

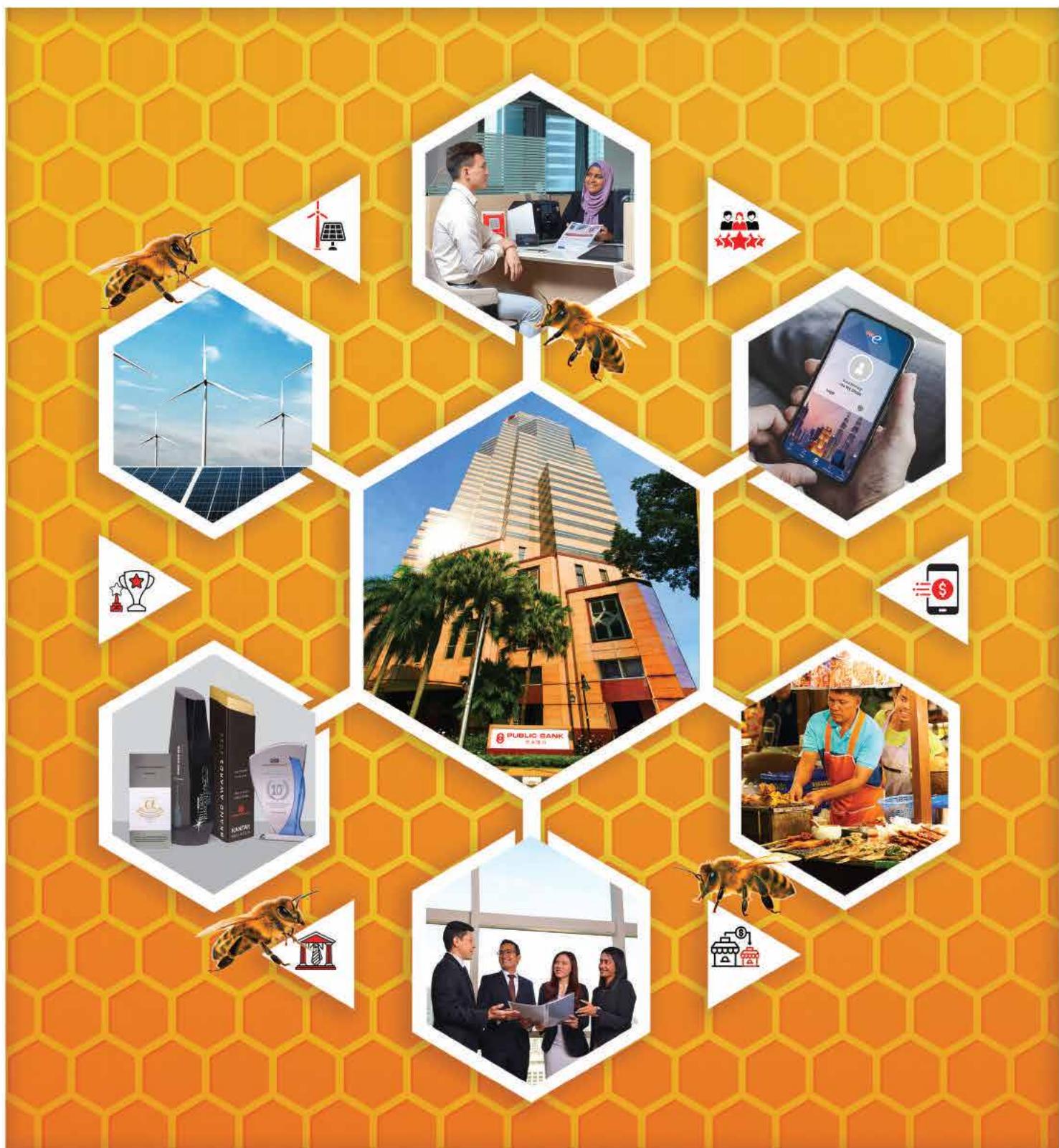
# Mobilising Synergies

## Towards Sustainability



PUBLIC BANK

2022 ANNUAL REPORT





## Mobilising Synergies Towards Sustainability

Public Bank's ecosystem is built on the premise of strength, solidarity and our shared values. Working together, we focus on what we do best, helping our customers and businesses grow and ultimately delivering value to our stakeholders.

The honeycomb design on the cover depicts the Public Bank ecosystem and the value it creates. The making of the honeycomb is the collaborative result of the bees, working in unison to sustain the entire colony.



The financial statements are available in the Financial Statements book of the 2022 Annual Report



This Annual Report is available at  
[www.publicbankgroup.com](http://www.publicbankgroup.com)



To contact us, please refer to the Corporate Information on page 18 and the Group Corporate Directory on page 340

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## CORPORATE MISSION

To Sustain the Position of  
**Being the Most Efficient,  
Profitable and Respected  
Premier Financial  
Institution** in Malaysia.



**RM6.12  
Billion**

net profit attributable  
to equity holders



**445  
Branches**  
in the region



**3<sup>rd</sup> Largest**  
Bank in Malaysia  
by total assets



**RM493.26  
Billion**

in total assets



# 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**



**PUBLIC BANK**

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

# Notice of Public Bank 57<sup>th</sup> Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the 57th Annual General Meeting (AGM) of Public Bank Berhad (PBB or Company) will be held on Monday, 15 May 2023 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, Malaysia for the following purposes:

## AS ORDINARY BUSINESS

- |   |                              |
|---|------------------------------|
| 1. To lay before the meeting the Audited Financial Statements for the financial year ended 31 December 2022 and the Reports of the Directors and Auditors thereon.  |                              |
| 2. To re-elect the following Directors who retire by rotation pursuant to Clause 107 of the Company's Constitution:   |                              |
| i. Mr Lai Wan   | <b>Ordinary Resolution 1</b> |
| ii. Mr Lee Chin Guan  | <b>Ordinary Resolution 2</b> |
| iii. Ms Tham Chai Phong   | <b>Ordinary Resolution 3</b> |
| 3. To approve the payment of Directors' fees, Board Committees Members' fees, and allowances to Directors amounting to RM5,839,410 for the financial year ended 31 December 2022.   | <b>Ordinary Resolution 4</b> |
| 4. 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 2022 to the late Chairman Emeritus, Director and Adviser, Tan Sri Dato' Sri Dr. Teh Hong Piow. | <b>Ordinary Resolution 5</b> |
| 5. To re-appoint Messrs Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2023 and to authorise the Directors to fix the Auditors' remuneration.   | <b>Ordinary Resolution 6</b> |

By Order of the Board

**Wan Marhanim binti Wan Muhammad**

LS0009365

SSM Practising Certificate No. 202008003885

Company Secretary

Kuala Lumpur

14 April 2023

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

- The 57th 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 57th AGM in order to register, participate and vote remotely via the RPV facilities.
- The Broadcast Venue of the 57th 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 57th AGM in person at the Broadcast Venue on the day of the 57th AGM.

**2. Mode of Communication**

Members may submit questions to the Board of Directors prior to the 57th 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 13 May 2023 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 57th AGM.

**3. Entitlement to Participate and Vote**

In respect of deposited securities, only Members whose names appear in the Record of Depositors on 9 May 2023 (General Meeting Record of Depositors) shall be entitled to participate and vote at the 57th AGM.

**4. Appointment of Proxy**

- Since the 57th 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 57th 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 57th AGM or no later than 13 May 2023 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 [is.enquiry@my.tricorglobal.com](mailto: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 Public Bank 57<sup>th</sup> Annual General Meeting

## Explanatory Notes on Ordinary Businesses:

### 1. Audited Financial Statements for the financial year ended 31 December 2022

The Audited Financial Statements are for discussion only as they do not require shareholders' approval pursuant to Section 340(1)(a) of the Companies Act, 2016. Hence, this matter will not be put for voting.

### 2. Ordinary Resolutions 1, 2 and 3 – Re-election of Directors

The Nomination and Remuneration Committee had carried out the fit and proper assessment of the Directors who are retiring at this AGM and the Board was satisfied with the favourable evaluation of the performance and contributions of the Directors to the Board as well as their fitness and propriety.

In accordance with the PBB Fit and Proper Policy for Directors, the Nomination and Remuneration Committee had considered the following in conducting the assessment of the Directors' fitness and propriety:

- The person's ability to supplement the collective skill sets of the Directors and bring different perspectives to the Board, and his/her fitness and propriety to be considered for re-election based on the factors specified in PBB Fit and Proper Policy and the Bank Negara Malaysia (BNM) Policy Document on Fit and Proper Criteria which include the following overarching criteria:
  - Probity, Personal Integrity and Reputation  
The person must have the personal qualities such as honesty, integrity, diligence, independence of mind and fairness.
  - Competence and Capability  
The person must have the necessary skills, ability, experience and commitment to carry out the role.
  - Financial Integrity  
The person must manage his or her debts and financial affairs prudently.

A person who has been identified for re-election as a Director shall be required to provide a declaration that he/she complies with the fit and proper factors as specified in PBB Fit and Proper Policy and the BNM Policy Document on Fit and Proper Criteria.

- The person must not be disqualified under Section 59(1) of the Financial Services Act 2013.
- The person must not have competing time commitments that impair his/her ability to discharge his/her duties effectively.
- In the case of proposed re-election of an Independent Director, the person must be free of any business or other relationship with the Company which could reasonably be perceived to materially interfere with the exercise of unfettered and independent judgement, and must fulfil the criteria of Independent Director as defined in the BNM Policy Document on Corporate Governance and Bursa Malaysia Main Market Listing Requirements.
- The person meets regulatory requirements for re-election and possesses the qualifications to be able to contribute effectively as a Member of a harmonious Board.

The profiles of Directors seeking re-election are set out in the Board of Directors' Profiles section of the Company's 2022 Annual Report.

Directors referred to in Ordinary Resolutions 1 to 3 who are also shareholders of the Company will abstain from voting on the resolution in respect of his/her re-election at this AGM.

**3. Ordinary Resolution 4 - Proposed payment of Directors' fees, Board Committees Members' fees, and allowances to Directors for the financial year ended 31 December 2022**

The proposed payment of Directors' fees, Board Committees Members' fees, and allowances to Directors amounting to RM5,839,410 for the financial year ended 31 December 2022 is based on the following fee structure:

<b>Director's Fees (per annum)</b>		
<b>The Late Chairman Emeritus, Director and Adviser (RM)</b>	<b>Chairman (RM)</b>	<b>Other Directors (RM)</b>
427,870	427,870	316,050
<b>Board Committee Fees (per month)</b>		
• 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
<b>Meeting Attendance Allowances</b>		<b>RM per Meeting Attended</b>
• Board of Directors		4,000
• Nomination and Remuneration Committee		4,000
• Board Sustainability Management Committee		4,000

**4. Ordinary Resolution 5 – Proposed payment of remuneration and benefits-in-kind (excluding Director's fee and Board meeting allowance) for financial year ended 31 December 2022 to the late 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 2022 to the late 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.

**5. Ordinary Resolution 6 – Re-appointment of Auditors**

The Audit Committee (AC) had at its meeting held on 28 November 2022 conducted an assessment of the performance as well as independence and objectivity of the external auditors of the Company, Messrs Ernst and Young PLT (E&Y) in accordance with the BNM Policy Document on External Auditors and the PBB Group's Policies and Procedures for the Appointment/Re-appointment of External Auditors for Audit and Non-Audit Services.

Following the review and assessment, the AC was satisfied that E&Y has met all the criteria for its re-appointment pursuant to the requirements set out in the BNM Policy Document on External Auditors and the PBB Group's Policies and Procedures for the Appointment/Re-appointment of External Auditors for Audit and Non-Audit Services.

The Board had at its meeting held on 29 November 2022 approved as recommended by the AC, that shareholders' approval be sought at the 57th AGM on the re-appointment of E&Y as external auditors of the Company for the financial year ending 31 December 2023 and to authorise the Directors to fix the remuneration of the external auditors.





# Financial Calendar

Financial Year 2022

## Announcement of Consolidated Results

### 30 May 2022 (Monday)

Unaudited results for 1st quarter  
ended 31 March 2022

### 29 August 2022 (Monday)

Unaudited results for 2nd quarter and  
half-year ended 30 June 2022

### 30 November 2022 (Wednesday)

Unaudited results for 3rd quarter  
ended 30 September 2022

### 27 February 2023 (Monday)

Audited results for 4th quarter and  
financial year ended 31 December 2022

## Dividend

### First Interim Dividend of 8 sen per share

**29 August 2022 (Monday)** – Notice  
**14 September 2022 (Wednesday)** – Entitlement  
**23 September 2022 (Friday)** – Payment

### Second Interim Dividend of 4 sen per share

**30 November 2022 (Wednesday)** – Notice  
**15 December 2022 (Thursday)** – Entitlement  
**23 December 2022 (Friday)** – Payment

### Third Interim Dividend of 5 sen per share

**27 February 2023 (Monday)** – Notice  
**14 March 2023 (Tuesday)** – Entitlement  
**22 March 2023 (Wednesday)** – Payment

## Annual General Meeting

### Notice of 57th Annual General Meeting

**14 April 2023 (Friday)**

**57th Annual  
General Meeting**  
**15 May 2023 (Monday)**





**Tan Sri Dato' Sri Dr. Teh Hong Piow**  
*The Founder of Public Bank*  
**1930 – 2022**

# *Special Tribute To A Great Legend*

The late Tan Sri Dato' Sri Dr. Teh Hong Piow, Founder and Chairman Emeritus was a visionary leader ahead of his time who dreamt with ambition and led with conviction.

Tan Sri Teh's life was shaped not by conditions but by his decisions. When he decided to start his own bank, it was his belief that no challenge, no problem, no obstacle can keep him from it. That had enabled a seemingly impossible dream to become reality. Now that dream – Public Bank – stands tall as the third largest domestic bank and the best retail bank that caters to people from all walks of life and is one of the most recognised brands in the financial services industry.

The late Tan Sri Teh had created many milestones for the Bank which all members of staff had benefitted from and are proud of. He was the perfect balance of head work, hard work and heart work. While the standards he set were staggeringly high, they had certainly propelled us to get to where we are today. Throughout his journey, he gave us the opportunity to grow and glow, inspiring many of us to excel in whatever we do. In the process, he nurtured a productive and inclusive culture.

Public Bank is a "corporate family" bank, unique in its own. The late Tan Sri Teh had always cared deeply for his staff and was much loved and cherished by all. His priority had always been the welfare of his staff. Nobody can be perfect, but to all in the Public Bank Group, he was the perfect boss. His generosity few can deny, his kindness surpassing even the best of givers.

As the Bank bids farewell to its beloved Founder, all members of his corporate family will miss him dearly. Nonetheless, the admiration for all that he was and gratitude for all that he gave us will endure. His achievements, memories and legacy will continue to echo in the banking hall and corridors of this Bank where millions of customers will continue to be served with passion and efficiency – just as Tan Sri Teh had envisioned it to be. Beyond this Bank, his illustrious mark in the banking and finance industry is firmly etched in the history books of this country.

***A national icon, first amongst equals, a true banking thoroughbred  
– thank you Tan Sri Teh, for your unfailing dedication and passion  
to the love of your life, Public Bank.***

**LAI WAN**

Chairman

On behalf of Board of Directors

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

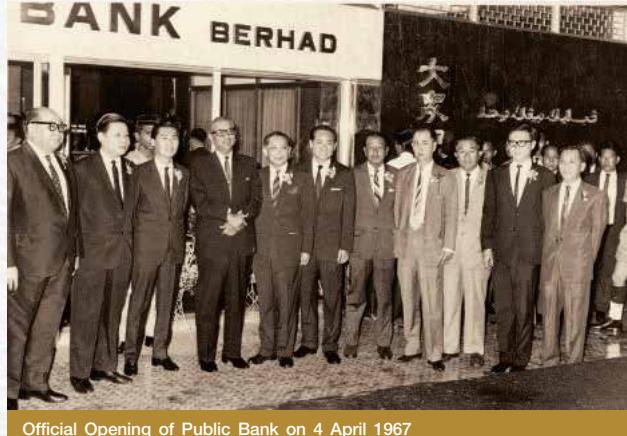
Managing Director/Chief Executive Officer

Pioneer Staff

On behalf of Management and Staff



A young Tan Sri Teh at work in his office



Official Opening of Public Bank on 4 April 1967



With the first Prime Minister at Public Bank's official opening



The first Public Bank Board of Directors' meeting in 1967



Receiving his first Datukship in 1966



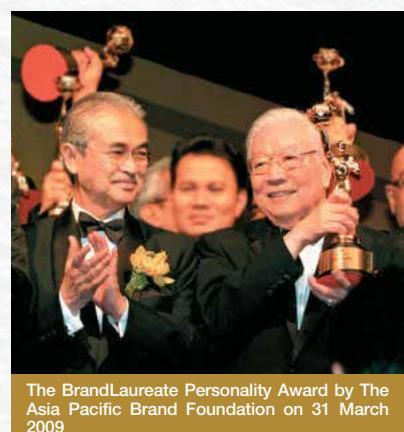
Chairing the Bank Group's convention on 30 August 1981



Malacca Branch Official Opening on 15 September 1966



Hadiah Bahasa Persatuan Linguistik Malaysia-Public Bank on 12 September 1996



The BrandLaureate Personality Award by The Asia Pacific Brand Foundation on 31 March 2009



Donation to SMK (P) Methodist Kuantan for construction of a two-storey building on 11 May 2006



National Sales Convention on 18 January 2010 at Sunway Resort Hotel & Spa



Donation of RM3.5 Million to UTAR and TARC on 4 December 2007



Official visit to Southern Region 1 branches on 3 July 2009



The Malaysian Business Corporate Governance Awards 2005 on 23 May 2006



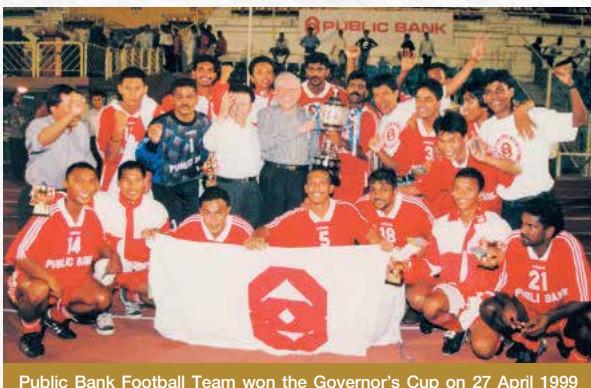
Launching of Asia-Pacific's first co-branded Manchester United MasterCard in Malaysia on 11 August 2004



RM1 Million for 'Public Bank Tree Planting Campaign' on 28 December 2007



Establishment of Campu Lonpac Insurance Plc in 2007



Public Bank Football Team won the Governor's Cup on 27 April 1999



Donation of RM1 Million to The Star Earthquake/Tsunami Relief Fund on 28 December 2004





Donation of a fully equipped ambulance to St. John Ambulans Malaysia on 25 April 2005



Management Seminar Dinner on 12 March 2016



The Asset Asia's Banking Grandmaster Award 2010



Official visit to Sarawak branches on 14 November 2008



The Honorary Doctor of the University by Sunway University on 28 January 2019



The Edge-Lipper Malaysia Fund Awards 2009 for Best Overall Fund Group on 6 February 2009



Official visit to Butterworth branch, Pulau Pinang on 20 June 2008



The Investiture Ceremony on 26 October 2002 at Istana Abu Bakar, Pahang



The Greatest Malaysian Banker of All Time 2018 by Asia Pacific Brands Foundation on 10 March 2018



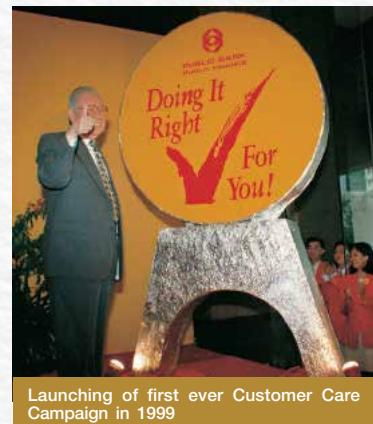
Public Bank's 46th Annual General Meeting



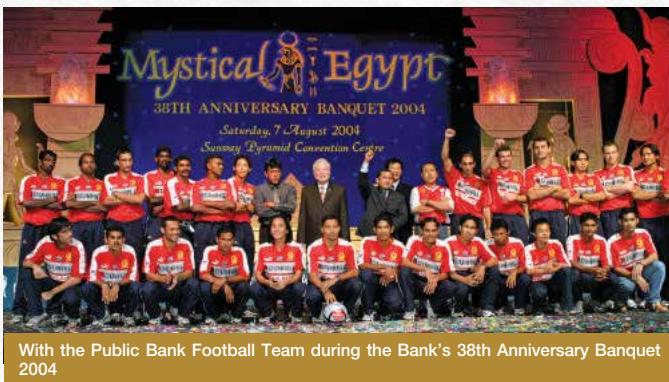
The Malaysian Business Corporate Governance Award 2004 on 11 August 2005



'RayaVali' Open House organised by Public Bank on 29 October 2008



Launching of first ever Customer Care Campaign in 1999



With the Public Bank Football Team during the Bank's 38th Anniversary Banquet 2004



Being conferred the title of Dato' Sri in October 2002



Non-clerical staff with Tan Sri Teh in March 2016

# Financial Highlights

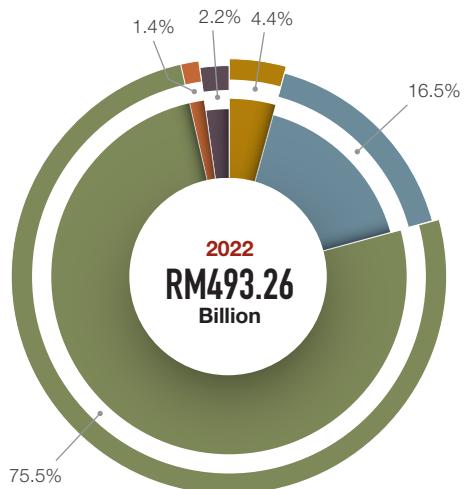
	GROUP		BANK	
	2022	2021	2022	2021
<b>PROFITABILITY (RM'Million)</b>				
Operating revenue	<b>21,427</b>	19,623	<b>14,651</b>	13,469
Operating profit	<b>9,203</b>	8,579	<b>6,973</b>	6,673
Profit before tax expense and zakat	<b>8,831</b>	7,367	<b>6,825</b>	5,798
Net profit attributable to equity holders of the Bank	<b>6,119</b>	5,657	<b>4,849</b>	4,635
<b>KEY BALANCE SHEET DATA (RM'Million)</b>				
Total assets	<b>493,263</b>	462,739	<b>376,464</b>	358,933
Gross loans, advances and financing	<b>376,892</b>	358,027	<b>285,651</b>	274,926
Deposits from customers	<b>394,719</b>	380,394	<b>293,505</b>	288,512
Shareholders' equity	<b>50,179</b>	48,163	<b>40,728</b>	40,038
<b>FINANCIAL RATIOS (%)</b>				
<b>Profitability Ratios</b>				
Net interest margin on average interest bearing assets	<b>2.4</b>	2.2	<b>2.3</b>	2.1
Net return on equity <sup>1</sup>	<b>12.8</b>	12.4	<b>12.4</b>	12.2
Return on average assets	<b>1.8</b>	1.6	<b>1.9</b>	1.6
Return on average risk-weighted assets	<b>2.9</b>	2.5	<b>2.9</b>	2.5
<b>Capital Adequacy Ratios<sup>2</sup></b>				
Common Equity Tier I capital ratio	<b>14.6</b>	14.5	<b>13.1</b>	13.3
Tier I capital ratio	<b>14.6</b>	14.6	<b>13.1</b>	13.4
Total capital ratio	<b>17.6</b>	17.7	<b>16.3</b>	16.6
<b>Asset Quality Ratio</b>				
Gross impaired loans ratio	<b>0.4</b>	0.3	<b>0.4</b>	0.3

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

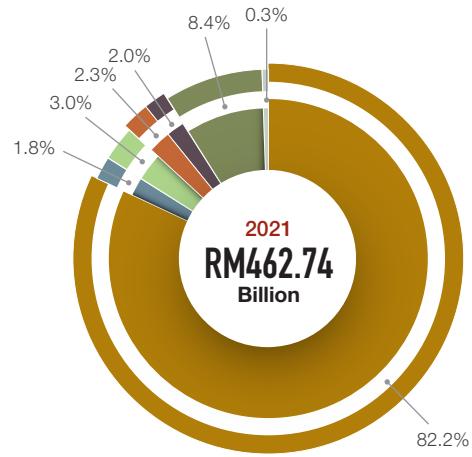
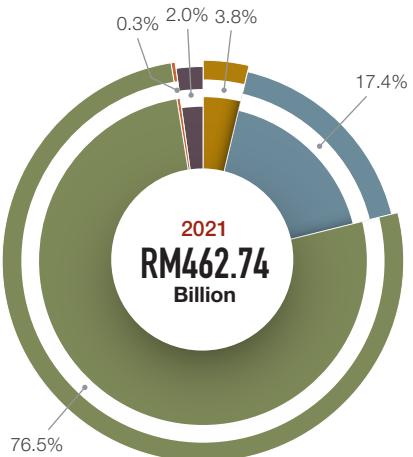
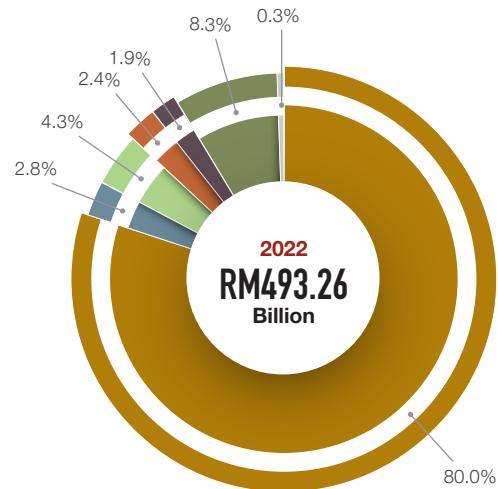
2 After deducting interim dividend declared subsequent to year end.

# Simplified Group Balance Sheet

## Assets



## Liabilities & Equity



- 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)

- Deposits from customers
- Deposits from banks and other financial institutions
- Bills and acceptances payable and other liabilities
- Debt securities issued and other borrowed funds
- Share capital
- Reserves
- Non-controlling interests



# Corporate Information

As at 14 March 2023

## Board of Directors



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



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



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



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



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



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



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



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



\* Details on the Board of Directors' profile on pages 56 to 63.

## 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](http://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  
 Website : [www.tricorglobal.com](http://www.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  
 E-mail : [ir@publicbank.com.my](mailto: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

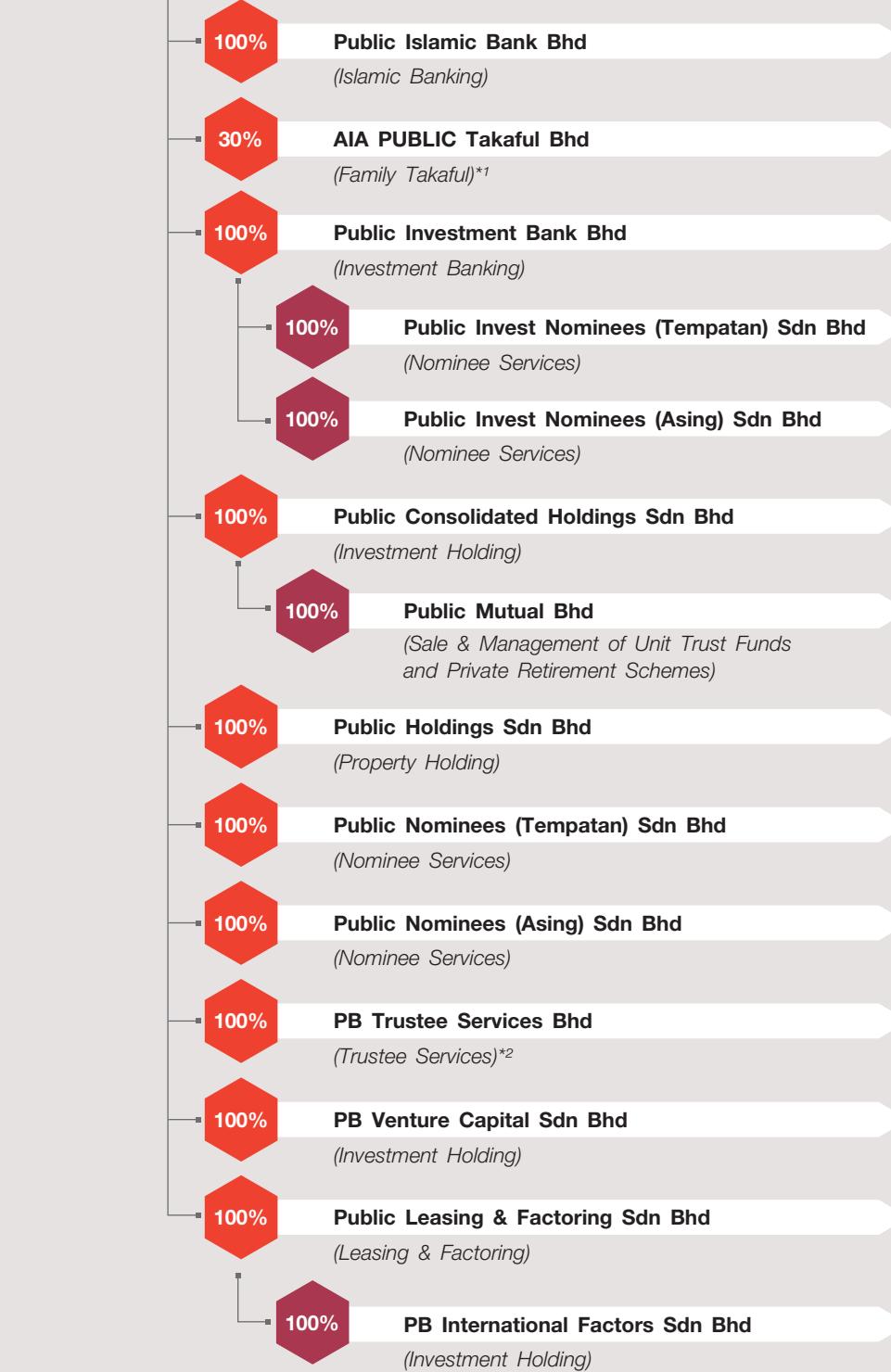


# Group Corporate Structure

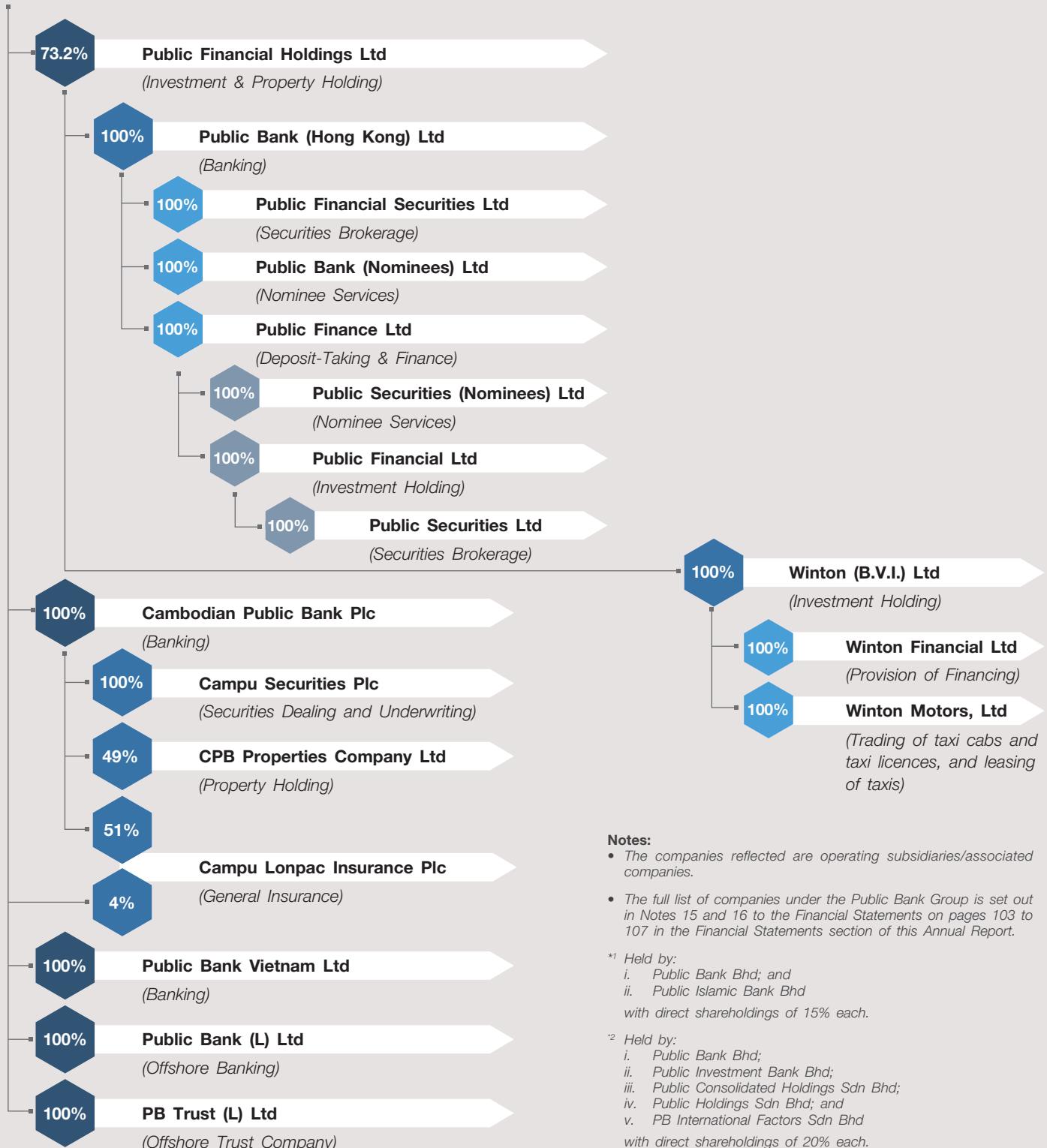
As at 14 March 2023



## MALAYSIAN COMPANIES



## OVERSEAS AND OFFSHORE COMPANIES



# Corporate Profile



 7 Countries

 445 Branches in the region

 >19,000 Staff

**Public Bank** was founded in 1966 by the late Tan Sri Dato' Sri Dr. Teh Hong Piow. On 6 August 1966, Public Bank started its business at its first branch, 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 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 152 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.

## 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 56 consecutive years.

### Net Profit

# RM6.12 Billion

56 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**  
**20.6%**

**Commercial Property Financing**  
**33.4%**

**Passenger Vehicle Financing**  
**30.2%**

**Private Retail Unit Trust Business**  
**35.4%**

## INVESTMENT CASE

Public Bank's total asset size stood at RM493.26 billion and is the second largest company listed on Bursa Malaysia with total market capitalisation of RM83.85 billion as at the end of 2022.

**Total Assets**  
**RM493.26**  
**Billion**

3rd largest bank in Malaysia

**Market Capitalisation**  
**RM83.85**  
**Billion**

2nd largest company on Bursa Malaysia by market capitalisation

## Stellar Financial Performance

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

**Highest Return on Equity**

**12.8%**

**Lowest Gross Impaired Loans Ratio**

**0.4%**

**Lowest Cost to Income Ratio**

**31.5%**

## 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**

**A3** long term deposit rating

**P-2** short term deposit rating

**Stable outlook**

**Standard & Poor's**

**A-** long term rating

**A-2** short term counterparty credit rating

**Stable outlook**

**RAM Ratings**

**AAA** long term rating,  
the highest rating by Rating Agency Malaysia

**P1** short term rating

**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, including the provision of related financial services. Public Bank offers a suite of banking products and services through its extensive branch network and infrastructure.

### INTERNATIONAL OPERATIONS



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

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



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

Established since 1992, Campu Bank has grown to be one of the largest financial institutions in Cambodia. Campu Bank offers a comprehensive range of banking products and financial services, including securities underwriting and trading through its wholly-owned subsidiary, Campu Securities Plc as well as general insurance products via Campu Lonpac Insurance Plc, which is 55% owned by the Public Bank Group.



## PUBLIC ISLAMIC BANK

### **Public Islamic Bank Berhad (“Public Islamic Bank”)**

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



## PUBLIC MUTUAL

### **Public Mutual Berhad (“Public Mutual”)**

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

\* In terms of total retail fund size managed amongst private unit trust companies and PRS providers in Malaysia.  
Source: The Edge-Lipper, 12 December 2022.



## PUBLIC INVESTMENT BANK

### **Public Investment Bank Berhad (“Public Investment Bank”)**

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



## PUBLIC BANK VIETNAM



### **Public Bank Vietnam Limited (“Public Bank Vietnam”)**

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



## PUBLIC BANK



### **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

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



## ● 1978

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



## ● 1967

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



## ● 2008

Public Islamic Bank Berhad, a wholly-owned subsidiary, commenced business on 1 November 2008 upon the completion of the transfer of the Islamic banking business of Public Bank to Public Islamic Bank Berhad.



## ● 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.





**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.

**1992**  
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.



2020

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



2022

Pre-tax profit surpassed RM8 billion for the 1st time.

## **Public Bank: RM8.83b pre-tax profit in FY22**

- Tops RM8b for the first time, group declares third interim dividend of 5 sen

**SHALAL LUMPIUR**: Public Bank Group's pre-tax profit for financial year 2003 (FY2003) increased by 19.3% to RM6.03 billion, surpassing the RM5.15 billion mark for the first three quarters attributable to shareholders.

The group maintained a resilient return on equity of 12.8% and efficient net-to-expense ratio of 31.3%.

On asset quality, gross impaired loans were 640 million yuan and healthy at 6.4% as of end of 2002. Public Bank managing director and CEO Tan Sui Liang (left) (pic right): "In view of the resilient

The total interim dividend will be paid on March 22 based on the settlement date of March 14.

total dividends totaling 12 cents per-share declined earlier; the full-year dividend for 2002 amounts to 27 cents. This represents a total dividend payout of \$143 million or 33.9% of the

On upbeat, say mid-tier analysts, despite falls in 2002, current accounts and food sales which grew by 3.8% and 4.4% respectively.

to a gross sum to date and equity of 81.5% as at the end of 2002. Last year, the group will trust these understandings by wholly-owned subsidiary Public Mutual to manage the sum committed to the group's non-salary income. Public Mutual recorded a one in six record of

million. In 2022, performing 0.8% on the group's 5. As at the end of December 2021, Public Mutual continued to have a strong retail market share of 4%, with a total of 179 000 trust

## Corporate Milestones from 1966

### 1966

- On 6 August 1966, Public Bank first opened its doors for business at No. 4 Jalan Gereja, Kuala Lumpur.
- Public Finance Berhad, then Public Bank's wholly-owned finance company subsidiary, commenced business on 24 September 1966.
- The start of an expanding network of Public Bank with the opening of Public Bank's Malacca Branch on 15 September 1966 and Ipoh Branch on 7 January 1967, a domestic network that stands at 260 branches today.
- 1st five months of business yielded a profit of RM71,562, the start of an unbroken profitability track record of 56 years.

### 1967

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

### 1969

- 1st RM1 million annual pre-tax profit.

### 1970

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

### 1978

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

### 1980

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

### 1987

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

### 1990

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

### 1991

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

### 1992

- 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.

### 1993

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

### 1996

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

### 1998

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

### 2000

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

## 2001

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

## 2002

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

## 2003

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

## 2004

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

## 2005

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

## 2006

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

## 2007

- 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

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

## 2009

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

## 2010

- 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

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

## 2012

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



## Corporate Milestones from 1966

### 2013

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

### 2014

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

### 2015

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

### 2016

- 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

- 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

- 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

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

### 2020

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

### 2021

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

### 2022

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



# Media Highlights 2022



## 基金看板

**大**众银行的独资子公司，大众信托基金宣布派发总值超过6500万令吉分利予其11项基金持有人。这些毛分利的派发是配合有关基金于2022年1月31日财政年度结束日所作出的宣布。

大众信託基金是马来西亚最大的私人单位信託公司，管理超过170项基金。截至2021年12月杪，该公司所管理的基金资产净值达1040亿令吉。

	基金	每单位 毛利润
	大众增值债券基金 Public Enhanced Bond Fund	4.25仙
	大众货币市场基金 - A级 Public Money Market Fund - ClassA	2.16仙
	大众指数基金 PublicIndexFund	1.00仙
	大众回教新兴良机基金 Public Islamic Emerging Opportunities Fund	0.80仙
	大众新兴良机基金 Public Emerging Opportunities Fund	0.60仙
	大众印度-环球股票基金 Public India - Global Equity Fund	0.50仙
	大众回教优质成长基金 Public Islamic Optimal Growth Fund	0.50仙
	大众回教环球平衡基金 Public Islamic Global Balanced Fund	0.50仙
	大众-e-Sukuk基金 Public-e - Sukuk Fund	0.30仙
PB股	PB股累积投票基金 PB Dividend Builder Equity Fund	1.00仙
PB股	PB亚洲消费领域基金 PB Asia Consumer Sector Fund	0.50仙



■ 郑国谦（左起）、郑亚历、谢燕蒂和张绍明在备忘录签署仪式上合影

大眾銀行雙威房產  
共推綠色發展項目融資

(吉隆坡5日讯) 大众银行(PBBANK, 1295, 主板金服)与双威房产(Sunway Property)签署谅解备忘录, 以就绿色和可持续该行在气候行动和全球气候解决方案做出贡献的持续发展使命。

著书记辞备忘录，以就砾球已可持续开发项目的房地产融资进行合作。

大众银行董事经理兼总执行长丹尼里拿督斯里郑亚丽指出，通过这份谅解备忘录，购买双威房产开发的绿色认证住宅和非住宅房产的客户，将享有大众银行的可持续融资服务。

该行截至 6 月的住宅和非住宅

**Public Bank among first to enable Google Wallet payments in Malaysia**

**KUCHING:** Public Bank Visa Credit and Debit cardmembers can now enjoy a convenient and secure way to pay in-store, online and in-app with Google Wallet.

As one of the first Malaysian banks to enable Visa cards on Google Wallet, Public Bank's managing director and chief executive officer Tan Sri Tay Ah Lek said this rollout is part of Public Bank's continuous effort to provide a seamless and secure banking experience for its customers through the digitalisation of banking services.

Apart from convenience, Google Wallet has multiple layers of security, including industry-standard tokenisation.

With the added convenience, Public Bank cardmembers will continue to enjoy all the benefits of their Visa debit and credit cards ranging from cashbacks and additional discounts from purchases that are only exclusive

"Consumers' shift to digital payments have accelerated over the past few years and Public Bank is confident that by enabling our cards on Google Wallet, we will add further value to our card members," Tay said.

Tay said.  
With Google Wallet, Public Bank Visa Credit and Debit cardmembers can get RM50 cashback. The promotion is valid until March 14, 2023. Terms and conditions apply.

**Public Bank** raih untung bersih RM1.40 bilion pada suku pertama



(Sumber arkib) Menara Public Bank . - NSTP/SAIFULLIZAN TAMADI



# Five-Year Group Financial Summary

YEAR ENDED 31 DECEMBER	2022	2021	2020	2019	2018
<b>OPERATING RESULTS (RM'Million)</b>					
Operating profit	<b>9,203</b>	8,579	7,403	7,283	7,270
Profit before tax expense and zakat	<b>8,831</b>	7,367	6,285	7,134	7,101
Net profit attributable to equity holders of the Bank	<b>6,119</b>	5,657	4,872	5,512	5,591
<b>KEY BALANCE SHEET DATA (RM'Million)</b>					
Total assets	<b>493,263</b>	462,739	451,257	432,831	419,693
Gross loans, advances and financing	<b>376,892</b>	358,027	345,651	330,468	317,302
Total liabilities	<b>441,737</b>	413,314	402,830	388,084	377,597
Deposits from customers	<b>394,719</b>	380,394	365,871	353,340	339,160
Core customer deposits	<b>335,570</b>	325,770	310,144	294,646	283,846
Share capital	<b>9,418</b>	9,418	9,418	9,418	9,418
Shareholders' equity	<b>50,179</b>	48,163	47,248	43,594	40,973
Commitments and contingencies	<b>104,722</b>	102,643	106,934	94,315	96,368
<b>SHARE INFORMATION AND VALUATION</b>					
<b>Share Information</b>					
Per share (sen)					
Basic/Diluted earnings*	<b>31.5</b>	29.1	25.1	28.4	28.9
Dividend*	<b>17.0</b>	15.2	13.0	14.6	13.8
Net assets*	<b>258.5</b>	248.1	243.4	224.6	211.1
Share price as at 31 December (RM)*	<b>4.32</b>	4.16	4.12	3.89	4.95
Market capitalisation (RM'Million)	<b>83,854</b>	80,748	79,972	75,469	96,122
<b>Valuation</b>					
Dividend yield (%)	<b>3.9</b>	3.7	3.2	3.8	2.8
Dividend payout ratio (%)	<b>53.9</b>	52.2	51.8	51.4	47.9
Price to earnings multiple (times)	<b>13.7</b>	14.3	16.4	13.7	17.2
Price to book multiple (times)	<b>1.7</b>	1.7	1.7	1.7	2.3

\* 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	2022	2021	2020	2019	2018
<b>FINANCIAL RATIOS (%)</b>					
<b>Profitability Ratios</b>					
Net interest margin on average interest bearing assets	<b>2.4</b>	2.2	2.0	2.2	2.2
Net return on equity <sup>1</sup>	<b>12.8</b>	12.4	11.2	13.6	14.8
Return on average assets	<b>1.8</b>	1.6	1.4	1.7	1.7
Return on average risk-weighted assets	<b>2.9</b>	2.5	2.2	2.6	2.7
Cost/income ratio	<b>31.5</b>	31.6	34.6	34.4	33.0
<b>Asset Quality Ratios</b>					
Gross loans to fund ratio	<b>91.4</b>	90.1	90.2	88.9	88.4
Gross loans to fund and equity ratio	<b>81.1</b>	80.0	80.0	79.2	79.0
Gross impaired loans ratio	<b>0.4</b>	0.3	0.4	0.5	0.5
Loan loss coverage					
– Exclude regulatory reserve	<b>272.0</b>	360.7	227.7	124.1	126.0
– Include regulatory reserve	<b>291.8</b>	383.2	325.1	249.8	237.5
<b>Capital Adequacy Ratios<sup>2</sup></b>					
Common Equity Tier I ("CET I") capital ratio	<b>14.6</b>	14.5	14.0	13.5	13.1
Tier I capital ratio	<b>14.6</b>	14.6	14.0	13.5	13.7
Total capital ratio	<b>17.6</b>	17.7	17.1	16.8	16.3
<b>PRODUCTIVITY RATIOS</b>					
Number of employees	<b>19,188</b>	19,364	19,414	19,260	18,721
Gross loans per employee (RM'000)	<b>19,642</b>	18,489	17,804	17,158	16,949
Deposits per employee (RM'000)	<b>20,571</b>	19,644	18,846	18,346	18,117
Profit before tax per employee (RM'000)	<b>460</b>	380	324	370	379
<b>MARKET SHARE (%)</b>					
Domestic market share					
Loans, advances & financing	<b>17.4</b>	17.4	17.7	17.3	17.2
Deposits from customers	<b>16.3</b>	16.2	16.5	16.5	16.2
Core customer deposits	<b>16.8</b>	17.2	17.2	16.9	16.8

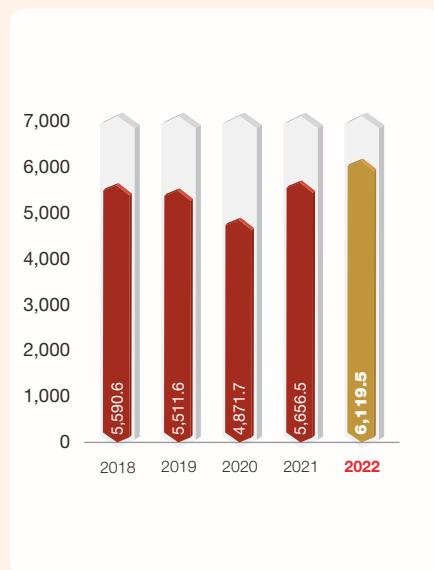
1 Based on equity attributable to equity holders of the Bank, adjusted for dividend declared subsequent to year end.

