of 0.3% as at the end of 2021, which was well below the banking industry's gross impaired loans ratio of 1.4%.
- The Group's loan loss coverage ratio stood at 360.7% as at the end of 2021, which was significantly higher than the banking industry's loan loss coverage ratio of 129.0%.

BENCHMARKING AGAINST BANKING INDUSTRY'S PERFORMANCE

COMPARISON AGAINST KEY DOMESTIC BANKS

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.

Banks	Net Return on Equity %	Cost to Income Ratio %	Gross Impaired Loans Ratio %
Public Bank Group	12.4	31.6	0.3
Malaysia			
Malayan Banking Berhad	9.8	45.3	2.0
CIMB Group Holdings Berhad	7.5	48.6	3.5
RHB Bank Berhad	9.6	45.2	1.5
Hong Leong Bank Berhad	10.7	37.1	0.5
AMMB Holdings Berhad	9.2	43.4	1.3
Affin Bank Berhad	5.4	60.3	2.5
Alliance Bank Malaysia Berhad	10.0	42.6	2.0

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

The Public Bank Group's profitability, asset quality and cost efficiency continued to rank No. 1 amongst key domestic commercial banking groups in Malaysia. The Group recorded the highest net return on equity of 12.4% and lowest cost to income ratio of 31.6% as well as the lowest gross impaired loans ratio of 0.3%.

COMPARISON AGAINST LEADING BANKS IN ASIA PACIFIC

Banks	Net Return on Equity %	Cost to Income Ratio %	Gross Impaired Loans Ratio %
Public Bank Group	12.4	31.6	0.3
Singapore			
DBS Group	12.5	45.2	1.3
UOB	10.2	44.1	1.6
OCBC	9.6	45.0	1.5
Hong Kong			
Hang Seng Bank	7.7	42.6	1.0
The Hongkong and Shanghai Banking Corporation Limited	8.0	58.7	NA
Australia			
ANZ Bank	9.9	52.3	0.3
Commonwealth Bank of Australia	15.2	46.0	0.4
National Australia Bank	10.4	46.5	0.9

* 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 and gross impaired loans ratio were ranked first respectively, while the Group's net return on equity was ranked third.

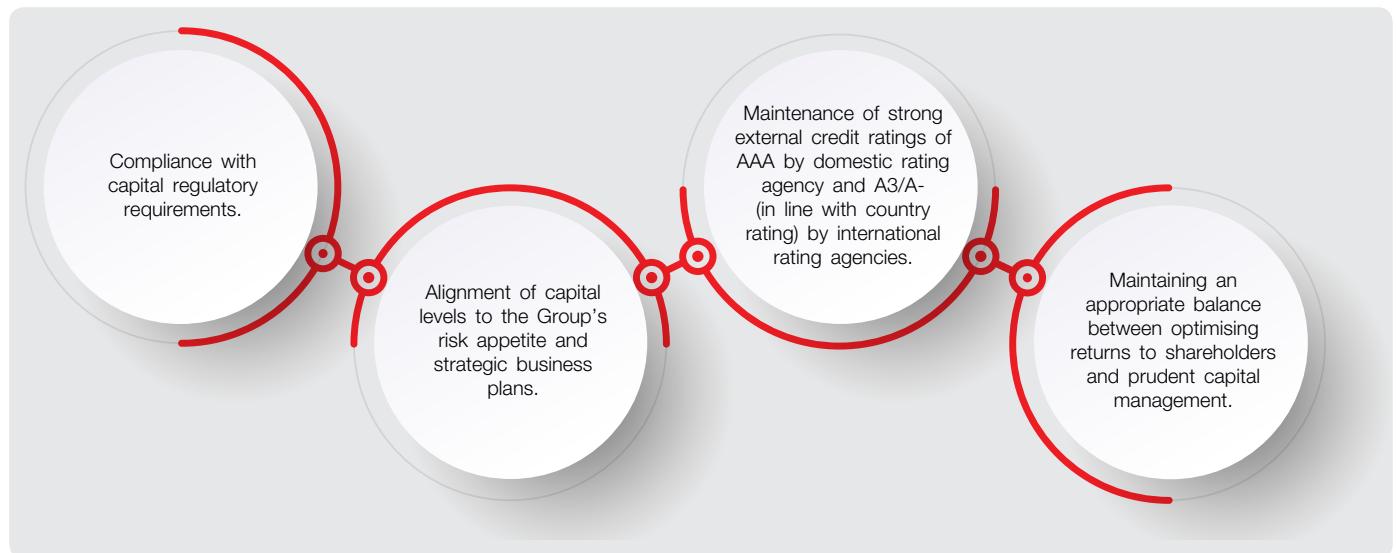
MANAGEMENT DISCUSSION AND ANALYSIS – GROUP FINANCIAL REVIEW

CAPITAL MANAGEMENT

The Public Bank Group's capital management approach is guided by key capital management objectives as set out in the Group's Capital Management Framework. The Group's capital position, capital mix and capital allocation are closely monitored and reviewed to ensure there is sufficient capital to support the Group's business growth and pursue business opportunities, taking into consideration the Group's risk appetite and various stakeholders' expectations.

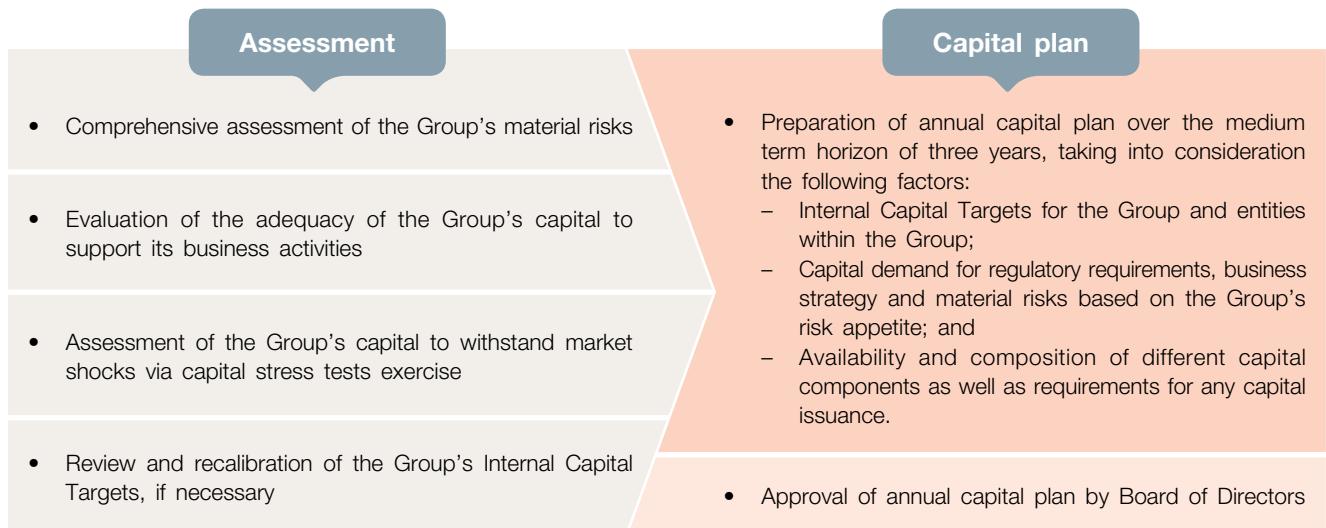
PUBLIC BANK GROUP CAPITAL MANAGEMENT FRAMEWORK

Key Objectives



COMPREHENSIVE RISK ASSESSMENT UNDER THE INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS

The Public Bank Group's capital management objectives are implemented through the Group's Internal Capital Adequacy Assessment Process which are broadly encapsulated as follows:



CAPITAL MANAGEMENT

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 has been designated as a Domestic Systemically Important Bank ("D-SIB") and is required to maintain an additional D-SIB capital buffer of 0.5% in the form of CET I capital with effect from 31 January 2021 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.

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 2021 as compared to the minimum regulatory requirements by the respective central banks of the respective countries in which the Group operates.

Capital Ratios (After Proposed Dividend)	Common Equity Tier I Capital Ratio		Tier I Capital Ratio		Total Capital Ratio/ Solvency Ratio	
	2021 %	Minimum Regulatory Requirements %	2021 %	Minimum Regulatory Requirements %	2021 %	Minimum Regulatory Requirements %
Public Bank Group	14.5	7.5*	14.6	9.0*	17.7	11.0*
Public Bank Berhad	13.3	7.0**	13.4	8.5**	16.6	10.5**
Public Islamic Bank Berhad	11.8	7.0**	11.8	8.5**	15.1	10.5**
Public Investment Bank Berhad	45.6	7.0**	45.6	8.5**	46.5	10.5**
Public Bank (Hong Kong) Limited	20.5	8.0***	20.5	9.5***	21.3	11.5***
Public Finance Limited	25.9	8.0***	25.9	9.5***	26.9	11.5***
Cambodian Public Bank Plc	NA	NA	NA	NA	19.9	15.0
Public Bank Vietnam Limited	NA	NA	NA	NA	30.6	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 1.0%. Under the Banking (Capital) Rules, Hong Kong Monetary Authority can vary any capital requirement rule, including the minimum capital adequacy ratio requirements.

CAPITAL INITIATIVES

The key capital management initiatives that were undertaken by the Public Bank Group during the year are as follows:

(i) Debt Capital

As at the end of 2021, the Public Bank Group has a total of RM6.10 billion Basel III compliant debt capital outstanding comprising:

	RM'Billon
Subordinated notes/Sukuk Murabahah	6.00
Additional Tier I Capital Securities	0.10
	6.10

(ii) Healthy dividend payout

The Public Bank Group aims to pay consistent and sustainable dividends to its shareholders over the long term by balancing growth with proactive capital management.

Despite the challenging macro environment, the Board of Directors declared a second interim dividend of 7.7 sen per share. Together with the first interim dividend of 7.5 sen per share, the total dividend for 2021 amounted to 15.2 sen per share. This represents a total payout of RM2.95 billion or 52.2% of the Public Bank Group's net profit for 2021. The 15.2 sen dividend per share also translates to a dividend yield of 3.7% based on the share price of RM4.16 per Public Bank share as at the end of 2021.

(iii) Superior Returns to Shareholders

As a blue-chip stock, the Public Bank Group's has demonstrated its ability to deliver superior returns to its shareholders, both over the medium term and the long term.

On 29 January 2021, Public Bank completed the bonus issue exercise of 15.53 billion new ordinary shares on the basis of four bonus shares for every one existing Public Bank share held. The bonus issue exercise which aims to reward Public Bank shareholders underpin the value of investment in Public Bank shares as a long term store of value.

Over a medium term horizon of five years, a shareholder of Public Bank who purchased 1,000 Public Bank shares at a price of RM19.72 per share as at the end of 2016 with an initial investment outlay of RM19,720 and have held the shares to the end of 2021 would have received gross dividends totalling RM3,440 and have 5,000 shares (after four for one bonus issue) worth RM20,800 based on Public Bank's share price of RM4.16 per share as at the end of 2021. Together with the dividends received, this investment would give the shareholder a compounded annual rate of return of 4.2% for the five-year period. This outperformed the overall equity market return over the last five years whereby the FTSE Bursa Malaysia Composite Index dropped by 4.5%, from 1,641.73 points as at the end of 2016 to close lower at 1,567.53 points as at the end of 2021.

If a shareholder of Public Bank had bought 1,000 shares in Public Bank when it was listed in 1967, and assuming the shareholder had subscribed for all rights issues to date and had not sold any of the Public Bank shares, he would have accumulated 744,690 Public Bank shares worth RM3.1 million based on the share price of Public Bank shares of RM4.16 as at the end of 2021. In addition, he would have received a total gross dividend of RM1.7 million whilst having only invested a capital outlay of RM235,612, including subscription for all rights issues. The dividends received and the appreciation in share value translate to a remarkable compounded annual rate of return of 18.5% for each of the 54 years that this shareholder has held the share in Public Bank since it was listed in 1967.

CREDIT RATINGS

Public Bank continues to be rated well by RAM Ratings, Standard & Poor's and Moody's Investors Service.

RAM Ratings reaffirmed its highest rating of AAA on Public Bank, which reflects the Bank's ability to offer the highest level of safety for timely payment of its financial obligations. The credit ratings reaffirmed by Standard & Poor's and Moody's Investors Service, which are equivalent to Malaysia's sovereign rating, remained unchanged. Also, the Standard & Poor's negative outlook on the Bank reflects the sovereign credit ratings on Malaysia, of which it does not expect the Bank to be able to withstand the stress associated with a sovereign default.

The credit rating agencies conduct annual reviews on Public Bank. The Bank is committed to maintain its investment grade credit ratings. Through regular engagements with credit rating agencies and regulators, the Bank continues to provide comprehensive, timely and transparent information on its performance, business strategies and prospects.

Rating Agency	Long Term	Short Term	Outlook	Date
RAM Ratings	AAA	P1	Stable	1 June 2021
Moody's Investors Service	A3	P-2	Stable	17 January 2022
Standard & Poor's	A-	A-2	Negative	21 January 2022

DOMESTIC CONSUMER BANKING AND SME LENDING



KEY HIGHLIGHTS IN 2021

Public Bank was awarded with the '**Top FI Partner Award – imSME Category**' and '**Top FI Partner Award – Commercial Bank Category**' by Credit Guarantee Corporation at the 26th FI/DFI & SME Awards 2020. In February 2022, the Bank was awarded the **Best Performance Bank category (Anugerah Prestasi Terbaik 2020 – 2021)** and **Most Coverage for COVID-19 Financing Scheme (Anugerah Pengiktirafan Khas 2020 – 2021 – Liputan Terluas Bagi Skim COVID-19)** by Syarikat Jaminan Pembiayaan Perniagaan.

The Public Bank Group remained the **largest financial provider for residential and non-residential properties financing in Malaysia** with market shares of **20.4%** and **34.2%** respectively as at the end of 2021. The Group's **passenger vehicle hire purchase maintained a strong market share of 30.1%** as at the end of 2021.

The Public Bank Group's **total domestic core customer deposits increased by 5.8%** mainly supported by **strong current account and savings deposits ("CASA") growth of 13.2%**. The Group's **total domestic deposit market share stood at 16.2%** as at the end of 2021.

The Public Bank Group's asset quality remained resilient. **Gross impaired loans ratio for domestic residential and non-residential properties as well as vehicle hire purchase loans portfolio stood at 0.2%, 0.2% and 0.3% respectively.**

Since the COVID-19 pandemic, the Public Bank Group has implemented **various flexible relief assistance packages to assist individuals and businesses** who have been affected by the pandemic.

DOMESTIC CONSUMER BANKING AND SME LENDING

PUBLIC BANK GROUP'S RESPONSE TO COVID-19 PANDEMIC

REPAYMENT ASSISTANCE[#]

Approved about **RM82.0 billion*** benefitting nearly **438,000 customers**

April 2020 – September 2020	w.e.f. July 2021
Automatic Loan Moratorium	Pakej Perlindungan Rakyat dan Pemulihan Ekonomi (“PEMULIH”) ETRA
• 6-month automatic loan moratorium for individuals and small and medium enterprises (“SME”)	• 6-month loan moratorium or 50% reduction in loan repayment for individuals, SMEs and microenterprises
w.e.f. October 2020	w.e.f. November 2021
Targeted Repayment Assistance	Credit Counselling and Debt Management Agency (“AKPK”) Financial Management and Resilience Programme (“URUS”)
• 3-month extension of loan moratorium for individuals who lost their jobs and yet to find new jobs	• Comprehensive Financial Assistance Scheme for B50 who lost their jobs or with income reduction of 50% or more
• Reduced loans repayment for at least six months for individuals/ SMEs who are employed but with salary/income reductions	
w.e.f. December 2020	Loan Moratorium to Customers Affected by Flood
Expanded Targeted Repayment Assistance (“ETRA”)	w.e.f. 21 December 2021
• B40 individuals who are recipients of Bantuan Sara Hidup/ Bantuan Prihatin Rakyat, M40 individuals registered under Bantuan Prihatin Nasional and microenterprises	RM927.6 million
• 3-month deferment of loans repayment for B40 individuals who are recipients of Bantuan Sara Hidup	loan moratorium granted to
• 50% reduction of existing monthly instalment for six months	3,348 customers

FUNDING ASSISTANCE

Special Relief Facility and Others** Extended about **RM3.4 billion*** benefitting more than **17,700 SMEs**

ENHANCEMENT OF BANKING PRODUCTS AND SERVICES

Ensuring Uninterrupted Banking Services

- Enhanced functionalities of PBe internet banking, PB engage mobile banking and PB enterprise
- Facilitating customer onboarding via digital platforms
- Strengthening cybersecurity amid the increasing usage of online banking

Banking Products

- The Public Bank Group launched the PB Journey Mobile Application to assist parents in educating children on financial planning and inculcating saving habits
- The Group launched a series of new campaigns/initiatives under the PB Journey Programme offering promotional and bonus interest rates, cash prizes, discounted service fees for will and wasiat writing services as well as other privileges

HEALTH AND PRECAUTIONARY MEASURES

Public Bank adopted various health and precautionary measures to ensure the safety of its employees and customers

- Social distancing measures were strictly enforced in the Bank's premises
- There were regular sanitisation of the Bank's premises and facilities
- Hand sanitisers were provided at all entry points of the Bank's premises
- To give customers peace of mind while conducting their banking business, Public Bank implemented the following initiatives:-
 - Public Bank participated in the Corporate Vaccination Programme for employees, incurring more than RM810,000
 - The Bank's workforce in the office during the movement control order was reduced and based on staggered working hours while employees were also deployed at different work sites to reduce physical contact
 - The Bank conducted COVID-19 mass screening for employees
 - Home health management was provided to employees in the Klang Valley area who were under home quarantine due to COVID-19

[#] Excluding automatic loan moratorium and flood moratorium

^{*} As at the end of February 2022

^{**} Others include PENJANA SME Financing, PENJANA Tourism Financing, Government Guarantee Scheme, All Economic Sectors Facility, Agrofood Facility, Automation and Digitalisation Facility, Micro Enterprises Facility and Targeted Relief and Recovery Facility

ANTICIPATED RISKS

Challenging operating and business environment

- Risks to the domestic consumer banking and SME lending business are mostly surrounding developments of the COVID-19 pandemic. Globally, the containment efforts resulted in a wide-spread economic impact, including disruptions to supply chains.
- Purchases of residential properties are dependent on the overall labour market and investor sentiment. There may also be risk of project abandonment or slower-than-expected progress of construction due to tight cash flows faced by construction companies.
- The share trading and share margin financing business is dependent on the overall market conditions. Capital market conditions are susceptible to various factors, including changes in regulations, political conditions, uncertainty in interest rates, foreign currency fluctuations and global economic conditions.

Intense competition

- Competition among auto vehicle financiers remains intense while pricing pressure would result in margin compression. However, automotive sales will potentially be driven by expected economic recovery and extension of sales tax exemptions till 30 June 2022.
- Credit and debit cards are expected to remain highly competitive in view of the demand for contact-free, online and/or cashless transactions which have been widely adopted across the world as the COVID-19 pandemic hastened digitalisation efforts and the overall speed of transition, adaptation and adoption of technology.
- Competition for retail deposits is expected to remain intense as customers search for better investment yields as compared to traditional deposit savings amid a low interest rate environment.

Heightened cybersecurity risk with increased digitalisation

- With the COVID-19 pandemic causing rapid shift towards digital banking, cybersecurity risk has also increased amid the rise of fraudulent cases.
- In view of the heightened risk of cybersecurity, there is a need to continuously enhance cyber defences and develop appropriate countermeasures and promote awareness on cybersecurity to ensure adequate protection of customers' information.

Risk of credit deterioration

- Amid the ongoing macro challenges owing to the COVID-19 pandemic, there will continue to be potential asset quality risk.

PROSPECTS

The Malaysian economy is on a recovery path supported by key economic sectors and global growth. The recovery of key sectors of the economy amid the lifting of movement control restrictions supported by various Government initiatives are expected to uplift sentiment and contribute towards economic growth. The introduction of various initiatives by the Government such as stamp duty exemption for first time house buyers and the abolishment of Real Property Gains Tax on property disposals from the sixth year of ownership would augur well for the property sector. The risk of homebuyers defaulting on loans are expected to be minimal if homes are purchased for owners' occupation.

Automotive sales are also expected to recover following the relaxation of movement restriction and improved demand. The Malaysian Automotive Association ("MAA") projects automotive total industry volume to grow by 17.9% to 600,000 units in 2022.

As doing business in a new normal operating environment includes cashless and e-payments, Public Bank's credit card business is expected to grow as it caters to the various needs of customers while adhering to regulatory requirements.

The demand for working capital and/or capital expenditure are expected to increase supported by various fiscal efforts and normalisation of economic activities in line with the National Recovery Plan ("NRP") while ensuring business viability and sustainability ahead.

DOMESTIC CONSUMER BANKING AND SME LENDING

Business Outlook

Short term

- The Public Bank Group will continue to provide financial support to viable customers amid challenges arising from the COVID-19 pandemic. The Group remains supportive of various Government measures to spur growth in the property market. The Group will also continue its marketing and promotion on financing of affordable housing with competitive pricing and flexible loan product packages in order to sustain its leading market position.
- The Public Bank Group's vehicle hire purchase financing segment will be supported by the growing number of back-logged bookings of popular vehicle models. Also, the extension of sales tax exemption to 30 June 2022 will be supportive of automotive sales in the first half of 2022.
- The Public Bank Group's credit card business will remain focused on meeting the evolving needs of customers while adhering to BNM's regulatory requirements. The Group will continue to explore new initiatives as it promotes e-payments among its customers. The Group is expected to continue to strategically grow its card base and market share through relevant acquisition campaigns based on current market trend.
- For share margin financing, the Public Bank Group will continue to improve its service delivery channels to cater to the needs of customers.
- The Public Bank Group will continue to attract new customer deposits as well as enhance its suites of products and services to provide value added benefits and improve customer banking experience. The Group will continue to launch online campaigns while it accelerates engagement for deposits acquisition and digital transactions.
- The Public Bank Group is highly supportive of the Government's and BNM's initiatives and will continue to provide financial support to SMEs.

Medium term

- The Public Bank Group will continue to review and further enhance its home financing packages in order to stay competitive in the market.
- The Public Bank Group's vehicle hire purchase financing segment will be supported by the launching of new vehicle models and aggressive promotional campaigns by car dealers.
- The Public Bank Group will further enhance its fee-based income by leveraging on its vast distribution network and extensive customer database.
- The Public Bank Group will bring added value through attractive campaigns to retain existing card users while attracting new card holders. To provide more seamless and secure payment methods for card members to perform in-store, in-app and online payments, the Group will enhance its collaboration with third-party partners.
- For its share trading and share margin financing customers, the Public Bank Group will continue to focus on efficient and excellent service delivery whilst pursuing new growth opportunities as a one stop service delivery channel. As for digitalisation, the Group is embarking on semi-autonomous onboarding of new PBe Sharelink customers via PBe Info Site.
- The Public Bank Group will constantly enhance its product features as well as offer new products and services to meet the needs of different customer segments while providing a sustainable platform for better wealth management.
- The Public Bank Group will continue to embark on competitive online campaigns for new generation affluent customers who are more technology savvy. The Group is exploring offsite marketing initiatives by adopting account opening via handheld devices such as tablets for potential Red Carpet Banking ("RCB") customers, especially for new-to-bank customers and those who are unable to visit the branches or RCB centres. The Group will also leverage on its new lifestyle app ("MyPB") to provide services to PBe customers with additional features exclusively for potential/existing RCB customers.
- The Public Bank Group will continue to cater to the needs of the SMEs by providing a suite of suitable products and services.

Long term

- With increased awareness of climate-related risks amongst customers, the Public Bank Group will continue to assess and embed climate-related risks considerations in its lending decisions.
- The Public Bank Group will remain committed and fully supportive of the Government's effort to promote easier access to home ownership.
- The Public Bank Group will remain focused on driving its domestic vehicle hire purchase financing growth, with emphasis on energy efficient vehicles end financing in support of green as well as environmental, social and governance friendly financing.
- The Public Bank Group will continue to grow its card base and market share with appropriate value added propositions, including pricing strategy, to cater to various needs of customers and to provide excellent customer service.
- The Public Bank Group will seek more opportunities to collaborate with other business partners to offer value added benefits and provide better services to customers.
- The Public Bank Group will leverage on opportunities to attract affluent customers while it continues to explore distinctive privileges to offer to premier banking customers.
- The Public Bank Group will continue to innovate new products and participate in various schemes to assist SMEs to automate processes and digitalise business operations in order to stay competitive.

OVERVIEW

The Public Bank Group's domestic banking encompasses consumer banking and lending to the small and medium enterprises ("SME"), which contributed 87.5% to the Group's total domestic lending portfolio as at the end of 2021. The Group provides a comprehensive range of conventional and Shariah compliant retail loans/financing, deposits products and financial services to customers.

DOMESTIC CONSUMER BANKING

The Public Bank Group's domestic consumer banking comprises of the following segments:-

- (i) Residential property financing;
- (ii) Passenger vehicle hire purchase financing;
- (iii) Personal consumer financing;
- (iv) Credit and debit cards;
- (v) Share margin financing; and
- (vi) Customer deposits.

Residential Property Financing

In 2021, the property market for residential property gradually improved supported by various Government policy measures such as the extension of Home Ownership Campaign featuring stamp duty and real property gains tax exemptions. The revival of buyer interest and consumer sentiment, particularly after the reopening of economic sectors, also contributed to the gradual recovery in the property market.

Performance review

Despite the economic uncertainties and market challenges arising from the COVID-19 pandemic in 2021, the Public Bank Group's domestic loans portfolio of residential properties which represented 42.2% of the Group's total domestic loan portfolio grew by 8.7% to RM141.18 billion as at the end of 2021. The Group remained the largest financial provider for residential properties in Malaysia with a market share of 20.4% as at the end of 2021, up from 20.0% a year ago.

In 2021, total residential property loans approved amounted to RM20.86 billion, which accounted for 37.2% of total domestic loans approved by the Public Bank Group. The Group continued to focus in the mass market segment which is the financing of residential properties priced between RM100,000 and RM500,000. In 2021, residential properties priced between RM100,000 and RM500,000 accounted for 56.7% of the Group's total number of residential property loans approved.

The asset quality of the Public Bank Group's domestic residential property loans remained resilient. The Group's gross impaired loans ratio for the domestic residential property loans segment was 0.2%

as at the end of 2021, which remained well below the industry's gross impaired loans ratio of 1.2%. Aside from the ongoing repayment assistance, the Group's strong credit foundation laid over the years supported by its prudent policy and stringent loan assessments had contributed to its strong asset quality despite the economic uncertainties and market challenges.

Product and marketing initiatives

The Public Bank Group's strong branding, efficient loan service delivery and extensive branch network nationwide enabled the Group to establish a strong foothold as a leading residential property financial provider. The Group also leveraged on its strong alliances with solicitors, reputable property developers, property valuers and real estate agents for ongoing business support.

Product/Initiative	Results
The Public Bank Group's flagship packages are:- – Home Ownership Made Easy; and – Mortgage Refinancing.	These plans for residential property loans were approved for approximately 47,000 customers.
Prescribed Home Financing – Provides financing for residential properties within the price range of RM250,000 to RM300,000.	The Public Bank Group's outstanding loans amounted to RM3.01 billion as at the end of 2021.
PB First Home – Provides financing for first time house buyers. – Individuals with household income of up to RM5,000 are eligible for financing of residential property with purchase price not exceeding RM300,000 at margin of financing up to 110%.	A total of RM126.4 million were approved and accepted by approximately 650 customers in 2021.
PB Journey EzPay – Provides financing for homebuyers by lowering initial financial commitment. – Additional repayment option for completed properties which provides customers the option to service interest for the first 12 months from first disbursement.	A total of RM1.2 million were approved and accepted in 2021.
Promotional Rates for Home Financing – Extension of offer period until June 2022 in order to provide lower financing cost to home buyers.	This is an ongoing campaign.

DOMESTIC CONSUMER BANKING AND SME LENDING

Passenger Vehicle Hire Purchase Financing

In 2021, the automotive industry started the year in a positive note supported by increase in total industry volume which grew by 89.0% in the first five months as compared to the same period in 2020. The new passenger vehicle segment dominated sales growth, driven by sales tax exemption introduced in June 2020.

However, in the second half of 2021, the automotive industry was beset by production delays due to a shortage in electronic chips and the implementation of the movement control order in June 2021 to curb drastic increase in COVID-19 cases. Nevertheless, sales of motor vehicles recovered in the fourth quarter of 2021 following the gradual resumption of car dealers' and manufacturers' operations in August 2021. In addition, sales tax exemption coupled with aggressive promotional campaigns launched by car dealers in the last quarter of 2021 cushioned the adverse sales impact during the movement control order.

Performance review

The passenger vehicle hire purchase financing segment remained one of the key retail lending businesses for the Public Bank Group, representing 16.0% of the Group's total domestic loan portfolio. In spite of the volatile automotive industry, the Group's domestic vehicle hire purchase portfolio increased by 2.1% to RM53.44 billion as at the end of 2021. The Group maintained a strong market share of 30.1% as at the end of 2021, higher than 29.8% a year ago. The Group's asset quality remained stable with its gross impaired loans ratio of 0.3% as at the end of 2021, which was below the industry's ratio of 0.7%.

Key priorities and achievements in 2021

- The Public Bank Group collaborated with established and reputable car dealers to drive business volume.
 - Sustained existing business rapport with more than 2,700 established and reputable car dealers.
 - Expanded dealer network by adding more than 250 new panel car dealers.
 - Continued to explore collaboration with car dealers to integrate vehicle financing as well as facilitate stock-finance and end-finance arrangement.
- The Public Bank Group scaled further its digitalisation efforts to promote operational resilience by eliminating redundancy as well as integrating flexibility and agility in its operations.

Marketing and promotional initiatives

- The Public Bank Group has established the following exclusive tie-ups with several car manufacturers and companies in Malaysia:-
 - Interest subsidy programme for financing of Mitsubishi Triton vehicles sold by Mitsubishi Motors Malaysia, Subaru and Honda authorised dealers as well as selected Nissan vehicles by Edaran Tan Chong Motor Sdn Bhd.
 - Lexus Malaysia offers special sales promotion to the Bank's customers who purchased selected Lexus vehicles.
 - Interest subsidy programme for the financing of second hand vehicles sold by Carsome Sdn Bhd.
- PB On-the-Go Campaign 2021 – HP Promotional Campaign for the financing of second hand vehicle.
- Joint promotion of new Lonpac Motor Insurance via Short Message Services blasting.

Digital initiatives

- Migration of loan origination system to adopt a newer technology on Microsoft.NET platform which lays out a more concise, conducive and user-friendly working platform.
- Implementation of Hire Purchase (“HP”) Business Application Scorecard (“A-Score”) to better quantify the risk associated with vehicle financing and to further enhance Public Bank’s existing Credit Risk Rating Scoresheet for business enterprises.
- Implementation of 2nd Generation Individual HP A-Score as part of the continuous effort to improve Public Bank’s hire purchase service delivery, while taking into consideration its credit risk management.
- Digitalisation of procuring Personal Data Protection Act 2010 consent for individual HP applications in order to improve operational efficiency and enhance competitiveness.

Other initiatives

- Exclusive collaboration with MyTukar and Carsome, which are online bidding platform operators for stock-finance and end-finance arrangement for bidding of vehicles by its members as well as to extend a wholesome financing solutions to MyTukar and its members.
- Implementation of e-Settlement with Perodua Sales Sdn Bhd through Interbank Giro payment.
- Customer retention programme by extending a Blanket HP facility to existing corporate valued customers.
- Formation of Cross-selling Unit Executives in HP Centre to enhance ancillary non-HP interest income via cross-selling of banking products by tapping into existing and newly onboarded HP customers.

Personal Consumer Financing

The Public Bank Group's domestic personal consumer financing is largely contributed by Public Islamic Bank's Bai' Al-Einah ("BAE") Personal Financing-i which is offered to employees from various organisations such as Government agencies, statutory bodies, Government linked corporations and large corporations. In 2021, there were a total of 293 entities with agency arrangements with Public Islamic Bank. Owing to the challenging macro environment amid the COVID-19 pandemic, a more robust credit assessment is undertaken in line with the Group's risk appetite. Total financing outstanding of BAE Personal Financing-i increased marginally by 0.4% to RM1.71 billion as at the end of 2021.

Credit and Debit Cards

2021 was a challenging year for the credit and debit cards industry as consumer spending fluctuated in tandem with the various movement restrictions and relaxation. Despite the challenging operating environment, Public Bank sustained growth in its credit and debit cards base. Merchant acceptance base also expanded as the Bank introduced new e-commerce solutions, including tokenisation and digital invoicing for merchants as it capitalised on the shift to online and cashless payments.

Performance review

Public Bank's card business grew in 2021 mainly supported by its existing customers and newly acquired customers through its business network expansion and support from retail merchants, backed by various branding and marketing initiatives.

In 2021, Public Bank's credit card base grew by 6.4%, bucking industry's trend of a 1.3% contraction. Credit card base grew, driven by extensive marketing efforts to acquire new customers, cross-selling initiatives and retention of existing customers.

Public Bank's total credit card sales increased by 13.5% and credit card receivables rose by 9.2% respectively in 2021, which fared better than the industry of 8.8% and -0.7% respectively.

The debit card segment was driven by the increase in debit card base by 3.4%. Meanwhile, debit card usage recorded a strong increase of 29.5% in 2021.

In view of the shift towards e-commerce by merchants, Public Bank subscribed to CyberSource Payment Gateway services which complied with the international card brands' standards for e-commerce transactions authentication standard and provide an improved online experience using tokenisation functions. The new authentication protocol comes with added features to support the requirements of changing business needs with improved security to complement the payment card industry standard. The digital invoicing feature provides merchants the ease and speed of e-payments especially during the movement control order.

Public Bank's merchant sales increased by a healthy 17.8% in 2021 in support of the shift towards cashless payments. The Bank added approximately 19,000 units of merchant terminals, bringing the total to about 118,700 units located at more than 77,600 merchant outlets as at the end of 2021.

New products and marketing initiatives

Throughout the year, Public Bank offered attractive rewards and merchant privilege programmes to promote its overall portfolio growth through its card acquisition, cross-selling initiatives, card usage and spending. In the first half of 2021, the Bank launched the 'Your Gift Your Choice' campaign to encourage card acquisition and usage. Several campaigns were launched in the third quarter of 2021, such as 'PB Rewards You with More Cash back' and 'Your Gift Your Choice II', which encouraged spending as well as increased billings and receivables. Public Bank developed targeted programmes to cross-sell credit cards to existing customers by leveraging on its database across its widely distributed branch network.

Public Bank also developed new thematic campaigns to support local businesses such as 'Satisfy your Durian Cravings with PB Card' and 'Cuti-Cuti Malaysia with PB Cards' while partnering with major card brands such as Mastercard, Visa, PayNet and Unionpay to drive card usage and spending.

Digital initiatives

Public Bank expanded further its digitisation efforts as it continues to seize opportunities amid the pandemic.

CyberSource Payment Gateway

The approach for authentication of payments was improved further through Visa and Mastercard's tokenisation functions which enhanced further customers' online experience. The new authentication protocol comes with added and improved security features which complement the payment card industry standard. The digital invoicing feature provides merchants the ease and speed of enabling online e-payments which is especially crucial with the increasing demand for cashless and online transactions during the pandemic and the movement control order.

Online Credit Card Application platform

In August 2021, the online credit card application platform was enhanced further to allow for on-the-go and flexible onboarding of new credit card applications, anytime and anywhere.

DOMESTIC CONSUMER BANKING AND SME LENDING

Share Margin Financing

The Public Bank Group's share trading and share margin business segment provides a wide range of margin and non-margin products with convenient share trading infrastructure to customers for their investment and trading activities. Interest and brokerage incomes formed the main bulk of the income generated from this business segment.

Public Bank's share trading and share margin business recorded a decline in share trading volume by 24.2% or RM12.67 billion to RM39.70 billion in 2021. The decline was partly due to lower retail participation in the second half of 2021 amid market uncertainties. As a result, brokerage income fell by 23.0% or RM32.9 million to RM110.2 million in 2021.

Customer Deposits

Domestic Core Customer Deposits	2021 RM'Billion	2020 RM'Billion	Growth %	Market Share %
Demand Deposits	59.95	53.61	11.8	12.5
Savings Deposits	45.55	39.55	15.2	18.7
Fixed Deposits ("FD")	192.50	188.58	2.1	18.9
Total Domestic Core Customer Deposits	298.00	281.74	5.8	17.2

Performance review

The Public Bank Group's total domestic core customer deposits increased by 5.8% to RM298.00 billion as at the end of 2021, mainly driven by strong current account and savings deposits growth of 13.2%. Despite the intense competition for customer deposits within the banking sector, the Group was able to achieve healthy growth of its domestic core customer deposits with current account and savings deposits growth of 11.8% and 15.2% respectively. Meanwhile, the Group's FD grew by 2.1% in 2021. The Group's core customer deposits market share stood at 17.2% as at the end of 2021.

Key priorities and achievements in 2021

PB Journey Mobile Application ("app")

- In terms of digital initiative, a non-financial mobile application was launched on 2 August 2021 which assists parents in inculcating habits of savings and early financial planning education for their children.
- The app comprises of two main modules, namely Pocket Money and Goal Setting, which aim to create interactive learning between parents and children on value of money while assisting children in achieving their savings goal.
- Educational videos are available in the app to educate children on financial planning and to raise awareness on the importance of savings.
- About 1,100 app users signed up in 2021.

PB Journey Programme

- The Public Bank Group has introduced the PB Journey Programme in 2020 to assist customers who were adversely impacted by the COVID-19 pandemic. In 2021, the Group launched a series of new campaigns/initiatives under the PB Journey Programme offering promotional FD interest rate, cash prizes, bonus interest rates, discounted service fees for will and wasiat writing services as well as other privileges to customers of various age groups.

Marketing and promotional initiatives

The Public Bank Group has launched several tactical campaigns and promotional initiatives in 2021 as part of the Group's strategy to ensure continuous growth of new deposits and to increase its retail customer base. The tactical campaigns also comprised a series of campaigns under the PB Journey Programme especially for senior citizens, children and millennials. Additionally, product bundling initiatives were included to improve Public Bank's product offerings whilst some campaigns aimed at encouraging online banking transactions or fixed deposits placements were also launched.

Campaigns by Public Bank

- PB Journey Golden Savers Campaign
- PB Journey Junior Savers Campaign
- PB Journey Wealth Builders Programme
- PB Golden Fortune 2021 Campaign
- Gold Investment Account Campaign
- PB eFD via FPX Campaign
- PB Journey Car Secure Campaign
- PB Journey App Campaign

Joint campaigns by Public Bank and Public Islamic Bank

- PB Fixed Deposit/Term Deposit-i Campaign

As a result of the Public Bank Group's focused marketing efforts, these campaigns, including exclusive campaigns offered to RCB customers, generated total deposits amounting to RM45.03 billion.

Red Carpet Banking

Under the Red Carpet Banking ("RCB") rebranding initiative to grow the RCB customer base, invitation of RCB membership and RCB exclusive campaigns have been extended nationwide. RCB focuses on growing its new-to-bank customers by establishing productive and long lasting business relationship as well as providing exclusive RCB benefits and privileges to customers.

The acquisition of new RCB customers grew by more than one fold to over 52,000 in 2021 whilst the average product holding per RCB customer was 4.6 products in 2021. Branches and RCB centres actively tapped on opportunities by promoting Public Bank's products to the newly acquired RCB customers to enhance customer's product holding with the Bank.

Key priorities and achievements in 2021

Acquiring new RCB members especially new-to-bank customers and increase fresh deposits

New RCB customers acquired rose by more than one fold in 2021.

Opening of two new RCB centres

One RCB centre was opened in Bukit Mertajam branch and Jalan Yang Kalsom branch, which is the first RCB centre in Central region.

Improve RCB customers' product holdings

The average product holding was 4.6 products per customer. RCB team will continue to actively cross-sell Public Bank's products to newly acquired RCB customers to improve customers' product holdings with the Bank.

DOMESTIC CONSUMER BANKING AND SME LENDING

Marketing and promotional initiatives

Several campaigns were exclusively launched for RCB customers during the year which included campaigns to reward RCB customers for their continuous support.

- PB RCB Fixed Deposit/Term Deposit-i Campaign
- PB RCB Invitation Campaign
- PB Premier High Yield Fixed Deposit Campaign
- RCB Birthday Month Privileges Campaign
- PB Journey Programme – Product Holding Reward
- PB Journey Programme – RCB Appreciation Reward
- Enjoy Special Privileges with RCB Mastercard Premier Debit Card Campaign
- PB Red Carpet Invitation Exclusive

Digital initiatives

There were issuances of Monthly RCB Highlights via e-Newsletter.

- RCB customers were promptly notified of the latest marketing initiatives and campaign promotions via monthly e-newsletter

Other initiatives

Public Bank continues to engage RCB customers by providing personalised and value added services whilst enhancing customer experience to better serve customers. Some of these initiatives include:-

- Implementation of priority service privileges for RCB customers at selected branches
- Expand RCB customer base by encouraging RCB membership sign-ups via various marketing initiatives
- Distribution of ‘Premier Series’ festive packets to premier RCB customers
- Webinar invitations to high net worth and RCB customers for wealth planning talks

SME LENDING

The Small and Medium Enterprises (“SMEs”) which is the lifeblood of the Malaysian economy with contribution of approximately 38% to Gross Domestic Product (“GDP”), is expected to reach 50% contribution to Malaysia’s GDP by 2030 under the 2030 National Entrepreneurship Policy. The Public Bank Group provides strong support to the SME sector through an extensive range of financing products with attractive rates. The Group’s SME lending continues to be one of the core businesses and target growth segment of the Group.

Performance Review

2021 has been a challenging year for many businesses due to the movement control order to contain the COVID-19 pandemic which led to disruptions to economic and business activities as well as subdued consumer sentiment. SMEs in Malaysia were adversely impacted due to the movement restrictions and limited sectors were allowed to operate.

Being a strong supporter of the Government’s NRP and various stimulus measures to assist businesses, the Public Bank Group continued to provide SMEs with working capital for their businesses as well as assist SMEs who need financial assistance amid the pandemic challenges.

Financing to SMEs grew by 1.7% to RM67.87 billion as at the end of 2021, which accounted for 20.3% of the Group’s domestic loans portfolio. In 2021, total financing to SMEs of RM9.14 billion was approved by the Group, which represented 16.3% of total domestic loans approved. The Group continued to be a market leader in the domestic financing for commercial lending to SMEs with a market share of 21.6% as at the end of 2021.

Products and Initiatives

Being a socially responsible corporate, the Public Bank Group supported various Government initiatives, including the stimulus and relief packages to targeted customers facing financial constraints.

Products/Initiatives	Results
Shophouse, Warehouse, Industrial Factory and Trade Financing (“SWIFT”) Plan The SWIFT Plan – The Public Bank Group’s flagship SME financing product offers comprehensive financing solutions for business expansion, asset acquisition, working capital and also trade financing.	The Group granted total financing amounting to RM2.65 billion to eligible SMEs in 2021.
Financing schemes and guaranteed financing schemes by the Government and BNM The Public Bank Group strongly supported the financing initiatives by the Government and BNM in assisting SMEs to gain access to financing at a reasonable financing cost as well as providing financial reliefs to alleviate short term cash flow problems.	Since the COVID-19 pandemic, the Group has approved approximately RM3.40 billion and assisted more than 17,700 SMEs under the various schemes.
The Public Bank Group has offered various financing schemes and guaranteed financing schemes initiated by the Government and BNM such as the Special Relief Facility 2020, All Economic Sectors Facility, Agrofood Facility, SME Automation and Digitalisation Facility, Micro Enterprises Facility, Targeted Relief and Recovery Facility, High Tech Facility - National Investment Aspirations, Government Guaranteed Scheme (“GGS Prihatin”), PENJANA Tourism Financing and PENJANA SME Financing to assist SMEs who are struggling amid the COVID-19 impact. Some of the Government’s guaranteed financing schemes to assist SMEs in the midst of the COVID-19 pandemic include Working Capital Guarantee Scheme (“WCGS”) 2, WCGS – Start Up, WCGS – Bumiputera, Automation & Digital Guarantee Scheme, WCGS – Women, WCGS – Export.	Additionally, the Public Bank Group has offered Disaster Relief Facility as established by BNM to facilitate the resumption of business operations and to alleviate the financial burdens of SMEs who are affected by the flood.

DOMESTIC CONSUMER BANKING AND SME LENDING

Products/Initiatives

Credit Guarantee Corporation (“CGC”) Schemes

The Public Bank Group has continuously participated in various financing schemes as established and guaranteed by CGC to provide a wider range of products to SMEs for working capital and/or capital expenditure financing. Some of the CGC guaranteed financing schemes include BizJamin Scheme and BizJamin Bumi Scheme. CGC also offered guarantee to SMEs affected by the flood under Disaster Relief Facility which was established by BNM. Besides guarantees offered by the Government for SMEs affected by the COVID-19 pandemic, CGC also provided guarantees such as All Economic Sectors Facility, Targeted Relief and Recovery Facility and High Tech Facility – National Investment Aspirations for SMEs who require assistance.

Marketing Initiatives

The Public Bank Group has continued to broaden access to financing for the SMEs through its wide range of 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 various financing schemes by the Government, BNM and CGC.

Campaigns

SWIFT EXTRA and SWIFT Prime Retail Customer offers financing of up to 100% to viable SMEs for the purchase/refinancing of properties and working capital.

The Public Bank Group extended the promotional rate campaign to provide fixed loan financing under SWIFT plan to SMEs at competitive rates. A total of RM860.1 million were approved to more than 1,000 customers in 2021.

The Public Bank Group launched a new Banker's Guarantee Campaign with special commission rate for the period between January 2020 and December 2021 which provided SMEs with better rates for their trade transactions. Under this campaign, a total of 93 Banker's Guarantee was issued amounting to RM36.3 million.

The Public Bank Group participated in the *Train-The-Trainers Programme* on SME Financing where SME Financing Roadshows were conducted with the following objective:-

- provide avenue for customers to engage and explore financing and/or refinancing solutions;
- create awareness on various financing solutions offered by the Group; and
- build rapport with SMEs.

More than 290 SMEs participated in the virtual SME Financing Roadshow held in 2021.

The Public Bank Group also participated in the imSME portal managed by CGC with the following assistances to SMEs:

- fast and real-time access to information on financing options, anytime, anywhere;
- search for financing by participating banks at customers' comfort, hassle-free; and
- apply for financing from a single platform.

Other than that, the SME Helpdesk enables SMEs to reach out via email published on PBe website. Designated officers for SMEs financing were also appointed at branches to assist SMEs.

WEALTH MANAGEMENT



KEY HIGHLIGHTS IN 2021

Public Mutual achieved a commendable pre-tax profit growth of 22.8%. Total assets under management grew by 4.3% to RM104.58 billion, capturing a large retail market share of 34.6%.

Public Mutual clinched a total of 56 renowned awards from reputable organisations such as Refinitiv Lipper, Morningstar, Asia Asset Management, Reader's Digest and The Asset.

Public Mutual implemented digital initiatives to enhance investment experience of investors through Corporate – Public Mutual Online ("PMO"), fund analytics and media centre.

Public Bank enhanced its cross-selling strategy to increase opportunities for customer engagement while pushing towards deeper customer relationships.

Public Bank has enriched its Customer Relationship Management Application which is integrated with improved business insights through data analytics to provide personalised products and services to customers.

WEALTH MANAGEMENT

ANTICIPATED RISKS

Postponement of wealth planning and/or investments

Individuals may postpone their wealth planning and/or investment needs as well as hold back from longer term financial commitments, owing to cash flow uncertainties due to the COVID-19 pandemic.

Liquidity Risk

Cash flow and liquidity management will remain crucial to ensure sufficient liquidity in the unit trust funds.

Intense competition exacerbated by acceleration of digitalisation

Competition for wealth management products and services is expected to remain intense as the COVID-19 pandemic has accelerated the development of digital platforms and robo-advisory services.

Customer expectations on elements of sustainability in investments

In the midst of an evolving global landscape, there is a need to meet increasing customer expectations for investment products which incorporate elements of sustainability.

Cybersecurity risk

Amid the rising risk of cybersecurity, there is a need to further enhance cyber defences and promote awareness on cybersecurity to ensure adequate protection of customers' information while providing uninterrupted access to essential financial services.

PROSPECTS

Wealth management is expected to grow moderately with gradual recovery in domestic and foreign markets on the back of the opening of economies.

Business Outlook

Short term

- Public Mutual will continue to manage funds based on fundamental research and long term investment strategies. Public Mutual will also keep abreast with the global developments and adopt international best practices to meet customer expectations on sustainability.
- Public Bank will continue to promote awareness on cybersecurity and ensure adequate protection of customer data as it provides customers with uninterrupted access to essential financial services.
- Public Bank will capture opportunities to drive sales performance of its bancassurance products driven by an increasing sense of awareness on the importance of insurance protection and financial reprieve due to unforeseen circumstances.

Medium term

- Public Mutual remains committed to deliver exceptional services to meet the expectations of stakeholders. Public Mutual will continue to cater to investors' preference as it develops a wide range of funds amid the evolving industry landscape, while it increases its scope of sustainable investments over the medium to long term.
- Public Bank will continue to work closely with AIA to fulfil customers' needs in terms of wealth planning as well as conduct sales activities and increase its lead generation and cross-selling initiatives by introducing attractive incentive campaigns to boost sales performance.

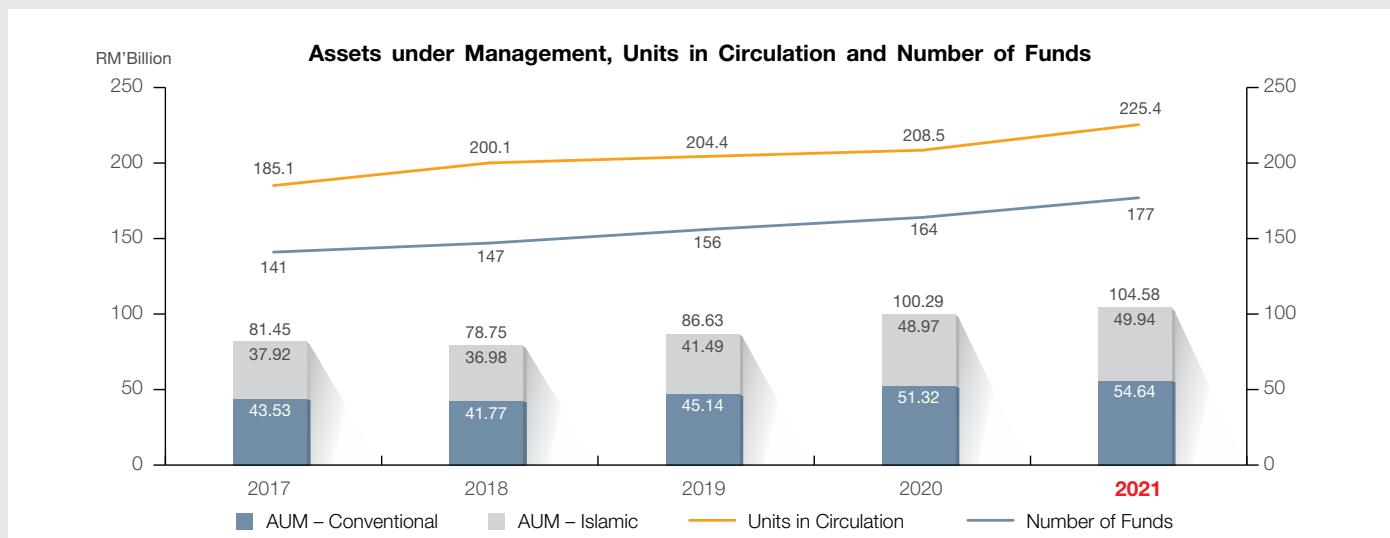
Long term

- Public Mutual remains focused on upholding its mission and values in fostering excellence and delivering superior long term returns to its investors.
- Public Bank will work closely with AIA to launch new products and enhance the current product features to ensure that it is suitable for the evolving insurance needs of the mass market segment.
- Public Bank's bancassurance business will also remain focused on implementing various key initiatives to promote long term insurance coverage and high sum assured wealth protection plan tailored to customers' needs and lifestyle.