2 After deducting interim dividend declared subsequent to year end.

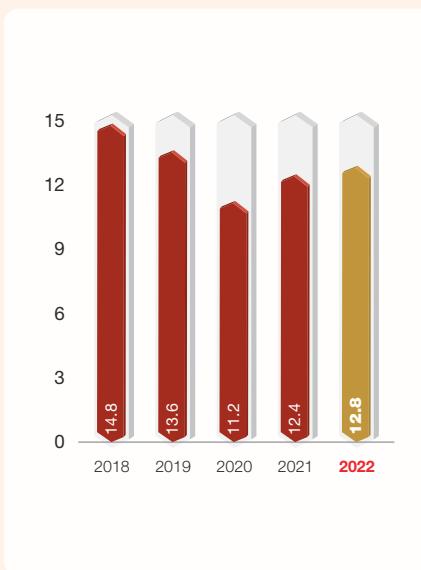


# Summary of Five-Year Group Growth

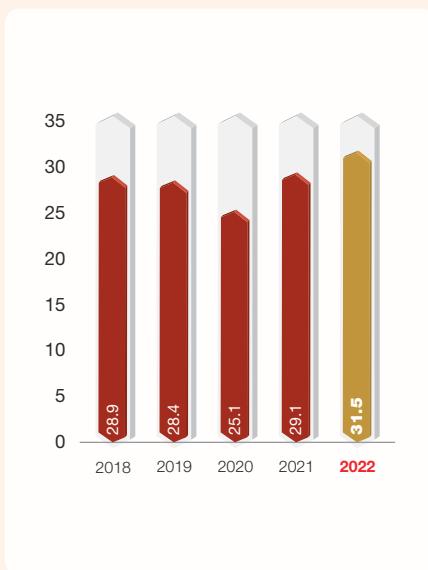
**NET PROFIT ATTRIBUTABLE  
TO EQUITY HOLDERS**  
RM'Million



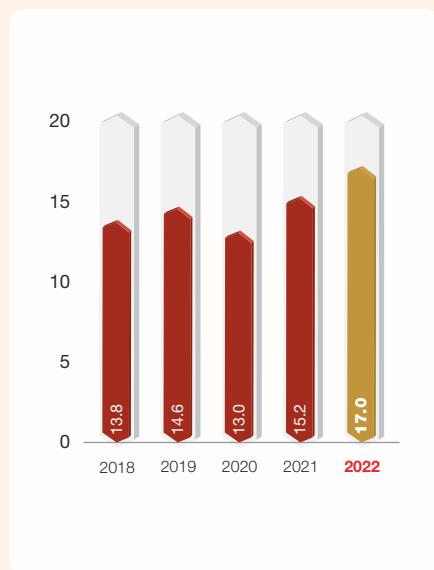
**NET RETURN ON EQUITY**  
Percentage (%)



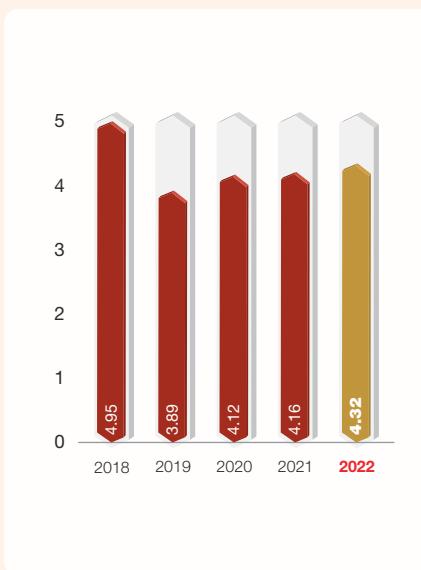
**EARNINGS PER SHARE<sup>#</sup>**  
Sen



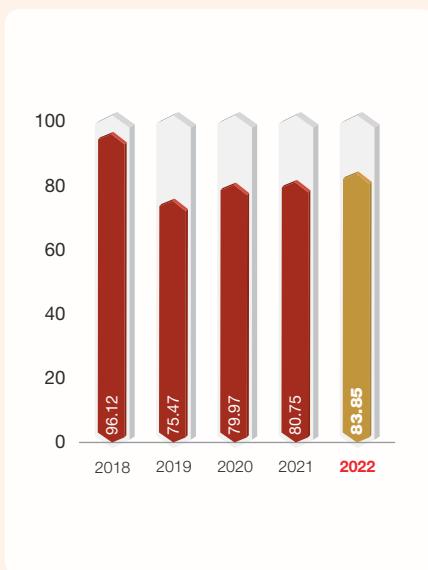
**DIVIDEND PER SHARE<sup>#</sup>**  
Sen



**SHARE PRICE<sup>#</sup>**  
RM



**MARKET CAPITALISATION**  
RM'Billion



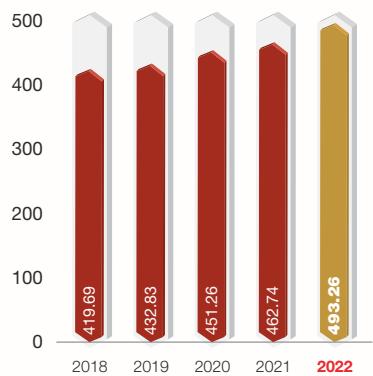
<sup>#</sup> Adjusted to reflect the bonus issue of four bonus shares for every one existing ordinary share which was completed on 29 January 2021.

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

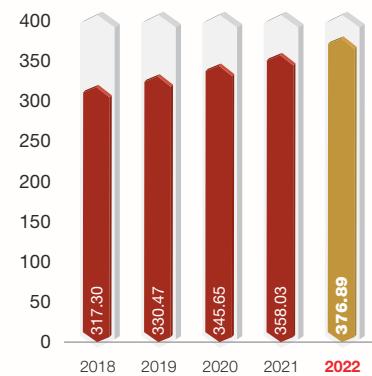
Year	2018	2019	2020	2021	2022
Ranking	2nd	2nd	2nd	2nd	<b>2nd</b>

**TOTAL ASSETS**

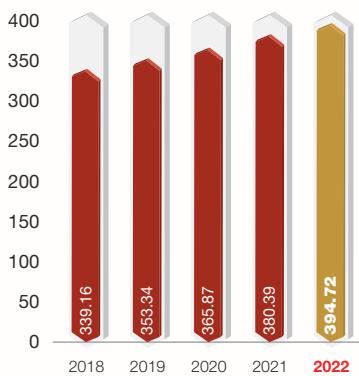
RM'Billion

**GROSS LOANS, ADVANCES  
AND FINANCING**

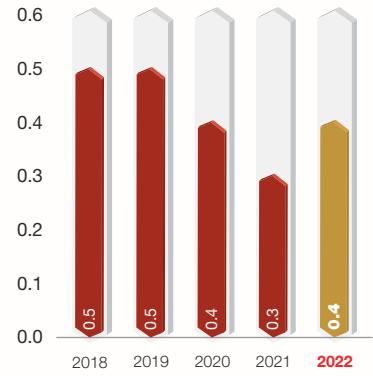
RM'Billion

**CUSTOMER DEPOSITS**

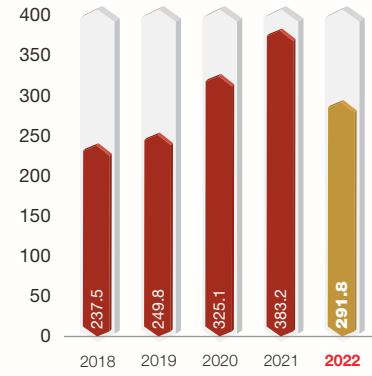
RM'Billion

**GROSS IMPAIRED  
LOANS RATIO**

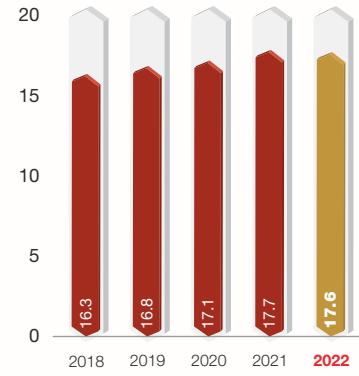
Percentage (%)

**LOAN LOSS COVERAGE\***

Percentage (%)

**TOTAL CAPITAL RATIO\*\***

Percentage (%)



\* Including regulatory reserves.

\*\* After deducting interim dividend declared subsequent to year end.



# Key Interest Bearing Assets & Liabilities

	2022			2021		
	Average Balance RM'Million	Average rate (%)	Interest RM'Million	Average Balance RM'Million	Average rate (%)	Interest RM'Million
<b>INTEREST EARNING ASSETS</b>						
Loans, advances and financing*	<b>366,099</b>	<b>4.16</b>	<b>15,230</b>	345,601	3.90	13,478
Balances with banks	<b>11,340</b>	<b>2.34</b>	<b>265</b>	11,182	1.72	192
Financial investments	<b>81,489</b>	<b>3.05</b>	<b>2,485</b>	77,359	2.89	2,236
<b>Total</b>	<b>458,928</b>	<b>3.92</b>	<b>17,980</b>	434,142	3.66	15,906
<b>INTEREST BEARING LIABILITIES</b>						
Deposits from customers	<b>324,552</b>	<b>1.89</b>	<b>6,134</b>	320,648	1.66	5,323
Deposits from banks	<b>18,651</b>	<b>2.09</b>	<b>390</b>	8,139	1.06	86
Recourse obligations on loans and financing sold to Cagamas	<b>4,252</b>	<b>4.06</b>	<b>173</b>	4,618	4.28	198
Debt securities issued and other borrowed funds	<b>11,288</b>	<b>3.81</b>	<b>430</b>	11,526	3.86	445
<b>Total</b>	<b>358,743</b>	<b>1.99</b>	<b>7,127</b>	344,931	1.75	6,052

\* Including modification loss.

# Group Quarterly Performance

	2022				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 2022
<b>FINANCIAL PERFORMANCE (RM'Million)</b>					
Operating revenue	4,887.2	4,973.7	5,503.1	6,062.9	21,426.9
Net interest income and income from Islamic banking business	2,506.7	2,632.4	2,835.9	3,049.1	11,024.1
Operating profit	2,104.0	2,104.9	2,384.1	2,609.9	9,202.9
Profit before tax expense and zakat	2,000.3	2,022.6	2,287.2	2,521.0	8,831.1
Profit attributable to equity holders of the Bank	1,398.5	1,417.0	1,590.3	1,713.7	6,119.5
Earnings per share (sen)	7.2	7.3	8.2	8.8	31.5
Dividend per share (sen)	–	8.0	4.0	5.0	17.0

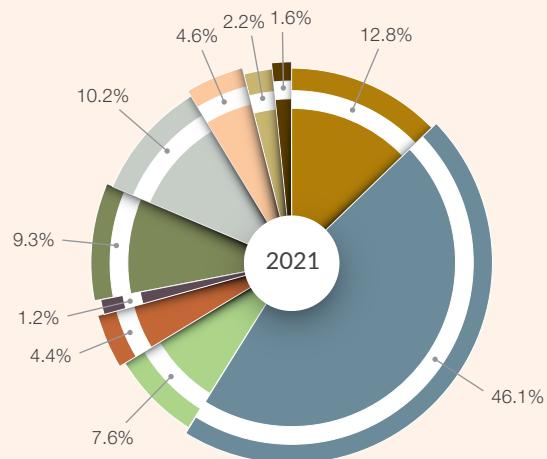
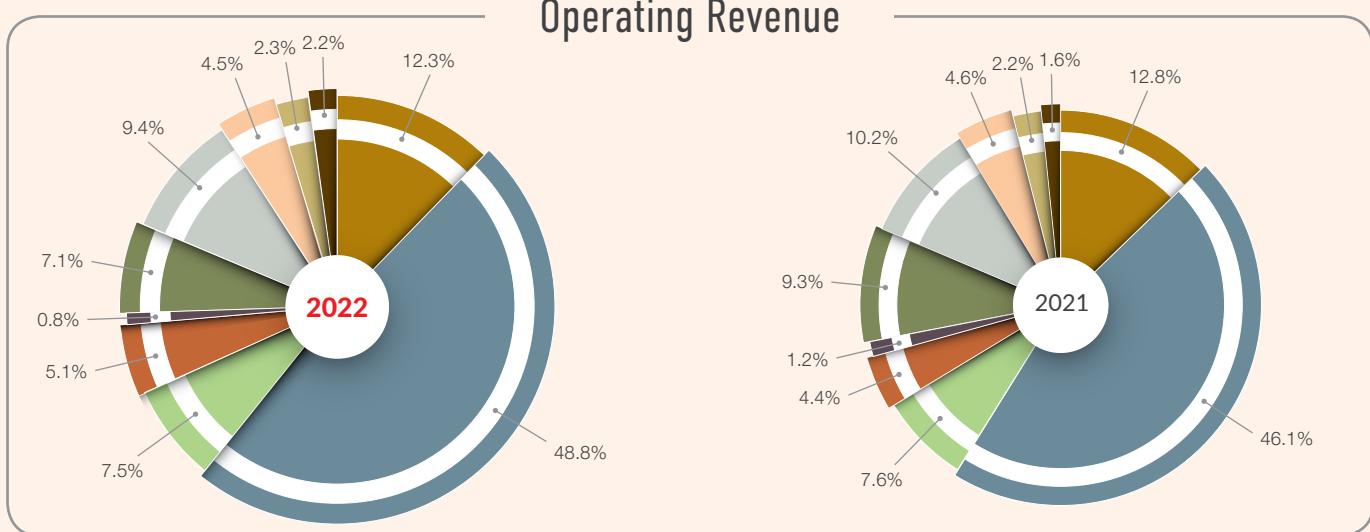
	2021				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 2021
<b>FINANCIAL PERFORMANCE (RM'Million)</b>					
Operating revenue	5,030.3	4,921.5	4,812.1	4,858.6	19,622.5
Net interest income and income from Islamic banking business	2,506.4	2,511.5	2,435.6	2,475.2	9,928.7
Operating profit	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



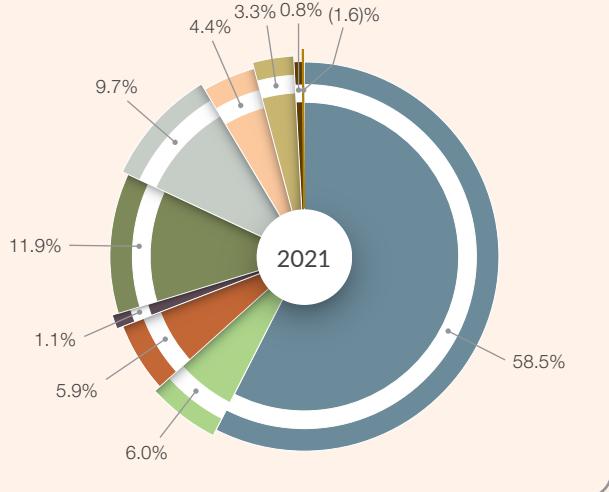
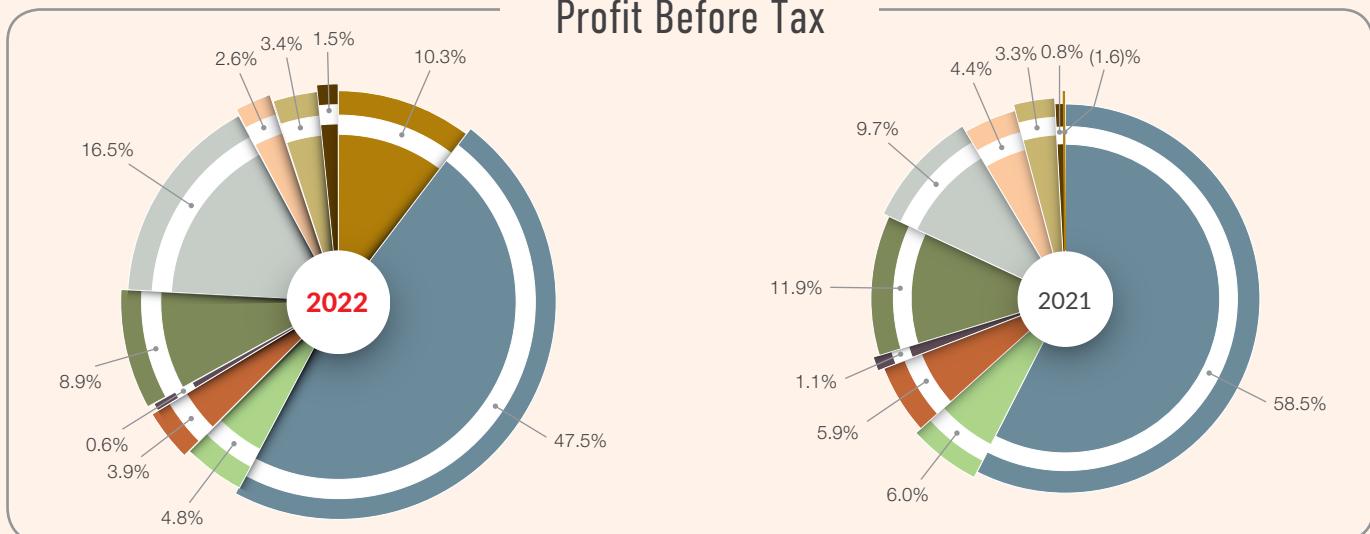
# Segmental Analysis

	Operating Revenue		Profit Before Tax		Total Assets	
	2022 (%)	2021 (%)	2022 (%)	2021 (%)	2022 (%)	2021 (%)
Hire purchase	<b>12.3</b>	12.8	<b>10.3</b>	(1.6)	<b>9.7</b>	9.4
Retail operations	<b>48.8</b>	46.1	<b>47.5</b>	58.5	<b>51.5</b>	53.4
Corporate lending	<b>7.5</b>	7.6	<b>4.8</b>	6.0	<b>7.0</b>	7.3
Treasury and capital market operations	<b>5.1</b>	4.4	<b>3.9</b>	5.9	<b>15.2</b>	12.9
Investment banking	<b>0.8</b>	1.2	<b>0.6</b>	1.1	<b>0.5</b>	0.4
Fund management	<b>7.1</b>	9.3	<b>8.9</b>	11.9	<b>0.1</b>	0.1
Others	<b>9.4</b>	10.2	<b>16.5</b>	9.7	<b>9.1</b>	9.4
<b>Total domestic</b>	<b>91.0</b>	91.6	<b>92.5</b>	91.5	<b>93.1</b>	92.9
Hong Kong SAR	<b>4.5</b>	4.6	<b>2.6</b>	4.4	<b>3.7</b>	3.9
Cambodia	<b>2.3</b>	2.2	<b>3.4</b>	3.3	<b>1.7</b>	1.8
Other countries	<b>2.2</b>	1.6	<b>1.5</b>	0.8	<b>1.5</b>	1.4
<b>Total overseas</b>	<b>9.0</b>	8.4	<b>7.5</b>	8.5	<b>6.9</b>	7.1
<b>Total</b>	<b>100.0</b>	100.0	<b>100.0</b>	100.0	<b>100.0</b>	100.0

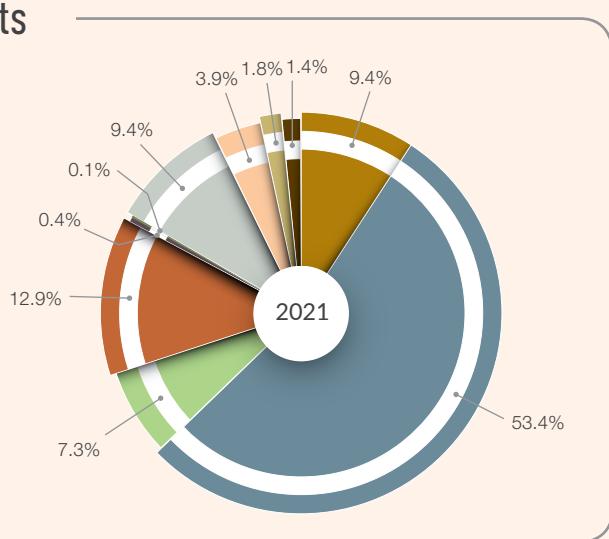
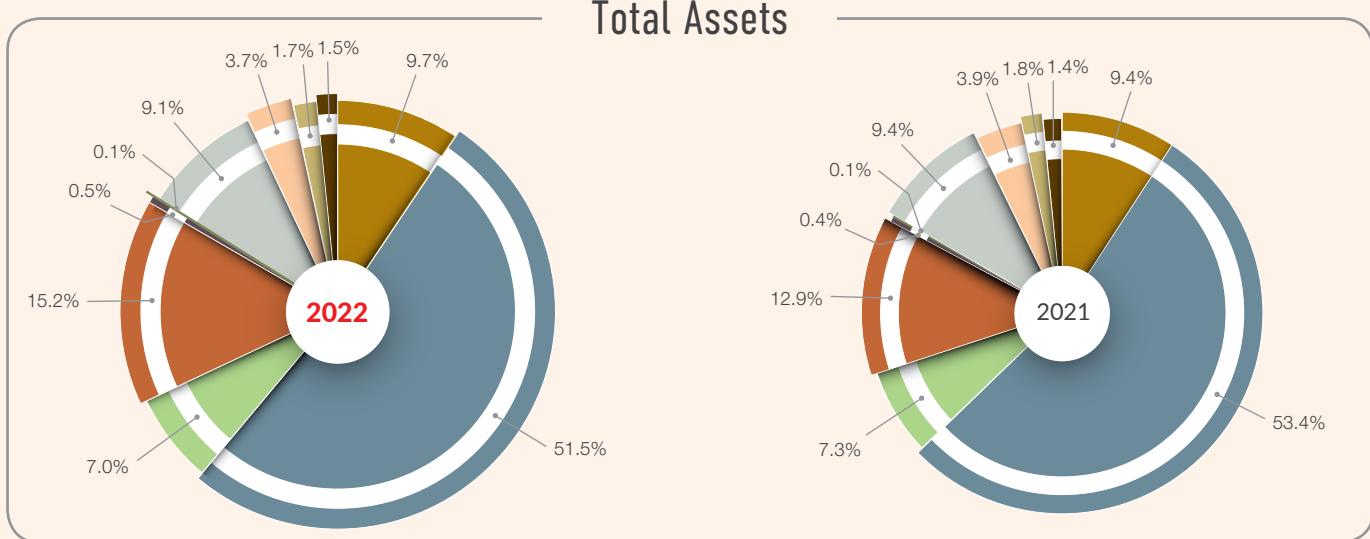
## Operating Revenue



## Profit Before Tax



## Total Assets



- Hire purchase
- Retail operations
- Corporate lending

- Treasury and capital market operations
- Investment banking
- Fund management

- Others
- Hong Kong SAR
- Cambodia
- Other countries

# 2022 Awards & Achievements



- 1 ALPHA SOUTHEAST ASIA**  
16th Annual Alpha Southeast Asia Best Financial Institution Awards 2022:  
  - **Best Bank in Malaysia** 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007
  - **Best Retail Bank in Malaysia** 2022, 2021, 2020, 2018
- 2 CANON MARKETING (M) SDN BHD**  
  - **2021 Honorary Award**
- 3 CREDIT GUARANTEE CORPORATION (CGC)**  
CGC 27th FI/DFI and SME Awards 2021:  
  - **Top F1 Partner (Commercial Financial Institution category)**
- 4 EUROMONEY**  
Euromoney Country Awards for Excellence 2022:  
  - **Best Bank in Malaysia** 2022, 2021, 2019, 2018, 2016, 2015, 2009, 2008, 2007, 2006, 2005, 2004, 2003, 2002, 1999, 1998, 1993
- 5 FINANCEASIA**  
FinanceAsia Country Awards 2022:  
  - **Best Bank in Malaysia** 2022, 2021, 2020, 2019, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, 2006, 2005, 2004, 2003, 2002, 2001, 2000, 1999
- 6 GLOBAL BANKING & FINANCE**  
  - **Best Corporate Governance Bank in Malaysia 2022** 2022, 2021, 2020
- 7 GLOBAL FINANCE**  
  - **Best Bank in Malaysia 2022** 2022, 2021, 2019, 2017, 2015, 2014, 2010, 2009, 2004, 2003, 2002, 2000
- 8 KANTAR MALAYSIA**  
Kantar Malaysia Brand Awards 2022  
  - **3rd place for the banking category**
- 9 MINORITY SHAREHOLDERS WATCH GROUP**  
MSWG-ASEAN Corporate Governance Awards 2021  
  - **Industry Excellence Award** 2021, 2020
- 10 PAYMENTS NETWORK MALAYSIA SDN BHD (PAYNET)**  
Malaysian e-Payments Excellence Awards 2022:  
  - **Best Participant Award category – Best MyDebit Bank** 2022
  - **Best e-Payments Acceptance Growth Award category – Best MyDebit (Acquirer-Bank)** 2022, 2021
- 11 READER'S DIGEST**  
  - **Trusted Brands Gold Award 2022 under the Bank category** 2022, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, 2006, 2005, 2004
- 12 SYARIKAT JAMINAN PEMBIAYAAN PERNIAGAAN BERHAD**  
Presented the following awards in recognition of Public Bank's commitment in providing financial support towards assisting small and medium enterprises affected by the COVID-19 pandemic and floods:  
  - **Best Performance Bank Award 2020 – 2021**
  - **Special Recognition Award – Most Coverage for COVID-19 Financing Scheme 2020 – 2021**
- 13 THE ASSET**  
  - **Best Bank in Malaysia 2021** 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, 2006, 2005, 2004, 2003, 2002
- 14 THE EDGE BILLION RINGGIT CLUB**  
The Edge Billion Ringgit Club Corporate Awards 2022:  
  - **Highest Return on Equity Over Three Years Award under the Financial Services – RM10 Billion and Above Market Capitalisation category** 2022, 2021, 2020, 2019, 2018



# ***"Achieving Sustainable Development Goals Together"***

## **SAFEGUARDING THE FUTURE**

As a responsible financial institution, we are intensifying our efforts to make a difference to our work environment as well as to the world around us. With climate change on the agenda, we are committed towards building a climate-resilient economy through our financial practices. We also aim to reduce carbon-emissions from our operations through sustainable consumption.





**RM8.0  
Billion**

pre-tax surpassed



**RM3.30  
Billion**

dividend payout

“

Sustainability  
as an integral  
part of the  
Public Bank Group's  
business directions

”

LAI WAN | Chairman

# STATEMENT BY **CHAIRMAN**

2022 was a year when the growth of Malaysian economy gained strong momentum following the relaxation of COVID-19 containment measures and reopening of international borders. However, uncertainties remained high arising from strong global headwinds ranging from supply chain disruptions to inflationary pressure.

Amid these challenges, the Public Bank Group remained steadfast in fulfilling its responsibilities to its stakeholders.

#### **SYNERGISING FOR SUSTAINABLE GROWTH**

The theme for the 2022 Annual Report – ‘Mobilising Synergies Towards Sustainability’ is reflective of the Public Bank Group’s efforts throughout the years.

The Public Bank Group has been subscribing to sustainability as an integral part of the Group’s business directions as guided by its Corporate Philosophy.

The Public Bank Group’s solid foundation is further supported by the incorporation of a robust corporate culture which emphasises on good governance, prudent credit management and excellence in customer service.

These synergistic approaches led to the achievement of an increase of pre-tax profit by 19.9% to RM8.83 billion, surpassing the RM8 billion mark for the first time, while net profit attributable to shareholders increased by 8.2% to RM6.12 billion after taking into account the one-off impact of prosperity tax in 2022.

These strong synergistic approaches are also reflected in the stable and consistent returns that shareholders received throughout the years. For the financial year 2022, the Board of Directors declared total dividend of 17 sen, equivalent to a total dividend payout of RM3.30 billion. This dividend payout represents 53.9% of the Public Bank Group’s net profit for 2022.



## Statement by Chairman

### BANKING FOR ALL

The Public Bank Group's commitment towards a sustainable future continued to put its stakeholders' interests at the core of its strategic business priorities.

Since the onset of the COVID-19 pandemic, demand for digital banking has been on the rise and the Public Bank Group's long term focus on digitalisation has provided customers with efficient and convenient digital banking services.

Post-pandemic, the society has also become increasingly aware of the mounting environmental challenges and the Public Bank Group is stepping up its long term efforts as a sustainable financial intermediary.

The Public Bank Group has established a Board Sustainability Management Committee to ensure the implementation of environmental, social and governance ("ESG") strategies in a holistic manner. The Group will also roll out a sustainability roadmap which sets out plans that further embed ESG into its business strategies and operations.

2022 marked the Public Bank Group's 56<sup>th</sup> Anniversary and one of the most pertinent fundamentals that has stood the test of time – is that the Group has continued to uphold the highest integrity in discharging its responsibility as the custodian of public funds.

This gold standard of corporate governance will continue to be upheld with the Public Bank Group's continuous adoption of prudent risk management in managing its balance sheet and asset quality throughout this period of uncertainties.

### GOING FORWARD

2023 is expected to be another year filled with challenges.

Cautiously optimistic, a gradual recovery of the Malaysian economy can be expected, in line with the ongoing Government's policy support and stimulus assistance.

With sustainability in mind, the Public Bank Group has strengthened itself throughout the years and is well prepared to weather the uncertainties ahead while reaching out for potential growth opportunities, synergising ESG values for a better future for all.

“  
The Public Bank Group has strengthened itself throughout the years and is well prepared to weather the uncertainties ahead while reaching out for potential growth opportunities, synergising ESG values for a better future for all  
”

“  
 The Public Bank Group will continue to mobilise all efforts towards sustainable best practices and remain agile as the Group continues to progress sustainably while enhancing stakeholder value in the years ahead  
 ”

#### **ETERNALLY GRATEFUL**

With the passing of Public Bank Group's Founder, Chairman Emeritus, Director and Adviser Tan Sri Dato' Sri Dr. Teh Hong Piow on 12 December 2022 at the age of 92, the Public Bank Group will forever be grateful for his contribution that is of the utmost importance to the Group's successes and his legacy will be the perpetual foundation of the Group.

The Public Bank Group would also wish to extend its gratitude to all the shareholders, customers and 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 towards a sustainable future ahead.

The Public Bank Group has continued to strengthen its resilience, sustainability and competency through each passing year. The Group will continue to mobilise all efforts towards sustainable best practices and remain agile as the Group continues to progress sustainably while enhancing stakeholder value in the years ahead.

**LAI WAN**  
 Chairman





**RM67.2  
Billion**

total SME financing



**0.4%**

low gross impaired  
loan ratio

“

Sustaining more than  
half a century  
of unbroken track  
record in  
profitability

”

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

# REVIEW BY **MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER**

The economy reopening in 2022 was a much awaited development after more than two years of containment measures to address the COVID-19 pandemic.

With the easing of movement and other pandemic related restrictions, Malaysia recorded strong GDP growth of 8.7% in 2022, contributed by robust domestic and external demand as well as improved labour market.

However, this was not the time to be complacent and the Public Bank Group continued to be cautiously optimistic with the global headwinds stemming from supply chain disruptions to rising inflationary pressures globally.

Remaining sustainable is pivotal in everything the Public Bank Group does, including sustaining more than half a century of unbroken track record in profitability while contributing to a better tomorrow for the future generations.

#### **SUSTAINING A RESILIENT FINANCIAL PROFILE**

For the financial year 2022, the Public Bank Group achieved RM8.83 billion pre-tax profit and RM6.12 billion net profit attributable to shareholders, sustaining the highest return on equity of 12.8% amongst its banking peers. The resilient financial performance in 2022 was supported by the continued healthy expansion of its loans and deposits business, coupled with the resilient asset quality.

During the year, the Public Bank Group achieved total loans growth of 5.3% while sustaining its leading position in domestic residential properties financing and hire purchase with a growth of 7.5% and 8.9% respectively, capturing a market share of 20.6% and 30.2% respectively.

As one of the leading financiers for small and medium enterprises (“SMEs”), the Public Bank Group remained focused to this mission, sustaining its domestic SME market share of 18.6% with total financing of RM67.2 billion as at the end of 2022.

With sustainability forming the bedrock of the Public Bank Group’s foundation, the Group continued to emphasise sound asset quality and maintain a resilient loan portfolio with prudent reserves for loan losses.

Amid the expiry of COVID-19 repayment assistance programmes, the Public Bank Group had also observed a stable repayment trend from borrowers.

With proactive and prudent management of its credit portfolio, the Public Bank Group continued to sustain a low gross impaired loan ratio of 0.4% as at the end of 2022, compared with the banking industry’s gross impaired loan ratio of 1.7%.

On funding side, the Public Bank Group achieved deposit growth of 3.8% in 2022. With the stable deposit base, the Group continued to sustain a healthy liquidity position, with a liquidity coverage ratio of 127.7% as at the end of 2022.

For non-interest income, the Public Bank Group’s wholly-owned subsidiary managing its unit trust business, Public Mutual, remained the major contributor to the Group’s non-interest income, generating profit of RM780.4 million in 2022. Public Mutual also maintained its leading market position with a market share of 35.4% in the domestic retail private unit trust industry.

All these synergistic banking activities, coupled with prudent and disciplined cost management, ultimately led to the Public Bank Group sustaining an efficient cost-to-income ratio of 31.5% in 2022, significantly better than the industry’s cost-to-income ratio of 44.2%.



## Review by Managing Director/Chief Executive Officer

### INTENSIFYING EFFORTS FOR SUSTAINABLE DEVELOPMENT

The Public Bank Group has continuously rolled out various initiatives throughout the year as part of the global efforts to combat climate change.

Notwithstanding its resilient financial profile, the Public Bank Group continued to strengthen its position for the future and has continued to scale up its efforts in the environmental, social and governance ("ESG") landscape.

In addressing climate change risk, the Public Bank Group aims to play a part in supporting the global goal of net zero carbon by 2050. The operationalisation of Bank Negara Malaysia's Policy Document on Climate Change and Principle-based Taxonomy, among others, is a step in the right direction. The Group is also progressively stepping up its efforts in the implementation and disclosure in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures.

Meanwhile, the Public Bank Group continued to expand its green and ESG products and services, such as collaborating with property developers in providing financing for green properties as well as promoting energy efficient vehicles.

Pushing ahead in digital transformation is also part of the Public Bank Group's sustainability agenda.

The Public Bank Group's ability to cater swiftly to the digital needs of the society, which surged particularly due to mobility restrictions throughout the pandemic, ensured meeting customers' banking needs remained at the forefront.

With consistent investments to enhance its internet and mobile banking platforms, the Public Bank Group extended its PBe QR service by supporting cross border payments between Malaysia and Indonesia in 2022, after starting the service with Thailand in 2021.



The Public Bank Group's proactive initiatives in promoting electronic payment continued to gain recognition from prestigious organisations. In the Malaysian e-Payments Excellence Awards 2022 by PayNet, the Group clinched two awards for its outstanding contribution in promoting e-payment.

The Public Bank Group continued to emphasise on banking security to safeguard customers' online banking transactions. The Group has intensified its efforts by introducing a series of counter measures in enhancing fraud detection and prevention capabilities. The Group also provides 24-hour assistance to customers via its Case Management Team.

Adopting a proactive approach, the Public Bank Group continues to vigilantly prevent dubious transactions from taking place, having prevented substantial amount of funds from being lost to scams. Meanwhile, the Group is also working steadfastly with all parties to combat cyber security threats through the intensification of its awareness and education effort to keep customers updated of the latest trend and evolving modus operandi in fraud scams perpetration.

## A SUSTAINABLE TALENT PIPELINE

As the world moves towards a post-pandemic environment, new challenges and opportunities arise amid the evolving business dynamics. The Public Bank Group sees the importance of future proofing its employees and ensuring they are well prepared and capable in adapting to the changing business landscape.

In 2022, the Public Bank Group continued to invest extensively on developing and broadening employees' capabilities while ensuring their welfare is well taken care of.

The Public Bank Group had continued to roll out a wide array of hybrid training and mentoring programmes to further sharpen skillsets among its employees. To further widen their horizons, the Group had instituted ESG courses ranging from sustainable financing to climate change risk which are catered to the needs of the staff.

## THE PUBLIC BANK GROUP'S PROSPECTS

In 2023, the Malaysian economy is expected to remain on a stable growth trajectory, but not without headwinds from the global environment.

Continuing with its sustainable banking best practices, the Public Bank Group will proactively seek opportunities to grow its business while managing risks.

Our visionary leader, the late Tan Sri Dato' Sri Dr. Teh Hong Piow, Founder, Chairman Emeritus, Director and Adviser who passed away on 12 December 2022 at the age of 92, has put in place a sustainable corporate culture which will see the Public Bank Group remaining steadfast in the coming years and for this, the Group will forever be grateful.

This solid foundation built throughout the years by our late Founder, Tan Sri Dato' Sri Dr. Teh Hong Piow, using the bricks of integrity, accountability, customer centricity, engaged employees and above all, sustainability will continue to provide strong support in driving the Public Bank Group's business growth moving forward.

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

Managing Director/Chief Executive Officer

“

This solid foundation built throughout the years will continue to provide strong support in driving the Public Bank Group's business growth moving forward

”



# Board of Directors



“Leveraging Best Practices across our Portfolio”



**1 LAI WAN**  
Non-Independent Non-Executive Chairman  
**2 TAN SRI DATO' SRI DR. TAY AH LEK**  
Managing Director/  
Chief Executive Officer  
**3 CHEAH KIM LING**  
Independent Non-Executive Director

**4 LEE CHIN GUAN**  
Non-Independent Non-Executive Director  
**5 DATO' MOHD HANIF BIN SHER MOHAMED**  
Independent Non-Executive Director  
**6 THAM CHAI FHONG**  
Independent Non-Executive Director

**7 LIM CHAO LI**  
Independent Non-Executive Director  
**8 GLADYS LEONG**  
Independent Non-Executive Director  
**9 WAN MARHANIM BINTI WAN MUHAMMAD**  
Company Secretary



# Board of Directors' Profile

As at 14 March 2023



## LAI WAN

Non-Independent  
Non-Executive Chairman



Nationality  
Malaysian



Gender  
Male



Age  
79



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, the Credit Risk Management Committee and the Board Sustainability 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 50 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 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 2022.



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

Managing Director/  
Chief Executive Officer



**Nationality**  
Malaysian



**Gender**  
Male



**Age**  
80



**Date of Appointment**  
18 June 1997

**TAN SRI DATO' SRI DR. TAY AH LEK**, aged 80, male, has 62 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 Bhd. 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 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 Chairman of Public Mutual Bhd and as Director of Public Investment Bank 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 2022.



## Board of Directors' Profile

As at 14 March 2023



### CHEAH KIM LING

Independent  
Non-Executive Director



**Nationality**  
Malaysian



**Gender**  
Female



**Age**  
65



**Date of Appointment**  
29 April 2014

**CHEAH KIM LING**, aged 65, 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 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.

Ms Cheah attended all the 17 Board meetings which were held in the financial year ended 31 December 2022.



## LEE CHIN GUAN

Non-Independent  
Non-Executive Director



**Nationality**  
Malaysian



**Gender**  
Male



**Age**  
64



**Date of Appointment**  
27 December 2018

**LEE CHIN GUAN**, aged 64, 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 2022.



## Board of Directors' Profile

As at 14 March 2023



### DATO' MOHD HANIF BIN SHER MOHAMED

Independent  
Non-Executive Director



Nationality  
Malaysian



Gender  
Male



Age  
71



Date of Appointment  
22 January 2019

**DATO' MOHD HANIF BIN SHER MOHAMED**, aged 71, 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) Bhd, where he had served for over 26 years, and he had held various senior management positions.

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 2022.



## THAM CHAI FHONG

Independent  
Non-Executive Director



**Nationality**  
Malaysian



**Gender**  
Female



**Age**  
66



**Date of Appointment**  
1 June 2019

**THAM CHAI FHONG**, aged 66, 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, the Compliance Committee and the Board Sustainability Management 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 2022.



## Board of Directors' Profile

As at 14 March 2023



### LIM CHAO LI

Independent  
Non-Executive Director



Nationality  
Malaysian



Gender  
Male



Age  
56



Date of Appointment  
5 April 2021

**LIM CHAO LI**, aged 56, male, was appointed as a Director of Public Bank on 5 April 2021. He is the Chairman of the Board Sustainability Management Committee, and is a member of the Audit Committee, the Nomination and Remuneration Committee, the Risk Management 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 Bhd (a public company listed on the Main Market of Bursa Malaysia Securities Bhd).

Mr Lim attended all the 17 Board meetings which were held in the financial year ended 31 December 2022.



## GLADYS LEONG

Independent  
Non-Executive Director



**Nationality**  
Malaysian



**Gender**  
Female



**Age**  
61



**Date of Appointment**  
1 July 2021

**GLADYS LEONG**, aged 61, female, was appointed as a Director of Public Bank on 1 July 2021. She is the Chair of the Risk Management Committee and is a member of the Audit Committee, the Nomination and Remuneration Committee, the Compliance Committee and the Board Sustainability Management 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 within the Public Bank Group is as Director of Public Mutual Bhd. Her directorship in other public company is in Malaysia Marine and Heavy Engineering Holdings Bhd (a public company listed on the Main Market of Bursa Malaysia Securities Bhd).

Ms Gladys attended all the 17 Board meetings which were held in the financial year ended 31 December 2022.

*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



Nationality  
Malaysian



Gender  
Female



Age  
51



Date of Appointment  
1 January 2021

**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 and an Affiliate Member of the Malaysian Institute of Chartered Secretaries and Administrators.