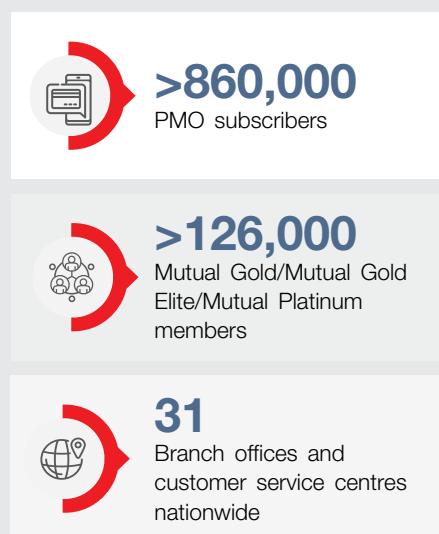
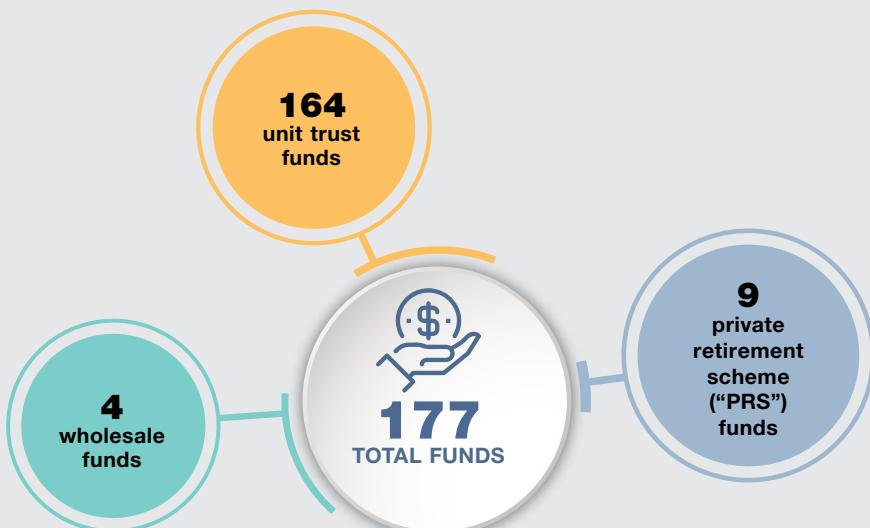
FUND MANAGEMENT



* After offsetting direct sales commission.



Number of Funds



WEALTH MANAGEMENT

Overview

The developed markets registered robust returns in 2021 as their economies reopened on the back of higher vaccination rates. However, regional markets recorded mixed performances as economic activities were dampened by COVID-19 related containment measures. On the domestic front, the FTSE Bursa Malaysia Kuala Lumpur Composite Index declined by 3.7% in 2021 as movement controls were implemented in the early part of the year before being lifted in the fourth quarter of 2021.

Meanwhile, the domestic bond market consolidated in tandem with higher global bond yields as concerns of rising inflation fuelled expectations that major central banks may normalise interest rates earlier than expected.

Performance Review

Total assets under management (“AUM”) of Public Mutual Berhad (“Public Mutual”) increased by 4.3% to RM104.58 billion as at the end of 2021 as compared to RM100.29 billion as at the end of 2020. Retail funds’ contribution was RM97.58 billion or 93.3% of total AUM, of which RM78.94 billion (or 80.9%) comprised of equity funds, RM13.36 billion (or 13.7%) was bond funds and RM5.28 billion (or 5.4%) was money market and specialised funds.

In 2021, the AUM of Public Mutual’s retail funds increased by RM3.79 billion to RM97.58 billion mainly due to growth in equity funds of RM6.31 billion and money market funds of RM0.64 billion, whilst bond funds declined by RM3.24 billion amid higher bond yields.

Public Mutual’s domestic equity and mixed asset funds registered returns of up to 24.0% in 2021 while foreign equity funds recorded returns of up to 29.1%. The gains were mostly attributable to selected stocks in technology and industrial sectors.

On the fixed income front, Public Mutual’s bond funds registered returns of up to 1.2% in 2021 as the sharp rise in bond yields was accompanied by easing bond prices.

Public Mutual’s profit before tax increased by 22.8% or RM163.3 million to RM878.1 million in 2021 mainly due to higher management fee from higher average net asset value of funds and higher fee income on sale of trust units arising from higher equity sales achieved. Total operating revenue improved by 17.2% from RM1,266.0 million in 2020 to RM1,483.5 million in 2021.

New Fund Launches

13 New Funds in 2021

Fund Name	Launch Date
PB US Eagle Fund	5 January 2021
Public e-Carbon Efficient Fund	9 February 2021
Public e-Islamic Pioneer Entrepreneur 40 Fund	21 April 2021
Public e-Islamic Innovative Technology Fund	25 May 2021
Public e-Pioneer Entrepreneur Fund	29 July 2021
Public e-Emas Gold Fund	1 September 2021
Public Asia Pacific Focus Fund	30 November 2021
Public e-Asia Evolving Growth Fund	30 November 2021
Public e-Islamic Asia Thematic Growth Fund	30 November 2021
Public e-Al-Mutawazan Strategy Fund	30 November 2021
Public e-Islamic Growth Fund	10 December 2021
Public Asia Pacific Alpha-40 Fund	10 December 2021
Public e-Worldwide Thematic Growth Balanced Fund	10 December 2021

Marketing and Promotional Initiatives

Public Mutual launched various campaigns in 2021.

Campaigns	Results
Customer Referral Programme The Customer Referral Programme was launched on 31 January 2021 which encourages existing investors to refer friends and family members to embark on a financial planning journey with Public Mutual.	More than 25,000 existing investors participated in this programme.
Awards Celebration Campaign 2021 The Awards Celebration Campaign 2021 from 1 June 2021 to 30 September 2021 was launched in appreciation for the continuous support and confidence of Public Mutual's investors. Under this campaign, investors stood a chance to win various cash rewards and prizes when they invest with Public Mutual during the campaign period.	More than 150,000 lucky draw entries were generated for the cash investment category while more than 300,000 lucky draw entries were generated for the Employees Provident Fund investment category.
Let's Go Digital (Public Mutual Online ("PMO")) Campaign 2021 This campaign encouraged investors to sign up for PMO during the campaign period from 1 October 2021 to 31 January 2022.	Close to 76,000 investors signed up for PMO during the campaign period.
Special Birthday Promotion for Priority Customers Public Mutual's priority investors were eligible for a special sales charge when they make online investments during their birthday month in 2021.	More than 12,300 Mutual Gold/Mutual Gold Elite/Mutual Platinum members enjoyed special sales charges for their investments.
Sales Campaigns for New Funds Various sales campaigns were launched to promote the following new funds in 2021:- 1. Public e-Carbon Efficient Fund; 2. Public e-Islamic Pioneer Entrepreneur 40 Fund; 3. Public e-Islamic Innovative Technology Fund; 4. Public e-Pioneer Entrepreneur Fund; and 5. Public e-Emas Gold Fund.	Total sales of more than RM900 million were generated during the initial offer period.

Digital Initiatives

The COVID-19 pandemic has accelerated digitalisation in the investing landscape. In 2021, Public Mutual implemented the following digital initiatives to enhance the investment experience of investors.

Corporate-PMO

Public Mutual enhanced its Corporate-PMO platform by launching the Employer Online Portal to facilitate employers in their PRS contributions for employees.

Media Centre

Media Centre is a library of all company-approved materials and self-development materials for UTCs. UTCs are able to share relevant materials with existing and prospective investors.

Fund Analytics

Digital initiatives are developed to support unit trust consultants ("UTCs") in providing value-added services to investors. Fund Analytics, which is a web-based platform in UTC Connect, enables UTCs to access and analyse fund related information and fund performance, including daily fund price updates.

WEALTH MANAGEMENT

Other Initiatives

In spite of the pandemic, Public Mutual continued its advertising and branding efforts.

Advertising and Branding Initiatives

Social Media Channel

Sharing of financial planning and money management tips as well as updates on latest news and developments via social media.



Mutual Gold Webinars

Mutual Gold Webinars for Mutual Gold, Mutual Gold Elite and Mutual Platinum members.

Investor Webinar

Live broadcasts focusing on unit trust and PRS funds, market outlook and fund features.

Print and Digital Advertisements

There were various print and digital advertisement placements in 2021.

Weekly Electronic Direct Mailers ("eDMs")

Scheduling of weekly eDMs improves investors' financial literacy and keep investors updated on Public Mutual's products and services.

Billboard Coverage

Extensive billboard coverage in selected states.

Customer Service

Public Mutual continues to strengthen its digital capabilities by enhancing its PMO and mobile application Pocket-PMO. PMO offers investors easy access to their investment portfolio for requests on transactions (including redemption and switching) and fund analytics as well as to enquire on investment accounts and perform profile updates. The number of subscribers has grown to more than 860,000 since its launch in January 2009.

The number of Public Mutual priority service customers has also increased to more than 126,000 members as at the end of 2021.

Training and Support

Public Mutual will continue to enhance the skills and after-sales services of its UTCs through various training programmes to enable them to provide value-added services to investors.

Public Mutual's UTCs undergo regular training to improve their knowledge and maintain professionalism in providing services to customers. A wide range of training programmes are offered via virtual learning and e-learning modules to improve UTCs' proficiency in the areas of product and technical knowledge, ethics and compliance, customer service, productivity enhancement as well as agency management. Programmes are also categorised for different levels of UTCs to improve specific skills and competencies.



AWARDS 2021

Refinitiv Lipper Fund Awards 2021

- 34 awards at the Refinitiv Lipper Fund Awards 2021 including three Group Awards for the *Best Equity Award – Malaysia*, *Best Mixed Assets Award – Malaysia* and *Best Mixed Assets Award – Malaysia Islamic Funds*.

Refinitiv Lipper Fund Awards 2021 – Global Islamic

- 14 awards at the Refinitiv Lipper Fund Awards 2021 – Global Islamic, including Group Award for Best Mixed Assets.

2021 Morningstar Awards Malaysia

Two awards for the following categories:-

- Best Malaysia Large-cap Equity Fund – Public Industry Growth Fund; and
- Best Malaysia Large-cap Equity (Shariah) Fund – Public Islamic Alpha-40 Growth Fund.

Asia Asset Management – Best of the Best Awards 2021

Four awards for the following categories:-

- Best Retail House – Malaysia;
- Islamic Retail House of the Year – Malaysia;
- Best Sukuk Manager; and
- Best Investor Education.

Reader's Digest Trusted Brand Platinum Award 2021

- Reader's Digest Trusted Brand Platinum Award 2021 for the category of Investment Fund Company in Malaysia.

The Asset Triple A Islamic Finance Awards 2021

- The Asset Triple A Islamic Finance Awards 2021 for the category of Islamic Asset Manager of the Year – Malaysia (Retail).

BANCASSURANCE

Overview

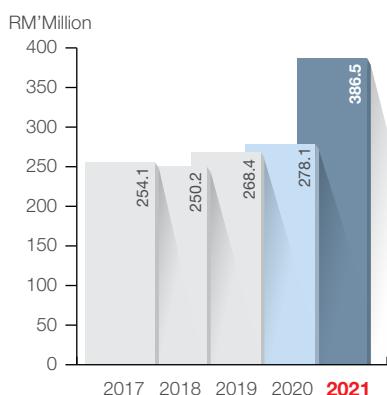
2021 marked the ninth anniversary of strategic bancassurance partnership between the Public Bank Group and AIA Group Ltd. ("AIA"). The Group's bancassurance business continued to be one of the Group's main fee income generator and provides a comprehensive array of bancassurance products. The Group's domestic bancassurance business is fully supported by approximately 600 licensed financial executives and more than 2,100 credit related staff across the Group's domestic branch network nationwide.

The COVID-19 pandemic has had a far reaching impact on lives as well as livelihoods, and brought on greater awareness about health and insurance protection. Given increased consumer demand for insurance protection, especially medical plan and critical illness protection plan, the Public Bank Group's bancassurance business generated positive growth in 2021.

The Public Bank Group continues to accelerate its digital adoption to meet changing market needs. The existing digital platform, the PB Direct, was further enhanced to facilitate remote selling process, with full digital adoption from non-contactable face-to-face online sales presentation to sales fulfilment process via digital payment.

Performance Review

Domestic Annualised New Premium



The Annualised New Premium ("ANP") of the Public Bank Group's domestic bancassurance business grew by RM108.4 million or 39.0% to RM386.5 million in 2021 mainly driven by greater awareness and steady demand for insurance protection. The increase was mainly contributed by regular premium products which grew by RM80.2 million or 49.9% as compared to 2020.

Key Initiatives

Marketing/promotional initiatives

Owing to the COVID-19 pandemic and to support customers, Public Bank and AIA launched several campaigns which include offerings of additional COVID-19 related coverage and hospitalisation as well as medical benefits during these challenging times. The campaigns launched in 2021 are AIA COVID-19 Protection Programme: Free AIA COVID-19 Diagnosis Cover, 2021 Free COVID-19 Vaccination Complication Cover Campaign, Enhanced COVID-19 Diagnosis Cover, COVID-19 Campaign for PB SME Care and PB SME Platinum, Free COVID-19 Hospital Income Cover Campaign, Additional Sum Assured Campaign for PB WealthElite Xtra and PB Elite Signature as well as Pre-hospitalisation COVID-19 Test Benefit for PB SME Care and PB SME Platinum.

Digital initiatives – PB Direct

Public Bank and AIA have been working closely to further enhance the PB Direct for smooth submission process of both face-to-face applications and remote signature applications.

Sales campaigns

Public Bank launched various attractive campaigns to motivate and boost the productivity of bancassurance sales staff.

These include 2021 Bancassurance Up-Forcing Incentive for Financial Executive ("FE") (Bancassurance), 2021 Regular Premium Challenge for FE Banca (Rookie) and FE (UT), 2021 Referral Rewards Campaign, 2021 Regular Premium Bonanza Campaign and 2021 Regular Premium Branch Challenge.

Incentives for sales staff included cash reward, incentive trips and gifts rewards.

Training initiatives

In order to ensure that Public Bank's sales staff are well equipped with the comprehensive product knowledge and skills to serve customers, the Bank and AIA have been working closely to develop different training programmes for both new recruits and existing sales staff.

In 2021, Public Bank and AIA arranged the following virtual courses such as Product Training, First Advisor's Sales Training Results Achieving Curriculum and Gear Up Rise Up for new recruits to enhance their product knowledge and selling competency.

Products and Services

During the year, Public Bank and AIA have introduced enhancement of wealth management products and bundling of bancassurance product with other eligible products, namely the PB Elite Signature, PB Major Illness Care and PB WealthElite Xtra. These were well-received by customers and a total ANP of RM75.8 million was generated in 2021.

WEALTH MANAGEMENT

Telemarketing Insurance Products

Telemarketing activities were lacklustre in 2021 owing to weak business sentiment which resulted in a decrease of ANP by 5.2% or RM1.5 million to RM27.1 million in 2021. The ANP was mainly attributed to sales of the PB Cancer Guard, PB CI Protector and PB Care Plus Plans. PB Care Plus, a new product launched on 5 April 2021, is a personal accident protection plan which provides compensation in the event of injury, total and permanent disability or death caused solely by violence, accidents as well as external and visible means. Going forward, Public Bank will continue to intensify initiatives to improve its telemarketing sales performance and gain customer confidence in telemarketing bancassurance products.

Regional Bancassurance Partnerships

Public Bank's Overseas Operations	Initiatives and Results
Hong Kong Operations <ul style="list-style-type: none"> Ninth year of bancassurance partnership with AIA International Limited (Hong Kong). Leverage on the Public Bank Group's extensive network of 32 branches in Hong Kong, with 44 experienced licensed Customer Service Officers. 	<ul style="list-style-type: none"> A total of HKD22.9 million in ANP was generated in 2021 mainly contributed by sales of <i>Bonus Power Vantage</i> insurance plan and <i>Simply Love Encore 3</i> with savings elements and potentially high returns. These plans include the enhanced '<i>Simply Love Encore 3</i>' to '<i>Simply Love Encore 5</i>' in August 2021 and more benefits are offered to customers such as '<i>Unemployment Benefits</i>', '<i>Contingent Insured</i>' and '<i>Terminal Dividend Lock in Option</i>'.
Cambodian Public Bank <ul style="list-style-type: none"> Fifth year of exclusive distribution partnership with AIA (Cambodian) Life Insurance Plc. Campu Bank had on 9 September 2021, signed a renewal Distribution Agreement for another 15 years with one-way exclusivity with AIA (Cambodian) Life Insurance Plc. with effect from 1 January 2022. 	<ul style="list-style-type: none"> Sales were mainly from Samrabchivit life insurance plan and loan repayment insurance policies.
Public Bank Vietnam ("PBVN") <ul style="list-style-type: none"> Fourth year of distribution partnership with AIA (Vietnam) Life Insurance Company Limited. 	<ul style="list-style-type: none"> In 2021, total ANP amounting to VND3.94 billion was generated, an 8.0% drop as compared to 2020 mainly due to strict movement restrictions during the year. Offered medical consultation services via the Personal Medical Case Management Services by Medix for PBVN's customers. AIA has further provided an additional aid of VND5.00 billion for policy holders who were diagnosed with COVID-19 (following the exclusive support fund totalling USD1.0 million). AIA launched remote sales platform for customer online consultation and purchase which allowed PBVN's new customers to purchase AIA policies during the nationwide movement restriction. A new investment linked product, the Bóc Đén Tương Lai was introduced in October 2021 which provides customers with wealth planning solutions.

INVESTMENT PRODUCTS

PB Dual Currency Investment ("PB DCI")

PB DCI is a short term currency-linked structured product investment that aims to provide customers the opportunity to capitalise on foreign exchange movements and potentially earn a higher interest rate than traditional fixed deposits.

Despite intense competition, PB DCI grew by 47.1%, contributing RM2.5 million to the Public Bank Group's fee based income in 2021 as compared to RM1.7 million in 2020.

The performance of PB DCI is expected to be challenging as uncertainties continue to linger whilst the Ringgit is expected to continue to be exposed to periods of heightened volatility.

CROSS-SELLING INITIATIVES

Overview

In 2021, Public Bank has revamped its cross-selling strategy by introducing point system for cross-selling and cultivating a cross-selling culture amongst staff to increase opportunities to engage with customers while pushing towards deeper customer relationships.

Customers' insights on needs and preferences including their life events and goals post-pandemic are integrated into advanced analytic models to identify personalised offers that are relevant and which offers more value to customers. Public Bank taps on these enriched data analytics along with its cross-selling initiatives in its sales process for improved take up rate and enhanced customer experience.

Customer Relationship Management

- Improved business insights from data analytics optimise marketing opportunities by providing personalised product and service offerings to customers.
- Proactive engagement approach and personalised products and services recommendations have resulted in improvement in overall customer satisfaction and banking experiences with Public Bank, which leads to higher product holdings as well as development of stronger and more sustainable banking relationships with customers.
- The enriched Customer Relationship Management Application is integrated with insightful information, where the 360 degrees view of customers on a single platform enables staff to connect more effectively and deliver seamless solutions to customers.

Cross-selling Unit

- Public Bank is committed to deliver the right outcomes through a team of 226 dedicated account management executives to serve its diversified customer base by offering personalised services.
- The account management executives engage actively with customers while fostering relationship as they establish financial goals with appropriate solutions for customers.

Lead Generation

- The Lead Generation initiative has been expanded across the entire Public Bank branch network to mobilise all branch staff to engage with customers and assist them in their financial needs. The continuous engagements with customers are integral and essential to meet the long term needs of customers.
- Branch staff are assigned with personal targets and tools to measure the effectiveness of the initiative in achieving its objectives.

Weekend Servicing Day

- Public Bank conducts weekend servicing day to assist customers who are unable to visit branches during normal banking hours.
- The Bank's staff continues to explore and tap on opportunities to provide the most suitable banking products for its customers through its cross-selling initiatives.

TRANSACTIONAL SERVICES



KEY HIGHLIGHTS IN 2021

Public Bank remained among the prominent winners of the **Malaysian e-Payments Excellence Awards 2021** by Payments Network Malaysia Sdn Bhd, securing three awards, namely:-

- **Best MyDebit Bank;**
- **Best MyDebit (Acquirer - Bank); and**
- **Best IBG Bank.**

Public Bank is the first bank in Malaysia to provide **DuitNow Quick Response (“QR”)** service to support cross border payments between Malaysia and Thailand.

Public Bank collaborated with PayNet to implement MyDebit card acceptance for pay-at-pump and removed the preauthorisation hold for MyDebit, of which Petron became the first petrol chain to establish such payment function.

Public Bank’s cash management services grew by a commendable **60.6%** in 2021 in terms of total new payees and payors. Remittance transactions also recorded a growth of **17.4%** in 2021.

ANTICIPATED RISKS

Heighten competition from non-bank remittance and FinTech companies

The worldwide movement restrictions accelerated the growth of cashless and cross border transactions as well as mobile-based payments amid lower transaction cost and transfer time. Similarly, competition of non-bank remittance and FinTech companies are intensifying as the remittance business and money transfer services continue to grow.

Cybersecurity risk

As the pace of digital adoption increased exponentially driven by the pandemic, threats of cyberattacks have also escalated. In view of the heightened risk of cybersecurity, there is a need to continuously enhance cyber defences and develop appropriate countermeasures.

PROSPECTS

Transactional services are expected to grow in tandem with domestic growth, driven by the importance to deploy such services in business operations. Global remittance is also expected to continue to grow as economies gradually recover.

Business Outlook

Short term

Promoting the business

- Public Bank will continue to focus on attracting new-to-bank customers as well as approaching new segment of customers and technology partners for cash management services opportunities.
- Public Bank will continue to promote and expand its remittance and money transfer service by leveraging on the Public Bank Group's network of domestic and overseas branches, digital platform and digital offerings

Staying competitive as well as enhancing products and services

- Public Bank will continue to offer attractive/competitive products to customers and introduce enhanced cash management services package with bundled services

Intensifying sales and marketing efforts

- Public Bank will continue to improve market presence and visibility through promotions and marketing campaigns as well as actively participate in roadshows, seminars and forums organised by various regulatory bodies.
- To promote Public Bank's transactional services to a broader customer segment, particularly the younger generation, digital marketing and more online remittance campaigns will be emphasised and launched. In addition, the Bank will continue to promote statutory payment services to existing as well as new customers.

Promote awareness on cybersecurity risk

- Public Bank will continue to create awareness on cybersecurity and ensure adequate protection of customer data.

Medium term

- To further expand its transactional services business, Public Bank will continue to collaborate with its subsidiaries as well as keep abreast of market developments for business opportunities.
- Taking into consideration the evolving business landscape, Public Bank will continue to enhance its products and services, perform periodic reviews of product offerings in the market and intensify marketing efforts to stay competitive.

Long term

- Public Bank will continue to explore opportunities with business partners for business synergy, develop and introduce more innovative as well as value-added services to cater to the various needs of customers. Additionally, new marketing technologies for cashless payments will be prioritised and explored.

TRANSACTIONAL SERVICES

CASH MANAGEMENT SERVICES

Overview

Public Bank's cash management services offer comprehensive payment and collection modules, especially designed and developed to cater to the banking needs of Public Bank's customers. These customised cash management solutions are fully supported by the Bank's extensive network of branches and digital channels.

Performance Review

It has been a challenging year for Public Bank's cash management services business as movement restrictions have hampered marketing efforts. However, with strong staff commitment and deployment of business strategies to remain agile and competitive, the Bank's cash management services achieved satisfactory results.

Despite the uncertainties in the domestic market caused by the COVID-19 pandemic, Public Bank's total new payees and payors increased by 60.6% to 42,701 as at the end of 2021.

Public Bank is the first bank in Malaysia to extend its DuitNow Quick Response "QR" service, known as PBe QR to support cross border payments between Malaysia and Thailand. This facilitates cashless retail-based QR payments between these two countries, allowing business operators a safer and more efficient method to accept payments from foreigners in Malaysia. As at the end of 2021, more than 26,000 business operators have successfully registered for PBe QR as the Bank's merchant partner.

Together with PayNet and Public Bank, Petron became the first petrol chain to implement MyDebit card acceptance for pay-at-pump and the first to remove the preauthorisation hold for MyDebit. The preauthorisation hold for Visa cards was also removed during the year.

REMITTANCES

Overview

Public Bank offers a wide range of remittance services through the Public Bank Group's physical and digital network.

Performance Review

In 2021, Public Bank's remittance transactions increased by 17.4% to RM66.45 billion mainly supported by various remittance campaigns launched during the year.

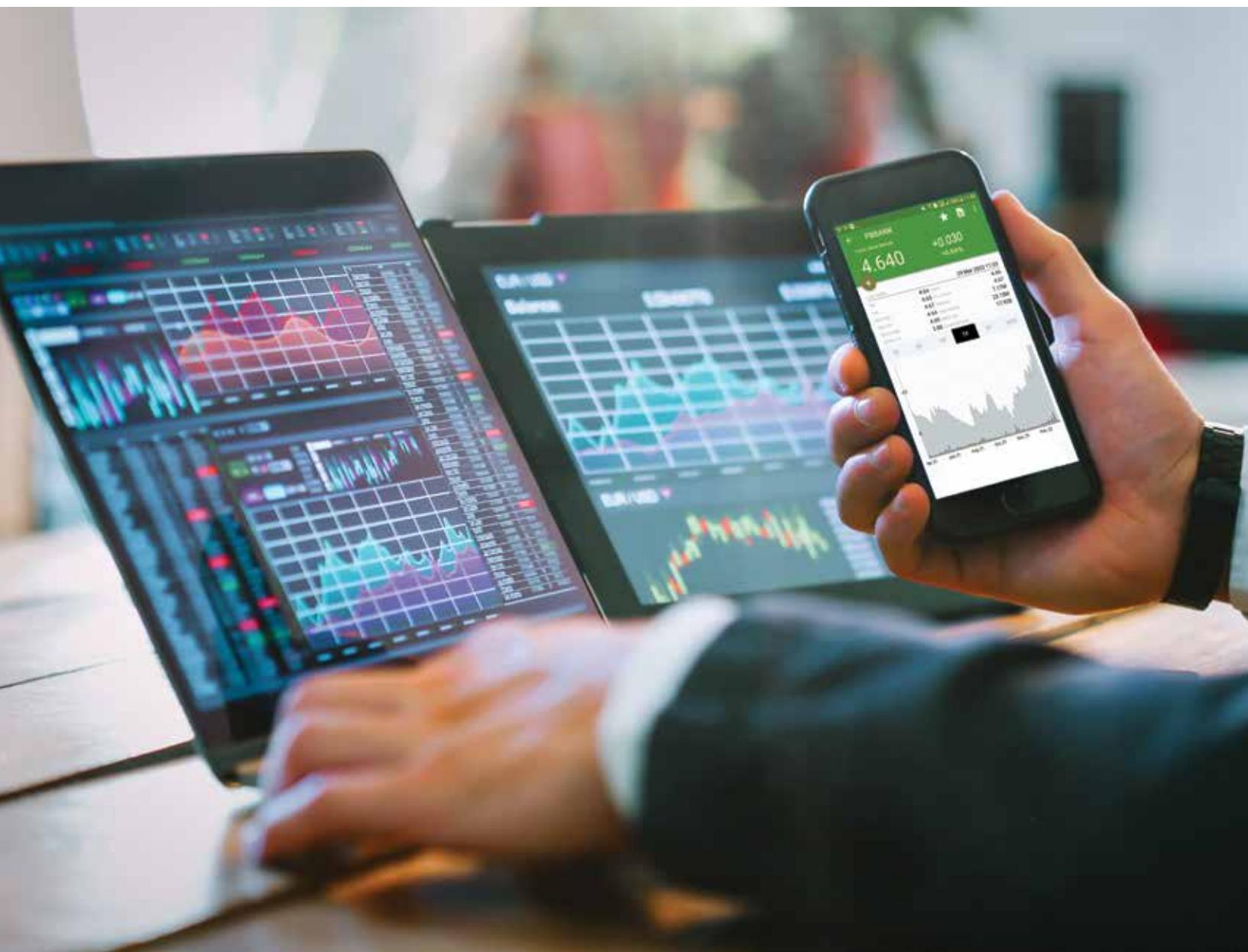
In March 2021, Bank Negara Malaysia ("BNM") announced further liberalisation of Foreign Exchange Policy ("FEP") that provides greater flexibility to businesses as part of its continued effort to strengthen Malaysia's position in the global supply chain and to foster a conducive environment to attract foreign direct investments into Malaysia.

In view of the proliferation of digital adoption in the market, Public Bank has realigned its strategy to drive the remittance business by launching remittance campaigns via digital platforms in tandem with launches at the branches.

Marketing Initiatives

Campaigns	Results
Remittance Campaign for Overseas Education <ul style="list-style-type: none"> Preferential foreign exchange rates for education remittances to Australia, New Zealand, United Kingdom and the United States of America. 	More than RM300.0 million was remitted through this campaign.
PB Overseas Remittance Campaign <ul style="list-style-type: none"> Zero or preferential remittance charges for sender and eligible beneficiaries in support of promotion of cross border remittance service between Public Bank and its overseas subsidiaries or branches in Hong Kong, Vietnam, Laos, Cambodia and Sri Lanka. 	More than 27,000 transactions amounting to more than USD1.63 billion was generated.
PB Foreign Telegraphic Transfer 2021 Campaign <ul style="list-style-type: none"> Foreign remittance transaction via online with 50% discount on cable charges for all foreign telegraphic transfer. 	A total of RM129.5 million had been transmitted.
PB Indonesia Money Transfer ("PBIMT") 2021 Ramadan Campaign <ul style="list-style-type: none"> In conjunction with the Ramadan and Hari Raya festive season, Public Bank launched the 'PBIMT 2021 Ramadan Campaign' in collaboration with Bank Central Asia. 	A total of RM1.5 million was remitted under the campaign.
Western Union Grab Food eVoucher Campaign <ul style="list-style-type: none"> Public Bank together with Western Union launched the 'Western Union Grab Food eVoucher Campaign' from 1 May 2021 to 31 May 2021. 	Nearly RM5.0 million was remitted during the campaign period.
PB Foreign Currency Current Account Campaign <ul style="list-style-type: none"> Due to the further liberalisation of FEP, Public Bank launched the 'PB Foreign Currency Current Account ("FCY CA") Campaign' from 1 May 2021 to 31 December 2021. 	More than 800 FCY CA accounts were opened during the campaign period.

CAPITAL MARKET OPERATIONS



KEY HIGHLIGHTS IN 2021

Public Investment Bank was awarded the '**Best ASEAN Sustainability SRI Sukuk – Corporate**' by The Asset and '**Deals of the Year**' by the Islamic Finance News for Sime Darby Property RM800 million Asean Sustainability SRI Sukuk Musharakah.

The Corporate Finance and Advisory Division of **Public Investment Bank** successfully completed a total of 17 corporate exercises which involved equity fund raising, merger and acquisition as well as independent advisory.

The asset quality of the **Public Bank Group's domestic corporate lending operations** remained resilient with gross impaired loans ratio of 0.3% as at the end of 2021.

CAPITAL MARKET OPERATIONS

ANTICIPATED RISKS

Balance of macro risk tilts to the downside

- The impending rollback of policy support may unsettle capital markets in major advanced economies, especially the United States of America ("US") and the European Union despite the fiscal and monetary assistance in support of the economic recovery.

Diverse economic recovery gap

- Global economic recovery is gathering momentum but the recovery gap is expected to be varied across countries and regions.
- The US economic recovery continues to gain traction as rate hikes in the US may be sooner-than-expected, especially if growth and inflation surprises on the upside.
- In contrast to major economies, financing conditions are expected to be more stringent for emerging and developing economies as debt levels increase and their currencies are expected to depreciate against the USD and other major currencies.
- The Malaysian economy is expected to improve in 2022 as economic sectors gradually reopened in the third quarter of 2021. However, the broader economy is highly dependent on the external environment and global trades.

Financial market volatility

- Capital market conditions are dependent on various factors, including changes in regulations, political conditions, uncertainty in interest rates, foreign currency fluctuations and global economic conditions.
- Global financial markets are expected to experience elevated volatility arising from the increasing risk of inflation and major central banks exiting from ultra-loose policy.
- Concerns about fiscal deficits could continue to weigh on the domestic bond market despite Financial Times Stock Exchange Russell's confirmation that Malaysia's bonds will be retained in its World Government Bond Index.

Environment, social and governance ("ESG") related risks

- Corporate businesses are exposed to various ESG related risks, including damages to properties arising from natural disasters, which are expected to heighten credit risks.

PROSPECTS

Business Outlook

Short term

- For the overall Public Bank Group's domestic capital market operations, business confidence is expected to improve which is also positive for the overall labour market conditions, private consumption, business and market sentiment as well as overall investor confidence.
- Given the steepness of the yield curve compared to historical levels, the Public Bank Group's treasury operations remain vigilant on its gapping activity while it positions for higher rates scenario. There will be continued focus on identifying business collaborations and referral opportunities with other international banks to improve inbound remittance business as well as identification of other areas that could achieve greater market penetration of its products and services with customers.
- The Public Bank Group's corporate lending operations will remain prudent in its lending culture and credit risk management as well as continue to manage the impact of the pandemic on its credits and/or potential threat ahead.

Medium term

- In the face of heightened uncertainties, the Public Bank Group's treasury operations will continue to remain vigilant in its business approach and further strengthen its risk management capabilities. There will be ongoing focus on growing customer deposits, delivering quality customer services and maintaining healthy liquidity ratios.
- The Public Bank Group will remain focused on its goal to broaden its corporate lending activities toward other economic sectors with strong growth potential or recovery from the COVID-19 pandemic while it continues to foster strong relationship with its existing customers. The Group will also identify other areas that could achieve greater market penetration of its products and services with customers.
- Public Investment Bank Berhad ("Public Investment Bank")'s business hinges on market development and private sector investments in domestic-oriented industries as well as overall global growth outlook.

Long term

- The other strategic priorities of the Public Bank Group's treasury operation include enhancing its information and communication technology infrastructures in line with digital transformation initiatives to ensure that its operating model remains relevant and competitive.
- In terms of sustainable lending, the Public Bank Group's domestic corporate lending operation will integrate further its lending practices including identification, management and reporting of risks and opportunities with ESG in consideration while it continues to grow its business and sustain its resilient asset quality.
- Public Investment Bank's equity fund raising activities could gain traction once the full effect of the various stimulus packages by the Government are transmitted into the economy as most sectors reopen. Debt fund raising activities are also expected to improve supported by private and public sector investments.

TREASURY

Overview

The Public Bank Group's treasury operations offer a comprehensive range of financial services solutions, such as commercial Foreign Exchange ("FX"), wholesale deposits, money market (unit trust funds) and dual currency investments. Other functions of the Group's treasury operations include cash flow and liquidity management, proprietary trading in FX and fixed income securities. These activities 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 Public Bank Group's International Business Unit ("IBU") has strategic alliances with Resona Bank, Saitama Resona Bank, The Kinki Osaka Bank of Japan and Kansai Mirai Bank Ltd, Bank Central Asia of Indonesia, The Siam Commercial Bank and China Construction Bank of China, to promote the Group's international presence. Since IBU's establishment in 2014, these alliances have boosted treasury revenue growth via business offerings to targeted clients from Japan, South Korea and China.

Performance Review

The Public Bank Group's domestic treasury operations are dependent on macro factors and overall market developments. As markets are forward-looking, the global bond yields were quick to reprice higher even before the start of the rate normalisation cycle. Also, global flight to safe haven assets amid the spread of the COVID-19 variants across the world weighed on the Ringgit.

The Public Bank Group's domestic treasury operations recorded a decline in profit before tax of 23.8% or RM135.2 million to RM432.6 million mainly attributed to lower investment income and lower net interest income. The decline in investment income was due to lower gains from sales of fixed-income assets as yield curve steepened on the back of stronger growth and higher inflation expectations.

DOMESTIC CORPORATE LENDING

Overview

The Public Bank Group's domestic corporate lending operations provide services to mid-size and large corporates, local and foreign as well as listed corporations and conglomerates. The Group provides a comprehensive range of conventional as well as Shariah compliant corporate loans/financing and corporate bonds/Sukuk. The total loans, advances and financing of the Group's domestic corporate lending operations accounted for 12.4% of the Group's total domestic lending portfolio as at the end of 2021.

Performance Review

The Public Bank Group's domestic corporate lending operations recorded resilient performance with net income increasing by 2.2% or RM14.6 million to RM665.3 million in 2021 largely attributable to

improvement in net interest margin. Nevertheless, profit before tax dropped by 3.7% or RM16.9 million to RM444.8 million in 2021 mainly due to higher pre-emptive loan impairment allowance made in anticipation of potential effect of COVID-19 pandemic, partially offset by higher net interest income and fee income.

Business momentum remained weak as total loans, advances and financing contracted by 3.2% or RM1.35 billion to RM41.45 billion as at the end of 2021, largely due to the slower demand for loans amid the challenging economic environment and higher repayment of corporate loans compared to onboarding.

The asset quality of the Public Bank Group's domestic corporate lending operations remained resilient as gross impaired loans ratio stood at 0.3% as at the end of 2021.

In 2021, despite less applications for financial assistance by corporate customers, the Public Bank Group continued to engage with its corporate customers to provide the necessary financial support and relief. The Group will continue to place customers at the core of its commitment, as it provides ongoing financial relief to targeted customers who are affected by the pandemic-induced financial constraints.

INVESTMENT BANKING

Overview

Public Investment Bank offers a broad spectrum of investment banking services consisting of stock broking, corporate finance and advisory services, advisory for issuance of corporate bonds and sukuk, corporate lending and treasury services. Public Investment Bank provides its services to a wide range of customers which consists of both institutional and retail investors.

Performance Review

In 2021, Public Investment Bank's stock broking business continued to expand its retail customer base, leveraging on the Public Bank Group's Share Investment Units established nationwide and Public Investment Bank's Internet Share Trading Unit. The support of the institutional dealing teams and in-house research team, who provide value-added services, have contributed to the growth of Public Investment Bank's institutional customer base.

The Corporate Finance and Advisory Division successfully completed a total of 17 corporate exercises which involved equity fund raising, merger and acquisition as well as independent advisory. Through the issuance of corporate bonds and sukuk, the Debt Capital Market Division has successfully raised RM2.09 billion via seven fund raising programmes.

Public Investment Bank reported satisfactory operating revenue and pre-tax profit of RM229.4 million and RM80.7 million respectively in 2021.

ISLAMIC BANKING



KEY HIGHLIGHTS IN 2021

Profit before tax from Public Islamic Bank Berhad (“Public Islamic”) **grew by 44.0% or RM222.8 million to RM728.7 million in 2021.**

Public Islamic’s gross financing and advances as well as deposits grew at a healthy rate of 9.9% and 7.3% respectively in 2021.

Public Islamic’s asset quality remained **resilient** with **gross impaired financing ratio of 0.2% as at the end of 2021**, which was well below the Islamic banking industry’s ratio of 1.2%.

Rating Agency Malaysia (“RAM”) reaffirmed Public Islamic’s long and short term financial institution ratings at AAA and P1 respectively.

Public Islamic’s **Liquidity Coverage Ratio (“LCR”)** stood at **120.9%** as at the end of 2021, reflecting its healthy liquidity position.

ANTICIPATED RISKS

Accelerated need for digitalisation of business operation in support of new normal business environment

The COVID-19 pandemic has reshaped both consumer behaviour and business conducts, accelerating the adoption of digital practices and non-face-to-face interactions. Public Islamic's need to accelerate digitalisation is ever more crucial in order to enhance its operations to capture marketing and business opportunities in a new normal business environment.

Business uncertainty due to the developments of the COVID-19 pandemic

The pace of economic recovery and overall business growth are highly dependent on the developments of the COVID-19 pandemic.

Increased demand for innovative products

There will be ongoing demand for innovative financial products and services in line with growing and shifting customer needs, including the rising demand for Shariah compliant as well as 'green' banking and financial products.

PROSPECTS

Business Outlook

Short term

Public Islamic will continue to expand its non-financing income by focusing on developing more revenue streams, particularly in the bancatakal business. For financing, Public Islamic will be placing more emphasis on growing its commercial and corporate financing business. In terms of deposits, Public Islamic will accelerate the growth of its low-cost current account and savings ("CASA") deposits to reduce funding cost.

Medium term

Public Islamic will further automate and digitalise its operations to enhance customer experience while expanding its market base. Public Islamic will continue to embed value-based intermediation ("VBI") as well as environmental, social and governance ("ESG") goals in its 'green' financing, which is in tandem with the objective to generate positive and sustainable impact to the economy, community and environment.

Long term

Public Islamic is committed and supportive of Bank Negara Malaysia ("BNM")'s environmental, social and governance directives and will proactively enhance its business operations to deliver long term value to its key stakeholders. In support of Shariah compliant products as well as 'green' banking and financial inclusion, Public Islamic will continue to provide innovative products that cater to the evolving needs of customers.

OVERVIEW

Public Islamic is the Islamic banking arm and a wholly-owned subsidiary of the Public Bank Group. Public Islamic provides a wide range of Shariah compliant products and services as it leverages on Public Bank's strong branding, extensive branch network and infrastructure. Public Islamic is guided by the Public Islamic Shariah Committee.

While the Malaysian economy was progressing towards a recovery in 2021, there were ongoing operational challenges owing to the effects of the prolonged COVID-19 pandemic. Nevertheless, Public Islamic's profit before tax grew by 44.0% or RM222.8 million to RM728.7 million in 2021. This represented 9.9% of the Public Bank Group's pre-tax profit in 2021. Public Islamic's financial performance improved in 2021 mainly due to the low base effect following the negative impact of Overnight Policy Rate cuts by 125 basis points as well as net modification loss arising from the COVID-19 related moratorium offered to individuals and businesses in the previous year.

Public Islamic's gross financing and advances increased by 9.9% or RM5.39 billion to RM60.04 billion as at the end of 2021, mainly driven by higher residential properties and hire purchase financing. Public Islamic's total financing formed 16.8% of the Public Bank Group's total loans, advances and financing.

Public Islamic's customer deposits expanded by 7.3% or RM4.49 billion to RM66.31 billion as at the end of 2021, attributable to strong CASA growth of 18.7%. Public Islamic's total deposits accounted for 17.0% of the Public Bank Group's total customer deposits. Public Islamic continued to maintain stable funding as reflected in its gross financing to fund as well as gross financing to fund and equity ratios which stood at 87.6% and 80.8% respectively as at the end of 2021. Public Islamic's LCR was 120.9% as at the end of 2021, reflecting its healthy liquidity position.

Despite its strong financing growth, Public Islamic maintained resilient asset quality with gross impaired financing ratio of 0.2% as at the end of 2021, which was well below the Islamic banking industry's ratio of 1.2%. Public Islamic continued to be well-capitalised with healthy Common Equity Tier I capital ratio, Tier I capital ratio and total capital ratio of 11.8%, 11.8% and 15.1% respectively as at the end of 2021.

In June 2021, Rating Agency Malaysia ("RAM") reaffirmed Public Islamic's long and short term financial institution ratings at AAA and P1 respectively, which mirrors RAM's outlook for Public Bank. The reaffirmation of ratings incorporates RAM's view that Public Islamic is a highly strategic entity as the Public Bank Group's Islamic banking arm.

ISLAMIC BANKING

KEY INITIATIVES

Given the operational challenges amid the containment measures to prevent the spread of the COVID-19 pandemic, Public Islamic ensured continuity of its business through various initiatives despite travel restrictions.

Public Islamic focused on supporting Halal Small and Medium Enterprises (“SMEs”) by extending financing facilities. At the same time, Public Islamic extended ‘green’ financing products to customers as it emphasised on value based initiatives as well as environmental, social and governance goals. The AITAB Hire Purchase-i for the purchase of energy efficient vehicles offered preferential rates during the campaign period from 1 April 2020 to 31 December 2021.

Public Islamic developed the Solar Plus Bai’ Al-Einah (“BAE”) Personal Financing-i to offer financing for the purchase and installation of solar panels for residential properties. In 2021, Public Islamic extended such financing for businesses by launching the Solar BAE Term Financing-i which caters to businesses for the installation of solar panels for factories and business premises.

In support of the Government’s initiatives to assist SMEs and companies affected by the COVID-19 pandemic or natural disaster, Public Islamic provided financial assistance under various BNM Funds and Government Guaranteed Schemes such as the following:

Facility/BNM Funds

- High Tech Facility-i – National Investment Aspirations
- PENJANA SME Financing
- Targeted Relief and Recovery Facility
- PENJANA Tourism Financing
- Disaster Recovery Fund-i 2021

ROLES AND AUTHORITY OF SHARIAH COMMITTEE

Public Islamic’s Shariah Committee (“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.

The SC members were appointed by the Board of Directors to perform oversight and advisory roles on Shariah matters to ensure that Public Islamic’s business and activities are in compliance with Shariah principles.

The roles and responsibilities of the SC as guided by Paragraph 10.2 of the BNM’s SGPD are as follows:

- Provide objective and sound advice to ensure that Public Islamic’s aims and operations, business, affairs and activities are in compliance with Shariah;
- Provide a decision or advice to Public Islamic on the application of any rulings of Shariah Advisory Council (“SAC”) of BNM or standards on Shariah matters that are applicable to the operations, business, affairs and activities of Public Islamic;
- Provide a decision or advice on matters which require a reference to be made to the SAC;
- Provide a decision or advice on the operations, business, affairs and activities of Public Islamic which may trigger a Shariah Non-Compliance (“SNC”) event;
- Deliberate and affirm a SNC finding by any relevant functions; and
- Endorse a rectification measure to address a SNC event.

The SC of Public Islamic comprised of the following members:

1. Dr. Ab Mumin Bin Ab Ghani;
2. Associate Professor Datin Dr. Rusnah Binti Muhamad;
3. Ir. Dr. Muhamad Fuad Bin Abdullah;
4. YM Engku Ahmad Fadzil Bin Engku Ali; and
5. Encik Khairil Anuar Bin Mohd Noor.

In 2021, there were 16 SC Meetings held and the attendances of each member are as follows:

SC Members	Number of SC Meetings	
	Held	Attended
Dr. Ab Mumin Bin Ab Ghani (Chairman of Shariah Committee)	16	16
Associate Professor Datin Dr. Rusnah Binti Muhamad	16	16
Ir. Dr. Muhamad Fuad Bin Abdullah	16	16
YM Engku Ahmad Fadzil Bin Engku Ali	16	16
Encik Khairil Anuar Bin Mohd Noor	16	16

Note: Number of SC Meetings held and attended from 1 January 2021 till 31 December 2021.

ZAKAT OBLIGATION

Public Islamic’s total zakat payment of RM713,000 was paid to 14 states of the zakat authorities for the assessment year 2020.

MANAGEMENT DISCUSSION AND ANALYSIS – BUSINESS OPERATIONS REVIEW

INTERNATIONAL OPERATIONS



KEY HIGHLIGHTS IN 2021

In recognition of Cambodian Public Bank Plc (“Campu Bank”)’s excellence in banking performance and corporate governance, Campu Bank was awarded **‘Best Bank for Corporate Social Responsibility’** by Asiamoney, **‘Best Corporate Governance Bank Cambodia 2021’** and **‘Best Retail Bank Cambodia 2021’** by Global Banking & Finance, **‘Leadership in Average Spend Visa Affluent Credit’** and **‘Leadership in Credit Payment Volume’** for 2020 by VISA as well as **‘Straight-Through-Processing (“STP”) Excellence Award’** for 2020 by Bank of America Merrill Lynch, New York.

Public Bank Vietnam Limited (“PBVN”) achieved commendable business performance, recording double digit growth of **21.6%** and **10.9%** in loans and deposits respectively. Profit before tax grew by **14.0%** in 2021.

Profit before tax of the international operations recorded RM622.5 million in 2021, contributing 8.5% to the Group’s total profit before tax.

The asset quality of the Group’s international operations remained resilient as **gross impaired loans ratio stood at 1.2%** as at the end of 2021.

Branch Network	2021	2020
Hong Kong and China Operations		
Public Bank (Hong Kong) Limited	37	37
– Hong Kong Special Administrative Region (“SAR”)	32	32
– Shenzhen, People’s Republic of China	5	5
Public Finance Limited, Hong Kong SAR	43	44
Winton Financial Limited, Hong Kong SAR	3	3
Indo-China Region		
Campu Bank	31	31
PBVN	29*	26
Public Bank Overseas Branches		
Laos	4	4
Sri Lanka	3	3

Notes: * PBVN opened three branches bringing its branch network to a total of 29 branches in 2021. Another two branches were opened in January 2022.

INTERNATIONAL OPERATIONS

The Public Bank Group maintains overseas presence in five countries across Asia, with subsidiaries in Hong Kong, Cambodia and Vietnam as well as branches in Laos and Sri Lanka.

The Public Bank Group's international operations contributed 8.5% to the Group's profitability which was mainly from Public Financial Holdings Limited Group in Hong Kong and Campu Bank in Cambodia. Amidst the challenging business environment owing to the COVID-19 pandemic, pre-tax profit of the Group's international operations fell slightly by 0.3% to RM622.5 million in 2021 due to the impact of unfavourable foreign exchange translation in the current year. Excluding the impact of foreign exchange movements, pre-tax profit of the international operations would have increased by 1.1%.

ANTICIPATED RISKS

Slower-than-expected economic recovery

- Many economies are recovering from the fallout of the COVID-19 pandemic, albeit at a slower-than-expected growth rate.
- Lingering uncertainties from the disruptive new COVID-19 variants and geopolitical tensions will continue to pose significant roadblocks to the economic turnaround.
- The business environment especially consumption and tourism-related sectors are expected to remain challenging due to the resurgence of the COVID-19 pandemic.

Low interest rate environment

- The current low interest rate environment is likely to persist as countries are rejuvenating economic activities, partly supported by the low borrowing costs and this will challenge efforts to grow net interest income.

Subdued credit demand

- For the banking sector in Cambodia, profitability will likely be under pressure owing to the subdued credit demand.

PROSPECTS

Business Outlook

Short term

- Government policies within the region are expected to remain business-friendly and accommodative to rejuvenate economic activities and spur growth. The Public Bank Group's international operations in countries namely Hong Kong and Cambodia will continue to benefit from the global recovery. As for Vietnam, the economy is largely supported by its robust and solid fundamentals which will augur well for the Group's expansion in Vietnam.
- The Public Bank Group's international operations will continue to enhance digitalisation efforts to further improve its digital banking channels and business operations. The Group will continue to adopt new technologies to provide seamless banking experience to customers in the evolving banking landscape.

Medium term

- The Public Bank Group will continue to keep abreast with developments in the banking sector, explore business opportunities and offer attractive/competitive products to cater to the evolving needs of customers.

Long term

- The Public Bank Group remains committed in pursuing organic business growth for its international operations as it leverages on the Group's strong branding, prudent management practices, extensive network of branches and solid customer base to strengthen its overseas presence, particularly in high-growth countries.