# Group Management Profile

## TAN SRI DATO' SRI DR.

### TAY AH LEK

Managing Director/  
Chief Executive Officer,  
Public Bank Berhad

#### Nationality/Age/Gender:

Malaysian/80/Male



#### 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 62 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

## DATO' CHANG KAT

### KIAM

Deputy Chief Executive  
Officer,  
Public Bank Berhad

#### Nationality/Age/Gender:

Malaysian/68/Male



#### 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

Senior Chief Operating Officer,  
Public Bank Berhad



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

#### 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 29 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, Economics & Sustainability Management, Information Technology and Property

#### Present Directorship in other Public Companies

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

### DATO' SULAIMAN BIN ABD MANAP

Senior Chief Operating Officer,  
Public Bank Berhad



**Nationality/Age/Gender:**  
Malaysian/66/Male

#### 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 Supervision, Compliance and Loan Rehabilitation/Credit Review of Corporate Banking

#### Present Directorship in other Public Companies

- Nil

### LEE YO-HUNN

Chief Executive Officer,  
Public Investment Bank Berhad



**Nationality/Age/Gender:**  
Malaysian/47/Male

#### Qualifications

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

#### Experience

- Mr Lee has a total of 25 years of working experience, comprising 7 years of assurance and advisory work in both Malaysia and Australia and 18 years of investment banking experience
- Joined Public Investment Bank in January 2005 as Manager of Corporate Finance and Advisory
- Appointed as Head of Corporate Finance and Advisory in December 2012
- Redesignated as Deputy Chief Executive Officer in January 2015, overseeing Corporate Finance and Advisory, Corporate Banking and Securities Financing as well as Debt Capital Markets
- Appointed as Chief Executive Officer in January 2019

#### Present Directorship in other Public Companies

- Nil

**SYAMSUL AZUAN BIN AHMAD FAUZI**

Chief Executive Officer,  
Public Islamic Bank  
Berhad



**Nationality/Age/Gender:**

Malaysian/46/Male

**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 24 years of working experience in the corporate and investment banking field (both conventional and Islamic), of which 7 years were in the middle east
- His attachment with the various financial institutions has developed his technical skills in Islamic finance especially on debt capital market/sukuk and corporate finance
- Held several senior managerial positions prior to joining Public Islamic Bank in February 2019 as Chief Executive Officer

**Present Directorship in other Public Companies**

- Nil

**CHIANG KANG PEY**

Chief Executive Officer,  
Public Mutual Berhad



**Nationality/Age/Gender:**

Malaysian/53/Male

**Qualifications**

- Chartered Financial Analyst (CFA) charterholder
- Master in Financial Management, Rotterdam School of Management, Erasmus University, Netherlands
- Bachelor of Economics (Accounting), Monash University, Australia

**Experience**

- Mr Chiang began his investment career in 1996 and joined Public Mutual in 2004 as Manager of Investment Research before subsequently being promoted to Senior Manager of Investment, Equities Section in 2005
- Promoted to Assistant General Manager in 2008 and Deputy General Manager in 2015
- Appointed as Head of Equity Portfolio Management in 2016 and subsequently promoted to General Manager in 2017
- Promoted to Deputy Chief Executive in October 2021 before his current appointment as Chief Executive Officer in November 2022

**Present Directorship in other Public Companies**

- Nil

**TAN YOKE KONG**

Executive Director &  
Chief Executive,  
Public Bank (Hong Kong)  
Limited



**Nationality/Age/Gender:**

Malaysian/70/Male

**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 41 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) Limited and is appointed as an Honorary Advisor of The Hong Kong Institute of Bankers

**Present Directorship in other Public Companies**

- Executive Director/Chief Executive of Public Financial Holdings Ltd



## Group Management Profile

### CHONG YAM KIANG

Executive Director &  
Chief Executive,  
Public Finance Limited

**Nationality/Age/Gender:**  
Malaysian/72/Male



### CHEE KENG ENG

General Director,  
Public Bank Vietnam Ltd

**Nationality/Age/Gender:**  
Malaysian/53/Male



### ONG MING TECK

Chief Executive Officer,  
Cambodian Public Bank  
Plc

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



#### Qualifications

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

#### Experience

- Mr Chong has more than 53 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

#### Qualifications

- Master in Business Administration, University of Malaya
- Bachelor of Economics (Industrial Economics) (Hons), Universiti Kebangsaan Malaysia

#### Experience

- Mr Chee joined the Bank in 1994
- He was a Branch Manager of several branches before his appointment as Regional Manager of one of the Regional Offices in the Bank
- Transferred to Public Bank Vietnam Ltd in 2015 and appointed to his current position as General Director in June 2016

#### Present Directorship in other Public Companies

- Nil

#### 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

### Nationality/Age/Gender:

Malaysian/68/Male



## CHAN CHEW FUNG

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

### Nationality/Age/Gender:

Malaysian/64/Female



## CHAN CHIEW PENG

Senior General Manager,  
Retail Financial Services

### Nationality/Age/Gender:

Malaysian/59/Female



## KOAY SEOK KHM

Senior General Manager,  
Knowledge & Learning

### Nationality/Age/Gender:

Malaysian/69/Female



### Qualifications

- Master in Science (Corporate Communication), Universiti Putra Malaysia
- Bachelor of Mass Communication (Public Relations), Universiti Teknologi Mara

### 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

### 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

### 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

### 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

**Nationality/Age/Gender:**

Malaysian/68/Male



### MARY NG POH LYN

Senior General Manager,  
Human Capital Management

**Nationality/Age/Gender:**

Malaysian/59/Female



### YIK SOOK LING

Chief Financial Officer

**Nationality/Age/Gender:**

Malaysian/53/Female



### EDDIE CHAN KOK

#### KWAI

General Manager,  
Credit Administration & Supervision

**Nationality/Age/Gender:**

Malaysian/65/Male



#### 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 43 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

#### Qualifications

- The Institute of Chartered Secretaries and Administrators (ICSA)

#### Experience

- Joined Public Bank in 1989 and has more than 36 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

#### Qualifications

- Chartered Accountant of the Malaysian Institute of Accountants (MIA)
- Certified Practising Accountants (CPA) Australia
- Certified Public Accountant of the Malaysian Institute of Certified Public Accountants (MICPA)
- Chartered Banker of the Chartered Banker Institute (CBI), United Kingdom

#### Experience

- Served as a Group Financial Controller before joining the Public Bank Group in 2010
- Appointed Head of Finance and Chief Financial Officer in July 2012

#### Present Directorship in other Public Companies

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

#### 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 Supervision

**Nationality/Age/Gender:**  
Malaysian/56/Male

**FAM YOKE FONG**

General Manager,  
Information Technology

**Nationality/Age/Gender:**  
Malaysian/53/Female

**CARENE KHOO GEOK  
KHENG**

General Manager,  
Wealth Management &  
Transaction Banking

**Nationality/Age/Gender:**  
Malaysian/56/Female

**LEE KOK KEONG**

General Manager,  
Credit Operations

**Nationality/Age/Gender:**  
Malaysian/54/Male

**Qualifications**

- Bachelor of Science (Agribusiness), Universiti Pertanian Malaysia

**Experience**

- Joined Public Bank in 1991 with exposure to branch banking and Head Office credit control
- Appointed Head of HP Credit Control in January 2018 which was subsequently renamed to HP Supervision in December 2022

**Present Directorship in other Public Companies**

- Nil

**Qualifications**

- Bachelor of Computer Science, Universiti Sains Malaysia

**Experience**

- Joined Public Bank in 1994
- Has more than 28 years of experience in the IT field
- Appointed Head of Division in January 2017

**Present Directorship in other Public Companies**

- Nil

**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

**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

#### Nationality/Age/Gender:

Malaysian/51/Female



### SAMUEL SOH BOON

LEONG

General Manager,  
Corporate Banking

#### Nationality/Age/Gender:

Malaysian/50/Male



### TAN SHIEN DOON

Chief Compliance Officer

#### Nationality/Age/Gender:

Malaysian/51/Male



### TEE CHUI CHEE

General Manager,  
PB Card Services &  
Support

#### Nationality/Age/Gender:

Malaysian/60/Male



#### 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 32 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

#### Qualifications

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

#### Experience

- Joined Public Bank in 1996 and has more than 26 years of experience in managing corporate loans
- Appointed Head of Corporate Banking in 2016

#### Present Directorship in other Public Companies

- Nil

#### 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

#### Qualifications

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

#### Experience

- Joined Public Bank in 1991 and has more than 36 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

**Nationality/Age/Gender:**

Malaysian/53/Male

**TUAN HAJI A WAHAB****BIN A RAMAN**

Director, Security

**Nationality/Age/Gender:**

Malaysian/64/Male

**BACIL FERNANDEZ**

Head, Treasury

**Nationality/Age/Gender:**

Malaysian/64/Male

**CHONG SOO LOONG**

Director,  
Corporate Planning,  
Economics &  
Sustainability Management

**Nationality/Age/Gender:**

Malaysian/46/Male

**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

**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

**Qualifications**

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

**Experience**

- Mr Fernandez has more than 40 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

**Qualifications**

- Chartered Accountant of the Malaysian Institute of Accountants (MIA)
- The Association of Chartered Certified Accountants (ACCA)

**Experience**

- Joined Public Bank in 2005 and held managerial portfolio in Corporate Planning & Strategy
- Appointed Head of Corporate Planning, Strategy & Economics in May 2020 and subsequently expanded to include Sustainability Management in October 2022

**Present Directorship in other Public Companies**

- Nil



## Heads of Division

### LIM SAY HUAT

Director,  
Overseas Operations

**Nationality/Age/Gender:**  
Malaysian/53/Male



### EDDIE LIM YEW HUI

Director, Property

**Nationality/Age/Gender:**  
Malaysian/53/Male



### SUNNY NG CHEONG SAN

Director,  
Banking Operations

**Nationality/Age/Gender:**  
Malaysian/61/Male



### POON YUEW SIM

Director,  
Branch Business Review  
& Support/Trade Finance  
& Share Investment  
Centre

**Nationality/Age/Gender:**  
Malaysian/55/Female



#### 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

#### Qualifications

- Professional Banker of Asian Institute of Chartered Bankers
- Diploma in Banking and Finance, Institut Bank-Bank Malaysia

#### Experience

- Joined Public Bank in 1990
- Held several managerial positions before his appointment as Head of Property in January 2021
- Promoted to Director in January 2023

#### Present Directorship in other Public Companies

- Nil

#### 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

#### 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

**Nationality/Age/Gender:**

Malaysian/51/Female

**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 26 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

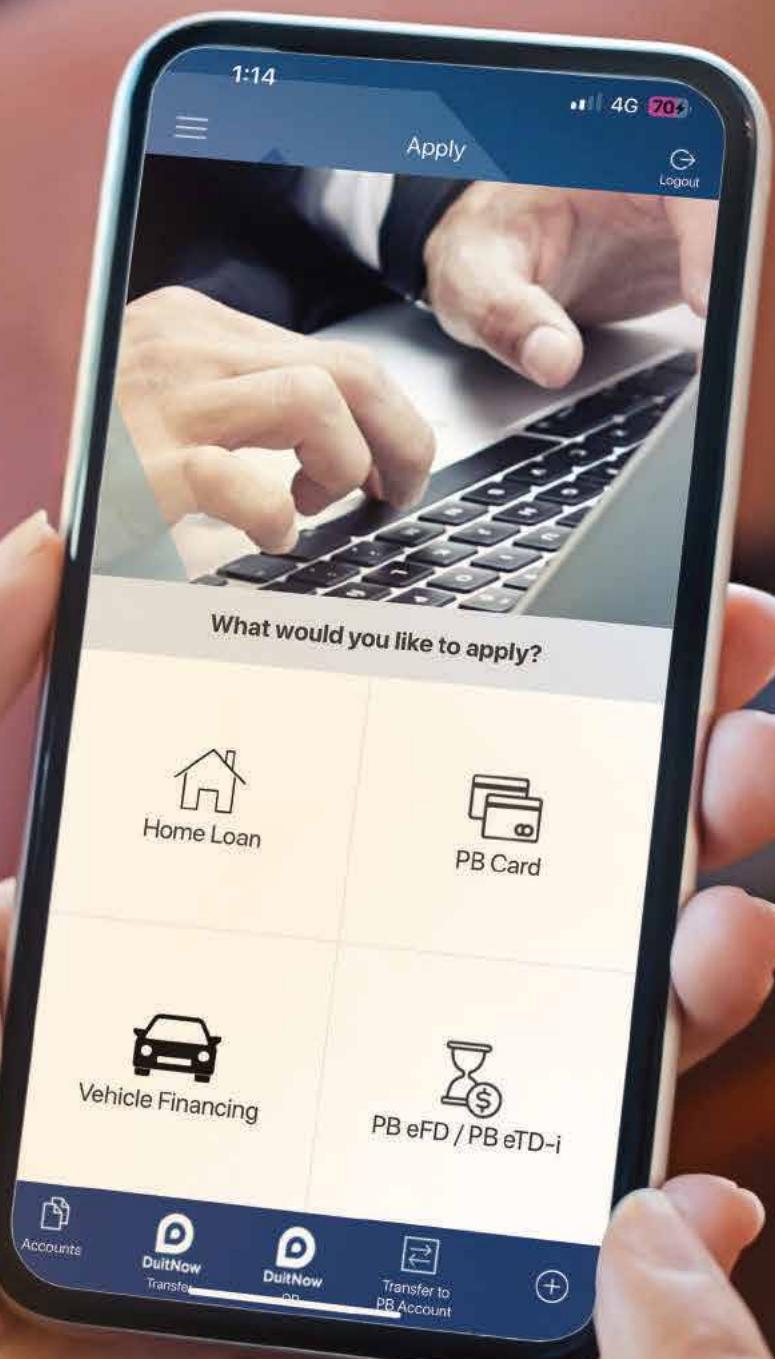
**Present Directorship in other Public Companies**

- Nil

*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







# *“Future proofing with Digital Infrastructure”*

## **DIGITALISATION AS A KEY ENABLER**

In the financial industry, digital banking is fast expanding. We have responded to digital disruption by investing and upgrading our digital infrastructure to build digital solutions that improve customer experiences as well as operational efficiency. Tapping on innovative technology, we continue to meet the evolving needs of our customers, and enhance our competitive advantage in the era of digital banking.

# Public Bank Group's Value Creation Model



# Corporate Mission

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

## OUTPUTS

The Public Bank Group's **financial performance for 2022** is a result of value creation through strategic focus in its key business areas.

 (refer to Group Financial Review on pages 84-108)

### To meet stakeholders' needs



**Material risks and opportunities** that affect the Public Bank Group's **value creation** as well as the Group's **strategies** in response to these risk and opportunities.

 (refer to Outlook and Strategic Directions on pages 147-151)

#### FOR CUSTOMERS

- Frontline services at branches and loan service delivery are certified based on internationally benchmarked ISO 9001:2015 standards.
- Provide the most courteous and efficient services to customers.  
 (refer to Serving the Customer on pages 138-139)

#### FOR SHAREHOLDERS/INVESTORS

- Total dividend of 17.0 sen per share in 2022 or dividend yield of 3.9%.
- Dividend payout of 53.9% of the Public Bank Group's net profit for 2022.
- Highest return on equity of 12.8% amongst domestic banking groups.

#### FOR EMPLOYEES

- Promote well-being of staff, attract and retain talents as well as equip employees with relevant skills for career advancement and personal developments through trainings and development programmes.
- RM50 million** invested in **employees training and development**.
- 72 training hours** per employee.
- Top 3 Best Employer in the Banking sector** in the '2022 Graduates' Choice Award' and Talentbank's **Top 1% among Graduates Preferred Employer – Graduates' Top 25 Preferred Employers in Malaysia**.  
 (refer to 'Theme 2: Proficient Employees' of the Sustainability Statement on pages 195-203)

#### FOR COMMUNITIES AND NON-GOVERNMENTAL ORGANISATIONS

- Conduct business as a socially responsible corporate citizen.
- Total tax contribution amounted to RM2.41 billion** for nation building and economic development.  
 (refer to 'Theme 3: Prosperous Customers and Communities' of the Sustainability Statement on pages 204-218)

#### REGULATORS

- Ensure compliance with regulatory requirements in conducting business.

#### MEDIA AND PUBLIC DOMAIN

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

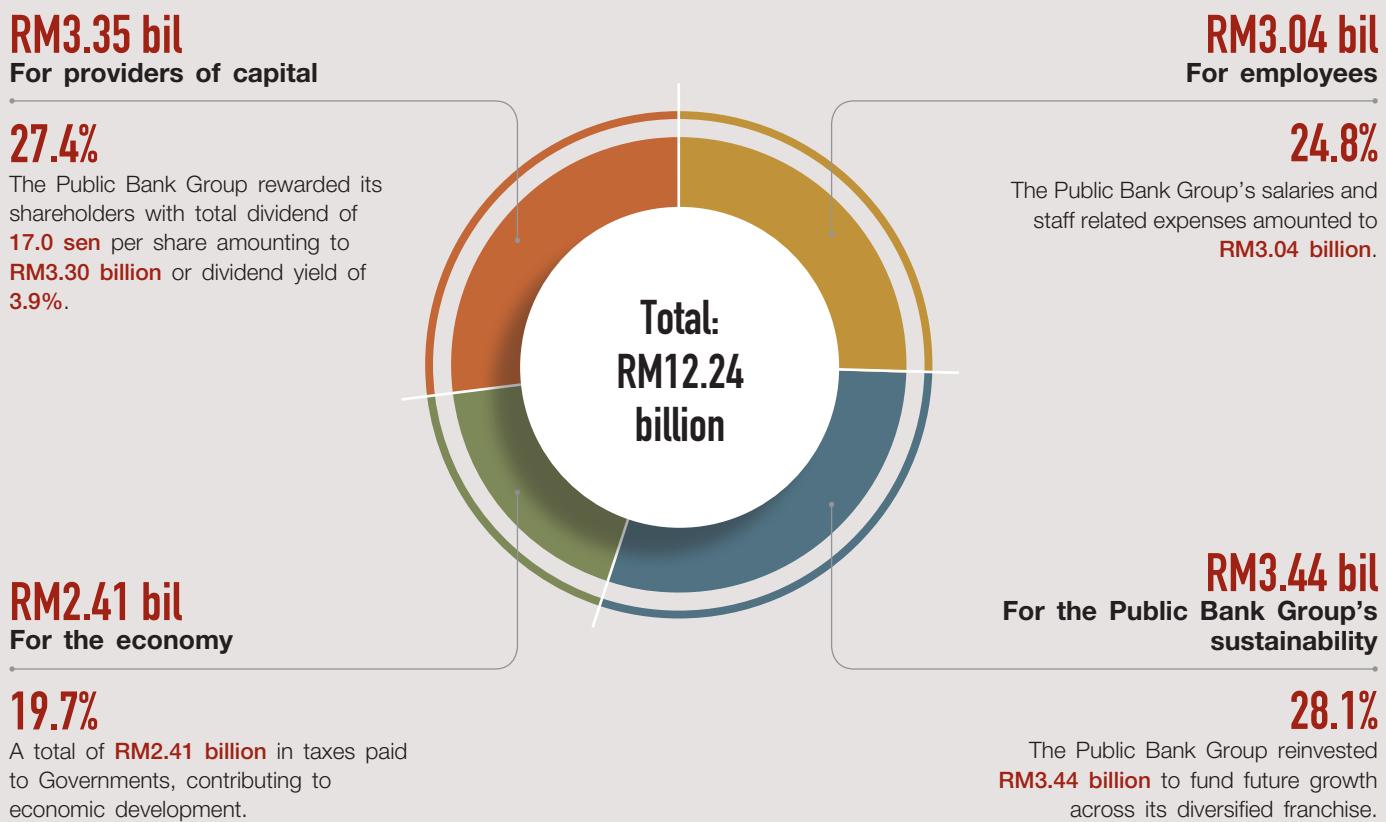
#### SUPPLIERS AND VENDORS

- Engage with suppliers and vendors for procurement and/or maintenance of banking solutions.
- 93% of information and communication technology procurement cost was channelled to local vendors in 2022.**

# 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.

	2022 RM'000	2021 RM'000
<b>DISTRIBUTION OF VALUE ADDED</b>		
<b>To employees:</b>		
Personnel costs	<b>3,043,786</b>	2,896,211
<b>To the Governments:</b>		
Taxation	<b>2,413,921</b>	2,061,768
<b>To providers of capital:</b>		
Dividends paid to shareholders	<b>3,299,818</b>	2,950,425
Non-controlling interests	<b>50,128</b>	73,346
<b>To reinvest in the Group:</b>		
Depreciation	<b>371,583</b>	363,314
Retained profits	<b>3,067,183</b>	2,281,036
<b>Total distributed</b>	<b>12,246,419</b>	10,626,100



# Key Highlights 2022

## STRONGER EARNINGS LED BY CONTINUED EXPANSION IN LOANS AND DEPOSITS



Profit Before Tax

**RM8.83 Bil**

↑ 19.9%

2021: RM7.37 Bil

Earnings  
Per Share**31.5 sen**

↑ 8.2%

2021: 29.1 sen

Dividend  
Per Share**17.0 sen**

↑ 1.8 sen

2021: 15.2 sen

## LEADER IN THE DOMESTIC MARKET

Highest Net  
Return  
on Equity**12.8%**Lowest Cost  
to Income  
Ratio**31.5%**Lowest Gross  
Impaired Loans  
Ratio**0.4%**

### Loans

**↑ 5.3%**

Group

**↑ 5.2%**

Domestic

### Deposits

**↑ 3.8%**

Group

**↑ 4.1%**

Domestic

## ROBUST CAPITAL POSITIONS

**14.6%**

CET 1 Capital Ratio

**14.6%**

Tier 1 Capital Ratio

**17.6%**

Total Capital Ratio

## STRONG CREDIT RATINGS

**AAA**

RAM

**A-**

S&amp;P

**A3**

Moody's

## HEALTHY LIQUIDITY

**127.7%**Liquidity  
Coverage  
Ratio





“

## Advancing Economic Progress

”

# Management Discussion & Analysis

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## Management Discussion and Analysis GROUP FINANCIAL REVIEW

# Summary of Group Financial Performance

## AT A GLANCE

	2022	2021	Variance
			%
<b>PROFITABILITY (RM'MILLION)</b>			
Operating revenue	<b>21,427</b>	19,623	9.2
Profit before tax expense and zakat	<b>8,831</b>	7,367	19.9
Net profit attributable to equity holders	<b>6,119</b>	5,657	8.2
Earnings per share (sen)	<b>31.5</b>	29.1	8.2
<b>BALANCE SHEET (RM'MILLION)</b>			
Total assets	<b>493,263</b>	462,739	6.6
Gross loans, advances and financing	<b>376,892</b>	358,027	5.3
Deposits from customers	<b>394,719</b>	380,394	3.8
Shareholders' equity	<b>50,179</b>	48,163	4.2
<b>FINANCIAL INDICATORS</b>			
Net return on equity	<b>12.8%</b>	12.4%	0.4
Cost to income ratio	<b>31.5%</b>	31.6%	(0.1)
Gross impaired loans ratio	<b>0.4%</b>	0.3%	0.1
Loan loss coverage	<b>272.0%</b>	360.7%	(88.7)
Liquidity coverage ratio	<b>127.7%</b>	127.3%	0.4
Gross loans to fund ratio <sup>^</sup>	<b>91.4%</b>	90.1%	1.3
Gross loans to fund and equity ratio <sup>^</sup>	<b>81.1%</b>	80.0%	1.1
Common Equity Tier I capital ratio <sup>#</sup>	<b>14.6%</b>	14.5%	0.1
Tier I capital ratio <sup>#</sup>	<b>14.6%</b>	14.6%	—
Total capital ratio <sup>#</sup>	<b>17.6%</b>	17.7%	(0.1)

<sup>^</sup> Gross loans exclude loans/financing sold to Cagamas. Funds include deposits from customers and debt securities issued and other borrowed funds.

<sup>#</sup> After deducting dividend declared subsequent to year end.

## INCOME STATEMENT ANALYSIS

	2022 RM'Million	2021 RM'Million	Variance RM'Million	%
Net interest income	<b>9,167</b>	8,315	852	10.2
Net income from Islamic banking business	<b>1,857</b>	1,613	244	15.1
Other operating income	<b>2,414</b>	2,616	(202)	(7.7)
Net income	<b>13,438</b>	12,544	894	7.1
Other operating expenses	<b>(4,235)</b>	(3,965)	(270)	(6.8)
Operating profit	<b>9,203</b>	8,579	624	7.3
Allowance for impairment on loans, advances and financing	<b>(366)</b>	(1,201)	835	69.6
Other allowances	<b>(13)</b>	(6)	(7)	(>100.0)
Share of profit/(loss) after tax of equity accounted associated companies	<b>7</b>	(5)	12	>100.0
<b>Profit before tax expense and zakat</b>	<b>8,831</b>	7,367	1,464	19.9
<b>Net profit attributable to equity holders</b>	<b>6,119</b>	5,657	462	8.2
Net interest margin (%)	<b>2.39</b>	2.22		

The transition to endemicity alongside the pick up in business activities and consumer sentiment have resulted in improved business environment in 2022.

On the back of the growing economy, the Public Bank Group's profit before tax grew by 19.9% or RM1,464.5 million to RM8,831.1 million in 2022, surpassing the RM8 billion mark for the first time. The higher profit before tax was mainly due to healthy loans and deposits growth as well as positive effects of the increase in Overnight Policy Rate ("OPR") by 100 basis points ("bps") and lower allowance for impairment on loans, advances and financing by RM835.6 million, partially offset by drop in other operating income by RM201.6 million and higher other operating expenses by RM270.1 million. Net profit attributable to equity holders also rose by 8.2% or RM462.9 million to RM6,119.5 million in 2022, after taking into account the one-off prosperity tax. Hence, earnings per share improved from 29.1 sen in 2021 to 31.5 sen in 2022.

### NET INCOME

The Public Bank Group's net income rose 7.1% or RM893.8 million to RM13,438.2 million in 2022. The increase in the Group's net income was mainly due to higher net interest income by RM851.8 million and higher net income from Islamic banking business by RM243.5 million, partially offset by decrease in other operating income by RM201.6 million.

### NET INTEREST INCOME

Net interest income which accounted for 68.2% of the Public Bank Group's total net income continued to be the main contributor to the Group's total income in 2022. Net interest income grew by 10.2% in 2022 on the back of higher deposit-taking and lending volumes as well as the 100 bps OPR hike during the year. Consequently, the net interest margin improved to 2.39% in 2022 from 2.22% in 2021.

### NET INCOME FROM ISLAMIC BANKING BUSINESS

Net income from Islamic banking business, which represented 13.8% of the Public Bank Group's total net income in 2022, grew by 15.1% or RM243.5 million to RM1,857.2 million in 2022 mainly due to strong growth in financing and deposits as well as impact from increase in OPR, partially offset by lower gains on investment securities during the year.



# Management Discussion and Analysis

## GROUP FINANCIAL REVIEW

### Summary of Group Financial Performance

#### OTHER OPERATING INCOME

	2022 RM'Million	2021 RM'Million	Variance RM'Million	%
Income from fund management business	<b>1,062</b>	1,242	(180)	(14.5)
Net commission, service charges and fees	<b>743</b>	715	28	3.9
Brokerage and commissions from stock broking activities	<b>110</b>	190	(80)	(42.2)
<b>Net fee and commission income</b>	<b>1,915</b>	2,147	(232)	(10.8)
<b>Net gains and losses on financial instruments</b>	<b>71</b>	60	11	17.8
Foreign exchange income	<b>309</b>	255	54	21.0
Others	<b>119</b>	154	(35)	(21.9)
<b>Other income</b>	<b>428</b>	409	19	4.9
<b>Total other operating income</b>	<b>2,414</b>	2,616	(202)	(7.7)

Other operating income which accounted for 18.0% of the Public Bank Group's total net income in 2022, decreased by 7.7% or RM201.6 million to RM2,414.2 million in 2022 mainly due to lower net fee and commission income.

Net fee and commission income decreased by 10.8% or RM232.3 million to RM1,914.5 million in 2022 mainly due to lower contribution from fund management business and stock broking activities in line with subdued market conditions.

Net gains and losses on financial instruments recorded an increase of 17.8% or RM10.7 million to RM70.9 million in 2022 mainly due to higher gain from financial assets revaluation offset by lower gain from disposal of financial instruments.

Foreign exchange income increased by 21.0% or RM53.6 million to RM308.9 million in 2022 mainly due to improved market conditions.

## OTHER OPERATING EXPENSES

	2022 RM'Million	2021 RM'Million	Variance RM'Million	%
Personnel costs	<b>3,044</b>	2,896	148	5.1
Establishment costs	<b>766</b>	739	27	3.7
Marketing expenses	<b>111</b>	117	(6)	(5.5)
Administration and general expenses	<b>314</b>	213	101	47.8
<b>Total other operating expenses</b>	<b>4,235</b>	3,965	270	6.8
Cost to income ratio (%)	<b>31.5</b>	31.6		
Staff strength	<b>19,188</b>	19,364		

The Public Bank Group's total other operating expenses increased by 6.8% or RM270.1 million to RM4,235.4 million in 2022 in line with increased business activities. The Group's cost to income ratio of 31.5% continued to be the lowest and most efficient amongst domestic banking groups in Malaysia.

Personnel costs rose by 5.1% or RM147.6 million to RM3,043.8 million in 2022 and accounted for 71.9% of the Group's total other operating expenses. The Group's staff strength stood at 19,188 as at the end of 2022.

Establishment costs rose by 3.7% or RM27.2 million to RM765.9 million in 2022 while marketing expenses dropped by 5.5% or RM6.4 million to RM111.2 million in 2022. Both establishment as well as marketing expenses accounted for 18.1% and 2.6% respectively of the Group's total other operating expenses in 2022.

Administration and general expenses rose by 47.8% or RM101.8 million to RM314.5 million in 2022 in line with resumption of business activities after the full reopening of the economy in 2022.

## ALLOWANCE FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING

	2022 RM'Million	2021 RM'Million	Variance RM'Million	%
Expected credit losses, including loan/financing commitments and financial guarantees:	<b>597</b>	1,394	(797)	(57.2)
Stage 1	<b>(41)</b>	577	(618)	(>100.0)
Stage 2	<b>236</b>	583	(347)	(59.5)
Stage 3	<b>402</b>	234	168	71.5
Recoveries	<b>(231)</b>	(193)	(38)	(19.6)
<b>Total allowance for impairment on loans, advances and financing</b>	<b>366</b>	1,201	(835)	(69.6)
Credit charge ratio (%)	<b>0.10</b>	0.34		



# Management Discussion and Analysis

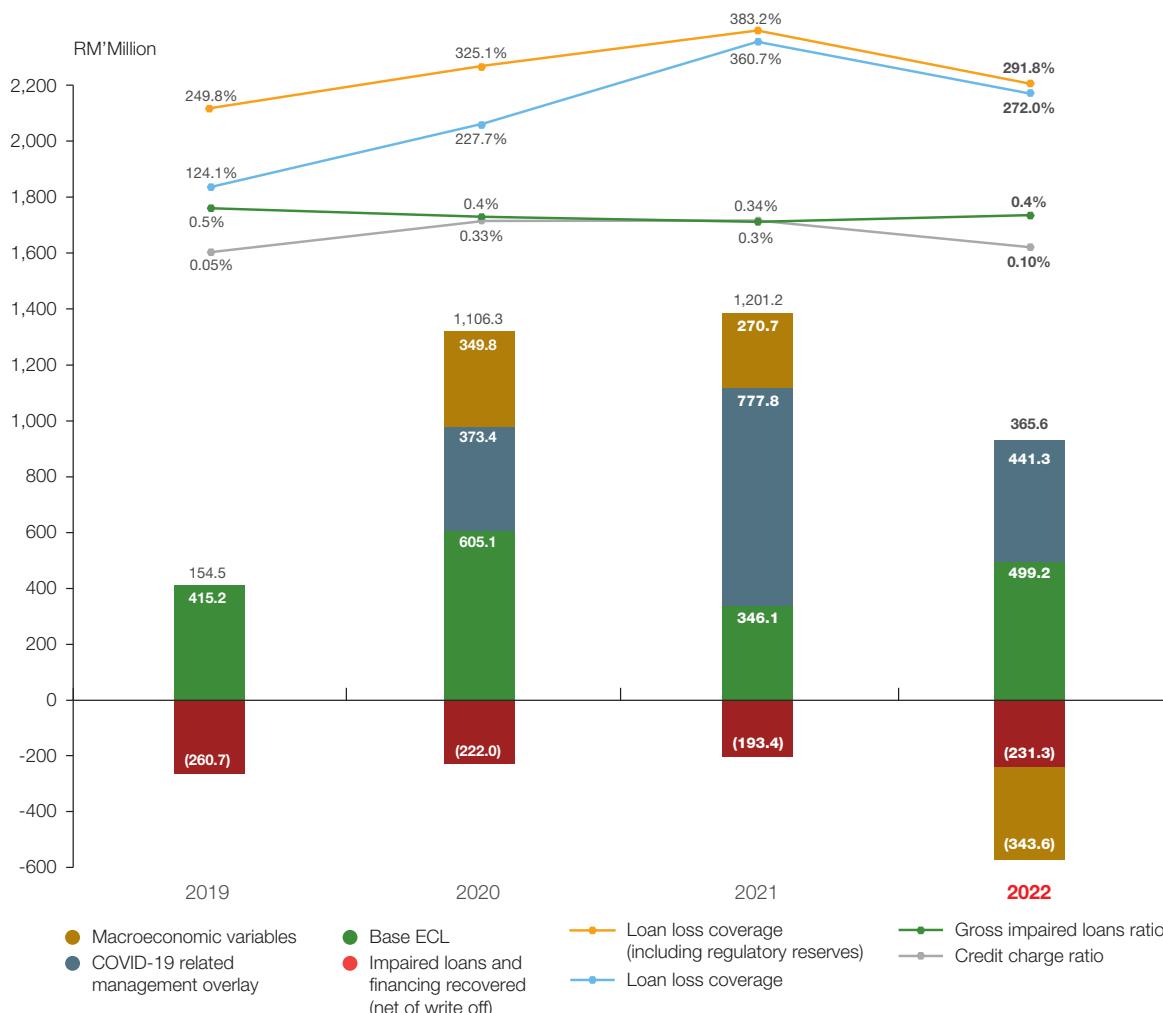
## GROUP FINANCIAL REVIEW

### Summary of Group Financial Performance

The total allowance for impairment on loans, advances and financing decreased by 69.6% or RM835.6 million to RM365.6 million in 2022 mainly due to higher pre-emptive provisioning made in the previous year coupled with stable asset quality observed in the current year. As a result, credit charge ratio dropped to 10 basis points ("bps") in 2022 from 34 bps in 2021.

The decrease in expected credit loss ("ECL") of RM797.7 million was mainly due to the following:

- Stage 1: Writeback of ECL in 2022 was mainly due to loans, advances and financing that were repaid or remeasurement of ECL due to improvement in credit quality, recalibration of forward looking macroeconomic variables and derecognition of loans, advances and financing due to full settlement.
- Stage 2: Lower ECL in 2022 was mainly due to loans, advances and financing that were repaid or remeasurement of ECL due to improvement in credit quality, recalibration of forward looking macroeconomic variables and derecognition of loans, advances and financing due to full settlement.
- Stage 3: Higher ECL in 2022 was mainly due to higher credit impaired loans, advances and financing upon expiry of the loan moratorium or repayment assistance.



In 2020, the Group's ECL had increased significantly to RM1,106.3 million due to pre-emptive provisioning set aside for potential credit risk losses from the COVID-19 pandemic. This further increased to RM1,201.2 million in 2021 due to additional COVID-19 related management overlay provisions and forward looking macroeconomic variables. In 2022, the Group's ECL fell to RM365.6 million mainly due to lower provisioning as adequate pre-emptive provisioning has been provided in prior years following the transition to the endemic phase of the COVID-19 pandemic in April 2022 as well as stable asset quality observed during the year. As at the end of 2022, the Group's gross impaired loans ratio remained stable at 0.4%. The Group's loan loss coverage ratio dropped to 272.0% as at the end of 2022 from 360.7% a year ago mainly due to higher gross impaired loans upon expiry of the COVID-19 related loan moratorium or repayment assistance whereby pre-emptive provision had been made in the previous years. The Group's loan loss coverage ratio of 272.0% was significantly higher than the industry coverage ratio of 98.2%. Including the Group's regulatory reserves, the loan loss coverage ratio was higher at 291.8%.

## SEGMENTAL PROFITABILITY

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

	2022		2021		Growth %	
	RM'Million	% of Contribution	RM'Million	% of Contribution		
<b>Domestic Operations</b>						
Comprise of:						
Retail	<b>4,197</b>	<b>47.5</b>	4,311	58.5	(2.6)	
Hire Purchase	<b>907</b>	<b>10.3</b>	(117)	(1.6)	>100.0	
Fund Management	<b>780</b>	<b>8.9</b>	878	11.9	(11.1)	
Corporate Lending	<b>426</b>	<b>4.8</b>	445	6.0	(4.3)	
Treasury and Capital Market	<b>347</b>	<b>3.9</b>	433	5.9	(19.8)	
Investment Banking	<b>52</b>	<b>0.6</b>	81	1.1	(35.4)	
Head office, funding centre and others*	<b>1,457</b>	<b>16.5</b>	713	9.7	>100.0	
<b>Total domestic operations</b>	<b>8,166</b>	<b>92.5</b>	6,744	91.5	21.1	
<b>Overseas Operations</b>	<b>665</b>	<b>7.5</b>	623	8.5	6.8	
<b>Profit before taxation</b>	<b>8,831</b>	<b>100.0</b>	7,367	100.0	19.9	

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

- Retail operations was the largest contributor to the Public Bank Group's profitability and contributed 47.5% to the Group's pre-tax profit in 2022.
- Retail operations' pre-tax profit decreased by 2.6% or RM113.9 million to RM4,197.5 million in 2022 mainly due to higher other operating expenses, higher loan impairment allowance and lower fee income. These were partially offset by higher net interest income on higher average loan balances.
- Hire purchase operations reported a pre-tax profit of RM906.7 million in 2022 as compared to pre-tax loss of RM117.1 million in 2021 mainly attributable to net writeback of loan impairment allowance in the current year as compared to loan impairment allowance made in the previous year, and higher net interest income on higher average loan balances.
- Fund management operations' pre-tax profit decreased by 11.1% or RM97.7 million to RM780.4 million in 2022 mainly due to lower management fee from lower average net asset value of funds and lower fee income on sale of trust units arising from lower equity sales achieved in tandem with the weaker market conditions.
- Corporate lending's pre-tax profit dropped by 4.3% or RM19.3 million to RM425.5 million in 2022 mainly due to lower net interest income and fee income, partially offset by lower loan impairment allowance.
- Treasury and capital market operations' pre-tax profit decreased by 19.8% or RM85.8 million to RM346.8 million in 2022 mainly due to lower net interest income from interest gapping activities.
- Investment banking operations' pre-tax profit decreased by 35.4% or RM28.6 million to RM52.1 million in 2022 mainly due to lower stock broking income arising from weaker market conditions.
- The pre-tax profit from head office, funding centre and others increased to RM1,457.1 million in 2022 mainly due to higher net interest income arising from the positive effects of four OPR hikes totalling 100 basis points in the current year.



# Management Discussion and Analysis

## GROUP FINANCIAL REVIEW

### Summary of Group Financial Performance

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

	2022		2021		Growth %
	RM'Million	% of Contribution	RM'Million	% of Contribution	
<b>In Malaysia</b>	<b>8,166</b>	<b>92.5</b>	6,744	91.5	21.1
<i>of which:</i>					
Public Bank Berhad*	<b>6,365</b>	<b>72.1</b>	5,041	68.4	26.3
Public Islamic Bank Berhad*	<b>929</b>	<b>10.5</b>	729	9.9	27.4
Public Mutual Berhad	<b>780</b>	<b>8.9</b>	878	11.9	(11.1)
Public Investment Bank Berhad*	<b>52</b>	<b>0.6</b>	80	1.1	(35.2)
<b>Outside Malaysia</b>	<b>665</b>	<b>7.5</b>	623	8.5	6.8
<i>of which:</i>					
<u>Hong Kong operations</u>	<b>228</b>	<b>2.6</b>	320	4.3	(28.9)
– Public Finance Limited	<b>107</b>	<b>1.2</b>	156	2.1	(31.3)
– Public Bank (Hong Kong) Limited*	<b>109</b>	<b>1.2</b>	139	1.9	(21.5)
<u>Cambodian operations</u>					
Cambodian Public Bank Plc	<b>295</b>	<b>3.3</b>	236	3.2	25.2
<u>Vietnam operations</u>					
Public Bank Vietnam Limited	<b>111</b>	<b>1.3</b>	85	1.2	30.3
<b>Profit before taxation</b>	<b>8,831</b>	<b>100.0</b>	7,367	100.0	19.9

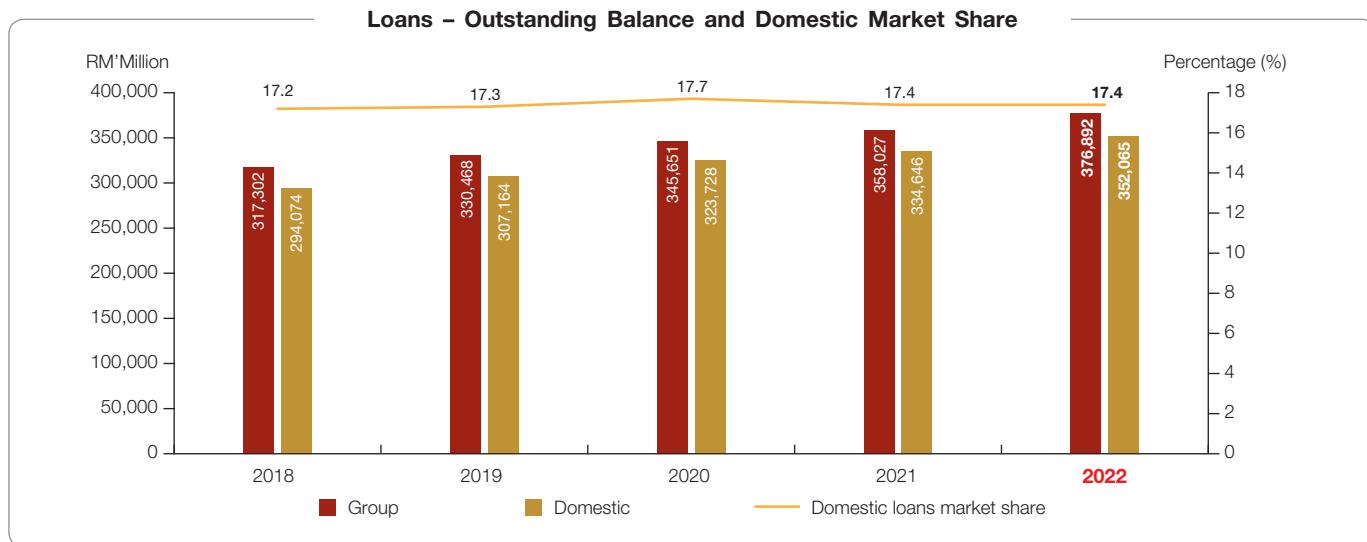
\* Profit excluding dividends from subsidiaries and associated companies and any other intercompany transactions which are eliminated at the Group level.

- In 2022, the Public Bank Group's domestic operations contributed 92.5% to the Group's pre-tax profit. The Group's overseas operations contributed the remaining 7.5%.
- The pre-tax profit from the Group's overseas operations increased by 6.8% to RM664.9 million in 2022 mainly from the Group's operations in Cambodia and Vietnam.

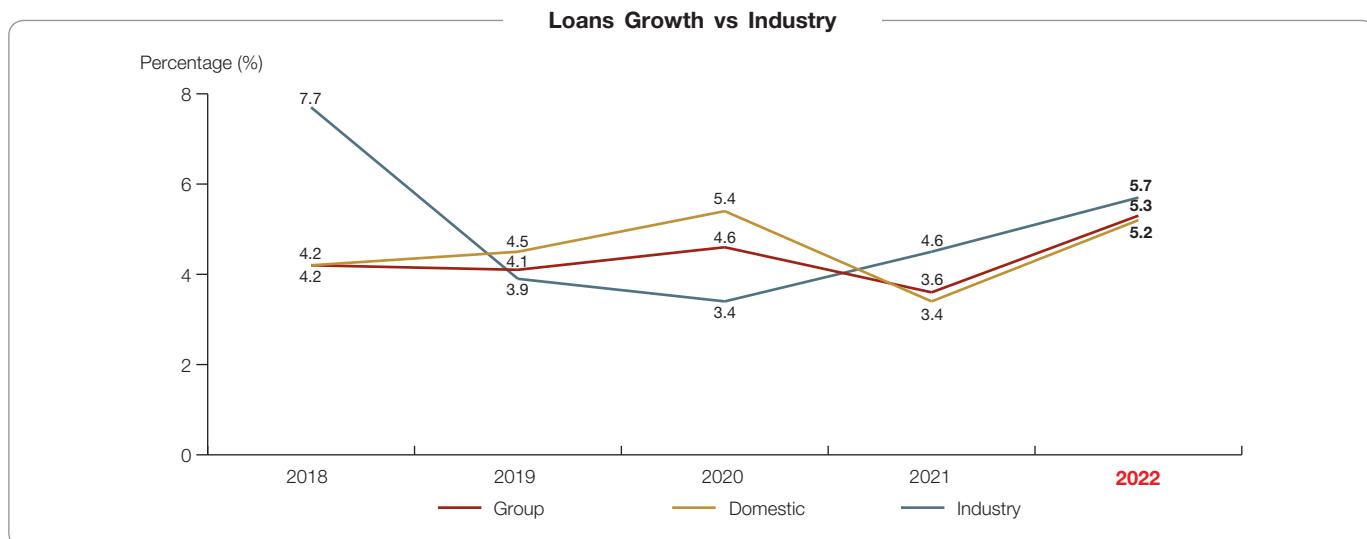
## LOANS AND DEPOSITS

### STABLE LOANS AND DEPOSITS GROWTH

The Public Bank Group achieved stable loans and deposits growth in 2022 supported by the resumption of various economic activities following the transition to the endemic phase of the COVID-19 pandemic in April 2022.



- The Public Bank Group's gross loans, advances and financing grew by 5.3% or RM18.87 billion to RM376.89 billion as at the end of 2022, partly supported by domestic loans growth which grew by 5.2% or RM17.42 billion to RM352.07 billion as at the end of 2022.
- The Group's domestic loans market share remained stable at 17.4% as at the end of 2022.



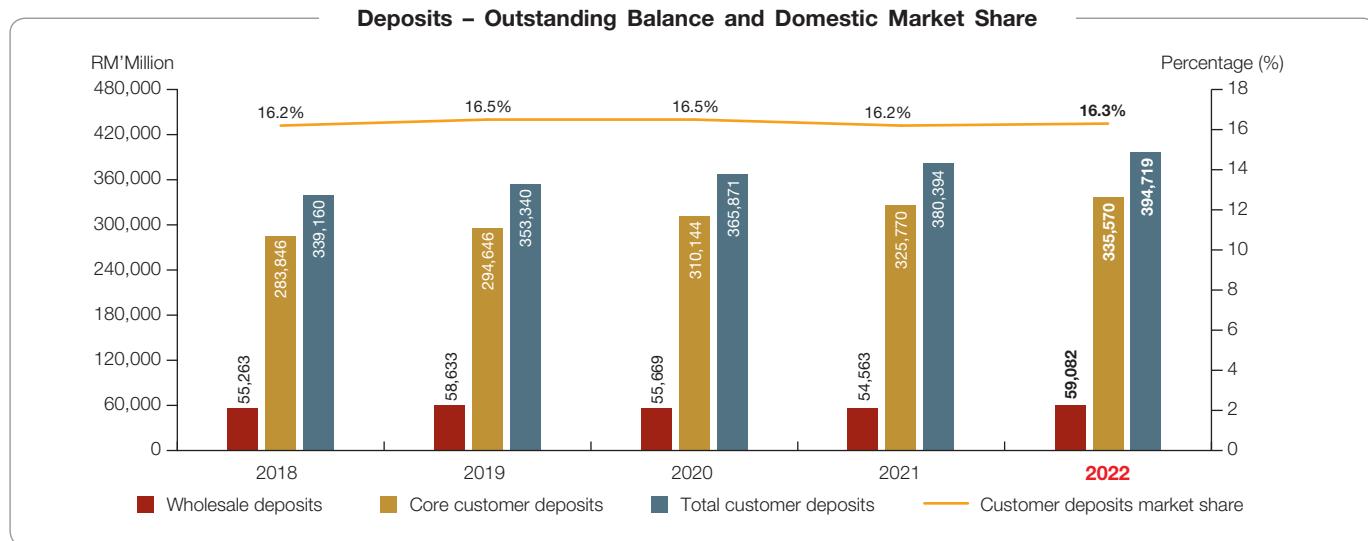
- Supported by the improving economic conditions, the Public Bank Group's total and domestic loans grew by 5.3% and 5.2% respectively in 2022 as compared to the banking industry's loans growth of 5.7%.



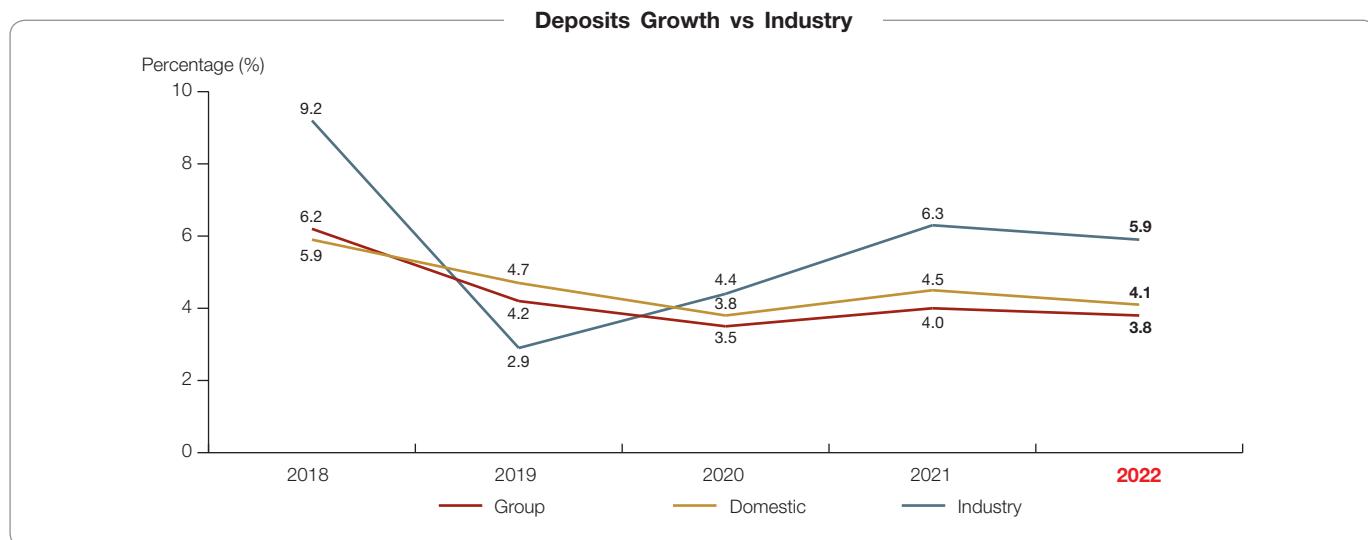
# Management Discussion and Analysis

## GROUP FINANCIAL REVIEW

### Summary of Group Financial Performance

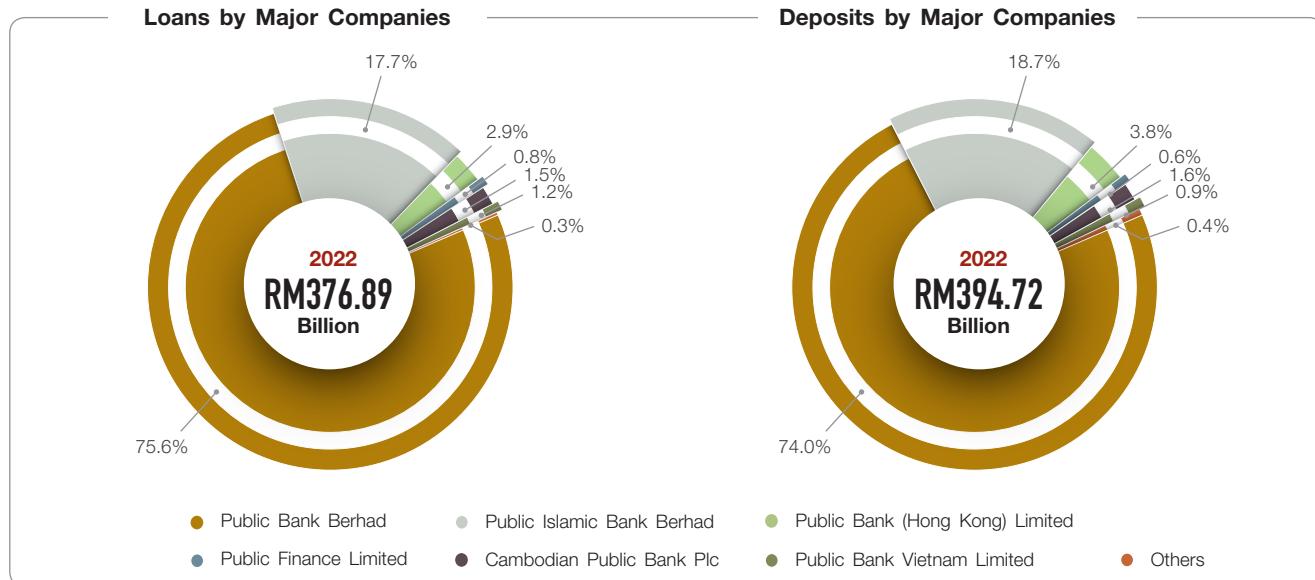


- The Public Bank Group is cognisant that maintaining liquidity strength is important for preserving financial resilience amid the uncertain economic environment.
- The Group's customer deposits increased by 3.8% or RM14.32 billion to RM394.72 billion as at the end of 2022 mainly driven by current and fixed deposits which grew by 4.4% and 4.7% respectively. As a result, core customer deposits grew by 3.0% or RM9.80 billion to RM335.57 billion as at the end of 2022.
- The Group's domestic market share in customer deposits improved to 16.3% as at the end of 2022 from 16.2% a year ago, supported by the Group's strong retail franchise and large domestic depositor base.



- The Group's total and domestic deposits grew by 3.8% and 4.1% respectively in 2022 as compared to the banking industry's deposits growth rate of 5.9%.

## (I) LOANS AND DEPOSITS BY MAJOR COMPANIES



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

	Loans Growth Rate		Deposits Growth Rate	
	2022 %	2021 %	2022 %	2021 %
<b>Domestic*</b>	<b>5.2</b>	3.4	<b>4.1</b>	4.5
of which:				
Public Bank Berhad	<b>4.0</b>	2.0	<b>1.7</b>	3.8
Public Islamic Bank Berhad	<b>10.8</b>	9.9	<b>14.8</b>	7.3
<b>Overseas</b>	<b>6.2</b>	6.6	<b>(0.7)</b>	(2.2)
of which:				
Public Bank (Hong Kong) Limited**	<b>(5.9)</b>	0.8	<b>(4.8)</b>	(5.2)
Public Finance Limited**	<b>(2.6)</b>	(4.2)	<b>(8.4)</b>	(9.2)
Cambodian Public Bank Plc**	<b>7.8</b>	2.9	<b>(13.6)</b>	(10.1)
Public Bank Vietnam Limited**	<b>19.0</b>	21.6	<b>9.3</b>	10.9
<b>Group</b>	<b>5.3</b>	3.6	<b>3.8</b>	4.0

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

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

- The Public Bank Group remains focused in the domestic market. The Group continues to expand its business regionally, particularly in Indo-China, capitalising on the potential long term growth prospect in that region.
- In 2022, the domestic economic environment started to gain momentum as the nation transitioned to the endemic phase in April 2022. The Group's domestic loans and customer deposits grew by 5.2% and 4.1% respectively in 2022.
- However, the performance of the Group's overseas operations was mixed in 2022. The Group's Hong Kong operations remained affected by economic challenges due to the COVID-19 pandemic. Total loans of the Group's overseas operations grew by 6.2% whilst deposits dropped slightly by 0.7% in 2022. Nevertheless, PBVN recorded strong loans and deposits growth of 19.0% and 9.3% respectively in 2022 as a result of the Group's continued business expansion in Vietnam.



# Management Discussion and Analysis

## GROUP FINANCIAL REVIEW

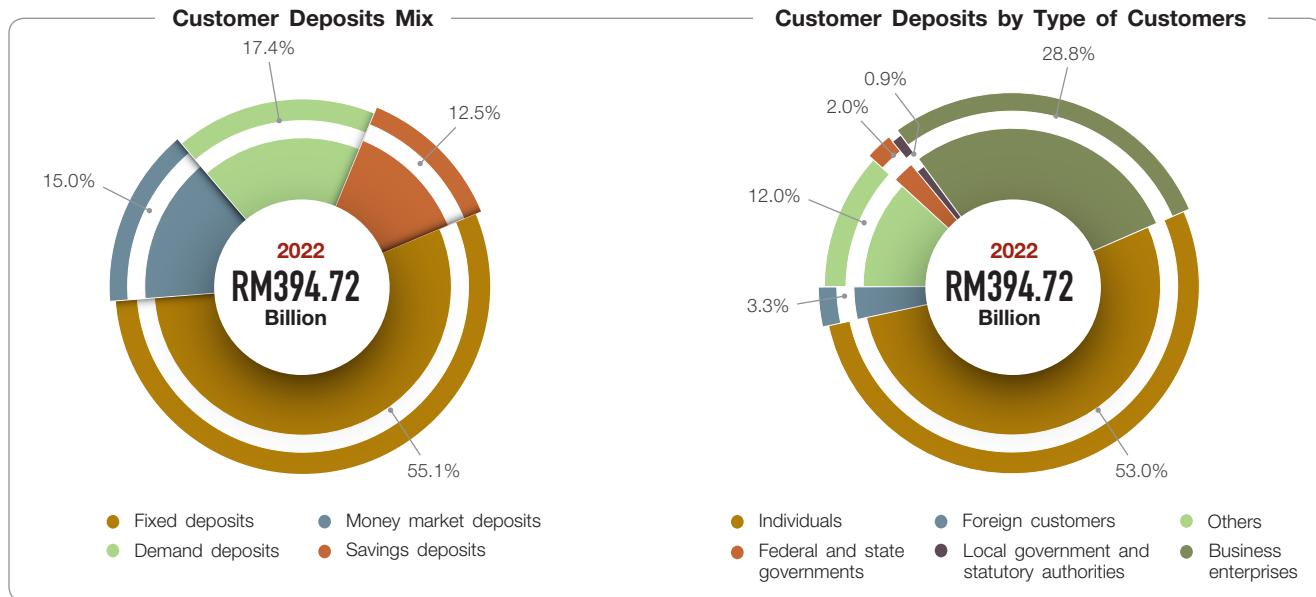
### Summary of Group Financial Performance

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

	Outstanding		Growth Rate		Market Share	
	2022 RM'Million	2021 RM'Million	2022 %	2021 %	2022 %	
<b>Residential Properties</b>	<b>158,506</b>	147,680	<b>7.3</b>	8.6		
– Domestic	<b>151,708</b>	141,177	<b>7.5</b>	8.7	20.6	
<b>Passenger Vehicles</b>	<b>61,166</b>	56,214	<b>8.8</b>	2.2		
– Domestic	<b>58,250</b>	53,441	<b>9.0</b>	2.1	30.2	
<b>SME</b>	<b>71,764</b>	72,254	<b>(0.7)</b>	2.1		
– Domestic	<b>67,174</b>	67,868	<b>(1.0)</b>	1.7	18.6	

- The Public Bank Group remained focused on the financing for the purchase of residential properties, passenger vehicles and commercial lending to SMEs, which collectively represented 77.3% of the Group's total gross loans, advances and financing as at the end of 2022.
- In 2022, the Group's financing of residential properties and passenger vehicles grew by 7.3% and 8.8% respectively while lending to SMEs fell slightly by 0.7%.
- The Group continued to be the No.1 domestic financier for the purchase of residential properties and commercial lending to SMEs, with market shares of 20.6% and 18.6% respectively as at the end of 2022. The Group also maintained a strong market share of 30.2% as at the end of 2022 in the domestic financing of passenger vehicles segment.

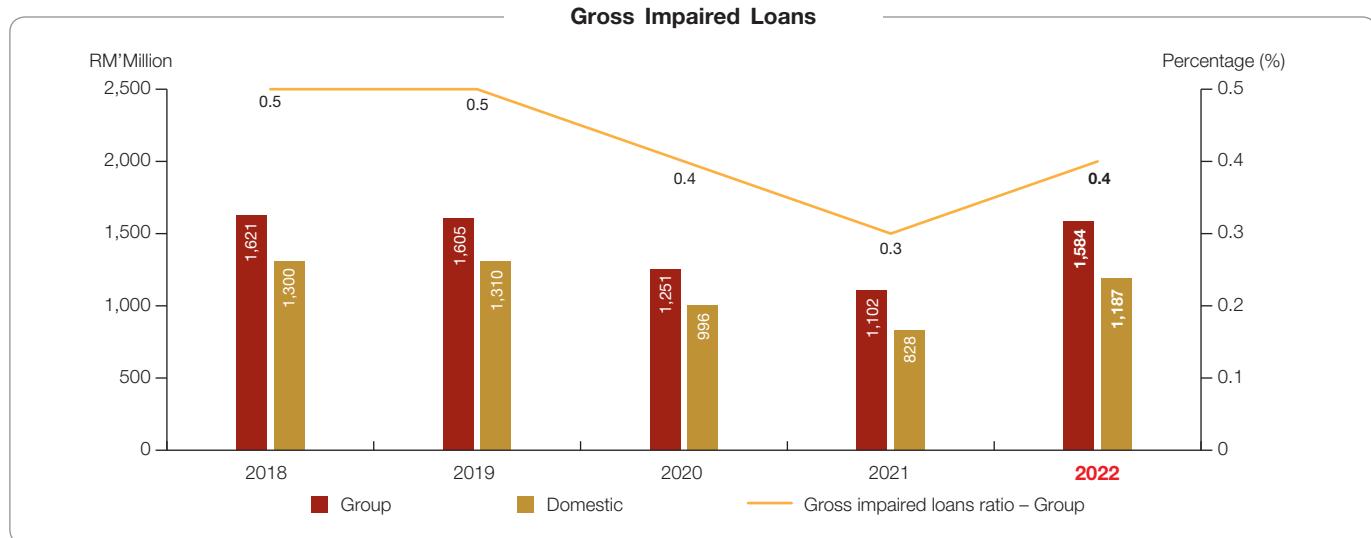
#### (III) COMPOSITION OF CUSTOMER DEPOSITS



- Core customer deposits which consist of demand deposits, savings deposits and fixed deposits, accounted for 85.0% of the Public Bank Group's total customer deposits as at the end of 2022. The composition of low cost current and savings accounts mix stood at 29.9% of the Group's total customer deposits as at the end of 2022.
- Individual depositors which accounted for 53.0% of the Group's total customer deposits as at the end of 2022 remained the largest group of the Group's depositors.

# ASSET QUALITY

## RESILIENT ASSET QUALITY



- The Public Bank Group continued to maintain its leading position in terms of asset quality amongst key domestic banking groups, with gross impaired loans ratio of 0.4% as at the end of 2022.
- Given the expiry of the PEMULIH repayment assistance programme and progressive economic recovery in 2022, repayment trend has been observed to be stable whilst formation of new impaired loans remained relatively low. Nevertheless, the Group stand ready and will continue to provide further assistance to borrowers who may still face financial difficulties. With the Group's preventive and proactive measures in place, coupled with the Group's resilient credit profile, prudent lending practices as well as large loan loss reserves, the Group is well positioned to weather any potential asset quality deterioration.

	2022 %	2021 %
<b>Gross Impaired Loans Ratio</b>		
<b>Domestic</b>	<b>0.3</b>	0.2
of which:		
Public Bank Berhad	<b>0.4</b>	0.3
Public Islamic Bank Berhad	<b>0.2</b>	0.2
<b>Overseas</b>	<b>1.6</b>	1.2
of which:		
Public Bank (Hong Kong) Limited	<b>1.2</b>	0.9
Public Finance Limited	<b>1.4</b>	1.2
Cambodian Public Bank Plc	<b>1.7</b>	0.6
Public Bank Vietnam Limited	<b>1.8</b>	1.7
<b>Group</b>	<b>0.4</b>	0.3

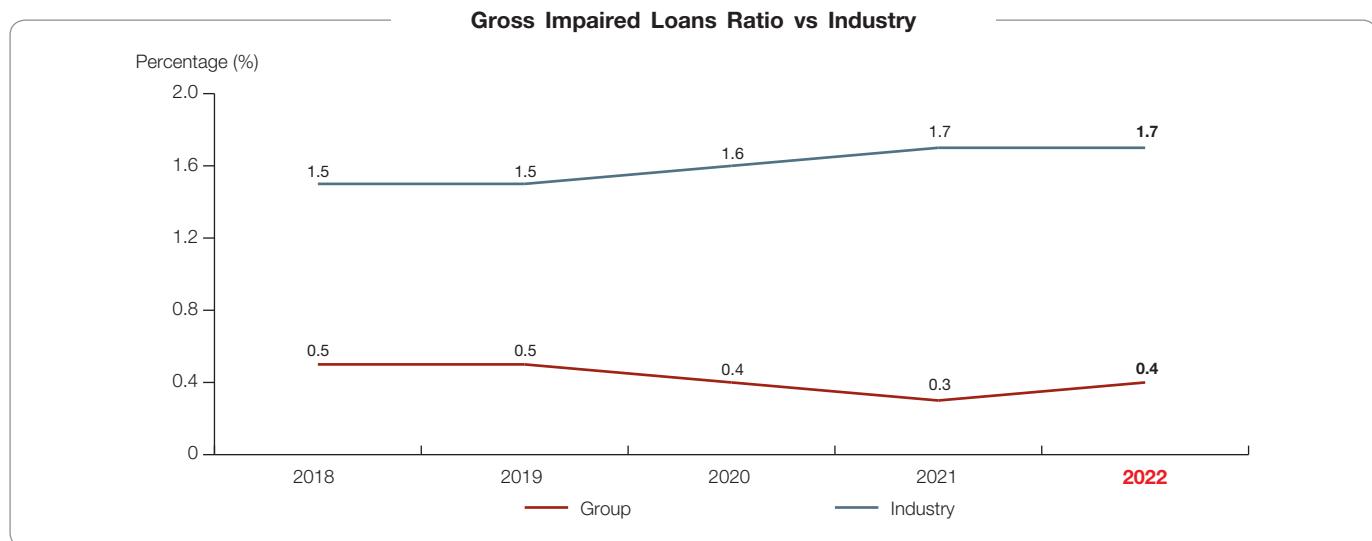
- The Public Bank Group's domestic gross impaired loans ratio of 0.3% as at the end of 2022 continued to be the lowest amongst the Malaysian banking groups.
- The asset quality of the Group's overseas operations remained stable with gross impaired loans ratio of 1.6% as at the end of 2022.



# Management Discussion and Analysis

## GROUP FINANCIAL REVIEW

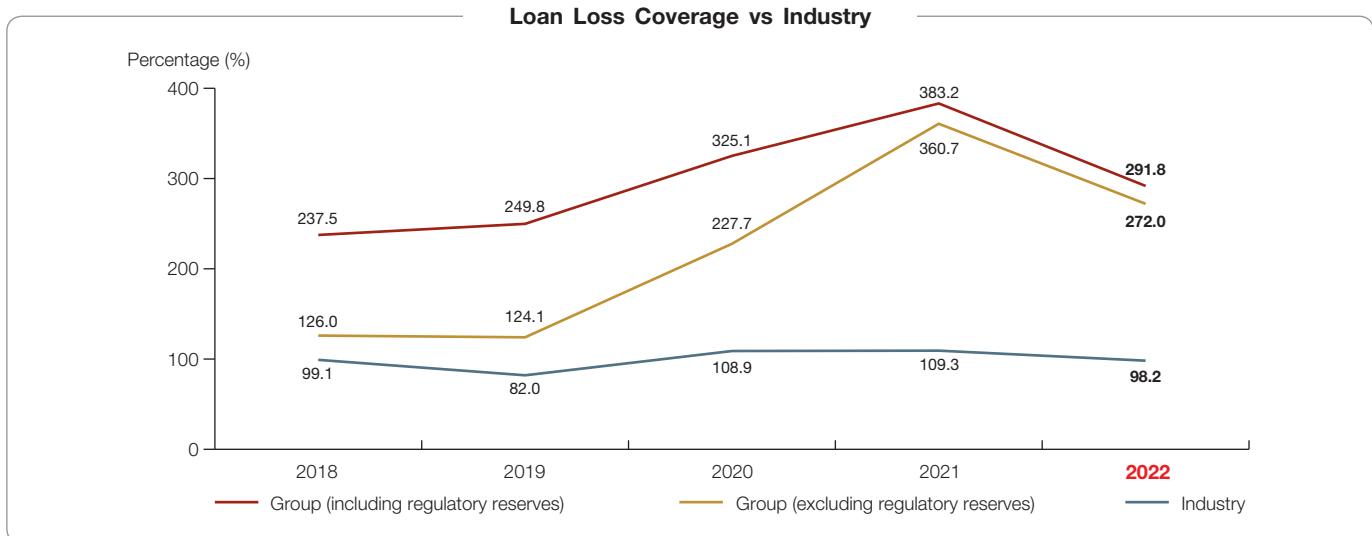
### Summary of Group Financial Performance



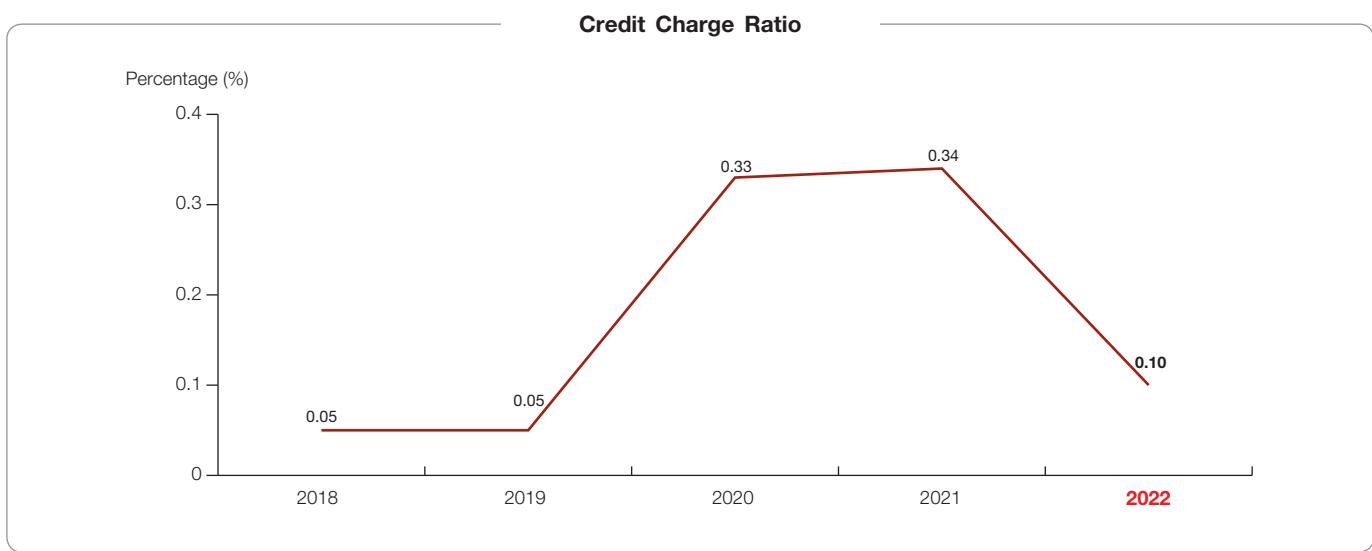
- Over the past five years, the Public Bank Group's gross impaired loans ratio have remained low and stable as well as significantly below the banking industry's gross impaired loans ratio.

Gross Impaired Loans Ratio by Type	Public Bank Group		Industry Average
	2022 %	2021 %	%
<b>Consumer</b>			
Housing Loans	<b>0.3</b>	0.2	1.4
Hire Purchase	<b>0.3</b>	0.3	0.6
Commercial Properties	<b>0.6</b>	0.2	1.8

- The Public Bank Group's gross impaired loans ratio for housing loans, hire purchase and commercial properties financing of 0.3%, 0.3% and 0.6% respectively as at the end of 2022 remained well below the industry's average of 1.4%, 0.6% and 1.8% respectively.



- Even prior to the COVID-19 pandemic which started in year 2020, the Public Bank Group had already maintained high levels of provisioning and regulatory reserves as reflected by the Group's high loan loss coverage ratio.
- The Group's loan loss coverage ratio has increased to 227.7% as at the end of 2020 owing to pre-emptive provisioning made due to the COVID-19 pandemic as additional credit loss absorbent. This further increased to 360.7% as at the end of 2021. The loan loss coverage ratio dropped to 272.0% as at the end of 2022 mainly due to increase in gross impaired loans as repayment assistance programmes ended following the end of the pandemic phase.
- The Group's loan loss coverage ratio of 272.0% remained significantly higher than the pre-pandemic level as well as industry coverage ratio, notwithstanding that more than 90% of the Group's impaired loans are secured.
- With the inclusion of regulatory reserves, the Group's loan loss coverage ratio would be higher at 291.8%. The Group's prudent loan loss reserves will provide a strong buffer to absorb any potential increase in credit cost in future.



- Since 2020, the Group's credit charge ratio had increased significantly due to prudent pre-emptive provisioning set aside for potential credit losses from the COVID-19 pandemic. This is reflected in the credit charge ratio which increased from 0.05% in 2019 to 0.33% in 2020 and 0.34% in 2021. In 2022, the credit charge ratio of the Group fell to 0.10% from 0.34% in 2021 as adequate pre-emptive provisioning has been made in prior years coupled with stable asset quality observed in the current year. This is in line with the improved economic conditions and macroeconomic outlook.



# Management Discussion and Analysis

## GROUP FINANCIAL REVIEW

### Summary of Group Financial Performance

#### REPAYMENT ASSISTANCE ("RA") PROGRAMMES

##### (a) Expiry and Reapplication of RA

Since 2020, the Public Bank Group has offered various loan repayment assistance programmes to customers/borrowers who face financial constraints due to the COVID-19 pandemic. Following the transition to the endemic phase of the COVID-19 pandemic in April 2022, most of the RA Programmes have expired including the Pakej Perlindungan Rakyat & Pemulihan Ekonomi ("PEMULIH") RA programme. Whilst most customers/borrowers have resumed their normal repayments, some customers/borrowers have applied for further assistance in 2022.

##### (b) RA by key business segments

###### i) Total cumulative loans approved under RA Programmes from 2020 up to 28 February 2023

Key Business Segment	PBB	PIBB	PIVB	Total	Total RA against Outstanding Domestic Portfolio %
	RM'Mil	RM'Mil	RM'Mil	RM'Mil	
<b>Individual</b>	<b>44,715</b>	<b>13,724</b>	–	<b>58,439</b>	<b>23.9</b>
of which:					
Housing Loans	27,433	8,892	–	36,325	24.6
Hire Purchase	6,322	2,187	–	8,509	17.3
<b>Non-Individual</b>	<b>21,592</b>	<b>4,655</b>	<b>117</b>	<b>26,364</b>	<b>24.4</b>
of which:					
Corporate Loans	4,251	441	3	4,695	11.1
Retail Business	17,341	4,214	114	21,669	33.0
<b>Total</b>	<b>66,307</b>	<b>18,379</b>	<b>117</b>	<b>84,803</b>	<b>24.0</b>

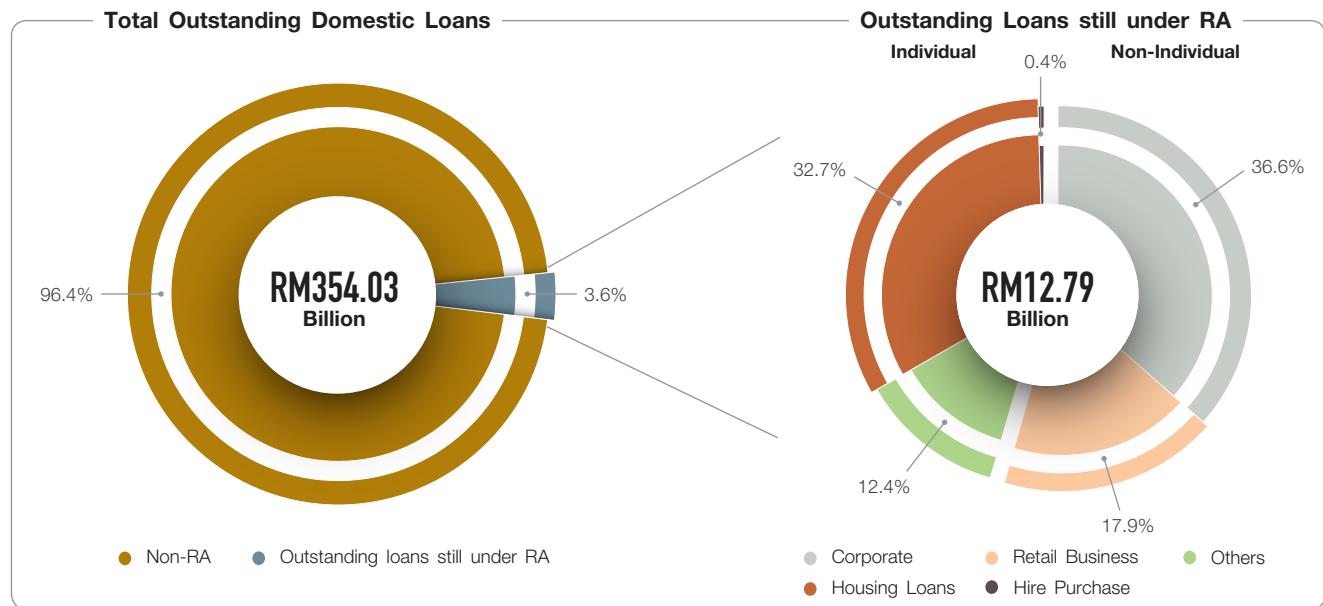
Cumulatively, the Public Bank Group has approved RA amounting to RM84.80 billion or 24.0% of the Group's domestic loans as at the end of February 2023. 78.2% and 21.7% of the Group's RA loans were approved by PBB and PIBB respectively. RA were approved for 23.9% and 24.4% respectively of individual and non-individual loans. The domestic housing and hire purchase loans which were under RA stood at 24.6% and 17.3% respectively whilst RA for corporate and retail business loans stood at 11.1% and 33.0% respectively as at the end of February 2023.

###### ii) Outstanding loans still under RA as at 28 February 2023

Key Business Segment	PBB	PIBB	PIVB	Total	Total RA against Outstanding Domestic Portfolio %
	RM'Mil	RM'Mil	RM'Mil	RM'Mil	
<b>Individual</b>	<b>4,420</b>	<b>1,395</b>	–	<b>5,815</b>	<b>2.4</b>
of which:					
Housing Loans	3,073	1,110	–	4,183	2.8
Hire Purchase	34	13	–	47	0.1
<b>Non-Individual</b>	<b>6,056</b>	<b>905</b>	<b>16</b>	<b>6,977</b>	<b>6.5</b>
of which:					
Corporate Loans	4,251	441	–	4,692	11.1
Retail Business	1,805	464	16	2,285	3.5
<b>Total</b>	<b>10,476</b>	<b>2,300</b>	<b>16</b>	<b>12,792</b>	<b>3.6</b>

In 2022, the domestic RA loans have reduced significantly as PEMULIH RA Programme had expired. As at the end of February 2023, the remaining outstanding loans which were still under RA amounted to RM12.79 billion or 3.6% of the Public Bank Group's total outstanding domestic loans. Outstanding loans which were still under RA of individual and non-individual loans stood at 2.4% and 6.5% respectively. The domestic housing and hire purchase loans which were still under RA stood at 2.8% and 0.1% respectively whilst corporate and retail business loans which were still under RA stood at 11.1% and 3.5% respectively as at the end of February 2023.

**(c) Composition of Outstanding RA loans as at 28 February 2023**



The Public Bank Group's outstanding loans which were still under RA were primarily from corporate and housing loans which represented 36.6% and 32.7% respectively of the total outstanding loans which were still under RA as at the end of February 2023.

**(d) Aging Profile of Loans under RA Programmes**

>30 days past due as at 28 February 2023:

Key Business Segment	PBB	PIBB	PIVB	Total		
	RA* %	Outstanding Loans %	RA* %	Outstanding Loans %	RA* %	Outstanding Domestic Loans %
Individual	6.1	2.1	7.9	3.1	—	6.5
Non-Individual	4.1	1.6	2.1	0.8	—	3.7
<b>Total</b>	<b>5.4</b>	<b>1.6</b>	<b>6.4</b>	<b>0.5</b>	—	<b>5.7</b>
<i>* Cumulative RA loans approved since 2020</i>						

In terms of ageing profile, 5.7% of the outstanding total cumulative loans approved under RA were past due for more than 30 days.



# Management Discussion and Analysis

## GROUP FINANCIAL REVIEW

### Summary of Group Financial Performance

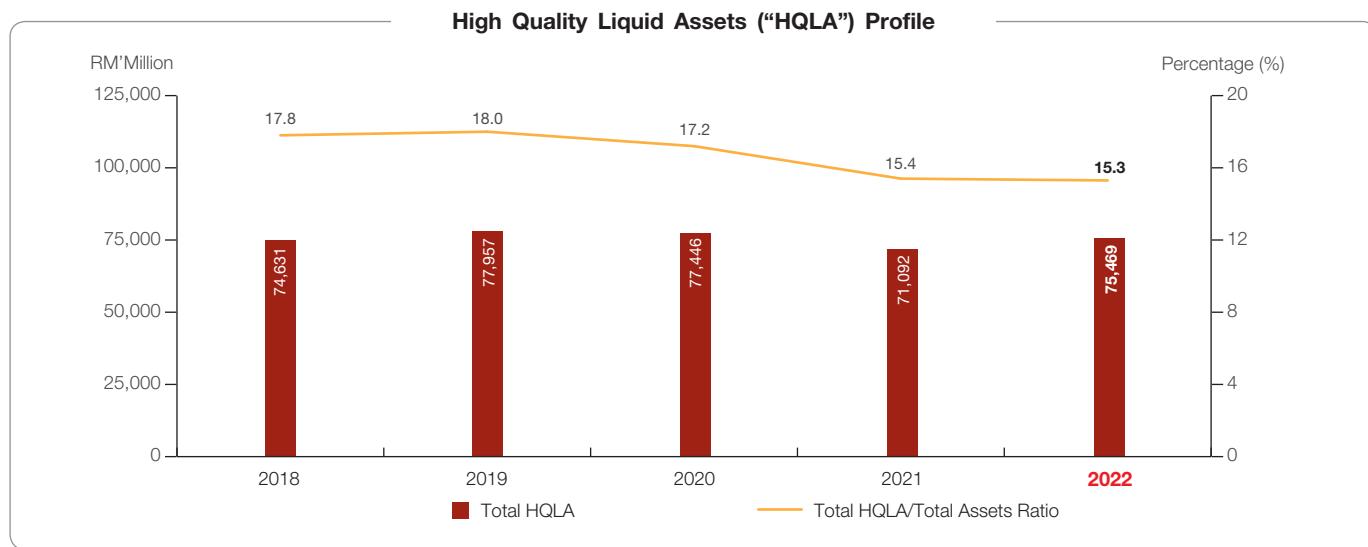
## FUNDING AND LIQUIDITY

### STABLE AND WELL-DIVERSIFIED FUNDING AND LIQUIDITY PROFILE

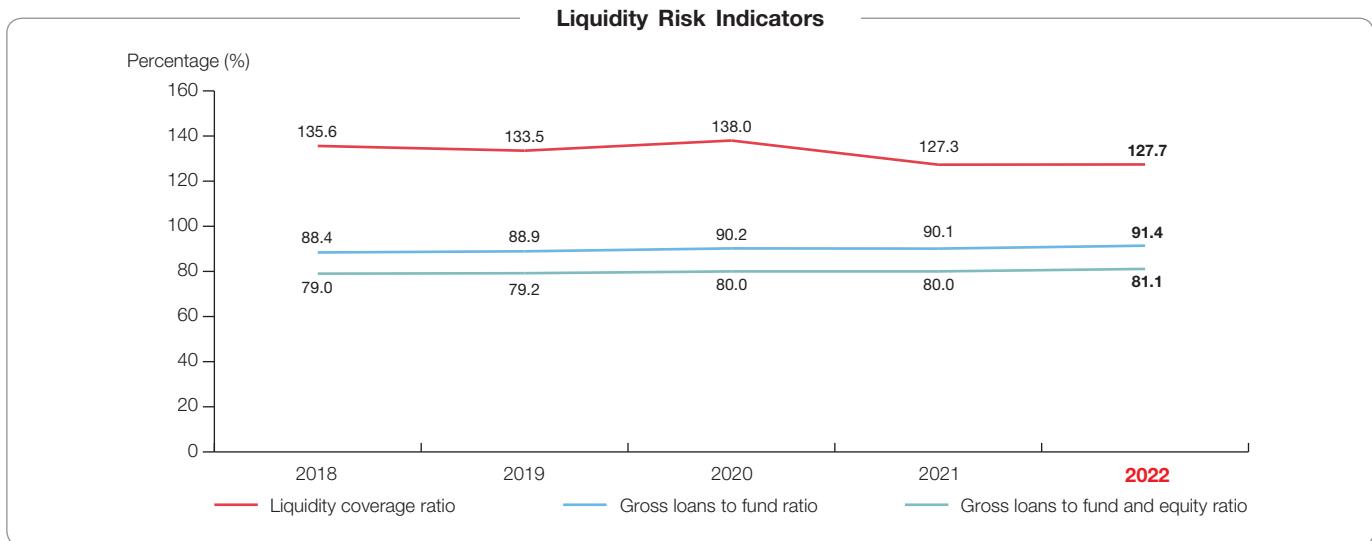
#### Group Funding Profile

Year	2018 %	2019 %	2020 %	2021 %	2022 %
Core customer deposits	68.8	69.4	70.2	71.7	<b>69.5</b>
Wholesale deposits	13.4	13.8	12.6	12.0	<b>12.2</b>
Deposits from banks	2.3	2.0	2.4	1.8	<b>2.9</b>
Debt capital funding	1.5	1.4	1.4	1.3	<b>1.3</b>
Equity capital	9.9	10.3	10.7	10.6	<b>10.4</b>
Others	4.1	3.1	2.7	2.6	<b>3.7</b>

- Despite the uncertainties in the operating environment, the Public Bank Group continued to build business resilience by ensuring that it remains well-capitalised and well-funded to support its business, while safeguarding the interests of its stakeholders.
- The Group's primary source of funding is derived from core customer deposits, followed by wholesale deposits which contributed 69.5% and 12.2% 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.
- As at the end of 2022, the Group's equity capital and long term debt capital funding comprising of Subordinated Notes, Subordinated Sukuk Murabahah and additional Tier I Capital Securities formed 11.7% of the Group's total funding.



- The Public Bank Group holds high quality, well-diversified liquid assets to meet liquidity buffers and regulatory requirements. The Group's high quality liquid assets remained high at RM75.47 billion as at the end of 2022, which formed 15.3% of the Group's total assets as at the end of 2022.



- The Public Bank Group will continue to closely monitor developments in the banking system liquidity, particularly in times of potential economic headwinds ahead. To this end, the Group remained focused on expanding its core deposits base, as it continued to preserve its deposits market share and manage its cash flows prudently.
- The Group's liquidity and funding positions remained stable and healthy with gross loans to fund ratio as well as gross loans to fund and equity ratio standing at 91.4% and 81.1% respectively as at the end of 2022. The Group's liquidity coverage ratio ("LCR") remained stable at 127.7% as at the end of 2022 and was above BNM's minimum LCR requirement of 100%.



## Management Discussion and Analysis GROUP FINANCIAL REVIEW

# Key Performance Indicators

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

Key Performance Indicators	2018	2019	2020	2021	2022
<b>Profitability (%)</b>					
Net return on equity	14.8	13.6	11.2	12.4	<b>12.8</b>
Cost to income ratio	33.0	34.4	34.6	31.6	<b>31.5</b>
<b>Asset Quality (%)</b>					
Gross impaired loans ratio	0.5	0.5	0.4	0.3	<b>0.4</b>
<b>Balance Sheet (RM'Billion)</b>					
Assets	419.7	432.8	451.3	462.7	<b>493.3</b>
Gross loans	317.3	330.5	345.7	358.0	<b>376.9</b>
Deposits	339.2	353.3	365.9	380.4	<b>394.7</b>

### PROFITABILITY

- Tapping on the growing domestic economy and pick up in business activities amid the transition to endemicity, the Public Bank Group sustained a net return on equity of 12.8% in 2022 which was the highest net return on equity amongst the Malaysian banking groups.
- The Group remained the most cost efficient bank in the domestic banking industry with the lowest cost to income ratio of 31.5%, which was also well below the banking industry's average cost to income ratio of 44.2%.

### ASSET QUALITY

- The Public Bank Group's asset quality continues to rank No.1 amongst the Malaysian banking groups with the lowest gross impaired loans ratio of 0.4% as at the end of 2022.

### BALANCE SHEET STRENGTH

- The Public Bank Group's total assets grew by 17.5% since the end of 2018 to RM493.26 billion as at the end of 2022 whilst total loans and deposits increased by 18.8% and 16.4% respectively to RM376.89 billion and RM394.72 billion respectively as at the end of 2022.

## 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	2022			2021		
	Public Bank Group	Latest	Industry Average	Public Bank Group	Latest	Industry Average
<b>Profitability (%)</b>						
Pre-tax return on average equity	<b>17.9</b>	<b>12.4</b>		15.7		9.5
Pre-tax return on average assets	<b>1.8</b>	<b>1.4</b>		1.6		1.1
Cost to income ratio	<b>31.5</b>	<b>44.2</b>		31.6		48.1
<b>Productivity (RM'000)</b>						
Pre-tax profit/employee	<b>460</b>	<b>NA</b>		380		NA
Gross loans/employee	<b>19,642</b>	<b>NA</b>		18,489		NA
Deposits/employee	<b>20,571</b>	<b>NA</b>		19,644		NA
<b>Asset Quality (%)</b>						
Gross impaired loans ratio	<b>0.4</b>	<b>1.7</b>		0.3		1.7
Loan loss coverage	<b>272.0</b>	<b>98.2</b>		360.7		109.3
<b>Growth Rate (%)</b>						
Gross loans (domestic)	<b>5.2</b>	<b>5.7</b>		3.4		4.6
Customer deposits (domestic)	<b>4.1</b>	<b>5.9</b>		4.5		6.3

NA Not available

The Public Bank Group was the third largest banking group in Malaysia with total assets of RM493.26 billion as at the end of 2022. This accounted for 13.5% of the domestic industry's total assets. As at the end of 2022, the Group's domestic market share of gross loans and customer deposits stood at 17.4% and 16.3% respectively.

## PROFITABILITY

- The Public Bank Group remained the best amongst the domestic banking groups in terms of profitability and cost efficiency.
- The Group's pre-tax return on average equity and pre-tax return on average assets of 17.9% and 1.8% respectively, were above the banking industry's average of 12.4% and 1.4% respectively.
- The Group remained the most cost efficient domestic banking group in Malaysia with the lowest cost to income ratio of 31.5%, well below the banking industry's average cost to income ratio of 44.2%.

## PRODUCTIVITY

- The Public Bank Group's gross loans per employee and deposits per employee increased by 6.2% and 4.7% respectively to RM19.6 million and RM20.6 million respectively as at the end of 2022 whilst pre-tax profit per employee grew by 21.0% to RM460,000 in 2022.

## ASSET QUALITY

- The Public Bank Group ranked No.1 in terms of asset quality with gross impaired loans ratio of 0.4% as at the end of 2022, significantly below the banking industry's gross impaired loans ratio of 1.7%.
- The Group's loan loss coverage ratio which stood at 272.0% as at the end of 2022, was almost three times the banking industry's loan loss coverage ratio of 98.2%.



# Management Discussion and Analysis

## GROUP FINANCIAL REVIEW

### Benchmarking Against Banking Industry's Performance

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

#### COMPARISON AGAINST KEY DOMESTIC BANKS

Banks	Net Return on Equity %	Cost to Income Ratio %	Gross Impaired Loans Ratio %
<b>Public Bank Group</b>	<b>12.8</b>	<b>31.5</b>	<b>0.4</b>
<b>Malaysia</b>			
Malayan Banking Berhad	10.0	46.4	1.6
CIMB Group Holdings Berhad	9.0	46.5	3.3
RHB Bank Berhad	9.7	44.7	1.5
Hong Leong Bank Berhad	12.8	36.4	0.5
AMMB Holdings Berhad	10.1	43.2	1.6
Affin Bank Berhad	12.6	62.6	2.0
Alliance Bank Malaysia Berhad	11.3	44.1	1.9

\* 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 first amongst key domestic commercial banking groups in Malaysia with the highest net return on equity of 12.8%, lowest cost to income ratio of 31.5% and lowest gross impaired loans ratio of 0.4%.

#### COMPARISON AGAINST LEADING BANKS IN ASIA PACIFIC

Banks	Net Return on Equity %	Cost to Income Ratio %	Gross Impaired Loans Ratio %
<b>Public Bank Group</b>	<b>12.8</b>	<b>31.5</b>	<b>0.4</b>
<b>Singapore</b>			
DBS Group	15.0	43.0	1.1
UOB	11.9	43.3	1.6
OCBC	11.1	43.0	1.2
<b>Hong Kong</b>			
Hang Seng Bank	5.5	43.5	2.6
The Hongkong and Shanghai Banking Corporation Limited	9.3	53.7	NA
<b>Australia</b>			
ANZ Bank	11.4	49.7	0.2
Commonwealth Bank of Australia	14.0	42.5	0.3
National Australia Bank	11.3	45.2	0.7

\* The key financial indicators of the other leading regional banks are based on their latest published results.

NA Not available

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

## Management Discussion and Analysis

### GROUP FINANCIAL REVIEW

# Capital Management

The Public Bank Group's capital management approach is focused on maintaining healthy and adequate capital levels through the close monitoring of its capital position, capital mix and capital allocation. The capital position and structure of the Group are designed to support the Group's business growth and pursue business opportunities, while meeting the requirements of the Group's risk appetite and various stakeholders' expectations. This approach is guided by key capital management objectives as set out in the Group's Capital Management Framework.

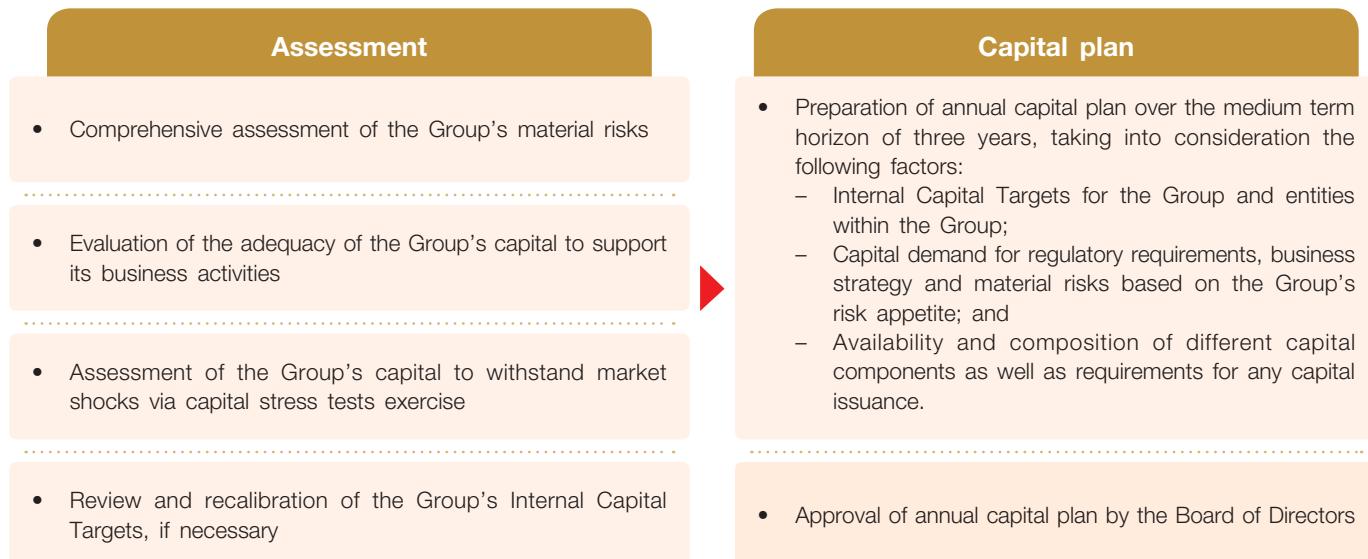
#### PUBLIC BANK GROUP CAPITAL MANAGEMENT FRAMEWORK

##### 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:



# Management Discussion and Analysis

## GROUP FINANCIAL REVIEW

### 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 which is designated as a Domestic Systemically Important Bank ("D-SIB") by BNM is required to maintain an additional capital buffer of 0.5% in the form of CET I capital in line with BNM's D-SIB Framework.

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

The table below shows the capital adequacy ratios of Public Bank Group and the key banking entities within the Public Bank Group as at the end of 2022 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	
	2022 %	Minimum Regulatory Requirements %	2022 %	Minimum Regulatory Requirements %	2022 %	Minimum Regulatory Requirements %
Public Bank Group	<b>14.6</b>	7.5*	<b>14.6</b>	9.0*	<b>17.6</b>	11.0*
Public Bank Berhad	<b>13.1</b>	7.0**	<b>13.1</b>	8.5**	<b>16.3</b>	10.5**
Public Islamic Bank Berhad	<b>12.9</b>	7.0**	<b>12.9</b>	8.5**	<b>16.0</b>	10.5**
Public Investment Bank Berhad	<b>35.1</b>	7.0**	<b>35.1</b>	8.5**	<b>35.8</b>	10.5**
Public Bank (Hong Kong) Limited	<b>22.3</b>	8.0***	<b>22.3</b>	9.5***	<b>23.1</b>	11.5***
Public Finance Limited	<b>27.8</b>	8.0***	<b>27.8</b>	9.5***	<b>28.9</b>	11.5***
Cambodian Public Bank Plc	<b>NA</b>	NA	<b>NA</b>	NA	<b>23.1</b>	16.0
Public Bank Vietnam Limited	<b>NA</b>	NA	<b>NA</b>	NA	<b>23.1</b>	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%. Excluding additional capital requirements which could be introduced by Hong Kong Monetary Authority under the Banking (Capital) Rules from time to time.

## 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 2022, the Public Bank Group has a total of RM6.10 billion Basel III compliant debt capital outstanding comprising:

	RM'Billion
Subordinated notes/Sukuk Murabahah	6.00
Additional Tier I Capital Securities	0.10
	<b>6.10</b>

### (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.

In view of the Public Bank Group's favourable performance, the Board of Directors has declared a third interim dividend of 5.0 sen per share. Together with the first and second interim dividend of 8.0 sen and 4.0 sen per share respectively, the total dividend for 2022 amounted to 17.0 sen per share. This represents a total payout of RM3.30 billion or 53.9% of the Public Bank Group's net profit for 2022. The 17.0 sen dividend per share also translates to a dividend yield of 3.9% based on the share price of RM4.32 per Public Bank share as at the end of 2022.

### (iii) Superior Returns to Shareholders

The Public Bank Group continues to deliver superior returns to its shareholders, both over the medium term and the long term.

Over a medium term horizon of five years, a shareholder of Public Bank who purchased 1,000 Public Bank shares at a price of RM20.78 per share as at the end of 2017 with an initial investment outlay of RM20,780 and have held the shares to the end of 2022 would have received gross dividends totalling RM3,680 and have 5,000 shares (after four for one bonus issue) worth RM21,600 based on Public Bank's share price of RM4.32 per share as at the end of 2022. Together with the dividends received, this investment would give the shareholder a compounded annual rate of return of 4.0% for the five-year period.

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 RM3.2 million based on the share price of Public Bank shares of RM4.32 as at the end of 2022. In addition, he would have received a total gross dividend of RM1.8 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 18.4% for each of the 55 years that this shareholder has held the share in Public Bank since it was listed in 1967.



## Management Discussion and Analysis GROUP FINANCIAL REVIEW

# 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 for Public Bank at AAA, reflecting the Bank's superior capacity to meet 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. The Standard & Poor's outlook was upgraded to stable from negative outlook to reflect the Bank's strong market position, resilient asset quality, and superior funding and liquidity metrics.

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
<b>RAM Ratings</b>	AAA	P1	Stable	17 May 2022
<b>Moody's Investors Service</b>	A3	P-2	Stable	18 July 2022
<b>Standard &amp; Poor's</b>	A-	A-2	Stable	21 October 2022

## Management Discussion and Analysis BUSINESS OPERATIONS REVIEW

# Domestic Consumer Banking and SME Lending



**KEY HIGHLIGHTS 2022**

**Top FI Partner Award – Commercial Financial Institution Category**  
by Credit Guarantee Corporation at the 27th Financial Institution/Development Financial Institution & SME Awards 2021

**Best Performance Bank (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 Berhad

To mobilise **RM48 billion in ESG-friendly financing, including RM15 billion for affordable home financing**  
by 2025

Energy efficient vehicles financing target **RM33 billion**  
by 2025

Expansion of **ESG Exclusion List 16 items**

No.1 financial provider for residential properties financing in Malaysia  
**20.6%** market share

No.1 financial provider for non-residential financing in Malaysia  
**33.4%** market share

Passenger vehicle hire purchase  
**30.2%** market share

Enhanced list of **green and environmentally friendly economic activities**

Total domestic core customer deposits  
**↑ 3.4%** growth  
**16.8%** market share

Gross impaired loans ratio  
**0.2%** for both domestic residential property loans and hire purchase



# Management Discussion and Analysis

## BUSINESS OPERATIONS REVIEW

### Domestic Consumer Banking and SME Lending

#### OVERVIEW

The Public Bank Group's domestic banking encompasses consumer banking and lending to the small and medium enterprises ("SME"), which contributed 87.8% to the Group's total domestic lending portfolio as at the end of 2022. The Group provides a comprehensive range of conventional and Shariah compliant retail and commercial 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 2022, the Government reinvigorated the nascent recovery of the residential property market with the implementation of various home buying initiatives and assistance such as stamp duty exemptions for first time homebuyers and the waiver of Real Property Gains Tax ("RPGT") for homeowners who sell their properties after five years. The renewed buying interest and consumer confidence which are reflective of the full reopening of all economic sectors and improved job security have also contributed to the gradual recovery of the residential property market during the year.