HONG KONG

	Public Financial Holdings Group	Public Bank (Hong Kong) Limited	Public Finance Limited
Profit before tax	HKD602.2 million ↑ 25.4%	HKD260.7 million ↑ 7.6%	HKD293.5 million ↑ 32.4%
Gross loans, advances and financing	HKD26.25 billion ↔ 0%	HKD20.58 billion ↑ 0.8%	HKD5.26 billion ↓ 4.2%
Deposits from customers	HKD32.18 billion ↓ 5.9%	HKD27.74 billion ↓ 5.2%	HKD4.69 billion ↓ 9.2%
Gross impaired loans ratio	0.9% 2020: 0.9%	0.9% 2020: 0.6%	1.2% 2020: 1.7%

Public Financial Holdings Limited (“PFHL”), a company listed on the Stock Exchange of 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 provides personal financing.

Performance Review

Hong Kong’s economy remained buoyant as Gross Domestic Product grew by 6.4% in 2021. In tandem with the improved operating conditions, the Public Bank Group’s Hong Kong operations recorded an increase in profit before tax by 25.4% to HKD602.2 million in 2021. The increase in profit before tax was mainly attributed to increase in net interest income and lower loan provisioning.

As at the end of 2021, PBHK’s total loans, advances and financing rose by 0.8% to HKD20.58 billion. Meanwhile, PFL’s total loans, advances and financing declined by 4.2% to HKD5.26 billion due to weak market sentiment and domestic demand for personal loans.

PBHK and PFL’s customer deposits also decreased by 5.2% and 9.2% respectively to HKD27.74 billion and HKD4.69 billion respectively as at the end of 2021.

Nevertheless, asset quality of the Public Bank Group’s Hong Kong operations remained sound. Gross impaired loans ratio of PBHK and PFL stood at 0.9% and 1.2% respectively as at the end of 2021.

The year 2021 marked the ninth year of PBHK’s strategic partnership with AIA International Limited (Hong Kong) to distribute bancassurance products. Total annualised new premium recorded a decline of 20.5% to HKD22.9 million in 2021 as various marketing campaigns and active cross-selling efforts were hampered by movement restrictions and social distancing to curb the spread of COVID-19 in Hong Kong.

INTERNATIONAL OPERATIONS



CAMBODIA



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

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

Established since 1992, Campu Bank is currently one of the largest banks in Cambodia, offering a complete range of banking products and services. Campu Securities, a wholly-owned subsidiary of Campu Bank offers securities underwriting and trading activities whilst CLIP, which is 55% owned by the Group is a leading general insurance company in Cambodia.

Performance Review

Cambodia experienced economic setback due to slowdown in bilateral trades and lacklustre tourism activities owing to the global containment measures amid the COVID-19 pandemic. Owing to the challenging business environment, Campu Bank recorded a decline in profit before tax by 5.4% to USD57.1 million in 2021.

Campu Bank's gross loans, advances and financing increased by 2.9% to USD1.18 billion as at the end of 2021 in tandem with gradual economic recovery towards the second half of 2021. Customer deposits decreased by 10.1% to USD1.71 billion as at the end of 2021 due to prevailing weak economic activities.

The asset quality of Campu Bank remained resilient due to prudent credit risk management as reflected by its gross impaired loans ratio which remained low and stable at 0.6% as at the end of 2021. As a responsible corporate citizen, Campu Bank also continued to actively engage with its borrowers facing financial constraints as a result of COVID-19 pandemic to provide relief assistance.

Campu Bank entered into its fifth year of exclusive distribution partnership with AIA (Cambodia) in 2021. The strong partnership which commenced in 2017, was extended for another 15 years, building on the success of the existing collaboration to deliver value added insurance protection to customers for a more comprehensive long term financial solutions.

CLIP remains a major player in the Cambodian insurance sector and is one of the most profitable insurance companies in Cambodia. CLIP reported pre-tax profit of USD1.5 million in 2021.



AWARDS 2021

Asiamoney

- Best Bank for Corporate Social Responsibility

Global Banking & Finance

- Best Corporate Governance Bank Cambodia 2021
- Best Retail Bank Cambodia 2021

VISA

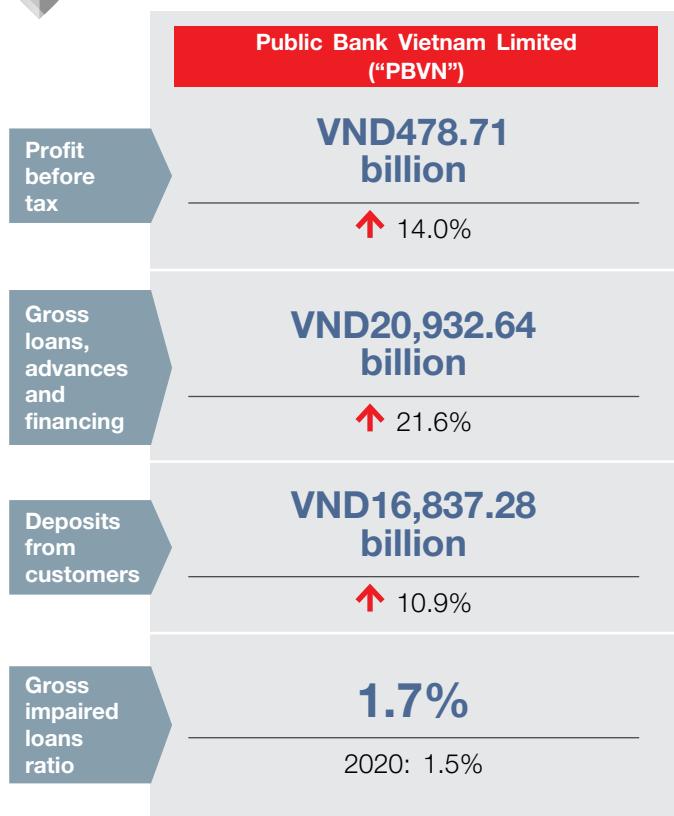
- Leadership in Average Spend Visa Affluent Credit for 2020
- Leadership in Credit Payment Volume for 2020

Bank of America Merrill Lynch, New York

- Straight-Through-Processing Excellence Award for 2020



VIETNAM



Vietnam is largely supported by its robust and solid economic fundamentals backed by strong investments, exports and domestic consumption. However, economic activities were affected amidst the resurgence of COVID-19 outbreak in the second half of 2021.

Performance Review

In 2021, PBVN recorded commendable business growth, achieving double digit growth in key business areas. PBVN's profit before tax grew by 14.0% to VND478.71 billion. Gross loans, advances and financing grew by an impressive 21.6% to VND20,932.64 billion as at the end of 2021 whilst customer deposits expanded further by 10.9% to VND16,837.28 billion as at the end of 2021.

Despite strong loans growth, the asset quality of PBVN remained resilient. The gross impaired loans ratio of PBVN inched up slightly to 1.7% as at the end of 2021 compared to 1.5% in the previous year. PBVN continues to engage with its financially-constrained borrowers to offer loan moratorium and personalised repayment assistance.

The successful bancassurance partnership between PBVN and AIA (Vietnam) Life Insurance Company Limited entered into its fourth year in 2021 with satisfactory results, capturing a total of VND3.94 billion of annualised new premium. PBVN will continue to roll out comprehensive bancassurance products, including investment linked products to cater to its diverse customer segments.

The Public Bank Group remains fully committed to expand its business and branch network in Vietnam with the opening of three branches bringing its branch network to a total of 29 branches in 2021. There were the opening of another two branches in January 2022 to serve a wider market reach.



LAOS OPERATIONS

The prolonged COVID-19 outbreak delayed the resumption of business activities and deepened economic recession in Lao People's Democratic Republic. The Public Bank Group's Laos Operations recorded profit before tax of LAK59.04 billion in 2021. Loans and advances grew marginally by 0.5% to LAK1,279.78 billion as at the end of 2021 and total customer deposits increased by 13.7% to LAK1,137.30 billion as at the end of 2021 driven by initiatives carried out during the year. Currently, Public Bank has four branches in Laos.



SRI LANKA OPERATIONS

For 2021, Sri Lanka recorded major economic setbacks predominantly due to the pandemic-induced business closures and prolonged restrictions on economic activities particularly in the tourism industry. Public Bank's operations in Sri Lanka recorded profit before tax of LKR218.5 million in 2021. Total loans and advances stood at LKR6,755.2 million as at the end of 2021. Total customer deposits grew by 17.5% to LKR3,855.4 million as at the end of 2021 as a result of deposit mobilisation initiatives. Public Bank presently has three branches in Sri Lanka.

SERVING THE CUSTOMER



KEY HIGHLIGHTS IN 2021

The Public Bank Group's frontline services at branches and loan service delivery remained certified to **internationally benchmarked ISO 9001:2015 standards**. The Group has put in place structured quality management system to maintain the bankwide **ISO 9001:2015 certification for the “Provision of Customer Service at the Front Office” and the “Provision of Customer Service in Loan Delivery”**.

Public Bank introduced the **non-face to face (“NFF”) approach with various security measures in place**, mainly driven by the **Know-Your-Customer principle (“KYC”)**. KYC is carried out through various checks including security questions, self-assessment checklist, customer indemnity and customer identification verification.

Public Bank’s robust Business Continuity Management (“BCM”) process which has been long established and well-practiced, has enabled the Bank to provide uninterrupted banking services to customers during the movement control order.

COMMITMENT IN PROVIDING EXCELLENT CUSTOMER SERVICE

The Public Bank Group's corporate values and culture define and drive the Group's customer-centric approach, guiding the Group to always act in the best interests of the Group's valued customers. Public Bank's corporate tagline '*Excellence is Our Commitment*' reflects the Group's customer care culture and is a testament of the Group's commitment to deliver best-in-class customer service.

The COVID-19 pandemic has accelerated the acceptance and adoption of technology, shifting customer behaviour and preference from the physical space to digital platforms. Despite various challenges arising from the pandemic, the Public Bank Group stayed attuned to the needs of its customers, constantly adapting to the ever-changing environment in order to serve customers' needs. At the same time, the Group continued to engage customers in order to obtain insights which can be used to develop service initiatives that better serve their evolving needs.

Since the onset of the COVID-19 pandemic, banking transactions have undergone a major transformation with customers' preference for NFF transactions. In response, Public Bank has introduced the NFF approach with various security measures in place, mainly driven by the KYC. KYC authentication is pivotal prior to NFF banking transactions, including reactivation of accounts, change of PBe Authentication Code ("PAC") contact number and renewal of secure signed token. KYC is carried out through various checks including security questions, self-assessment checklist, customer indemnity and customer identification verification.

Public Bank's BCM process has long been established and is well-practiced to cater for unforeseen circumstances. Owing to this preparation, the Bank could quickly implement the BCM process to provide uninterrupted banking services to customers during the movement control order. Critical Business Units ("CBUs") and all branches have Business Continuity Plans ("BCPs") in place which entail CBUs to split its operations, with some team members operating in the Bank's established recovery sites, while others operate from other locations (including their homes). A plethora of control measures have been implemented to safeguard Public Bank's interest as well as the confidentiality and security of customer information. Partner branches were also established within Public Bank's extensive network of branches to support customers and provide uninterrupted services within a locality in the event a branch is inoperable due to unforeseen circumstances.

To ensure the safety and well-being of customers, Public Bank fully embraced the standard operating procedures that have been issued by the authorities. Customers are encouraged to visit the branches only for essential banking services that could not be conducted digitally. For customers who needed to visit the branches, precautionary and preventive measures are rigorously put in place to ensure a safe environment.

KEY PRIORITIES AND ACHIEVEMENTS IN 2021

SIRIM Certification
reaffirmed by SIRIM in 2020 for
another three years

ISO 9001:2015 certification for the '*Provision of Customer Service at the Front Office*'

Public Bank continues to provide excellent customer service as measured by the conformance level of its standard waiting time ("SWT") at branches. Despite the challenges amid the COVID-19 pandemic, the Bank served a total of 5.9 million customers within the SWT of 2 minutes, which is equivalent to a conformance rate of 90%. In terms of the SWT of 5 minutes, the Bank achieved higher conformance rate of 97%, with 6.4 million customers being served within 5 minutes.

ISO 9001:2015 certification for the '*Provision of Customer Service at the Front Office*'

Public Bank places great emphasis on the efficiency of loans service delivery and branches are required to ensure that loan processing and loan disbursement is in accordance to the Bank's standard turnaround time to ensure efficient service in loan delivery.

Business Continuity Plan

Public Bank's BCP has undergone tests and simulations to ensure effectiveness and sustainability of the Bank's BCP in the event of disasters.

SERVING THE CUSTOMER

Customer Feedback Questionnaire (“CFQ”)

Information gathered through the customer satisfaction surveys provide invaluable insight for Public Bank to understand and cater to the various needs of customers. In 2021, the Bank continued to carry out its in-house CFQ to collate customers' feedback on its services. Once again, Public Bank achieved positive feedback in terms of loans service delivery as more than 96% of customers were satisfied with the services rendered.

Customer Service Survey via Quick Response (“QR”) Code

The Public Bank's Customer Service Survey via QR code solicits feedback on customer satisfaction with the Bank's services. More than 99% of customers were satisfied and rated the Bank '9' and '10' from the score of between '0' and '10', suggesting that customers are satisfied with the services rendered and will promote the Bank's services to others.

Prompt Complaint Resolution System

Public Bank seeks to minimise instances of complaints and grievances, and have put in place review mechanisms to ensure prompt redress of customers' complaints. Structured monitoring systems are built to ensure that redress of complaints is just and fair as well as resolved within its 10-day internal benchmark.

Customer Service Focus Group (“CSFG”)

CSFG is a digital platform for employees to share ideas and suggestions to further improve Public Bank's products and services, leveraging on insights gathered based on their daily interactions with customers.

Special Care Services for Customers

Public Bank provides special care services at all its branches for the physically disabled, senior citizens and expectant mothers regardless of the queue, time of arrival and nature of transaction(s).

CHANNEL MANAGEMENT

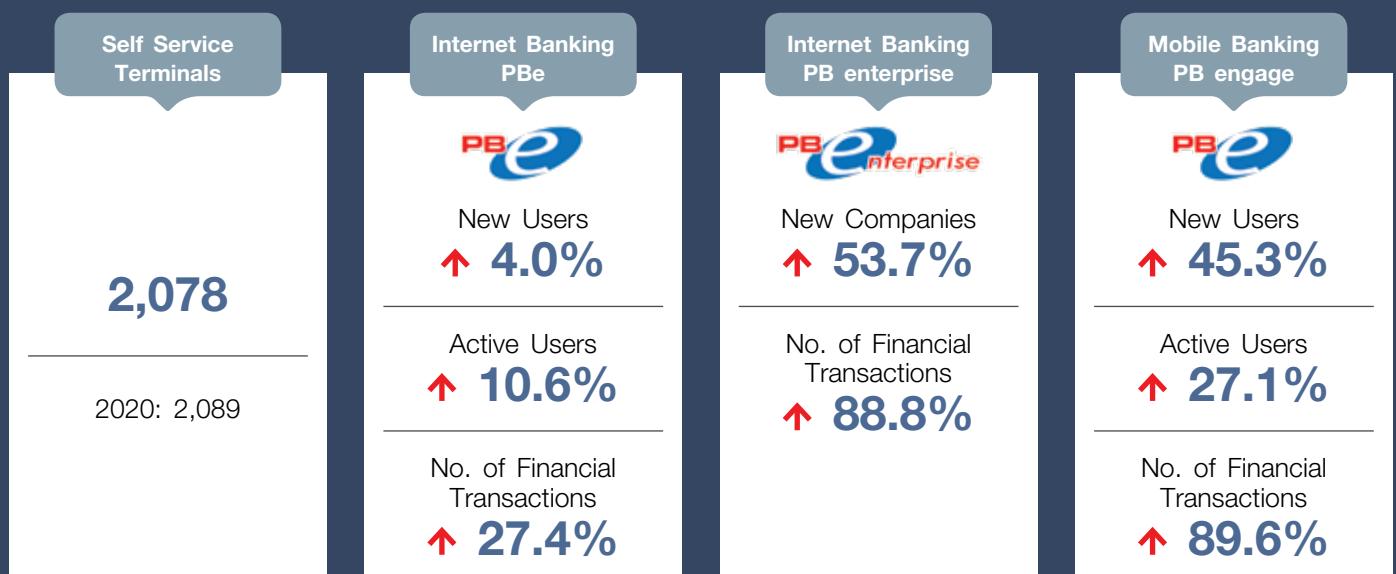


KEY HIGHLIGHTS IN 2021

Active subscribers of PB e and PB engage increased by a commendable 10.6% and 27.1% respectively in 2021 whilst internet and mobile banking transactions grew by an impressive 27.4% and 89.6% respectively. Mobile payments via DuitNow Quick Response ("QR") on PB engage increased by more than two folds.

Total transactions of PB enterprise, Public Bank's corporate online banking, rose by 88.8% whilst new companies registered on PB enterprise rose by 53.7%.

In 2021, a new **3-year Digital Roadmap** was introduced, outlining a new phase of the Public Bank Group's digitalisation agenda.



CHANNEL MANAGEMENT

ANTICIPATED RISKS

Digital transformation and technological innovation

There is greater need for digital transformation and technological innovation in view of widespread adoption of digital technologies and digital payments amongst customers.

Risk of cybercrimes

The surge in the adoption of online transactions, internet banking as well as cashless and contactless payments raises the risk of cybercrimes.

PROSPECTS

As businesses and consumer behaviour transition into a new normal operating environment, there is an increasing need to enhance delivery channels to provide customer centric solutions and enable business agility to seize opportunities.

Business Outlook

Short term

The Public Bank Group will continue to keep up-to-date with new technology and market movements and is committed to engage, coordinate and streamline initiatives in line with the Group's overall digital transformation strategy and roadmap.

The Public Bank Group remains steadfast in its efforts to combat cybercrimes as it adopts a robust and stringent security protocols and risk management practices to ensure that customers remain protected while embracing digital solutions. The Group will continue to focus on prioritising the safety and security of customers while enhancing overall customer experience.

Medium term

As a leading financial institution in Malaysia, the Public Bank Group understands the intricacies of the market and its customers. Thus, the Group will continue to enhance its digital channels and services to provide customers with working solutions to cope with the new normal. The Group will also focus on enhancing its digital channels to cater to the various layers of society encompassing the young and the seniors.

Long term

The Public Bank Group will provide a holistic ecosystem to its customers which extends beyond banking services.

OVERVIEW

In 2021, a new 3-year Digital Roadmap was introduced following the successful completion of the Public Bank Group's previous digital roadmap, outlining a new phase of the Group's digitalisation agenda. With this, the Group's digital journey is clearly mapped out to propel the Group forward, ready to embody banking of the future. The Group remains focused on enhancing customer experience while considering the current and future digital trends to cater to the evolving needs of customers.

PERFORMANCE REVIEW

Self Service Banking

Public Bank has a total of 2,078 units of self service terminals ("SST") at various in- and off-branches nationwide as at the end of 2021. These include automated teller machines, cash deposits and recyclers, cheque deposits and coin deposits machines. The Bank will continue to explore and provide ongoing SST services to cater to customers who prefer the convenience of using SSTs.

Internet Banking and Mobile Banking

The COVID-19 pandemic has accelerated and revolutionised the banking industry's digital channels in response to consumer behaviour and business continuity management. Various industries embraced digitalisation and innovation, which opened a realm of business opportunities and possibilities.

Over the years, the Public Bank Group has been constantly enhancing its digital platforms to provide enhanced features and better customer experience while catering to the increasing demand for online and mobile banking services. In 2021, the Group achieved a steady stream of newly registered subscribers of PBe and PB engage which grew by 4.0% and 45.3% respectively. Active subscribers also increased by 10.6% and 27.1% on PBe and PB engage respectively whilst the number of internet and mobile banking transactions grew by 27.4% and 89.6% respectively. The rate of adoption of mobile payments extended further to the use of DuitNow QR on PB engage, which is an interoperable and common QR standard in Malaysia, where the Group saw a significant increase in the number of QR payments by more than two folds.

With the shift in consumer behaviour where customers are opting for mobile payments such as DuitNow QR instead of physical cash, the Public Bank Group has redoubled its efforts to increase the number of mobile payment acceptance points by merchants. PBe QR, introduced in 2019 as a merchant acceptance service for merchants to accept payments using DuitNow QR from any banks and e-wallets in Malaysia, has seen the number and volume of transactions increased by over 35 folds in 2021.

Public Bank's corporate online banking, PB enterprise continued to grow in 2021, with total transactions performed on PB enterprise rising by 88.8%. The number of new companies registered on PB enterprise also increased by 53.7%. The higher adoption was in part due to the Public Bank Group's constant innovation and enhancement of PB enterprise's services for improved liquidity

management as it continues to attract more funds from various accounts held by customers in different banks.

The shift in consumer behaviour towards online purchases heightened the risk of online scams. In response, the Public Bank Group has been consistently promoting educational content on cybersecurity and alerts of scams in addition to enhancing its Fraud Prevention System to mitigate these cases. With the use of a Fraud Prevention System, the Group was able to detect 99.9% of confirmed fraud transactions in 2021.

As the Public Bank Group continues to enhance its digital channels, it is committed to provide a safer and secure ecosystem to ensure that customers are protected so that they can continue to adopt digital services confidently.

DIGITAL INITIATIVES

Igniting digital growth

The Public Bank Group has benefited from investments in digitalisation over the years, which has improved operational excellence, enhanced user experience and allowed the Group to keep up with changing customer demands. By digitalising onboarding processes, customers are able to apply for banking products and services through digital channels. The Group has introduced a fully digital application for several of its products and services including credit card, housing loan and PBe registration. The Group will continue to ensure that more products are made available digitally with greater accessibility through other digital channels within the Group.

Readyng for a new normal world

The Public Bank Group continues to adapt to the new normal as it extended its PBe QR service to include cross border payments acceptance from Thailand. This will allow customers from Thailand to use their home countries' bank accounts to pay merchants in Malaysia. The Group is currently working on enabling its PBe QR merchants to accept QR-based payments from other countries as well as allowing customers to make QR-based payments in other countries. The Group is further enhancing its mobile banking application which extends beyond banking to include lifestyle services.

Advancing the financial literacy and education agenda

The Public Bank Group believes that financial literacy and education should start from a young age. The Group introduced the PB Journey mobile application ("app") in August 2021 in an effort to educate children on financial planning and inculcate saving habits early. The app, which complements the PB Journey Programme, focuses on children and parents for a start as part of the Group's priority on educating the younger generation about managing wealth. The Group initiated various modules such as Pocket Money module and Goal Setting module with the aim to create an interactive learning between parents and children. In addition, educational videos were made available in the app to raise awareness on the importance of savings.

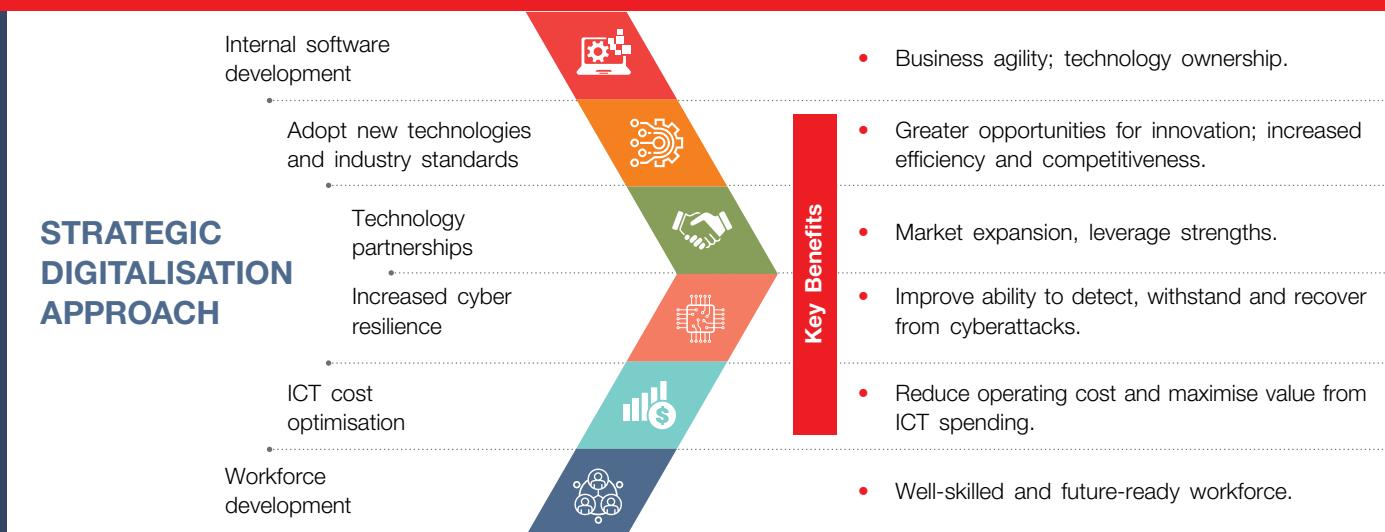
Banking-as-a-platform

The Public Bank Group partnered with several solution providers as part of its PB enterprise Digital SME Assist programme such as the Biztory, Kakitangan, EasyStore, TimeTec DiGi and Exabytes to provide SMEs with a one stop centre for business solutions, such as accounting and human resource software. The Group will be expanding its programme to include other solution providers to enrich the ecosystem.

INFORMATION & COMMUNICATION TECHNOLOGY



Three years have passed since the inception of the Public Bank Group's Digital Roadmap and a new phase is underway to further advance the Group's digital journey. The strategies of the roadmap remain relevant amid global challenges in the new normal business environment. Working in tandem, the approaches have cross-benefits that enrich the Group's Information & Communication Technology ("ICT") infrastructure supported by its agility to overcome intense business competition, responsiveness to evolving customer needs and greater resilience against growing risk of cyber threats.



In essence, the strategic approaches will pave the way forward for the Public Bank Group to move ahead of the curve and remain competitive in the Fourth Industrial Revolution ("IR4.0") by utilising ICT.

INTERNAL SOFTWARE DEVELOPMENT

The Public Bank Group prioritises on internal software development while packaged software is often purchased (or licensed) with source code for internal enhancement. This emphasis enables the Group to gain control in its product development, set its own direction for competitive advantage and retain ownership of the intellectual property. Using a hybrid development methodology by combining both Agile and Waterfall methodologies enable the creation of new systems and enhancement of existing ones for the best outcomes.

 <h3>Control over Development Direction</h3> <ul style="list-style-type: none"> The new PB Journey app which aims to inculcate saving habits for children from an early age was launched to add to the Public Bank Group's growing suite of mobile apps. New features were added to the PB enterprise cash management system to enable 24/7 creation and approval of Rentas transactions, support Financial Process Exchange online refund and allow future dated DuitNow transactions. A new inward cheque clearing system was introduced with enhancements to improve the efficiency of the cheque clearing process. 	 <h3>Business Agility</h3> <ul style="list-style-type: none"> Business agility allows new products and services to be released within the shortest time-to-market which is critical for seizing opportunities in a timely manner such as the recent launch of loans, cards, mutual funds, savings products with new features and other product campaigns. A new PB enterprise app will soon be launched to enable corporate customers to manage their accounts conveniently from their mobile devices, complementing the current browser based version. 	 <h3>Ownership of Intellectual Property</h3> <ul style="list-style-type: none"> A hire purchase repossession module featuring proprietary straight through processing design for optimum efficiency was incorporated into the existing in-house developed online collection system. The PB engage KH app was developed as part of ICT alignment with Head Office and was refreshed with support for the Cambodian Bakong e-Wallet to facilitate payment using the Cambodian national quick response ("QR") code. This is the first banking app which integrates Bakong e-Wallet into an all-in-one app by using its software development kit.
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NEW TECHNOLOGIES & INDUSTRY STANDARDS

The Public Bank Group is constantly exploring new technologies and industry standards to enhance its customer experience with faster and more efficient services. The Group also leverages on the latest software development technologies for greater innovation and competitiveness.

 <h3>Artificial Intelligence and Machine Learning ("AI/ML")</h3> <ul style="list-style-type: none"> The AI/ML capabilities in the latest version of the Public Bank Group's Anti-Money Laundering system have increased the speed and accuracy of money laundering activity detection. AI/ML is used to perform Product Trend Analysis on Customer Profitability Data enabling multi-factor analysis such as megatrends, industry trends and category trends which help the Public Bank Group tailor product parameters, such as rates and terms to attract more customers. 	 <h3>Gamification Technology</h3> <ul style="list-style-type: none"> Gamification harnesses the fun and stimulation of games to increase participation in campaigns such as the 'shake the Fortune Tree' and 'catch the ketupat' games had helped increase volume of DuitNow transactions for e-Angpow and e-DuitRaya during the festivities. Gamification under the PB Journey Children App also managed to attract more user engagement through cash rewards. Sales productivity and online learning participation increased with the introduction of gameplay in the staff mobile collaboration app. 	 <h3>Industry Standards</h3> <ul style="list-style-type: none"> Compliance was achieved with standards such as the Society for Worldwide Interbank Financial Telecommunications Standard Release 2021 and Mastercard Tokenisation for security as well as the new Mastercard Sunday clearing standard for faster credit settlement. Open Application Programming Interface ("Open API") for DuitNow QR related services and two-way SMS were published as standards for fintech partners to utilise Public Bank's services in their apps. The use of React Native coding standards was expanded with full adoption of the React Framework and Continuous Integration/Continuous Delivery tools for accelerated mobile and web development.
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INFORMATION & COMMUNICATION TECHNOLOGY

TECHNOLOGY PARTNERSHIPS

Technology partnerships provide the Public Bank Group access to special expertise and wider markets. Subject matter experts on advanced analytics and security supply vital services in realising the goals of the Group's digitalisation roadmap while Fintech partners and merchants help the Group to increase business volume for mutual benefit.



Partnership with PayNet

- Public Bank was the first to adopt DuitNow QR, Malaysia's National QR Standard and has now expanded its use for cross border service following an agreement between Malaysia and Thailand. With the new service, users from Thailand can now use their mobile payment apps to scan DuitNow QR to make payments to merchants in Malaysia.



Collaboration with Merchants

- Together with PayNet and Public Bank, Petron became the first petrol chain to implement MyDebit card acceptance for pay-at-pump and the first to remove the preauthorisation hold for MyDebit. The preauthorisation hold for Visa cards was also removed during the year.
- The Public Bank Group has also collaborated with AIA Malaysia on various bancassurance initiatives, including the use of tablets for on-the-go marketing executives and has recently developed a private host-to-host communication API for more efficient payment and reporting workflow.



Security Alliances

- The Public Bank Group has subscribed to an additional Threat Intelligence Service to widen its pool of cyber threat information from existing global renowned security vendors and cybersecurity agencies that also provide security fixes.
- Compromise assessments were also conducted with the help of cybersecurity experts to uncover the presence of intruders under the 'safe-to-fail' policy and verify effectiveness of existing distributed denial of service mitigation solutions provided by telecommunications companies.
- Other than vendors and security experts, the Public Bank Group also collaborates with the Government and statutory bodies such as Bank Negara Malaysia, the National Security Council and the Securities Commission with whom regular joint cybersecurity drills are conducted, the latest being the Capital Market Cyber Simulation with the Securities Commission.

INCREASED CYBER RESILIENCE

Customer data security remains a top priority for the Public Bank Group as a financial service provider. With the ever increasing threats of cyberattacks, the Group has to remain vigilant. In addition to constant upgrades of its security infrastructure, a 'safe-to-fail' strategy is also adopted with the view that even with the best security in place, a breach may yet occur and if it does, procedures must be in place to recover quickly.



Security Policy Framework

- The Group's Cyber Resilience Framework that was formulated to guard against the threat of cyberattacks through best practices for cybersecurity is constantly being updated, which strengthens defences and improves the security infrastructure. The latest revisions include provisions to prevent data leakage(s) during online meetings and additional policies for protecting while catering for the hybrid workplace.



Security Infrastructure Upgrades

- The Public Bank Group continues to invest in security infrastructure upgrades to provide up-to-date protection against latest threats. This includes a new database activity monitoring system capable of automatically processing massive database activity logs to detect early signs of potential intrusions.
- A Security Orchestration Automation and Response solution was implemented to facilitate the automation of incident remediation activities by the security operations centre for faster response and recovery from cyberattacks.



Security Conscious Culture

- A security conscious culture is important to strengthen the weakest link in security – '*the human factor*'. To address this issue, a security conscious culture is persistently propagated through online learning, while email alerts and SMS are sent out to create awareness on phishing scams and educate customers on prevention measures to avoid such scams. Phishing simulations are conducted regularly to gauge the level of security awareness among staff, and the results from these simulations are used to intensify education efforts.

ICT COST OPTIMISATION

The strategy of ICT cost optimisation is aimed at optimising resources and increasing efficiency to ensure that ICT provides optimum return on investment and is aligned with the Public Bank Group's long term sustainability objectives.



Digital Resource Optimisation

- The Public Bank Group's use of virtualisation to consolidate its ICT resources into an on-premise private cloud infrastructure has been beneficial as purchases of physical servers, software licensing costs, floor space and electricity usage reduced. Additionally, this helped preserve the environment through lower carbon emission thus contributing further to the Group's overall environmental, social and governance efforts.
- Development of a push notification API for mobile apps helped provide better security as well as savings on the cost of sending SMS messages while a revamp of recurring payment process on the credit card system resulted in significant saving in software licensing costs tied to central processing unit capacity utilisation.



Robotic Process Automation

- Robotic Process Automation employed for onboarding of new Payee Corporations in the Cash Management System eliminates manual data entry and improves Electronic Credit Payment file processing by replacing manual job-by-job submission with faster concurrent processing.
- The automation of software testing also improves system quality in addition to the elimination of various manual process of data preparation, setup and result verifications while conducting such tests.

WORKFORCE DEVELOPMENT

To ensure the success of the roadmap implementation, talent is developed and nurtured to inspire creativity and instil analytical thinking while cultivating a security mindset as part of the 'security-by-design' mantra.



Talent Development

- Continuous training is provided to upskill and prepare the workforce for the challenges of IR4.0 in areas covering DevOps, Design Thinking, digital technologies, including mobile programming, user interface design and AI/ML, cybersecurity related areas of forensic investigation, predictive security and other relevant cybersecurity expertise as well as ICT infrastructure management.
- Online learning was also intensified as more educational modules were released to raise the competency and deepen knowledge of staff on the latest banking products, regulations and trends.



Staff Productivity Tools

- The mobile collaboration app for staff which was launched in 2020, was further expanded with tools to improve productivity such as the introduction of a new module in the app that supports scheduling of branch relief officers to ensure that branches are adequately staffed at all times.
- Staff can also reset their passwords securely and conveniently using the app with the implementation of a new Identity and Access Management System that also handles access provisioning for new staff and revocation of dormant accounts digitally.
- Other new features include a digital library module to allow staff to browse and borrow books from Public Bank's staff library as well as an interactive guide system which assists staff in navigating complex regulations, such as Foreign Exchange Policy.

THE NEXT PHASE

The Public Bank Group's digital journey continues as the Group moves ahead with new initiatives, guided by the Group's roadmap and strategies. In the next phase, there will be ongoing exploration and adoption of new technologies. Electronic Know-Your-Customer will be implemented in the near future to securely onboard new customers.

BRANCH PERFORMANCE - KPIs AND AWARDS

BRANCH KEY PERFORMANCE INDICATORS

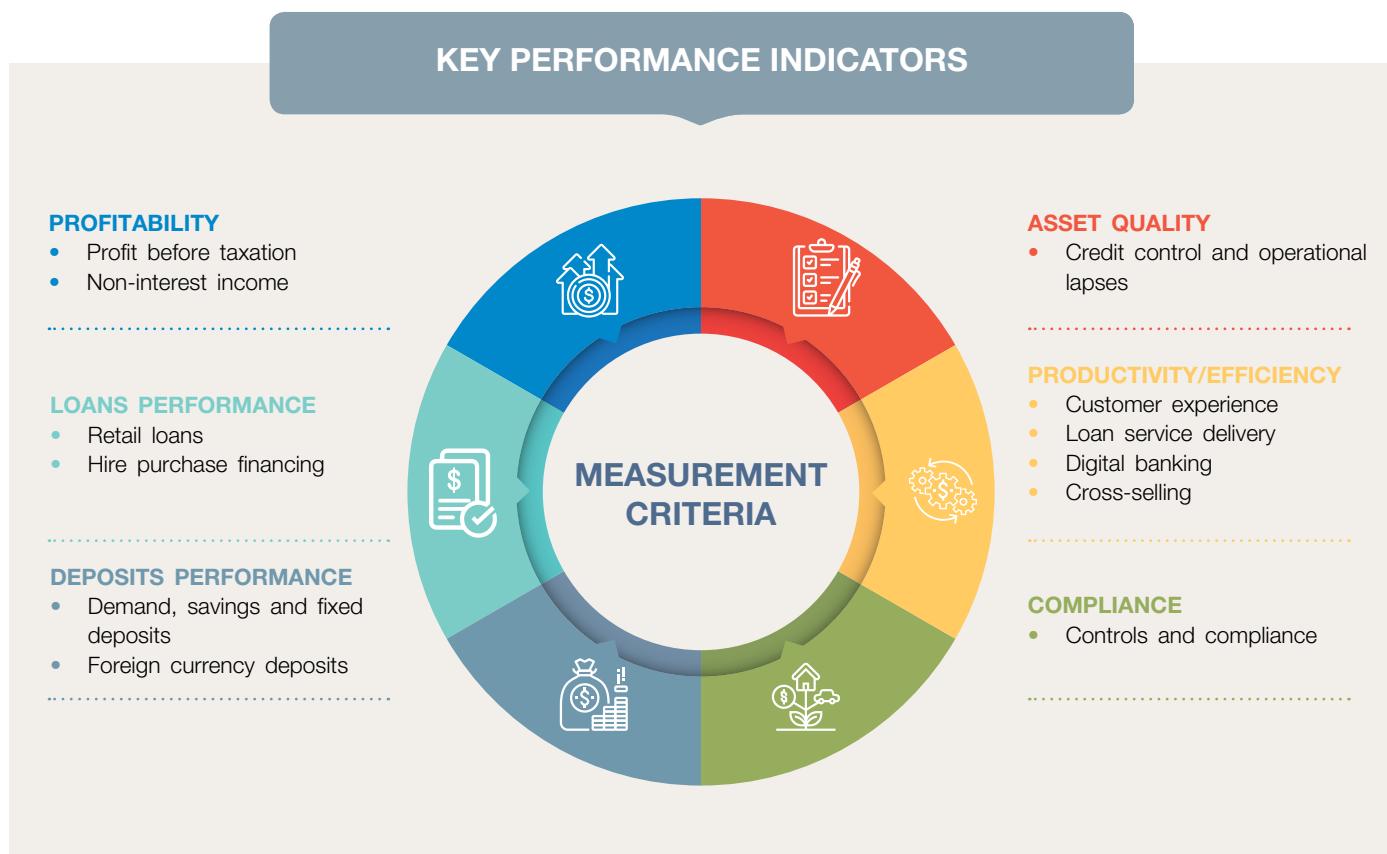
Public Bank's Key Performance Indicators ("KPI") serve as a form of assessment of business performance and operational efficiency of its branches. These KPIs are tools for the execution of the Bank's strategic business goals. All key performance factors are critical in determining branch performance, such as profitability, loans and deposits growth, asset quality, service delivery, control and compliance as well as staff productivity and efficiency. These provide a basis for allocation of resources as well as appraising and rewarding branch management and supervisory staff at branches.

Public Bank's Approach

These KPIs are reviewed yearly to align with the current operating environment as well as business strategies and objectives of Public Bank. Business performance of each branch and its ranking among peers is communicated on a monthly basis for branches to benchmark themselves against their peers and take appropriate measures to improve their performance. Close monitoring of branches' KPIs act as a catalyst for branches to meet these KPIs and improve their performance.

Public Bank's Measurement Criteria

The KPIs included in the assessment of branches, key management and supervisory staff are set out below:-



Branch Performance Awards

Every year, Public Bank accords recognition to domestic and overseas branches with outstanding business performance. The Branch Performance Awards with attractive monetary rewards are awarded to inspire branches to strive for outstanding achievement in the various key performance areas.



BRANCH PERFORMANCE AWARDS 2021

FOUNDER AND CHAIRMAN EMERITUS 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

Branches are segregated into six groups and rated against their respective peer groups. The assessments are based on very stringent criteria in the key areas of business performance, loan asset quality, compliance and risk management, cost efficiency and customer service delivery.

The Winners

A total of 94 awards with cash prizes close to RM900,000 were granted to the winners of the Branch Performance Awards for 2021.



WINNERS OF THE BEST BRANCH AWARDS FOR 2021

DOMESTIC BRANCHES

- Group 1** • Jalan Abdullah Branch
- Group 2** • Stutong Branch
- Group 3** • Jalan Raja Uda Branch
- Group 4** • Kota Damansara Branch
- Group 5** • Bandar Mahkota Cheras Branch
- Group 6** • Bandar Setia Alam Branch

OVERSEAS BUSINESS UNITS

- | | |
|---------------------------------|---|
| Public Bank (HK) Limited | • San Po Kong Branch |
| Public Finance Limited | • Jordan Road Branch |
| Cambodian Public Bank | • Phnom Penh Special Economic Zone Branch |
| Public Bank Vietnam | • Tan Binh Branch |



FOUNDER AND CHAIRMAN EMERITUS AWARD

JALAN ABDULLAH BRANCH

EXPECTATIONS AND OPPORTUNITIES

The global economic recovery may vary across countries as economies adapt to the new normal macro environment. Accommodative fiscal and monetary policies are expected to provide the much needed support to the global recovery. Overall, the outlook for 2022 hinges on developments related to the pandemic, global supply chain disruptions and potential macro challenges ahead, including geopolitical risk(s) amid the war in Ukraine.



OUTLOOK FOR 2022

For Malaysia, operations of key economic sectors and adaptability of businesses in the new normal environment will be supportive of economic growth. In addition, accommodative policies will provide financial and fiscal support to businesses and households. However, the outlook for Malaysia continues to be dependent on the development of the COVID-19 pandemic.

Amidst the challenging macro environment, fiscal and monetary policies are expected to remain accommodative and supportive of economic activities. The Malaysian banking system remains stable, underpinned by ample liquidity and healthy capital buffers. Amid the pandemic challenges, banks will continue to provide assistance to customers with financial difficulties, which include various loan repayment assistance programmes to support business recovery.

Businesses in Malaysia are expected to step up on its operational efficiency amid ongoing efforts on cost controls and balance sheet management. Similarly, banks in Malaysia are likely to enhance further its operational efficiency while embracing the new normal business landscape.

STRATEGIES AND DIRECTIONS



The Public Bank Group continues to operate efficiently, maintain prudence in management of credit risk and asset quality while preserving its strong corporate governance and sound risk management practices.

The Public Bank Group will continue to explore ways to further enhance its operational efficiency and overall productivity to maintain cost efficiency while accelerating its digitalisation efforts to cater to the evolving needs of its customers. The Group's ongoing enhancement of its information and communication technology infrastructure will improve further its efficiency, resilience and provide better customer experience through digital banking solutions under the new normal business environment.

The Public Bank Group will continue to proactively provide repayment assistance to extend the much needed financial relief to customers through flexible repayment packages. The Group will also continue to promote special financing schemes initiated by the Government and Bank Negara Malaysia to financially assist small and medium enterprises ("SMEs") in need of additional funds for their businesses.

The Public Bank Group will continue emphasising on financing of residential properties, which is in tandem with the Government's initiative to promote home ownership especially for first time home buyers. The Group will also remain supportive of financing for purchase of passenger vehicles and commercial lending to SMEs.

The Public Bank Group's corporate lending business will continue to be supported by its strong franchise and relationship with customers.

The Public Bank Group's treasury operations will remain vigilant in its business approach amid heightened market uncertainties while the Group continues to weather potential market pressures through its strong risk management capabilities.

The private retail unit trust industry is highly dependent on the overall market conditions and investor sentiment. The Public Bank Group will leverage on its strong market position and continue to embrace technology to offer a comprehensive range of unit trust products catering to the needs of investors.

The Public Bank Group remains committed to strengthen its regional presence, while leveraging on its strong branding and prudent management practices.

The Public Bank Group will remain adaptable to the business environment and intensify efforts on digitalisation to provide greater convenience to customers. The Group will continue to deliver efficient customer service through its extensive network of both physical and digital channels, while sustaining its position as a market leader in both the domestic retail and consumer segments. For long term sustainability, the Group will continue to leverage on the advancement of technology to further enhance its service delivery standards and infrastructure.

The Public Bank Group's healthy capital position and ample liquidity buffer coupled with its resilient asset quality and prudent loan loss reserves will enable the Group to navigate through the challenges ahead. The Group will continue to ensure that it remains well-capitalised to support its business while safeguarding the interests of its stakeholders.

DIGITAL SOLUTIONS



The Malaysian e-Payments Excellence Awards
by Payments Network Malaysia (PayNet)

The pandemic has caused digitalisation to accelerate at an unprecedented pace. Public Bank was quick to respond by **investing** and upgrading our **digital infrastructure** as well as implementing initiatives centered on internet and **mobile banking**, cashless and **digital payments**. With fresh insights and the need to meet changing needs, we continue to **strategise, innovate** and deliver **seamless** banking solutions.

Conquering Challenges
with
Strong Fundamentals

A photograph of a family of three riding bicycles outdoors in a park setting. In the foreground, a young child wearing a colorful helmet and a striped shirt is smiling at the camera while riding a red bicycle. In the background, a woman and a man, both wearing helmets, are also riding bicycles. The scene is set against a backdrop of green trees and sunlight.

SUSTAINABILITY STATEMENT

ABOUT PUBLIC BANK GROUP'S SUSTAINABILITY STATEMENT 2021

The Public Bank Group's Sustainability Statement provides an overview about the Group's sustainability management and performance in the areas of Economic, Environmental and Social ("EES"). This Statement describes how the Group identified material sustainability matters, as well as the approach, strategies, initiatives and progress in managing the key EES factors.

The Sustainability Statement needs to be read together with other pertinent EES-related disclosures in this Annual Report for a comprehensive understanding of the Public Bank Group's sustainability management and performance.

The Statement was reviewed and approved by the Board of Directors of Public Bank.

Reporting Scope

This Statement covers the Public Bank Group's core business operations which is represented by its domestic banking operations of Public Bank Berhad, Public Islamic Bank Berhad ("Public Islamic Bank") and Public Investment Bank Berhad ("Public Investment Bank") in Malaysia. The Statement also incorporates EES information of its domestic subsidiaries and overseas operations where relevant, namely Public Mutual Berhad ("Public Mutual"), Cambodian Public Bank Plc ("Campu Bank") in Cambodia and Public Bank Vietnam Limited ("Public Bank Vietnam") in Vietnam.

The Public Bank Group's listed subsidiary in Hong Kong, Public Financial Holdings Limited ("PFHL") publishes its annual Environmental, Social and Governance ("ESG") Report in adherence with the ESG Reporting Guide issued by Hong Kong Exchanges and Clearing Limited. The scope of the Report includes Public Bank (Hong Kong) Limited, Public Finance Limited, Public Securities Limited and Winton Financial Limited. PFHL'S latest ESG Report is available at https://www.publicfinancial.com.hk/home_en.

Reporting Period

The Sustainability Statement 2021 covers the Group's sustainability initiatives from 1 January 2021 to 31 December 2021, unless otherwise specified.

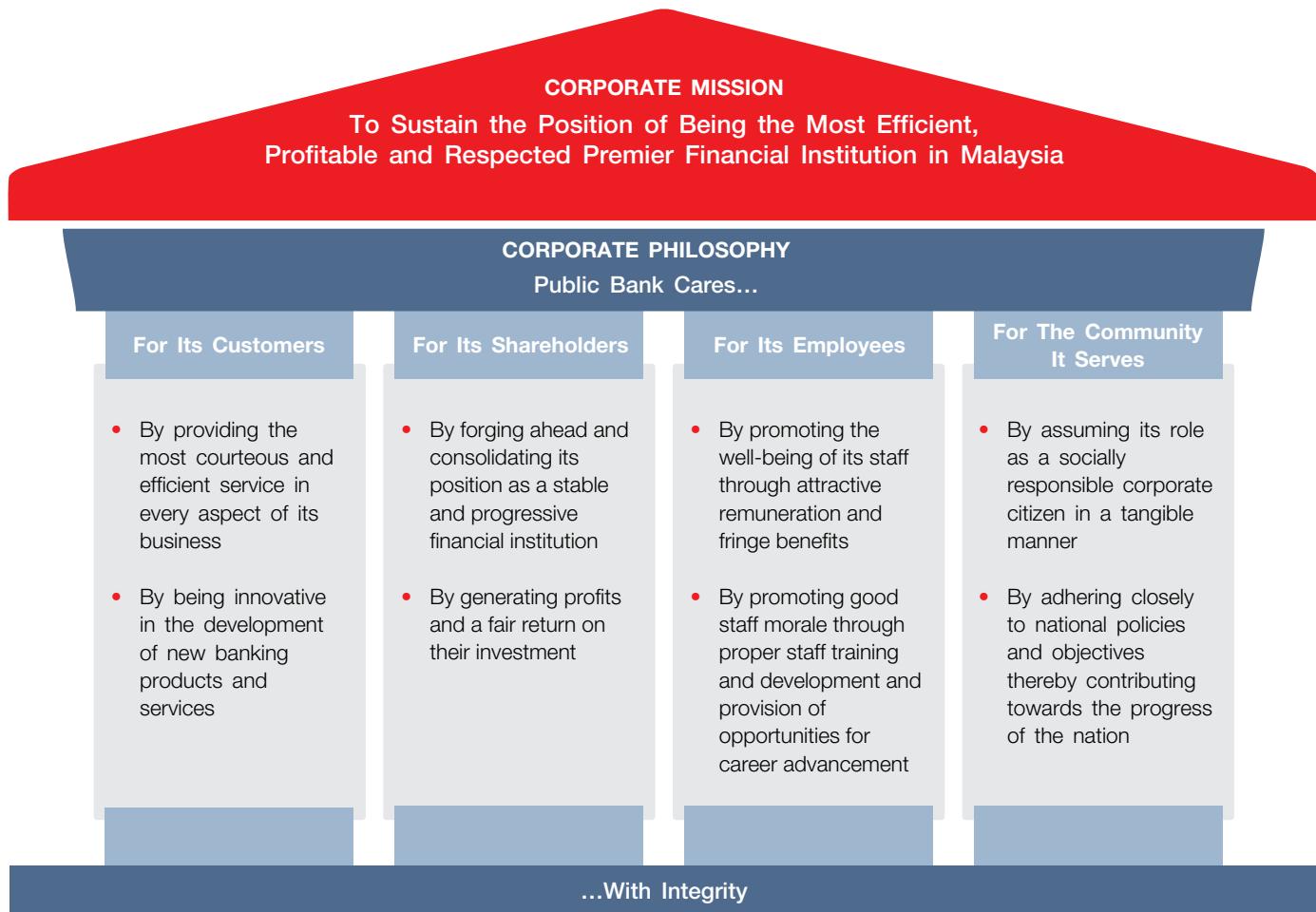
Guideline and Reference

This Sustainability Statement is prepared in accordance with Bursa Malaysia Securities Berhad's Sustainability Reporting Guide and Toolkits (2nd Edition). In addition, this Statement also serves to provide sustainability performance disclosures with reference to the United Nations' Sustainability Development Goals, Task Force on Climate-related Financial Disclosures as well as the requirements by various global ESG rating providers, including FTSE Russell ESG Ratings and MSCI ESG Research.