#### Performance Review

Despite the economic uncertainties and market challenges, the Public Bank Group remained the largest financial provider for residential properties in Malaysia. The Group's domestic loans portfolio of residential properties which represented 43.1% of the Group's total domestic loan portfolio grew by 7.5% to RM151.71 billion as at the end of 2022. The Group remained the largest financial provider for residential properties in Malaysia with a market share of 20.6% as at the end of 2022, up slightly from 20.5% a year ago.

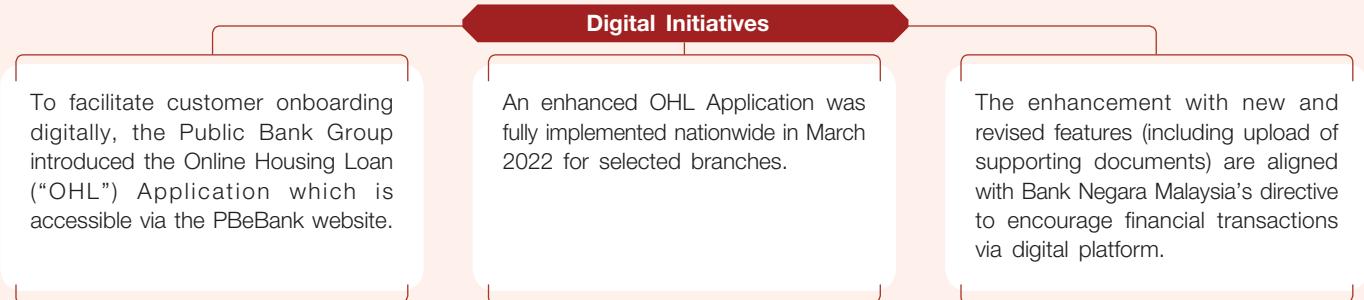
Total residential property loans approved grew by 12.9% to RM23.54 billion, which accounted for 35.4% of total domestic loans approved by the Public Bank Group in 2022. The Group continued to focus in the mass market segment which is the financing of residential properties priced between RM100,000 and RM500,000. In 2022, residential properties priced between RM100,000 and RM500,000 accounted for 57.1% 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 2022, which remained well below the industry's gross impaired loans ratio of 1.4%. Mainly, the Group's strong credit foundation laid over the years supported by its prudent credit policy and stringent loans assessments had contributed to its resilient asset quality despite the challenging business environment.

#### Product and Marketing Initiatives

The Public Bank Group has successfully gained a strong foothold as the leading domestic residential property financial provider, in no small measure, due to the PB Group branding, efficient loan service delivery and expansive branch network nationwide. Furthermore, the Group's strong association with solicitors, reputable property developers, property valuers and real estate agents has enabled the Group to gain continuous business support.

Products/Initiatives	Results
The Public Bank Group's flagship packages are <ul style="list-style-type: none"><li>- Home Ownership Made Easy; and</li><li>- Mortgage Refinancing.</li></ul>	Based on these flagship packages, total residential property loans were approved for approximately 53,200 customers in 2022.
Prescribed Home Financing <ul style="list-style-type: none"><li>- Financing for low cost residential property.</li></ul>	The Public Bank Group's outstanding loans for financing of low cost residential property amounted to RM2.88 billion as at the end of 2022.
PB First Home <ul style="list-style-type: none"><li>- Provide financing for first time house buyers.</li><li>- Individuals with household income of up to RM5,000 are eligible for financing of residential property with purchase price not exceeding RM300,000 at financing margin of up to 110%.</li></ul>	A total of RM146.9 million loans were approved and accepted by approximately 730 customers as at the end of 2022.
Promotional Rates for Home Financing <ul style="list-style-type: none"><li>- Extension of offer period until December 2022 to provide home buyers with lower financing cost.</li></ul>	As at the end of 2022, the Public Bank Group's approved residential property loans with promotional rates amounted to RM15.76 billion.
For property financing, Public Bank and several property developers have signed Memorandum of Understandings in 2022 for collaboration on property financing for green and sustainable development projects in Malaysia.	The Public Bank Group aims to achieve RM15 billion ESG-friendly affordable home financing by 2025.



### **Passenger Vehicle Hire Purchase Financing**

The automotive industry rebounded and hit an all-time high in 2022. Total Industry Volume ("TIV") has recorded 720,658 units in 2022, a record high car sales compared to past years. This achievement of sales volume was driven by pent-up demand especially in the first half of 2022 as well as buyers taking advantage of the Government's extension of registration deadline for sales tax exemption for all new vehicles booked by 30 June 2022 and registered by 31 March 2023. Overall consumer sentiment was also positive supported by the resumption of economic activities coupled with launches of more attractive and affordable new vehicles in 2022. The emergence of online used car platforms have also contributed to significant double-digit growth in used car sales during the year.

Looking ahead, the automotive industry is expected to remain vulnerable to headwinds amidst prolonged chips and components shortages, tightening of monetary policy, significant spike in inflation and slowing global economic growth.

### **Performance Review**

Passenger vehicle hire purchase financing remained one of the key retail lending businesses in the Public Bank Group, representing 16.5% of the Group's total domestic loan portfolio.

Despite stiff competition, the Public Bank Group's domestic vehicle hire purchase financing grew by 9.0% or RM4.81 billion to RM58.25 billion as at the end of 2022. The growth was achieved without compromising its asset quality as evidenced by its gross impaired loans ratio of 0.2% as at the end of 2022, which was lower as compared to the industry's gross impaired loans ratio of 0.6%. The Group's market share further increased to 30.2% as at the end of 2022, from 29.9% a year ago.

### **Key Priorities and Achievements**

- Public Bank signed a Memorandum of Understanding with Carsome to provide stock-financing and end financing arrangements for vehicles to Carsome's members and individual purchasers who won the bids through Carsome's online platform.
- Public Bank continued to collaborate with key business partners such as established and reputable car dealers to drive business volume.
  - Public Bank has sustained business rapport with more than 2,700 established and reputable car dealers, with more than 150 new panel car dealers successfully recruited and appointed in 2022.

As part of the Public Bank Group's ongoing digitalisation initiatives to further enrich customers' banking experience, the Group has rolled out a new online platform that enables real-time loans submission.

To support low carbon emissions as well as sustainability to the environment for both businesses and individuals, the Public Bank Group has launched targeted campaigns offering preferential interest rates particularly for new Hybrid Electric Vehicle and Electric Vehicle. The Group aims to provide RM33.0 billion Energy Efficient Vehicle financing by 2025.

### **Marketing and Promotional Initiatives**

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

- Mitsubishi Triton Program 2022
- Carsome Raya Campaign 2022
- Car City Sales & Services Sdn Bhd Promotion (Car City Program)
- Carsome Chinese New Year Promotion 2022
- PBB's "On-the-Go Campaign 2022"
- Season of Giving Campaign
- PB eDealer On-the-Go Campaign
- Special Green Financing Scheme for corporate customers such as Eco World Development Group Berhad and Gamuda Berhad for the financing of electric vehicles



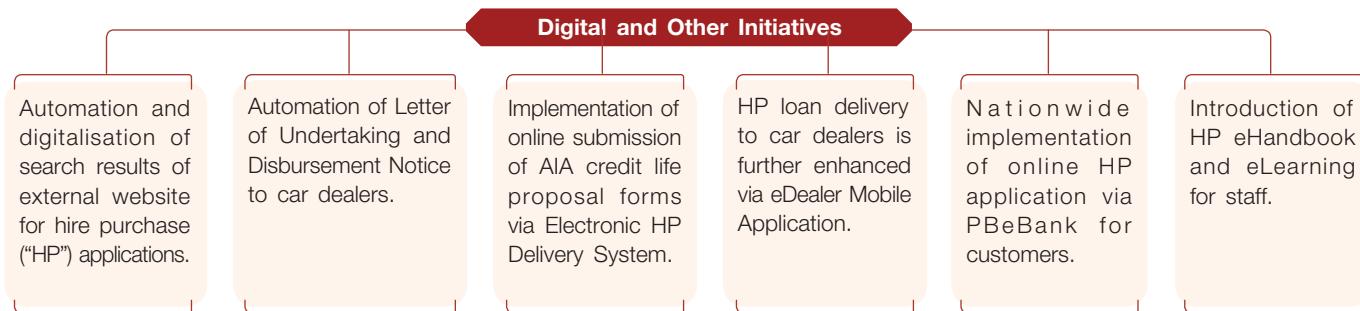
# Management Discussion and Analysis

## BUSINESS OPERATIONS REVIEW

### Domestic Consumer Banking and SME Lending

#### Digital and Other Initiatives

In line with the heightened pace of digitalisation among businesses and customers, the Public Bank Group has continued to scale up its digitalisation efforts via various initiatives to improve business processes, operational efficiency as well as training for staff.



Effective 1 November 2022, the working hours for HP Centres have also been extended to provide personalised after-hours customer service and support business demand.

#### Personal Consumer Financing

The Public Bank Group's domestic personal consumer financing is predominantly contributed by Public Islamic Bank's Bai' Al-Einah ("BAE") Personal Financing-i, which is offered to employees in various organisations such as Government related agencies and corporations.

As at the end of 2022, there were a total of 293 entities with agency arrangements with Public Islamic Bank. The Public Bank Group continues to apply prudent credit assessment which is in line with the Group's risk appetite. As at the end of 2022, the outstanding BAE Personal Financing-i stood at RM1.57 billion.

#### Credit and Debit Cards

2022 was another challenging year for the domestic credit and debit cards industry, mainly due to intense competition. Despite uncertainties associated with the country's transition from the pandemic to the endemic phase, Public Bank rose above the challenges to achieve another year of sustained growth in the card payment space.

Public Bank reported commendable growth in both its credit and debit cards as well as merchant base during the year. The merchant services expanded throughout Malaysia supported by the Bank's strong brand presence, well-distributed branch network and dedicated merchant sales team.

#### Performance Review

Public Bank's card business grew in 2022 supported by both existing and newly acquired customers as well as driven by extensive acquisition effort to onboard new customers, implementation of cross-selling initiatives and retention of existing customers.

Public Bank's credit card base grew by 6.7% in 2022, outpacing the industry's growth of 4.1%. Public Bank's total credit card sales also increased by a commendable 34.8% whilst credit card receivables grew by 15.7% in 2022, which fared better than the industry average of 28.6% and 14.9% respectively. The growth in card receivables and card usage were attributed to a rebound in the Malaysian economy and increased marketing and promotional campaigns.

The debit card segment grew strongly with the increase in debit card base and usage by 5.1% and 25.5% respectively in 2022.

Through aggressive acquiring efforts, Public Bank's merchant sales recorded a significant increase of 53.9% in 2022. The Bank added more than 18,000 units of merchant terminals, bringing the total to more than 136,000 units as at the end of 2022 located at more than 92,000 merchant outlets in support of cashless and contactless payments.

## New Products and Marketing Initiatives

During the year, Public Bank implemented attractive rewards and merchant privilege programmes. In the first half of 2022, the Bank launched the ‘*Apply Now & Get Up To RM400 Cash Back*’ campaign to encourage credit card acquisition and usage. Several campaigns were launched in the second half of 2022, such as ‘*More Cash Back More Rewards, Spend now*’ and ‘*Flash Deal: 65 Years Merdeka Special*’, which encouraged new acquisition, spending as well as increased billings and receivables. The Bank also implemented more targeted campaigns to cross-sell credit cards to existing bank customers by leveraging on its widely distributed branch network.

In support of local businesses, Public Bank rolled out new thematic campaigns such as ‘*0% Flexipay on Your Birthday Month with PB Visa Credit Card*’ and ‘*Travel & Spend Overseas with PB Visa Credit Card*’ while partnering with major card players such as Mastercard, Visa, PayNet and Unionpay to drive card usage and billings.

## Digital Initiatives

Public Bank continued to enhance digital experience and security to provide a safer and more seamless card payment experience for customers.

### Digital Initiatives

#### Europay, MasterCard, and Visa (“EMV”) 3-D Secure (“3DS”)

EMV 3DS solution aims to meet current and future market requirements. The current 3DS specification has been updated to EMV® 3-D Secure (“E3DS”) with enhanced security, app-based authentication and improved cardholder experience. E3DS supports in-application purchases on mobile phone and other customer devices. This enables merchants to integrate the authentication procedure into their checkout processes, for application and browser-based implementations.

#### Google Pay

In November 2022, Public Bank launched Google Pay, which provides a seamless and secure payment method for cardholders. Google Pay is a third-party mobile wallet application that allows users to make in-store, in-app and online payment.

## Share Margin Financing

The Public Bank Group’s share trading and share margin business provides customers with a wide range of margin and non-margin products coupled with convenient share trading infrastructure for investment and trading activities. The main bulk of income generated from this business segment is interest and brokerage income.

The Public Bank Group’s share trading and share margin business recorded a decline in share trading volume by 61.2% or RM24.35 billion to RM15.35 billion in 2022 mainly due to lower retail participation amid market uncertainties. As a result, brokerage income fell by 59.8% or RM65.9 million to RM44.3 million in 2022.

## Customer Deposits

### Performance Review

Domestic Core Customer Deposits	2022 RM'Bil	2021 RM'Bil	Growth %	Market Share %
Demand deposits	<b>63.41</b>	59.95	5.8	12.7
Savings deposits	<b>43.93</b>	45.55	(3.6)	19.1
Fixed deposits (“FD”)	<b>200.66</b>	192.50	4.2	18.2
<b>Total domestic core customer deposits</b>	<b>308.00</b>	298.00	3.4	16.8

The Public Bank Group’s total domestic core customer deposits grew by 3.4% to RM308.00 billion as at the end of 2022 despite intense competition. Mainly, the growth was driven by the Group’s current account and fixed deposits which grew by 5.8% and 4.2% respectively. In 2022, the Group’s savings deposits fell by 3.6% due to moderation of savings deposits balances, which is in line with the industry trend. The Group’s market share of core customer deposits stood at 16.8% as at the end of 2022.



# Management Discussion and Analysis

## BUSINESS OPERATIONS REVIEW

### Domestic Consumer Banking and SME Lending

#### Investment Product

On 20 June 2022, the Public Bank Group launched the **eGold Investment Account (“eGIA”)**, which is an online account for individual customers to perform gold trading via PBe and the eGIA campaign concurrently to create awareness. As at the end of 2022, more than 1,450 new eGIA accounts were opened with a value of RM5.50 million in gold equivalent.

#### Marketing and Promotional Initiatives

The Public Bank Group continues to ensure growth of new deposits and retail customer base through tactical campaigns and promotional initiatives. As part of the Group’s strategy, the tactical campaigns comprised campaigns 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 Golden Fortune 2022 Campaign
- PB Golden Fortune 2023 Campaign
- Gold Investment Account Campaign
- PB Journey App Campaign 2.0
- eGIA Campaign
- PB Journey App Booster Campaign
- PB Special Fixed Deposit Campaign
- PB eFD via FPX Campaign
- PB MySalary Business Account 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 Red Carpet Banking customers, garnered total deposits amounting to RM49.98 billion.

#### Red Carpet Banking

Public Bank’s Red Carpet Banking (“RCB”) serves the affluent customers through the provision of personalised wealth management services. The RCB business continues to actively embark on initiatives to grow its new-to-bank customers by endeavouring to establish productive relationship and providing exclusive RCB benefits, advisory services as well as privileges to customers.

The acquisition of new RCB customers grew by a commendable growth of 47.7% to more than 77,000 in 2022. The average product holdings per RCB customer stood at 5.79 products in 2022. Meanwhile, Public Bank launched various RCB exclusive campaigns to further improve customers’ product holdings with the Bank and to reward RCB customers.

Key Priorities	Achievements
<b>Acquiring new RCB members especially new-to-bank customers and increase fresh deposits</b>	New RCB members ↑ <b>47.7%</b> to over 77,000 members
<b>Expanding RCB footprint across the nation</b>	New RCB centres ↑ <b>2 centres</b> at Sutera Utama branch and Pulau Pinang branch, bringing total RCB centres to 18 nationwide.
<b>Exclusive RCB campaigns</b>	RCB launched exclusive campaigns and extended the benefits to family members of existing RCB customers.
<b>Improving RCB customer’s average product holding</b>	The average product holding is 5.79 products per RCB customer.
<b>Offsite onboarding of RCB members</b>	The onboarding of RCB members has been made available offsite to provide convenience for customers who are unable to walk into branches or RCB centres.

## Introducing New RCB Customer Segments

RCB is tapping into new customer segments to attract new-to-bank customers by extending the RCB membership to other loans and corporate banking customers as well as Public Mutual members.

## Marketing and Promotional Initiatives

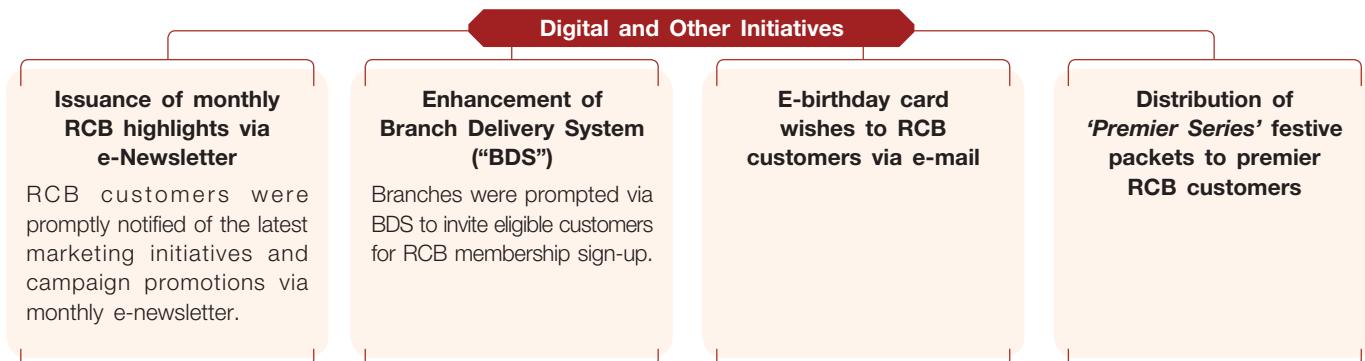
Several targeted and specific campaigns were launched for RCB customers, to attract new deposits, reward RCB customers and improve product holding. In 2022, total deposits via these RCB exclusive campaigns amounted to RM21.48 billion.

### RCB Campaigns

- PB RCB Fixed Deposit/Term Deposit-i Campaign
- PB Premier High Yield Fixed Deposit Campaign
- RCB Birthday Month Privileges Campaign
- RCB Elite Exclusive Privilege Programme
- RCB Appreciation Reward
- RCB Product Holding Reward
- RCB Exclusive Sign-up Campaign
- PB RCB Special Fixed Deposit/Term Deposit-i Campaign
- Enjoy up to RM100 cash back with PB RCB Mastercard premier debit card

### Digital and Other Initiatives

RCB customer engagement is now carried out via digital and non-digital tools to better serve and enhance customer experience. Digitisation has also been used to expand customer reach.



# Management Discussion and Analysis

## BUSINESS OPERATIONS REVIEW

### Domestic Consumer Banking and SME Lending

#### SME LENDING

The Small and Medium Enterprises ("SMEs") are the cornerstone of the Malaysian economy, contributing approximately 37% to Gross Domestic Product ("GDP") of the country. Collectively, SMEs accounted for over 97% of total number of business establishments in Malaysia and represented nearly 48% of total employment. The Public Bank Group remains supportive of the SMEs, as the Group continues to offer an extensive range of financing products with attractive rates to serve the business needs of these SMEs. In 2022, the Group's SME lending continued to be one of its core businesses.

#### Performance Review

In 2022, the Malaysian economy continued its robust recovery which was driven by the full reopening of all economic sectors, improved labour market and one-off special withdrawals from the Employees Provident Fund ("EPF").

As at the end of 2022, the Public Bank Group's total financing to SMEs fell by 1.5% to RM68.03 billion as at the end of 2022, which accounted for 19.3% of the Group's domestic loans portfolio. However, total new loans approved for SMEs increased by 36.1% from RM9.14 billion to RM12.44 billion, which represented 18.7% of total domestic loans approved. The Group remained a market leader in the domestic financing for commercial lending to SMEs with a market share of 18.6% as at the end of 2022.

#### Products and Initiatives

The Public Bank Group continued to extend unwavering support to SMEs by providing financing access with a wide range of funding solutions.

Being a strong participating financial institution of various measures by Bank Negara Malaysia ("BNM") and the Government to assist businesses, the Public Bank Group continued to champion financing schemes which cater to SMEs which are in need of working capital to grow and support their businesses.

Products/Initiatives	Results
<b>SWIFT ("Shophouse, Warehouse, Industrial Factory and Trade Financing") Plan</b> The SWIFT Plan – The Public Bank Group's flagship SME financing product which offers comprehensive financing solutions for business expansion, asset acquisition, working capital and trade financing.	The Group granted total financing of RM3.51 billion to eligible SMEs in 2022.
<b>Financing Schemes by the Government and BNM</b> The Public Bank Group proactively supports BNM's financing initiatives in assisting SMEs to gain access to financing at a reasonable financing cost as well as provides financial relief to address short term cash flow constraints.	
The Public Bank Group offered various schemes initiated by the Government and BNM (i.e. All Economic Sectors Facility, Agrofood Facility, Targeted Relief and Recovery Facility, SME Automation and Digitalisation Facility, Micro Enterprises Facility, High Tech and Green Facility as well as PENJANA Tourism Financing) to aid SMEs who are facing various headwinds in the post-pandemic period. The Group has also offered financing as established by BNM (i.e. Disaster Relief Facility 2022) to alleviate the financial burden of SMEs affected by floods and to enable them to resume their business operations.	Since the COVID-19 pandemic, the Public Bank Group has assisted more than 18,600 SMEs amounting to more than RM3.60 billion under various schemes.
<b>Government and Credit Guarantee Corporation Malaysia Berhad ("CGC") Guarantee Schemes</b> The Public Bank Group has remained a participating financial institution in various financing schemes as established and guaranteed by the Government and CGC.	
The Public Bank Group has been actively working with CGC to provide a wider range of products to SMEs for working capital and/or capital expenditure financing.	
Some of the various schemes guaranteed by the Government and CGC to assist SMEs in obtaining financing to grow and support their businesses are Working Capital Guarantee Scheme, Working Capital Guarantee Scheme - Start Up, Working Capital Guarantee Scheme – Bumiputera, Automation & Digital Guarantee Scheme, Working Capital Guarantee Scheme – Women, Working Capital Guarantee Scheme – Export, BizJamin Scheme and BizJamin Bumi Scheme.	

## Marketing Initiatives

In 2022, the Public Bank Group carried out various campaigns which provided business financing at competitive rates to SMEs as well as participated in various roadshows to raise the awareness of the Group's SME financing products and services.

### Campaigns

The Public Bank Group launched *The PBB BizBooster Financing Campaign* in April 2022 which is a commercial retail loans promotional campaign to support business customers, particularly viable SMEs and mid-sized businesses. There are three existing commercial retail loans packages, namely the *Special Refinancing Package*, *EXTRA SWIFT/Non SWIFT* and *Prime Retail Customers SWIFT/Non SWIFT* which are emplaced under this campaign with enhanced features and benefits, including attractive interest rates. As at the end of 2022, total financing of RM83.0 million was approved and accepted by 87 SMEs.

The Public Bank Group extended the promotional rate campaigns until 31 December 2022 to provide financing to SMEs at competitive rates.

In 2022, the Public Bank Group participated in three virtual SME Engagement Roadshows which were attended by more than 420 participants. The roadshows gave an opportunity for the Group to meet and serve the needs of SMEs in line with the objectives of the roadshows which are as follows:-

- Deliver advisory services on financing opportunities;
- Build financial literacy; and
- Provide an avenue for SMEs to address any financial/funding challenges faced.

The Public Bank Group also participated in the imSME portal managed by CGC where SMEs were able to access the following services:-

- Access fast and real-time information on financing options, anytime and anywhere;
- Search for financing by participating banks comfortably; and
- Apply for financing from a single platform.

In addition, a SME Helpdesk is available where SMEs can reach out to Public Bank via the PBe Website. Designated officers for SMEs financing are also available at branches to assist SMEs.

## Digital Initiatives

The Public Bank Group partnered with several solution providers for its PB enterprise Digital SME Assist programme which provides businesses with digital solutions, such as online human resource system, cloud-based accounting and payroll solutions, e-commerce and property management, with greater efficiency at competitive prices.

The Public Bank Group will be expanding its programme to allow the Group's corporate customers to integrate with the Group's Digital SME Assist partners.



# Management Discussion and Analysis

## BUSINESS OPERATIONS REVIEW

### Domestic Consumer Banking and SME Lending

#### SUSTAINABLE FINANCING

##### Overview

The Public Bank Group is committed to develop and promote financial products, services and solutions which integrate Environmental, Social and Governance ("ESG") considerations in line with environmental and social demands. The Group continues to enhance financial accessibility and promote financial literacy among Malaysians. The Group offers various sustainable products and launched several initiatives in support of financial transition to a low carbon economy.

##### Products/Initiatives/Campaigns

The Public Bank Group launched the dedicated Green Financing Facilities with preferential pricing accorded for loans purposes that are green and environmentally friendly for individuals and SMEs.

The Public Bank Group is supportive of BNM's initiated financing schemes – i.e. Low Carbon Transition Facility and Business Recapitalisation Facility, which were established in June 2022. These schemes encourage SMEs to adopt business resilient practices (under Low Carbon Transition Facility) and introduce innovative financing solutions comprising blended financing (under Business Recapitalisation Facility).

In order to make green property financing more accessible to customers, the Public Bank Group has offered Sustainable Financing Package (i.e. Green+ and Low Carbon Cities Framework+) in collaboration with reputable developers (i.e. Gamuda Land, EcoWorld and Sunway Property) in September 2022 for borrowers purchasing properties developed under accredited green building certifications and/or sustainable frameworks.

In February 2022, the Public Bank Group expanded its ESG Exclusion List to 16 items on all retail business financing.

In addition, the Public Bank Group identified and improved the list of green and environmentally friendly economic activities to 72 items in March 2022.

The Public Bank Group implemented the No Deforestation, No New Peat and No Exploitation commitment on all retail business financing in July 2022.

The Public Bank Group has also produced Climate Change Flyers in August 2022 for consumer and commercial loans to educate customers and create awareness on the impact of climate change and transitioning to low carbon practices.

During the year, the Public Bank Group has successfully mobilised RM30.4 billion for the financing of energy efficient vehicles, which was ahead of its timeline of mobilising RM25 billion by 2025.

The Public Bank Group has increased its energy efficient vehicles financing target to RM33 billion by 2025.

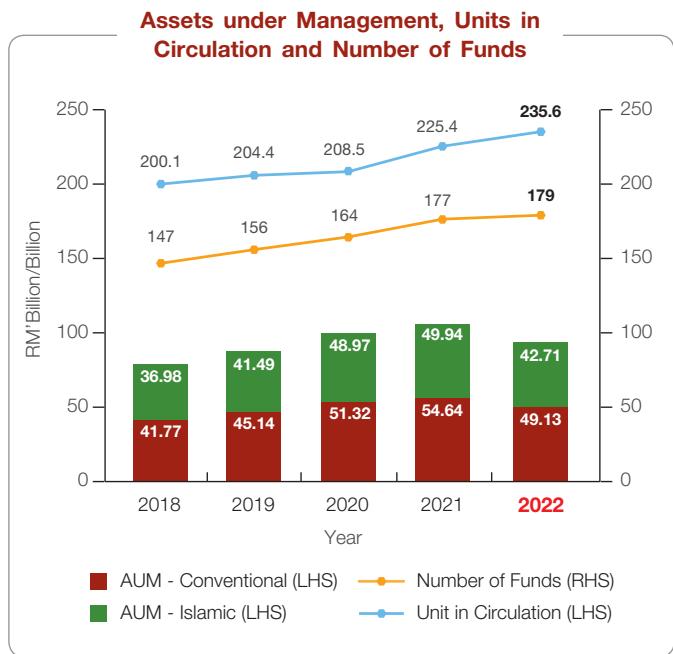
The Public Bank Group aims to mobilise RM48 billion in ESG-friendly financing, including RM15 billion for affordable home financing by 2025.

# Management Discussion and Analysis

## BUSINESS OPERATIONS REVIEW

# Wealth Management

### FUND MANAGEMENT



### KEY HIGHLIGHTS 2022

**Assets under Management**  
**RM91.84 billion**

**Total Assets Under Management**  
↓ 12.2%  
**RM91.84 billion**

**Private Retail Unit Trust Business**  
**35.4%**  
market share

**Public Mutual was accorded**  
**56 awards**

by Refinitiv Lipper, Morningstar, Asia Asset Management, Reader's Digest, The Asset and The Edge

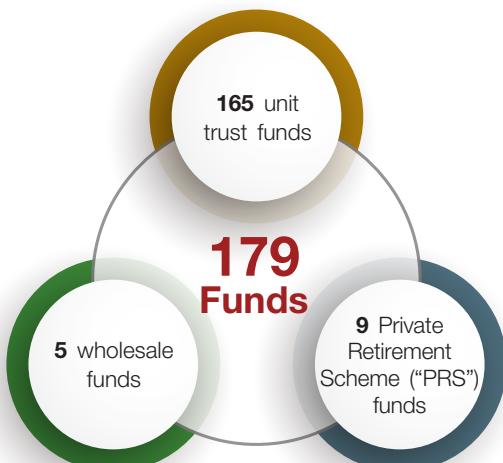
**Operating Revenue\***  
↓ 9.7%  
**RM1,340.0 million**

**Profit Before Tax**  
↓ 11.1%  
**RM780.4 million**

**Sales Opportunity Action Result 360 ("SOAR360")**

application developed in the iPad for financial executives

**Enhancements of PB Direct**  
remote selling process



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

**>838,000**  
PMO subscribers

**>131,000**  
Mutual Gold/  
Mutual Gold Elite/  
Mutual Platinum members

Note: \*Net of direct sales commissions.



# Management Discussion and Analysis

## BUSINESS OPERATIONS REVIEW

### Wealth Management

Global and regional equities experienced heightened volatility in 2022 amid higher inflationary pressures, tighter monetary policies, supply disruptions arising from the Russia-Ukraine conflict and the strict COVID-19 measures in China. On the domestic front, the FTSE Bursa Malaysia Kuala Lumpur Composite Index declined by 4.6% during the year.

The domestic bond market also consolidated in tandem with the rise in global bond yields. The United States of America's Federal Reserve raised the Federal Funds Rate ("FFR") by 425 basis points ("bps") in 2022, bringing the FFR to a range of 4.25% to 4.50% as at the end of 2022. Meanwhile, Malaysia's Overnight Policy Rate was raised by 100 bps to 2.75% in 2022.

#### Performance Review

The total assets under management ("AUM") of Public Mutual Berhad ("Public Mutual") decreased by 12.2% to RM91.84 billion as at the end of 2022. The drop was mainly due to the decline in retail equity funds – which accounted for 74.7% of the overall AUM following the retracement in the local and foreign equity markets.

On the fixed income front, Public Mutual's bond funds registered returns of up to 2.12% in 2022 amidst the rise in local bond yields.

As at the end of 2022, Public Mutual's retail funds' AUM stood at RM84.75 billion, comprising RM68.63 billion (or 81.0%) in equity funds, RM12.21 billion (or 14.4%) in bond funds and RM3.91 billion (or 4.6%) in money market and specialised gold funds.

Given the weaker market conditions, Public Mutual's profit before tax decreased by 11.1% to RM780.4 million in 2022, mainly due to lower management fee from lower average net asset value of funds and lower fee income on sales of trust units arising from lower equity sales.

#### New Fund Launches

Fund Name	Launch Date
Public e-Wholesale Sustainable 20 Fund	5 July 2022
Public e-AvantGarde Focus Fund	27 September 2022

#### Marketing and Promotional Initiatives

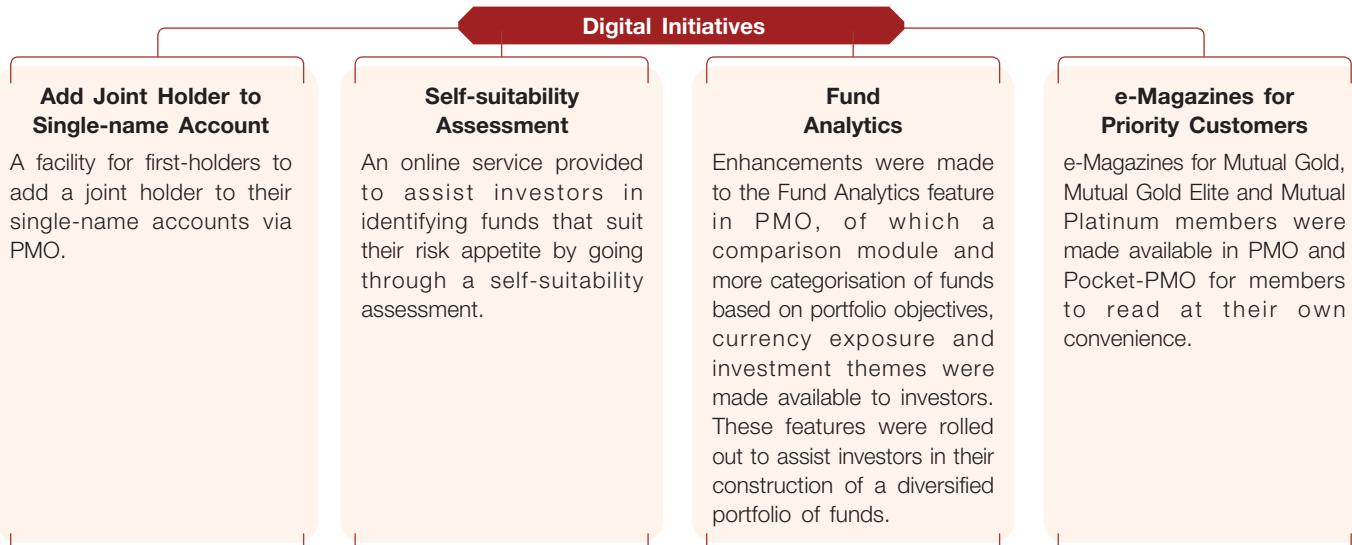
The following campaigns were successfully launched in 2022:

Campaigns	Results
<b>Investor Fiesta 2022</b> This campaign was launched in appreciation of the continuous support of Public Mutual's investors as well as to encourage new investors to embark on their financial planning journey via the Customer Referral Programme. Under this campaign, investors stood a chance to win attractive prizes when they make an investment or successfully refer new investors during the campaign period.	More than 280,000 lucky draw entries were generated.
<b>Awards Celebration Campaign 2022</b> The Awards Celebration Campaign 2022 which offered a chance to win attractive prizes was carried out in appreciation for the continuous support and confidence of Public Mutual's investors and in conjunction with Public Mutual's achievements and awards during the year.	More than 450,000 lucky draw entries were generated.
<b>Let's Go Digital (PMO) Campaign 2022</b> This campaign encouraged investors to sign up for PMO during the campaign.	Total registered subscribers grew by 9.9% (or an increase of more than 75,000 subscribers).
<b>YazzApp Campaign 2022</b> The YazzApp Campaign 2022 ran from 1 January 2022 to 31 December 2022 with the aim to encourage youths to enhance their financial literacy.	As at the end of 2022, more than 1,800 youth investors have subscribed to the YazzApp.

Campaigns	Results
<b>Birthday Special Promo</b> Public Mutual's investors were eligible for special sales charge when they make online investments for two consecutive months, starting from their birthday month. Investors were also eligible to participate in lucky draws for transactions made under the <i>Birthday Special Promo</i> .	In 2022, more than 20,000 investors enjoyed special sales charge under the <i>Birthday Special Promo</i> . –
<b>Add Joint Holders Campaign 2022</b> This campaign encouraged investors to use PMO to add a joint holder to their existing single-name account. Under this campaign, investors stood a chance to win attractive prizes.	–
<b>Public e-AvantGarde Focus Fund ("PeAGFF") Campaign</b> The PeAGFF campaign that ran from 27 September 2022 to 17 October 2022 was launched to promote the new fund.	–

## Digital Initiatives

In 2022, Public Mutual implemented the following digital initiatives to enhance investors' investment experience.



## Other Initiatives

In 2022, Public Mutual also enhanced its advertising and branding efforts.

- Advertising and Branding Initiatives via Social Media Channels**  
Sharing of financial planning and money management tips via Instagram, YouTube and TikTok pages to enhance the financial literacy level of investors and the general public.
- Investment Talks and Mutual Gold Webinars**  
Investment talks and Mutual Gold Webinars were organised for Mutual Gold, Mutual Gold Elite and Mutual Platinum members.
- Investors' Day 2022**  
A 4-day webinar for investors and the general public was held from 24 September 2022 to 27 September 2022, aimed at addressing investors' concerns regarding market volatility as well as providing insights on unit trust investing and the importance of financial planning.
- Electronic Direct Mailers ("eDMs")**  
Disseminated a series of eDMs aimed at improving investors' financial literacy and to keep investors updated on Public Mutual's products and services.
- Print and Digital Advertisements**  
Placed various print and digital advertisements to maintain and enhance share of mind among local investors.



# Management Discussion and Analysis

## BUSINESS OPERATIONS REVIEW

### Wealth Management

#### Customer Service

Public Mutual Online ("PMO") is an online portal which allows subscribers to perform investment transactions (including redemptions and switching), enquire on investment accounts and perform profile updates. The number of subscribers has grown to more than 838,000 since its launch in January 2009.

As at the end of 2022, the number of Public Mutual priority service customers has also increased to more than 131,000 members.

#### Training and Support

Public Mutual delivers a wide variety of training programmes through classroom, virtual learning and e-learning modules to enhance unit trust consultants' ("UTCs") skills and competencies across various crucial areas, namely product/technical knowledge, customer service, ethics and compliance, productivity enhancement and agency management. These diverse and comprehensive programmes are specifically designed to equip UTCs of different levels with essential proficiency and up-to-date knowledge and information, which help maintain their professionalism as they continue to provide services to clients.



#### AWARDS 2022

##### Refinitiv Lipper Fund Awards 2022

- 32 awards at the Refinitiv Lipper Fund Awards 2022 including two Group Awards for the Best Equity Award
  - Malaysia and Best Mixed Assets Award – Malaysia Islamic Funds

##### Refinitiv Lipper Fund Awards 2022 – Global Islamic

- 13 awards at the Refinitiv Lipper Fund Awards 2022 – Global Islamic, including a Group Award for Best Mixed Assets

##### Asia Asset Management – Best of the Best Awards 2022

Five awards for the following categories:

- Best Retail House – Malaysia
- Islamic Retail House of the Year – Malaysia
- Best Islamic Fund (Equity Fund) – Malaysia
- Best Investor Education – Malaysia
- Best Member Communications – Malaysia

##### 2022 Morningstar Awards Malaysia

Two awards for the following categories:

- Best Asia-Pacific Equity Fund – PB Asia Equity Fund
- Best Malaysia Large-Cap Equity (Shariah) Fund – Public Islamic Alpha-40 Growth Fund

##### Reader's Digest Trusted Brand Platinum Award 2022

- Reader's Digest Trusted Brand Platinum Award 2022 for the Investment Fund Company category in Malaysia

##### The Asset Triple A Islamic Finance Awards 2022

- The Asset Triple A Islamic Finance Awards 2022 for the Islamic Asset Manager of the Year – Malaysia (Retail) category

##### The Edge's Inaugural ESG Awards 2022

- Public e-Carbon Efficient Fund
- Public e-Islamic Sustainable Millennial Fund

## BANCASSURANCE

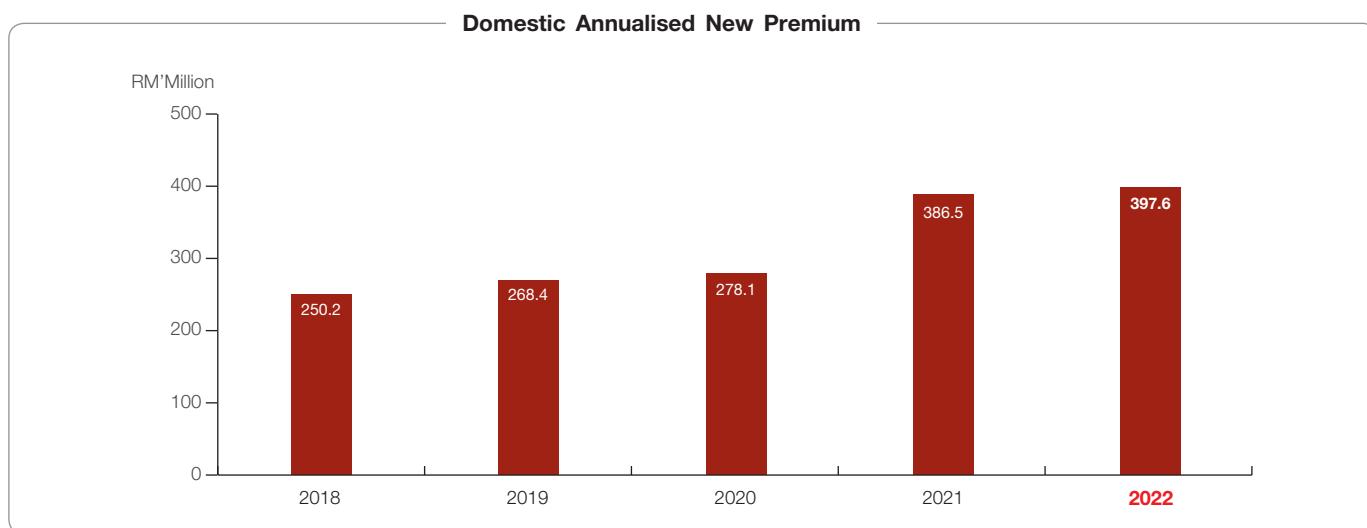
### Overview

A decade ago, the Public Bank Group and AIA Group Ltd. ("AIA") entered into a strategic bancassurance partnership to provide customers with a broad range of life insurance protection and long-term savings solutions. Fast forward to today, the Group's bancassurance business has become one of the Group's main fee income generator. The Group promotes bancassurance products through its domestic branch network, fully supported by approximately 508 licensed financial executives and more than 2,000 credit related staff.

Whilst the purchasing power of consumers have been impacted by weakening currency and high inflation rate, demand for bancassurance products in 2022 continued to be resilient as the awareness of customers on the importance of insurance protection remained strong.

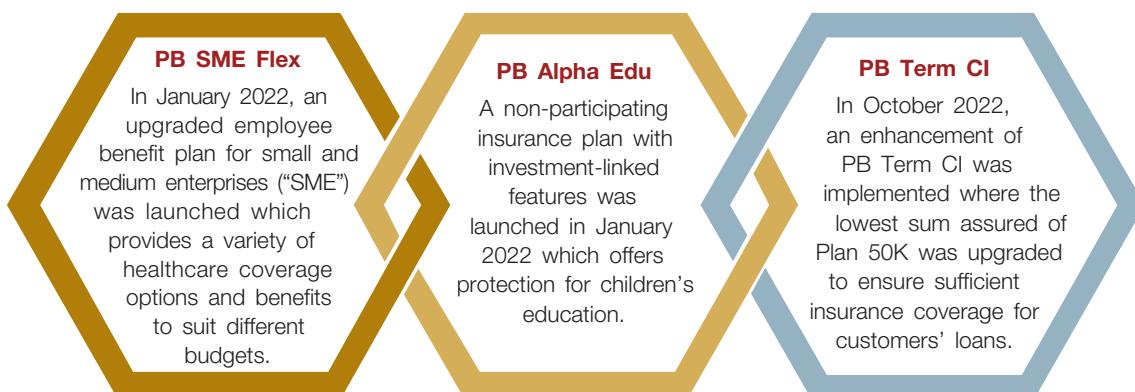
The Public Bank Group, in collaboration with AIA, continued its digitalisation journey with the enhancement of its digital platform, the PB Direct and launching of the Sales Opportunity Action Result 360 ("SOAR360") initiative in July 2022. SOAR360 is an application developed on iPad for financial executives to support remote sales and enable management of daily sales activities as well as lead generation within a single platform.

### Performance Review



In 2022, the Public Bank Group's domestic bancassurance business grew by 2.9% to RM397.6 million in annualised new premium ("ANP") despite the challenging operating environment.

### New Products



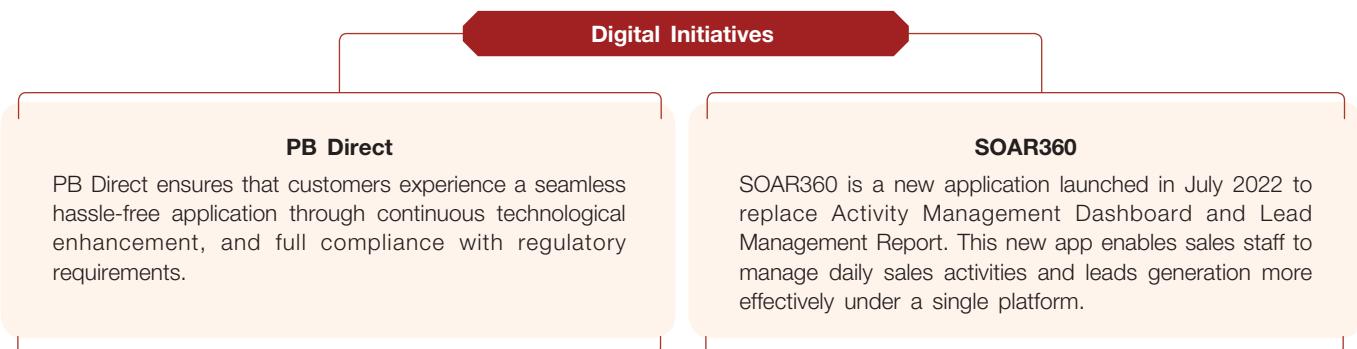
# Management Discussion and Analysis

## BUSINESS OPERATIONS REVIEW

### Wealth Management

#### Marketing and Promotional Initiatives

In 2022, Public Bank and AIA launched several sales campaigns promoting insurance solutions for wealth management and protection needs. Campaigns such as the Free Balki Kampung Cover, Additional Sum Assured Campaign for PB WealthElite Xtra and PB Elite Signature, Free Omicron Shield and Complimentary Cancer Coverage offered additional insurance coverage for sign-ups or to customers who attend an appointment with the sales staff during the campaign period. Meanwhile, campaigns such as Merdeka Cashback Campaign and Perfect 10 Cashback Campaign aim to promote PB WealthElite Xtra, PB Elite Signature and PB Wealth Amanah products. The PB SME Flex Campaign targets the SMEs and offers rebates for the purchase of the PB SME Flex Group Medical plan during the campaign period. During the Overseas Travel Shield Campaign, customers also enjoyed complimentary overseas travel cancellation reimbursement and daily quarantine allowance for attending appointments with sales staff during the campaign period.



#### Other Initiatives

##### Sales Campaigns

Throughout the year, Public Bank has launched various attractive campaigns to motivate and incentivise bancassurance sales force to achieve higher productivity. These include 2022 Up-Forcing Incentive for Bancassurance Financial Executive and Rookie, 2022 Regular Premium Challenge for Financial Executive (Unit Trust), 2022 Branch Regular Premium Challenge and Incentive Trip Challenge 2022.

Sales staff are offered different types of incentives such as cash rewards, eVoucher and gifts. In order to bolster cross selling initiatives among branches, referral cash incentives were also rewarded to branch staff for successful policy set-inforced.

##### Training Initiatives

Public Bank's training programmes continued to be conducted virtually in 2022. For onboarding of new recruits, Product Training, First Advisor's Sales Training Results Achieving Curriculum and Gear Up Rise Up were conducted to enhance product knowledge, sales concepts and soft skills.

Public Bank and AIA have been riding on a new eLearning platform, namely the Learning Acceleration Platform ("LEAP") to conduct virtual training programme for both new recruits and existing sales staff to enhance product knowledge, latest regulatory updates, selling concept and sales strategies via short video clip, mini programme and e-Learning. With LEAP, sales staff are able to complete their trainings virtually and at their own convenience.

## Telemarketing Insurance Products

Telemarketing activities remained lacklustre in 2022. The bancassurance products distributed via the telemarketing channel achieved an annualised new premium ("ANP") of RM25.0 million in 2022, which was mainly from PB Care Plus, PB Cancer Guard and PB CI Protector Plans. A new product, the PB Life Plus was launched on 3 October 2022 which is a fixed premium payment plan offering insurance protection benefits.

Public Bank endeavours to improve the sales performance of telemarketing products by leveraging on data analytics to improve take-up rate.

## Regional Bancassurance Partnership

Public Bank's Overseas Operations	Initiatives and Results
<b>Hong Kong Operations</b> <ul style="list-style-type: none"> <li>Tenth year of bancassurance partnership with AIA International Limited (Hong Kong).</li> <li>Leverage on the Public Bank Group's extensive network of 32 branches in Hong Kong and experienced licensed Customer Service Officers.</li> </ul>	<ul style="list-style-type: none"> <li>A total of HKD15.9 million in ANP was generated in 2022 mainly contributed by sales of the '<i>Bonus Power Vantage</i>' insurance plan and '<i>Simply Love Encore 5</i>' plan.</li> <li>AIA continues to enhance and develop more innovative insurance products with improved features and benefits to cater to the changing needs of customers. More new customer segments will also be targeted to boost insurance sales.</li> </ul>
<b>Cambodian Public Bank Plc ("Campu Bank")</b> <ul style="list-style-type: none"> <li>Sixth year of distribution partnership with one-way exclusive AIA (Cambodia) Life Insurance Plc.</li> <li>Leverage on Campu Bank's network of 31 branches.</li> </ul>	<ul style="list-style-type: none"> <li>A new protection and savings plan, the Kid Education Plan (i.e. '<i>AIA Samrab Koun</i>') was introduced in August 2022.</li> <li>In 2022, a total ANP amounting to USD1.1 million was generated mainly from sales of the Samrabchivit Life Insurance Plan and '<i>AIA Samrab Koun</i>'.</li> </ul>
<b>Public Bank Vietnam Limited ("Public Bank Vietnam")</b> <ul style="list-style-type: none"> <li>Fifth year of distribution partnership with AIA (Vietnam) Life Insurance Company Limited.</li> </ul>	<ul style="list-style-type: none"> <li>In 2022, total ANP grew by a commendable 70% to VND6.70 billion.</li> <li>Training courses were conducted by AIA for staff to refresh product knowledge, strengthen referral and sales skills.</li> <li>Improved medical consultation services with more advanced services provided for Public Bank Vietnam's customers.</li> <li>In conjunction with the launch of Public Bank Vietnam Visa credit card in January 2022, Public Bank Vietnam together with AIA offered a cash back promotion for cardholders who purchased bancassurance products during the promotion period.</li> <li>In January 2022, a new insurance plan was introduced namely the '<i>Khỏe Trọn Vẹn</i>'.</li> </ul>

## INVESTMENT PRODUCT

### PB Dual Currency Investment ("PB DCI")

PB DCI is a short term currency-linked structured product investment that aims to provide customers with the opportunity to capitalise on foreign exchange movements and potentially earn higher returns than traditional fixed deposits. In 2022, PB DCI grew by 72.0% contributing RM4.3 million to the Public Bank Group's fee based income.

The performance of PB DCI is expected to be challenging due to the volatile market condition and intense competition in the market whilst the Ringgit will remain exposed to bouts of heightened volatility.



# Management Discussion and Analysis

## BUSINESS OPERATIONS REVIEW

### Wealth Management

#### CROSS-SELLING INITIATIVES

The Public Bank Group reinforced its strategy of cultivating cross selling culture amongst staff to improve customer engagements and to foster long term customer relationships. The Group adopted a two-pronged strategy of leveraging on data analytics for customer insights coupled with personalised services from sales teams to provide customer solutions. These customer-centric strategies had enabled the Group to discover and seize marketing opportunities.

##### **Cross Selling Unit**

The team of 224 dedicated account management executives located at branches nationwide provides solutions to cater to the needs of customers.

The account management executives establish financial goals with appropriate solutions for customers as they provide personalised services to foster deeper relationships with existing customers while proactively acquiring new customers by working closely with other sales teams for more effective marketing engagements.

##### **Lead Generation**

The Lead Generation initiative has been expanded to mobilise all branch staff across the entire Public Bank branch network to engage effectively with customers and assist them in their financial needs. Branch staff are assigned with personal targets and tools to measure the effectiveness of these initiatives in achieving its objectives.

The Lead Generation initiative has expanded to include more products and services that emphasises on environmental, social and governance.

##### **Customer Relationship Management Application (“CRMA”)**

Public Bank’s CRMA provides capabilities for staff to better understand customers which helps in positioning personalised products and services offerings to assist customers in fulfilling their financial needs and objectives.

Improved business insights from data analytics provide marketing opportunities for effective engagement and to deliver appropriate solutions as well as provide personalised products and services to customers. The insights on customers are seamlessly integrated onto a single platform in CRMA based on customers’ profile, portfolio, profitability information and business insights. The insights help in identifying more marketing opportunities in building profitable and sustainable relationships with customers.

Proactive engagement approach and personalised products and services recommendations improve overall customer satisfaction and banking experiences, which leads to higher product holdings as well as development of stronger and more sustainable banking relationships.

##### **Product Promotional Event (“PPE”)**

Public Bank resumed its PPE in April 2022 for cross selling of the Bank’s products and services with the themes of ‘PB Wealth Protect’ and ‘PB Smart Banking’. As at the end of 2022, a total of 396 PPEs have been conducted and total sales of RM76.2 million was generated from various products, including new deposits accounts, unit trust investments, purchase of regular premium or single premium product, loans application and cross selling of credit and debit cards.

## Management Discussion and Analysis

### BUSINESS OPERATIONS REVIEW

# Transactional Services

#### CASH MANAGEMENT SERVICES

##### Overview

Public Bank's cash management services provide comprehensive payment and collection modules, tailored and developed to cater to the banking needs of customers. These customised cash management solutions are fully supported by the Bank's wide network of branches and digital channels.

##### Performance Review

In 2022, most businesses resumed operations post COVID-19 movement restrictions. The continuous effort and extensive promotional activities conducted throughout the year yielded excellent results. Public Bank onboarded a total number of 19,559 new payees and payors corporations in 2022, which was a growth of 24.2% as compared to 2021.

Public Bank was the first bank in Malaysia to implement the DuitNow Online Banking/Wallets in 2022. The take-up rate has been encouraging. Several merchants have already signed up for the service and the merchants are currently in the midst of conducting system integration and development.

In April 2022, Public Bank garnered two prestigious awards by Payments Network Malaysia Sdn Bhd ("PayNet") in the Malaysian e-Payments Excellence Awards 2022, which are as follows:

- Best MyDebit Bank; and
- Best MyDebit (Acquirer – Bank).



#### KEY HIGHLIGHTS 2022

**First bank in Malaysia  
to implement  
DuitNow Online Banking/Wallets**

**Best MyDebit Bank  
Best MyDebit (Acquirer – Bank)**

**Malaysian e-Payments Excellence Awards 2022**  
by Payments Network Malaysia Sdn Bhd

##### Cash Management Services

**↑ 24.2%**  
total new payees and payors

##### Remittance transactions

**↑ 13.3%**



# Management Discussion and Analysis

## BUSINESS OPERATIONS REVIEW

### Transactional Services

#### REMITTANCES

##### Overview

Public Bank's remittance services provide comprehensive money transfer services through the Public Bank Group's network of physical and digital channels.

##### Performance Review

Despite global and domestic market uncertainties in 2022, Public Bank's total remittance transactions increased by 13.3% to RM75.32 billion in 2022. This was achieved through effective collaboration with business partners and remittance campaigns launched online and via branches during the year.

##### Marketing and Promotional Initiatives

Campaigns	Results
<b>Remittance Campaign for Overseas Education</b> <ul style="list-style-type: none"><li>Preferential foreign exchange rates for education remittances to Australia, New Zealand, United Kingdom and the United States of America.</li></ul>	A total of RM319.6 million was remitted under the campaign.
<b>PB Overseas Remittance Campaign</b> <ul style="list-style-type: none"><li>Promote cross border remittance services between Public Bank and its overseas subsidiaries or branches in Hong Kong, Vietnam, Laos, Cambodia and Sri Lanka.</li><li>Zero remittance charge for sender whilst beneficiaries enjoyed lower inward remittance service charges during the campaign period.</li></ul>	More than 27,000 transactions worth USD1.69 billion were generated.
<b>PB Foreign Currency Current Account ("FCY CA") Campaign</b> <ul style="list-style-type: none"><li>Due to further liberalisation of Foreign Exchange Policy Notices, Public Bank launched the PB FCY CA Campaign from 1 January 2022 to 31 December 2022.</li><li>The campaign offered preferential foreign exchange rate, zero service transaction charge for inward remittance, lower initial deposit for opening of new FCY CA and discount on cable charges.</li></ul>	Nearly 1,500 new FCY CA were opened during the campaign period.
<b>PB Indonesia Money Transfer ("PBIMT") 2022 Ramadan Campaign</b> <ul style="list-style-type: none"><li>In conjunction with the <i>Ramadan</i> and <i>Hari Raya</i> festive season, Public Bank in collaboration with Bank Central Asia launched the PBIMT 2022 Ramadan Campaign, which offered zero fees for over-the-counter outward remittance to Indonesia.</li></ul>	More than 750 transactions amounting to RM2.2 million was remitted through this campaign.

#### Digital Initiatives

##### PB Foreign Telegraphic Transfer 2022 Campaign

Foreign remittance transaction via online with 50% discount on cable charges on all foreign telegraphic transfer.

More than 16,000 transactions worth RM99.2 million were generated.

##### Western Union Grab Food e-Voucher 2022 Campaign

Public Bank, together with Western Union ("WU"), launched the Western Union Grab Food e-Voucher 2022 Campaign.

A total of RM2.2 million was remitted during the campaign period.

##### Western Union Merdeka Campaign

In conjunction with the National Day and Malaysia Day, Public Bank together with WU launched the Western Union Merdeka Campaign.

A total of RM1.3 million was remitted during the campaign period.

# Management Discussion and Analysis

## BUSINESS OPERATIONS REVIEW

# Capital Market

### TREASURY

#### Overview

The Public Bank Group's treasury operations offer financial services solutions, ranging from commercial Foreign Exchange ("FX") to 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 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 profit before tax of the Public Bank Group's domestic treasury operations fell by 19.8% or RM85.8 million to RM346.8 million in 2022, mainly due to unfavourable market condition which resulted in lower net interest income from interest gapping activities. Investment income was also lower due to lower gains from sales of fixed-income assets as global yields surged and the yield curve steepened on the back of stronger growth and higher inflation.



### KEY HIGHLIGHTS 2022

Public Investment Bank made foray into  
**ACE Market**  
initial public offering

13 fund raising programmes worth  
**RM5.27 billion**  
by Public Investment Bank through issuance of corporate bonds and sukuk



# **Management Discussion and Analysis**

## **BUSINESS OPERATIONS REVIEW**

### **Capital Market**

#### **DOMESTIC CORPORATE LENDING**

##### **Overview**

The Public Bank Group's domestic corporate lending operations provide services to mid-size and large corporates, local and foreign listed corporations as well as 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 formed 12.0% of the Group's domestic lending portfolio as at the end of 2022.

##### **Performance Review**

2022 was another challenging year for the Public Bank Group's domestic corporate lending operations. Despite the reopening of economic activity, investor confidence and business recovery turned cautious attributable to the knock-on effects of renewed geopolitical conflict, global inflationary pressure, global supply chain disruption and the sharp increase in interest rates globally to tame rising inflation. These downside risks to the economy has in turn slowed demand for domestic loans.

Notwithstanding the challenging operating environment and higher repayment of corporate loans, the Public Bank Group's domestic corporate lending operations recorded a moderate loans growth of 1.9% or RM0.78 billion to RM42.23 billion as at the end of 2022. Profit before tax decreased by 4.3% to RM425.5 million in 2022, mainly due to lower net interest income and fee income, partially offset by lower loan impairment allowance.

The loan loss coverage of the Public Bank Group's domestic corporate lending operation remained high at 251.0% as at the end of 2022, reflecting prudent loan loss reserves to absorb potential increase in credit losses. This is in spite of gross impaired loans ratio rising to 1.0% as at the end of 2022 which was largely due to pre-emptive measure to early classify loans as impaired in anticipation of potentially slower economic recovery that may affect loans repayment by weaker borrowers.

#### **INVESTMENT BANKING**

##### **Overview**

Public Investment Bank Berhad ("Public Investment Bank") provides a wide range of investment banking services consisting of corporate finance and advisory services, advisory for issuance of corporate bonds and sukuk, corporate lending, treasury and stock broking services. Public Investment Bank provides services to a diverse pool of customers, which consists of both institutional and retail investors.

##### **Performance Review**

In 2022, Public Investment Bank's stock broking business was underpinned by both its retail and institutional customer base while leveraging on the Public Bank Group's Share Investment Units established nationwide as well as Public Investment Bank's Internet Share Trading Unit. The value-added services provided by the institutional dealing and in-house research teams, were among major factors contributing to the growth of Public Investment Bank's institutional customer base.

The Debt Capital Market Division successfully raised RM5.27 billion through 13 fund raising programmes via the issuance of corporate bonds and sukuk. The Corporate Finance and Advisory Division made its foray into the ACE Market initial public offering space with the successful listing of two companies. It had also completed numerous advisory services and other corporate exercises such as equity fund raising, merger and acquisition as well as acted as an independent advisor.

Public Investment Bank's operating revenue and pre-tax profit dropped by 25.0% and 35.2% respectively to RM171.8 million and RM52.1 million respectively in 2022 mainly due to lower stock broking income amid weaker market conditions.

# Management Discussion and Analysis

## BUSINESS OPERATIONS REVIEW

### Islamic Banking

#### PERFORMANCE REVIEW

Public Islamic Bank Berhad ("Public Islamic Bank") is the Islamic banking arm and a wholly-owned subsidiary of the Public Bank Group. Under the guidance of the Public Islamic Bank's Shariah Committee, Public Islamic Bank provides a wide range of Shariah compliant products and services as it leverages on Public Bank's strong branding, extensive branch network and infrastructure.

In 2022, the Public Bank Group's Islamic banking operation achieved a commendable growth of 38.0% in profit before tax to RM1,005.8 million as compared to RM728.7 million in 2021, contributing 11.4% to the Public Bank Group's profit before tax. Public Islamic Bank's strong financial performance in 2022 was mainly due to double digit growth in gross financing and deposits, positive effects of the Overnight Policy Rate hikes by a cumulative 100 basis points as well as lower financing allowance.

As at the end of 2022, Public Islamic Bank's gross financing and advances grew by 10.8% or RM6.48 billion to RM66.52 billion, mainly driven by higher residential properties and hire purchase financing. Public Islamic Bank's total financing represented 17.6% of the Public Bank Group's total loans, advances and financing.

Public Islamic Bank's customer deposits increased by 14.8% to RM76.09 billion as at the end of 2022, mainly attributable to strong growth of term deposits by 19.1%. Public Islamic Bank's total deposits accounted for 18.7% of the Public Bank Group's total customer deposits. Public Islamic Bank's funding remained healthy with gross financing to fund as well as gross financing to fund and equity ratios of 83.0% and 76.5% respectively as at the end of 2022. Public Islamic Bank's LCR also stood at a healthy level of 134.4% as at the end of 2022.

Despite the expiry of the PEMULIH repayment assistance programme, Public Islamic Bank's asset quality continued to be resilient. Public Islamic Bank's gross impaired financing ratio remained relatively low at 0.2% as at the end of 2022, well below the Islamic banking industry's ratio of 1.6%. Public Islamic Bank continued to be well-capitalised with Common Equity Tier I capital ratio, Tier I capital ratio and total capital ratio of 12.9%, 12.9% and 16.0% respectively as at the end of 2022.

In May 2022, Rating Agency Malaysia reaffirmed Public Islamic Bank's long and short term financial institution ratings of AAA and P1 respectively premised on its highly strategic role as the Islamic banking arm of Public Bank Berhad.



**Profit Before Tax**

**38.0%**  
RM1,005.8 million

**Liquidity Coverage Ratio ("LCR")**

**134.4%**

**Deposits**

**14.8%**  
RM76.09 billion

**Gross Financing**

**10.8%**  
RM66.52 billion

#### KEY HIGHLIGHTS 2022

Provides a wide range of

**Shariah compliant products and services**

Public Islamic Bank was awarded

**Malaysia's Best Islamic Bank**

for 2022 by Asiamoney

Promote

**Environmental, Social and Governance ("ESG") goals**

in financing

Public Islamic Bank was awarded

**Certificate of Appreciation**

for the provision of PBe Digital Platform to wakaf contributors by Yayasan Waqaf Malaysia



# Management Discussion and Analysis

## BUSINESS OPERATIONS REVIEW

### Islamic Banking

#### KEY PRIORITIES AND ACHIEVEMENTS

In 2022, Public Islamic Bank's key priorities include continued lending support to the small and medium enterprises ("SMEs"), promoting ESG goals in its financing and creating value through digitalisation.

#### GOVERNMENT RELATED SCHEMES

Public Islamic Bank strongly supports financing schemes initiated by the Government for various assistance programmes and national development initiatives. In 2022, Public Islamic Bank disbursed total financing amounting to RM34.7 million under the following Government related programmes and schemes:

##### Government Related Scheme to assist customers affected by COVID-19 and flood

- Bai' Al-Einhah ("BAE") Syarikat Jaminan Perniagaan PENJANA Tourism Financing-i
- Targeted Relief and Recovery Facility-i
- PEMULIH Government Guarantee Scheme-i
- BNM Disaster Relief Facility-i 2022

##### Government Related Scheme to support SMEs

- Agrofood Facility-i
- All Economic Sectors Facility-i
- Micro Enterprises Facility-i

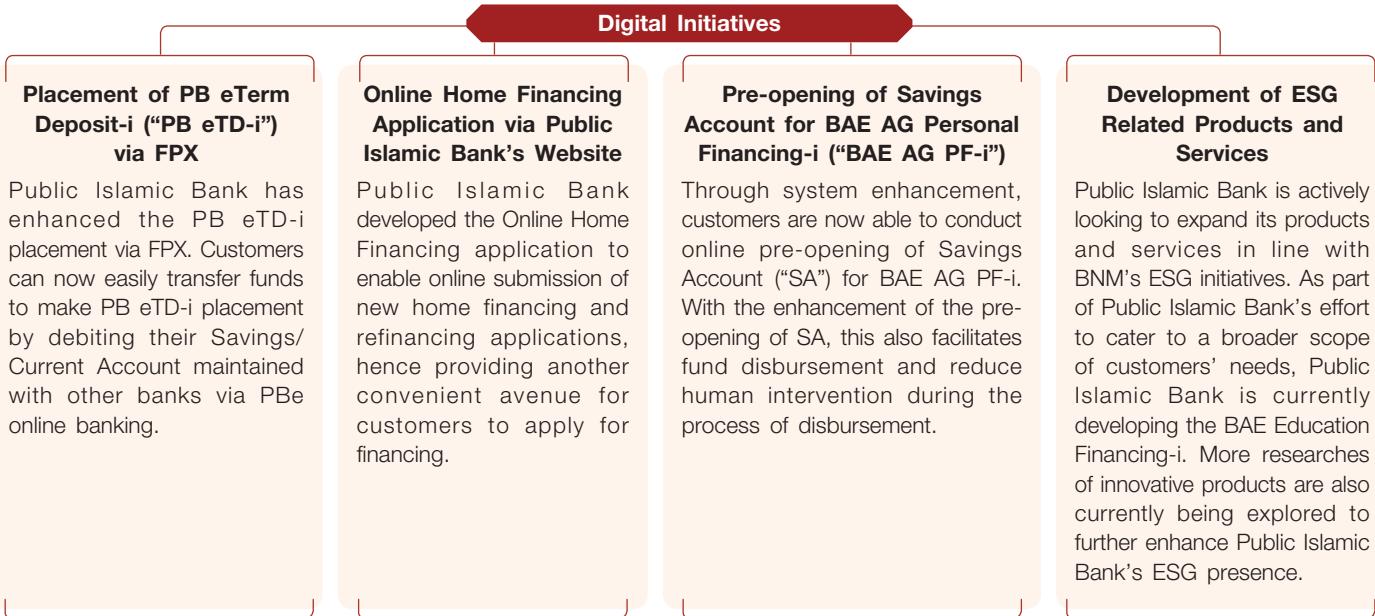
##### Government Related Scheme to encourage ESG and digitalisation

- Low Carbon Transition Facility-i
- SME Automation and Digitalisation Facility-i
- High Tech & Green Facility-i – previously known as High Tech Facility – National Investment Aspirations

#### MARKETING AND PROMOTIONAL INITIATIVES

In 2022, Public Islamic Bank launched various Term Deposit-i campaigns, offering customers flexible investment opportunities whilst further increasing Public Islamic Bank's retail customer base.

Campaigns	Results
Term Deposit-i/eTerm Deposit-i Campaign	Garnered total deposits placements of RM9.01 billion
Term Deposit-i/eTerm Deposit-i via Financial Process Exchange ("FPX") Campaign	



## OTHER INITIATIVES

Public Islamic Bank embarked on further opening of full-fledged Islamic branches to focus on capturing markets with high Islamic demographics. On 1 August 2022, the Public Bank Group successfully converted two conventional Public Bank branches into full-fledged Public Islamic Bank branches, namely in Jalan Kota, Kedah and Wakaf Siku, Kelantan. With these conversions, Public Islamic Bank's full-fledged Islamic branches now stands at four as at the end of 2022, from two branches a year ago.

## PRODUCTS AND SERVICES

During the year, Public Islamic Bank and AIA Public Takaful Berhad have rolled-out two bancatakaful and wealth management products, namely the PB SME Flex-i and PB Wealth Amanah.

PB SME Flex-i, which is an enhancement product launched in February 2022, is an Employee Benefit takaful product particularly designed for SMEs.

PB Wealth Amanah, which was launched in June 2022, is a family takaful plan providing takaful protection and legacy planning while maximising investment returns for customers.

Public Islamic Bank is amongst the pioneer in launching green and sustainable financing such as electric vehicle financing, solar panel financing and green property financing for both retail and commercial customers. As part of Public Islamic Bank's Value Based Intermediation, these initiatives contribute positively to society's well-being and accelerate customers' transition towards a low carbon and climate resilient economy.

## ROLES AND AUTHORITY OF SHARIAH COMMITTEE

Public Islamic Bank's Shariah Committee ("SC") was established in line with the requirements of Islamic Financial Services Act 2013 ("IFSA 2013") and the Shariah Governance Policy Document ("SGPD") issued by BNM which came into effect on 1 April 2020. The SC is responsible for the overall Shariah governance and Shariah-compliance of Public Islamic Bank.

The SC members were appointed by the Board of Directors to perform oversight and advisory roles on Shariah matters to ensure that Public Islamic Bank's business and activities are in compliance with Shariah principles.



# Management Discussion and Analysis

## BUSINESS OPERATIONS REVIEW

### Islamic Banking

The roles and responsibilities of the SC as guided by Paragraph 10.2 of BNM's SGPD are as follows:

- Provide decision or advice to Public Islamic Bank on the application of any rulings of the Shariah Advisory Council ("SAC") of BNM or standards on Shariah matters that are applicable to the operations, business, affairs and activities of Public Islamic Bank;
- Provide decision or advice on matters which require a reference to be made to the SAC;
- Provide decision or advice on the operations, business, affairs and activities of Public Islamic Bank which may trigger a Shariah Non-Compliant ("SNC") event;
- Deliberate and affirm SNC findings by any relevant functions; and
- Endorse rectification measures to address an SNC event.

As at the end of 2022, the SC of Public Islamic Bank comprised of the following members:

1. Dr. Shafaai Bin Musa;
2. Dr. Ab Mumin Bin Ab Ghani;
3. YM Engku Ahmad Fadzil Bin Engku Ali;
4. En. Wan Abdul Rahim Kamil Bin Wan Mohamed Ali; and
5. Dr. Syed Musa bin Syed Jaafar Alhabshi.

In 2022, a total of 14 meetings were held and details of attendance of the SC member are as follows:

Shariah Committee Members	Number of SC Meetings	
	Held During Tenure in Office	Attended
<b>Dr. Shafaai Bin Musa</b> (Appointed on 14 June 2022 as Member of SC; and appointed on 21 September 2022 as Chairman of SC)	10	10
<b>Dr. Ab Mumin Bin Ab Ghani</b>	14	14
<b>YM Engku Ahmad Fadzil Bin Engku Ali</b>	14	14
<b>En. Wan Abdul Rahim Kamil Bin Wan Mohamed Ali</b> (Appointed on 1 April 2022)	11	11
<b>Dr. Syed Musa bin Syed Jaafar Alhabshi</b> (Appointed on 1 November 2022)	2	2
<b>En Khairil Anuar Bin Mohd Noor</b> (Completed tenure on 31 October 2022)	12	12
<b>Datin Dr. Rusnah Binti Muhamad</b> (Completed tenure on 31 March 2022)	3	3
<b>Ir. Dr. Muhamad Fuad Bin Abdullah</b> (Completed tenure on 31 March 2022)	3	3

### ZAKAT OBLIGATION

Public Islamic Bank's zakat payment amounted to RM2,185,000 which has been paid to 14 states of zakat authorities in Malaysia for the assessment year of 2021.

## Management Discussion and Analysis

### BUSINESS OPERATIONS REVIEW

## International Operations

Branch Network	2022	2021
<b>Hong Kong &amp; People's Republic of China ("PRC") Operations</b>		
Public Bank (Hong Kong) Limited	37	37
– Hong Kong	32	32
– PRC	5	5
Public Finance Limited	42*	43
Winton (B.V.I.) Group	3	3
<b>Indo-China Operations</b>		
Cambodian Public Bank Plc	31	31
Public Bank Vietnam	32	29
<b>Public Bank's Overseas branches</b>		
Laos	4	4
Sri Lanka	3	3

**Note:** \* Public Finance merged its Central Branch and Wing On House Branch on 3 May 2022, due to branch rationalisation.

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

In 2022, the Public Bank Group's international operations contributed 7.5% to the Group's profitability. Public Financial Holdings Limited Group in Hong Kong and Cambodian Public Bank ("Campu Bank") continued to be the main contributors. Despite the volatile and challenging operating conditions, the pre-tax profit of the Group's international operations grew by 6.8% to RM664.9 million in 2022.



### KEY HIGHLIGHTS 2022

#### Profit before tax of RM664.9 million

contributing 7.5% to the Public Bank Group's total profit before tax

#### Gross impaired loans ratio

**1.6%**

#### Campu Bank was accorded

#### Best Bank for SMEs

by Asiamoney

#### US Dollar Straight-Through-Processing Excellence Award 2021

by Bank of America Merrill Lynch

#### Best Corporate Governance Bank Cambodia 2022

by the Global Banking and Finance

#### Public Bank Vietnam Limited's business performance

**↑ 23.4%**  
profit before tax

**↑ 19.0%**  
loans growth

**↑ 9.3%**  
deposits growth



# Management Discussion and Analysis

## BUSINESS OPERATIONS REVIEW

### International Operations

#### HONG KONG

	Public Financial Holdings Group	Public Bank (Hong Kong) Limited	Public Finance Limited
<b>Profit before tax</b>	<b>HKD406.5 million</b> ↓ 32.5%	<b>HKD194.2 million</b> ↓ 25.5%	<b>HKD191.4 million</b> ↓ 34.8%
<b>Gross loans, advances and financing</b>	<b>HKD24,882.3 million</b> ↓ 5.2%	<b>HKD19,365.4 million</b> ↓ 5.9%	<b>HKD5,126.4 million</b> ↓ 2.6%
<b>Deposits from customers</b>	<b>HKD30,446.4 million</b> ↓ 5.4%	<b>HKD26,417.9 million</b> ↓ 4.8%	<b>HKD4,293.7 million</b> ↓ 8.4%
<b>Gross impaired loans ratio</b>	<b>1.3%</b> 2021: 0.9%	<b>1.2%</b> 2021: 0.9%	<b>1.4%</b> 2021: 1.2%

The Public Bank Group's operations in Hong Kong are undertaken by Public Financial Holdings Limited ("PFHL"), a company listed on the Stock Exchange of Hong Kong since 1991. PFHL's operations are carried out mainly through two of its major subsidiaries, namely, Public Bank (Hong Kong) Limited ("PBHK") and Public Finance Limited ("PFL"). PBHK concentrates on retail and commercial banking, stock broking and wealth management services, while PFL focuses on personal financing.

#### Performance Review

In 2022, Hong Kong being an international financial centre, was impacted by global economic headwinds and the closure of its border with mainland China under China's strict COVID-19 rules. Operating under these unprecedented and challenging conditions, the Public Bank Group's Hong Kong operations recorded a decline in profit before tax by 32.5% to HKD406.5 million in 2022 mainly attributable to lower net interest income.

Amidst the challenging operating environment with heightened external risks including developments in mainland China's real estate sector, PBHK and PFL's loans and advances declined by 5.9% and 2.6% respectively to HKD19.37 billion and HKD5.13 billion respectively as at the end of 2022. Total customer deposits of PBHK and PFL fell by 4.8% and 8.4% respectively to HKD26.42 billion and HKD4.29 billion respectively as at the end of 2022.

Overall asset quality of the Public Bank Group's Hong Kong operations remained healthy. PBHK and PFL's gross impaired loans ratios stood at 1.2% and 1.4% respectively as at the end of 2022. The Group's operations in Hong Kong continued to proactively engage with its borrowers, especially those who are in need of financial assistance through various loans repayment assistance packages in line with the Hong Kong Government's relief measures to support businesses and individuals who are affected by the COVID-19 pandemic.

In 2022, PBHK marked its tenth year of strategic bancassurance partnership with AIA International Limited (Hong Kong). The annualised new premium ("ANP") fell by 30.6% to HKD15.9 million mainly due to macro uncertainties.

#### CAMBODIA

	Cambodian Public Bank Plc
<b>Profit before tax</b>	<b>USD67.3 million</b> ↑ 17.9%
<b>Gross loans, advances and financing</b>	<b>USD1,271.9 million</b> ↑ 7.8%
<b>Deposits from customers</b>	<b>USD1,481.0 million</b> ↓ 13.6%
<b>Gross impaired loans ratio</b>	<b>1.7%</b> 2021: 0.6%

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

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

Established in 1992, Campu Bank drives the Public Bank Group's retail and commercial banking business in Cambodia. Campu Securities, a wholly-owned subsidiary of Campu Bank was established in 2010 to provide securities underwriting and trading activities whilst CLIP, a 55% owned subsidiary of the Group, is a provider of general insurance services in Cambodia.

#### Performance Review

The Cambodian economy grew by 5.1% in 2022, supported by strong exports performance, recovery of its tourism industry and ongoing policy support by the local Government. Due to the improved domestic economic conditions, Campu Bank's pre-tax profit improved by 17.9% to USD67.3 million in 2022 mainly due to higher net interest income.

Campu Bank's gross loans and advances grew by 7.8% to USD1.27 billion as at the end of 2022 in tandem with the gradual recovery in business activities domestically. Campu Bank's customer deposits fell by 13.6% to USD1.48 billion during the same period.

Campu Bank's gross impaired loans ratio increased to 1.7% as at the end of 2022 from 0.6% a year ago, mainly due to a few borrowers who were affected by the volatile economy. Campu Bank remained proactive in engaging with its borrowers, especially to assist those in need of financial assistance.

Year 2022 was a historic milestone as Campu Bank's bancassurance partnership with AIA (Cambodia) Life Insurance Plc which started since 3 May 2017, was extended for another 15 years on 1 January 2022. This new agreement enables Campu Bank to provide its customers with a broadened range of high-quality life insurance protection and long term savings solutions. The bancassurance business generated an ANP of USD1.1 million in 2022.

CLIP which is a major player in the highly competitive general insurance business in Cambodia recorded a pre-tax profit of USD500,000 in 2022.



## AWARDS 2022

### Asiamoney

- Best Bank for SMEs, Cambodia 2022

### Global Banking and Finance

- Best Corporate Governance Bank Cambodia 2022

### Bank of America Merrill Lynch, New York

- US Dollar Straight-Through-Processing Excellence Award 2021

## VIETNAM

	<b>Public Bank Vietnam</b>
<b>Profit before tax</b>	<b>VND590.84 billion</b>
	↑ 23.4%
<b>Gross loans, advances and financing</b>	<b>VND24,901.06 billion</b>
	↑ 19.0%
<b>Deposits from customers</b>	<b>VND18,410.82 billion</b>
	↑ 9.3%
<b>Gross impaired loans ratio</b>	<b>1.8%</b>
	2021: 1.7%

Vietnam remained an economic outperformer regionally with GDP growth of 8.0% in 2022, driven by its broad based recovery, with solid domestic demand and exports, strong influx of foreign direct investments and supportive policies.

## Performance Review

Public Bank Vietnam Limited ("Public Bank Vietnam") continued to deliver strong performance as reflected in its double-digit pre-tax profit growth of 23.4% to VND590.84 billion in 2022, supported by commendable growth in both loans and deposits. Gross loans, advances and financing recorded an impressive growth of 19.0% to VND24,901.06 billion as at the end of 2022, whilst customer deposits expanded further by 9.3% to VND18,410.82 billion as at the end of 2022.

Despite strong loans growth, Public Bank Vietnam's asset quality remained resilient. Public Bank Vietnam's gross impaired loans ratio inched up slightly to 1.8% as at the end of 2022, from 1.7% in the previous year.

During the year, Public Bank Vietnam launched its mobile banking app, PB engage VN as well as Visa Debit and Credit Card to meet the evolving needs of customers owing to the acceleration and revolution of the banking industry's digital channels.

Public Bank Vietnam entered into its fifth year of bancassurance distribution partnership with AIA (Vietnam) Life Insurance Company Ltd in 2022. Total ANP of VND6.70 billion was underwritten in 2022, representing an increase of 70.0%. During the year, a new insurance plan 'Khoe Tron Ven' was launched to cater to the insurance needs of customers by providing full lifetime critical illness and cancer coverage.

Public Bank Vietnam opened three new branches in 2022, bringing the total number of branches to 32 branches. The Public Bank Group remains committed to expand its business in Vietnam to a total of 40 branches in the medium term horizon as it continues to capitalise on Vietnam's robust economic environment.

## LAOS OPERATIONS

Public Bank Laos Operations recorded an increase in profit before tax by 16.8% to LAK67.61 billion in 2022, supported by increase in both loans and deposits. Total loans and advances rose by an impressive 23.5% to LAK1,580.50 billion as at the end of 2022 driven by higher loans demand. Total customer deposits recorded a commendable growth of 67.3% to LAK1,902.28 billion as at the end of 2022 supported by deposits mobilisation. Presently, Public Bank has four branches in Lao PDR.

## SRI LANKA

The Sri Lanka economy faced extreme headwinds during the first half of 2022 amid economic and political tensions. The Public Bank Sri Lanka Operations' profit before tax improved to LKR702.2 million in 2022, partly supported by various policy measures and interventions by the Government. However, loans and advances declined by 11.7% to LKR5.96 billion as at the end of 2022 due to weak demand. Total customer deposits also fell by 16.5% to LKR3.22 billion as at the end of 2022. Currently, Public Bank has three branches in Sri Lanka.



## Serving the Customer

### COMMITMENT IN PROVIDING EXCELLENT CUSTOMER SERVICE

The Public Bank Group's customer-centric approach to the delivery of excellent customer service is an integral part of the Group's corporate values and culture. Public Bank's corporate tagline '*Excellence is Our Commitment*' reflects the Group's customer service culture, which is a testament of the Group's commitment to deliver top-notch services to its customers. This customer service ethos sets the guiding principles for deepening customer engagement and forging enduring relationships.

The competitive marketplace is such that competitors offer similar products and services while targeting the same customer base. Given the similarities and competitiveness of various banking products and services, excellent customer service has been a key differentiator which tips the scale, provides extra competitive edge and persuades people to continue banking with Public Bank.

In a technology-driven world, innovation and improvement of customer experience remain an ongoing journey for the Public Bank Group. Recognising the importance of upholding service excellence, the Group adopts relevant strategies to deliver high quality, prompt and efficient services which aim to enhance customers' value, promote customer loyalty and improve overall customer retention.



### KEY HIGHLIGHTS 2022

**Internationally benchmarked**

### **ISO 9001:2015 certification**

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

#### **Customer Feedback Questionnaire ("CFQ")**

**> 95%**

customers satisfied with services rendered

#### **Customer Service Survey via Quick Response ("QR") Code**

**> 99%**

customers satisfied and will promote Public Bank's services to others

#### **Established**

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

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

## KEY PRIORITIES AND ACHIEVEMENTS

**SIRIM Certified reaffirmed by SIRIM in 2020 for another three years to 2023**

### **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 customer's standard waiting time ("SWT") at branches. The Bank achieved conformance rate of 80% in 2022, with 6.2 million customers served within 2 minutes SWT. In terms of the SWT of 5 minutes, the Bank achieved higher conformance rate of 90%, with 7.0 million customers being served within 5 minutes.

### **ISO 9001:2015 certification for the 'Provision of Customer Service in Loan Delivery'**

Public Bank ensures that its loans processing and loans disbursement at branches are carried out in accordance with the Bank's standard turnaround time to ensure efficient service in loans delivery as it continues to place great emphasis on the efficiency of loans service delivery.

### **BCM**

Public Bank has put in place an established BCM process in the event of disaster(s) which could impede the Bank's service deliveries. A key factor for maintenance of high quality service standards is by ensuring that operational risks are managed appropriately to provide uninterrupted banking services to customers.

The Public Bank Group's Business Continuity Plan ("BCP") aims to ensure operational and infrastructure sustainability in the event of disasters. The BCP is constantly reviewed, enhanced and tested throughout the year to ensure that it remains up-to-date and relevant so that essential banking services can be continuously delivered.

### **CFQ**

Customer satisfaction surveys provide invaluable insights on the various needs and preferences of customers, which could assist in Public Bank's formulation of policy decisions and implementation of customer centric initiatives.

In 2022, Public Bank carried out its in-house CFQ to collate customers' feedback on its services. The results were satisfactory with Public Bank achieving high ratings on its counter services as well as loans service delivery. More than 95% of Public Bank's customers were satisfied with services rendered to them.

### **Customer Service Survey via QR Code**

The Public Bank Group's Customer Service Survey via QR code seeks feedback from customers on their satisfaction with the Group's services. The survey results showed that customers are satisfied with the services rendered and will promote the Bank's services to others, as reflected by ratings given whereby more than 99% of customers were satisfied and rated Public Bank either '9' or '10' from the score of between '0' and '10'.

### **Prompt Complaint Resolution System**

Public Bank takes all complaints received seriously and always seeks to minimise instances of complaints as well as grievances. Effective complaint management mechanisms are in place to ensure prompt redress of customers' complaints and identification of areas for improvement. Structured monitoring systems are also built to ensure that redresses of complaints are just and fair as well as resolved within its 10-day internal benchmark.

### **PB Customer Experience Onboarding Survey**

A new online survey, the PB Customer Experience Onboarding Survey, was conducted in 2022. This is an in-depth survey of customer's onboarding experience focusing on those within the age group of 18 to 29 years old. The feedback received was positive and amongst the highlights from customers were satisfaction with the easy and simple account opening process as well as the product range offered by Public Bank.

### **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.

Public Bank values all feedback from its employees. Daily interactions with customers provide valuable insights into customers' pain points which could assist to generate ideas to improve customer satisfaction and create an overall positive banking experience. The Bank's employees are encouraged to share their ideas and opinions via the CSFG, which is easily accessible for reviews and knowledge sharing within the Bank.

### **Special Care Service for Customers**

Branches are equipped with Special Care Counter to provide priority services for the physically disabled, senior citizens and expectant mothers regardless of the queue, time of arrival and nature of transaction(s).



# Management Discussion and Analysis

## BUSINESS OPERATIONS REVIEW

# Channel Management

### OVERVIEW

Despite headwinds marred by economic uncertainties during the year, the Public Bank Group continued to invest resources to deliver excellent customer experience through its digital channels. The implementation of the Public Bank Group's Digital Roadmap which focuses on reimagining customer experience by reinventing customers' journey will enable the Group to grow its ecosystem and to address customers' wants and needs digitally.

### PERFORMANCE REVIEW

#### Self Service Banking

As at the end of 2022, Public Bank has 2,074 units of self service terminals which comprised of automated teller machines ("ATM"), cash recycling machines ("CRM"), cheque deposits and coin deposits machines at various in- and off-branches located throughout Malaysia. Given the full reopening of the economy during the year, ATMs and CRMs at all Public Bank's self service terminal vestibules resumed their usual operating hours.

#### Internet Banking and Mobile Banking

The pandemic has accelerated digital consumption demand, shifting consumer behaviour from traditional banking to digital banking. Riding on this digitalisation wave, the Public Bank Group's investments to enhance the Group's digital capabilities across its digital channels are showing results. Mobile banking is increasingly becoming the preferred choice for many customers, especially the digitally-savvy generation. This is evident with the robust performance by the Group in acquiring newly registered subscribers of mobile banking which grew by a commendable 29.2% in 2022, whilst active subscribers of mobile banking increased by 20.7%. The number of mobile banking transactions also increased by 20.9%.

To make payments simpler and convenient for customers when they bank and pay with Public Bank, the DuitNow QR, which is an interoperable and common QR standard in Malaysia, is currently supported on the Public Bank Group's mobile banking for customers to make payments and PBe QR for merchants to receive payments. On mobile payment, the Group recorded an increase in the number of DuitNow QR payments by almost three folds as compared to the previous year. The volume and value of DuitNow QR transactions accepted by merchants also increased by almost six folds respectively.

The Public Bank Group's total number of new companies registered on PB enterprise corporate online banking recorded a solid growth of 72.5%. The increase in the number of new companies registered had also contributed to the 40.0% increase in the number of transactions performed on PB enterprise.



The Public Bank Group's newly registered subscribers of online banking grew by 4.7% in 2022. The Group also maintained a steady growth of active subscribers of online banking which increased by 15.1%. However, the number of online banking transactions fell by 4.6%, as customers probably switched to mobile banking instead.

The Public Bank Group believes that technology plays a quintessential part in providing a robust and safe digital experience for customers. As the Group continues to enhance its digital channels, the Group is also committed to ensure that customers remain protected as they use the Group's digital services.



### Towards Building a Robust Digital Ecosystem

Through the Public Bank Group's significant investments in building a robust digital ecosystem, the Group is well positioned to capture business opportunities by attracting, serving and enabling customers through the Group's digital platforms. During the year, the Group has launched the pilot implementation of a new mobile banking application, MyPB. The app is expected to be implemented soon for customers' access, with the aim of providing lifestyle-based services which will complement existing banking services provided. MyPB will act as a cornerstone of digitisation of the Group's products and services, enabling fully digital applications without customers having to visit any branch. The newly launched mobile banking application for corporate customers is in the midst of enhancement which will provide customers with a seamless experience through its enhanced user interface and corporate online banking platform.

### Financial Inclusion and Sustainability

The Public Bank Group is committed to promote financial inclusion and ensure sustainability of its services. The Group strives to provide access of financial services to all customers, including unbanked and underbanked customers, while breaking down barriers of entry to facilitate access. To promote these objectives, the Group continues to upgrade its new mobile banking app, MyPB, and improve its features and interface. The Group will be introducing several functions to address specific customer segments' needs, such as providing services to visually impaired individuals, supporting carbon neutral entities and providing access to micro as well as small and medium enterprises ("SMEs"). This will ensure greater accessibility to various group of customers while driving growth of the Group's digital channels.

### Banking-as-a-Platform

The new mobile banking app, MyPB, is positioned as a lifestyle-based application which will leverage on third party service providers to provide complementary services, including micro insurance, loyalty points aggregation, ticketing and travel plans. The provision of such services will not only provide opportunities for these third parties to access and profit based on the uptake of services by customers, but also provide customers with an array of services that can be accessed through one single app using MyPB. As part of the Public Bank Group's effort to assist SMEs, the Group partnered with several solution providers for its PB enterprise Digital SME Assist programme to provide SMEs with a one-stop access to all their business needs, including accounting and human resource software. The Group will soon be expanding its programme to allow the Group's corporate customers to integrate with the Group's Digital SME Assist partners.

The Public Bank Group will continue to keep abreast with new technology and market movements to anticipate, plan and coordinate initiatives for the Group's overall digital strategy and roadmap.

### Cybersecurity

There are ongoing developments of various scam tactics including downloading of Android Package Kit ("APK") file as instructed by scammers. Scammers use the malware injected mobile application as their main tool to phish for victims' banking credentials.

In response to the rise in cybercrimes such as APK, phone scams and other Modus Operandi, a dedicated complaint channel has been established on 1 October 2022. Meanwhile, case management operation hours were also extended to 24 hours for customers to report online scams and fraud related matters.

Bank Negara Malaysia in collaboration with the Royal Malaysia Police (*Polis Diraja Malaysia – "PDRM"*), Malaysian Communications and Multimedia Commission, major banks as well as other authorities has established the National Scam Response Centre ("NSRC") for handling scam related matters. The soft launch of NSRC was on 12 October 2022. This infrastructure is created to expeditiously trace funds, recover stolen funds including to hold funds whilst waiting for a formal freezing order from PDRM, alerting beneficiary bank(s) for further action and convict offenders.

Public Bank has been gradually phasing out the Transaction Authorisation Code ("TAC") due to the vulnerability to malware and phishing attacks. Digital Token which has been in place, provides a more secure transaction authentication mechanism, preventing abuse of TAC by fraudsters. Customers have been encouraged to activate PB SecureSign digital security token on PB engage or obtain a SecureSign token from branch to approve their online banking transactions.

The Public Bank Group has been very proactive in promoting customer awareness of cybercrimes. The Group used pop up light box (which is an interactive customer education material), e-mail blast and online banners to educate customers on the latest security advisories of online banking. The security measures were also published through various channels such as Public Bank's website, PB engage, WeChat, YouTube, digital display at branches and social media platform. As part of its continuous effort of providing a safe and secure ecosystem for customers, the Group constantly publishes the most updated preventive measures in its online security microsite.



# Management Discussion and Analysis

## BUSINESS OPERATIONS REVIEW

# Information and Communication Technology

Through effective use of Information and Communication Technology ("ICT"), the Public Bank Group is capitalising on opportunities presented by the country's economic rebound to respond to evolving customer trend. Digitalisation initiatives continue to be customer centric. To meet changing customer demands amidst intense competition, the adoption of internally developed strategies and collaboration with technology partners provided the much needed business agility. Substantial investments were also made to maintain the ICT infrastructure for growth, resilience and to sustain a strong security posture.

### Enriching Customer Experience

In 2022, the Public Bank Group intensified development efforts to improve customer experience. While successful strategies from previous years were continued, new technologies were incorporated. Processes were streamlined for greater efficiency and faster response times. New features were also added to provide greater functionality for both retail and corporate customers.