SUSTAINABILITY STATEMENT

THE PUBLIC BANK GROUP'S APPROACH TO SUSTAINABILITY

The Public Bank Group's Corporate Philosophy guides the Group's sustainability practices. The Group is mindful of its responsibility to deliver value for its key stakeholders, i.e. Customers, Shareholders, Employees and the Community over the long term with sustainability being an integral part of the Group's business directions to ensure sustainable growth while protecting stakeholders' interests.



Sustainability Governance

In 2021, the Public Bank Group further strengthened its governance operating model to enable enhanced effectiveness and efficiency in ESG management, while ensuring compliance with regulatory requirements.

Board of Directors

Setting the tone from the top, the Board of Directors ("the Board") holds the ultimate accountability for the integration of sustainability into the Group's operations by ensuring ESG considerations are embedded in the strategic planning, risk management and in the implementation of the Group's initiatives. The Board's responsibility in promoting sustainability is reflected in the Group's Board Charter which is available on the Group's website on <https://www.publicbankgroup.com/About-Us/Board-Of-Directors/Board-Charter>.

Board Risk Management Committee

The Board Risk Management Committee assists the Board on the oversight and management of the Group's ESG risks and opportunities, ensuring appropriate risk policies, controls and actions are in place to manage the key ESG factors.

Sustainability Management Committee

The Sustainability Management Committee ("SMC") is chaired by the Chief Executive Officer, and members consist of Deputy Chief Executive Officer, Senior Chief Operating Officers and Heads of relevant Divisions. The SMC is responsible for the overall sustainability management of the Group. In discharging its duties, the SMC reviews the Group's sustainability commitments and performance as well as endorses the operational initiatives formulated to drive the progressive achievement of its sustainability objectives.

Climate Risk Management Task Force

The Climate Risk Management Task Force ("CRMFTF") is responsible to embed the Board's approved climate-related risk policies into the day-to-day operations and to implement sustainability initiatives endorsed by the SMC.

SUSTAINABILITY STATEMENT

Stakeholder Engagement

Engaging and building solid relationships with the stakeholders assist the Public Bank Group to understand stakeholders' expectations and concerns, enabling the Group to shape its strategic priorities to be in line with the interest of the stakeholders.

In ESG management, stakeholder engagement forms a vital part of the Group's sustainability approach, as it helps the Group to identify material sustainability matters, as well as setting and managing sustainability strategies.

In 2021, the Group continued to leverage on digital channels to reach out to the stakeholders and gather inputs for further insights of the current and emerging trends in the evolving sustainability landscape.

Customers			
Mode of Engagement	Engagement Frequency	Scope of Interest	Group's Response
Branches	Ongoing	<ul style="list-style-type: none"> Efficient and courteous frontline counter service 	<ul style="list-style-type: none"> Ethics, Integrity and Trust (page 84)
Sales and marketing team	Ongoing	<ul style="list-style-type: none"> Key performance indicators on service delivery 	<ul style="list-style-type: none"> Management Discussion and Analysis <ul style="list-style-type: none"> Serving the Customer (page 180) Channel Management (page 183)
Customer service channels	Ongoing	<ul style="list-style-type: none"> Availability and suitability of products 	<ul style="list-style-type: none"> Sustainability Statement <ul style="list-style-type: none"> Theme 1: Responsible Business (page 214) Theme 2: Conduct and Compliance (page 237)
Self service terminals	Ongoing	<ul style="list-style-type: none"> Ethical and fair conduct in sales and marketing practice 	
Surveys	Ongoing	<ul style="list-style-type: none"> Efficient and prompt response in addressing customer complaint 	
Social media	Ongoing	<ul style="list-style-type: none"> Fair pricing of products and services 	
Annual Report	Yearly	<ul style="list-style-type: none"> Shariah-compliant Islamic products and services 	
Virtual financial roadshows	As and when required	<ul style="list-style-type: none"> Availability and features of COVID-19 financial assistance 	
Webinar events	As and when required	<ul style="list-style-type: none"> Protection from fraud and scams 	
Email blast	As and when required	<ul style="list-style-type: none"> Data security Efficient and safe internet banking 	
Group's website www.pbebank.com	Ongoing	<ul style="list-style-type: none"> Reachability during non-office hours on e-banking security matters 	

Shareholders and Investors

Mode of Engagement	Engagement Frequency	Scope of Interest	Group's Response
Investor relations channel	Ongoing		
Virtual Annual General Meeting	Yearly		
Virtual Extraordinary General Meeting	As and when required		
Virtual conferences and roadshows	As and when required		
Virtual analyst briefings	Quarterly		
Audio/Video conferencing	As and when required		
Annual Report	Yearly		
Corporate Governance Report	Yearly		
Media releases and interviews	As and when required		
Group's website www.pbebank.com	Ongoing		
Surveys	As and when required		
		<ul style="list-style-type: none"> Business performance, strategies and prospects Returns on investments and dividend payout ESG initiatives, performance and targets Good business conduct Guidance on Key Performance Targets 	<ul style="list-style-type: none"> Statement by Tan Sri Dato' Sri Dr. Teh Hong Piow, Founder, Chairman Emeritus, Director and Adviser (page 36) Joint Statement by Chairman and Managing Director/Chief Executive Officer (page 40) Five-Year Group Financial Summary (page 24) Management Discussion and Analysis (page 118) Corporate Governance Overview Statement (page 60) Risk Management (page 75) Investor Information (page 283) Sustainability Statement (page 196) Annual Report – Financial Statements

Employees

Mode of Engagement	Engagement Frequency	Scope of Interest	Group's Response
Virtual training	Ongoing		
Appraisal meetings	Yearly		
Employees engagement campaigns	As and when required		
Public Bank's intranet	Ongoing		
Circular Management System	Ongoing		
Compliance Newsletter	Monthly		
Compliance Bulletin	Quarterly		
Wawasan Vision Quarterly Bulletin	Quarterly		
New Year Message by Chairman Emeritus	Yearly		
Special Message by Chairman Emeritus	As and when required		
Islamic Banking Bulletin	Quarterly		
Email blast	As and when required		
PBeXperience mobile application	Ongoing		
Annual Report	Yearly		
Surveys	As and when required		
Philanthropic activities	Ongoing		
		<ul style="list-style-type: none"> Talent and skill development Career prospects Remuneration and benefits Workplace health and safety Labour and human rights Equal opportunities in employment practices Succession planning Employee engagement activities 	<ul style="list-style-type: none"> Ethics, Integrity and Trust (page 84) Sustainability Statement – Theme 4: Developing Employees (page 253)

SUSTAINABILITY STATEMENT

Communities and Non-Governmental Organisations

Mode of Engagement	Engagement Frequency	Scope of Interest	Group's Response
Philanthropic activities	Ongoing		
Virtual calls	As and when required		
Annual Report	Yearly		
Social media	Ongoing		
Group's website www.pbebank.com	Ongoing	<ul style="list-style-type: none"> • Community empowerment • Social development • ESG initiatives • Response to climate change risks 	<ul style="list-style-type: none"> • Sustainability Statement <ul style="list-style-type: none"> – Theme 5: Corporate Citizenship (page 265) – Theme 3: Managing Environmental Impact (page 243)

Regulators

Mode of Engagement	Engagement Frequency	Scope of Interest	Group's Response
Virtual meetings	As and when required		
Virtual industry forums	As and when required		
Virtual consultation/townhall sessions	As and when required	<ul style="list-style-type: none"> • Regulatory compliance and best corporate governance practices • Financial inclusion and literacy • Customer service • Ethical banking conduct • Digital banking • Cybersecurity • ESG initiatives • Response to climate change risks 	
Correspondences	As and when required		<ul style="list-style-type: none"> • Statement on Risk Management and Internal Control (page 88) • Audit Committee Report (page 94) • Annual Report – Financial Statements • Sustainability Statement <ul style="list-style-type: none"> – Theme 1: Responsible Business (page 214) – Theme 2: Conduct and Compliance (page 237) – Theme 3: Managing Environmental Impact (page 243)

Media

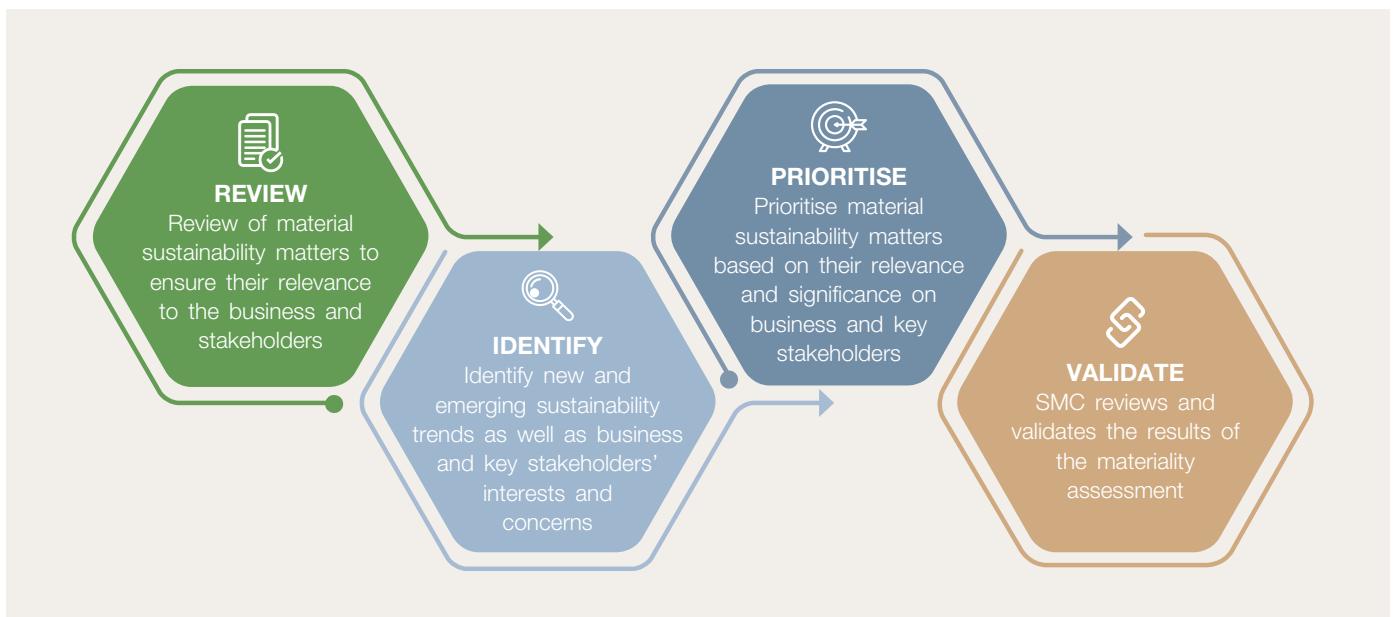
Mode of Engagement	Engagement Frequency	Scope of Interest	Group's Response
Interviews	As and when required		
Press releases	As and when required		
Social media	Ongoing		
Virtual Annual General Meeting	Yearly	<ul style="list-style-type: none"> • Financial results, business performance, strategy and prospects • Corporate development • Launch of new products and services • ESG initiatives, performance and targets 	
Virtual Extraordinary General Meeting	As and when required		
Group's website www.pbebank.com	Ongoing		<ul style="list-style-type: none"> • Statement by Tan Sri Dato' Sri Dr. Teh Hong Piow, Founder, Chairman Emeritus, Director and Adviser (page 36) • Joint Statement by Chairman and Managing Director/Chief Executive Officer (page 40) • Corporate Governance Overview Statement – Stakeholder Engagement (page 74) • Management Discussion and Analysis – Outlook for 2022 (page 192)

Suppliers and Vendors

Mode of Engagement	Engagement Frequency	Scope of Interest	Group's Response
Procurement process	Ongoing	<ul style="list-style-type: none"> Fair selection of suppliers and vendors 	<ul style="list-style-type: none"> Ethics, Integrity and Trust (page 84)
Suppliers/Vendors engagement activities	Ongoing	<ul style="list-style-type: none"> Transparent procurement process 	<ul style="list-style-type: none"> Sustainability Statement – Theme 1: Responsible Business (page 214)

Materiality Assessment

Materiality assessment is an important process to identify EES matters that have the most influence on both the Public Bank Group's business and its key stakeholders. The results of the assessment help to shape the strategic directions and actions in the Group's business and sustainability journey.



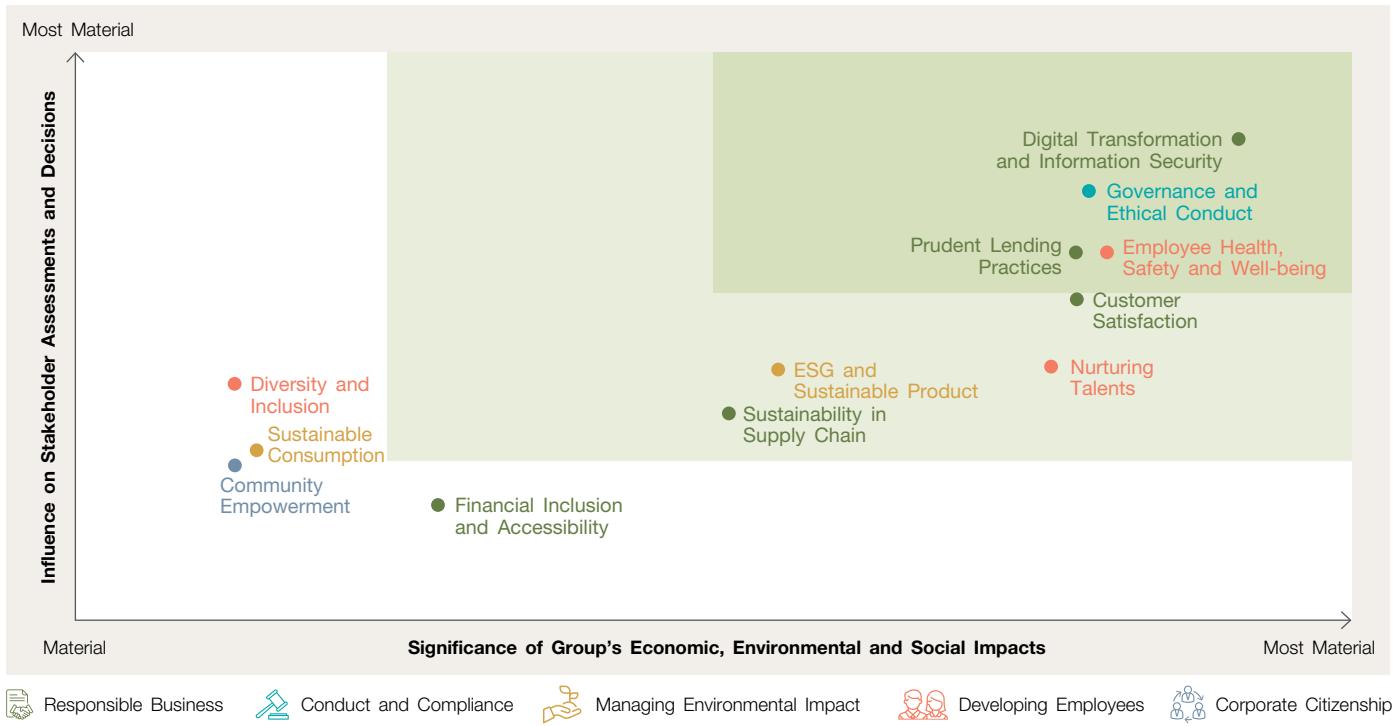
In 2021, the Public Bank Group undertook a review of the relevance of its material sustainability matters based on the latest operating environment, global and industry ESG trend, feedback from ESG analysts and media, as well as internal risk assessment.

Following the review, the Public Bank Group regrouped its material sustainability matters to reflect the latest trends in the ESG landscape. This resulted in 12 material sustainability matters that guide the Group in its management and reporting of EES risks and opportunities.

SUSTAINABILITY STATEMENT

2020	Major updates on the material sustainability topics	2021
• Data Security • Digital Transformation and IT Infrastructure	Combined into one topic named “Digital Transformation and Information Security”, to reflect the Group’s efforts on embracing digitalisation, while managing the risks brought by digitalisation	Digital Transformation and Information Security
• Design and Marketing of Products and Services	Merged into “Customer Satisfaction” as both topics are related to customers’ experience	Customer Satisfaction
• Responsible Lending	Renamed	Prudent Lending Practices
• Compliance • Anti-money Laundering and Counter Financing of Terrorism • Anti-Fraud	Merged into a single topic named “Governance and Ethical Conduct”, to cover all relevant areas with respect to regulatory compliance and good banking conduct	Governance and Ethical Conduct
• Energy Management • Greenhouse Gas Emission • Waste Management	Merged into one topic named “Sustainable Consumption”, to reflect the Group’s initiatives in reducing direct carbon emission from its daily operations	Sustainable Consumption
	Added a new topic “ESG and Sustainable Product” to describe the Group’s efforts on sustainable financing and ESG-related banking products and services	ESG and Sustainable Product
• Talent Attraction and Retention • Employee Education and Development	Combined into one topic named “Nurturing Talents” to cover a broader scope of employee-related matters	Nurturing Talents
• Employment Practices	Renamed	Diversity and Inclusion
• Community Contribution	Renamed	Community Empowerment

Following the updates in its material sustainability matters, the Group conducted an online survey with its key stakeholders to gather their opinions on the importance level of each material matter and a materiality matrix was mapped.



On the top of the matrix is “Digital Transformation and Information Security” in view of the heightened awareness and demand for safe and convenient electronic banking, followed by “Governance and Ethical Conduct” given the Group’s fiduciary duty as the custodian of public funds. Subsequently, “Customer Satisfaction” and employee-related sustainability matters remain at the high quadrant of the matrix, given the impact to the various stakeholders concerned.

The 12 material sustainability matters were categorised into five themes:



SUSTAINABILITY STATEMENT

Responsible Business



- Digital Transformation and Information Security
- Customer Satisfaction
- Financial Inclusion and Accessibility
- Sustainability in Supply Chain
- Prudent Lending Practices

Material EES matters	Relevant Stakeholders
Digital Transformation and Information Security Providing digital banking services that meet stakeholders' expectation for seamless and efficient banking, and leveraging on innovative technology to enhance operational efficiency, while at the same time safeguarding information and cybersecurity amid the increased usage of digital platforms	<ul style="list-style-type: none">• Customers• Shareholders and investors• Employees• Regulators
Customer Satisfaction Upholding service excellence in the interaction and engagement with customers	<ul style="list-style-type: none">• Customers• Employees• Regulators
Financial Inclusion and Accessibility Enhancing the availability of financial services and supporting public accessibility to banking services to meet the needs of society as a whole	<ul style="list-style-type: none">• Customers• Regulators• Communities and non-governmental organisations
Sustainability in Supply Chain Adopting sustainable practices and taking into account ESG consideration across the supply chain, while encouraging suppliers and vendors to enhance ESG practices	<ul style="list-style-type: none">• Suppliers and vendors
Prudent Lending Practices Prudent and responsible lending practices that take into consideration borrowers' interests and community well-being	<ul style="list-style-type: none">• Customers• Shareholders and investors• Regulators

Conduct and Compliance



- Governance and Ethical Conduct

Material EES matters	Relevant Stakeholders
Governance and Ethical Conduct Upholding strong corporate governance and undertaking the highest standard of ethical conduct to instil trust and confidence in stakeholders	<ul style="list-style-type: none">• Customers• Communities and non-governmental organisations• Shareholders and investors• Employees• Suppliers and vendors• Regulators

Managing Environmental Impact



- ESG and Sustainable Product
- Sustainable Consumption

Material EES matters	Relevant Stakeholders
<p>ESG and Sustainable Product Developing and promoting banking solutions that are embedded with ESG and sustainability considerations</p>	<ul style="list-style-type: none"> • Customers • Communities and non-governmental organisations • Shareholders and investors • Regulators • Employees
<p>Sustainable Consumption Climate change mitigation and escalating efforts on efficient and sustainable energy consumption and waste management</p>	<ul style="list-style-type: none"> • Customers • Communities and non-governmental organisations • Regulators • Employees

Developing Employees



- Nurturing Talents
- Employee Health, Safety and Well-being
- Diversity and Inclusion

Material EES matters	Relevant Stakeholders
<p>Nurturing Talents Attracting and retaining talents as well as equipping employees with skills for career advancement and personal development</p>	<ul style="list-style-type: none"> • Employees • Regulators
<p>Employee Health, Safety and Well-being Prioritising the safety, health and well-being of its employees to drive productivity by providing a safe and healthy environment in an atmosphere of trust</p>	<ul style="list-style-type: none"> • Employees • Regulators
<p>Diversity and Inclusion Promoting diverse and inclusive workforce by providing equal opportunities, elimination of forced labour and non-discrimination towards race, gender, religion, ethnic, age, disability, nationality, culture, marital and parental status, physical impairment and religious beliefs</p>	<ul style="list-style-type: none"> • Employees • Regulators

Corporate Citizenship



- Community Empowerment

Material EES matters	Relevant Stakeholders
<p>Community Empowerment Striving to improve people's livelihood through philanthropic activities that create a long-lasting impact on the well-being of the community</p>	<ul style="list-style-type: none"> • Employees • Communities and non-governmental organisations

SUSTAINABILITY STATEMENT

SUSTAINABLE DEVELOPMENT GOALS

Alignment with the United Nations Sustainable Development Goals

The Sustainable Development Goals (“SDGs”) by the United Nations (“UN”) comprising 17 goals is an urgent call for global action to end poverty, improve health and education, reduce inequality, spur economic growth, while tackling climate change.

The Public Bank Group is supportive of the SDG agenda and has been focusing on efforts contributing to the SDGs that it can make the most positive impact through the management of its material sustainability matters.

UN SDGs	SDG-Aligned Material Sustainability Matters
 Target 1.4: Equal rights to economic resources, basic services and financial services	<ul style="list-style-type: none"> Financial Inclusion and Accessibility
 Target 3.8: Achieve health coverage, including financial risk protection and access to health care services for all	<ul style="list-style-type: none"> Employee Health, Safety and Well-being Community Empowerment
 Target 4.4: Increase the number of youths and adults for employment, decent jobs and entrepreneurship	<ul style="list-style-type: none"> Nurturing Talents Community Empowerment
 Target 5.5: Support women's equal rights for leadership	<ul style="list-style-type: none"> Diversity and Inclusion
 Target 7.2: Increase share of renewable energy in the global energy mix	<ul style="list-style-type: none"> Sustainable Consumption ESG and Sustainable Product
 Target 8.3: Encourage growth of micro- as well as small- and medium-sized enterprises Target 8.5: Achieve full and productive employment for all Target 8.6: Reduce the proportion of youth not in employment, education or training Target 8.8: Protect labour rights as well as promote safe and secure working environment for all workers Target 8.10: Provide access to banking, insurance and financial services for all	<ul style="list-style-type: none"> Prudent Lending Practices Financial Inclusion and Accessibility Nurturing Talents Employee Health, Safety and Well-being Diversity and Inclusion

UN SDGs	SDG-Aligned Material Sustainability Matters
 <p>Target 9.3: Increase the access of small-scale industrial and other enterprises to financial services</p> <p>Target 9.4: Upgrade infrastructure with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes</p> <p>Target 9.5: Encourage innovation and upgrade technological capabilities</p>	<ul style="list-style-type: none"> Financial Inclusion and Accessibility Digital Transformation and Information Security Sustainability in Supply Chain Sustainable Consumption
 <p>Target 10.2: Empower and promote social, economic and political inclusion of all</p>	<ul style="list-style-type: none"> Diversity and Inclusion Community Empowerment
 <p>Target 11.1: Ensure access for all to adequate, safe and affordable housing and basic services</p>	<ul style="list-style-type: none"> Financial Inclusion and Accessibility
 <p>Target 12.2: Achieve the sustainable management and efficient use of natural resources</p> <p>Target 12.6: Adopt sustainable practices and integrate sustainability information into reporting cycle</p> <p>Target 12.8: Ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature</p>	<ul style="list-style-type: none"> Sustainability in Supply Chain Sustainable Consumption ESG and Sustainable Product
 <p>Target 13.3: Improve education, awareness-raising as well as human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p>	<ul style="list-style-type: none"> Sustainable Consumption ESG and Sustainable Product
 <p>Target 16.5: Reduce corruption and bribery in all forms</p> <p>Target 16.6: Develop effective, accountable and transparent institutions at all levels</p>	<ul style="list-style-type: none"> Governance and Ethical Conduct

SUSTAINABILITY STATEMENT

The Public Bank Group's Commitments

Living up to its Corporate Philosophy, the Public Bank Group has established sustainability commitments aligned with the SDGs. The Group is guided by these commitments and goals and aims to create a more powerful purpose throughout the organisation in the years ahead.

UN SDGs	The Public Bank Group's Commitments and Goals
 7 AFFORDABLE AND CLEAN ENERGY  12 RESPONSIBLE CONSUMPTION AND PRODUCTION  13 CLIMATE ACTION	<p>Mindful of its role as a financial intermediary, the Public Bank Group is cognisant that it can create great positive impact in environmental conservation. Tapping on its strength in the lending business, the Group is committed to:</p> <ul style="list-style-type: none">• Incorporating ESG into all business decisions and operations management• Supporting financing for sustainable agribusiness• Encouraging sustainable practices within the high impact sectors for ESG <p>To create more meaningful impact, the Group has set specific goals to lead its actions in addressing climate change risk:</p> <ul style="list-style-type: none">• To achieve carbon neutral position in greenhouse gas emission (Scope 1 and 2) by 2030• To achieve net zero greenhouse gas emission by 2050• No deforestation, no new peat and no exploitation in its lending practices• Mobilising RM25 billion financing for the purchase of energy efficient vehicles by 2025
 8 DECENT WORK AND ECONOMIC GROWTH  9 INDUSTRY INNOVATION AND INFRASTRUCTURE  11 SUSTAINABLE CITIES AND COMMUNITIES	<p>The importance of financial inclusion has grown over the years. By providing greater access to financial services for all segments of the population, especially the low-income individuals and businesses with limited resources, will help to improve the well-being of the community at large, and boost the nation's economy.</p> <p>With that, the Group is committed to:</p> <ul style="list-style-type: none">• Mobilising RM40 billion in ESG-friendly financing, including RM15 billion for affordable home financing, by 2025• Improving the lives of 1.5 million individuals through inclusive finance by 2025
 1 NO POVERTY  3 GOOD HEALTH AND WELL-BEING  4 QUALITY EDUCATION  5 GENDER EQUALITY  10 REDUCED INEQUALITIES	<p>Cognisant of its role as a responsible corporate citizen, the Group is committed to make positive contribution by enhancing the quality of life of the wider community.</p> <p>The Group remains committed to:</p> <ul style="list-style-type: none">• Supporting and empowering the community• Identifying, mitigating and managing modern slavery and human rights risk across the supply chain
 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	<p>Good governance and compliance practices as well as ethical conduct are vital to sustain the reputation of a trusted and reliable financial institution.</p> <p>The Group is committed to:</p> <ul style="list-style-type: none">• Reporting publicly on the progress in achieving its ESG commitments• Upholding strict compliance and ethical conduct

Awards and Recognitions

The Public Bank Group's unwavering commitment and efforts in its sustainability journey continued to be recognised by prestigious global institutions.



FTSE4Good

The Public Bank Group has fulfilled the FTSE4Good criteria to remain as a constituent in the following indices in the FTSE4Good index series:

- FTSE4Good Bursa Malaysia Index
- FTSE4Good ASEAN 5 Index
- FTSE4Good Emerging Index



The Public Bank Group's AA rating, which is awarded by MSCI ESG Ratings, designates the Group as a leader in banking industry in managing significant ESG risks and opportunities.



For the third consecutive year, the Public Bank Group was honoured a Gold award in the Asset ESG Corporate Awards 2021 for the Group's continuous effort in enhancing its ESG practices.

SUSTAINABILITY STATEMENT

MANAGING MATERIAL SUSTAINABILITY MATTERS

Navigating the Challenges of COVID-19

2021 was another year with significant challenges with the COVID-19 pandemic remaining a major threat to public health, and the business environment continued to be affected by the weak sentiments. While the society had gradually adapted to the new normal, the Public Bank Group remained vigilant and continued to take the necessary measures to navigate the challenges brought by the evolving operating environment.

THE GROUP'S RESPONSE TO COVID-19

For Customers

- Approved about RM82 billion of domestic loans under the Repayment Assistance Programme, benefitting nearly 438,000 customers*
- Extended about RM3.4 billion of financing under the Government and Bank Negara Malaysia's special financing schemes to more than 17,700 SME customers*
- Ensuring uninterrupted banking services:
 - Enhancing functionalities of PBe internet banking, PB engage mobile banking and PB enterprise
 - Facilitating customer onboarding via digital platforms
 - Strengthening cybersecurity amid the increasing usage of online banking

For Employees

- Reinforcing work mobility through improved infrastructure
 - Providing portable devices, security softwares and other digital necessities to facilitate remote working arrangement
 - Enhancing digital learning system and communication platform
 - Transitioning to virtual meetings
 - PBeXperience mobile application to connect the workforce digitally
- Protecting employees' health and safety
 - Minimal workforce in office during the Movement Control Order/National Recovery Plan
 - Staggered working hours
 - Deploying employees to different work schedules and work sites to reduce physical contact
 - Roll out of Corporate Vaccination Programme with a cost of RM817,250 for employees
 - Conducting COVID-19 mass screening for employees
 - Providing Home Health Management Programme for employees in Klang Valley area who have been confirmed COVID-19 positive and home quarantined
 - Replacing all centralised air-conditioning air filter media in Head Office with high efficient (MERV13) air filter media

For All Stakeholders

- Regular sanitisation of the Bank's premises and facilities
- Temperature check for each personnel entering the Bank's premises
- Strict enforcement of social distancing in the Bank's premises
- Hand sanitisers are provided at all entry-points in the Bank's premises
- Supporting various COVID-19 related programmes by donating funds and essential goods

* As at the end of February 2022

PUBLIC BANK GROUP – 2021 SNAPSHOT

Driving Sustainable Practices

Committed to be part of the global actions towards building a climate-resilient economy



- Achieving carbon neutral position in greenhouse gas emission by 2030
- Achieving net zero greenhouse gas emission by 2050

Set up the **Climate Risk Management Task Force** to facilitate effective management of climate risk matters



Developed the **Group's Climate-related Risk Management Policy** and **Policy on Risk Acceptance Criteria**

Target to mobilise **RM40 billion** ESG-friendly financing by 2025



RM25 billion of energy efficient vehicles financing



RM15 billion of affordable home financing

Refined the **Group's ESG Lending Exclusion List** to include 16 activities that the Group shall refrain from financing

Energy efficient vehicles financing amounted to more than **RM17 billion**, representing about 33% of the Group's domestic hire purchase portfolio as at the end of 2021

Public Investment Bank awarded as the **Best ASEAN Sustainability SRI Sukuk – Corporate** by **The Asset**

Public Mutual launched five well-diversified **Shariah-based funds** as well as one sustainable and responsible investment fund

For Customers

Digitalisation and Technological Innovation

- **First Bank in Malaysia to extend DuitNow QR for efficient cross border payments** between Malaysia and Thailand
- Comprehensive digital business solutions with **PB enterprise Digital SME Assist**
- **Online customer onboarding**
- **Employer Online Portal** for companies to make private retirement scheme contribution for their employees
- **Yazz App mobile application by Public Mutual** for youth investors to access financial planning and investment knowledge

Assisting customers during challenging times:

APPROVED ABOUT
RM82 billion
of **COVID-19 repayment assistance** benefitting nearly **438,000 customers***

EXTENDED ABOUT
RM3.4 billion
of **special financing schemes** for businesses to **>17,700 customers***

GRANTED LOAN MORATORIUM OF
RM927.6 million
for **3,348 customers** in flood affected areas

Financial Accessibility

DOMESTIC BRANCHES	NUMBER OF NEW USERS	NUMBER OF SUBSCRIBERS	Customer Satisfaction
264	PBe internet banking 4.0%	Public Mutual Online 24.0%	Outstanding Net Promoter Score +98
SELF SERVICE TERMINALS	PB engage mobile banking 45.3%		

For Employees

>RM40 million
invested in employee training and development

70
training hours per employee



RM817,250
invested in COVID-19 Corporate Vaccination programme to protect employees' health

For the Community

RM3 million
for the Academy of Medicine Malaysia and the Academy of Family Physicians Development Fund

RM850,000
to FINCO since 2017

>RM95,000
for press and educational related initiatives

* As at the end of February 2022

SUSTAINABILITY STATEMENT

THEME 1

RESPONSIBLE BUSINESS



- Digital Transformation and Information Security
- Customer Satisfaction
- Financial Inclusion and Accessibility
- Sustainability in Supply Chain
- Prudent Lending Practices

Digital Transformation and Information Security

Digitalisation is a key enabler of the sustainability agenda as it helps companies to enhance resource efficiency and the resilience of the business model. In the financial industry, digital banking is fast expanding, with the COVID-19 pandemic further speeding up banks' digital transformation. With digital banking likely to grow more prominent going forward, it is crucial for banks to strengthen security controls to protect information privacy and to mitigate the risks of cyber threats.

The Group's Approach

Banking on digital transformation, the Public Bank Group continues to strategically build digital solutions that improve customer experience and operational efficiency.

In its Digital Strategy (2021-2023), the Public Bank Group continues to adopt modular technological design, advanced analytics and agile development methodologies. Tapping on innovative technology, the Group aims to expand its service beyond banking, by embedding complimentary and lifestyle service into the Group's digital products, hence creating a more compelling banking experience for the customers.

Based on four key drivers of its Digital Strategy – Convenience, Responsive, Attractive and Engaging (“CReAtE”), the Public Bank Group has been focusing on reinventing its approach, transforming from product oriented to experience driven services that minimise friction in customer experience.

Key Performance

Efficient cross border payment with **PBe QR Service**

Comprehensive digital business solutions with **“PB enterprise Digital SME Assist”**

Employer Online Portal for companies to make private retirement scheme contribution for their employees

Public Mutual’s “Yazz App” mobile application for youth investors to access financial planning and investment knowledge

Three awards from PayNet’s Malaysian e-Payments Excellence Awards 2021

i. Transforming Digital Customer Experience

PBe QR



DuitNow Quick Response (“QR”) is an extension of the DuitNow service which allows customers to transfer money from any banks and e-wallet platforms through a common QR standard. Merchants would only need to display one QR code to accept payment. Since the Public Bank Group became the first bank to enable the common QR standard in 2019, the Group has constantly enhanced the features of its PBe QR which taps on the DuitNow QR platform, to promote a more efficient payment system for the merchants.

In 2021, the Group became the first bank in Malaysia to extend the service of DuitNow QR to support cross border payments between Malaysia and Thailand, providing businesses a safer and efficient method to accept payments from foreign tourists. As at the end of 2021, more than 26,000 merchants registered as partners to the PBe QR.

Apart from that, the PBe QR was further enhanced with an Application Programming Interface extension. Merchants can integrate their Point-of-Sales with PBe QR, allowing them to capture and transmit all transactions into their accounting system cohesively.

PB enterprise Digital SME Assist Programme

In collaboration with its SME digital partners, the Public Bank Group launched the PB enterprise Digital SME Assist to offer its business customers a wide array of digital business solutions with exclusive privileges and rewards. These vital solutions are provided through partnership with several technology companies specialising in the areas such as accounting, human resource, e-commerce, property management and telecommunication, to help its business customers to increase their business productivity and cost efficiency.



Digital First Strategy

At the core of this strategy, the Public Bank Group actively encourages its customers to tap on its internet and mobile banking platforms for their daily banking transactions, with its digital delivery covering all products and services that comes with modern User Interface or User Experience design. The Group constantly initiates efforts to redesign its product and service offerings on its digital platforms, while revamping its digital channels to include a variety of enhanced functionalities for greater user experience.

Online Customer Onboarding

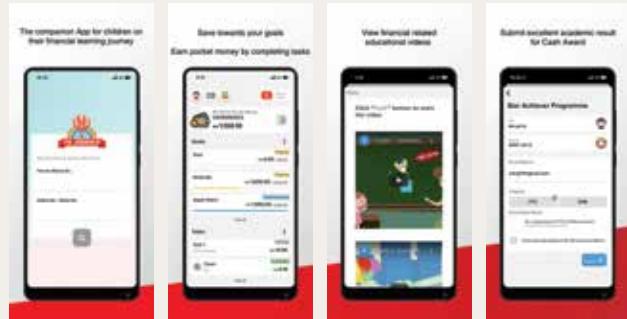
Online onboarding is a key digital initiative that the Public Bank Group is currently embarking on. The Group has already established digital onboarding platforms for its financing and card products, and is working on expanding the onboarding service to a wider range of banking products via seamless, convenient and safe process.

In 2021, upon revamping its online credit card application process on onboarding new card members, the Group recorded a surge of more than three-fold in credit card applications. Further, for Red Carpet Banking (“RCB”) customers, the Group rolled out invitation of RCB Membership via mail drop approach and activation through PBe website to better serve the Group’s customers.

SUSTAINABILITY STATEMENT

PB Journey Mobile Application for Junior Savers

Alongside its PB Journey Programme which provides competitive interest rates for its deposit products, the Public Bank Group launched the PB Journey Mobile Application (“PB Journey App”) to assist parents to inculcate savings habit and educate their children on financial planning. The PB Journey App provides interactive learning whereby children are educated on the importance of financial planning and how to achieve their savings goal.



Enhanced Mobile Banking Service in Cambodia

Recognising the rising utilisation of contactless payment system, Campu Bank further enhanced its internet and mobile banking service to provide further convenience for its Cambodian customers as well as the tourists, with the rolling out of a multi-lingual feature in its mobile banking platform in 2021. Further enhancing its mobile banking service, Campu Bank implemented a Peer-to-Peer QR Payment and incorporated the Bakong e-Wallet feature in its mobile platform.

ii. Accelerating Operational Efficiency

Open Application Programming Interfaces (“Open API”)

The Public Bank Group continued to adopt an open and flexible system architecture that allows the Group to develop digital banking functions based on business needs. The Open API opens up relevant Application Programming Interfaces services to third-party platforms, facilitating the Bank to explore collaboration opportunities and synergies with Fintech providers.

Artificial Intelligence and Machine Learning

The Public Bank Group further intensified the usage of Artificial Intelligence and Machine Learning capabilities in dashboard monitoring platforms to monitor and detect application performance issues in real time. These innovative technologies enable greater operational efficiency and productivity by deploying robotic process automation for repetitive, low-value and low-risk tasks as well as integrating straight-through-processing into core processes.

Big Data Analytics

The Public Bank Group continued to leverage on its Enterprise Data Warehouse as the foundation for big data platform that comes with Artificial Intelligence and Machine Learning capabilities, to facilitate advanced analytics on transactions trend, customers’ preferences, and other data types to build an understanding of customer expectations and business intelligence.

Resilient Information, Communication and Technology Infrastructure

Tapping on innovative ICT infrastructure such as advanced clustering technology, open source technology, modern architecture, micro-service design as well as Development and Operations/ Continuous Integration and Continuous Delivery, the Public Bank Group continued to achieve high performance, high scalability and high availability of information in its operational processes.

RECOGNISED FOR EXCELLENCE IN E-PAYMENT

The Public Bank Group continued to be acknowledged for its outstanding contribution towards the growth of Malaysia’s e-payment ecosystem. In the Malaysian e-Payments Excellence Awards (“MEEA”) 2021, the Group was awarded the **Best MyDebit Bank**, **Best MyDebit (Acquirer – Bank)** and **Best IBG Bank by Payments Network Malaysia Sdn Bhd (“PayNet”)**.



Going Digital at Public Mutual

Public Mutual continued to move forward in its digital transformation journey, leading with innovative digital technology in the Malaysian financial landscape.

As a leader in the retail private unit trust industry and a premier provider of private retirement scheme ("PRS") funds in Malaysia, Public Mutual is proactive in rolling out digital service that enhances customers' investing experience. With Public Mutual Online and Pocket-PMO mobile application, customers can make and monitor online investment. In 2021, Public Mutual established an online Employer Online Portal to enable companies to make PRS contribution for their employees via digital platform. Public Mutual also launched the Yazz app, an edutainment mobile application that provides financial planning and investment knowledge, while at the same time offering attractive rewards for young investors.



Meanwhile, Public Mutual has developed various electronic tools for its more than 32,700 unit trust consultants ("UTCs"), to facilitate more convenient and efficient processes in their dealings with investors:

UTC Connect	Client and Agency Management System 2 ("CAMS2")	UTC@Work	Online Enquiry System	Media Centre for UTCs
For easy access to the information and updates of funds as well as customers' profiles to manage their business and agencies efficiently	To help UTCs in analysing and monitoring their investors' unit trust investment portfolio and their agencies' performance	To assist UTCs in closing sales and servicing their investors	Complementing CAMS2, the System provides more value-added business functions and analyses pertaining to investors and UTCs downlines	An online library comprising marketing materials for UTCs to share with investors

Being at the forefront in digital transformation, Public Mutual received good response from its UTCs about its digital tools, with 88% of UTCs rating Public Mutual's electronic tools as "Very Useful" or "Useful" in 2021.

SUSTAINABILITY STATEMENT

iii. Safeguarding Information Security

While digital transformation brings greater business efficiency and competitive advantage, the Public Bank Group is committed to a strict zero tolerance stance on any non-compliance of data protection as well as breaches to the Group's cyber defences.

At the Public Bank Group, all levels of employees are guided by a suite of comprehensive and detailed frameworks and policies that govern the Group's management on data privacy and cybersecurity across its business operations. Regular reviews and updates are conducted on these policies and frameworks to ensure that the guidelines remain relevant amid the constant changes in technology and the cybersecurity landscape.

Banking Secrecy Framework

Set out the governance process, internal control and procedures as well as the escalation process in the event of breach of secrecy provisions. The Framework also emphasises on continuous training and education for employees on secrecy provisions management

Corporate Information Security Management Policy

Outline wide-ranging principles to ensure that the Group's information systems are properly safeguarded and adequately protected from a wide-range of threats, which include communications between employees and relevant external parties

Cyber Resilience Framework

Provide guidance to the Group on managing cybersecurity risk, improving cyber resilience as well as ensuring adequate cybersecurity preparedness throughout the Group on a continuous basis

Enterprise Architecture Framework

Outline the overall technical design and high level plan of the Group's Information and Communications Technology Architecture to promote standardisation and a disciplined way of delivering information technology solutions

Technology Risk Management Framework

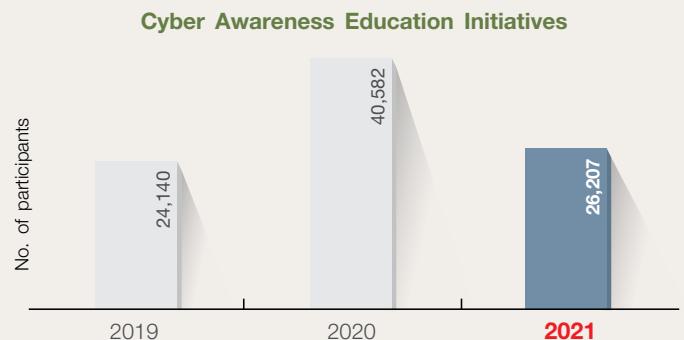
Provide guidance to the Group on managing technology risks and its operating processes from both business risk and technology risk perspective

The Public Bank Group also continues to strengthen its internal security controls to mitigate both internal and external risks.



The Public Bank Group also runs a range of cyber awareness education initiatives for employees through classroom and virtual trainings, as well as e-Learning and DigitalBites. In addition, the Group conducts routine phishing tests by sending phishing emails to all employees to gauge the maturity level of employees' security awareness on the potential threats.

The Public Bank Group respects its customers' privacy and remains committed to protect the confidentiality, integrity and security of the information provided by customers at all times. The Group's Privacy Notice and e-Banking Privacy Policy can be downloaded from Public Bank's corporate website at www.publicbankgroup.com.



SUSTAINABILITY STATEMENT

THEME 1

RESPONSIBLE BUSINESS



- Digital Transformation and Information Security
- **Customer Satisfaction**
- Financial Inclusion and Accessibility
- Sustainability in Supply Chain
- Prudent Lending Practices

Customer Satisfaction

Customer satisfaction has always been a top priority for the Public Bank Group. As part of the Group's sustainability agenda, customers continue to experience not just quality products, but also excellent service and ethical practice. Meanwhile, the Group will continue to share the common denomination in business – trust – with customers while creating values throughout their journey with the Group.

The Group's Approach

Guided by its Corporate Tagline "Excellence Is Our Commitment", the Public Bank Group is committed to provide excellent service to its customers at all times. The Group's customer centric approach always put customers at the focal point, listening to their needs and expectations, providing fair and trustworthy products and services that are tailored to their needs and interests, while practising fair dealing to safeguard customers' interest.

Key Performance

+98 of Net Promoter Score in Customer Satisfaction Survey

Loan delivery services continued to be rated as "**Exceeded Expectation**" or "**Within Expectation**" by **96%** of the Group's customers

Upholding excellent branch service with:

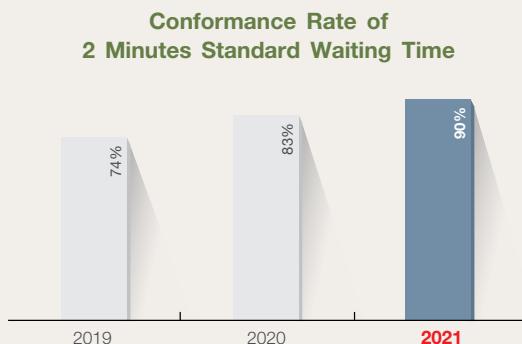
- **99%** conformance to the **10 minutes customer waiting time**
- **90%** conformance to the **2 minutes Standard Waiting Time**
- **94%** of customers rated Public Mutual's Frontline Counter and Call Centre as "**Very Good**" or "**Good**"

i. Assessing Service Quality and Measuring Customer Satisfaction

Frontline Counter Queue Management

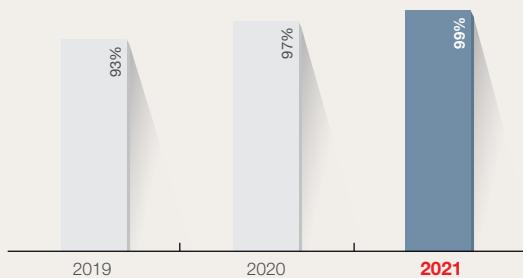
The Public Bank Group aims to deliver excellent counter service consistently – both courteous and efficient for its customers. In 2021, the Group continued to achieve high conformance rate to its 2 minutes Standard Waiting Time.

In 2021, the Group achieved a higher conformance rate of 90% in meeting its target of 2 minutes Standard Waiting Time



As compared to the minimum industry standard for 80% of customers to be served within 10 minutes, the Group achieved a high conformance level of 99%

Conformance Rate of the Minimum Industry Standard of 10 Minutes Customer Waiting Time



The Public Bank Group's frontline service quality is emulated by its overseas operations, where Public Bank Vietnam and Campu Bank have set a 5-minute Standard Waiting Time for its frontline counter service.

ISO 9001:2015 Quality Management System

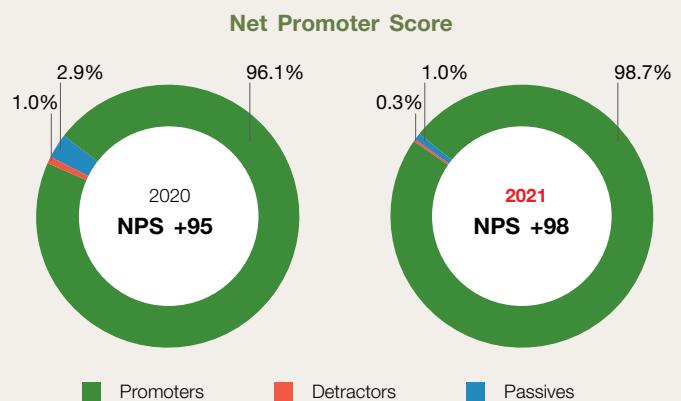
The Public Bank Group has in place a Quality Management System which the Group has established, documented, implemented and maintained policies and procedures with yearly audits conducted for the delivery of good customer service standard.

The Quality Management System for both frontline and loan delivery for Public Bank branches are certified under the ISO 9001:2015, a testament of the Public Bank Group's effort to ensure that the service quality is of international standard and continued to be measured, analysed and improved.

Customer Service Survey

In 2020, the Public Bank Group launched a new Customer Service Survey ("CSS") which was conducted via QR Code to solicit customers' feedback on the service rendered by the Group's Customer Service Representatives - the first point of contact for new customers onboarding. Customers were asked how likely they would recommend Public Bank to their friends and families, then the feedback were tabulated and analysed via the Net Promoter Score ("NPS").

In 2021, from over 600,000 customers, the Group achieved an improved NPS from +95 in 2020 to +98, a testament of the Group's superior customer service. Tapping on the feedback from customers, the Group will continue to further explore, enhance and benchmark the Group's customer services performance against its peers.



SUSTAINABILITY STATEMENT

Project CX

As the Public Bank Group advances towards customer centricity, the Group has embarked on a customer experience project to redesign the onboarding experience for young emerging customers.

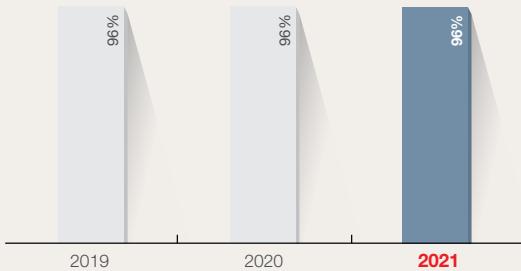
Project CX uses journey mapping to understand the end-to-end onboarding experience and identify customer pain points in the engagement with the Group. In June 2021, the Group gathered a team of stakeholders for virtual workshops and developed a value proposition canvas to grasp a better understanding of the values the Group could bring to its customers.

Thereafter, a “PB Customer Experience – Onboarding Survey” was launched in October 2021 to obtain customer insights and the outcome of the survey will be utilised in redesigning a more personalised onboarding experience.

Loan Delivery Survey

The Public Bank Group has been conducting surveys to measure customer satisfaction level on its loan delivery service. In 2021, the Group continued to sustain high customer satisfaction level with 96% of customers rating its loan delivery service “exceeded expectation” or “within expectation”.

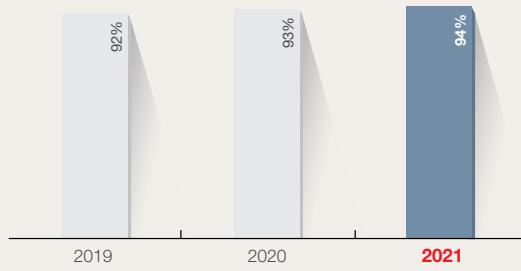
Loan Delivery Service Customer Satisfaction Ratings of “Exceeded Expectation” or “Within Expectation”



Public Mutual: Customer Satisfaction Survey

Public Mutual continued to achieve high Customer Satisfaction Rating, with 94% of its customers rating the service as “Very Good” or “Good” from the 2021 survey on its frontline counter and call centre.

Customer Satisfaction Rating of “Very Good” or “Good”



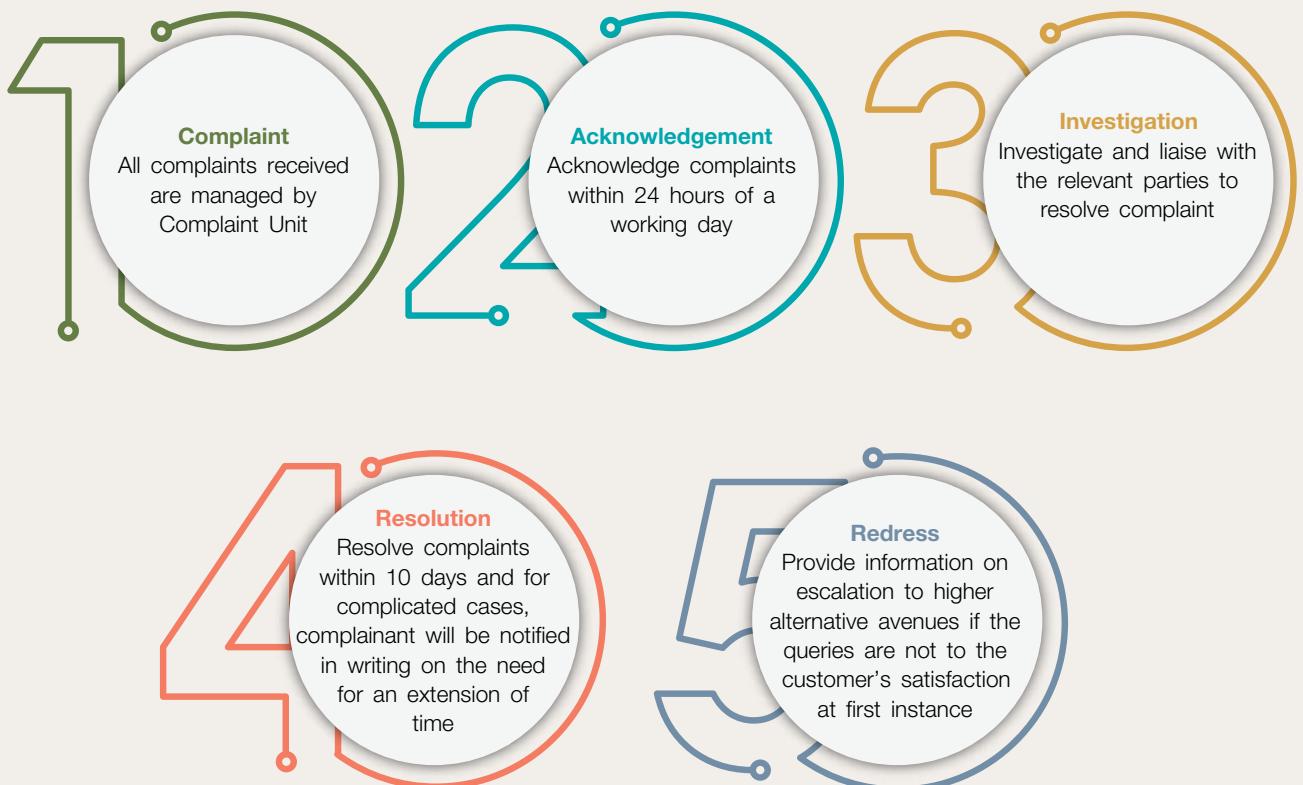
UNINTERRUPTED BANKING SERVICE DURING COVID-19

For customers who are residing abroad but are unable to return to the country due to the COVID-19 travel restriction, the Public Bank Group has remained committed to provide uninterrupted banking services for them by providing non face-to-face banking transaction. Driven by Know-Your-Customer (“KYC”) principle, the Group has instituted various data security controls for non face-to-face transactions such as reactivation of accounts, change of PBe Authentication Code contact number and renewal of secure signed token. Prior to effecting these transactions, the Group undertakes KYC authentication through the posing of security questions, self-assessment checklist, customer indemnity and customer identification verification such as passport attestation.

Customer Complaint Management

As part of the Public Bank Group's holistic Customer Service Charter, customers' complaints are addressed professionally with proper complaint handling procedures, utilising the Complaint Tracking System which tracks all complaints received through the online platform.

In 2021, the Group continued to record 100% compliance rate in meeting the internal turnaround time of 10 days in processing complaints. This reflects another high standard achieved by the Group in service delivery as compared to the minimum industry standard of 14 days in resolving a complaint. Correspondingly, Campus Bank managed and provided complaint resolution to address all customers' complaints within its standard of 14 days.



SUSTAINABILITY STATEMENT

ii. Responsible Product/Programme Offerings

Adapting to the needs arising from the COVID-19 pandemic, the Public Bank Group, together with its strategic bancassurance partner AIA Bhd offered extra coverage for COVID-19 related needs without additional charges. Depending on the offer period, some of the extra coverage included diagnosis, hospitalisation income as well as complications and death arising from vaccination.

Meanwhile, the Public Bank Group's flagship programme, the PB Journey Programme launched in 2020, continued to be enhanced to provide greater value to the customers during the pandemic. Amid the low interest rate environment, the Group has the senior citizens in heart by offering higher promotional fixed deposit rates with monthly interest payments under the PB Journey Golden Savers Campaign. Competitive interest rates were also offered under the PB Journey Junior Savers Campaign to encourage financial literacy among children.

Adapting to the growing demand for sustainable investing, Public Mutual offered more Shariah-based funds as well as sustainable and responsible investment ("SRI") fund which share similar ethical social principles in the area of responsible investing.

Net Asset Value of Islamic Funds Managed by Public Mutual

(RM'Billion)	2019	2020	2021
Of which:	41.5	49.0	50.0
– Equity*	33.7	38.0	40.7
– Sukuk	6.5	9.3	5.5
– Money Market	0.8	0.9	2.7
– Private Retirement Scheme	0.5	0.8	1.1

* Includes equity, mixed asset and balanced funds

Source: Lipper for Investment Management

Number of Islamic Funds Managed by Public Mutual

	2019	2020	2021
Of which:	55	57	62
– Equity*	38	38	43
– Sukuk	10	12	12
– Money Market	3	3	3
– Private Retirement Scheme	4	4	4

* Includes equity, mixed asset and balanced funds

Source: Lipper for Investment Management

New Islamic Funds Launched by Public Mutual

Name	Launch Date	Category	NAV as at December 2021 (RM'Million)
Public e-Islamic Pioneer Entrepreneur 40 Fund	21 April 2021	Equity (Shariah)	553.09
Public e-Islamic Innovative Technology Fund	25 May 2021	Equity (Shariah)	565.04
Public e-Islamic Asia Thematic Growth Fund	30 November 2021	Equity (Shariah)	80.97
Public e-AL-Mutawazan Strategy Fund	30 November 2021	Balanced (Shariah)	5.11
Public e-Islamic Growth Fund	10 December 2021	Equity (Shariah)	4.40

New SRI Fund Launched by Public Mutual

Name	Launch Date	Category	NAV as at December 2021 (RM'Million)
Public e-Carbon Efficient Fund	9 February 2021	Equity	447.25

In addition, sustainability-focused funds have grown rapidly as the COVID-19 pandemic has heightened customers' awareness on environmental and social issues. Public Mutual's first sustainability-focused fund launched in 2019, the Public e-Islamic Sustainable Millennial Fund achieved a net asset value of RM254.3 million as at the end of 2021, surging by 136.7% from the end of 2020.

On 7 December 2021, in demonstrating Public Mutual's commitment towards responsible investing, Public Mutual became a signatory of the Malaysian Code for Institutional Investors ("MCII") and incorporated MCII's key stewardship principles in the management of its unit trust and private retirement scheme ("PRS") funds.

iii. Responsible Marketing Practices

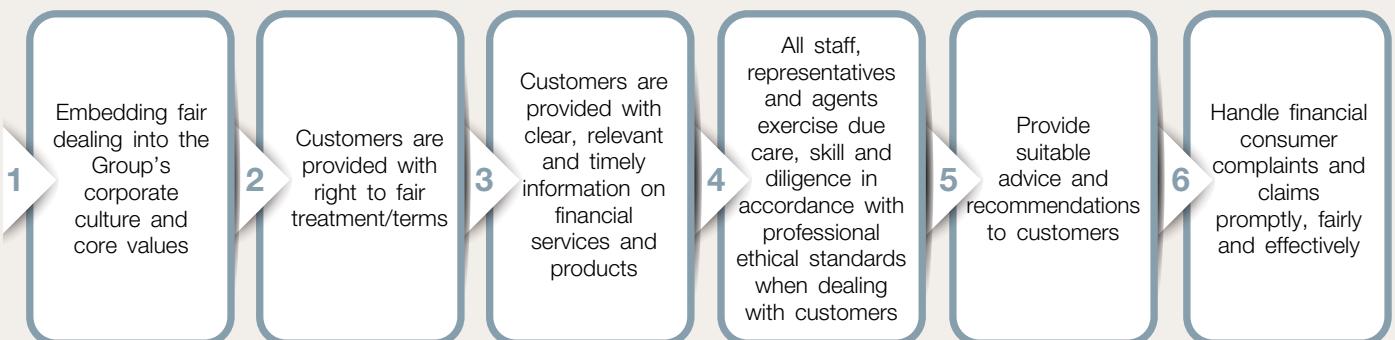
Guided by the Public Bank Group's policies and relevant regulatory guidelines, such as Bank Negara Malaysia's Guidelines on Product Transparency and Disclosure as well as Prohibited Business Conduct, the Group's sales and marketing team for retail loans is required to uphold good sales practices by being honest and transparent when dealing with customers. Product Disclosure Sheet and prospectus, which contain information about product features, fees and charges as well as any potential risks involved, are necessary to enable prospective customers to make balanced and informed decisions.

Ongoing measures to ensure due compliance by the sales and marketing team in observing good sales practices include:

- Half-yearly briefing on Prohibited Business Conduct, Code of Ethics and Rules of Professional Conduct
- Half-yearly e-learning assessment on the knowledge pertaining to Product Transparency Disclosure Standards
- Regular reminders on ethical sales practices

Sales ethics is included as a key performance indicator in the performance evaluation of the sales and marketing team to emphasise the importance of ethical conduct towards customers.

Besides, the Public Bank Group fully adopts the six principles in the Bank Negara Malaysia's Policy Document on Fair Treatment of Financial Consumers.

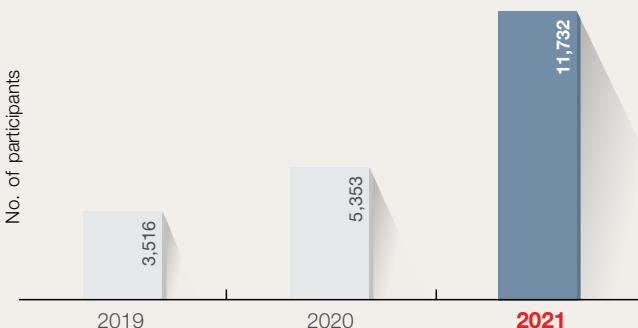


SUSTAINABILITY STATEMENT

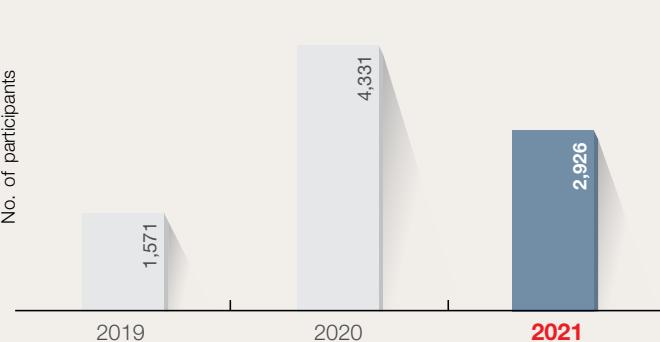
iv. Training for Service Excellence

In setting a culture of excellent customer service, trainings are vital. In 2021, a total of 11,732 employees attended training to enhance their customer service skills and 2,926 employees attended training for responsible sales practices. Likewise, for Public Bank Vietnam and Campu Bank, 351 and 316 employees attended customer service trainings respectively during the year.

Customer Service Related Training



Fair Dealing/Responsible Sales Training



THEME 1

RESPONSIBLE BUSINESS

- Digital Transformation and Information Security
- Customer Satisfaction
- **Financial Inclusion and Accessibility**
- Sustainability in Supply Chain
- Prudent Lending Practices

Financial Inclusion and Accessibility

Financial inclusion is a powerful tool to not only help address poverty and inequality in society, but to also drive economic growth, promoting societal well-being and national development. The unprecedented challenges brought by the COVID-19 pandemic have been affecting livelihoods and financial institutions play a critical role to assist the society to adjust to the new normal while ensuring continuous financial accessibility and advancing the financial inclusion agenda.

The Group's Approach

As a leading domestic bank in Malaysia and the region, the Public Bank Group is cognisant of its financial intermediary role in creating positive impact for the improvement of the financial aspect and well-being of the communities it serves. At the core of its retail and commercial banking business, the Group provides affordable financial services for the mass market, catering to all levels of the society.

Key Performance

Extensive delivery channels with **264 domestic branches** and **2,078 self service terminals**

Continuous digitalisation efforts:

- **↑ 4.0%** increase of new users for PBe internet banking
- **↑ 45.3%** increase of new users for PB engage mobile banking
- **↑ 53.7%** increase of new users for PB enterprise internet banking
- **↑ 24.0%** increase of Public Mutual Online service subscribers

Assisting the customers during challenging times:

- Approved about **RM82 billion** of COVID-19 repayment assistance for nearly **438,000 customers***
- Extended about **RM3.4 billion** of funding assistance approved, benefitting more than **17,700 SMEs***
- Granted loan moratorium of **RM927.6 million** for **3,348 customers** affected by floods

* As at the end of February 2022

SUSTAINABILITY STATEMENT

i. Extensive Delivery Channel

With wide and reliable networks of delivery channels to ensure customers have access to banking services whenever they need it, the Public Bank Group takes its responsibility as an essential service provider seriously. With a well-diversified presence across the nation to provide affordable financial services to the community at large, customers continued to have access to banking services during various lockdowns during the COVID-19 pandemic, be it through the 264 branches with proper standard operating procedures in place, or via digital channels.

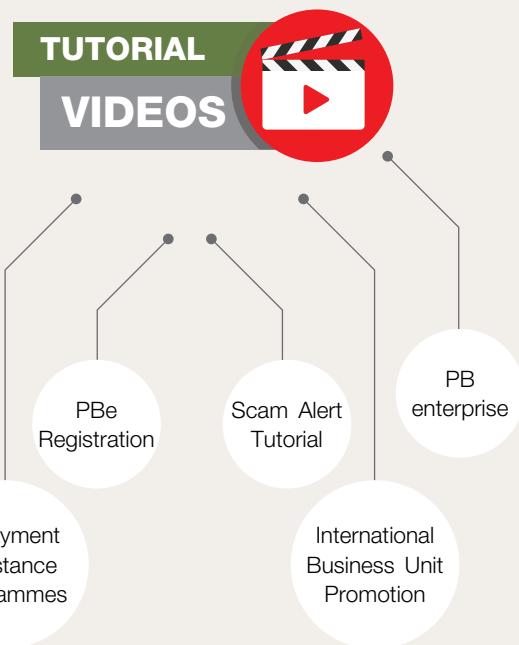
As the society becomes more comfortable with digital banking, the Public Bank Group recognises society's needs and continues to strengthen its digital delivery platforms while enhancing the features, including user-friendly interfaces. The Group's internet and mobile banking channels continued to attract new registrations while active users continued to grow.

Tapping on the growing convenience and efficiency of mobile banking, the Public Bank Group aims to further promote its PB engage in the rural areas, facilitating the rural population's access to better and wider financial services.

Further reaching out to the mass audience covering various segments of its customers, the Public Bank Group has an established presence on social media, including on YouTube channel. The Group continuously develops various tutorial videos to promote financial literacy, via its official YouTube channel, educating customers on financial matters and providing useful information to the consumers on enhancing their financial management.

To encourage and facilitate investment activities, Public Mutual Online ("PMO") – an internet portal for Public Mutual investors where all their investment needs are met from enquiries to placing an investment – continues to grow steadily since its inception in 2009. As at the end of 2021, PMO registered more than 860,000 subscribers, accounting more than half of the total Public Mutual active investors.

Domestic Operations	Delivery Network
No. of branches	264
No. of self service terminals	2,078
No. of new users of PBe internet banking	↑ 4.0%
No. of new users of PB engage mobile banking	↑ 45.3%
No. of new users of PB enterprise internet banking	↑ 53.7%



Public Mutual Berhad	Delivery Network
No. of branches	31
No. of online investment transactions	↑ 100.0%
No. of PMO subscribers	↑ 24.0%

ii. Inclusive Financing

Driving inclusive growth through its core business focusing on the financing for the purchase of residential properties and motor vehicles as well as lending to SMEs, the Public Bank Group provides financing to various segments of the society, ensuring that they have access to their basic needs as well as achieving their goals in life.

An ardent proponent of home ownership, the Public Bank Group provides financing for owner-occupied property. In 2021, the Group's support for low to medium income group covered 56.7% of the Group's newly approved housing loans for the purchase of property costing RM100,000 to RM500,000, contributing to the nation's growing number of home owners.

New Loans Approved in 2021



Home Financing

No. of Accounts

47,954

Loan Amount

RM20.86 billion



Motor Vehicles Financing

No. of Accounts

184,524

Loan Amount

RM14.31 billion



SME Financing

No. of Accounts

39,534

Loan Amount

RM9.14 billion

PB First Home Loan

To encourage homeownership among Malaysians, particularly the lower income group, the Government has introduced a variety of home financing initiatives. Supporting this aspiration, the Public Bank Group has been actively promoting the PB First Home Loan, to support first time homebuyers to purchase houses priced up to RM300,000. The affordable financing package lowers the ownership barrier by providing high margin of financing, waiver of ancillary costs and Deferred Instalment Plan, which grants customers the flexibility to service monthly interest/profit only for the first five years.

Since its successful launch of PB First Home Loan in 2019, the Group had approved more than RM470 million of financing for over 2,400 customers under this home financing initiative.

In supporting the SMEs, the Public Bank Group continues to enhance access to financing for the SMEs through its tailored business funding solutions. The Group's flagship SME financing product, the SWIFT Plan, which offers comprehensive financing solutions for business expansion, asset acquisition, working capital and trade financing, continues to help the SMEs in growing their business.

Since the COVID-19 pandemic, the Public Bank Group has been participating in various SME financing schemes initiated by the Government and Bank Negara Malaysia, offering competitive financing rates, flexible financing tenure and various repayment options under these schemes. The Group extended about RM3.4 billion in funding assistance under such special financing schemes as at the end of February 2022, benefitting over 17,700 businesses.

The Government/BNM Financing Scheme

- Special Relief Facility 2020
- All Economic Sectors Facility
- Agrofood Facility
- SME Automation and Digitalisation Facility
- Micro Enterprises Facility
- Targeted Relief and Recovery Facility
- High Tech Facility – National Investment Aspirations
- Government Guaranteed Scheme (GGS Prihatin)
- PENJANA Tourism Financing
- PENJANA SME Financing

SUSTAINABILITY STATEMENT

SMEs continued to receive the latest information on financing options available throughout the pandemic via the Public Bank Group's virtual SMEs financing roadshows, keeping them educated and aware of their financing options to tide them through the pandemic.



iii. Helping Customers to Navigate through Repayment Difficulties

Many individuals and businesses encountered financial difficulties due to the prolonged COVID-19 pandemic. The Public Bank Group proactively provided repayment assistance to its financially affected customers since 2020. From the six-month automatic moratorium to the various repayment assistance packages, the Group provided assistance to help customers to navigate through the challenges. The customers, while benefitting from the Group's assistance in restructuring their repayment schedule, also received financial advice on improving their financial management.

Six-month Automatic Loan Moratorium

April – September 2020

Six months auto-moratorium for retail and SMEs

Benefitting over **1.5 million customers**

Repayment Assistance (RA)

1 Targeted Repayment Assistance



August 2020

25%/50%/75% reduction in repayment for at least six months for individuals who were employed but salaries had been reduced. This assistance was also extended to the SMEs

2 Unemployed Three-month Loan Moratorium



October 2020

Three-month loan deferment of repayment for individuals who lost their jobs due to the pandemic

3 Expanded Targeted Repayment Assistance



November 2020

- Three-month loan deferment for B40 and microenterprises with loans approved of up to RM150,000; or
- 50% reduction of monthly instalment for eligible B40 and M40 as well as microenterprises with loans approved of up to RM150,000

4 PEMULIH Expanded Targeted Repayment Assistance (ETRA)



July 2021

Six-month loan deferment or 50% reduction of monthly instalment for eligible individuals and SMEs

5 Extended Targeted Repayment Assistance



October 2021

25%/50%/75% reduction in repayment for customers under PEMULIH ETRA six-month loan deferment



As at the end of February 2022,

the Group approved about

RM82 billion

of repayment assistance, benefitting

nearly **438,000**

customers throughout the

pandemic

6 Financial Management and Resilience Programme (URUS) & Financial Resilience Support Scheme (FIRST)



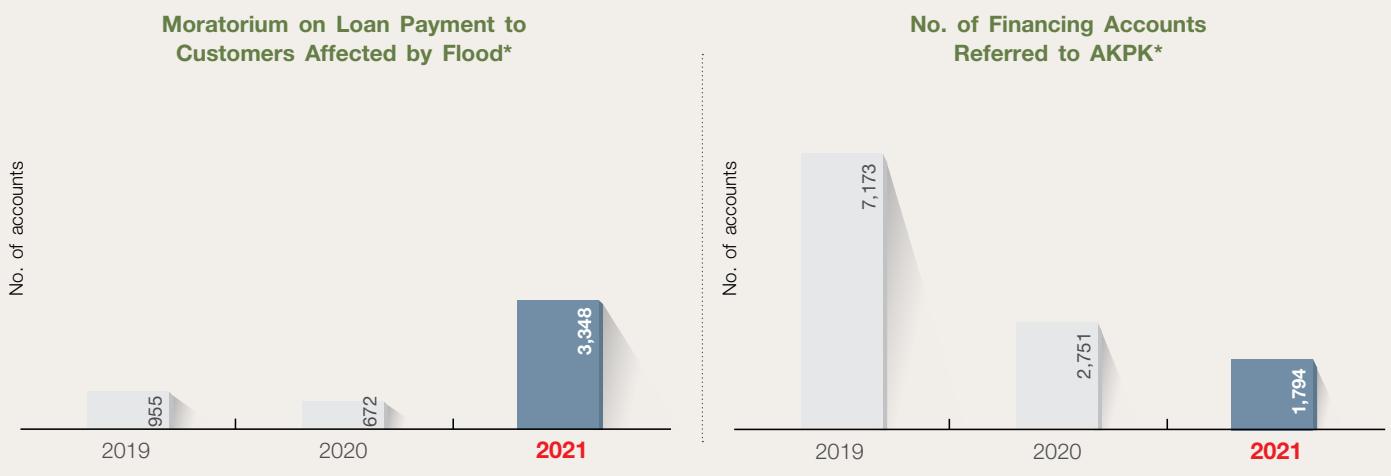
15 November 2021 – 31 March 2022

- A comprehensive repayment relief programme in collaboration with AKPK to offer longer-term repayment assistance and financial management assistance: (i) URUS: for B50 customers with loss of employment or at least 50% loss of income in 2020/2021; and (ii) FIRST: for all individuals and microenterprises with ≥ 25% loss of income
- Assistance include three-month interest waivers and reductions in monthly instalment for up to 24 months

Similarly, Campu Bank and Public Bank Vietnam offered various loan repayment assistance, such as moratorium as well as restructuring and rescheduling of loan repayment for borrowers who were affected by the COVID-19 pandemic. As at the end of 2021, Campu Bank had assisted 391 customers with a loan amount of USD130.7 million. Meanwhile, Public Bank Vietnam had assisted 1,071 customers with loans amounting to USD140.7 million.

The pandemic stretched the Public Bank Group's commitment to its customers like never before, but providing financial assistance to its customers who are affected by calamities, such as floods, is not new. In 2021, the Group continued its commitment to offer repayment relief of up to six months for its customers who were affected by floods.

In addition, the Public Bank Group continued to assist customer who required longer term help in loan repayment to enrol into the Agensi Kaunseling and Pengurusan Kredit ("AKPK")'s Debt Management Programme for further assistance.



iv. Accelerating Financial Inclusion in Cambodia and Vietnam

At the core of its business expansion in Indochina, the Public Bank Group upholds the commitment to improve the lives of the people by providing wide access of affordable financial services and expansion of its delivery channels. Notwithstanding its wide network of physical branches, the Group's digital banking facilities and platforms have been growing rapidly to serve the needs of the wider society in the countries. In 2021, Campu Bank and Public Bank Vietnam continued to record increasing number of registered users of internet banking.

Delivery Network	Campu Bank			Public Bank Vietnam		
	2019	2020	2021	2019	2020	2021
No. of branches	31	31	31	20	26	29
No. of self service terminals	72	74	79	38	50	57
No. of registered users of internet banking	↑ 17.1%	↑ 10.0%	↑ 8.4%	↑ 37.4%	↑ 42.6%	↑ 39.5%
No. of registered users of mobile banking	↑ 76.8%	↑ 69.0%*	↑ 22.6%	NA	NA	NA

NA Not applicable

* Figures were based on subscription for the new version of mobile banking application

SUSTAINABILITY STATEMENT

Leveraging on its wide delivery channels, Campu Bank and Public Bank Vietnam proactively reached out to customers in deposits mobilisation and funding assistance, helping them to gain access to financial services for better quality of lives.

Number of Bank Accounts and Bank Cards	Campu Bank			Public Bank Vietnam		
	2019	2020	2021	2019	2020	2021
No. of deposit accounts	111,163	104,582	90,518	33,748	36,992	41,683
No. of loan accounts	10,140	9,892	9,956	14,129	16,515	20,307
No. of debit/credit cards	75,178	80,870	50,347	9,059	10,012	12,776

Apart from that, Campu Bank and Public Bank Vietnam continued to explore opportunities to collaborate with developers in the offering of affordable house financing. Through this strategy, Campu Bank approved more than USD2.1 million of loans to financially assist the low-income borrowers to own a home.

THEME 1

RESPONSIBLE BUSINESS

- Digital Transformation and Information Security
- Customer Satisfaction
- Financial Inclusion and Accessibility
- **Sustainability in Supply Chain**
- Prudent Lending Practices

Sustainability in Supply Chain

As businesses embrace sustainable business practices, the supply chain must not be neglected. Always conscious in every decision that is made, the Public Bank Group looks beyond the conventional metrics focusing on the speed, cost and reliability of operations, to include upholding ESG values. This means taking issues such as climate change, human rights, fair labour practices and corruption into consideration along its supply chain, for the benefits of the stakeholders, the community and the nation at large.

The Group's Approach

The Public Bank Group commits to sustainable business practices, and expects its supply chain to take a responsible and ethical approach in their business conduct as well.

To start with, due diligence is conducted on potential and existing suppliers. This is to ensure that they comply with all applicable rules and regulations on top of the stringent selection criteria set by the Public Bank Group, such as having a sound management background, good business ethics, high quality products and services as well as reliable after sales support.

On the ESG front, the Public Bank Group invites the suppliers to provide feedback and share their commitments and practices on ESG matters. Where possible, visits are conducted to their offices and factories to assess the various aspects of their business practices, such as compliance with regulations, occupational safety and health, employment practices and others.

Key Performance

53 ICT Vendor Due Diligence conducted

94% of the Group's total ICT procurement cost were with local vendors

Local companies comprised **86%** of the total ICT suppliers

SUSTAINABILITY STATEMENT

With the increasing digitalisation efforts and rising procurement for information, communication and technology ("ICT") equipment, the Public Bank Group applies strict sourcing process in procuring ICT solutions from reliable suppliers.

Besides taking into consideration the suppliers' specialisation, experience and cybersecurity capabilities, preference are given to ICT products that are environmentally friendly and energy efficient, where applicable.

Moreover, Vendor Due Diligence ("VDD") is performed on prospective vendors to avoid exposure to ESG risks and legal issues, such as money laundering, financial fraud and terrorism financing. During the VDD process, vendors are assessed from several aspects such as financial strength, background of board/senior management members and on whether vendor is a local company or foreign-owned.

Vendor Code of Conduct

The Public Bank Group's Vendor Code of Conduct sets out the Group's principles and expectations as to how vendors and service providers are to conduct their business dealings with the Group, in line with the Group's corporate objective to uphold good corporate governance and to build a sustainable, ethical, strong, respectable and profitable business. The Code is disseminated to the Group's vendors to ensure they are aware of the Group's expectation on their business practices.

The Vendor Code of Conduct outlines the expected practices of the Group's vendors, including compliance with laws and regulation, product quality and safety, business integrity and ethics, confidentiality and data protection.

In addition, vendors must abide to all applicable environmental laws and regulations, and take appropriate measures to sustain and protect the environment through proper waste management, pollution control and recycling.

In the event of any misconduct, vendors are obligated to promptly disclose to the Group any illegal, unethical, questionable practices or improper conduct committed or about to be committed.

Supporting Local Business

The Public Bank Group is supportive of the local economy and has prioritised local businesses, as can be seen in its ICT sourcing.

Local companies comprised 86% of the total ICT suppliers for the Group, where 94% of the Group's total ICT procurement cost was channelled to local vendors in 2021.

THEME 1

RESPONSIBLE BUSINESS

- Digital Transformation and Information Security
- Customer Satisfaction
- Financial Inclusion and Accessibility
- Sustainability in Supply Chain
- **Prudent Lending Practices**

Prudent Lending Practices

Financial institutions have the fiduciary responsibility to prudently manage its lending activities to protect the funds that are entrusted to them by depositors. Prudence in lending is also important in safeguarding socioeconomic stability, as it helps to prevent the building up of excessive debts by borrowers, while encouraging prudent borrowing behaviour.

The Group's Approach

The Public Bank Group adopts high level of lending prudence, supported by a stringent credit appraisal system reinforced with strong centralised credit control and credit risk management system. The Group's prudent lending behaviour is further supported by its robust Credit Policy which provides a comprehensive framework encompassing lending directions, procedures and management of credit risks. While the Group strives to sustain a resilient loan portfolio, it also ensures its credit growth is in line with its Credit Risk Strategy which seeks an optimal balance between credit quality, profitability, environmental and social impacts.

In assessing credit, each loan application is holistically assessed and considered based on its own merit, taking into account the suitability of the product to customers, as well as the customer's affordability and credit standing. The statistical based credit scoring system used to assess customers' credit risk is subject to periodic monitoring and validation to ensure it remains fit-for-purpose.

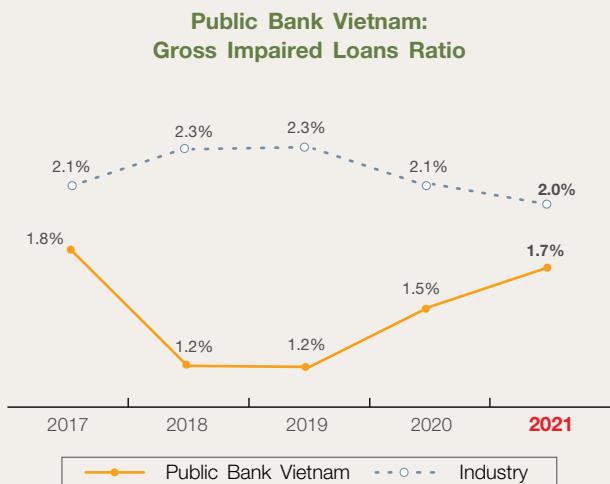
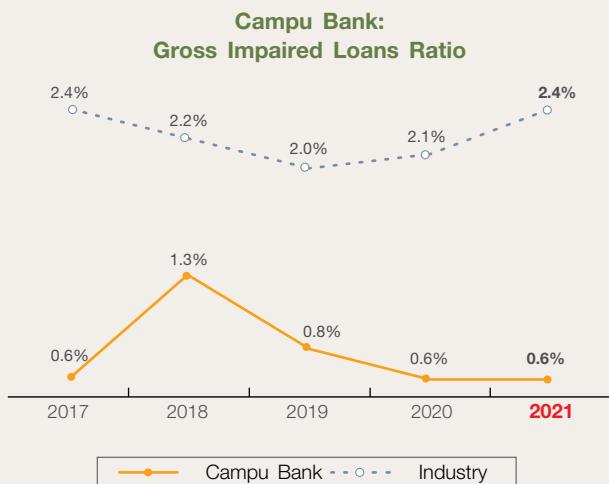
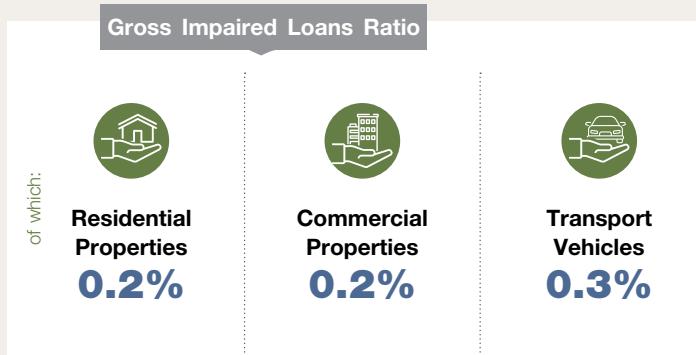
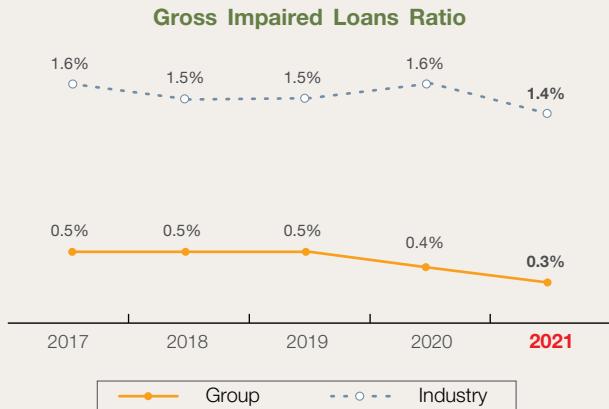
With the COVID-19 pandemic causing far reaching consequences to the economy, the Bank applies a forward-looking approach to identify customers' business sustainability and potential post COVID-19 business opportunities. This approach includes assessing customers' measures to preserve cash flow, how operations are conducted under the 'new norm', potential supply chain disruption and action plans to address adverse impact arising from the pandemic.

Key Performance

Low gross impaired loans ratio of 0.3%

SUSTAINABILITY STATEMENT

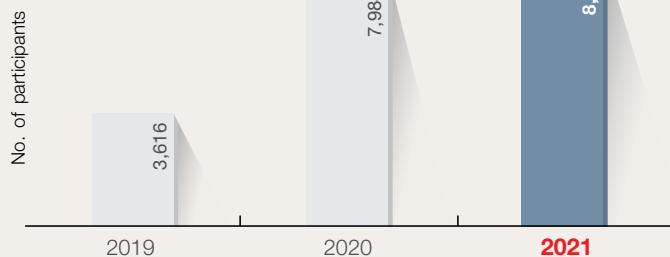
As a testament to the Public Bank Group's approach to prudent lending, the Group's gross impaired loan ratio remained well below the industry's gross impaired loan ratio, both locally and abroad, including the Group's operations in Cambodia and Vietnam.



Consistent Training to Enhance Credit Skill

The Public Bank Group conducts periodic training to develop employees' skills and knowledge in making insightful credit judgement amid the rapidly evolving credit management environment. Further, senior credit employees are enrolled for professional certification courses provided by prestigious institutions, such as Asian Institute of Chartered Bankers and Institute of Banking and Finance.

Training to Enhance Credit Quality*



* Data covers Public Bank, Campu Bank and Public Bank Vietnam

THEME 2

CONDUCT AND COMPLIANCE



- Governance and Ethical Conduct

Governance and Ethical Conduct

As a custodian of public funds, the Public Bank Group shoulders this responsibility conscientiously. The Group adopts a zero tolerance approach towards legal and regulatory non-compliance, and is committed to upholding stringent compliance and ethical conduct. Every employee is clear about their responsibilities towards the Group's customers and shareholders.

As the world becomes more interconnected and grows increasingly complex, there is no one size fits all solution in upholding good governance and ethical conduct. At the Public Bank Group, clear, communicable and actionable compliance practices consisting of various policies and guidelines are in place to ensure good governance and ethical conduct, while the employees remain vigilant in every operational process and documentation.

The Group's Approach

i. Compliance Governance

For overall compliance matters, the Public Bank Group has set up a Compliance Function led by the Chief Compliance Officer to facilitate the management of compliance risk with strong and effective oversight by the Board and further assisted by the various Committees comprising Board Compliance Committee, Shariah Committee and Operational Risk Management Committee, as well as Senior Management.

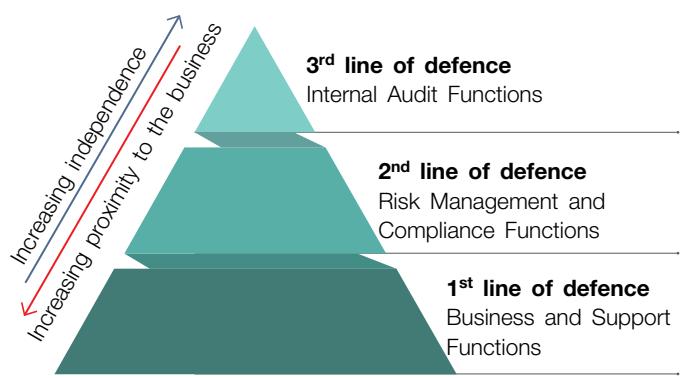
Compliance is a team effort and the Public Bank Group adopts the three lines of defence, empowering employees at various levels with the knowledge to do what is right, further strengthening the compliance framework for managing compliance risk.

Local Compliance Officers, such as Branch Compliance Officers, Hire Purchase Compliance Officers, Mobile Compliance Officers and Head Office Compliance Officers are appointed to ensure compliance awareness is integrated into all levels of employees.

Key Performance

No material instances of non-compliance

Continuous reinforcement of compliance culture amongst employees



SUSTAINABILITY STATEMENT

A structured escalation system is also in place to report on compliance matters, ensuring compliance issues from all levels of employees are reported and addressed in a systematic and timely manner.



ii. Policies and Procedures

Having in place policies, procedures and guidelines are the foundation of a holistic compliance framework.

Cognisant of this, the Public Bank Group has a broad range of policies and procedures to tackle various compliance issues. Among the key policies and procedures that are focused on addressing financial crimes and strengthening a strong compliance culture in the Group include:

Compliance Policy

The Public Bank Group's Compliance Policy is developed 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 Group's business. It sets out the mandate of the Compliance Function, compliance requirements and standards, as well as the operating model for Compliance Function.

Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions Policy (AML/CFT and TFS Policy)

The Public Bank Group's AML/CFT and TFS Policy sets out the framework to ensure that all employees understand and comply with the AML/CFT and TFS requirements, which are outlined in seven Guidelines as follows:

- i. Public Bank Group's Guidelines on Risk Profiling of Customers
- ii. Public Bank Group's Guidelines on Suspicious Transaction Reporting
- iii. Public Bank Group's Guidelines on AML/CFT Staff Training and Awareness Programme
- iv. Public Bank Group's Guidelines on Sanctions
- v. Public Bank Group's Guidelines on Employee Assessment System
- vi. Public Bank Group's Guidelines on ML/TF Risk Assessment
- vii. Public Bank Group's Guidelines on Handling of Enforcement Orders

Anti-Bribery and Anti-Corruption Policy (ABAC Policy)

The Public Bank Group's ABAC Policy is established to ensure all employees and third parties working for, associated with or acting on behalf of the Group understand their responsibilities in compliance with the policy.

Code of Ethics

The Board, officers and employees are guided by the Public Bank Group's Code of Ethics comprising five fundamental ethical principles, namely Competence, Integrity, Fairness, Confidentiality and Objectivity.

Anti-Fraud Policy

The Board and all employees are required to adhere to the Public Bank Group's Anti-Fraud Policy as it sets the Group's expectations on the prohibition, recognition, reporting and investigation of suspected fraud, corruption, misappropriation and other similar irregularities, and they are responsible in preventing and detecting defalcations, misappropriations, irregularities and all types of improprieties that might occur within their areas of responsibilities.

Whistleblowing Policy and Procedures

The Public Bank Group has put in place the Whistleblowing Policy and Procedures to provide an avenue for all employees, interns, consultants, contractors, vendors, suppliers and/or customers to disclose any alleged illegal, unethical, questionable practices or improper conduct committed or about to be committed within the Public Bank Group. Protection is accorded to the Whistleblowers to enable them to disclose any irregularities in confidence without risk of reprisals.

These policies and guidelines are reviewed regularly corresponding to the regulators' requirements and the changing operating environment.

iii. Robust Compliance Culture with Safeguards Implemented at All Levels

Adopting a "Zero-Tolerance Approach" to legal and regulatory non-compliance, the Public Bank Group walks the talk on the principle that "Compliance is Everyone's Responsibility".

The recruitment process involves stringent screening at the point of entry to the Public Bank Group. The evaluation includes personal background checks, employment history and financial screenings including criminal checks.

Meanwhile, within the Public Bank Group, a rigorous monitoring and assessment system has been established to ensure that compliance programmes run smoothly without any gap.

Compliance Risk Assessment

- The Public Bank Group undertakes regular process to identify and prioritise the legal and regulatory requirements set out by regulators

Regional Dialogue

- In 2021, the Public Bank Group held 13 regional virtual dialogue sessions on compliance and AML/CFT matter with Branch Managers and Banking Services Managers

Compliance Review on Branches

- The Public Bank Group conducted compliance review on all its 264 domestic branches to assess the state of compliance with AML/CFT, regulatory requirements as well as other internal procedures and guidelines

SUSTAINABILITY STATEMENT

Compliance Bulletin/ Compliance Newsletter

- The Public Bank Group's Compliance Function publishes and distributes periodic bulletins and newsletters to keep all employees updated on pertinent issues related to the regulatory landscape

Surveys and Self-Assessment Questions

- The Public Bank Group rolls out periodic assessments for employees to self assess on the latest rules and regulations

Onsite Visit/Desktop Review

- In 2021, Mobile Compliance Officers at Public Bank Vietnam conducted 26 onsite visits/desktop reviews, while Campu Bank conducted 45 on-site visits/desktop reviews

Embedding Compliance in Performance Evaluation

- Compliance with legal and regulatory requirements is a key performance indicator for all employees and is assessed accordingly during appraisal

Compliance Grading System

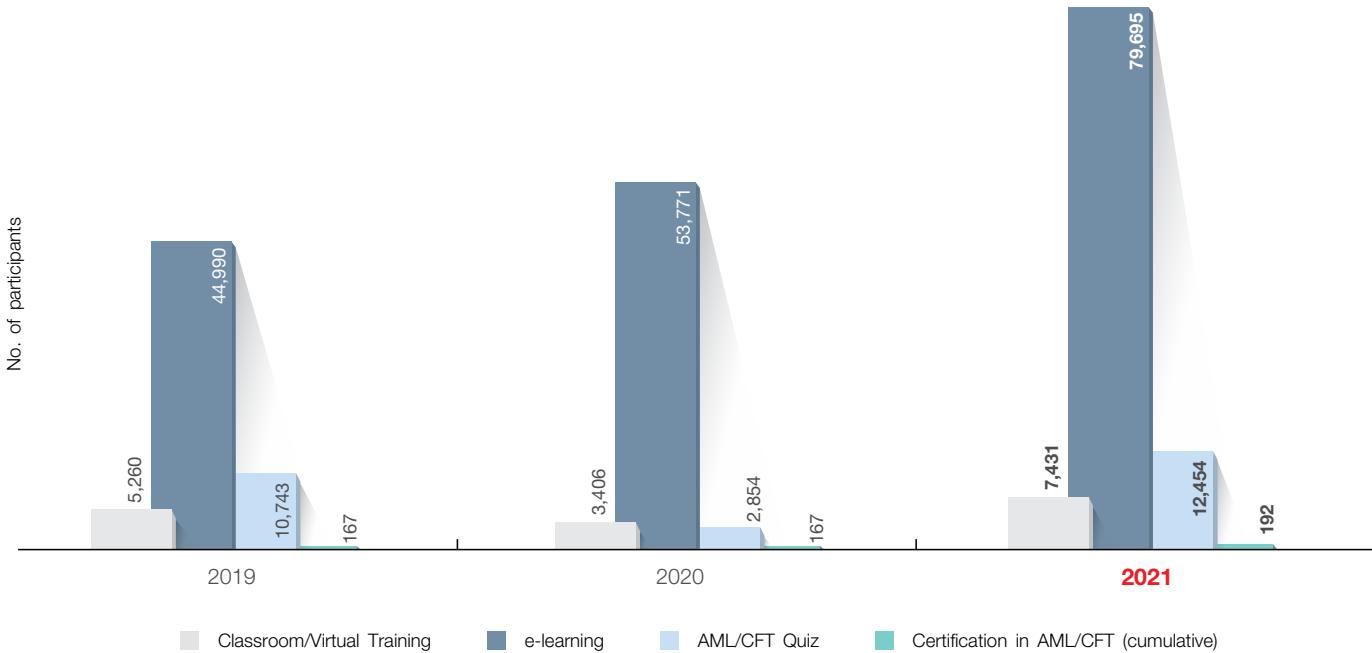
- Branches are assessed based on their compliance practices

Appointment of AML Officers at Operational Levels

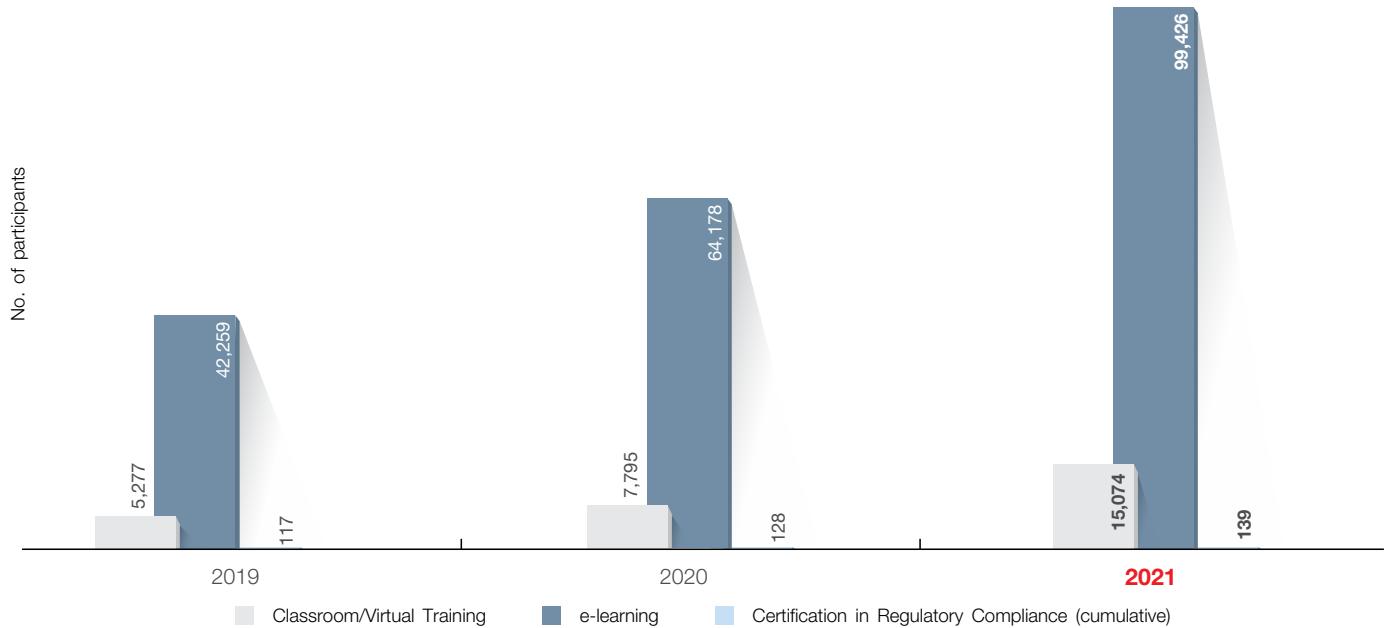
- AML Officers are appointed at all levels, from branches, subsidiaries to Head Office Divisions to ensure awareness and obligations are embedded into the workplace culture

To further solidify a robust compliance culture, the Public Bank Group provides ongoing education and training to strengthen the compliance culture amongst employees, keeping them alert on the importance of good governance and conduct, while enhancing their understanding on the latest compliance issues.

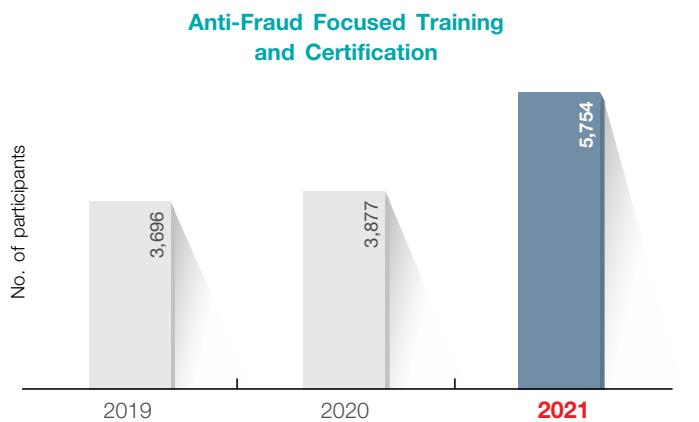
AML/CFT Focused Training and Certification¹



Regulatory Compliance Focused Training and Certification²



Anti-Fraud Focused Training and Certification



PB DigitalBITES courses in 2021³

	No. of participants
AML/CFT Training	3,411
Anti-fraud	3,609
General Compliance Matters	9,792

Notes:

1. Data covers Public Bank, Public Islamic Bank, Campu Bank and Public Bank Vietnam.
2. The key training programmes include AML/CFT – Beneficial Ownership Requirements, Handling Alerts and Sanctions Risk, Understanding Key Requirements in Operational Risk Incident Reporting System (ORIRS), Managing Operational Lapses, Legal Aspects of Banker-Customer Relationship, Application of Foreign Exchange Policy, Understanding Banking Regulations, Zero Defect in Frontline Operations, Specialised AML/CFT – Illegal Financial Scheme & Mule Account, and Updates on AMLA, Malaysian Anti-Corruption Commission (MACC) & Other Banking Regulations.
3. DigitalBITES is an on-the-go bite-sized learning which is accessible by all employees via their digital devices.

SUSTAINABILITY STATEMENT

Anti-Bribery and Anti-Corruption

The Public Bank Group adopts a “zero-tolerance approach” towards any form of bribery and corruption, upholding the highest standard of integrity and accountability in discharging its duties.

Committed to conducting its activities free from any form of bribery and corruption or any acts which are contrary to its ethics and integrity, the Public Bank Group established the Ethics and Integrity Working Group to oversee the management of the Anti-Bribery and Anti-Corruption programme.

The Public Bank Group took further steps by establishing the Anti-Bribery and Anti-Corruption Policy (“ABAC Policy”), which is in line with the requirements of Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

The Policy is applicable to all entities within the Public Bank Group, including its overseas branches and subsidiaries, all members of the Board and employees, as well as all third parties working for, associated with or acting on behalf of the Group.

The bribery and corruption risk assessment is conducted as governed under the Public Bank Group’s Risk Management Framework. Any breach of the policy will result in disciplinary proceedings including but not limited to employee dismissal and the right to terminate any relationship with third parties.