- In line with the Public Bank Group's digitalisation strategy to enrich its mobile channels, a new mobile super app which is an advanced mobile app for multiple usages is currently piloted to selected users. The new app goes beyond basic banking requirements to provide a variety of lifestyle features. This includes a personal financial management tool, loyalty card storage and Red Carpet Banking appointment scheduling.
- An enhanced PBe Internet Banking service redesigned for a new look-and-feel is in the final stages of testing. Users can expect improved responsiveness and faster turnaround times with streamlined workflows in the background.
- Following the successful introduction of Gamification in 2021, further games related promotions were used in 2022 to boost DuitNow festive season fund transfers such as eAngpow with DuitNow, 'Roda Raya', Deepavali Catch the Lamp and Christmas Wish Upon A Tree.
- For corporate customers using PB enterprise, a mobile app version to manage their accounts conveniently via their mobile devices has been launched.
- The web version PB enterprise now supports virtual accounts for corporate customers to better manage reporting, file upload and fee charges for their subsidiaries/branches.
- Hire Purchase ("HP") loans application processing has been enhanced by digitalising external search results to accelerate approval turnaround time as well as reduce printing and manual scanning of documents.
- In terms of recovery workflow, tedious manual processes such as repossession order issuance/tracking and sending e-mail notifications to customers with matured loans extensions have been automated for increased productivity.

### KEY HIGHLIGHTS 2022



## Strategic Partnerships

The Public Bank Group's partnerships are mutually beneficial, providing opportunities by leveraging on each other's strengths.

- The Public Bank Group was among the first banks in Malaysia to launch Google Wallet. Google Wallet allows user to pay using Public Bank's card through their Android and WearOS devices. It also supports digital airline boarding passes.
- Together with PayNet, Public Bank was the first bank to launch cross-border Quick Response ("QR") code payments between Malaysia and Indonesia. With the arrangement, customers in both countries can now make retail payments via DuitNow QR or Quick Response Code Indonesian Standard. The Bank was also the first to launch a similar service with Thailand last year. The Bank's cross-border QR payments with Singapore via PayNet is in the pipeline.
- Petron is upgrading their outdoor self-service petrol kiosks to accept contactless payments with Public Bank as their acquiring bank.
- Public Bank is also collaborating with AIA on a new bancassurance app which will integrate with the AIA cloud. The app will enable sales personnel to prioritise leads, receive important announcements and insights to improve sales conversion.
- For the HP loans application, a new system was developed to provide interactive digital forms for car dealers to assist customers in obtaining hire purchase loans applications. Available for both on-the-go and in-office use, the forms also allow status checks for the dealers to better service their customers.
- Public Bank QR merchants can also integrate their Point of Sales systems with the Bank via PBe QR Application Programming Interface ("API"). The link allows dynamic QR code generation instead of static QR code displays for their customers to scan for payments. It also allows instant transaction inquiry to confirm successful payment to the merchant.

## Cyber Resilience

The Public Bank Group remains vigilant in updating and strengthening its cyber resilience in the face of growing threats. Besides regular security infrastructure upgrades, incident response capabilities are constantly being improved under the existing safe-to-fail strategy for rapid recovery and damage limitation.

- The Public Bank Group's Cyber Resilience Framework and Corporate Information Security Management Policy were continually kept updated to address the latest cyber threats.
- To provide higher resilience for its internet network access, the Public Bank Group has subscribed to an additional Tier 1 Global Internet Service Provider. The new service has tenfold higher Distributed Denial of Service cyber attack mitigation capacity and lower turnaround time for mitigation activation.

- A digital forensic tool has been installed for conducting digital forensic analysis on cyber events. It will help efforts to identify the root cause and evidence of cyber events, derive effective remediation methods and estimate the potential impact of malicious activities. The tool is also capable of collecting and preserving digital evidence.
- A new security solution with ML and data analytics capabilities has been installed to proactively detect and respond to anomalous network behaviour or activities that indicate potential cyber threats.
- The Public Bank Group has subscribed to a new Incident Response Retainer service to facilitate fast incident response to cybersecurity incidents in the form of incident analysis, investigations and recovery measures.
- The Public Bank Group's cyber resilience continues to be regularly tested with the help of reputable cybersecurity consultants. Comprehensive testing including simulated prolonged Distributed Denial of Service attacks and other sophisticated attack methods are conducted to detect loopholes and enable remediation.
- In addition, the Public Bank Group participates in cybersecurity drills conducted by Bank Negara Malaysia as well as statutory bodies such as the Securities Commission.
- Hackers are increasingly targeting weaker links in the security chains of particular customers, staff and software suppliers with weaker cybersecurity in place.
  - To raise awareness of social engineering and phishing attacks, customers are educated via warning messages about cyber threats at online touch points such as the landing page of PBe and via SMS messages.
  - Mitigation measures against supply-chain attack were implemented.
  - Phishing tests are periodically conducted to gauge staff alertness.



# Management Discussion and Analysis

## BUSINESS OPERATIONS REVIEW

### Information and Communication Technology

#### New Technology

The Public Bank Group continues to explore and implement relevant new technologies into its products and services.

- The new super app being piloted incorporates the following new technologies:

Electronic Know Your Customer (“eKYC”) solution with AI capability for self-onboarding; and

Progressive Web Application Development for creation or enhancements of apps and digital forms to enable faster deployment of updates.

- Public Bank has implemented Soft Token technology with end-to-end encryption to users' registered mobile device ahead of the central bank's mandate in the second quarter of 2023. It will replace the SMS one-time-passwords that were more easily intercepted by scammers. With the improved security, customers are able to authorise higher transaction limits.
- The credit card mainframe system was upgraded to the latest Clearpath models with faster processors from Unisys to support business growth.
- The Storage Area Network was refreshed with a newer and faster system with over a third extra capacity over the previous storage and features Safeguarded Copy technology for protection against data corruption by ransomware and other cyber threats.

#### Talent Development

The Public Bank Group is continuously upskilling its ICT workforce to boost creativity, competency and productivity. Succession planning is conducted by enabling, developing and grooming younger staff for transition into leadership roles.

##### Recruit

- Technical assessment

##### Train

- Online training
- Job exposure
- Motivational games

##### Develop

- Growth opportunities
- Promotion to leadership roles

- Candidates for ICT recruitment undergo assessments on a cloud-based system.

The assessments consist of programming challenges in a variety of programming languages, spanning across various computer science disciplines;

The technical assessment system reduces unproductive job interviews; and

Talented candidates are selected based on the required competencies and skills.

- Staff are required to undergo a minimum period of training each year on various aspects to raise awareness on cybersecurity as well as good environmental, social and governance practices. Advanced technical training is also provided by external subject matter experts in various ICT areas to raise competency levels.
- Internally, a PB Adventure Game for staff was launched to increase sales and cross-selling productivity, motivate non-sales staff to refer business leads and elevate staff competency in key compliance areas.
- As part of the Public Bank Group's talent development framework, a new system has been launched to provide online training and skills assessment for staff to upgrade their competency holistically through self-learning.

Staff will be exposed to various strategic roles and assessed for their suitability while being provided opportunities for advancement in new roles; and

The system will help identify and prepare a sustainable talent pool in the succession pipeline for key leadership positions.

#### Future Direction

The Public Bank Group will forge ahead with digitalisation, improve efficiency and speed of delivery for its services as well as continue to seek out new technologies that will further enhance its capabilities to cater to the evolving needs of customers. The use of eKYC will be widened for the onboarding process of new customers while greater Fintech participation using OpenAPI is in the pipeline. The mobile offerings from the Group will be expanded with mobile commerce and greater personalisation options as well as the likely inclusion of voice payment for greater customer experience. AI and ML will be employed to automate more business processes such as document management, loans approvals and customer surveys. Use cases for new technologies being explored include blockchain technology, Web 3.0 and the metaverse with virtual/augmented reality.

## Management Discussion and Analysis

### BUSINESS OPERATIONS REVIEW

## Branch Performance – KPIs and Awards

### BRANCH KEY PERFORMANCE INDICATORS

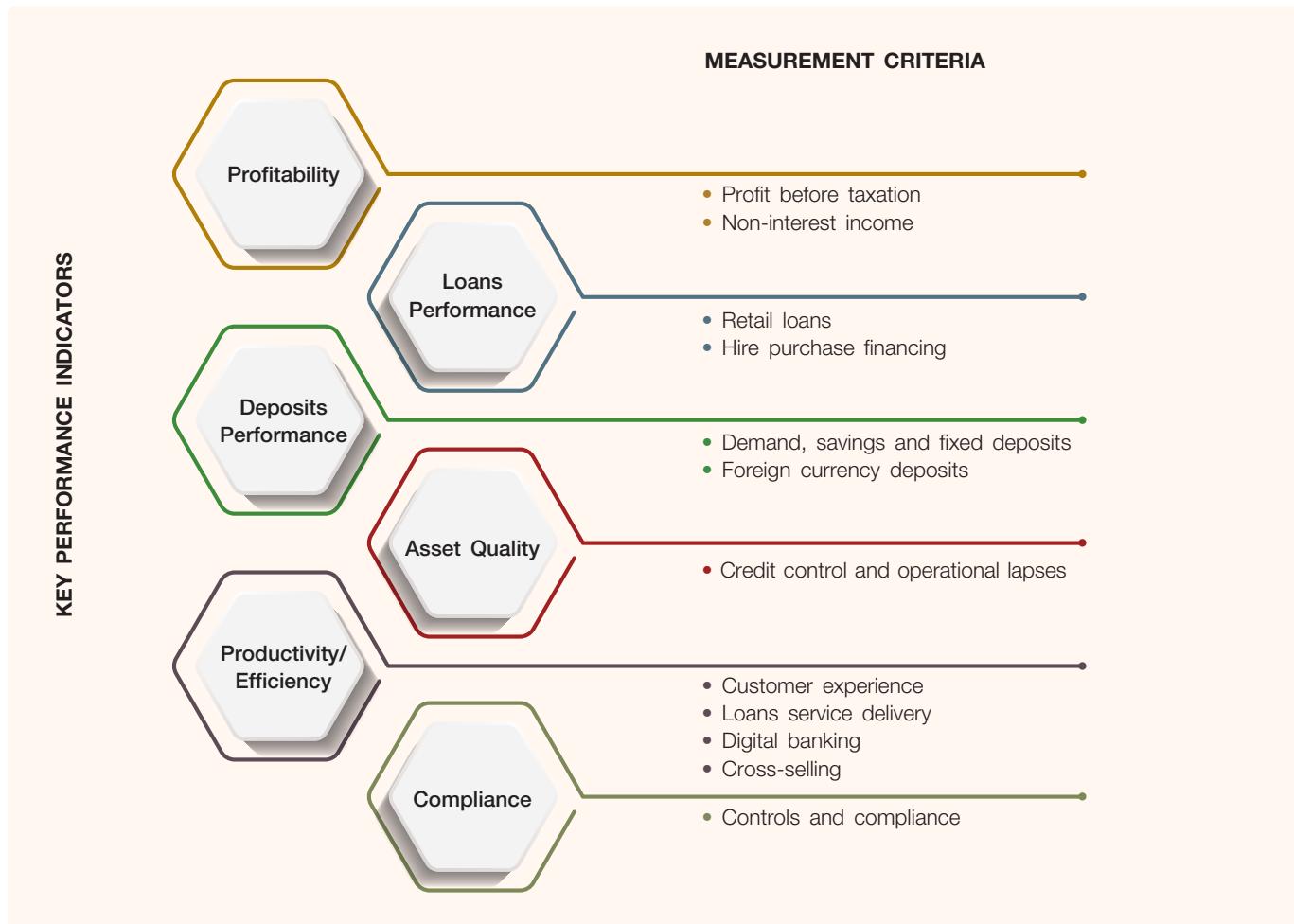
Public Bank adopts Key Performance Indicators (“KPI”) to evaluate the business performance and operational efficiency of its branches. These KPIs are quantifiable measurements in ascertaining the progress of branches towards achieving the Bank’s business strategies that include Environmental, Social and Governance (“ESG”) related elements. Branch KPIs are also adopted for appraising and rewarding staff at branches as well as providing the basis for allocation of resources at branches. Critical key performance factors are incorporated in the KPIs, such as profitability, loans and deposits growth, asset quality, service delivery, control and compliance as well as staff productivity and efficiency.

#### Public Bank’s Approach

Public Bank reviews these KPIs annually to align with changes in the operating environment and business strategies of the Bank. In addition, close monitoring of branch performance will provide the impetus for branches to achieve their KPIs. For instance, the performance and ranking of branches are disseminated on a monthly basis to enable them to take remedial actions and improve their performance.

#### Key Performance Indicators

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



# Management Discussion and Analysis

## BUSINESS OPERATIONS REVIEW

### Branch Performance – KPIs and Awards

#### Branch Performance Awards

As part of the performance based reward structure of Public Bank, Branch Performance Awards are granted to top performing domestic branches and overseas business units annually. The Branch Performance Awards with attractive monetary rewards are awarded to inspire branches to excel in their business performance, improve efficiency and enhance productivity.

Branches are segregated into six groups and assessed against their respective peer groups based on a set of stringent criteria in key areas of business performance, loans asset quality, compliance and risk management, cost efficiency and customer service delivery. Peer groups are segregated based on similar business portfolios and size of operations, with each branch rated against their respective peers.

#### The Winners

A total of 97 awards with cash prizes close to RM900,000 were awarded to the winners of the Branch Performance Awards for 2022.



#### WINNERS OF BEST BRANCH AWARDS FOR 2022



##### DOMESTIC BRANCHES

- GROUP 1** Jalan Abdullah Branch
- GROUP 2** Taman Malim Jaya Branch
- GROUP 3** Air Keroh Branch
- GROUP 4** Kota Damansara Branch
- GROUP 5** Gunung Rapat Branch
- GROUP 6** Bandar Setia Alam Branch



##### OVERSEAS BUSINESS UNITS

<b>PUBLIC BANK (HK) LIMITED</b>	San Po Kong Branch
<b>PUBLIC FINANCE LIMITED</b>	Jordan Road Branch
<b>CAMBODIAN PUBLIC BANK</b>	Takhmao Branch
<b>PUBLIC BANK VIETNAM</b>	Tan Binh Branch



##### FOUNDER AND CHAIRMAN EMERITUS AWARD

##### JALAN ABDULLAH BRANCH





# Outlook and Strategic Directions

## Business Landscape in 2023

The global economy is projected to grow albeit moderately, due to slower growth across various economies. The degree of volatility amid economic and geopolitical changes are expected to have a pronounced impact on the overall global outlook in 2023. Uncertainties surrounding the global economic outlook are mainly due to inflationary pressures, geopolitical risk(s) and heightened financial market volatility owing to adjustments in monetary policy.

Advanced economies are expected to moderate further due to weak private consumption and high inflation. In the United States of America, consumer demand would be adversely impacted due to declining real disposable income and higher interest rates. Growth in the euro area is also expected to moderate, as limited energy supply will continue to adversely affect economic activities.

The Malaysian economy is expected to grow moderately backed by stable fundamentals and its diversified economic structure. Ongoing policy support will help cushion the impact of rising inflation and mitigate the downside risks stemming from prolonged geopolitical uncertainties and tighter global financial conditions.

The Malaysian banking system will continue to be supported by ample liquidity and healthy capital buffers. Credit quality is also expected to remain resilient as banks remain proactive in monitoring their asset quality and extend the much needed financial relief to customers through flexible repayment packages.

Businesses in Malaysia are anticipated to maintain operational efficiency amid ongoing efforts on cost controls and balance sheet management. Similarly, banks in Malaysia will continue to cater to the needs of customers while enhancing their operational and cost efficiency as well as overall productivity through various digital efforts.



## Risks, Opportunities and Strategies

In light of various economic, geopolitical and ecological changes today, the challenge for the Public Bank Group is to remain agile and adaptive while balancing various risks and opportunities in response to these changes over time. In meeting these challenges, the Group is fully committed to further strengthen its role as a financial intermediary contributing to the country's economic recovery and national development. The Group continues to operate efficiently, maintain prudence in management of credit risk while preserving its strong corporate governance and sound overall risk management practices.

The Public Bank Group is also committed to ensure that it remains well-capitalised and well-funded to support its business, while safeguarding the interests of its stakeholders. The Group's healthy capital and liquidity position coupled with its resilient asset quality and prudent loan loss reserves will enable the Group to generate sustainable growth through challenging times and business cycles.

The following table encapsulates the material risks and opportunities that affect the Public Bank Group's ability to create value over the short, medium and long term horizon as well as the Group's strategies in response to these risks and opportunities.



# Management Discussion and Analysis

## OUTLOOK AND STRATEGIC DIRECTIONS

### ECONOMIC UNCERTAINTIES

#### Anticipated Risks

##### Global economic headwinds

- Challenges for domestic businesses, particularly small and medium enterprises ("SMEs")

Being an open market, the Malaysian economy is subjected to macro risks as the broader economy is highly dependent on the external environment and global trades. In particular, SMEs are grappling with the economic headwinds. Challenges for businesses are mostly concerning high borrowing cost due to higher interest rate and increase in raw material costs due to fluctuation of the Ringgit.

- Market uncertainty affecting capital market sentiment

The capital market segment is highly dependent on market conditions such as changes in regulations, political environment, interest rate movements, foreign currency fluctuations as well as global economic conditions. Market uncertainty would adversely affect capital market sentiment, which may in turn further dampen investor confidence leading to slowdowns in the debt capital market operations, corporate finance and advisory as well as stock broking business.

- Global financial market volatility weighs on domestic bond market

Global financial market volatility is expected to remain elevated amid an overly rapid pace of monetary policy tightening by major central banks. Repatriation of capital from emerging markets and concerns of fiscal deficits are expected to continue to weigh on the domestic bond market.

- Slowdown in global economic growth will affect regional economic recovery

Slow global growth and inflationary pressure are key risks affecting economic recovery of regional economies where the Public Bank Group maintains overseas presence. Weak sentiment and increasing interest rates could affect private consumption and raise business financing cost.

##### Dampened consumer demand due to high cost of living

- Potentially lower demand for consumer financing

High cost of living mainly from inflationary pressures could affect discretionary spending and purchases of big ticket items, leading to lower demand for residential properties and transport vehicles.

- Car prices are expected to rise due to higher raw material costs and weak Ringgit, while car ownership cost increases due to higher interest rates as well as the potential rationalisation of fuel subsidies going forward. With the expiry of the Sales and Services Tax ("SST") exemption in March 2023, consumer demand may also be dampened.

- Postponement of wealth planning and investment needs

Individuals may postpone their wealth planning and investment needs amid concerns of high cost of living and macro uncertainties.

#### Opportunities

- Supportive Government initiatives and policies to boost economic activities

i) Consumer loans demand and loans demand from SMEs are expected to continue growing, in part thanks to continued Government support via various initiatives and stimulus packages as well as financing schemes. Housing loans growth will benefit from the continuation of the Government's initiatives to alleviate homebuyers' burden and stimulate the property sector, such as *Keluarga Malaysia Home Ownership Initiative* and waiver of Real Property Gains Tax for homeowners who sell their properties after five years following the property purchase.

In addition, the announcement by the Government that first-time homebuyers are entitled for up to 75% (from 50% previously) stamp duty exemption on properties valued at RM500,000 to RM1 million will encourage homeownership among first-time homebuyers and further spur the property market.

ii) SME loans are expected to continue growing particularly in terms of working capital financing, benefitting from the Government's support via various financing schemes and initiatives to facilitate the recovery of SMEs and build their resilience.

- The stable labour market condition and positive income prospects enable higher capacity for consumers to spend on value-accretive assets, such as properties and passenger vehicles.

- Car distributors are likely to rush to deliver vehicles to customers who have placed their bookings by 30 June 2022 in order to enjoy the incentives of SST exemption under the Penjana stimulus package.

- The Public Bank Group's long standing and proven business model will enable the Group to remain agile and adaptable while driving business growth via increased personalisation and enhanced customer experience as well as innovation of new products/services.

## ECONOMIC UNCERTAINTIES (CONT'D.)

### Strategies and Directions

- 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 Group will continue to provide financial access through a wide range of suitable products and services to cater to the various needs of SMEs.
- The Public Bank Group will also continue to proactively provide further assistance to customers who may continue to face financial constraints, including the necessary financial support for 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 overall market conditions and investor sentiment. The Public Bank Group will leverage on its strong market position and continue to embrace technology to deliver excellent customer experience and offer a comprehensive range of unit trust products catering to the needs of investors.
- The Public Bank Group in collaboration with AIA will also continue to promote insurance solutions for wealth management and protection needs.
- The Public Bank Group continues to ensure growth of new deposits and retail customer base through tactical campaigns and promotional initiatives.
- The Public Bank Group remains committed to strengthen its regional presence in Indochina, while leveraging on its strong branding and prudent management practices. The Group will continue to explore business potential with business partners in order to create synergies, enjoy economies of scale and keep abreast with market developments.

## DIGITAL TRANSFORMATION

### Anticipated Risks

- Customers are increasingly more digitally-savvy, driving demand for technological innovations that offer greater customer convenience and enhanced banking experience.
- Digital wallet and online platforms will continue to gain traction, supported by its greater flexibility and convenience. Additionally, the wide penetration of mobile devices across the globe further encourages the adoption of digital technology in cashless and contactless payments, remittance services and cross-border payments.
- Digital transformation and productivity programmes for SMEs enable business transformation into digital-ready and digital-first businesses.
- Cyber risks are on the rise amid ongoing developments of various scam tactics by scammers, including malware injection of mobile application(s) and phishing for victims' banking credentials.

### Opportunities

#### Opportunity to meet evolving customer needs and improve productivity

- Banks that are able to deliver seamless customer experience will gain greater growth opportunities. Efficient service delivery and enhanced customer experience would provide an edge for banks to tap on business growth.
- Technological innovation and increasing adoption of digital network such as electronic identification, distributed ledgers, digital currencies and mobile money are expected to provide various business opportunities for the banking industry.
- Emphasis on digital marketing and campaigns to reach a broader customer segment, particularly the younger generation.
- Explore business opportunities and promote PB enterprise, PB engage, internet banking PBe and PBe QR in tandem with current market trend of cashless transactions.
- Digital technologies will continue to transform the way businesses operate which offer vast potential to further improve productivity.



# Management Discussion and Analysis

## OUTLOOK AND STRATEGIC DIRECTIONS

### DIGITAL TRANSFORMATION (CONT'D.)

#### Strategies and Directions

##### **Development and enhancement of digital platforms and information communication technology ("ICT") infrastructure**

- On digitalisation and technological innovation, the Public Bank Group continues to apply relevant roadmap and strategies for the development of digital initiatives. The Group will accelerate its digitalisation efforts to cater to the evolving needs of its customers. This includes ongoing upgrades and enhancement of ICT infrastructure as well as exploration and adoption of new technologies to enhance further its service delivery standards and infrastructure leveraging on the advancement of technology to cater to evolving customers' needs.
- The Public Bank Group will continue to scale up its digital capabilities to enable online applications for financing and other banking services to cater to the needs of customers while reducing reliance on print-based operational processes.
- The Public Bank Group will promote contactless and e-payments among customers amid growing demand for e-payment services as well as cashless and contactless payments. The Group will further explore new marketing technologies for cashless payments as well as further enhance and revamp the functions and services of the Group's cash management services.
- The Public Bank Group will continue to adopt stringent policies on cybersecurity and ensure that customers' information is well-protected while providing uninterrupted online access to its customers.

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") RELATED RISKS

#### Anticipated Risks

- With environmental consciousness on the rise given the increased awareness about ongoing climate issues, there is increased consumer demand for environmental friendly products and businesses are likely to emphasise further on ESG.

#### Opportunities

- The Government has stepped up efforts to improve business facilities and the competitiveness of SMEs as they emerge from the COVID-19 pandemic with emphasis on ESG for Malaysia's transition towards a net-zero emission country.
- Demand for electric vehicles ("EV") is expected to grow with the increasing importance of ESG and massive incentives on EVs. The sales of EVs are expected to be based on the availability of more models and market expansion. Separately, the Government is expected to begin switching to EVs for its vehicle fleet while vehicle procurements by the Government will consist of electric cars going forward.
- There are various Bank Negara Malaysia ("BNM")'s fund to promote ESG related financing. In 2022, the Business Recapitalisation Facility and Low Carbon Transition Facility were established under BNM's financing schemes. The Business Recapitalisation Facility features innovative financing solutions, such as blended financing, while the Low Carbon Transition Facility provides green funding which encourages businesses to adopt sustainable practices.

#### Strategies and Directions

- The Public Bank Group is committed to develop and promote financial products, services and solutions which integrate ESG considerations in line with environmental and social demands. The Group offers various sustainable products and launched several initiatives in support of financial transition to a low carbon economy.
- The Public Bank Group's offering of attractive financing packages for the purchase of solar panel and energy efficient vehicles, among others, continue to support a green and lower carbon emission environment. For property financing, Public Bank and several property developers have signed Memorandum of Understandings in 2022 for collaboration on property financing for green and sustainable development projects in Malaysia.
- The Public Bank Group will proactively incorporate climate risk in its credit assessment process as well as identify new green financing opportunities which is in line with the Group's sustainability agenda.
- Public Islamic Bank, being among the industry pioneers in launching its socially responsible financing facilities such as energy efficient vehicle financing and solar panel financing for both retail and commercial customers, will continue to support BNM's Value-Based Intermediation directive and the Public Bank Group's ongoing efforts in areas of ESG.

## INTENSE COMPETITION

### Anticipated Risks

- Intense competition among banking players in various lines of business.
  - i) Competition for housing, vehicle financing products and SME lending will continue to exert pressure on pricing resulting in continued interest margin squeeze.
  - ii) Competition for retail deposits will remain intense as customers search for better investment yields.
  - iii) Competition for wealth management products and services, particularly with the accelerated development of digital platforms and robo-advisory services
- Competition among new players such as digital banks and non-bank players such as e-Wallet providers and FinTech companies for market share will continue.

### Opportunities

- Banks that are able to deliver seamless customer experience will gain greater growth opportunities. Efficient service delivery and enhanced customer experience would provide an edge for banks to tap on business growth.

### Strategies and Directions

- The Public Bank Group will continue to deliver efficient customer service through its extensive network of physical and digital channels, while sustaining its position as a market leader in both the domestic retail and consumer segments.
- To remain relevant and competitive, the Public Bank Group will stay focus to cater to the needs of customers by further enhancing its products and service capabilities.
- The Public Bank Group will continuously carry out market research/competitor analyses in order to remain updated on market information while ensuring that the Group continues to offer competitive and attractive products and services.
- In the wealth management space, the Public Bank Group will continue to develop a wide range of unit trust funds amid the evolving industry landscape and promote insurance plans that provide both health and wealth protection.





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## Embedding ESG across our Business

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# Sustainability Statement

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# About Public Bank Group's Sustainability Statement 2022

The Public Bank Group's Sustainability Statement covers the Group's strategies, initiatives and performance in response to Environmental, Social and Governance ("ESG") risk and opportunities, focusing on the significant ESG matters that are most material to the Group and its key stakeholders.

The Sustainability Statement should be read together with other ESG-related pertinent disclosure in the Public Bank 2022 Annual Report and Corporate Governance Report for a full overview of the Public Bank Group's sustainability performance.

This Statement has been reviewed and approved by the Board of Directors of Public Bank.

## Reporting Scope

This Sustainability Statement focuses on the Public Bank Group's domestic banking operations of Public Bank Berhad ("Public Bank") and Public Islamic Bank Berhad ("Public Islamic Bank") in Malaysia, both of which together account for the bulk of the Public Bank Group's business operations. Wherever relevant, this Statement also includes information on the Group's subsidiaries, namely Public Investment Bank Berhad ("Public Investment Bank"), Public Mutual Berhad ("Public Mutual"), Cambodian Public Bank Plc ("Campu Bank") in Cambodia and Public Bank Vietnam Limited ("Public Bank Vietnam") in Vietnam.

For the Public Bank Group's operations in Hong Kong, Public Financial Holdings Limited publishes its annual ESG Report in adherence with the ESG Reporting Guide issued by Hong Kong Exchanges and Clearing Limited. The scope of the ESG Report encompasses Public Bank (Hong Kong) Limited, Public Finance Limited, Public Securities Limited and Winton Financial Limited. Public Financial Holdings' latest ESG Report is available at [https://www.publicfinancial.com.hk/home\\_en](https://www.publicfinancial.com.hk/home_en).

## Reporting Period

This Statement contains information for the financial year from 1 January 2022 to 31 December 2022, unless otherwise stated.

## Guideline and Reference

The Sustainability Statement has been prepared in accordance with Bursa Malaysia Securities Berhad's Main Market Listing Requirements relating to sustainability reporting requirements, as guided by its Sustainability Reporting Guide.

This Statement also reports on the United Nations' Sustainability Development Goals and has made reference to the Global Reporting Initiative Standards. For climate-related matters disclosure, the Public Bank Group has taken guidance from the recommendations by the Financial Stability Board's Task Force on Climate-Related Financial Disclosures ("TCFD"). The Group will further enhance its TCFD-aligned disclosures as it continues to make progress along the sustainability journey.

The Public Bank Group aims to obtain independent assurance for key indicators in near future.

## For Feedback

To provide your feedback, email us at [sustainability@publicbank.com.my](mailto:sustainability@publicbank.com.my)

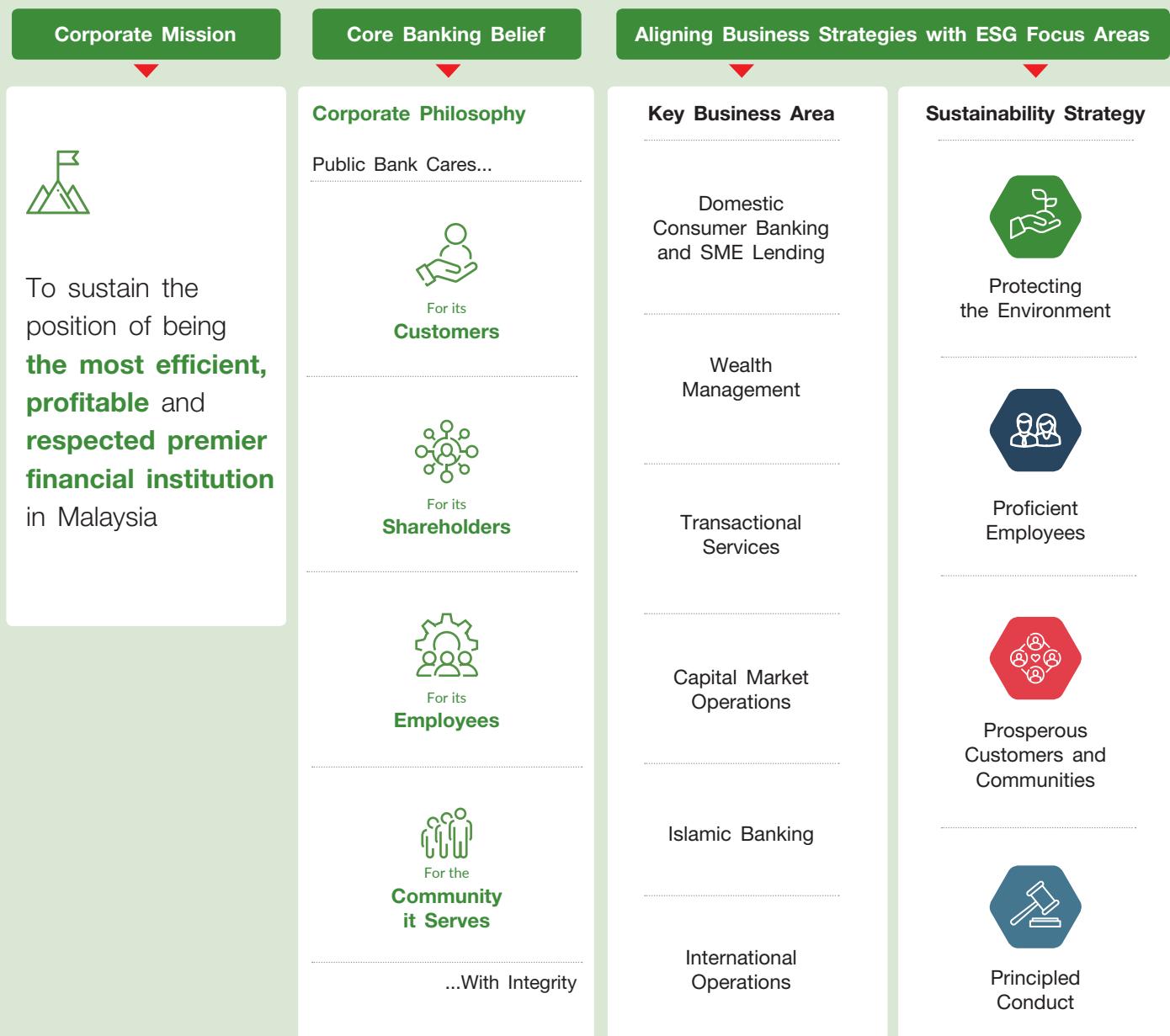


## Sustainability Statement

# Approach to Sustainability

In striving towards its Corporate Mission, the Public Bank Group is committed to deliver long term value through its core retail and commercial banking business, and making sustainability an important element.

Building around its Corporate Philosophy, the Public Bank Group aligns its strategic business directions along with four ESG themes – **Protecting the Environment, Proficient Employees, Prosperous Customers and Communities, and Principled Conduct** – to drive towards creating shared value and contributing to the best interest of its stakeholders and its business.



## SUSTAINABILITY GOVERNANCE

The Public Bank Group ensures its governance system supports appropriate sustainability management, with the Board of Directors setting the directions and exercising an effective oversight, as well as ensuring ESG objectives are embedded across its business activities and operations.

In 2022, the Public Bank Group set up the Board Sustainability Management Committee, further enhancing its governance mechanism in sustainability management.

### Board of Directors

- Holds overall responsibility for the Public Bank Group's sustainability management and performance
- Provides oversight, advice and directions on the Public Bank Group's sustainability management
- The Board's commitment in sustainability is reflected in the Board Charter which is available on Public Bank's corporate website at [www.publicbankgroup.com](http://www.publicbankgroup.com).

### Board Sustainability Management Committee ("BSMC")

- Chaired by an independent non-executive director and is made up of majority independent non-executive directors
- Assists the Board in providing oversight and inputs to the management in relation to the Public Bank Group's sustainability strategies, goals and principles and that the initiatives taken by the Public Bank Group are achieving the Group's sustainability commitments
- Responsible to review and be assured that the sustainability considerations are effectively integrated into the operations of the Public Bank Group

### Sustainability Management Committee ("SMC")

- Chaired by the Chief Executive Officer with members comprising Deputy Chief Executive Officer, Senior Chief Operating Officers and relevant Heads of Divisions
- Responsible for the overall sustainability management and to ensure the initiatives taken are able to achieve the Public Bank Group's sustainability commitments
- Reviews and endorses the actions taken to implement the Public Bank Group's sustainability strategies, goals and principles including engagement with stakeholders, materiality assessment, setting targets and monitoring of the performance against targets

### Sustainability Management Task Force ("SMTF")

- The management working group, chaired by Deputy Chief Executive Officer with members comprising both the business and control functions
- Assists and supports the SMC in discharging its functions, ensuring the initiatives are effectively integrated into the day-to-day operations
- Responsible to formulate initiatives to achieve the Public Bank Group's sustainability commitments underpinned by the three lines of defence

To drive the strategic management of the Public Bank Group's sustainability matters and priorities, ESG-related Key Performance Indicators ("KPIs") are integrated into the performance evaluations of Heads of Divisions and Senior Management as they are responsible to embed sustainability considerations in the day-to-day operations of the Group and to ensure the effective implementation of the Group's sustainability strategies. At the branch level, KPIs have been assigned to regional managers and branch management employees to encourage the promotion of ESG financial products.

Sustainability training is also conducted to provide continuous learning and skill development for the leaders. In 2022, the Board and Senior Management attended the Sustainability Executive Learning Bites training sessions on strategic sustainability engagement. The Heads of Divisions and Senior Management are held accountable to ensure all relevant employees enrol in at least one ESG-related course every year.



# Sustainability Statement

## Approach to Sustainability

### STAKEHOLDER ENGAGEMENT

Stakeholder engagement forms an essential part in setting the strategic direction and business decision of the Public Bank Group. Proactive engagements with stakeholders enable the Group to identify potential risks and opportunities, and respond accordingly.

The Public Bank Group engaged with internal and external stakeholders through various communication channels in 2022 to foster a deeper and mutual understanding with the stakeholders.

Stakeholder	Mode of Engagement	Engagement Frequency
 <b>Customers</b>	Branches Sales and marketing team Customer service channels Self service terminals Surveys Social media Annual Report Financial roadshows Webinar events Telephone, email and flyers Whistleblowing channel Public Bank's website <a href="http://www.pbebank.com">www.pbebank.com</a>	Ongoing Ongoing Ongoing Ongoing Ongoing Ongoing Yearly As and when required As and when required As and when required Ongoing Ongoing
 <b>Shareholders and Investors</b>	Investor relations channel Annual General Meeting Conferences and roadshows Analyst briefings Audio/video conferencing Annual Report Corporate Governance Report Media releases and interviews Public Bank's corporate website <a href="http://www.publicbankgroup.com">www.publicbankgroup.com</a> Surveys	Ongoing Yearly As and when required Quarterly As and when required Yearly Yearly As and when required Ongoing As and when required
 <b>Employees</b>	Appraisal meeting Training Employee engagement campaigns PBeXperience mobile application Employee events Surveys Grievance and Whistleblowing channels Philanthropic activities Public Bank's intranet Circular Management System Email blast Wawasan Quarterly Bulletin Annual Report Compliance Newsletter Compliance Bulletin Islamic Banking Bulletin	Yearly Ongoing As and when required Ongoing As and when required As and when required Ongoing Ongoing Ongoing Ongoing As and when required Quarterly Yearly Monthly Quarterly Quarterly

Scope of Interest	Group's Response
<ul style="list-style-type: none"> <li>• Efficient and courteous frontline counter service</li> <li>• Key performance indicators on service delivery</li> <li>• Availability and suitability of products</li> <li>• Ethical and fair conduct in sales and marketing practice</li> <li>• Efficient and prompt response in addressing customer complaints</li> <li>• Fair pricing of products and services</li> <li>• Shariah-compliant Islamic products and services</li> <li>• Availability and features of COVID-19 financial assistance</li> <li>• Protection from fraud and scams</li> <li>• Data privacy and security</li> <li>• Efficient and safe internet banking</li> <li>• Reachability during non-office hours on e-banking security matters</li> </ul>	<ul style="list-style-type: none"> <li>• Ethics, Integrity and Trust (page 277)</li> <li>• Management Discussion and Analysis <ul style="list-style-type: none"> <li>– Serving the Customer (page 138)</li> <li>– Channel Management (page 140)</li> </ul> </li> <li>• Sustainability Statement <ul style="list-style-type: none"> <li>– Theme 3: Prosperous Customers and Communities (page 204)</li> <li>– Theme 4: Principled Conduct (page 219)</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Business performance, strategies and prospects</li> <li>• Return on investments and dividend payout</li> <li>• ESG initiatives, performance and targets</li> <li>• Good business conduct</li> <li>• Guidance on Key Performance Targets</li> </ul>	<ul style="list-style-type: none"> <li>• Statement by Chairman (page 46)</li> <li>• Review by Managing Director/Chief Executive Officer (page 50)</li> <li>• Five-Year Group Financial Summary (page 34)</li> <li>• Management Discussion and Analysis (page 82)</li> <li>• Corporate Governance Overview Statement (page 254)</li> <li>• Risk Management (page 271)</li> <li>• Investor Information (page 315)</li> <li>• Sustainability Statement (page 152)</li> <li>• Annual Report – Financial Statements</li> </ul>
<ul style="list-style-type: none"> <li>• Talent and skill development</li> <li>• Career prospects</li> <li>• Remuneration and benefits</li> <li>• Workplace health and safety</li> <li>• Labour and human rights</li> <li>• Equal opportunities in employment practices</li> <li>• Succession planning</li> <li>• Employee engagement activities</li> </ul>	<ul style="list-style-type: none"> <li>• Ethics, Integrity and Trust (page 277)</li> <li>• Sustainability Statement <ul style="list-style-type: none"> <li>– Theme 2: Proficient Employees (page 195)</li> </ul> </li> </ul>



# Sustainability Statement

## Approach to Sustainability

Stakeholder	Mode of Engagement	Engagement Frequency
	Philanthropic activities Calls Annual Report Social media Public Bank's corporate website <a href="http://www.publicbankgroup.com">www.publicbankgroup.com</a>	Ongoing As and when required Yearly Ongoing Ongoing
	Procurement process Suppliers/Vendors engagement activities Public Bank's corporate website <a href="http://www.publicbankgroup.com">www.publicbankgroup.com</a>	Ongoing Ongoing Ongoing
	Meetings Industry forums Consultation/townhall sessions Correspondences	As and when required As and when required As and when required As and when required
	Interviews Press releases Social media Annual General Meeting Public Bank's corporate website <a href="http://www.publicbankgroup.com">www.publicbankgroup.com</a>	As and when required As and when required Ongoing Yearly Ongoing
	Annual Report/Sustainability Statement Membership in associations Financial result release Events and roadshows Conferences and dialogues	Yearly As and when required Quarterly As and when required As and when required

Scope of Interest	Group's Response
<ul style="list-style-type: none"> <li>• Community well-being and empowerment</li> <li>• Social development</li> <li>• ESG initiatives</li> <li>• Response to climate change risks</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability Statement <ul style="list-style-type: none"> <li>– Disclosures Aligned with Task Force on Climate-Related Financial Disclosures (page 170)</li> <li>– Theme 1: Protecting the Environment (page 181)</li> <li>– Theme 3: Prosperous Customers and Communities (page 204)</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Fair selection of suppliers and vendors</li> <li>• Transparent procurement process</li> <li>• Vendor Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>• Ethics, Integrity and Trust (page 277)</li> <li>• Sustainability Statement <ul style="list-style-type: none"> <li>– Theme 1: Protecting the Environment (page 181)</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Regulatory compliance and good corporate governance practices</li> <li>• Business continuity and growth</li> <li>• Financial inclusion and literacy</li> <li>• Customer service</li> <li>• Ethical banking conduct</li> <li>• Risk management</li> <li>• Digital banking</li> <li>• Cyber security</li> <li>• ESG initiatives</li> <li>• Response to climate change risks</li> <li>• Personal data protection</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Governance Overview Statement (page 254)</li> <li>• Risk Management (page 271)</li> <li>• Ethics, Integrity and Trust (page 277)</li> <li>• Statement on Risk Management and Internal Control (page 281)</li> <li>• Audit Committee Report (page 287)</li> <li>• Annual Report – Financial Statements</li> <li>• Sustainability Statement (page 152)</li> </ul>
<ul style="list-style-type: none"> <li>• Financial results, business performance, strategy and prospects</li> <li>• Corporate development</li> <li>• Launch of new products and services</li> <li>• ESG initiatives, performance and targets</li> </ul>	<ul style="list-style-type: none"> <li>• Statement by Chairman (page 46)</li> <li>• Review by Managing Director/Chief Executive Officer (page 50)</li> <li>• Management Perspective – Outlook and Strategic Directions (page 147)</li> <li>• Corporate Governance Overview Statement (page 254)</li> <li>• Sustainability Statement (page 152)</li> </ul>
<ul style="list-style-type: none"> <li>• Financial results, business performance, strategy and prospects</li> <li>• Corporate development</li> <li>• Product innovation</li> <li>• ESG initiatives, performance and targets</li> <li>• Information and Communication Technology infrastructure and system</li> <li>• Industry best banking practices</li> </ul>	<ul style="list-style-type: none"> <li>• Statement by Chairman (page 46)</li> <li>• Review by Managing Director/Chief Executive Officer (page 50)</li> <li>• Corporate Governance Overview Statement (page 254)</li> <li>• Risk Management (page 271)</li> <li>• Ethics, Integrity and Trust (page 277)</li> <li>• Statement on Risk Management and Internal Control (page 281)</li> <li>• Sustainability Statement (page 152)</li> </ul>



# Sustainability Statement

## Approach to Sustainability

### MEMBERSHIP ASSOCIATIONS

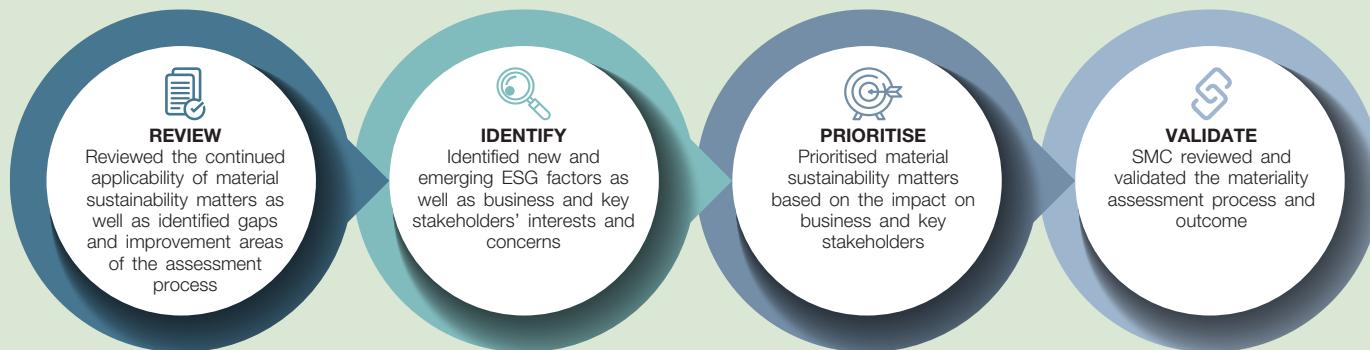
The Public Bank Group is a member of or affiliated with the following associations/organisations:

- The Association of Banks in Malaysia
- Payments Networks Malaysia Sdn Bhd
- Bank Negara Malaysia (“BNM”)’s Value-based Intermediation
- Ombudsman for Financial Services
- Perbadanan Insurans Deposit Malaysia
- Minority Shareholders Watch Group
- Federation of Public Listed Companies
- Financial Institutions Directors’ Education Forum
- Institute of Corporate Directors Malaysia
- Credit Guarantee Corporation
- Syarikat Jaminan Pembiayaan Perniagaan

- RAM Holdings Berhad
- Islamic Banking and Finance Institute Malaysia Sdn Bhd
- Cagamas Holdings Berhad
- The Association of Islamic Banking and Financial Institutions Malaysia
- Asian Institute of Chartered Bankers
- Financial Industry Collective Outreach
- Federation of Investment Managers Malaysia
- Securities Industry Dispute Resolution Center
- Association of Stockbroking Companies Malaysia
- Malaysian Investment Banking Association

### MATERIALITY ASSESSMENT

Through its ongoing stakeholder engagement and materiality assessment, the Public Bank Group continued to gain insights into stakeholders' needs and expectations on sustainability matters.



In 2022, the Public Bank Group conducted a comprehensive materiality assessment to realign its ESG focused areas with stakeholders' views and the evolving operating landscape. A comprehensive internal review was conducted on the Group's material matters, taking into consideration the current and emerging trends, feedback from ESG rating agencies, analysts and media as well as internal risk assessment.

Based on the results, the Public Bank Group reaffirmed most of the material sustainability matters from 2021, while broadening its environmental-related material matters due to the more prevalent climate change risk.

The review process resulted in 17 material sustainability matters centred on four strategic themes.