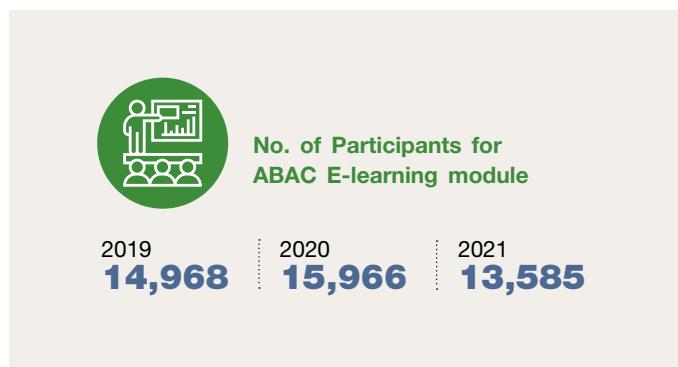
Bribery and corruption generally refer to offences involving giving or receiving of “gratification” which is defined within Section 3 of the Malaysian Anti-Corruption Commission Act 2009 as:

- 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)

In 2021, the Public Bank Group developed “ABAC 2021” e-Learning module with the objective to create awareness and to inculcate good ethical business practices among all employees in compliance with the ABAC laws, regulations and the Group’s ABAC Policy. The e-Learning module covers the following:

- Global Landscape of ABAC
- Public Bank Group ABAC Policy
 - Definition of Bribery and Corruption
 - ABAC Principles
 - ABAC Governance Structure
 - Consequences of Non-compliance with ABAC Policy
 - ABAC Guidelines
 - Reporting Channel and Communication
 - Gifts and Hospitality Reporting System
 - Consequences of Failure to Report Acts of Bribery and/or Corruption

To further strengthen the awareness and understanding among all employees, the Public Bank Group has made the ABAC e-learning module a mandatory course for all employees.



THEME 3

MANAGING ENVIRONMENTAL IMPACT



- ESG and Sustainable Product
- Sustainable Consumption

Climate change has increasingly become the focus of the global agenda due to its damaging and disruptive impact not only on the environment, but on human health and the economy. Financial institutions, through their engagements and dealings with customers, are important enablers to tackle climate change, facilitating the transitioning of individuals, businesses and society towards a low-carbon economy.

The Group's Approach

The Public Bank Group is committed to be part of the global action towards building a climate-resilient economy.

Aligned with global sustainability goals, the Group is committed to:

- Achieving carbon neutral position in greenhouse gas emission (scope 1 and 2) by 2030
- Achieving net zero greenhouse gas emission by 2050

These will be achieved through taking tangible steps as a financial provider to align the Group's financial and lending practices with climate goals, while at the same time taking concrete actions to reduce carbon emissions from the Group's operations through sustainable consumption.

Key Performance

Developed **the Group's Climate-related Risk Management Policy** and **Policy on Risk Acceptance Criteria**

Domestic energy efficient vehicles financing amounted to **more than RM17 billion** as at the end of 2021

Special solar financing packages with attractive rates for **residential and commercial properties**

Public Investment Bank awarded the **Best ASEAN Sustainability SRI Sukuk – Corporate** by The Asset

Solar system at Menara Public Bank 2 **reduced greenhouse gas emissions by 35.4 tonnes of carbon dioxide equivalent ("tCO₂e")** in 2021

Replaced faulty air-conditioner units with the **environmental-friendly R410A gas air-conditioners**

SUSTAINABILITY STATEMENT

ESG AND SUSTAINABLE PRODUCT

In its journey towards embracing global best practices in addressing climate change, the Public Bank Group has taken guidance from the Financial Stability Board's ("FSB") Task Force on Climate-Related Financial Disclosures ("TCFD"), and the Group will continue to progressively step up its efforts in implementing and disclosing climate related matters guided by the recommendations of the TCFD.

Governance

The Board is overall responsible for the Public Bank Group's sustainability management. To discharge its responsibilities, the Board will strengthen the capabilities to manage climate-related risks and implement strategies to build climate resilience. In discharging its role in climate-related risk management, the Board is assisted by the Board Risk Management Committee and Board Credit Risk Management Committee.

At the management level, Sustainability Management Committee ("SMC") is overall responsible for the sustainability management of the Group. In discharging its duties, the SMC will review the sustainability commitment and its performance as well as endorse the operational initiatives formulated to drive the progressive achievement of the sustainability objectives. A separate dedicated Climate Risk Management Task Force ("CRMTF") is responsible to embed the Board's approved climate-related risk policies into the day-to-day operations and to implement the sustainability initiatives endorsed by the SMC. Formulation of the climate-related strategies and risk management initiatives are first discussed at the CRMTF prior to escalation to the SMC and to the Board.

To ensure the effective implementation of the sustainability strategies as well as managing the climate-related risks, appropriate Key Performance Indicators have been embedded in the performance evaluation of business and support units supporting the achievements of the sustainability commitments.

Strategy

The Public Bank Group further intensified its sustainability efforts with its aspiration to achieve carbon neutral position in greenhouse gas emission (scope 1 and scope 2) by 2030 and achieving net zero greenhouse gas emission by 2050. Tapping into the Group's lending strength, the Group accelerated sustainability financing by supporting responsible financing and net zero initiatives as one of the ESG strategies.

a) ESG Lending Exclusion List

Considering greater global awareness on sustainability issues and the strong impact that businesses have on the environment and society, the Public Bank Group further refined the ESG Lending Exclusion List to incorporate 16 activities that the Group shall refrain from financing.

Issues/Sectors	Activities
Illegal Activities	<ul style="list-style-type: none">Individuals or corporations whose activities contravene the law.Money laundering and/or terrorism activities.Illegal activities, including illegal betting, drug trafficking and smuggling, human trafficking.
Biodiversity Loss, High Conservation Value Areas and Deforestation (excluding activities or projects approved by the Federal Government/ State Government)	<ul style="list-style-type: none">Activities that could damage any World/National/United Nations Educational, Scientific and Cultural Organization ("UNESCO") heritage sites.Activities that could damage any Wetlands on the RAMSAR list (the List of Wetlands of International Importance).Activities that could damage any areas as per the International Union for Conservation of Nature ("IUCN") categories I to IV.Activities that could damage any Key Biodiversity Areas.Activities that involve production and trading of or activities that result in loss of endangered species of wild flora and fauna as per Convention on International Trade in Endangered Species ("CITES"), and the Convention on the Conservation of Migratory Species of Wild Animals (CMS or Bonn Convention) and IUCN Red List of Threatened Species.Logging of or trade in illegally harvested or uncertified timber as well as logging in uncertified primary forest.Activities that could damage any high conservation value forests.

Issues/Sectors	Activities
Environmental Degradation	<ul style="list-style-type: none"> • Coal mining and production activities. • Activities which endanger local water security. • Activities that cause pollution (e.g. release of untreated wastewater, pollution of soil and waterways with untreated organic content etc.).
Labour Rights	<ul style="list-style-type: none"> • Activities causing human rights violations including child labour, forced labour, trafficked labour.
Human Rights	<ul style="list-style-type: none"> • Activities resulting in the infringement of the rights of indigenous and/or vulnerable groups without their Free Prior and Informed Consent ("FPIC"). • Activities that violate the rights of local communities or those that take place in locations of significant social conflicts.

b) ESG-Friendly Business Sectors and Economic Activities

In line with the Public Bank Group's commitment on sustainable financing, the Group has identified several business sectors and economic activities which are deemed ESG-friendly, being economic activities that bring positive ESG values, such as those relating to circular economy, clean transportation, renewable energy and activities with a strong social agenda.

The ESG-friendly list will serve as a guide for positive screening of new loan and financing applications from businesses and individuals.

The Public Bank Group is also supportive of the financing of green-certified properties which can help to promote society's transition towards a low carbon and energy-efficient economy. For this, due diligence is conducted by the Group to verify if a property or project being financed is under "green" status, such as the certification obtained from Green Building Index ("GBI") and Green Real Estate ("GreenRE"). Once verified, details of the green-certified property or project will be duly tagged and maintained by branches in the Group's electronic loan delivery system.



c) Value-based Intermediation

Value-based Intermediation ("VBI") is an industry-wide initiative led by Bank Negara Malaysia which aims to re-orientate Islamic finance business models towards realising the objective of Shariah that contribute positively and sustainably to the economy, community and environment. Since 2019, Public Islamic Bank has become a member of Bank Negara Malaysia's VBI Community of Practitioners ("CoP") to drive the implementation of VBI with other participating Islamic financial institutions.

As part of the VBI CoP initiatives, Public Islamic Bank has taken an active role in the Value-based Intermediation Financing and Investment Impact Assessment Framework ("VBIAF") Sectoral Guide Working Group. This working group is responsible for the development of sectoral guidance documents on identified crucial sectors. In November 2020, Public Islamic Bank has been elected as the Chair of the second cohort Sectoral Guide Working Group to lead the ongoing efforts in developing guidance documents for key economic sectors namely Oil and Gas, Construction and Infrastructure as well as Manufacturing. The Sectoral Guide provides comprehensive and granular guidance on impact-based assessments for those sectors.

With sustainability in mind, Public Islamic Bank has been proactively embracing VBI and ESG principles in its Islamic banking business. Public Islamic Bank collaborates with Yayasan Waqaf Malaysia ("YWM") in providing channels for the public to make Waqaf donations conveniently and effectively through YWM's Public Islamic Bank Current Account, bills payment platform and DuitNow QR. In addition, Public Islamic Bank introduced Preferential Rates for Energy Efficient Vehicles ("EEVs") as part of its ongoing effort in contributing towards reduction in carbon emission. Public Islamic Bank is also offering Solar Financing for both residential and commercial sectors, to promote the usage of renewable energy.

Apart from the existing financing packages for EEVs and solar panel, Public Islamic Bank is exploring other financing schemes focusing on VBI and ESG values.

SUSTAINABILITY STATEMENT

Risk Management

Embedding the climate-related risk as part of the enterprise risk management is via the Board's approved Climate-related Risk Management Policy. The policy is established to drive the continuous identification, measurement, mitigation, monitoring and reporting of the climate-related risk, cutting across all the major inherent risk types. To operationalise the climate-related risk assessment in the credit on-boarding and review process, it is guided by the Policy on Risk Acceptance Criteria ("RAC Policy").

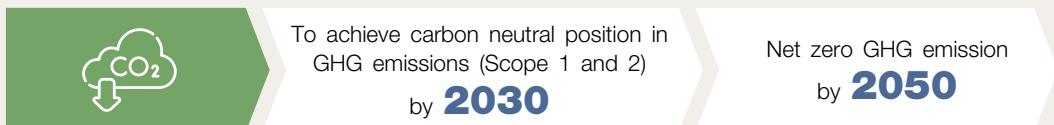
The formulation of the RAC Policy is referenced to Bank Negara Malaysia's VBIAF and the Bank Negara Malaysia's Policy Document on Climate Change and Principle-based Taxonomy. The objective of the RAC is to establish a set of minimum ESG criteria that are assessed in the on-boarding and review process of large credit exposures. The RAC Policy is operationalised via the dedicated RAC Checklist and will be progressively developed focusing on sectors which are aligned to the Group's ESG strategic directions.

Climate-related risk management requirements too are embedded in the product development process whereby product proposals are now required to assess the resultant climate-related risk implications as part of the product risk assessment. In respect of the services outsourced to third parties, the third parties' Business Continuity Plan is also required to address probable adverse scenarios arising from climate change such as physical risks or any other climate related risk.

Metrics and Targets

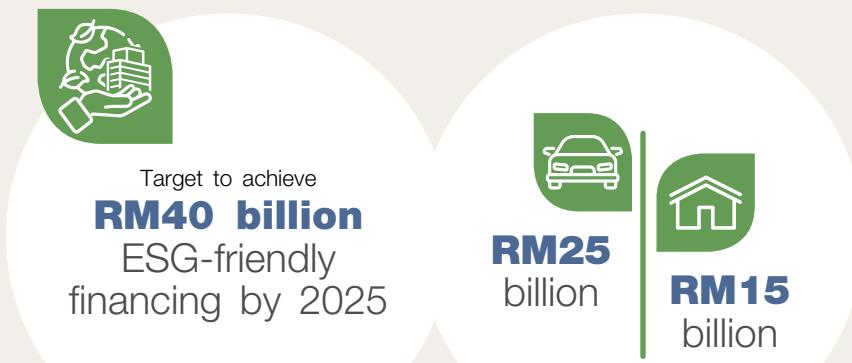
The Public Bank Group has set climate related commitments and targets to achieve the Group's ESG commitments.

The Public Bank Group is committed to the global climate action agenda:



Expanding its ESG-friendly financing portfolio, the Public Bank Group is committed to mobilise RM40 billion in ESG-friendly financing, including RM25 billion for EEV financing by 2025.

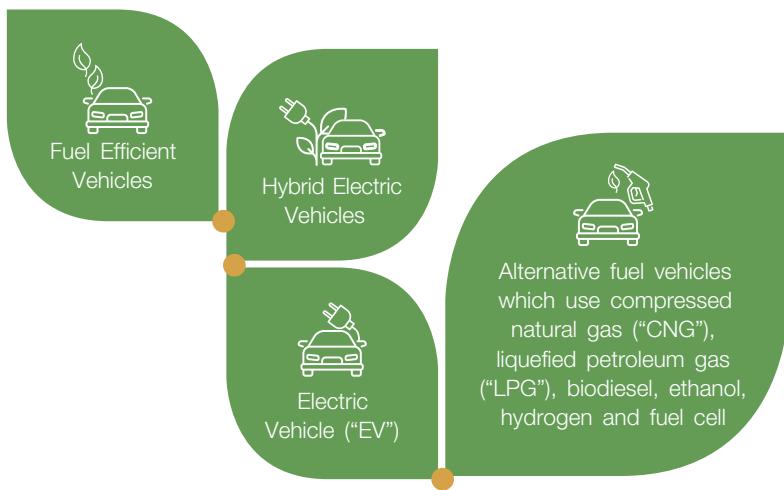
To ensure these targets and goals will be achieved, progress will be monitored as these commitments have been embedded into the Key Performance Indicators of Senior Management.



Accelerating Climate Transition Through Responsible Banking Products

Energy Efficient Vehicles Financing

Energy Efficient Vehicles (“EEVs”) are vehicles that bring minimal harmful impacts to the environment in terms of carbon emission level (gCO₂eq/km) and fuel consumption (L/100km) compared to normal internal combustion engine vehicles. EEVs include:



As at the end of 2021, domestic EEV financing amounted to more than RM17 billion, accounting for about 33% of the Public Bank Group's total domestic hire purchase portfolio.

In 2021, Public Islamic Bank continued to promote its EEV campaign offering attractive financing rates to encourage more customers to purchase low carbon vehicles. Under the campaign, Public Islamic Bank had supported over 1,000 customers with approved financing of more than RM97 million in 2021, contributing to a total reduction of carbon emissions at approximately 2,057 tonnes per year*.

As Malaysia works towards becoming a regional EEV Hub by 2030, coupled with the full exemption of import duty, excise duty, sales tax and full road tax exemption for electric vehicles as announced in Budget 2022, the Group expects rising demand for EEVs in the future.

In support of the nation's aspiration, the Group has set a commitment to mobilise RM25 billion financing for the purchase of EEVs by 2025.

* As published by car producers, the carbon emission savings is an estimation, or where unavailable, calculated based on fuel consumption.

Solar Financing

As part of its ongoing support to the Government's initiative to encourage Malaysia's Renewable Energy uptake, the Public Bank Group continues to offer financial products that help to save energy costs and reduce carbon footprint.

In addition to offering solar financing packages for residential properties via the Solar Plus BAE Personal Financing-i, Public Islamic Bank, had in 2021, introduced the Solar BAE Term Financing-i to encourage businesses to install solar panels for their factories or business premises. Through the offering of preferential financing rates and collaboration with solar panel suppliers, Public Islamic Bank has made this environmental-friendly practice more accessible and affordable for customers.

SUSTAINABILITY STATEMENT

Sustainable Investment Advisory

As the investment banking arm of the Group, Public Investment Bank fully supports Securities Commission's Sustainable and Responsible Investment ("SRI") Sukuk Framework which aims to accelerate the growth of SRI segment in the Malaysian capital market. Public Investment Bank continues to pursue the integration of ESG considerations in its financial decisions with the objective of driving sustainable returns.

Accordingly, Public Investment Bank assisted issuers in providing efficient and reliable access to financing of sustainable projects via the issuance of SRI Sukuk and Bonds under the ASEAN Green, Social and Sustainability Bond Standards. In 2021, Public Investment Bank was awarded the Best ASEAN Sustainability SRI Sukuk – Corporate by The Asset for its deal as the lead manager for RM800 million Sime Darby Property's ASEAN Sustainability SRI Musharaka Sukuk.

Supporting Sustainable Development Across the Region

In line with the Group's commitments, the Public Bank Group's overseas operations are supportive of the green policies and practices undertaken by the Group.

On customer onboarding, the Public Bank Group's overseas operations take into consideration the possible adverse impacts on the environment and society in credit assessment. For instance, Campu Bank continues to refrain from providing loans to borrowers engaged in sand dredging and timber logging activities.

Besides, they are also very supportive of business activities that bring positive environmental impact. Campu Bank supports projects such as water, electricity and solar power, while Public Bank Vietnam offers supports for the installation of rooftop solar power generation systems.

THEME 3

MANAGING ENVIRONMENTAL IMPACT



- ESG and Sustainable Product
- Sustainable Consumption

Sustainable Consumption

In addressing its direct carbon emission, the Public Bank Group continues to build and strengthen its capability to encourage sustainable consumption within the workplace and raising awareness on climate change among employees.

In promoting the ESG agenda across its customers, the Public Bank Group ensures the carbon emission from its own operation too is transitioning towards its commitment of achieving carbon neutral position in greenhouse gas emission (scope 1 and 2) by 2030 and achieving net zero greenhouse gas emission by 2050.

In 2021, the Group's carbon footprint reduced due to the impact of the COVID-19 pandemic. Particularly, travel restrictions during the Movement Control Order contributed significantly to the decline of the Group's scope 3 emissions in 2021.

Emissions source	Emissions (tCO ₂ e)		
	2019	2020	2021
Scope 1 – Direct emissions			
Mobile combustion (company-owned vehicles)	187.62	130.82	115.97
Scope 2 – Indirect emissions			
Purchased electricity	24,329.14	24,903.24	24,079.96
Scope 3 – Other indirect emissions			
Business travel (road and air)	2,021.50	1,680.36	1,387.05
Total	26,538.26	26,714.42	25,582.98

Notes:

1. The collection and calculation of greenhouse gas emission is guided by Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards.
2. For Scope 1, the data is based on the fuel consumption by company-owned cars at Menara Public Bank. Emission from fuel consumption is calculated with reference to 2006 Intergovernmental Panel on Climate Change Guidelines for National Greenhouse Gas Inventories and International Energy Agency.
3. For Scope 2, the data covers operations in Malaysia (Menara Public Bank, Information Technology & Training Centre in Bangi, Bangunan Public Bank and Menara Public Bank 2), Campu Bank's head office and branches as well as Public Bank Vietnam's head office and branches. GHG emission is calculated based on Institute for Global Environmental Strategies' emission factor related to electricity consumption for Malaysia, Cambodia and Vietnam, February 2022.
4. For Scope 3, the data covers domestic and international travels based on claims captured in the Group's Human Resource system for operations in Malaysia. Emission from fuel consumption on road travel is calculated with reference to 2006 Intergovernmental Panel on Climate Change Guidelines for National Greenhouse Gas Inventories and International Energy Agency. GHG emission for air travel is calculated with reference to the International Civil Aviation Organisation's Carbon Emissions Calculator (<http://www.icao.int/environmental-protection/CarbonOffset/Pages/default.aspx>).

SUSTAINABILITY STATEMENT

i. Energy Management

Effective energy management leads to efficient energy consumption. In conserving its electricity usage, the Public Bank Group regularly checks on its electricity consumption and major electrical systems to ensure their optimal performance.

As one of its many efforts, the Public Bank Group had completed all the conversion of lightings to low-energy LED bulbs for its offices and branches in Malaysia and Cambodia.

In sourcing for new computer hardware, Campu Bank would opt for energy efficient equipment, such as replacing old computers with LCD monitors and Energy Star compliant equipment.

Eco-friendly Air-conditioning

The Public Bank Group continued to accelerate the ongoing replacement of air-conditioning units running on ozone depleting R22 refrigerant gas with new ones that are more energy efficient and operating on the more environmental-friendly R410A refrigerant gas in Public Bank Head Office. Sizeable energy savings is expected once the replacement process is completed.



In 2021,
the solar system in
Menara Public Bank 2
had harvested **52,840 kWh
of solar energy**,
which helped to
reduce 35.4 tCO₂e
greenhouse gas emissions from
energy consumption activities

Green Building – Menara Public Bank 2

Menara Public Bank 2 is a 40-Storey Grade A Green Office Building accorded the Gold rating precertification by both Leader In Energy & Environmental Design ("LEED") under the US Green Building Council and Green Building Index ("GBI") under the Malaysia Green Building Confederation.

Equipped with various green features such as solar energy, rainwater harvesting systems, natural light reflectors and double-glazed glass, the building has been harnessing renewable energy to achieve sustainable energy consumption since its commencement in 2017.

ii. Paper Consumption

One of the material resources used in its daily operations, the Public Bank Group has taken several measures to optimise its paper usage.

To minimise unnecessary printing, the Public Bank Group accelerated its digitised moves in converting physical documents such as meeting papers and statements into digital format. The Group also enhanced its loans delivery system to enable loans applications to be submitted and reviewed electronically through electronic loan delivery system and e-Review system.

When printing is absolutely necessary, usage is reduced to the minimum with double-sided printing. Meanwhile, the Group has been purchasing PEFC certified paper to ensure the paper comes from responsibly managed areas.

Moving forward, the Group hopes to shift gradually towards being a paperless organisation through digitisation and digitalisation of its business operations.



A global alliance of national forest certification systems, is dedicated to promoting sustainable forest management through independent third-party certification.

iii. Waste Management

The Public Bank Group continues to ensure that all waste is disposed of responsibly with effective systems for collection, recycling and disposal to minimise the impact to the environment and human health. The Group adopts a stringent electronic waste ("e-waste") management to ensure proper disposal while minimising pollution. To manage e-waste, the Group only appoints vendors who are licensed by the Department of Environment and certified based on relevant ISO standards in Environmental Management System.

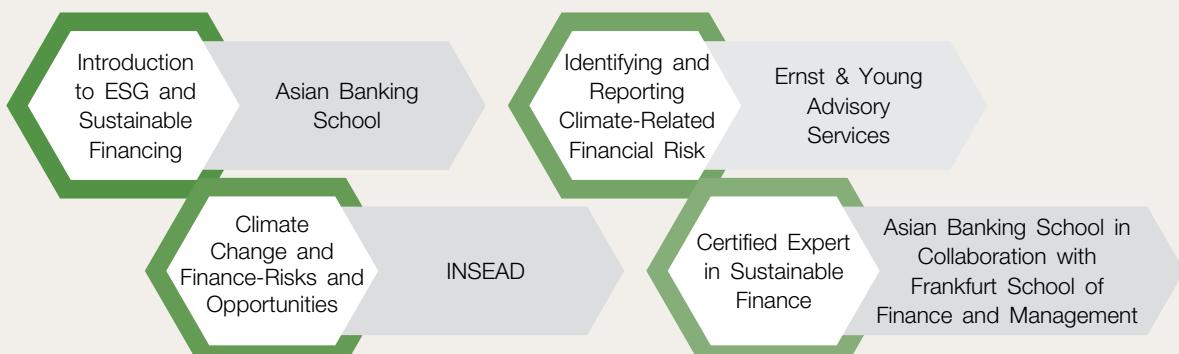
Additionally, the Public Bank Group continues its recycling efforts by sending waste papers, plastics, cans and other recyclable goods to contractors for resource circulation. While in its Cambodian operations, Campu Bank is encouraging the use of filtration systems for drinking water, instead of plastic drums to reduce the use of single-use plastic, conserving natural resources in the process.

iv. Capacity Building and Raising Employees' Environmental Awareness

The Group has both bank-wide and role-based training on sustainability topics to build an ESG culture within its organisation for greater pursuit of sustainability. For employees, introductory e-learning modules are specially crafted into six main topics as listed below to raise their ESG awareness:



To ensure the implementation of necessary actions to drive the ESG agenda, a series of in-house sessions for the Board of Directors and Senior Management were conducted with INSEAD and Ernst & Young Advisory Services. Capacity building programmes were also arranged with Asian Banking School, including a certification programme in collaboration with Frankfurt School of Finance and Management.



Country heads of all overseas business units also participated in the session conducted by INSEAD. Meanwhile, senior employees from the Cambodian operations attended workshops and forums organised by Association of Bank Cambodia and International Finance Corporation to further enhance their knowledge on sustainable financing, ESG requirements and green financing.

Going forward, the Public Bank Group will continue to keep its employees up to date on climate issues by providing the latest trainings available.

SUSTAINABILITY STATEMENT

Environmental Impact 2019-2021

	2019	2020	2021
Total Electricity Consumption (kWh)			
Malaysia ¹	31,345,264	32,086,466	31,380,484
Cambodia ²	4,364,612	4,276,360	3,246,887
Vietnam ³	1,279,319	1,493,954	1,914,215
Total	36,989,195	37,856,780	36,541,586
Total Fuel Consumption⁴ (litres)			
Malaysia	944,469	792,804	660,786
Water (m³)			
Malaysia ¹	229,093	207,889	194,300
Cambodia ²	17,444	19,588	19,437
Vietnam ³	4,598	4,752	7,019
Total	251,135	232,229	220,756
Waste Management			
Total paper recycled ⁵ (kg)	145,100	106,800	90,250
Number of ICT equipment collected by appointed e-waste vendors	6,594	8,011	2,951
E-Procurement			
Average number of electronic purchase orders via e-procurement (per month)	717	644	572

Notes:

1. The data covers Menara Public Bank, Information Technology & Training Centre in Bangi, Bangunan Public Bank and Menara Public Bank 2.
2. The data covers Campu Bank's Head Office and branches.
3. The data covers Public Bank Vietnam's Head Office and branches.
4. The data covers company-owned cars at Menara Public Bank and road travel for business purpose in Malaysia.
5. Total waste papers collected at Menara Public Bank and nearby branches in Kuala Lumpur.

THEME 4

DEVELOPING EMPLOYEES



- **Nurturing Talents**
- Employee Health, Safety and Well-being
- Diversity and Inclusion

Human capital plays a key part in the sustainability agenda of an organisation. A sustainable human capital management will not only positively affect the bottom line of a business, but will also support the business in driving its purpose and delivering positive changes along its value chain.

The Group's Approach

Human capital is a key resource of the Public Bank Group's strategic long term value consideration. The Group is committed to providing a supportive environment for the well-being, development and progression of its employees.

Applying the "3Ts" comprising Talent Attraction, Talent Development and Talent Retention, the Public Bank Group continues to nurture and sustain a committed, professional, knowledgeable and skilled workforce contributing to its commendable financial performance and winning of awards.

Human Capital Management Best Practices

The Public Bank Group is a firm believer that sustainable employment practices are differentiating success factors for the retention of the Group's talents.

The following employment practices are in place to create a fair, transparent and conducive working environment:

- Equal employment opportunities, elimination of all forms of forced and compulsory labour as well as any form of discrimination towards race, gender, religion, ethnic, age, disability, nationality, culture, marital and parental status, physical impairment and religious beliefs;
- Fair and equitable remuneration, recognition and rewards;
- Transparent and fair performance appraisal system; and
- Compliance with fair labour practices, uphold freedom of association, right to collective bargaining and minimum wage.

Key Performance

Talent Development

- Launched the **Pivot-25 Talent Development Blueprint**
- **70 training hours per employee**
- **44 employees** with Chartered Banker Level 3 qualification
- **Highest** number of AICB graduates for seventh consecutive years

Talent Attraction

Hired **2,647** Management Trainees and **149** interns over the past three years

Talent Retention

Low employee attrition rate of 5.1%

Women Empowerment

33.3% of women on the Board
50.4% of women in top management
48.1% of women in management

Diversity and Inclusion

Developed the Group's Diversity, Equality and Inclusion Policy

Awarded "**Top 3 Best Employer in the Banking sector**" for the fourth consecutive year in the "2021 Graduates' Choice Award" and the "**Top 1% among Graduates Preferred Employer**" in the Graduates' Top 25 Preferred Employers in Malaysia by Talentbank

SUSTAINABILITY STATEMENT

Nurturing Talents

i. Talent Attraction

The Public Bank Group is well known among the talents given a steady stream of accolades bestowed on the Group throughout the years. The PB Brand creates top of mind awareness among potential talents who have a keen interest in building their career with the Group.

The Public Bank Group constantly reaches out to young talents and skilled professionals. In 2021, various campus engagement activities continued to be carried out to strengthen the Group's presence among the young talents.

Campus Engagement Activities

	2019	2020	2021
Career Fairs/Events	37	15	19
On-campus/Virtual Career Talks	10	15	16
Career/Group Interview Workshops	2	1	3
Employer-Student Network Sessions	1	2	2

The Group has adopted innovative methods and reached out to talents virtually via digital platforms to maintain communication with the talents while adhering to the movement restrictions due to the COVID-19 pandemic.

Virtual job interviews were conducted via Skype or Webex as an alternative amidst the movement restriction, while aligning with the Group's commitment in reducing the carbon footprints as candidates were no longer required to travel to attend physical interviews. A web-based job application form has also been introduced in support of the ESG initiatives in reducing the use of paper.

The Public Bank Group continues to hire fresh graduates, providing employment to the young graduates and developing them to ensure a sustainable talent pipeline. The PB TalentMax Program is a signature one-year training programme for the young graduates incorporating virtual classroom, e-learning, on-the-job training, project or learning assignments as well as mentoring.

In the past three years, the Group has employed **more than 2,600** management trainees:

	2019	2020	2021
No. of Management Trainees	1,074	677	896

In the onboarding of management trainees, they are placed under the CEM (Call, Engage and Mentor) programme to provide them with the necessary support and guidance as they transit from a student to a working professional. The positive impact of this engagement is reflected through the high management trainee retention rate of 78.7%.

The Public Bank Group has an internship programme where a total of 149 interns were accepted in the last three years. Talents with commendable performance were given priority to be employed as management trainees upon successful completion of their course of studies.

Public Bank as the Employer of Choice



The Public Bank Group was awarded the **"Top 3 Best Employer in the Banking sector"** for the fourth consecutive year in the 2021 Graduates' Choice Award and the **"Top 1% among Graduates Preferred Employer"** in the Graduates' Top 25 Preferred Employers in Malaysia by Talentbank.

ii. Talent Development

Staff Training in 2021	Domestic Operations	Campus Bank	Public Bank Vietnam
Total hours of training per employee	70	46	40
Total investment in training	RM40 million	USD14,500	VND4,787 million
Employee participation in training:			
Classroom (Headcounts)	50,125	1,569	1,409
E-learning (Headcounts)	295,101	9,693	6,795
PB DigitalBITES (Headcounts)	85,213	12,980	732

The Public Bank Group has a proactive and comprehensive talent development programme in tandem with the evolving banking landscape to future-proof the Group's talents in the changing environment.

In crafting its talent development programmes, the Public Bank Group recognises the need to nurture a proactive learning culture. This includes empowering, guiding and facilitating employees to take ownership of their own learning and career progression in their journey of growth with the Group.

Pivot-25 Talent Development Blueprint

A sustainable and future-ready workforce requires a development plan that is agile and adaptive to evolving trends. With the Pivot-25 Talent Development Blueprint launched in 2021, the Public Bank Group aims to further strengthen its talent development pipeline to better prepare its employees to face future challenges.



SUSTAINABILITY STATEMENT

This is achieved with a forward-looking Skills Inventory List based on generalist and specialist needs, anchored on the areas of Business, People, and Digital Essentials. To support the development of identified skills, a rich array of proprietary learning content and learning solutions from third party learning providers have been made available through the Public Bank Group's continued push for liberalisation of learning.

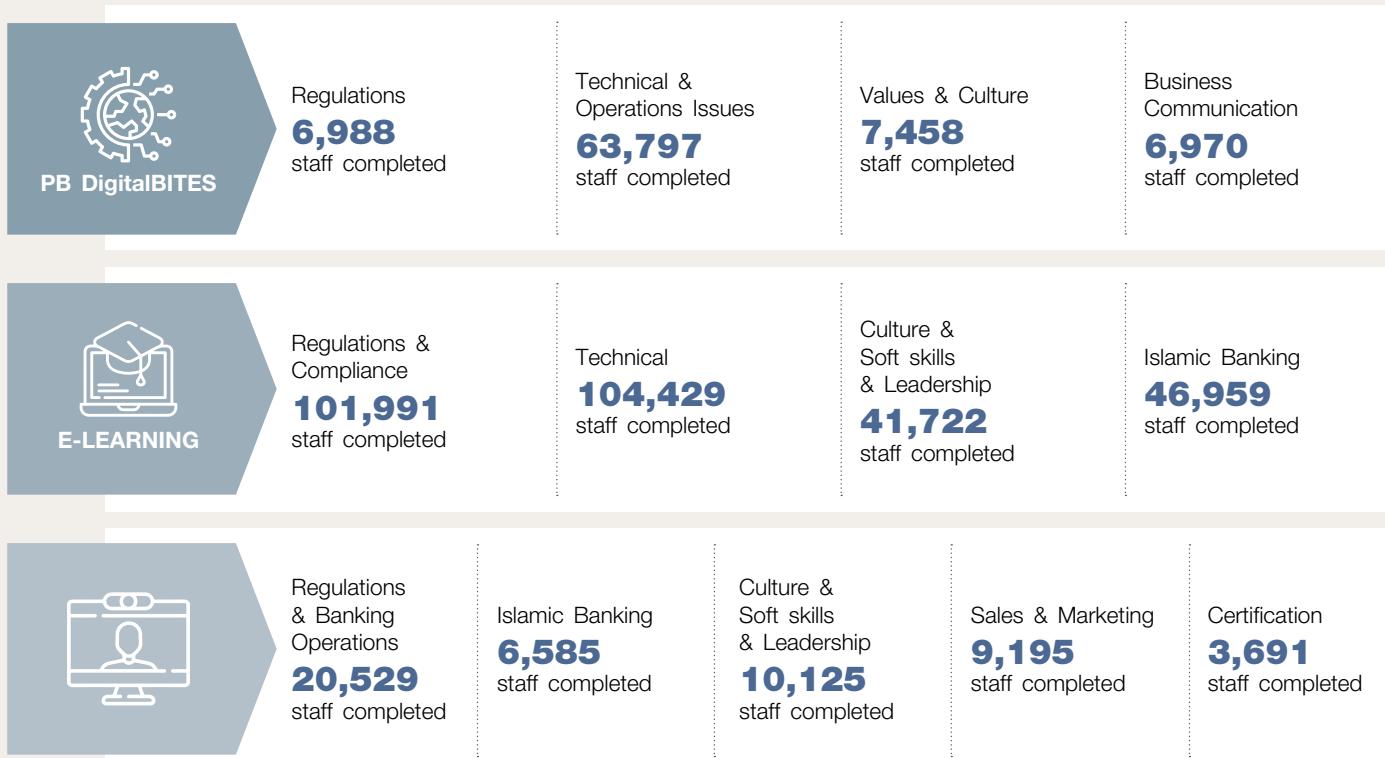
Guided by the Blueprint, current and future job roles are to be transparently articulated and opened up to facilitate employees' mobility and empower employees to take charge of self-development towards their career aspirations. Career growth would also be supported through granular apprenticeship to prepare employees for specialist roles. Mentorship will also play a vital role to nurture future leaders.

To ensure the Blueprint will be effectively implemented, the Public Bank Group has set up a Talent Development Working Group comprising Knowledge & Learning Division and Human Capital Management Division, with support from Business and Support Units as strategic stakeholders, under the direct oversight of the Group's Human Resources Committee.

Strengthening the Hybrid Learning Model

The Public Bank Group continues to enhance its employees' development system whereby employees are provided with customised learning experience beyond classroom, supported by coaching, e-learning and various online training programmes.

In 2020, the Public Bank Group launched the PB DigitalBITES – an array of “bite-sized” courses which are accessible to all employees on any device – to facilitate employee self-learning. In 2021, the Group further enhanced its mobile learning platform by launching the PB Learn Online Learning Management System, enabling employees to access the Group's e-learning courses regardless of location and time.



The Public Bank Group's rich proprietary content is also supplemented by third party courses available under Coursera and LinkedIn Learning which employees can learn at their own pace. Learning infrastructure has also been enhanced with iPads distributed to branches nationwide to facilitate virtual classes.

Instilling Professionalism

Professionalism is consistently instilled throughout the Public Bank Group, with employees required to take up certifications relevant to their job responsibilities, while also encouraged to enrol in professional courses to enhance their banking knowledge and skills.



In 2021, the Public Bank Group continued to achieve the highest number of graduates for banking qualification offered by the Asian Institute of Chartered Bankers ("AICB") for seven consecutive years.

As at to date, 44 employees successfully obtained the Chartered Banker Level 3 qualification, while 79 employees are currently pursuing the certification.

In addition, in response to Bank Negara Malaysia's requirement to mandate all employees in the five specialised functions of Credit, Risk, Anti-money Laundering, Internal Audit and Compliance to acquire certifications by the end of 2023, the Public Bank Group is well on track towards achieving this goal.

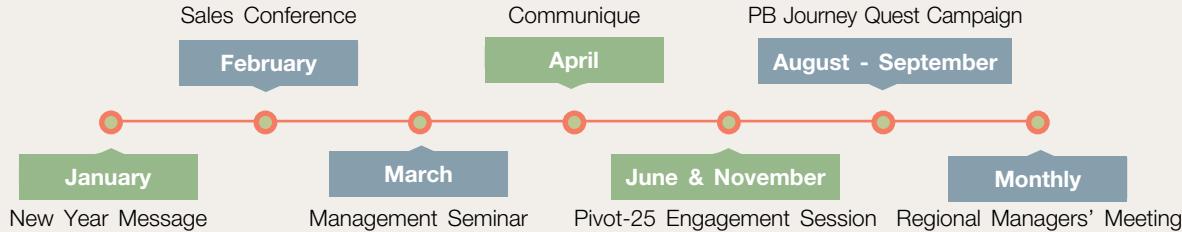
In overseas operations, Campu Bank and Public Bank Vietnam continued to encourage their employees to take up professional certifications. In the past three years, Campu Bank and Public Bank Vietnam had sponsored more than 280 employees to take up certifications from renowned institutions such as AICB, Coursera as well as Institute of Banking and Finance in Cambodia.

Increasing Employee Engagement

Employee engagement remains a key initiative in the Public Bank Group's human capital management despite social distancing rules and movement restrictions. In 2021, tapping on the virtual platforms, the Group continued with its annual events, while introducing new activities to strengthen employees engagement.

These virtual events had not only kept the employees updated with the Group's latest development and aspiration, but also helped to boost the morale among employees during this challenging year, motivating and enhancing their sense of participation at work.

SUSTAINABILITY STATEMENT



Another key initiative that the Public Bank Group launched in 2021 to keep employees engaged was the PB Journey Quest gamification campaign.

Inaugurated with the roll-out of Bank Empires gamification campaign in 2020, the Public Bank Group continued with the PB Journey Quest in 2021, taking further steps to make learning more lively and exciting through mobile game.

Emphasising the main principle of “Learn to Earn”, employees were required to learn in order to earn their keeps. Employees would be rewarded for completing some banking-related challenges and making new business referrals.



CAMPAIGN DURATION

1 August – 15 September

PARTICIPATION

6,194 Players

THEME

Learn to Earn

NEW BUSINESS REFERRALS

5,390

In the process, data relevant to learning behaviours, trends and patterns were gathered for the development of future programmes.

Keeping employees engaged, the PBeXperience mobile application continues to connect the workforce with timely updates since 2020. Apart from human resources functions such as leave application, map navigation on panel clinics and declaration of interstate travel, the application was enhanced to include push notifications on training, circulars and assignments to be completed.

iii. Talent Retention

Throughout the careers of the Public Bank Group’s employees, they amass rich and fulfilling experiences, achievements as well as camaraderie.

The holistic experience of the employees produced by holistic talent management initiatives by the Public Bank Group, has led to stable employee turnover rates over the years.

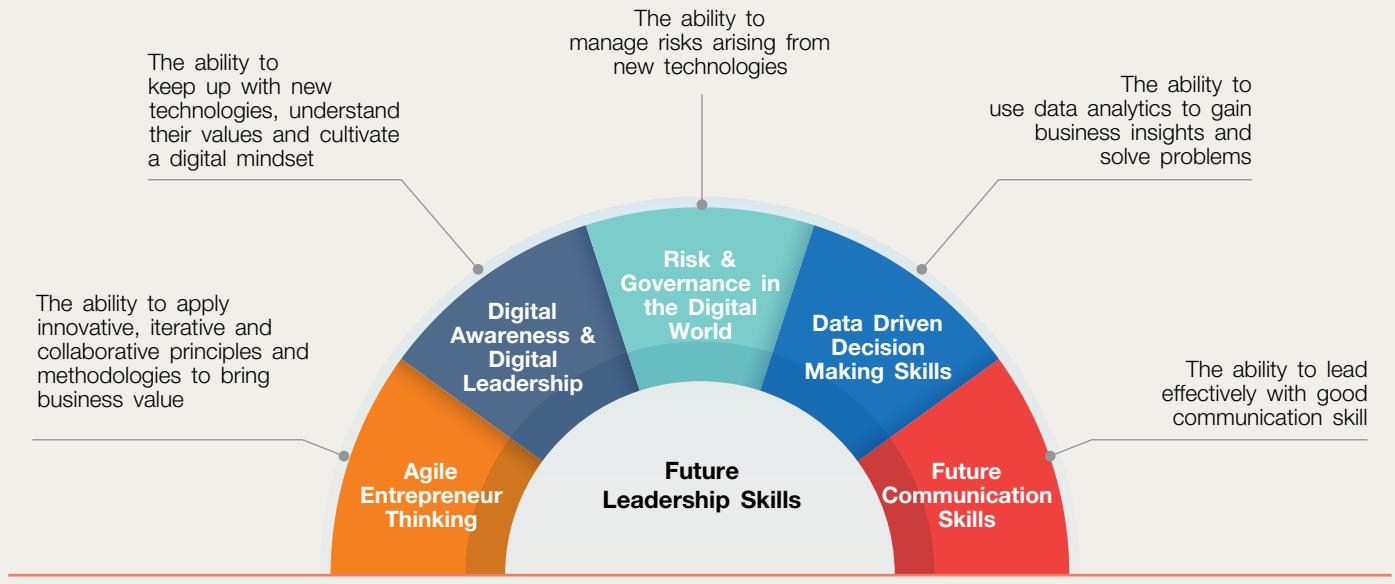
Domestic Operations			
Employee Turnover Rate	2019	2020	2021
Employee Turnover Rate (%)	5.4	4.5	5.1

This is achieved by engaging the hearts and minds of the employees, ensuring that they look forward to an enriching career; alleviate their concerns on health and safety and providing a supportive working environment where the well-being of employees is given top priority.

Career Progression and Succession Planning

The Public Bank Group has in place a robust succession planning process to identify and build a pool of talents with the right skill sets, relevant experience and leadership qualities to grow successors from within and to prepare them for succession to all the key leadership positions in the Group, ensuring a sustainable leadership pipeline. This is further supported by the Group’s Succession Planning Programme which has been enhanced with Competency Assessment and Individual Development Plan to better assess an employee’s suitability and readiness for succession to the next targeted role.

These talents undergo a wide array of holistic leadership development programmes to help them bridge competency gaps. The overall leadership development process has also been reinforced with the Pivot-25 Talent Development Blueprint.



PBB Digital Leadership Programme

While effective digital transformation requires strong leadership, it is also imperative that leaders are equipped with good digital literacy to move forward in their career progression.

In 2021, the majority of the Public Bank Group's senior management attended a PBB Digital Leadership Programme to further enhance their understanding of major frontier technologies as well as the impact of these advanced technologies on the economy, business and social. The Programme provided the senior management with new insights on how to lead and thrive in the digital era.

The Public Bank Group advocates a meritocracy driven career progression system. To ensure an equitable reward system in an employee's career development, key performance indicators ("KPIs") are continuously reviewed and revised to reflect current work responsibilities. The KPIs are measurable and transparent where employees are given the opportunity to provide feedback.

In 2021, 2,494 employees in the Public Bank Group's domestic operations were assessed and included in the Public Bank Group's talent pool, whilst a total of 1,071 employees were promoted to take on greater responsibilities as part of their career advancement.

Number of Employee Promoted	Domestic Operations			Campus Bank			Public Bank Vietnam		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Number of Promotion	1,378	601	1,071	168	159	121	116	132	143

SUSTAINABILITY STATEMENT

THEME 4

DEVELOPING EMPLOYEES



- Nurturing Talents
- Employee Health, Safety and Well-being
- Diversity and Inclusion

Employee Health, Safety and Well-being

i. Health and Safety

A positive working atmosphere is a culmination of various elements and factors, of which the health and safety of employees remain a primary focus.

The Public Bank Group is committed to a high standard of safety and hygiene protocols, guided by the Occupational Safety and Health ("OSH") Policy which is aligned to the Occupational Safety and Health Act 1994.

The Public Bank Group's OSH Committee conducts periodic meetings and inspections to continuously create employees' awareness on OSH matters. Training programmes such as "OSH Certified First Aider" and "Seminar on Occupational Safety and Health Act 1994" were also conducted, while ensuring there are certified first aiders among employees and periodic fire drills were conducted.

No. of Workplace Accident	2019	2020	2021
No. of workplace accident with lost workdays	4	8	4
No. of workplace accident with fatality	nil	nil	nil

The Public Bank Group's Wellness Programmes include a biennial medical examination at the panel clinics for all employees to facilitate early detection of any health threats. The Group also provides a comprehensive medical benefits scheme which includes specialist treatments and hospitalisations for employees and their immediate families.

The Public Bank Group has launched a Long Term Medication Programme ("LTMP") to assist employees who are suffering from long term diseases. LTMP provides flexibility and convenience to employees as the medication will be conveniently delivered to the employee's office or home without having to travel to the panel clinics or hospitals.

The Public Bank Group also regularly organises and promotes workshops on health and safety to create awareness and to provide employees with the relevant knowledge to stay mentally and physically fit.



Addressing COVID-19

2021 marked another year where the nation continued to face the challenges posed by the COVID-19 pandemic. The Public Bank Group remained highly vigilant with measures such as social distancing, remote working and digitalising work operations remaining in place.

With the number of cases surging in mid-2021, the Public Bank Group took further steps and containment measures to protect employees' health, including:

- In 2021, the Group rolled out the Corporate Vaccination Programme to accelerate the vaccination rate among employees. At a cost of RM817,250, the Programme was successfully implemented with more than 2,000 of its employees completing two doses of COVID-19 vaccine under the Programme.
- As a precautionary measure in view of the high infection rate nationwide, the Group conducted a mass screening for all its head office employees in July 2021.

From time to time, when there was a positive case, in-house surveillance screening would be conducted for employees who are in close contact or seated in the vicinity of the index case. Sanitisation of the work area would be carried out immediately.

- Under the Group's "Home Health Management Programme", medical services and treatment would be provided to employees in Klang Valley who have been confirmed COVID-19 positive and home quarantined.
- The Group replaced all centralised air-conditioning air filter media in Head Office with high efficient (MERV13) air filter media to improve indoor air quality.
- The Group offered moratorium for employees who has a staff loan and whose spouse experienced job lost due to the COVID-19 pandemic.

ii. Caring for Employees' Well-being

The employees' benefits are reviewed regularly to complement the Public Bank Group's focus in employees' well-being. The following employees schemes with family-friendly features have been established as the Group understands the psychological and cognitive needs of the employees to fulfil personal aspirations while coping with the stresses of life:

- The Public Bank Group supports the employees' journey as parents by providing extension of maternity leave, provision of paternity leave, time-off for pregnant employees as well as child care allowance for eligible employees. The Group has also made available lactation facilities for working mothers in Head Office.
- The Public Bank Group offers special leaves such as compassionate leave, marriage leave, study leave and examination leave as part of the employees' benefits. In 2021, in conjunction with the celebration of Deepavali on 4 November 2021 and in support of the request from the Minister of Human Resources, the Group accorded one day of unrecorded leave on 5 November 2021 for Hindu employees celebrating Deepavali.

- The Group also provides sabbatical leave to enable employees to realign their perspectives and to fulfil their domestic obligations and professional aspiration:

No. of Staff Granted Sabbatical Leave

	2019	2020	2021
Domestic Obligation	16	33	40
Health and Well-being	13	4	10

- The Public Bank Group often extends its helping hand to deserving employees who require financial assistance due to unfortunate events. This donation account is funded by employees' donations to help fellow colleagues in times of need. As at the end of 2021, a total of RM560,151 had been donated to 246 employees since its inception in 2004.
- The Public Bank Group offers various employee financing schemes including interest-free housing loan, special loan scheme covering various purposes, including for the purchase of tablet, smartphone and computer to enhance digitalisation and connectivity as well as festive advance scheme for festive celebration.

SUSTAINABILITY STATEMENT

THEME 4

DEVELOPING EMPLOYEES



- Nurturing Talents
- Employee Health, Safety and Well-being
- Diversity and Inclusion

Diversity and Inclusion

A dynamic and diverse workforce is a force multiplier and the Public Bank Group benefits from a wide array of innovative ideas from people with multiple perspectives towards achieving a shared goal.

The Public Bank Group's holistic Diversity, Equality and Inclusion Policy encapsulates the essentials of a diverse workforce and advocates a culture which emphasises caring, collaboration and mutual trust regardless of race, gender, religion, ethnic, age, disability, nationality, culture, marital and parental status, physical impairment and religious beliefs to build a diverse and inclusive workforce. In line with this commitment, the Public Bank Group has employed 12 differently-abled employees working in various departments in its domestic operations, while there are another differently-abled employees working in Campu Bank.

Meanwhile, the Public Bank Group remains unwavering in promoting gender equality. As a testament to the Group's efforts and its leading position in women empowerment, Asia Money has featured Public Bank in its Leaders for Women Survey 2021. The Group was featured in the following categories to reflect its high percentage of female representative in each job level:

- Malaysia – Women as percentage of staff
- Malaysia – Percentage of women in senior management
- Malaysia – Percentage of vice presidents that are women
- Malaysia – Percentage of recent graduate hires that are women
- Asia Pacific – Women as percentage of total staff among Asian banks
- Asia Pacific – Percentage of women in senior management among Asian banks
- Asia Pacific – Percentage of vice presidents that are women among Asian banks
- Asia Pacific – Percentage of recent graduates hires that are women among Asian banks

Gender Diversity in the Workplace for 2021

	Domestic Operations	Campu Bank	Public Bank Vietnam
Gender Composition of Employees (%)			
– Female	59.5	62.9	66.2
– Male	40.5	37.1	33.8
Women in Management (%)	48.1	45.4	52.9

Performance Data		
Human Resource Malaysia	2020	2021
WORKPLACE		
Supervisory (%)	71.8	73.0
Non-supervisory (%)	28.2	27.0
Female (%)	59.8	59.5
Male (%)	40.2	40.5
Age group (%)		
< 30	24.2	23.6
30 to < 40	33.3	33.7
40 to < 50	29.2	28.3
50 and above	13.3	14.4
Diversity (%)		
Malay	37.1	36.4
Chinese	56.3	57.0
Indian	6.3	6.3
Others	0.3	0.3
Service in the Group (%)		
< 1 year	4.0	5.3
1 to < 5 years	15.7	14.9
5 to < 15 years	34.4	33.9
15 years and above	45.9	45.9
Women in management (%)	47.1	48.1
Women in top management (%)	48.8	50.4
Total no. of recruitment (Headcounts)		
Supervisory	813	1,070
Non-supervisory	22	9
Total no. of promotion (Headcounts)		
Supervisory	451	937
Non-supervisory	150	134
EMPLOYEE TURNOVER		
Supervisory (%)	5.8	6.6
Non-supervisory (%)	1.3	1.0
Overall (%)	4.5	5.1
Employee turnover breakdown by supervisory age group (%)		
< 30	81.6	77.4
30 to < 40	10.7	12.2
40 to < 50	4.8	7.2
50 and above	2.9	3.2

SUSTAINABILITY STATEMENT

Human Resource Malaysia	2020	2021
Employee turnover breakdown by non-supervisory age group (%)		
< 30	47.4	48.9
30 to < 40	31.6	33.3
40 to < 50	17.5	15.6
50 and above	3.5	2.2
PERFORMANCE MANAGEMENT		
Total number of employees appraised (%)	97.6	96.7
Total number of staff awarded bonus (%)	97.1	96.3
STAFF DEVELOPMENT		
Employee participation in training:		
Classroom (Headcounts)	30,498	50,125
E-learning (Headcounts)	215,251	295,101
DigitalBites (Headcounts)	135,989	85,213
Average no. of participants per training programme	21	22
Average training budget per employee (RM)	3,159	3,512
Total hours of training per employee	60	70
Staff training as percentage of salaries cost	2.23	1.96
EMPLOYEE WELFARE		
Total amount of staff loans approved (RM'000)	227,497	240,066
Total outstanding amount of staff loans (RM'000)	2,063,655	2,113,668
Benefits paid under the Group's protection insurance policies:		
(i) Personal Accident Insurance (RM'000)	743	333
(ii) Group Term Life Insurance (RM'000)	2,169	6,792

THEME 5

CORPORATE CITIZENSHIP



- Community Empowerment

Community Empowerment

The focus on people and communities will continue to be important considerations for businesses, growing side by side with the communities they serve. The Public Bank Group will continue to be a force for good, driving sustainable development of society and contributing to local communities.

Since opening its doors to business in 1966, the Public Bank Group has staunchly upheld its Corporate Philosophy in caring for the community it serves. It is in the Group's DNA to connect with the society and in oneness, creating value to the community where the Group is present.

In 2021, the Public Bank Group conscientiously made RM2.06 billion of income tax contribution for nation building and economic development.

Apart from fulfilling its obligation as a responsible corporate tax payer, the Public Bank Group has continued its programmes to help improve the well-being of the community covering healthcare, education and other community development efforts, all with the sole purpose of promoting well-being of the society. Not stopping there, the Group has also been responding to the additional needs arising from the COVID-19 pandemic.

Key Performance

Donated **RM3 million** to the Academy of Medicine Malaysia and the Academy of Family Physicians Development Fund

2021 income tax contribution of **RM2.06 billion** by the Group

Contributed **RM850,000** to FINCO since 2017

Contribution of **>RM95,000** to support press and educational related initiatives

Awarded **164** students under **Star Achiever Programme**

Donated **RM149,000** under **Staff Donation Programme**

Campu Bank and Public Bank Vietnam contributed **>RM73,000** for healthcare, COVID-19 support and humanitarian relief

SUSTAINABILITY STATEMENT

i. Contribution to Healthcare, COVID-19 Support and Humanitarian Relief

The uncertainties posed by the COVID-19 pandemic did not dampen the Public Bank Group's charitable spirit. It in fact strengthens the commitment of the Group to support and improve the well-being of the community at large.

As the custodian of public funds, the Public Bank Group invested vigorously in its banking infrastructure to ensure customers have continuous access to essential banking services during the various phases of movement restrictions throughout the pandemic. Next, the Group ensured that customers affected by the pandemic received financial assistance in the forms of moratoriums and repayment assistance packages. The Group also made monetary contribution to those who were affected by the pandemic.

Contribution of RM3 million to the Academy of Medicine Malaysia and the Academy of Family Physicians Development Fund

The Public Bank Group contributed RM3 million to the Academy of Medicine Malaysia and its sister body the Academy of Family Physicians towards the construction of their new medical academies building in Putrajaya. The academies, which represent all medical specialties in Malaysia, will be for specialist training, certification, continuous professional development, research and medical publications and other functions.

Hospital Kuala Lumpur (HKL) Food Packs for Front-liners

To help ease the significant pressure on the healthcare system and workers, the Public Bank Group contributed RM11,000 in lunch food packs for a duration of 10 working days to the front-liners who were tested positive for COVID-19 and were quarantined at HKL.

Contribution to Yayasan Waqaf

Incorporating charitable elements into its products, such as its credit cards where for every ringgit customers spend on certain categories with the cards, the Public Bank Group will contribute a percentage of the spending to Yayasan Waqaf.

Assisting Those Affected by the Pandemic in Collaboration with Cambodia's Association of Banks and Insurance Regulator

Public Mutual's employees and unit trust consultants ("UTCs") collectively donated more than RM8,700 to purchase essential items that were distributed among 194 children across four orphanages. Another RM13,100 worth of grocery items were distributed to 262 households in the Klang Valley, while another RM1,000 was raised by Public Mutual's Bintulu branch employees and UTCs to buy groceries for those in need in Bintulu, Sarawak.

Campu Bank, in collaboration with the Association of Banks in Cambodia, donated food items worth USD5,000 on 10 May 2021, followed by another USD250 to the Insurance Regulator of Cambodia on 4 June 2021 to assist the people affected by the COVID-19 pandemic. Another USD250 worth of food items were contributed to the people in Koh Kong province who were tested positive for COVID-19 and/or under quarantine. Campu Bank also contributed a USD100 to Angkor Hospital for Children on 29 August 2021 to support medical checkup, health care and treatment for Cambodian children.

On top of this, Campu Bank also donated USD5,100 to the Cambodian Red Cross on 8 May 2021 to support local community welfare.

Contribution to Vietnam's National COVID-19 Vaccine Fund and other Humanitarian Relief

In June 2021, Public Bank Vietnam raised VND228 million to contribute to Vietnam's National COVID-19 Vaccine Fund to help increase the accessibility of the vaccines for the people. Public Bank Vietnam also made contributions of VND10 million to local authority to help support the health system and volunteers, while also delivering food and essential goods to COVID-19 affected households.

Another sum of VND35 million worth of milk, diapers, dried food and gifts were contributed for GoVap Central for Children Nurturing & Protection at GoVap District, Ho Chi Minh city.

ii. Supporting Press and Educational Related Initiatives

The advancement of society depends on the members of the society to have access to information, to learn, and to apply them in their daily lives. The Public Bank Group sees the survival and growth of the nation hinges on this principle and despite a challenging operating environment, has not stopped contributing to the press, educational institutions as well as other bodies that either provides financing for education purposes or provides education to selected groups such as investors.

Contribution to the Press Community

The Public Bank Group contributed RM7,500 to the Malaysian Press Night 2021 in acknowledgement of the best journalism works in 2021 via the presentation of the Malaysian Journalism Awards. The Group also contributed RM10,600 to the Star Media Group (which publishes the leading English daily The Star) for its Digital Financing Live Hybrid/Live Virtual Conference with the theme 'Powering A Ca\$hless Economy' to provide insights on how to accelerate growth in realising the nation's cashless economy agenda, powered by new technologies.

Contribution to Educational Institutions

Starting school children with a strong footing in financial knowledge, the Public Bank Group had participated in the School Adoption Programme to promote financial literacy and to inculcate the habit of saving among school children. In line with Bank Negara Malaysia's on-going efforts to raise the level of financial literacy among Malaysians, the Group had distributed the Buku Wang Saku to 858 schools and conducted various activities such as financial education talks, essay writing contests and drawing contests at schools. Moving forward, the Group will also be actively promoting the PB Journey Mobile Application to all adopted schools to teach children on the value of money, to achieve their savings goal and to further inculcate the habit of saving.

Next, the Public Bank Group focuses on students at the secondary school level where the students' cognitive development are most vital. To help them develop a keen interest in social and community issues, and to express their thoughts through writing essays in the English language, the Group contributed RM20,000 to UCSI University for the UCSI University-Public Bank National English Language Essay Competition in conjunction with the 64th Merdeka Day celebrations.

To further assist underprivileged children and youths, the Public Bank Group had contributed RM850,000 to the Financial Industry Collective Outreach ("FINCO") since 2017. FINCO is a collaborative initiative pioneered by all financial institutions in Malaysia with the support of Bank Negara Malaysia. The Group has been supportive of their mission since their establishment in 2017, based on their four pillars of championing English proficiency, financial literacy, providing avenues for underprivileged children and youths to achieve their life aspirations as well as disaster relief.

Equally important, is to promote academic excellence and the Public Bank Group encourages students to excel in their studies via the Star Achiever Programme. This yearly Programme was set up to reward WISE Savings Account holders who excelled in their PT3 and SPM examinations. Meantime, this also inculcates the saving habit among children. In 2021, the Public Bank Group awarded a total of RM32,800 to 164 students.

The Public Bank Group also contributed RM10,000 to Tunku Abdul Rahman University College ("TARUC") for the PB Top Achiever Award to be awarded to exceptional graduates from the Faculty of Accountancy and Management and the Faculty of Business and Finance.

On the overseas front, supporting the initiative of the National Bank of Cambodia, Campu Bank donated KHR1,000,000 on 1 March 2021 to Rajabo Buddhist High School in Siem Reap Province to support the construction of a 4-storey Buddhist Academic Building.

The Public Bank Group also sponsored RM3,000 to Koperasi Jayadiri Malaysia Berhad ("KOJADI"), which provides education loans, for the publication and printing of the KOJADI 2020 Annual Report. Another beneficiary of the Group's appreciation of education is the Minority Shareholders Watch Group ("MSWG") which received RM12,000 for an advertisement placement in the MSWG website for three months and a one-page advertisement in the Malaysian-ASEAN Corporate Governance Report 2020.

iii. Staff Donation Programme

Charity begins at home, and the Public Bank Group ensures that while it extends a helping hand to the community around it, employees which form the backbone of the Group have all the support they need. In 2021, a total of RM149,000 financial contributions were extended to 36 employees who needed financial assistance through this programme. Since its inception in 2004, with the generous voluntary donations from employees to assist fellow colleagues in time of needs, it has assisted 246 employees with a total cumulative amount of RM560,151.

CALENDAR OF SIGNIFICANT EVENTS 2021

Corporate

JANUARY



12 JANUARY

Public Bank's Extraordinary General Meeting was held virtually to propose an ordinary resolution for the issuance of up to 15.53 billion new ordinary shares in Public Bank ("PBB Share(s)") on the basis of four bonus shares for every one existing PBB Share held.

18 JANUARY

Public Finance Limited Central branch was relocated to a new premises in the Central District of Hong Kong.

FEBRUARY

3 FEBRUARY

The annual National Sales Convention with the theme 'Surmounting The New Norms' was conducted virtually at Menara Public Bank. This marked the first live virtual event where attendees were able to interact throughout the conference and watch various responses shared live on screen.



MARCH

11 MARCH

The 2021 Management Seminar was organised virtually with the theme 'Surmounting The New Norms'. Over 1,000 management attendees and panellists from across all regions and overseas branches attended the seminar.

26 MARCH

Public Investment Bank won the 'Mirror, Learn & Trade' campaign organised by Bursa Malaysia Berhad with the following accolades 'Highest Portfolio Gain and Highest Engagement with Followers'.

APRIL



22 APRIL

Public Financial Holdings Limited held its 30th Annual General Meeting ("AGM") at United Centre, Admiralty, Hong Kong while Directors in Malaysia participated virtually. The meeting was chaired by the Executive Director, Mr Tan Yoke Kong.

MAY

24 MAY

Public Bank held its 55th AGM virtually at Menara Public Bank with shareholders participating remotely via remote participation and voting facilities.

JUNE

14 JUNE

Public Bank assisted over 160,000 customers affected by business disruptions due to movement restrictions via the Targeted Repayment Assistance Programme which amounted to RM40 billion.

JULY

7 JULY

Public Bank offered a convenient opt-in for moratorium on its digital platform for the Paket Perlindungan Rakyat dan Pemulihian Ekonomi ("PEMULIH"). This platform enables a straight-through online process for customers' application of repayment assistance.

17-20 JULY

Public Bank embarked on its COVID-19 Vaccination Programme to encourage all staff to protect themselves against the virus as well as to hasten the process of achieving herd immunity in the workplace and the community. The vaccination was coordinated through phases and the programme was participated by more than 1,300 staff.

26 JULY

Public Finance Limited opened a new Overseas Contract Workers Loan Business Counter at Hung Hom Branch located in Kowloon City district.



AUGUST**23 AUGUST**

Public Bank sponsored RM20,000 to UCSI University for the National English Language Essay Competition in conjunction with the 64th Merdeka celebration.

**27 AUGUST**

Public Bank posted net profit attributable to shareholders of RM2.91 billion in the first half of 2021.

DECEMBER**3 DECEMBER**

Public Bank opened its 16th Red Carpet Banking Centre at Jalan Yang Kalsom Branch, Ipoh, Perak.

17 DECEMBER

Public Bank Vietnam opened its 27th branch, the Quang Ninh Branch.

20 DECEMBER

Public Bank and Public Islamic Bank offered repayment relief for customers affected by flash floods in several states in Malaysia.

21 DECEMBER

Public Bank Founder, Chairman Emeritus, Director and Adviser, Tan Sri Dato' Sri Dr. Teh Hong Piow officially launched the Public Bank's 55th Anniversary during a luncheon held at Shangri-La Kuala Lumpur.

SEPTEMBER**6 SEPTEMBER**

PBe Quick Response ("QR") service has been made available to support DuitNow QR Cross Border Payment between Malaysia and Thailand. Transactions are enabled by Payment Network Malaysia Sdn Bhd ("PayNet") in collaboration with the Public Bank Group.

OCTOBER**18 OCTOBER**

Public Bank Jalan Yang Kalsom Branch was relocated to a new premises at Jalan Yang Kalsom, Ipoh, Perak.

NOVEMBER**29 NOVEMBER**

Public Bank reported net profit of RM4.28 billion for the first nine months of 2021.



CALENDAR OF SIGNIFICANT EVENTS 2021

Corporate Social Responsibility

JANUARY

8 JANUARY

Public Bank Vietnam organised a charity drive programme based on the festive theme 'Merry Christmas & Happy New Year' and presented VND35 million worth of essential items to 200 orphans at GoVap Centre for Children Nurturing & Protection at Go Vap District.



MAY

7 MAY

Public Bank sponsored RM3,000 to Koperasi Jayadiri Malaysia Berhad ("KOJADI") for the publication and printing of the KOJADI 2020 Annual Report.



FEBRUARY

15-16 FEBRUARY

Public Mutual's Community Outreach team visited four orphanages, namely, Persatuan Kami Prihatin Anak Yatim & Miskin, Pertubuhan Kebajikan Anak Yatim Mary, Rumah Kebajikan Anak Yatim & Asnaf An-Naafi and Yayasan Sunbeams Home to donate daily necessities to the children in need amidst the COVID-19 outbreak.

16 FEBRUARY – 1 MARCH

Public Bank Group (Hong Kong) collaborated with Food Grace to organise a series of food donation project benefiting over 1,000 underprivileged families affected by unemployment.



MARCH



1-12 MARCH

Public Bank contributed RM11,000 in lunch food packs for a duration of 10 working days to frontliners who were tested positive for COVID-19 and were quarantined at Hospital Kuala Lumpur to help ease the significant pressure on the healthcare system and workers.

10 MAY

Cambodian Public Bank in collaboration with the Association of Banks in Cambodia, donated food items worth USD5,000 in support of the Cambodian Government's effort to ease the burden of those affected by the COVID-19 lockdown in Phnom Penh and Takhmao.

12-25 MAY

In conjunction with the Dragon Boat Festival, Public Bank Group (Hong Kong) collaborated with the Yang Memorial Methodist Social Service to organise a donation drive and purchased 365 festive gift packs to bring some cheer to the elderly in Wong Tai Sin District.

26 MAY – 11 JUNE

Public Bank Group (Hong Kong) participated in the Green Low Carbon Day co-organised by the Community Chest of Hong Kong and the Mass Transit Railway Corporation in support of the 'Green Related Projects' by raising HKD2,370 for the less fortunate and in need of financial support.

JUNE**17-23 JUNE**

Public Bank Vietnam raised VND228 million during a donation campaign in support of the Vietnam National COVID-19 Vaccine Fund launched by the Prime Minister of Vietnam on 5 June 2021.

**18 JUNE**

Public Bank contributed RM7,500 to the Malaysian Journalism Awards in acknowledgement of the best journalism works in 2021 during the Malaysian Press Night 2021.

**18 & 21 JUNE**

Public Bank Vietnam Le Quang Dinh Transaction Bureau and Vinhomes Central Park Transaction Bureau organised donation drives to deliver food to affected households in residential areas affected by the COVID-19 lockdown.

22-23 JUNE

Public Bank made a contribution of RM10,600 to the Star Media Group Digital Financing Live Hybrid/Live Virtual Conference which carried the theme 'Powering A Ca\$hless Economy' in commemoration of the Star Media Group's 50th Anniversary.

JULY**5 JULY**

Public Bank Vietnam Binh Duong Branch donated VND10 million to the Central Committee Vietnam Fatherland Front in support of the plea made by Trade Union State Bank of Vietnam owing to the COVID-19 pandemic which affected Ho Chi Minh and Binh Duong severely.

AUGUST**25 AUGUST**

Public Bank collaborated with Universiti Tunku Abdul Rahman to present a total of RM10,000 to six recipients of the PB Top Achiever Award who were exceptional graduates from the Faculty of Accountancy and Management as well as Faculty of Business and Finance.

29 AUGUST

Cambodian Public Bank Siem Reap Branch donated USD100 to Angkor Hospital for Children to support its charity drive.

**SEPTEMBER****15 SEPTEMBER**

Public Mutual's Community Outreach distributed essential items to more than 250 households in need within the Klang Valley.

**21 SEPTEMBER**

Public Bank contributed RM12,000 for an advertisement placement in the Minority Shareholders Watch Group's website for three months and a one-page advertisement in the Malaysian-ASEAN Corporate Governance Report 2020.

OCTOBER**8 OCTOBER**

Public Bank contributed RM3 million to the Academy of Medicine Malaysia and its sister body, the Academy of Family Physicians towards the construction of their new medical academies in Precinct 8, Putrajaya.

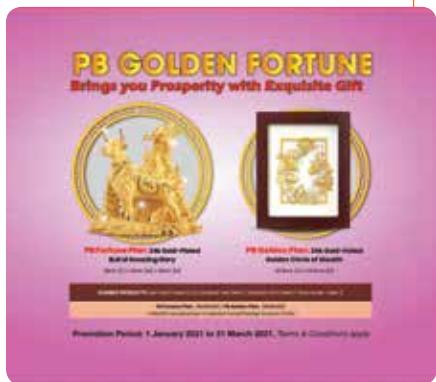
CALENDAR OF SIGNIFICANT EVENTS 2021

Products and Services

JANUARY

4 JANUARY

Public Bank launched the PB Golden Fortune Campaign which offered 24K gold-plated gifts in conjunction with the Chinese New Year celebration.



5 JANUARY

Public Bank commenced the distribution and sale of PB US Eagle Fund, a new unit trust fund under the PB Series of Unit Trust Funds managed by Public Mutual.



27 JANUARY

Public Islamic Bank collaborated with KPower Berhad to provide financing for solar photovoltaic systems installation under the Net Energy Metering 3.0 set up by Energy and Natural Resources Ministry.

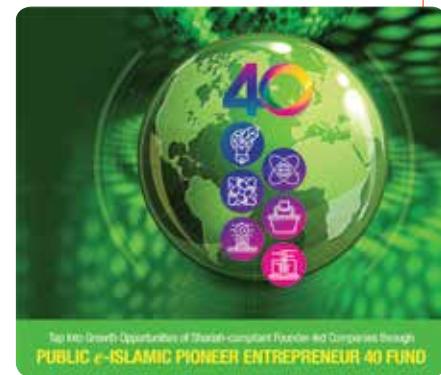
FEBRUARY

9 FEBRUARY

A new fund named Public e-Carbon Efficient Fund which aims to invest primarily in companies with efficient carbon footprints was launched by Public Mutual.



APRIL



21 APRIL

A new fund named Public e-Islamic Pioneer Entrepreneur 40 Fund which aims to ride on the success of founder-led companies was launched by Public Mutual.

MARCH

29 MARCH

Public Islamic Bank launched a new Ujrah concept Shariah-compliant Visa and Mastercard Platinum/Gold Credit Cards-i which offer more value to card members.



MAY



25 MAY

Public Mutual launched Public e-Islamic Innovative Technology Fund with long-term growth potential and aims to ride on global companies which leverages on science.

JUNE**7 JUNE**

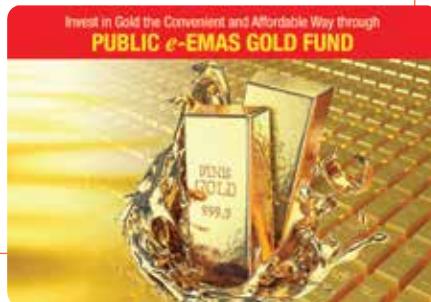
Cambodian Public Bank launched a new product, the interest-bearing Access, Control and Ease Current Account in Khmer Riel, Cambodia.

AUGUST**2 AUGUST**

PB Journey Mobile Application was launched by Public Bank, which aims to assist parents in inculcating savings habit and educating their children on financial planning.

SEPTEMBER**1 SEPTEMBER**

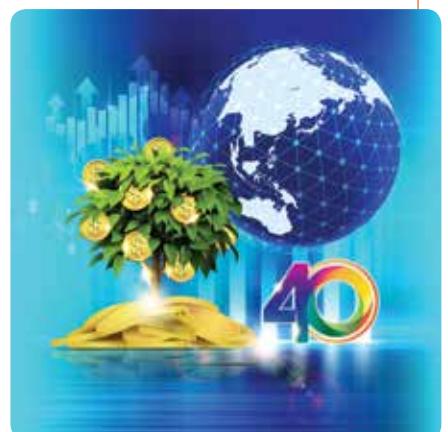
Public Mutual launched a new fund named Public e-Emas Gold Fund which offers lower transaction costs in comparison with the other methods of investing in gold.

**OCTOBER****18 OCTOBER**

Public Bank offered multiple card promotions to support Malaysia's local tourism industry in tandem with the reopening of interstate travels.

**DECEMBER****10 DECEMBER**

Three new funds were launched by Public Mutual namely, Public Asia Pacific Alpha-40 Fund, Public e-Islamic Growth Fund and Public e-Worldwide Thematic Growth Balanced Fund.



CALENDAR OF SIGNIFICANT EVENTS 2021

Awards and Accolades

JANUARY

27 January

Public Bank clinched the Gold Award at ESG Corporate Awards 2020 by The Asset.

Public Bank Vietnam Danang Branch was awarded the Certificate of Merit for Excellent Achievement in Accomplishing Danang Banking Duties for year 2020 by the State Bank of Vietnam.

FEBRUARY

5 February

Public Bank won the Silver award at the Putra Brand Awards 2020 for the category of Banking, Investment and Insurance by the Association of Accredited Advertising Agents Malaysia.

MARCH

17 March

Public Bank was awarded the 2021 Malaysia Excellence Award in Customer Experience for Excellence in Customer Experience-Banking Industry Malaysia – Branch Experience by Frost & Sullivan.

18 March

Public Bank was awarded the Best Bank in Malaysia 2020 Award by The Asset.



25 March

Public Mutual won two equity awards at 2021 Morningstar Awards Malaysia, namely, Best Malaysia Large-Cap Equity Fund and Best Malaysia Large-Cap Equity (Shariah) Fund.

APRIL



19 April

Public Mutual bagged 34 awards at the Refinitiv Lipper Fund Awards 2021 for Best Equity Award – Malaysia, Best Mixed Assets Award – Malaysia, Best Mixed Assets Award – Malaysia Islamic Funds and 31 Best Fund Performance Awards by The Edge Malaysia.

26 April

Public Bank received the Best Corporate Governance Bank in Malaysia 2021 Award from Global Banking & Finance.

27 April

Public Mutual won four awards at the Asia Asset Management – Best of the Best Awards 2021, namely, the Malaysia Best Investor Education, Malaysia Best Retail House, Malaysia Best Sukuk Manager and Malaysia Islamic Retail House of the Year.



29 April

Cambodian Public Bank received two awards from VISA International for Leadership in Credit Payment Volume 2020 and Leadership in Average Spend VISA Affluent Credit 2020.

MAY

3 May

Founder, Chairman Emeritus, Director and Adviser, Tan Sri Dato' Sri Dr. Teh Hong Piow was honoured with the Asian Corporate Director Recognition Award 2021 for the 11th consecutive year by Corporate Governance Asia.



Public Bank was also awarded the Asian ESG Award 2021 – The Best of Asia for Icon on Corporate Governance by Corporate Governance Asia.

18 May

Public Mutual clinched 13 Islamic fund performance awards and one group award for the Mixed Assets category at the Refinitiv Lipper Fund Awards – Global Islamic 2021.

26 May

Public Bank received the Best Bank in Malaysia and Best Sustainable Bank in Malaysia Awards by FinanceAsia at the FinanceAsia Country Awards 2021.



JUNE

1 June

Public Mutual won the Reader's Digest Trusted Brand 2021 Platinum Award for the 12th consecutive year.



JULY**2 July**

Public Bank received two awards from Alpha Southeast Asia at its 15th Annual Alpha Southeast Asia Best Financial Institution Awards 2021, namely, the Best Bank in Malaysia for 15 consecutive years since 2007 and Best Retail Bank in Malaysia for the third time.

**14 July**

Public Bank was awarded the Best Bank in Malaysia Award 2021 by the Euromoney magazine for 15 times.

29 July

Public Bank won two awards in the Asian Banking & Finance Retail Banking Awards 2021 namely, the Domestic Retail Bank of the Year – Malaysia and COVID Management Initiative of the Year – Malaysia.

AUGUST**14 August**

Public Bank was bestowed with the Industry Excellence Award for the financial services category in the MSWG-ASEAN Corporate Governance Award 2020 by Minority Shareholders Watch Group.

SEPTEMBER**7 September**

Bank of New York Mellon awarded Public Bank with the Straight Through Processing Award for achieving outstanding straight through processing rates in payment transfer operations for MT103 in 2020.

14 September

Public Bank was named the Best Bank in Malaysia 2021 by the Global Finance magazine.

15 September

Public Investment Bank won the Best ASEAN Sustainability SRI Sukuk – Corporate at The Asset Triple A Islamic Finance Awards 2021.

Public Mutual was named as the Islamic Asset Manager of the Year, Malaysia (Retail) at The Asset Triple A Islamic Finance Awards 2021 for the 11th consecutive years.

20 September

PayNet awarded Public Bank with three awards, namely, the Best IBG Bank, Best MyDebit Bank and Best MyDebit (Acquirer-Bank) at the Malaysian e-Payments Excellence Awards 2021.

**NOVEMBER****5 November**

The Banker magazine named Public Bank the Bank of the Year in Malaysia 2021.

10 November

Credit Guarantee Corporation awarded Public Bank with the CGC Top SME Supporter Award 2020 for the categories of Top FI Partner 2020 for Commercial Bank Category and imSME Category.

DECEMBER**3 December**

Public Bank received the J.P. Morgan 2021 Elite Quality Recognition Award for achieving the best-in-class straight-through processing rates for MT103 and MT202 USD payment.

**13 December**

Public Bank was awarded the Highest Return on Equity Over Three Years for the Financial Services (RM10 Billion and Above Market Capitalisation) category and Highest Return on Equity Over Three Years for the Super Big Cap Companies (Companies With More Than RM40 Billion Market Capitalisation) by The Edge Billion Ringgit Club.

15 December

Tan Sri Dato' Sri Dr. Teh Hong Piow, Founder, Chairman Emeritus, Director and Adviser of Public Bank was conferred the inaugural Honorary Fellowship of Institute of Corporate Director Malaysia.

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

Aside from the completion and listing of the issuance of 15,528,553,388 bonus shares on Bursa Malaysia based on four bonus shares for every one existing Public Bank Berhad share on 29 January 2021 which did not raise any proceeds, there were no other issuances of debt and equity securities by Public Bank and its subsidiary companies for the financial year ended 31 December 2021.

The proceeds raised from corporate proposals in prior years have been used for working capital, general banking and other corporate purposes, as intended.

Disclosed in accordance with Appendix 9C, Part A, item 13 of the Listing Requirements of Bursa Malaysia.

II) AUDIT AND NON-AUDIT FEES

The amount of audit fees paid to external auditors by the Group and by the Bank for the financial year ended 31 December 2021 amounted to RM6,335,000 and RM2,496,000 respectively.

The amount of non-audit fees paid to external auditors or a firm or corporation affiliated to the external auditors by the Group and by the Bank for the financial year ended 31 December 2021 amounted to RM782,000 and RM313,000 respectively.

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 2021 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.

MALAYSIAN ECONOMY: REVIEW AND OUTLOOK

I. GLOBAL PERSPECTIVE

Global economic activities rebounded in 2021 as economies adapted with the ongoing changes amid the new normal COVID-19 environment. Advanced economies, including the United States of America ("US"), Europe and Japan are expected to progressively recover in 2022. Asia's economic growth is also expected to improve in tandem with the global economic recovery, supported by various sectors, resumption of industrial production and exports growth.

Major central banks maintained accommodative monetary policy stances amidst the uncertainties, but with signals that policy makers globally will be scaling back on its stimulus. In the US, the Federal Reserve maintained the federal funds rate at 0% - 0.25% throughout 2021.

In Europe, the European Central Bank kept its main refinancing rate unchanged at 0% throughout the year while deposit rate was -0.5%. Meanwhile, the Bank of England raised its key interest rate to 0.25% in 2021 (2020: 0.10%).

Elsewhere, central banks in Asia kept their key interest rates unchanged, in view of the uncertainties amid the pandemic while providing the necessary policy support. The Bank of Japan's key policy rate has been unchanged at -0.10% since January 2016.

II. MALAYSIAN ECONOMY: REVIEW

The Malaysian economy grew by 3.1% in 2021 (2020: -5.6%) (Table 1). Growth was mainly supported by domestic economic activities which gradually normalised following the easing of containment measures under the National Recovery Plan.

Aggregate domestic demand grew supported by household spending. Private investment improved as capital spending grew across various economic sectors. Also, public sector expenditure grew, partly attributable to the ongoing policy support.

Table 1

Malaysia: Gross Domestic Product ("GDP") by Expenditure Components, 2020 – 2021 (at constant 2015 prices)

	2020	2021	% Annual Change			
			1Q	2Q	3Q	4Q
Aggregate						
Domestic Demand	-5.8	1.9	-1.0	12.4	-4.1	2.3
Private Sector	-6.0	2.0	-0.9	13.0	-4.4	2.4
Consumption	-4.3	1.9	-1.5	11.7	-4.2	3.7
Investment	-11.9	2.6	1.3	17.4	-4.8	-3.0
Public Sector	-4.7	1.6	-1.5	9.7	-2.8	1.9
Consumption	3.9	6.6	5.9	9.0	8.1	4.3
Investment	-21.3	-11.4	-18.6	12.0	-28.9	-3.8
Net Exports	13.0	-5.8	0.8	34.3	-37.5	2.6
Exports of Goods and Services	-8.9	15.9	11.9	37.4	5.1	13.3
Imports of Goods and Services	-8.4	18.5	13.0	37.6	11.7	14.6
GDP	-5.6	3.1	-0.5	16.1	-4.5	3.6

Source: Department of Statistics, Malaysia, Gross Domestic Product.

On the supply side, all segments recorded an improvement in 2021 (Table 2). Mostly, economic activities improved in 2021 amid the less stringent containment measures to curb the spread of the COVID-19 and gradual lifting of domestic travel restrictions in the fourth quarter of 2021. The mining and quarrying sector grew, mainly due to improved production. The construction sector has also gathered pace as project works resumed following the reopening of the economy. Meanwhile, services sector was largely supported by the wholesale and retail trade segments. As for the agriculture sector, oil palm output had improved. Manufacturing sector was supported by the improvement in the output of electrical and electronics products as well as recovery in domestic oriented industries, such as consumer and construction related sectors.

Table 2

Malaysia: GDP by Economic Activity, 2020 – 2021 (at constant 2015 prices)

	2020	2021	% Annual Change			
			1Q	2Q	3Q	4Q
Services						
Services	-5.5	1.9	-2.3	13.5	-4.9	3.2
Manufacturing	-2.6	9.5	6.6	26.6	-0.8	9.1
Agriculture	-2.2	-0.2	0.2	-1.5	-1.9	2.8
Mining & Quarrying	-10.6	0.7	-5.0	13.9	-3.6	-0.9
Construction	-19.4	-5.2	-10.4	40.3	-20.6	-12.2
GDP	-5.6	3.1	-0.5	16.1	-4.5	3.6

Source: Department of Statistics, Malaysia, Gross Domestic Product.

MALAYSIAN ECONOMY: REVIEW AND OUTLOOK

In 2021, Malaysia's inflation was 2.5%, primarily due to higher retail fuel prices (2020: -1.2%) (Graph 1).

Labour market has improved towards the end of 2021 as economic sectors reopened. The unemployment rate fell to 4.2% in December 2021 (Dec'20: 4.8%) (Graph 2).

Graph 1

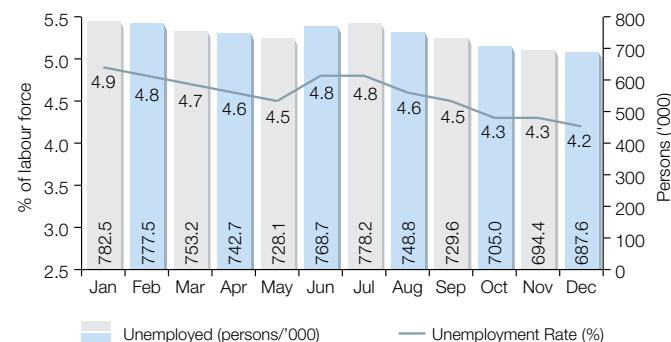
Malaysia: Inflation, 2021



Source: Department of Statistics, Malaysia, Consumer Price Index.

Graph 2

Malaysia: Unemployment Rate and Unemployed Persons, 2021



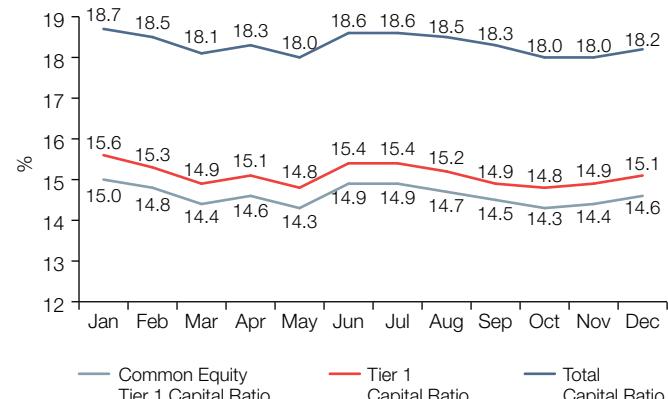
Source: Department of Statistics, Malaysia, Labour Force Statistics.

Banking System

The banking sector's liquidity remained broadly stable despite uncertainties. The industry's Common Equity Tier I capital ratio, Tier I capital ratio and total capital ratio stood at 14.6%, 15.1% and 18.2%, respectively as at the end of 2021 (2020: 14.6%, 15.1% and 18.3%, respectively) (Graph 3), which remained well above the minimum regulatory requirements under Basel III. The gross impaired loans ratio was 1.4% as at the end of 2021 (2020: 1.6%) (Graph 4). The loan to fund ratio stood at 81.2% as at the end of 2021 (2020: 82.5%) (Graph 5).

Graph 3

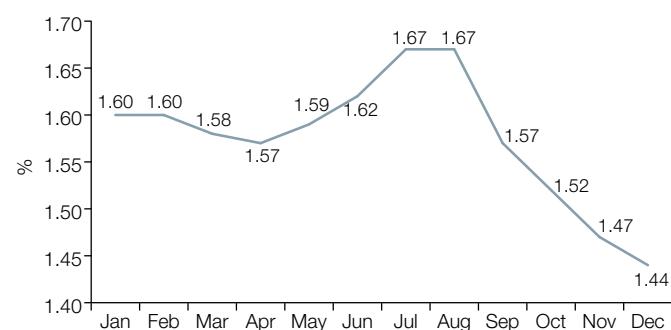
Banking System: Capital Strength, 2021



Source: Bank Negara Malaysia, Monthly Highlights and Statistics.

Graph 4

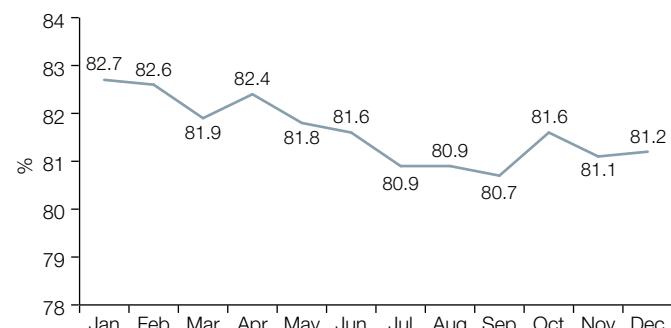
Banking System: Gross Impaired Loans Ratio, 2021



Source: Bank Negara Malaysia, Monthly Highlights and Statistics.

Graph 5

Banking System: Loan to Fund Ratio, 2021

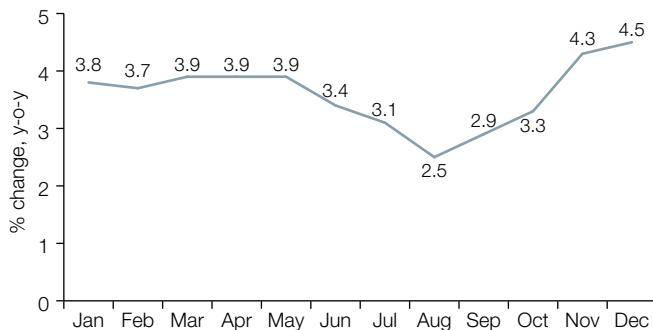


Source: Bank Negara Malaysia, Monthly Highlights and Statistics.

Banking sector indicators improved in the second half of 2021 as more economic sectors resumed operations amid the relaxation of the nationwide containment. Total loans in the banking system grew by 4.5% in 2021 (2020: 3.4%) (Graph 6). Also, total deposits grew by 6.3% (2020: 4.4%), supported by deposits among most holders (Graph 7).

Graph 6

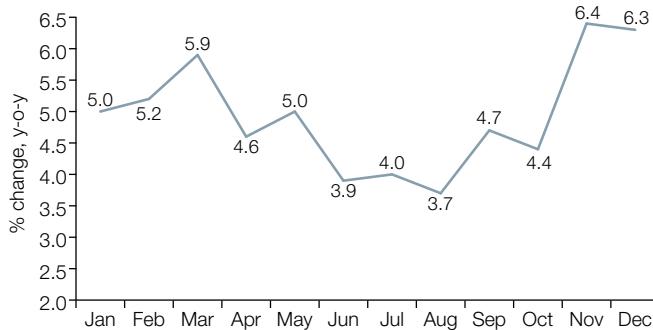
Banking System: Loans Growth, 2021



Source: Bank Negara Malaysia, *Monthly Highlights and Statistics*.

Graph 7

Banking System: Deposits Growth, 2021



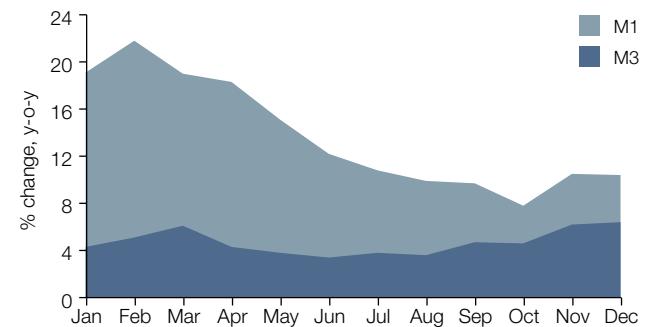
Source: Bank Negara Malaysia, *Monthly Highlights and Statistics*.

Monetary Aggregates

Monetary aggregates soared in 2021, lifted by Bank Negara Malaysia's ("BNM") liquidity injection and healthy credit growth. Narrow money supply ("M1") expanded by 10.4% in 2021 (2020: 15.7%), underpinned by demand deposits and currency in circulation. Meanwhile, broad money supply ("M3") rose by 6.4% (2020: 4.0%), supported by various segments including savings deposits and demand deposits (Graph 8).

Graph 8

Malaysia: Monetary Aggregates, 2021



Source: Bank Negara Malaysia, *Monthly Highlights and Statistics*.

Monetary Policy

BNM maintained the Overnight Policy Rate ("OPR") at a record low of 1.75% in 2021 (Table 3). Similarly, the Statutory Reserve Requirement ("SRR") Ratio was retained at 2.00% in 2021, to ensure ample liquidity to support financial intermediation activities (Graph 9). Aside from that, banking institutions were given the flexibility to use Malaysian Government Securities and Malaysian Government Investment Issues to fully meet the SRR compliance until 31 December 2022.

Interest rates for banks were stable in 2021, in line with the OPR that has remained unchanged. The base lending rate, average lending rate and weighted base rate were reduced to 5.49%, 3.45% and 2.43%, respectively as at the end of 2021 (2020: 5.49%, 3.51% and 2.43%, respectively) (Graph 10). The average interest rate of savings deposits ("SD") for commercial banks was 0.56% (2020: 0.48%), while the 3-month fixed deposits ("FD") rate eased to 1.57% by the end of 2021 (2020: 1.58%) (Graph 11).

MALAYSIAN ECONOMY: REVIEW AND OUTLOOK

Table 3

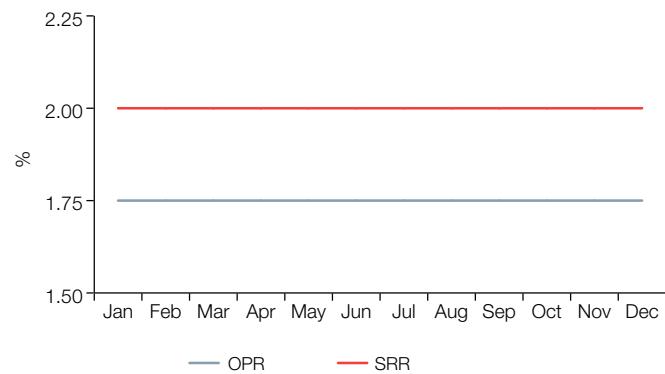
Malaysia: Monetary Policy Committee Meetings, 2021

	Dates	Policy Decisions
1 st	19 and 20 January 2021	1.75% (Unchanged)
2 nd	3 and 4 March 2021	1.75% (Unchanged)
3 rd	5 and 6 May 2021	1.75% (Unchanged)
4 th	7 and 8 July 2021	1.75% (Unchanged)
5 th	8 and 9 September 2021	1.75% (Unchanged)
6 th	2 and 3 November 2021	1.75% (Unchanged)

Sources: Bank Negara Malaysia.

Graph 9

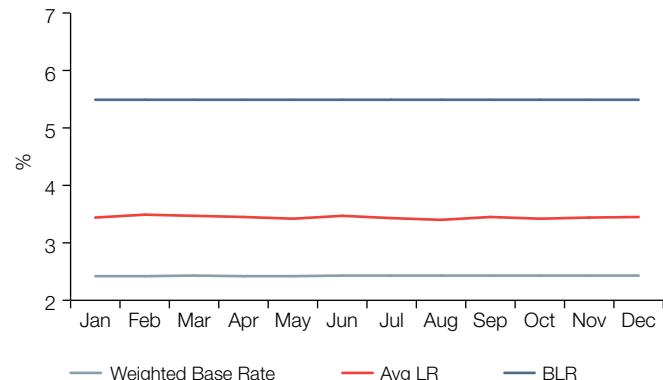
Malaysia: Overnight Policy Rate and Statutory Reserve Requirement Ratio, 2021



Sources: Bank Negara Malaysia, Press Statements on Overnight Policy Rate and Statutory Reserve Requirement Ratio.

Graph 10

Banking System: Lending Rates of Commercial Banks, 2021



Sources: Bank Negara Malaysia, Monthly Statistical Bulletin.

Graph 11

Banking System: Deposit Rates of Commercial Banks, 2021



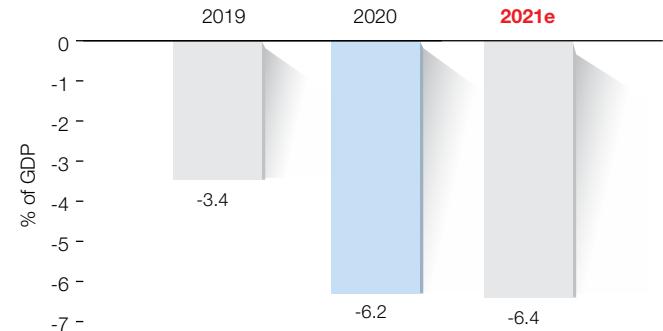
Source: Bank Negara Malaysia, Monthly Statistical Bulletin.

Fiscal Policy

The Government continued to extend the much needed policy support through its funding of various initiatives, which raised the budget deficit to -6.4% of GDP in 2021 (2020: -6.2% of GDP) (Graph 12). Meanwhile, the Federal Government debt stood at 63.4% of GDP in 2021 (2020: 62.1% of GDP).

Graph 12

Malaysia: Federal Government Fiscal Balance, 2019 – 2021



Sources: Bank Negara Malaysia, Quarterly Bulletin.

External Position

Malaysia's current account surplus narrowed in 2021, as surplus in the goods account was partially offset by deficits in the services and income accounts. Current account surplus amounted to RM53.47 billion or 3.6% of gross national income ("GNI") (2020: RM60.01 billion or 4.3% of GNI) (Table 4).

Malaysia's international reserves stood at USD116.9 billion as at the end of 2021 (2020: USD107.6 billion) (Graph 13), which is sufficient to finance 7.7 months of retained imports and 1.2 times total short term external debt.

Table 4

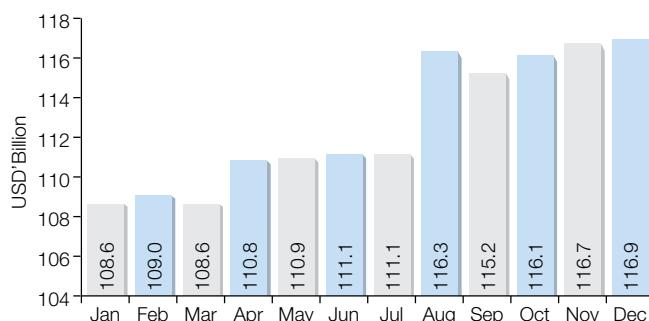
Malaysia: Current Account Balance, 2020 – 2021

	2020	2021	2021			
			1Q	2Q	3Q	4Q
Current Account						
Balance (RM'Billion)	60.01	53.47	12.29	14.40	11.60	15.16
% of Gross National Income	4.3	3.6	3.4	4.0	3.2	3.7

Sources: Bank Negara Malaysia, Quarterly Bulletin, various issues and Department of Statistics, Malaysia, Gross Domestic Product.

Graph 13

Malaysia: International Reserves, 2021



Source: Bank Negara Malaysia, Press Statements on International Reserves.

Malaysia's external debt increased as total external debt amounted to RM1,070.3 billion or 69.3% of GDP in 2021 (2020: RM958.1 billion or 67.6% of GDP).

Ringgit Exchange Rate

The Ringgit strengthened against several regional currencies supported by inflows of funds, including its appreciation of 7.1% against JPY to close at RM3.619 per 100 JPY as at the end of 2021 (2020: RM3.895 per 100 JPY) (Table 5).

On the contrary, the Ringgit depreciated against other currencies, including the depreciation of 3.7% against USD to close at RM4.165 per USD as at the end of 2021 (2020: RM4.017 per USD).

Table 5

Malaysia: Performance of Ringgit, 2021

Currencies	RM/Foreign Currency (end-period)		% change*
	2020	2021	
100 JPY	3.8953	3.6188	7.1
100 THB	13.4124	12.4682	7.0
100 KRW	0.3696	0.3501	5.3
EUR	4.9413	4.7142	4.6
AUD	3.0965	3.0265	2.3
100 PHP	8.3600	8.1795	2.2
SGD	3.0396	3.0853	-1.5
100 IDR	0.0286	0.0292	-2.1
GBP	5.4904	5.6309	-2.6
100 HKD	51.8239	53.4211	-3.1
USD	4.0170	4.1650	-3.7
CNY	0.6141	0.6547	-6.6

Note: * Positive territory indicates appreciation of the Ringgit against foreign currencies and negative territory indicates depreciation.

Source: Bank Negara Malaysia.

MALAYSIAN ECONOMY: REVIEW AND OUTLOOK

III. PROSPECTS FOR 2022

Ongoing Battle against COVID-19

The adversities of the COVID-19 are expected to continue to be felt as the world grapples with ongoing challenges, including the resurgence of cases which could put undue pressure on the healthcare system. Overall, risks remain tilted to the downside, mainly due to uncertainties surrounding the developments of the COVID-19.

The pace of recovery is expected to vary across countries with those making better progress in containing the spread of COVID-19 to potentially fare better, enabling a swifter economic recovery in domestic activities compared to others. Uncertainties surrounding the global economic outlook are mainly due to the COVID-19 developments, global supply chain disruptions, high commodity prices, fears of global contagion amid geopolitical risk arising from the war in Ukraine and potentially heightened financial market volatility owing to adjustments in monetary policy in major economies.

Malaysia: Journey to Recovery

The Malaysian economy is expected to recover gradually, supported by global recovery and continued policy support domestically. Domestic and external demand will contribute towards the recovery in economic activities. However, the outlook for Malaysia is subjected to downside risks, with uncertainties being mostly due to the development of the COVID-19 pandemic as well as its implications on economic and financial conditions.

Fiscal measures, in tandem with monetary and financial accommodations will provide support to the economy. The OPR was retained at 1.75% during the Monetary Policy Meetings in January and March 2022. Meanwhile, Malaysia's headline inflation is projected to remain moderate in 2022.

On the policy front, Malaysia's ecosystem is supported by the much needed financial and fiscal impetus which provide funding to businesses in need, especially the small and medium enterprises while encouraging domestic investments.

Businesses in Malaysia are expected to operate more efficiently with ongoing efforts in cost controls and balance sheet management. Similarly, banks in Malaysia are likely to enhance further its operational efficiency and overall productivity, while maintaining cost efficiency through various digital efforts to cater to the needs of customers. The Malaysian banking system is underpinned by ample liquidity and healthy capital buffers. Nevertheless, banks will continue to remain proactive in monitoring its asset quality and extend the much needed financial relief to customers through flexible repayment packages.

INVESTOR INFORMATION

STOCK MARKET PERFORMANCE IN 2021

The first quarter of 2021 saw the reimposition of the Movement Control Order (“MCO”) as domestic COVID-19 cases spiked. A nationwide state of emergency was also declared on 12 January 2021 to contain the spread of the pandemic. Investor sentiment was affected as FTSE Bursa Malaysia Composite Index (“FBM KLCI”) fell by 53.70 points or 3.3% quarter-on-quarter (“q-o-q”). Malaysia’s Gross Domestic Product (“GDP”) contracted by 3.4% year-on-year (“y-o-y”) in the fourth quarter of 2020, which added to the pessimism.

Sentiment on the local bourse remained lacklustre in the second quarter of 2021. The FBM KLCI drifted down by 40.88 points or 2.6% q-o-q due to the weak market sentiment as new COVID-19 cases spiked and the MCO was reintroduced in June 2021, while various global benchmarks recorded all-time highs. Average daily trading value on Bursa Malaysia fell by 26.2% q-o-q to RM3.75 billion, compared to RM5.08 billion in the first quarter of 2021. Malaysia’s GDP registered a narrower contraction of 0.5% y-o-y in the first quarter of 2021 partly supported by the Government’s fiscal stimulus measures.

Domestically, the third quarter of 2021 was eventful on many fronts, among which include the change in Malaysia’s Prime Minister, launch of the Third Capital Market Masterplan by the Securities Commission and announcement of the Twelfth Malaysia Plan. The benchmark FBM KLCI turned around from the year’s low to nearly the year’s high, as it gained 111.58 points within a three-week span to close at 1,601.38 points on 30 August 2021. Externally, lawmakers in the United States of America (“US”) passed a funding plan in time to avert a Government shutdown by 1 October 2021 while also attempting to raise the debt ceiling. The US Federal Reserve guided on the possibility of interest rate hike(s) in 2022, as its tone switched following previous indications that rates will be kept unchanged until 2024. Also, debt-related troubles in China roiled markets. Amid these commotions, the FBM KLCI gained 5.17 points or 0.3% q-o-q. Malaysia recorded a strong economic rebound with GDP growth of 16.1% y-o-y in the second quarter of 2021, though it was mostly due to low base owing to standstill economic activities in the second quarter of 2020.

The benchmark FBM KLCI ended the year strongly with an increase of 51.08 points in the final trading week of 2021. Trading value on Bursa Malaysia weakened as heightened global uncertainties due to the COVID-19 developments weighed on overall market sentiment. Malaysia’s GDP contracted by 4.5% y-o-y in the third quarter of 2021. Nevertheless, the FBM KLCI gained 29.73 points or 1.9% q-o-q in the fourth quarter of 2021.

For the full year of 2021, the benchmark FBM KLCI fell by 59.68 points or 3.7% to close at 1,567.53 points as at the end of 2021.

PUBLIC BANK’S SHARE PRICE PERFORMANCE IN 2021

Despite market volatility in 2021, Public Bank shares traded within a narrow band with stable share price performance and closed relatively unchanged compared to the end of 2020.

Public Bank’s share price gained by 1.9% or 8 sen q-o-q in the first quarter of 2021, compared to a 0.6% decline in the Bursa Malaysia Finance Index (“BMFI”). An interim dividend of 13 sen per share was declared during the period. The Bank’s share price fell by 2.1% or 9 sen in the subsequent quarter, compared to a decline of 0.8% in the BMFI. The Bank reported a net profit growth of 15.1% y-o-y to RM1.53 billion for the first quarter of 2021. In the third quarter of 2021, the Bank’s share price fell by 1.0% or 4 sen while the BMFI gained by 0.7%. The cumulative net profit increased by 25.0% y-o-y to RM2.91 billion in the first half of 2021 and an interim dividend of 7.5 sen per share was declared during the period. The Bank’s share price gained by 2.2% or 9 sen in the fourth quarter of 2021, which was in tandem with the increase in the BMFI by 2.4%. A cumulative nine-month net profit increased by 14.8% y-o-y to RM4.28 billion.

As at the end of 2021, Public Bank’s share price gained by 1.0% or 4 sen to close at RM4.16 compared to RM4.12 (post-bonus issue of four bonus shares for every one existing ordinary share adjustment from RM20.60) as at the end of 2020. The steady performance reflects investor confidence in the Public Bank Group amid uncertain market conditions, bucking the trend of the overall market as reflected by the FBM KLCI which fell by 3.7% or 59.68 points for the full year of 2021.

Public Bank remained as the second largest company listed on Bursa Malaysia with market capitalisation of RM80.75 billion as at the end of 2021.

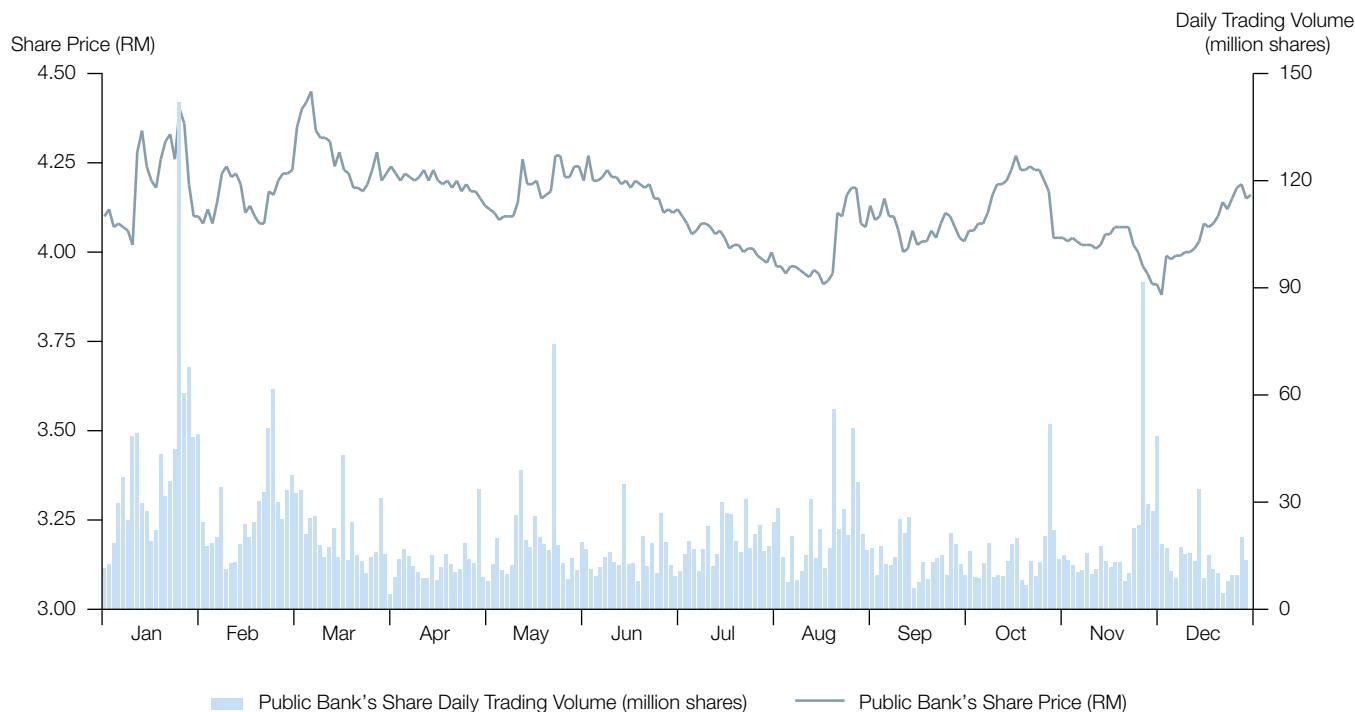
On average, the daily trading volume and value of Public Bank’s shares recorded 20.3 million shares (2020: 4.9 million shares) and RM83.9 million (2020: RM83.5 million) respectively in 2021.

INVESTOR INFORMATION

SHARE PRICE*	MARKET CAPITALISATION	EARNINGS PER SHARE*	DIVIDEND PER SHARE*
RM4.16	RM80.75 bil	29.1 sen	15.2 sen
2020: RM4.12	2020: RM79.97 bil	2020: 25.1 sen	2020: 13.0 sen

* For comparative purpose, these are adjusted to reflect the bonus issue of four bonus shares for every one existing ordinary share, which was completed and listed on Bursa Malaysia on 29 January 2021.

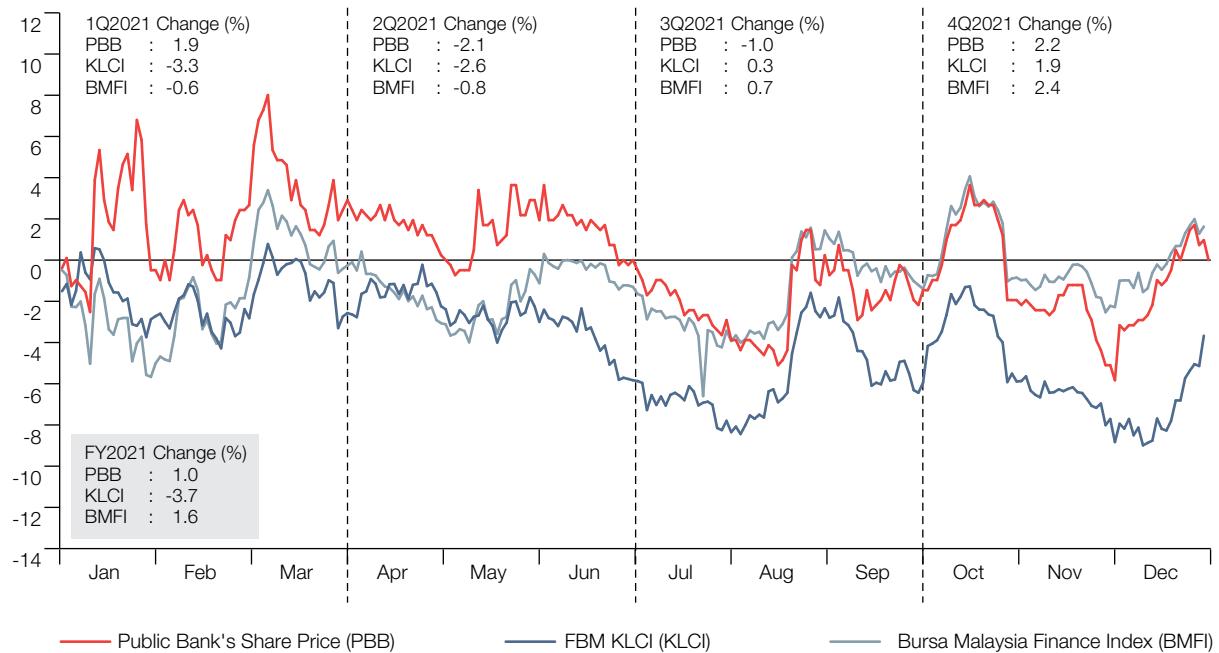
PUBLIC BANK'S SHARE PRICE AND TRANSACTIONS IN 2021



Public Bank	1Q	2Q	3Q	4Q	FY2021
Share Price (RM):					
High	4.97 26 Jan	4.33 1 Apr	4.19 30 Aug 1 Sep	4.28 20 Oct 21 Oct	4.97 26 Jan
Low	3.94 12 Jan	4.07 6 May 7 May	3.91 16 Aug 19 Aug 20 Aug	3.88 6 Dec	3.88 6 Dec
Close	4.20 31 Mar	4.11 30 Jun	4.07 30 Sep	4.16 31 Dec	4.16 31 Dec
Average Daily Trading Volume (million shares)	30.02	16.05	18.79	16.42	20.26

RELATIVE PERFORMANCE OF PUBLIC BANK'S SHARE PRICE VS BENCHMARK INDICES IN 2021

Relative Performance
% of change



ANALYSIS OF SHAREHOLDINGS

As at 14 March 2022

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

Size of shareholdings	Shareholders				No. of Shares Held			
	Malaysian		Foreigner		Malaysian		Foreigner	
	No.	%	No.	%	No.	%	No.	%
Less than 100	3,874	2.18	103	0.06	153,822	*	3,311	*
100 – 1,000 shares	41,603	23.39	345	0.20	28,291,597	0.15	193,912	*
1,001 – 10,000 shares	84,277	47.37	1,096	0.61	379,173,364	1.95	5,633,842	0.03
10,001 – 100,000 shares	37,918	21.31	2,042	1.15	1,116,765,363	5.75	77,327,380	0.40
100,001 – 970,534,585 (less than 5% of issued shares)	5,195	2.92	1,446	0.81	5,828,263,798	30.03	5,014,500,071	25.83
970,534,586 (5% of issued shares) and above	2	*	–	–	6,960,385,275	35.86	–	–
Total	172,869	97.17	5,032	2.83	14,313,033,219	73.74	5,097,658,516	26.26
Grand Total	177,901				19,410,691,735			

Note:

* Less than 0.01%.

DIRECTORS' DIRECT AND DEEMED INTERESTS IN SHARES IN THE COMPANY AND IN SUBSIDIARY COMPANY BASED ON REGISTER OF DIRECTORS' SHAREHOLDINGS

Shares Held in the Company

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. Teh Hong Piow	123,556,410	0.64	4,420,974,855 ¹	22.77	4,544,531,265	23.41
Lai Wan	–	–	93,270 ²	*	93,270	*
Tan Sri Dato' Sri Dr. Tay Ah Lek	27,944,225	0.14	3,448,725 ³	0.02	31,392,950	0.16
Cheah Kim Ling	–	–	51,960 ²	*	51,960	*
Lee Chin Guan	1,000,150	*	–	–	1,000,150	*
Tham Chai Phong	73,500	*	–	–	73,500	*
Lim Chao Li	151,710	*	–	–	151,710	*
Gladys Leong	20,000	*	–	–	20,000	*

Notes:

¹ Deemed to have interests in PBB shares held by other corporations by virtue of Section 8(4) of the Companies Act, 2016.

² These shares are held by his/her spouse.

³ 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.

* Less than 0.01%.

Shares Held in Subsidiary Company

– 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

Tan Sri Dato' Sri Dr. Teh Hong Piow, by virtue of his total direct and deemed interests of 4,544,531,265 shares in PBB, and pursuant to Section 8(4)(c) of the Companies Act, 2016, is deemed interested in the shares in all of PBB's subsidiary and associated companies to the extent that PBB has interests.

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
Tan Sri Dato' Sri Dr. Teh Hong Piow	123,556,410	0.64	4,420,974,855*	22.77	4,544,531,265	23.41
Consolidated Teh Holdings Sdn Bhd	4,200,680,375	21.64	220,294,480*	1.13	4,420,974,855	22.77
Employees Provident Fund Board	2,950,738,500	15.20	–	–	2,950,738,500	15.20

Note:

* Deemed to have interests in PBB shares held by other corporations by virtue of Section 8(4) of the Companies Act, 2016.

ANALYSIS OF SHAREHOLDINGS

As at 14 March 2022

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 <i>Employees Provident Fund Board</i>	2,759,704,900	14.22
3. Kumpulan Wang Persaraan (Diperbadankan)	795,296,000	4.10
4. Cartaban Nominees (Asing) Sdn Bhd <i>Exempt An for State Street Bank & Trust Company (West CLT OD67)</i>	287,104,500	1.48
5. Amanahraya Trustees Berhad <i>Amanah Saham Bumiputera</i>	262,348,000	1.35
6. Cartaban Nominees (Tempatan) Sdn Bhd <i>PAMB for Prulink Equity Fund</i>	248,700,325	1.28
7. Citigroup Nominees (Tempatan) Sdn Bhd <i>Exempt An for AIA Bhd</i>	234,414,905	1.21
8. HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA for Vanguard Emerging Markets Stock Index Fund</i>	216,912,990	1.12
9. LPI Capital Bhd	212,603,520	1.10
10. HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA for Vanguard Total International Stock Index Fund</i>	200,369,115	1.03
11. Amanahraya Trustees Berhad <i>Amanah Saham Malaysia</i>	199,590,000	1.03
12. Citigroup Nominees (Tempatan) Sdn Bhd <i>Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)</i>	186,427,605	0.96
13. Cartaban Nominees (Asing) Sdn Bhd <i>GIC Private Limited for Government of Singapore (C)</i>	153,642,835	0.79
14. UOB Kay Hian Nominees (Asing) Sdn Bhd <i>Exempt An for UOB Kay Hian Pte Ltd (A/C Clients)</i>	141,865,700	0.73
15. Amanahraya Trustees Berhad <i>Amanah Saham Malaysia 2 – Wawasan</i>	125,000,000	0.64
16. Tan Sri Dato' Sri Dr. Teh Hong Piow	123,556,410	0.64
17. Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board (Nomura)</i>	112,785,300	0.58
18. HSBC Nominees (Asing) Sdn Bhd <i>JPMBL SA for Stichting Depositary APG Emerging Markets Equity Pool</i>	107,843,500	0.56

Name	No. of Shares Held	% of Issued Shares
19. DB (Malaysia) Nominee (Asing) Sdn Bhd <i>BNYM SA/NV for People's Bank of China (SICL Asia EM)</i>	100,722,600	0.52
20. Maybank Nominees (Tempatan) Sdn Bhd <i>Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)</i>	90,584,865	0.47
21. Amanahraya Trustees Berhad <i>Amanah Saham Bumiputera 2</i>	82,130,000	0.42
22. Citigroup Nominees (Asing) Sdn Bhd <i>Exempt An for Citibank New York (Norges Bank 14)</i>	81,367,400	0.42
23. HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA for Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II</i>	80,606,600	0.42
24. Cartaban Nominees (Asing) Sdn Bhd <i>SSBT Fund SWV4 for California Public Employees Retirement System</i>	78,098,850	0.40
25. Citigroup Nominees (Tempatan) Sdn Bhd <i>Great Eastern Life Assurance (Malaysia) Berhad (PAR 3)</i>	75,772,980	0.39
26. HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA for Blackrock Institutional Trust Company, N.A. Investment Funds for Employee Benefit Trusts</i>	69,404,800	0.36
27. Pertubuhan Keselamatan Sosial	66,745,410	0.34
28. Public Invest Nominees (Tempatan) Sdn Bhd <i>Public Bank Group Officers' Retirement Benefits Fund</i>	62,904,160	0.32
29. Cartaban Nominees (Asing) Sdn Bhd <i>State Street London Fund OQ78 for iShares IV Public Limited Company</i>	56,711,200	0.29
30. Kenanga Nominees (Tempatan) Sdn Bhd <i>Public Bank Group Officers' Retirement Benefits Fund</i>	51,437,250	0.26
	11,465,332,095	59.07

SHARE CAPITAL

As at 1 April 2022

The total number of issued shares as at 1 April 2022 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

Date of Allotment	No. of Shares Allotted	Consideration	Total Number of Issued Shares
05.10.1994	1,113,000	Exercise of share options under PBB ESOS at option price of RM7.84 per share	569,547,400
27.12.1994	50,000,000	Issue and private placement of 50,000,000 new shares as follows: – 35,000,000 PBB local shares at RM8.28 per share – 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

SHARE CAPITAL

As at 1 April 2022

Date of Allotment	No. of Shares Allotted	Consideration	Total Number of Issued Shares
13.09.2002	13,570,954	Exercise of share options under PBB ESOS as follows: – 1,488,329 shares at option price of RM2.04 per share – 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: – 412,567 shares at option price of RM2.04 per share – 6,740,875 shares at option price of RM4.44 per share	2,314,279,378
12.12.2002	247,675	Exercise of share options under PBB ESOS as follows: – 130,050 shares at option price of RM2.04 per share – 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: – 112,408 shares at option price of RM2.04 per share – 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: – 250,423 shares at option price of RM1.64 per share – 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: – 75,156 shares at option price of RM1.64 per share – 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: – 67,856 shares at option price of RM1.64 per share – 1,595,142 shares at option price of RM3.56 per share – 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: – 54,489 shares at option price of RM1.64 per share – 4,948,530 shares at option price of RM3.56 per share – 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: – 6,250 shares at option price of RM1.64 per share – 915,688 shares at option price of RM3.56 per share – 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: – 15,169 shares at option price of RM1.64 per share – 2,515,399 shares at option price of RM3.56 per share – 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: – 3,313 shares at option price of RM1.64 per share – 1,457,938 shares at option price of RM3.56 per share – 593,000 shares at option price of RM3.40 per share	3,174,481,530

Date of Allotment	No. of Shares Allotted	Consideration	Total Number of Issued Shares
29.10.2003	6,748,111	Exercise of share options under PBB ESOS as follows: – 32,993 shares at option price of RM1.64 per share – 3,781,268 shares at option price of RM3.56 per share – 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: – 39,115 shares at option price of RM1.64 per share – 3,806,374 shares at option price of RM3.56 per share – 1,067,750 shares at option price of RM3.40 per share	3,186,142,880
13.11.2003	1,202,135	Exercise of share options under PBB ESOS as follows: – 5,040 shares at option price of RM1.64 per share – 961,220 shares at option price of RM3.56 per share – 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: – 406,250 shares at option price of RM3.56 per share – 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: – 33,297 shares at option price of RM1.64 per share – 2,989,788 shares at option price of RM3.56 per share – 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: – 16,324 shares at option price of RM1.64 per share – 1,062,070 shares at option price of RM3.56 per share – 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: – 13,484 shares at option price of RM1.64 per share – 1,889,391 shares at option price of RM3.56 per share – 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: – 20,525 shares at option price of RM1.64 per share – 6,642,458 shares at option price of RM3.56 per share – 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: – 4,547 shares at option price of RM1.64 per share – 1,680,345 shares at option price of RM3.56 per share – 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: – 457,313 shares at option price of RM3.56 per share – 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: – 886,316 shares at option price of RM3.56 per share – 137,750 shares at option price of RM3.40 per share	3,209,990,873

SHARE CAPITAL

As at 1 April 2022

Date of Allotment	No. of Shares Allotted	Consideration	Total Number of Issued Shares
03.03.2004	13,717,282	Exercise of share options under PBB ESOS as follows: – 38,231 shares at option price of RM1.64 per share – 10,718,176 shares at option price of RM3.56 per share – 1,647,375 shares at option price of RM3.40 per share – 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: – 253,907 shares at option price of RM1.64 per share – 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: – 36,366 shares at option price of RM1.64 per share – 10,361,459 shares at option price of RM3.56 per share – 940,875 shares at option price of RM3.40 per share – 1,839,000 shares at option price of RM4.60 per share	3,265,546,012
17.03.2004	12,271,286	Exercise of share options under PBB ESOS as follows: – 46,892 shares at option price of RM1.64 per share – 10,183,769 shares at option price of RM3.56 per share – 597,125 shares at option price of RM3.40 per share – 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: – 38,252 shares at option price of RM1.64 per share – 6,166,723 shares at option price of RM3.56 per share – 867,350 shares at option price of RM3.40 per share – 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: – 1,703,532 shares at option price of RM3.56 per share – 69,625 shares at option price of RM3.40 per share – 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: – 3,078,890 shares at option price of RM3.56 per share – 405,000 shares at option price of RM3.40 per share – 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: – 10,500 shares at option price of RM1.64 per share – 1,017,652 shares at option price of RM3.56 per share – 85,750 shares at option price of RM3.40 per share – 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: – 13,349 shares at option price of RM1.64 per share – 6,270,567 shares at option price of RM3.56 per share – 857,550 shares at option price of RM3.40 per share – 2,299,700 shares at option price of RM4.60 per share – 1,711,000 shares at option price of RM4.92 per share	3,304,715,238

Date of Allotment	No. of Shares Allotted	Consideration	Total Number of Issued Shares
30.08.2004	12,767,404	Exercise of share options under PBB ESOS as follows: – 57,078 shares at option price of RM1.64 per share – 7,127,076 shares at option price of RM3.56 per share – 618,450 shares at option price of RM3.40 per share – 2,372,800 shares at option price of RM4.60 per share – 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: – 908,831 shares at option price of RM3.56 per share – 67,350 shares at option price of RM3.40 per share – 260,500 shares at option price of RM4.60 per share – 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: – 8,125 shares at option price of RM1.64 per share – 344,819 shares at option price of RM3.56 per share – 63,375 shares at option price of RM3.40 per share – 136,000 shares at option price of RM4.60 per share – 71,500 shares at option price of RM4.92 per share	3,319,756,142
28.09.2004	1,737,912	Exercise of share options under PBB ESOS as follows: – 795,637 shares at option price of RM3.56 per share – 120,875 shares at option price of RM3.40 per share – 347,900 shares at option price of RM4.60 per share – 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: – 33,767 shares at option price of RM1.64 per share – 2,569,876 shares at option price of RM3.56 per share – 267,650 shares at option price of RM3.40 per share – 1,187,300 shares at option price of RM4.60 per share – 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: – 665,498 shares at option price of RM3.56 per share – 71,650 shares at option price of RM3.40 per share – 527,400 shares at option price of RM4.60 per share – 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: – 187,546 shares at option price of RM1.64 per share – 2,491,856 shares at option price of RM3.56 per share – 289,375 shares at option price of RM3.40 per share – 1,212,000 shares at option price of RM4.60 per share – 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: – 31,710 shares at option price of RM1.64 per share – 9,479,777 shares at option price of RM3.56 per share – 653,600 shares at option price of RM3.40 per share – 4,162,263 shares at option price of RM4.60 per share – 6,608,000 shares at option price of RM4.92 per share	3,353,375,322

SHARE CAPITAL

As at 1 April 2022

Date of Allotment	No. of Shares Allotted	Consideration	Total Number of Issued Shares
03.12.2004	2,392,002	Exercise of share options under PBB ESOS as follows: – 1,183,077 shares at option price of RM3.56 per share – 140,300 shares at option price of RM3.40 per share – 604,125 shares at option price of RM4.60 per share – 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: – 15,475 shares at option price of RM1.64 per share – 985,926 shares at option price of RM3.56 per share – 104,200 shares at option price of RM3.40 per share – 954,400 shares at option price of RM4.60 per share – 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: – 2,406,250 shares at option price of RM3.56 per share – 2,250,000 shares at option price of RM4.60 per share – 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: – 26,106 shares at option price of RM1.64 per share – 3,364,187 shares at option price of RM3.56 per share – 377,950 shares at option price of RM3.40 per share – 2,883,000 shares at option price of RM4.60 per share – 860,500 shares at option price of RM4.92 per share	3,396,903,318
25.02.2005	639,342	Exercise of share options under PBB ESOS as follows: – 6,094 shares at option price of RM1.64 per share – 236,373 shares at option price of RM3.56 per share – 14,875 shares at option price of RM3.40 per share – 291,000 shares at option price of RM4.60 per share – 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: – 14,482 shares at option price of RM1.64 per share – 1,382,291 shares at option price of RM3.56 per share – 194,275 shares at option price of RM3.40 per share – 1,397,700 shares at option price of RM4.60 per share – 6,670,000 shares at option price of RM4.92 per share – 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: – 1,063 shares at option price of RM1.64 per share – 442,561 shares at option price of RM3.56 per share – 96,950 shares at option price of RM3.40 per share – 424,800 shares at option price of RM4.60 per share – 1,014,500 shares at option price of RM4.92 per share – 134,200 shares at option price of RM6.37 per share	3,412,470,482

Date of Allotment	No. of Shares Allotted	Consideration	Total Number of Issued Shares
09.11.2005	3,737,523	Exercise of share options under PBB ESOS as follows: – 1,269 shares at option price of RM1.64 per share – 1,429,354 shares at option price of RM3.56 per share – 238,525 shares at option price of RM3.40 per share – 1,537,875 shares at option price of RM4.60 per share – 204,000 shares at option price of RM4.92 per share – 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: – 163,100 shares at option price of RM3.56 per share – 61,700 shares at option price of RM3.40 per share – 390,100 shares at option price of RM4.60 per share – 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: – 217,309 shares at option price of RM3.56 per share – 35,375 shares at option price of RM3.40 per share – 202,500 shares at option price of RM4.60 per share – 23,500 shares at option price of RM4.92 per share – 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: – 2,587 shares at option price of RM1.64 per share – 391,750 shares at option price of RM3.56 per share – 77,325 shares at option price of RM3.40 per share – 519,300 shares at option price of RM4.60 per share – 71,000 shares at option price of RM4.92 per share – 86,000 shares at option price of RM6.37 per share – 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: – 8,600 shares at option price of RM3.56 per share – 83,500 shares at option price of RM4.60 per share – 23,000 shares at option price of RM4.92 per share	3,421,041,552
08.02.2006	329,363	Exercise of share options under PBB ESOS as follows: – 45,938 shares at option price of RM3.56 per share – 2,425 shares at option price of RM3.40 per share – 27,500 shares at option price of RM4.60 per share – 7,500 shares at option price of RM4.92 per share – 7,000 shares at option price of RM6.37 per share – 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: – 302 shares at option price of RM1.64 per share – 234,931 shares at option price of RM3.56 per share – 20,125 shares at option price of RM3.40 per share – 293,500 shares at option price of RM4.60 per share – 63,500 shares at option price of RM4.92 per share – 255,000 shares at option price of RM6.37 per share – 3,055,006 shares at option price of RM5.67 per share	3,425,293,279

SHARE CAPITAL

As at 1 April 2022

Date of Allotment	No. of Shares Allotted	Consideration	Total Number of Issued Shares
09.03.2006	8,050,287	Exercise of share options under PBB ESOS as follows: – 1,282 shares at option price of RM1.64 per share – 296,195 shares at option price of RM3.56 per share – 3,125 shares at option price of RM3.40 per share – 314,600 shares at option price of RM4.60 per share – 108,000 shares at option price of RM4.92 per share – 402,390 shares at option price of RM6.37 per share – 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: – 2,094 shares at option price of RM1.64 per share – 94,596 shares at option price of RM3.56 per share – 11,625 shares at option price of RM3.40 per share – 212,500 shares at option price of RM4.60 per share – 40,000 shares at option price of RM4.92 per share – 115,000 shares at option price of RM6.37 per share – 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: – 17,923 shares at option price of RM1.64 per share – 411,452 shares at option price of RM3.56 per share – 44,250 shares at option price of RM3.40 per share – 555,000 shares at option price of RM4.60 per share – 72,900 shares at option price of RM4.92 per share – 319,000 shares at option price of RM6.37 per share – 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: – 34,600 shares at option price of RM3.56 per share – 83,500 shares at option price of RM4.60 per share – 51,500 shares at option price of RM4.92 per share – 978,000 shares at option price of RM5.67 per share	3,450,052,236
22.09.2006	754,127	Exercise of share options under PBB ESOS as follows: – 16,127 shares at option price of RM3.56 per share – 22,000 shares at option price of RM4.60 per share – 7,000 shares at option price of RM4.92 per share – 16,000 shares at option price of RM6.37 per share – 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: – 2,698 shares at option price of RM1.64 per share – 31,886 shares at option price of RM3.56 per share – 6,500 shares at option price of RM3.40 per share – 130,500 shares at option price of RM4.60 per share – 19,000 shares at option price of RM4.92 per share – 542,500 shares at option price of RM6.37 per share – 1,002,800 shares at option price of RM5.67 per share	3,452,542,247

Date of Allotment	No. of Shares Allotted	Consideration	Total Number of Issued Shares
30.11.2006	3,142,529	Exercise of share options under PBB ESOS as follows: – 1,358 shares at option price of RM1.64 per share – 90,371 shares at option price of RM3.56 per share – 4,000 shares at option price of RM3.40 per share – 188,500 shares at option price of RM4.60 per share – 43,500 shares at option price of RM4.92 per share – 1,083,300 shares at option price of RM6.37 per share – 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: – 4,092 shares at option price of RM1.64 per share – 161,211 shares at option price of RM3.56 per share – 18,793 shares at option price of RM3.40 per share – 349,600 shares at option price of RM4.60 per share – 78,000 shares at option price of RM4.92 per share – 1,655,200 shares at option price of RM6.37 per share – 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: – 30,700 shares at option price of RM3.56 per share – 1,800 shares at option price of RM3.40 per share – 82,200 shares at option price of RM4.60 per share – 59,000 shares at option price of RM4.92 per share – 729,000 shares at option price of RM6.37 per share – 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: – 17,500 shares at option price of RM4.60 per share – 50,000 shares at option price of RM6.37 per share – 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: – 473 shares at option price of RM1.64 per share – 184,208 shares at option price of RM3.56 per share – 14,800 shares at option price of RM3.40 per share – 234,500 shares at option price of RM4.60 per share – 43,500 shares at option price of RM4.92 per share – 3,230,108 shares at option price of RM6.37 per share – 3,545,000 shares at option price of RM5.67 per share	3,470,077,461
30.01.2007	16,102,248	Exercise of share options under PBB ESOS as follows: – 5,228 shares at option price of RM1.64 per share – 68,187 shares at option price of RM3.56 per share – 29,000 shares at option price of RM3.40 per share – 254,031 shares at option price of RM4.60 per share – 60,200 shares at option price of RM4.92 per share – 11,004,802 shares at option price of RM6.37 per share – 4,680,800 shares at option price of RM5.67 per share	3,486,179,709

SHARE CAPITAL

As at 1 April 2022

Date of Allotment	No. of Shares Allotted	Consideration	Total Number of Issued Shares
05.02.2007	2,798,614	Exercise of share options under PBB ESOS as follows: – 16,239 shares at option price of RM3.56 per share – 775 shares at option price of RM3.40 per share – 35,100 shares at option price of RM4.60 per share – 11,000 shares at option price of RM4.92 per share – 1,971,000 shares at option price of RM6.37 per share – 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: – 8,000 shares at option price of RM3.56 per share – 1,000 shares at option price of RM3.40 per share – 48,500 shares at option price of RM4.60 per share – 25,500 shares at option price of RM4.92 per share – 2,387,000 shares at option price of RM6.37 per share – 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: – 3,500 shares at option price of RM4.60 per share – 49,000 shares at option price of RM6.37 per share – 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: – 22,492 shares at option price of RM1.64 per share – 75,283 shares at option price of RM3.56 per share – 24,350 shares at option price of RM3.40 per share – 185,000 shares at option price of RM4.60 per share – 43,500 shares at option price of RM4.92 per share – 3,516,279 shares at option price of RM6.37 per share – 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: – 3,371 shares at option price of RM1.64 per share – 114,070 shares at option price of RM3.56 per share – 31,507 shares at option price of RM3.40 per share – 216,500 shares at option price of RM4.60 per share – 54,300 shares at option price of RM4.92 per share – 4,608,696 shares at option price of RM6.37 per share – 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: – 9,369 shares at option price of RM3.56 per share – 6,500 shares at option price of RM4.60 per share – 2,500 shares at option price of RM4.92 per share – 128,000 shares at option price of RM6.37 per share – 78,000 shares at option price of RM5.67 per share	3,505,982,567
04.06.2007	2,962,800	Exercise of share options under PBB ESOS as follows: – 43,000 shares at option price of RM3.56 per share – 1,000 shares at option price of RM3.40 per share – 117,000 shares at option price of RM4.60 per share – 34,000 shares at option price of RM4.92 per share – 1,931,000 shares at option price of RM6.37 per share – 836,800 shares at option price of RM5.67 per share	3,508,945,367

Date of Allotment	No. of Shares Allotted	Consideration	Total Number of Issued Shares
07.06.2007	33,900	Exercise of share options under PBB ESOS as follows: – 400 shares at option price of RM3.56 per share – 1,500 shares at option price of RM4.60 per share – 25,000 shares at option price of RM6.37 per share – 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: – 379 shares at option price of RM1.64 per share – 47,133 shares at option price of RM3.56 per share – 91,000 shares at option price of RM4.60 per share – 15,500 shares at option price of RM4.92 per share – 1,201,900 shares at option price of RM6.37 per share – 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: – 82,283 shares at option price of RM3.56 per share – 19,925 shares at option price of RM3.40 per share – 95,575 shares at option price of RM4.60 per share – 16,100 shares at option price of RM4.92 per share – 6,428,923 shares at option price of RM6.37 per share – 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: – 3,000 shares at option price of RM3.56 per share – 21,000 shares at option price of RM4.60 per share – 10,000 shares at option price of RM4.92 per share – 512,000 shares at option price of RM6.37 per share – 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: – 727 shares at option price of RM1.64 per share – 68,822 shares at option price of RM3.56 per share – 450 shares at option price of RM3.40 per share – 138,900 shares at option price of RM4.60 per share – 26,000 shares at option price of RM4.92 per share – 4,763,700 shares at option price of RM6.37 per share – 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: – 32,006 shares at option price of RM3.56 per share – 29,075 shares at option price of RM3.40 per share – 86,969 shares at option price of RM4.60 per share – 16,000 shares at option price of RM4.92 per share – 1,117,231 shares at option price of RM6.37 per share – 552,999 shares at option price of RM5.67 per share	3,527,031,008
26.11.2007	849,375	Exercise of share options under PBB ESOS as follows: – 9,700 shares at option price of RM3.56 per share – 19,075 shares at option price of RM3.40 per share – 38,000 shares at option price of RM4.60 per share – 19,500 shares at option price of RM4.92 per share – 479,800 shares at option price of RM6.37 per share – 283,300 shares at option price of RM5.67 per share	3,527,880,383

SHARE CAPITAL

As at 1 April 2022

Date of Allotment	No. of Shares Allotted	Consideration	Total Number of Issued Shares
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: – 46,600 shares at option price of RM3.56 per share – 125 shares at option price of RM3.40 per share – 19,000 shares at option price of RM4.60 per share – 8,500 shares at option price of RM4.92 per share – 481,302 shares at option price of RM6.37 per share – 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: – 11,109 shares at option price of RM3.56 per share – 4,700 shares at option price of RM4.60 per share – 8,000 shares at option price of RM4.92 per share – 502,167 shares at option price of RM6.37 per share – 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: – 10,262 shares at option price of RM3.56 per share – 50 shares at option price of RM3.40 per share – 61,862 shares at option price of RM4.60 per share – 10,500 shares at option price of RM4.92 per share – 1,090,800 shares at option price of RM6.37 per share – 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: – 2,500 shares at option price of RM4.60 per share – 41,500 shares at option price of RM6.37 per share – 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: – 2,121 shares at option price of RM1.64 per share – 23,221 shares at option price of RM3.56 per share – 4,750 shares at option price of RM3.40 per share – 37,700 shares at option price of RM4.60 per share – 17,500 shares at option price of RM4.92 per share – 462,400 shares at option price of RM6.37 per share – 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: – 18,982 shares at option price of RM3.56 per share – 11,500 shares at option price of RM4.60 per share – 5,500 shares at option price of RM4.92 per share – 123,000 shares at option price of RM6.37 per share – 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 2021

Area	No. of Properties		Net Book Value RM'000	
	Freehold	Leasehold		
DOMESTIC				
PUBLIC BANK BERHAD				
Kuala Lumpur	2	–	206,294	
Perak	1	–	203	
Sarawak	–	1	115	
PUBLIC MUTUAL BERHAD				
Kuala Lumpur	1	1	7,486	
Johor	–	1	658	
Pahang	1	–	1,460	
Pulau Pinang	1	–	1,564	
Sarawak	–	2	2,098	
Selangor	1	1	4,904	
PUBLIC HOLDINGS SDN BHD				
Kuala Lumpur	5	4	694,589	
Johor	4	–	68,055	
Kedah	1	–	1,377	
Melaka	–	2	872	
Pahang	1	–	76	
Perak	3	1	4,162	
Pulau Pinang	7	1	3,790	
Sabah	–	1	950	
Sarawak	1	3	3,728	
Selangor	1	2	32,654	
OVERSEAS				
CAMBODIAN PUBLIC BANK PLC				
Phnom Penh	1	–	39,328	
PUBLIC FINANCIAL HOLDINGS GROUP				
Hong Kong	–	33	571,369	

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 2021

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 No. 78, Jalan Raja Chulan 50200 Kuala Lumpur 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	– CCC issued on 1-1-2017	5 Years on 1-1-2017	58,865 (gross) Net lettable 42,816	31-12-2021 (R)	621,142
Menara Public Bank 146 Jalan Ampang 50450 Kuala Lumpur 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	–	27 Years	46,436	2-1-1995	206,128
Basement, Ground Floor 1st-12th Floor, Flat A & B on 14th Floor, 17th Floor, Flat A on 19th Floor, 21st Floor and Main Roof Public Bank Centre 120 Des Voeux Road Central 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	821 Years (26-6-2842)	44 Years	5,451	30-5-2006**	131,025
11th Floor Argyle Centre Phase 1 688 Nathan Road 65 Argyle Street Mongkok Kowloon 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	39 Years (18-2-2060)	39 Years	1,465	31-12-2021 (R)	124,504
Public Bank Tower 19, Jalan Wong Ah Fook 80000 Johor Bahru Johor 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	–	27 Years	36,222	31-12-2021 (R)	65,263

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
Shop B Ground Floor and Office B 1st to 17th Floor JCG Building 16 Mongkok Road Mongkok Kowloon 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. & Public Finance Ltd.'s Mongkok Branch; storeroom of Public Financial Holdings Group; office space leased to third parties	Leasehold 150 Years	29 Years (27-5-2050)	34 Years	2,215	31-12-2021 (R)	50,584
11th Floor Wing On House 71 Des Voeux Road Central 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	881 Years (14-8-2902)	54 Years	1,464	11-6-1993	46,478
Campu Bank Building No. 23, Karmuon Sar Avenue (Street no. 114) Sangkat Phsar Thmey 2 Phnom Penh Kingdom of Cambodia	10 storey building 2½ basement on lot 23 and 24	Head Office and Phnom Penh Main Branch, Campu Properties Co. Ltd., Campu Securities Plc and Campu Lonpac Insurance	Freehold	-	12 Years	18,149	14-10-2009	39,328
Bangunan Public Bank 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Malaysia	30-storey office tower (L/B)	Public Bank's Jalan Sultan Sulaiman Branch and Head Office Division/ Departments; Lonpac Insurance	Freehold	-	44 Years	18,277	31-12-2021 (R)	38,960
Shop B, Ground Floor Kong Kai Building No. 184 Aberdeen Main Road Hong Kong	A shop unit on ground floor of a 22-storey residential building	Public Bank (Hong Kong) Ltd.'s Aberdeen Branch	Leasehold 999 Years	838 Years (26-12-2859)	32 Years	105	16-4-2016	28,015

Notes:

(L/B) Land and building

(R) Revaluation was performed as at 31 December 2021

** 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.

INTERNATIONAL NETWORK

- Malaysia (293 branches)
- China (5 branches)
- Hong Kong (78 branches)
- Laos (4 branches)
- Vietnam (29 branches)
- Cambodia (31 branches)
- Sri Lanka (3 branches)

TOTAL
BRANCHES

443

SELF SERVICE
TERMINALS

2,078

STAFF FORCE

>19,000



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Bandar Sungai Long Tel : 03-9055 1888 03-9055 1890 Email: bslbm@publicbank. com.my	Klang Tel : 03-3343 8161 03-3343 8587 Email: klgbm@publicbank. com.my	Sekinchan Tel : 03-3241 0092 03-3241 0093 Email: skcbm@publicbank. com.my	Taman Chi Liung Tel : 03-3371 8212 03-3371 8433 Email: tclbm@publicbank. com.my	Kuala Terengganu Tel : 09-622 6016 09-622 6122 Email: ktubm@publicbank. com.my
Bandar Sunway Tel : 03-5636 0713 03-5636 2256 Email: bsybmbm@publicbank. com.my	Kota Damansara Tel : 03-6140 6295 03-6148 3766 Email: kdabm@publicbank. com.my	Semenyih Tel : 03-8723 8706 03-8723 8811 Email: smybmbm@publicbank. com.my	Taman Equine Tel : 03-8938 1988 03-8938 2020 Email: teebm@publicbank. com.my	
Banting Tel : 03-3187 3081 03-3187 5992 Email: btgbm@publicbank. com.my	Kota Kemuning Tel : 03-5525 9600 Email: kkmbm@publicbank. com.my	Seri Gombak Tel : 03-6185 2980 03-6188 6316 Email: sgkbm@publicbank. com.my	Taman Indah Tel : 03-9075 5200 03-9075 5202 Email: tihbm@publicbank. com.my	

GROUP CORPORATE DIRECTORY

OVERSEAS BRANCHES

SRI LANKA

Colombo Branch

Tel : 94-11-257 6289, 94-11-257 6290
 Fax : 94-11-257 3958
 Swift : PBBELKLX
 Email: pbbslk@publicbank.com.lk

Nawala Branch

Tel : 94-11-282 9751, 94-11-282 9752
 Fax : 94-11-282 9755

Galle Branch

Tel : 94-91-223 1741, 94-91-223 1742
 Fax : 94-91-223 1743

LAO P.D.R.

Vientiane Branch

Tel : 856-21-223 394, 856-21-216 614
 Fax : 856-21-222 743
 Cable: 4310 PBBVTE LS
 Swift : PBBELALA
 Email: pbbvte@publicbank.com.la

Savannakhet Branch

Tel : 856-41-252 131, 856-41-252 132
 Fax : 856-41-252 133
 Email: pbbsvn@publicbank.com.la

Pakse Branch

Tel : 856-31-218 111, 856-31-218 112
 Fax : 856-31-218 113
 Email: pbbpks@publicbank.com.la

Wattay Branch

Tel : 856-21-219 869, 856-21-219 870
 Fax : 856-21-219 876
 Email: pbbwta@publicbank.com.la

SUBSIDIARIES

Public Islamic Bank Berhad

Head Office:
 Tel : 03-2176 6000
 Fax : 03-2162 2224
 Email: islamicbkg@publicislamicbank.com.my
 Web : www.publicislamicbank.com.my

Kampung Baru Branch
 Tel : 03-2692 7269
 Fax : 03-2692 7188

Putrajaya Branch
 Tel : 03-8888 7878
 Fax : 03-8881 1366

Public Nominees (Tempatan) Sdn Bhd
 Tel : 03-2162 6077
 Fax : 03-2162 6078

Public Nominees (Asing) Sdn Bhd
 Tel : 03-2162 6077
 Fax : 03-2162 6078

Public Investment Bank Berhad

Head Office:
 Tel : 03-2036 2800
 Fax : 03-2036 2950
 Email: pivb@publicinvestbank.com.my
 Web : www.publicinvestbank.com

Branch Office:

Tel : 03-2268 3000, 03-2031 3733
 Fax : 03-2268 3167, 03-2268 3178

Public Invest Nominees (Tempatan) Sdn Bhd

Tel : 03-2268 3000
 Fax : 03-2268 3167

Public Invest Nominees (Asing) Sdn Bhd

Tel : 03-2268 3000
 Fax : 03-2268 3167

Public Mutual Berhad

Tel : 03-2022 5000, 03-2022 6800
 Fax : 03-2022 6900
 Email: customer@publicmutual.com.my
 Web : www.publicmutual.com.my
 (31 branches/customer service centres nationwide)

Public Holdings Sdn Bhd

Tel : 03-2176 6000, 03-2176 6666
 Fax : 03-2163 9903

PB Trust (L) Ltd

Tel : 6087-411 898, 6087-412 336
 Fax : 6087-451 193
 Email: pbtrust@pbtrust.com.my
 Web : www.pbtrust.com.my

Public Bank (L) Ltd

Tel : 6087-411 898
 Fax : 6087-413 220
 Swift : PBLLMYKA
 Web : www.pblebank.com

Public Financial Holdings Limited

Tel : 852-2541 9222
 Fax : 852-2815 9232
 Email: investor@publicbank.com.hk
 Web : www.publicfinancial.com.hk

Public Finance Limited

Tel : 852-2525 9351
 Fax : 852-2845 0681
 Email: info@publicfinance.com.hk
 Web : www.publicfinance.com.hk
 (43 branches in Hong Kong)

Public Securities Limited

Tel : 852-3929 2800
 Fax : 852-2845 5240
 Email: cs@publicsec.com.hk
 Web : www.publicsec.com.hk

Public Securities (Nominees) Limited

Tel : 852-3929 2850
 Fax : 852-2845 5240

Winton (B.V.I.) Limited

Tel : 852-2391 9388
 Fax : 852-2391 5366
 Email: contact@wintongroup.com.hk
 Web : www.wintongroup.com.hk
 (3 branches in Hong Kong)

Public Bank (Hong Kong) Limited

Tel : 852-2541 9222
 Fax : 852-2541 0009
 Email: contact@publicbank.com.hk
 Web : www.publicbank.com.hk
 (32 branches in Hong Kong and 5 branches in Shenzhen, China)

Cambodian Public Bank Plc

Tel : 855-23-222 880, 855-23-222 881
 Fax : 855-23-222 887
 Swift : CPBLKHP
 Email: hoe@campubank.com.kh
 Web : www.campubank.com.kh,
 www.cpbebank.com
 (31 branches in Cambodia)

Campu Securities Plc

Tel : 855-23-999 880
 Fax : 855-23-999 886
 Email: campusec@campusecurities.com.kh
 Web : www.campusecurities.com.kh

Campu Lonpac Insurance Plc

Tel : 855-23-998 200
 Fax : 855-23-986 308
 Email: enquiries@campulonpac.com.kh
 Web : www.campulonpac.com.kh

Public Bank Vietnam Limited

Tel : 84-24-3943 8999, 84-24-3943 9011
 Fax : 84-24-3943 9005
 Swift : VIDPVNV5
 Email: pbvn@publicbank.com.vn
 Web : www.publicbank.com.vn
 (29 branches)

ASSOCIATED COMPANIES

PB Trustee Services Berhad

Tel : 03-2176 6623
 Fax : 03-2164 6197
 Email: pbtrustee@publicbank.com.my

AIA Public Takaful Berhad

Hotline: 1 300 88 8922
 Email: my.customer@aiapublic.com.my
 Web : www.aiapublic.com.my

CPB Properties Co Ltd

Tel : 855-23-222 880/
 222 881
 Fax : 855-23-222 887
 Email: hoe@campubank.com.kh

FORM OF PROXY



PUBLIC BANK
Company Registration No. 196501000672 (6463-H)
(Incorporated in Malaysia)

Number of shares held	CDS Account No.									
			-		-					

I/We _____
(FULL NAME IN BLOCK LETTERS AS PER NRIC/CERTIFICATE OF INCORPORATION)

NRIC/Co. No. _____ 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, _____ NRIC No. _____
(FULL NAME IN BLOCK LETTERS AS PER NRIC)

of _____
(FULL ADDRESS)

or failing him, the CHAIRMAN OF THE MEETING as my/our proxy to participate and vote for me/us on my/our behalf at the 56th Annual General Meeting (AGM) of the Company to be conducted on a virtual basis at the Broadcast Venue at 29th Floor, Menara Public Bank, 146 Jalan Ampang, 50450 Kuala Lumpur, on Monday, 23 May 2022 at 11.00 a.m. or 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 Ms Gladys Leong as Director.				
2.	Re-election of Tan Sri Dato' Sri Dr. Teh Hong Piow as Director.				
3.	Re-election of Tan Sri Dato' Sri Dr. Tay Ah Lek as Director.				
4.	Re-election of Ms Cheah Kim Ling as Director.				
5.	Approval of payment of Directors' fees, Board Committees Members' fees, and allowances to Directors for financial year ended 31 December 2021.				
6.	Approval of payment of remuneration and benefits-in-kind (excluding Director's fee and Board meeting allowance) for financial year ended 31 December 2021 to the Chairman Emeritus, Director and Adviser, Tan Sri Dato' Sri Dr. Teh Hong Piow.				
7.	Re-appointment of Messrs Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2022 and authority to the Directors to fix the Auditors' remuneration.				

Signed this _____ day of _____ 2022.

Signature of Member/Common Seal

Notes:

- As a precautionary measure in view of the COVID-19 pandemic, the 56th AGM will be conducted on a virtual basis through live streaming and online remote voting via 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>. Please follow the procedures provided in the Administrative Details of the 56th AGM in order to register, participate and vote remotely via the RPV facilities.
 - The Broadcast Venue of the 56th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairperson of the meeting to be at the main venue of the meeting. Members/proxies are not allowed to attend the 56th AGM in person at the Broadcast Venue on the day of the 56th AGM.
 - Members may submit questions to the Board of Directors prior to the 56th AGM via Tricor's TIIH Online website at <https://tiih.online> by selecting "e-Services" to login, pose questions and submit electronically no later than 21 May 2022 at 11.00 a.m., or may use the query box to transmit questions to the Board of Directors via RPV facilities during the live streaming of the 56th AGM.
 - In respect of deposited securities, only Members whose names appear in the Record of Depositors on 17 May 2022 (General Meeting Record of Depositors) shall be entitled to participate and vote at the 56th AGM.
 - Since the 56th AGM will be conducted as a virtual meeting, 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.
 - A Member shall not be entitled to appoint more than 2 proxies to participate and vote at the 56th 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.
- 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

Please fold here

PUBLIC BANK BERHAD
196501000672 (6463-H)

Menara Public Bank, 146 Jalan Ampang, 50450 Kuala Lumpur
Tel: 603 2163 8888 / 2163 8899 Fax: 603 2163 9917

www.publicbankgroup.com