Themes				
Objectives	Protecting the Environment	Proficient Employees	Prosperous Customers and Communities	Principled Conduct
<b>Aligned UNSDGs</b>				
Material Matters	<ul style="list-style-type: none"> <li>• Climate Change Resilience</li> <li>• Resource Management</li> <li>• Carbon Emissions</li> <li>• Sustainable Finance</li> <li>• Sustainable Supply Chain</li> </ul>	<ul style="list-style-type: none"> <li>• Employee Engagement and Development</li> <li>• Diversity and Inclusion</li> <li>• Human and Labour Rights</li> </ul>	<ul style="list-style-type: none"> <li>• Responsible Lending Practices</li> <li>• Financial Inclusion and Accessibility</li> <li>• Customer Satisfaction</li> <li>• Community Empowerment</li> <li>• Digital Transformation</li> </ul>	<ul style="list-style-type: none"> <li>• Data Privacy and Cybersecurity</li> <li>• Governance and Business Ethics</li> <li>• Risk Management</li> <li>• Transparency and Trust</li> </ul>

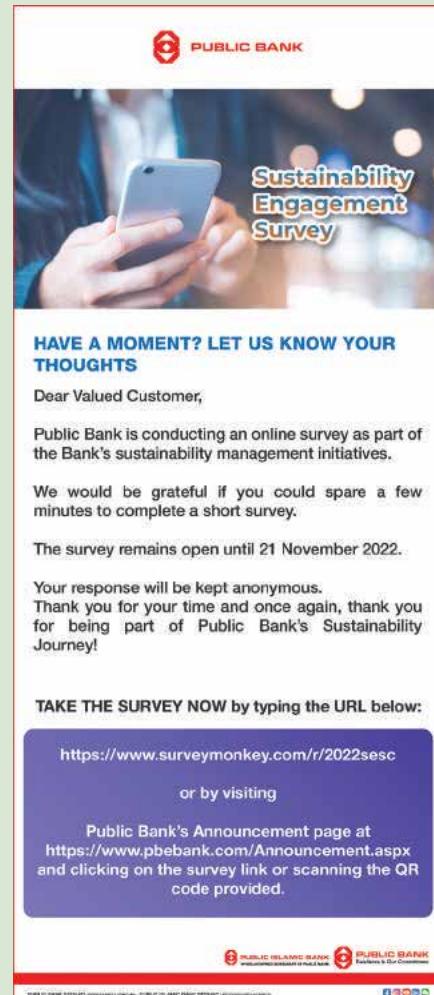


# Sustainability Statement

## Approach to Sustainability

To identify the sustainability matters that are most material to the Public Bank Group's business and its key stakeholders, the Group had rolled out an online survey and garnered feedback from more than 1,400 respondents. The survey results have been mapped onto a materiality matrix to show the relative importance of each material sustainability matter.

The process and results of the materiality assessment have been reviewed by the SMC and BSMC, and approved by the Board of Directors.





## Theme 1: Protecting the Environment

Material Matters	Key Relevant Stakeholders
<b>Climate Change Resilience</b> Managing the operational risks and opportunities associated with actual or potential impacts of climate change and incorporating climate-related considerations into business decisions.	<ul style="list-style-type: none"> <li>• Customers</li> <li>• Communities and non-governmental organisations</li> <li>• Shareholders and investors</li> <li>• Regulators</li> </ul>
<b>Resource Management</b> Managing better energy and resource consumption throughout the Public Bank Group's operations.	<ul style="list-style-type: none"> <li>• Customers</li> <li>• Communities and non-governmental organisations</li> <li>• Employees</li> <li>• Shareholders and investors</li> <li>• Regulators</li> </ul>
<b>Carbon Emissions</b> Reducing carbon emissions of the Public Bank Group.	<ul style="list-style-type: none"> <li>• Customers</li> <li>• Communities and non-governmental organisations</li> <li>• Shareholders and investors</li> <li>• Regulators</li> </ul>
<b>Sustainable Finance</b> Developing and promoting ESG related financial products, services and relevant solutions to address evolving environmental and social demands.	<ul style="list-style-type: none"> <li>• Customers</li> <li>• Communities and non-governmental organisations</li> <li>• Shareholders and investors</li> <li>• Regulators</li> </ul>
<b>Sustainable Supply Chain</b> Taking into account environmental considerations across the supply chain through screening, selection, monitoring and engagement with suppliers and vendors on their environmental impact as well as suppliers' conduct from the social and governance aspects.	<ul style="list-style-type: none"> <li>• Suppliers and vendors</li> </ul>



## Theme 2: Proficient Employees

Material Matters	Key Relevant Stakeholders
<b>Employee Engagement and Development</b> Attracting and retaining talents as well as equipping employees with relevant skills for career advancement and personal development through training and development programmes.	<ul style="list-style-type: none"> <li>• Employees</li> <li>• Regulators</li> </ul>
<b>Diversity and Inclusion</b> Promoting a diverse and inclusive workforce by providing equal opportunities, and practising non-discrimination towards race, gender, religion, ethnicity, age, disability, nationality, culture, marital and parental status.	<ul style="list-style-type: none"> <li>• Employees</li> <li>• Regulators</li> </ul>
<b>Human and Labour Rights</b> Providing a work environment free of human and labour rights violations, and prioritising the safety, health and well-being of employees.	<ul style="list-style-type: none"> <li>• Employees</li> <li>• Regulators</li> </ul>



# Sustainability Statement

## Approach to Sustainability



### Theme 3: Prosperous Customers and Communities

Material Matters	Key Relevant Stakeholders
<b>Responsible Lending Practices</b> Upholding ethical and prudent lending practices, including careful assessment of customers' repayment capacity and providing assistance to borrowers who face financial hardship.	<ul style="list-style-type: none"><li>Customers</li><li>Shareholders and investors</li><li>Regulators</li></ul>
<b>Financial Inclusion and Accessibility</b> Enhancing the accessibility for the underserved and unserved population to financial services as well as promoting financial literacy.	<ul style="list-style-type: none"><li>Customers</li><li>Communities and non-governmental organisations</li><li>Regulators</li></ul>
<b>Customer Satisfaction</b> Upholding excellent customer experience, including providing high quality banking products and services as well as treating customers fairly in the conduct of business.	<ul style="list-style-type: none"><li>Customers</li><li>Regulators</li></ul>
<b>Community Empowerment</b> Empowering communities through philanthropic activities that improve the social and economic well-being of the community.	<ul style="list-style-type: none"><li>Employees</li><li>Communities and non-governmental organisations</li></ul>
<b>Digital Transformation</b> Leveraging on innovative technology to digitise products and service offerings and improve operational efficiency.	<ul style="list-style-type: none"><li>Customers</li><li>Shareholders and investors</li><li>Employees</li><li>Regulators</li></ul>



### Theme 4: Principled Conduct

Material Matters	Key Relevant Stakeholders
<b>Data Privacy and Cybersecurity</b> Safeguarding information and enhancing cybersecurity.	<ul style="list-style-type: none"><li>Customers</li><li>Shareholders and investors</li><li>Employees</li><li>Regulators</li></ul>
<b>Governance and Business Ethics</b> Upholding strong corporate governance and strictly adhering to the highest standard of ethical conduct.	<ul style="list-style-type: none"><li>Customers</li><li>Communities and non-governmental organisations</li><li>Shareholders and investors</li><li>Employees</li><li>Suppliers and vendors</li><li>Regulators</li></ul>
<b>Risk Management</b> Safeguarding the Public Bank Group from material inherent risks through its risk culture and risk management frameworks.	<ul style="list-style-type: none"><li>Customers</li><li>Communities and non-governmental organisations</li><li>Shareholders and investors</li><li>Employees</li><li>Regulators</li></ul>
<b>Transparency and Trust</b> Improving the transparency of the Public Bank Group through disclosures, while complying with the law and protecting customers' privacy.	<ul style="list-style-type: none"><li>Customers</li><li>Communities and non-governmental organisations</li><li>Shareholders and investors</li><li>Employees</li><li>Regulators</li></ul>

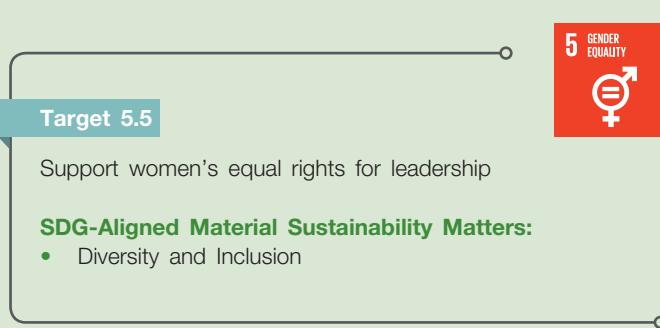
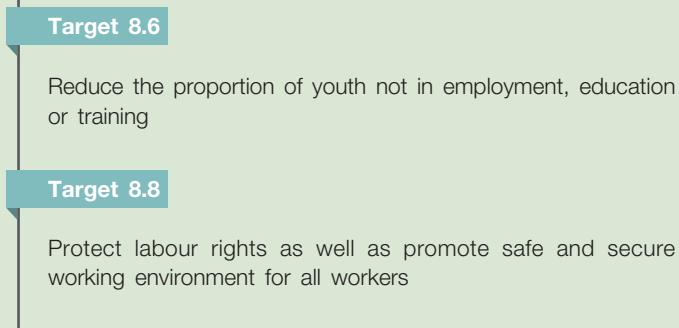
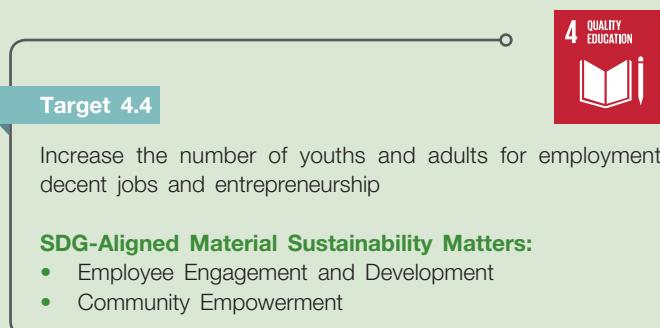
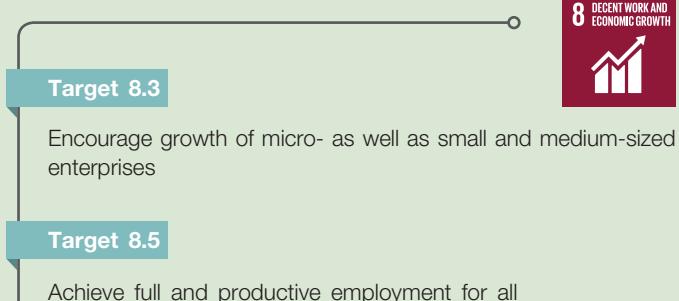
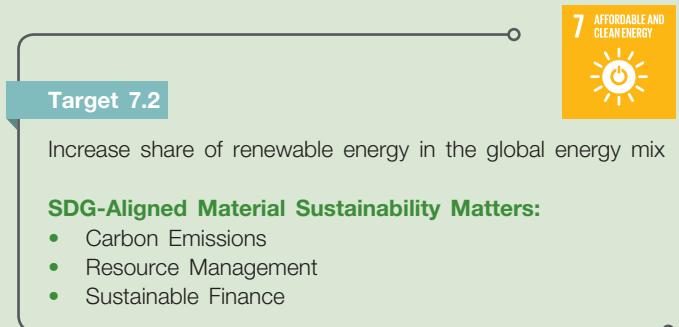
## Sustainability Statement

# Public Bank and the Sustainable Development Goals

## SUSTAINABLE DEVELOPMENT GOALS

Launched by the United Nations ("UN") in 2015, the Sustainable Development Goals ("SDGs") is an action plan to drive positive social, economic and environmental outcomes for the current and future generations.

The Public Bank Group reaffirms its support to the UN SDGs and has mapped its material matters to the SDG targets, ensuring its ESG focus areas are in line with the global goals.



# Sustainability Statement

## Public Bank and the Sustainable Development Goals

### Target 9.3

Increase the access of small-scale industrial and other enterprises to financial services



### Target 9.4

Upgrade infrastructure with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes

### Target 9.5

Encourage innovation and upgrade technological capabilities

#### SDG-Aligned Material Sustainability Matters:

- Financial Inclusion and Accessibility
- Digital Transformation
- Data Privacy and Cybersecurity
- Carbon Emissions
- Resource Management

### Target 10.2

Empower and promote social, economic and political inclusion of all



#### SDG-Aligned Material Sustainability Matters:

- Diversity and Inclusion
- Community Empowerment
- Financial Inclusion and Accessibility

### Target 11.1

Ensure access for all to adequate, safe and affordable housing and basic services



#### SDG-Aligned Material Sustainability Matters:

- Financial Inclusion and Accessibility

### Target 12.2

Achieve the sustainable management and efficient use of natural resources



### Target 12.6

Adopt sustainable practices and integrate sustainability information into reporting cycle

### Target 12.8

Ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

#### SDG-Aligned Material Sustainability Matters:

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

### Target 13.3

Improve education, awareness-raising as well as human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning



#### SDG-Aligned Material Sustainability Matters:

- Carbon Emissions
- Resource Management
- Climate Change Resilience

### Target 16.5

Reduce corruption and bribery in all forms



### Target 16.6

Develop effective, accountable and transparent institutions at all levels

#### SDG-Aligned Material Sustainability Matters:

- Transparency and Trust
- Governance and Business Ethics
- Risk Management

## Sustainability Statement

# Sustainability Commitments and Key Progress

The Public Bank Group has set sustainability commitments and regularly monitors its progress towards the goals. This section highlights the key initiatives and progress the Group had made in 2022 towards achieving its sustainability commitments and goals.

During the year, the Public Bank Group had not only met its goal ahead of its timeline of mobilising RM25 billion for the financing for energy efficient vehicles ("EEVs")<sup>1</sup> by 2025, the Group has surpassed it by successfully mobilising more than RM30 billion.

Continuing its proactive efforts to promote energy efficient vehicles, the Public Bank Group has increased its energy efficient vehicles financing target to RM33 billion by 2025.

The Public Bank Group's Commitments and Goals		Key Initiatives and Progress		
		Environmental	Social	Governance
<ul style="list-style-type: none"> <li>Supporting <b>financing for sustainable agribusiness</b></li> <li>To achieve <b>net zero carbon by 2050</b></li> <li>To achieve <b>carbon neutral position (Scope 1 and 2) by 2030</b></li> <li><b>No deforestation, no new peat and no exploitation</b> in its lending practices</li> <li>Mobilising <b>RM33 billion financing for the purchase of Energy Efficient Vehicles</b> by 2025</li> <li>Incorporating <b>ESG into all business decisions and operations management</b></li> <li>Encouraging <b>sustainable practices</b> within the high impact sectors for ESG</li> <li>Mobilising <b>RM48 billion in ESG-friendly financing</b>, including RM15 billion for affordable home financing, by 2025</li> <li>Improving the <b>lives of 1.5 million individuals</b> by 2025</li> <li><b>Supporting and empowering the community</b></li> <li><b>Identifying, mitigating and managing modern slavery and human rights risk</b> across the supply chain</li> <li><b>Reporting publicly on the progress</b> in achieving its ESG commitment</li> <li>Upholding <b>strict compliance and ethical conduct</b></li> </ul>	<p>Mobilised more than <b>RM30 billion</b> for EEV financing, <b>exceeded the initial target</b> of RM25 billion three years ahead</p> <p>Approved more than <b>RM620 million</b> under the Green Financing Facilities</p> <p>Commenced the <b>solar panel project at Bangunan Public Bank</b></p> <p>Committed to make <b>MSPO/RSPO</b> certification mandatory for onboarding of new loans for <b>non-smallholder oil palm plantation businesses</b> by 2030</p> <p>Provided more than <b>RM7 million</b> for solar panel financing</p> <p>Implemented "<b>Bring Your Own Container</b>" campaign for employees</p> <p>Identified <b>72 green and environmentally-friendly economic activities</b> for financing</p>	<p>Developed a <b>General Risk Acceptance Criteria</b> as well as <b>Sectoral Risk Acceptance Criteria Checklist</b> for <b>palm oil and, construction and infrastructure sectors</b></p> <p>Identified <b>21 economic activities</b> with high positive social values to assist branches in promoting social agenda financing</p> <p>Achieved <b>RM11.85 billion</b> for the financing of affordable homes</p> <p>Elevated the financial well-being of about <b>639,000 individuals</b> since 2021</p>	<p><b>No material instances</b> of non-compliance</p> <p><b>Enhanced disclosure</b> guided by TCFD</p>	



<sup>1</sup> Energy efficient vehicle is a vehicle that meets a set of specification for CO<sub>2</sub> emissions (gCO<sub>2</sub>/km) and fuel consumption (L/100km), including fuel efficient vehicle, hybrid electric vehicle, electric vehicle and alternative fuel vehicle such as compressed natural gas, liquefied petroleum gas, biodiesel, ethanol, hydrogen and fuel cell.



## Sustainability Statement

# Disclosures Aligned with Task Force on Climate-Related Financial Disclosures ("TCFD")

### GOVERNANCE

A strong governance structure is important to steer the Public Bank Group's sustainability and climate change journey, providing clear direction to formulate long term strategies which are aligned with the climate risk appetite to manage climate-related risks as well as to reap the opportunities presented across the Group. The Group's sustainability governance structure is as follows:



Note: ..... Reporting of climate-related risk matters to RMC by SMC/SMTF

The Board is ultimately responsible to oversee the sustainability and climate-related matters. In discharging its roles, the Board is assisted by two board committees, being the BSMC and RMC.

Formed in 2022, the BSMC is chaired by an independent non-executive director and is made up of majority independent non-executive directors. Supporting the BSMC is SMC, a management-level committee chaired by the Chief Executive Officer. The SMC is responsible for the overall management of sustainability initiatives of the Public Bank Group. At management working group level, the SMTF assists and supports the SMC in discharging its functions, ensuring the initiatives are effectively integrated into the day-to-day operations. The members of the SMTF comprises both the business and control functions.

The RMC is responsible to review the risk appetite, framework, policies and internal methodologies applied to manage climate-related risks as part of Enterprise Risk Management. Upon deliberation, the RMC will recommend to the Board to approve the risk appetite, framework and policies.

In 2022, climate-related topics were discussed at both the Board and management-level. Some of the key climate-related agenda deliberated during the year were:

- 1 Adoption of Terms of Reference and reporting lines for BSMC and SMC;
- 2 Reviewed and reaffirmed the Public Bank Group's sustainability commitments;
- 3 The formulation of the Public Bank Group's Climate Risk Appetite Statement ("Climate RAS");
- 4 Reviewed the formulation of the Public Bank Group Sustainability Roadmap and the specific key initiatives for the next three years to ensure the initiatives meet the intended objectives;
- 5 Reviewed the progress on the ongoing sustainability and climate specific initiatives to assess their effectiveness in achieving the sustainability commitments;
- 6 Reviewed the outcome of the classification of the financing assets as required under the BNM's Climate Change and Principle-based Taxonomy ("CCPT") and the ongoing actions to improve the process;
- 7 Updates on regulatory developments and the impact; and
- 8 Potential challenges to meet regulatory requirements and actions to move forward.



Section Reference: Sustainability Governance on page 157

## STRATEGY

The Public Bank Group's priority on managing climate-related risks and opportunities has been formulated into strategies and action plans to achieve its overall sustainability commitment of Carbon Neutral Position for Scope 1 and 2 by 2030 and Net Zero Carbon by 2050.

The Public Bank Group formalised its qualitative Climate RAS in 2022 guiding the operationalisation of the Group's long term plans to manage the climate-related risks focusing on the following three areas:

- (i) Supporting the net zero transition and strengthening resilience to physical risk;
- (ii) Reducing the Group's direct and financed emissions; and
- (iii) Managing the resultant risks manifesting from climate change.

In addition, the Climate RAS will guide the establishment of the interim and long term metrics and targets to measure and assess the effectiveness of actions identified and/or taken to meet the interim and long term targets. The Public Bank Group's planned actions are documented in its Sustainability Roadmap and also in the Board-approved Climate-Related Risk Management Implementation Plan ("BAIP") as required under the BNM's Climate Risk Management and Scenario Analysis Policy Document issued on 30 November 2022. The BAIP is under development and will be submitted to BNM on the due date of 31 May 2023.

## Opportunities

In the pursuit of its strategy focus, the Public Bank Group recognises the broad range of opportunities arising from managing climate change risk.

Opportunities	Actions Executed	Potential Impacts to Public Bank Group
<b>Expand the offering of sustainable financial products</b>	<p><b>Sustainable Financing Products</b></p> <p>The Public Bank Group offers sustainable financing products to support customers' transition to a low carbon economy and these include:</p> <ul style="list-style-type: none"> <li>• Green financing facilities</li> <li>• Low carbon transition facility for small and medium enterprises ("SME")</li> <li>• EV financing</li> <li>• Solar panel financing</li> <li>• Financing for sustainable and green-certified properties</li> </ul> <p> <i>Section Reference: Sustainable Finance on page 186</i></p>	<ul style="list-style-type: none"> <li>• Increase revenue through demand for sustainable financial products</li> <li>• Improve branding and competitive position to adapt to shifting customer preferences</li> <li>• Reduce Scope 3 carbon emissions achieved through customer transition plans</li> </ul>
<b>Ending harmful activities</b>	<p>The Public Bank Group has in place an ESG Exclusion List which sets out the list of activities that the Group does not offer new financing for</p> <p> <i>Section Reference: Sustainable Finance on page 186</i></p>	<ul style="list-style-type: none"> <li>• Reduce climate-related risks from financing activities</li> <li>• Preserve the Public Bank Group's brand name</li> </ul>
<b>Embedding climate risk awareness into the Public Bank Group's culture and decision making</b>	<ul style="list-style-type: none"> <li>• Nurture green influencers to spread ESG awareness across the Public Bank Group and to the customers</li> <li>• Embedding ESG risk assessment in the onboarding of financing</li> </ul> <p> <i>Section Reference: Climate-Related Risk Management Approach on page 173; Ongoing Management of the Climate-Related Risk Exposures in the Financing Assets on page 177; Box article "The Green Influencer Campaign" on page 200</i></p>	<ul style="list-style-type: none"> <li>• Work force satisfaction</li> <li>• Awareness translate into active management of climate-related risks</li> </ul>



# Sustainability Statement

## Disclosures Aligned with Task Force on Climate-Related Financial Disclosures (“TCFD”)

Opportunities	Actions Executed	Potential Impacts to Public Bank Group
<b>Reducing the Public Bank Group's carbon emissions</b>	<p><b>Energy Saving Initiatives in Own Buildings</b></p> <ul style="list-style-type: none"> <li>Installation of solar panels at Bangunan Public Bank</li> <li>Replacement of old elevators in Bangunan Public Bank with a more energy efficient model</li> <li>Replacement of old lightings with energy saving LED bulbs in Public Mutual branches</li> <li>Continued energy savings with built-in green features of Menara Public Bank 2</li> </ul> <p> <i>Section Reference: Resource Management on page 184</i></p> <p><b>Green Transport</b></p> <ul style="list-style-type: none"> <li>Offering of lower financing interest rates to employees for the purchase of electric vehicles and plug-in electric vehicles</li> </ul>	<ul style="list-style-type: none"> <li>In the immediate term, increase expenditure on infrastructure enhancement and technology adoption</li> <li>Reduce operational cost through energy and electricity savings</li> <li>Reduce Scope 1 and Scope 2 carbon emissions</li> </ul>

## RISK MANAGEMENT

The management of the climate-related risks is embedded in the Public Bank Group Risk Management Framework. The Group's management of the climate-related risks is governed by the Public Bank Group Climate-Related Risk Management Policy. In the next twelve to eighteen months, the priority is on developing the risk processes, infrastructure and tools to systematically identify and assess climate-related risks and to embed climate-related risk management considerations into the day-to-day business activities of the Group.

### Climate-related risk is defined as:

“Risks from climate change, the related impacts and the economic and financial consequences, as a result of physical damage caused by extreme weather events or from transitioning towards a low-carbon economy”

### Climate-Related Risk Transmission Mapping

A high-level climate-related risk transmission mapping was undertaken starting with the two inherent climate risks which are the transition risk and physical risk. This was further identified into the various risk types manifesting from the transition and physical risk. This mapping is guided by the Joint Committee on Climate Change's<sup>2</sup> Task Force on Climate-Related Financial Disclosures (“JC3 TCFD”) Application Guide for Malaysian Financial Institutions issued on 29 June 2022.

Climate-Related Risk	Transition Risk				Physical Risk	
	Risk arising from the process and effects of shifting towards a low-carbon economy				Risk arising from acute and chronic climate-related events	
Risk Drivers	Policy & Regulation	Technology Development	Consumer Preference	Reputation	Acute	Chronic
	Introduction of new policy and regulations governing climate change	Substitution or investment in low carbon technologies and cleaner alternatives	Demand for lower carbon footprint products and ESG investments	Increased scrutiny from regulators, stakeholders and customers towards lack of climate action	Higher frequencies of flood, storms and droughts	Long term shifts in climate patterns such as higher sea levels and rising temperatures
Time Horizon	Short Term, Medium Term and Long Term	Short Term, Medium Term and Long Term	Short Term, Medium Term and Long Term	Short Term, Medium Term and Long Term	Short Term, Medium Term and Long Term	Medium Term to Long Term

<sup>2</sup> Joint Committee on Climate Change (“JC3”) was established by BNM and the Securities Commission with financial industry players' representation to pursue collaborative actions for building climate resilience within the Malaysia's financial sector.

Climate-Related Risk	Transition Risk	Physical Risk
	Risk arising from the process and effects of shifting towards a low-carbon economy	Risk arising from acute and chronic climate-related events
Transmission Channels	<ul style="list-style-type: none"> <li>Increase in operating cost for companies and household spending due to higher electricity tariffs, fuel costs and commodity prices</li> <li>Enhance reporting requirements and compliance costs</li> <li>Higher spending and investment to adapt to low-carbon economy i.e. lower carbon technologies, materials, low carbon homes</li> <li>Reduce demand and asset value due to changing market sentiment and consumer preferences</li> </ul>	<ul style="list-style-type: none"> <li>Increase spending on maintenance and repair for climate-related asset damages</li> <li>Increase capital spending on climate resilience infrastructure</li> <li>Devaluation of properties and collaterals in risk-prone locations</li> <li>Higher deposit withdrawals to finance disaster recovery and meet other cash flow needs</li> </ul>
Impact to Public Bank	<ul style="list-style-type: none"> <li>Reduce customer repayment ability</li> <li>Collateral devaluation</li> <li>Increase demand for liquidity</li> <li>Repricing of real estate assets in investment portfolio</li> </ul>	<ul style="list-style-type: none"> <li>Reduce customer repayment ability</li> <li>Collateral devaluation</li> <li>Increase demand for liquidity</li> </ul>
Risk Type	<ul style="list-style-type: none"> <li>Credit Risk</li> <li>Liquidity Risk</li> <li>Market Risk</li> <li>Product Risk</li> <li>Compliance Risk</li> <li>Reputation Risk</li> </ul>	<ul style="list-style-type: none"> <li>Credit Risk</li> <li>Liquidity Risk</li> <li>Operational Risk</li> <li>Compliance Risk</li> </ul>

Time Horizon: Short term – 0 to 5 years/Medium term – 6 to 10 years/Long term – >10 years

### Climate-Related Risk Management Approach

An overview of the Public Bank Group's climate-related risk management approach across various risk types is set out as follows:

Risk Type	Impact to Public Bank Group	Risk Tools & Methodology	Executed	Next Steps	Execution Time
Credit Risk from Transition Risk	<ul style="list-style-type: none"> <li>Higher default rates on high ESG risk borrowers from reduced repayment ability</li> </ul>	<ul style="list-style-type: none"> <li>Define High ESG risk sectors ("HERS")</li> <li>ESG Exclusion List</li> <li>Policy on Risk Acceptance Criteria on Environmental, Social and Governance ("Policy on ESG RAC") guiding the establishment of the sectoral specific RAC checklists</li> </ul>	<ul style="list-style-type: none"> <li>Quantified exposures to HERs</li> <li>RAC checklists applied to assess the climate-related risks of large business borrowers</li> <li>Integrate climate-related risk assessment in credit assessment and decisioning</li> </ul>	<ul style="list-style-type: none"> <li>Perform due diligence to reaffirm and/or assign borrowers with ESG rating</li> <li>Monitor customers' ESG risk ratings migration and their commitment towards transition and remedial plans</li> </ul>	<ul style="list-style-type: none"> <li>Short Term</li> </ul>



# Sustainability Statement

## Disclosures Aligned with Task Force on Climate-Related Financial Disclosures (“TCFD”)

Risk Type	Impact to Public Bank Group	Risk Tools & Methodology	Executed	Next Steps	Execution Time
<b>Credit Risk from Physical Risk</b>	<ul style="list-style-type: none"> <li>Devaluation of collateral values in flood-prone risk locations</li> <li>Higher default rates from borrowers with key operations residing in flood-prone risk locations</li> </ul>	<ul style="list-style-type: none"> <li>Internal methodology to identify borrowers susceptible to physical risk</li> </ul>	<ul style="list-style-type: none"> <li>To explore with external vendors on options available to map the borrowers' collateral</li> </ul>	<ul style="list-style-type: none"> <li>Use vendor solutions to identify financing assets susceptibility to physical risk</li> <li>Tagging and tracking the credit portfolio with heightened physical risk</li> </ul>	<ul style="list-style-type: none"> <li>Short Term</li> </ul>
<b>Liquidity Risk</b>	<ul style="list-style-type: none"> <li>Potential material outflows or reduced liquidity buffers as a result of vulnerabilities experienced by certain sectors or segments of customers from climate change</li> </ul>	<ul style="list-style-type: none"> <li>Analysis of customers' behavioural response to climate events</li> <li>Identify climate events that may heighten vulnerabilities to customers' cash flow profile</li> </ul>	<ul style="list-style-type: none"> <li>Preliminary discussion with external consultants on stress scenarios</li> </ul>	<ul style="list-style-type: none"> <li>To develop internal methodology to collect and to link customers' behavioural data to climate events as inputs to the liquidity stress scenarios</li> </ul>	<ul style="list-style-type: none"> <li>Medium Term</li> </ul>
<b>Market Risk</b>	<ul style="list-style-type: none"> <li>Disorderly transition to low-carbon economy or physical climate events affecting value of financial instruments</li> </ul>	<ul style="list-style-type: none"> <li>BNM's CCPT internal classification guideline</li> </ul>	<ul style="list-style-type: none"> <li>Financial instruments are classified based on BNM's CCPT criteria</li> </ul>	<ul style="list-style-type: none"> <li>Embed ESG criteria assessment for the purchase of financial instruments</li> </ul>	<ul style="list-style-type: none"> <li>Short Term</li> </ul>
<b>Product Risk</b>	<ul style="list-style-type: none"> <li>Insufficient consideration of climate-related factors in designing of products</li> </ul>	<ul style="list-style-type: none"> <li>New product origination to undergo climate-related risk assessment</li> </ul>	<ul style="list-style-type: none"> <li>Incorporate climate-related risk consideration as a criteria in the new product assessment process</li> </ul>	<ul style="list-style-type: none"> <li>Develop Sustainable Finance Framework <i>amongst others</i>, set out the eligibility criteria for green products</li> </ul>	<ul style="list-style-type: none"> <li>Short Term</li> </ul>
<b>Compliance Risk</b>	<ul style="list-style-type: none"> <li>Failure to comply with legal and regulatory requirements leading to regulatory penalties</li> </ul>	<ul style="list-style-type: none"> <li>Mapping process on every applicable regulatory requirement against the relevant internal process/ procedures</li> <li>Self-compliance checklist to identify non-compliance</li> </ul>	<ul style="list-style-type: none"> <li>Reviewing the mapping process and self-compliance checklists developed/ completed by Business Units/ Support Units to mitigate non-compliance</li> </ul>	<ul style="list-style-type: none"> <li>Embedding independent compliance checking in terms of regulatory perspective on the affected business operations</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>

Risk Type	Impact to Public Bank Group	Risk Tools & Methodology	Executed	Next Steps	Execution Time
<b>Reputation Risk</b>	<ul style="list-style-type: none"> <li>Negative perception by stakeholders for not taking the necessary actions or assuming more social responsibilities to manage climate-related risks in the conduct of business</li> </ul>	<ul style="list-style-type: none"> <li>Climate RAS</li> <li>The Public Bank Group's position via ESG Exclusion List</li> </ul>	<ul style="list-style-type: none"> <li>The Public Bank Group Sustainability Roadmap with specific initiatives aligning to sustainability commitments</li> <li>Disclosures in the annual report on the actions taken</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable Finance Framework amongst others, set out the eligibility criteria for green products</li> <li>Develop Board-approved policy on climate-related disclosures to promote credible and high-quality disclosures</li> </ul>	<ul style="list-style-type: none"> <li>Short Term</li> </ul>
<b>Operational Risk</b>	<ul style="list-style-type: none"> <li>Potential disruption to the Public Bank Group's operations and third party service providers from physical events</li> <li>Devaluation of the Public Bank Group's property values</li> </ul>	<ul style="list-style-type: none"> <li>Risk and Control Self-Assessment on areas exposed to physical risk</li> <li>Business continuity plans to manage physical risk</li> <li>Due diligence assessment on third party service providers operations susceptibility to extreme weather</li> </ul>	<ul style="list-style-type: none"> <li>Repository capturing data on branches and third party service providers exposed to physical risk</li> </ul>	<ul style="list-style-type: none"> <li>Develop internal methodology to guide the systematic identification and assessment of climate-related risks</li> <li>Establish climate-related Key Risk Indicators</li> <li>Review the business continuity plans for its effectiveness in managing disruption arising from climate-related risks</li> </ul>	<ul style="list-style-type: none"> <li>Short Term to Medium Term</li> </ul>

Execution Time: Short term – 1 to 2 years; medium term – 3 to 5 years; and long term – 6 to 10 years



# Sustainability Statement

## Disclosures Aligned with Task Force on Climate-Related Financial Disclosures (“TCFD”)

### FINANCING ASSETS

With financing assets being the largest asset component of the Public Bank Group’s balance sheet, the following section provides further information on the climate-related risk management process undertaken on the Group’s financing assets.

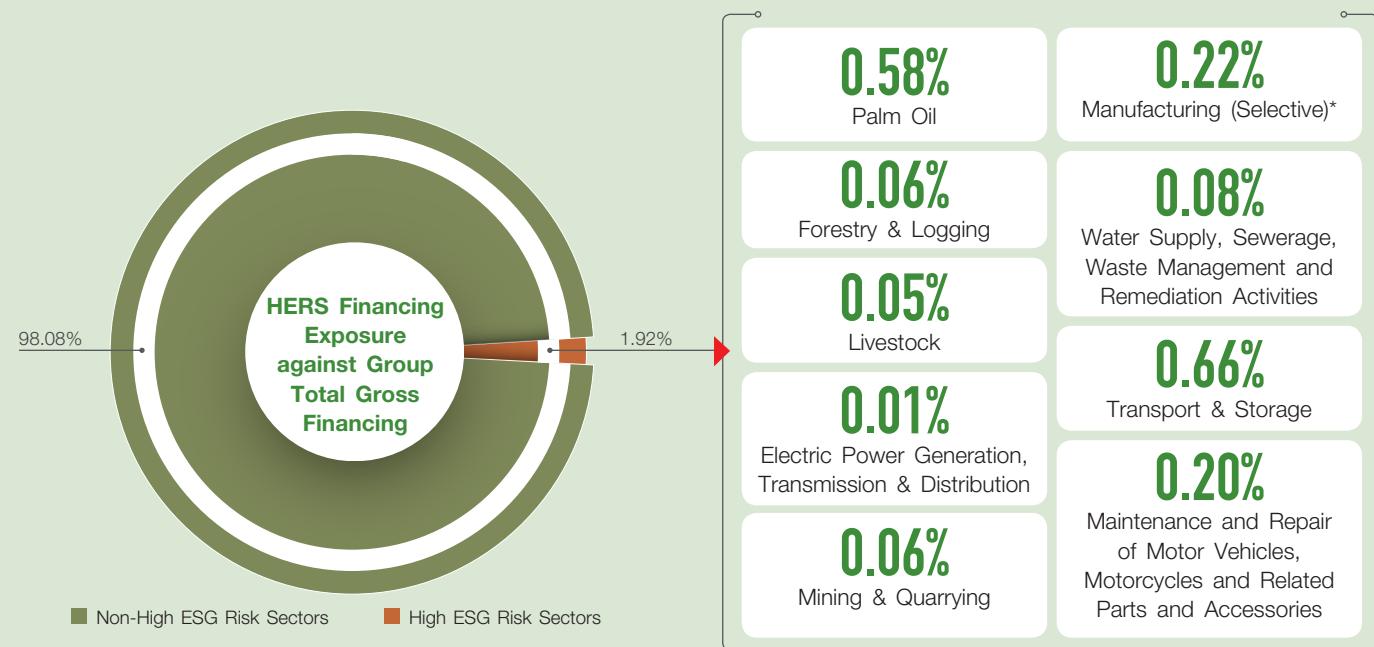
#### Identification of Climate-Related Risk Exposures in Financing Assets

##### High ESG Risk Sectors

In 2022, the Public Bank Group had identified nine High ESG Risk Sectors (“HERS”) being the sectors with potential adverse environmental and social impacts. The definition of HERS is guided by various international publications on climate risk taxonomies. As at 31 December 2022, the HERS as a percentage of the Group’s Total Gross Financing and Group’s Total Gross Business Financing are as follows.



The composition of HERS by sector is illustrated below.



\* List of manufacturing subsectors under Selective category:

- Manufacture of motor vehicles, trailers and semi-trailers
- Manufacture of furniture
- Manufacture of paper and paper products
- Manufacture of electrical equipment
- Manufacture of wood, and products of wood and cork
- Manufacture of chemicals and chemical products
- Manufacture of rubber and plastic
- Manufacture of basic metals
- Manufacture of other non-metallic mineral products

## Ongoing Management of the Climate-Related Risk Exposures in the Financing Assets

### Due Diligence Process

Large business borrowers categorised under HERS will be subject to further due diligence process facilitated by the RAC checklist, whereby its formulation is guided by the Public Bank Group Policy on ESG RAC. The Public Bank Group have established two sectoral specific RAC; Palm Oil, Construction and Infrastructure and General RAC. In the pipeline is the development of the Real Estate RAC.

The purpose of the internal due diligence process is to assess and confirm the vulnerability of the existing borrowers to ESG risks assessed from two angles, customer-level risk and transaction-level risk. From the outcome, borrowers will be assigned with an overall ESG risk rating of "High", "Medium", "Low" or "Unacceptable". "Unacceptable risk" rating is assigned when the borrowers' activities fall within the ESG Exclusion List. Borrowers with "High" or "Medium" risk ratings will require further engagement to develop a time-bound plan as part of the mitigation to over time transition the borrower to "Low" ESG risk rating. New borrowers too are subject to the RAC assessment to determine the overall ESG risk rating. The overall risk rating is updated during annual review. For SME borrowers, a simplified General RAC is used to obtain preliminary climate-related non-financial information. The General RAC will be expanded in the medium term.

## Continuous Monitoring of Climate-Related Risk Exposures in Financing Assets

### Climate Change and Principle-based Taxonomy ("CCPT") Classification

In 2022, processes were put in place to facilitate the standardised classification and reporting of the profile of the financing assets based on the BNM's CCPT Policy Document issued in 30 April 2021. Under the BNM's CCPT classification, borrowers are grouped into Climate Supporting, Transitioning, Watchlist or Prohibited and these classifications are applied only on the business financing borrowers. In the interim, the classification is applied on new borrowers on-boarded from 1 January 2022 with the first reporting to BNM completed on 30 June 2022. By the end of June 2023, the entire financing assets including holdings of financial instruments are to be classified.

Through this process, the Public Bank Group will progressively expand and/or refine its processes to improve the reporting profile and accuracy of the information reported. This will be a key focus in the next twelve to eighteen months supported by the JC3 TCFD Application Guide as well as industry collaboration on data required. The outcome of the classification will over time be a key tool for the continuous identification, management and monitoring of the borrowers' transition towards a low-carbon economy.

## METRICS AND TARGETS

Since the Public Bank Group's first carbon emissions disclosure in 2016, the Group has continued to make progress to expand the scope of its operational carbon emissions disclosure. The Group's Scope 1 and Scope 2 have been identified and measured. In 2022, the Group took further steps to enhance its Scope 3 disclosure to include employee commuting.

### The Public Bank Group's Operational Carbon Emissions

Emissions source	Emissions (tCO <sub>2</sub> e)		
	2020	2021	2022
<b>Scope 1 (Direct emissions)</b>	533.75	482.70	588.46
<b>Scope 2 (Indirect emissions)</b>	27,063.33	26,507.03	26,340.99
<b>Scope 3 (Other indirect emissions)</b>	1,698.04	1,398.40	1,839.57
Employee commuting	NA	NA	61.92
<b>Total</b>	<b>29,295.12</b>	<b>28,388.12</b>	<b>28,830.94</b>

**Note:** NA: not available. The Public Bank Group started to collect data on employee commuting under Scope 3 emissions in 2022.



# Sustainability Statement

## Disclosures Aligned with Task Force on Climate-Related Financial Disclosures (“TCFD”)

The methodology and reporting scope of the Public Bank Group's operational carbon emissions are detailed in the table below:

Reporting Scope	Methodology and Source	Reporting Boundary
<b>Scope 1:</b> Company-owned vehicles and generator sets	<ul style="list-style-type: none"> <li>Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards</li> <li>Intergovernmental Panel on Climate Change Guidelines for National Greenhouse Gas Inventories</li> <li>International Energy Agency</li> </ul>	<ul style="list-style-type: none"> <li>Company-owned vehicles at Menara Public Bank</li> <li>Generator sets located at Menara Public Bank, Information Technology and Training Centre in Bangi, Bangunan Public Bank, Menara Public Bank 2 and Public Bank Tower</li> <li>Company-owned vehicles at Campu Bank</li> <li>Company-owned vehicles at Public Bank Vietnam</li> </ul>
<b>Scope 2:</b> Purchased electricity	<ul style="list-style-type: none"> <li>Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards</li> <li>Institute for Global Environmental Strategies' emission factor</li> </ul>	<ul style="list-style-type: none"> <li>Menara Public Bank</li> <li>Information Technology and Training Centre in Bangi</li> <li>Bangunan Public Bank</li> <li>Menara Public Bank 2</li> <li>Public Bank Tower</li> <li>Campu Bank Head Office and branches</li> <li>Public Bank Vietnam Head Office and branches</li> </ul>
<b>Scope 3:</b> Business travel (road and air) and Employee commuting	<ul style="list-style-type: none"> <li>Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards</li> <li>Intergovernmental Panel on Climate Change Guidelines for National Greenhouse Gas Inventories</li> <li>International Energy Agency</li> <li>International Civil Aviation Organisation's Carbon Emission Calculator</li> <li>UK Government GHG Conversion Factors for Company Reporting 2022</li> </ul>	<ul style="list-style-type: none"> <li>Road and air business travel by employees for domestic banking operations in Malaysia and overseas operations in Cambodia and Vietnam</li> <li>Daily commuting to work place of domestic banking operations' employees</li> </ul>

 Section Reference: Resource Management on page 184

Moving forward, the Public Bank Group will continue to enhance its carbon emissions management and disclosure.

Next Steps	Execution Time
Develop internal guidelines to document the identification and measurement process of the Scope 1, 2 and 3. This will facilitate periodic review of the process for its continued comprehensiveness as information becomes available or when arising from regulatory developments	Short Term
Develop the baseline for Scope 1 and 2	Short Term
Develop interim targets tracking the emissions and the impact of the measures taken to achieve climate goals of carbon neutral for Scope 1 and 2 position by 2030, as well as net zero carbon by 2050	Medium Term
Develop actions to collect information on Scope 3 emissions contributed by financing assets	Medium Term

# 2022 Snapshot



## PROFICIENT EMPLOYEES

### Talent Development

- RM50 million** invested in employees training and development
- 72** training hours per employee
- 98%** of employees met the minimum 5 days of training

### Talent Retention

Low employee attrition rate of **8.2%**

### Women Empowerment

- 37.0%** of women on the Board
- 51.0%** of women in top management
- 48.8%** of women in management



## PROTECTING THE ENVIRONMENT

### Strengthening Sustainability Governance

- Formation of the **Board Sustainability Management Committee**
- Expanded and formalised the **Sustainability Management Task Force** (previously known as Climate Risk Management Task Force)

### Bolstering Climate Change Action

- Mobilised **>RM30 billion** of energy efficient vehicles financing
- Approved **>RM620 million** of Green Financing Facilities
- Provided **>RM7 million** for solar panel financing
- Developed **General Risk Acceptance Criteria**, and established **Sectoral Risk Acceptance Criteria Checklist** for palm oil, and construction and infrastructure sectors
- Committed to No Deforestation, No New Peat and No Exploitation
- Installation of solar panels at Bangunan Public Bank



## PROSPEROUS CUSTOMERS AND COMMUNITIES

### Customer Satisfaction

- 80%** conformance level of the 2 minutes Standard Waiting Time
- 95%** conformance level of the 10 minutes customer waiting time
- 95%** of customers rated loan delivery service as “Exceeded Expectation” or “Within Expectation”
- 96%** of the customers rated Public Mutual’s services as “Very Good” or “Good”

### Digital Transformation

- Awarded with “**Best MyDebit Bank**” and “**Best MyDebit (Acquirer-Bank)**” in the Malaysian e-Payments Excellence Awards by Paynet
- Extended **PBe QR cross border payment service to Indonesia**
- Launched Vietnam’s mobile application **PB engage VN**

### Responsible Lending

- Stable and low gross impaired loans ratio of **0.4%**
- Extended Loan Moratorium to **>8,000 customers** affected by flood

### Financial Accessibility

- 264** domestic bank branches
- >2,000** self-service terminals
- Number of new users:

PBe Internet Banking  
↑4.7%  
PB enterprise Internet banking  
↑72.5%

- Approved new loans of:

**RM23.54 billion**

>54,500  
home purchasers

PB engage Mobile Banking  
↑29.2%

- 55.0%** of Public Mutual’s investors subscribed Public Mutual Online

- Extended about **RM3.6 billion** of Government and BNM initiated financing schemes to benefit **>18,600** businesses

**RM20.12 billion**

>246,300  
motor vehicle purchasers

**RM12.44 billion**

>46,900  
SMEs

### Community Empowerment

- 2022 Income Tax paid **RM2.41 billion**
- Contributed **>RM1 million** to Financial Industry Collective Outreach (“FINCO”) since 2017
- Awarded **262** students under Star Achiever Programme



## PRINCIPLED CONDUCT

### Robust Compliance Culture

- No material instances** of non-compliance
- Zero** incidents of corruption
- Compliance** on tax requirements



## Sustainability Statement

# Awards and Recognitions

**Public Bank** continued to receive awards and recognitions from respected global institutions for its ESG and sustainability efforts and achievements.



## FTSE4Good

Public Bank has been **assessed according to the FTSE4Good criteria**, and has met the requirements to remain as a constituent of the following indices in the FTSE4Good index series since December 2015:

- FTSE4Good **Bursa Malaysia** Index
- FTSE4Good **ASEAN5** Index
- FTSE4Good **Emerging** Index

**MSCI**

ESG RATINGS

**AA**

CCC B BB BBB A AA AAA

Public Bank has secured an **AA rating** from **MSCI ESG Ratings**, as a testament of the Bank's resilience to long term ESG risks.



Public Bank was awarded the **Gold Award in The Asset ESG Corporate Awards 2022**, which the Bank has attained since 2019, affirming the Bank's unwavering commitment in adhering to ESG standards as well as enhancing its sustainability practices.

# Protecting the Environment

## Material Sustainability Matters:

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



## Theme 1

Climate change and environmental concerns have become key emerging global risks. Rising global temperatures as a consequence of uncontrolled carbon emissions have resulted in more frequent and severe weather events such as floods, heatwaves and rising sea levels, in addition to biodiversity loss which resulted in catastrophic consequences on the society and economy. Urgent action to combat climate change is therefore imperative to maintain the sustainability of lives and livelihoods.

The Public Bank Group is committed to achieve net zero carbon by 2050, joining the global call to take urgent actions to minimise climate change effects.

In 2022, the Public Bank Group formalised its qualitative Climate Risk Appetite Statement guiding the operationalisation of the Group's long term plans to manage the climate-related risks focusing on the following three areas:

- (i) Supporting the net zero transition and strengthening resilience to physical risk;
- (ii) Reducing the Public Bank Group's direct and financed emissions; and
- (iii) Managing the resultant risks manifesting from climate change.

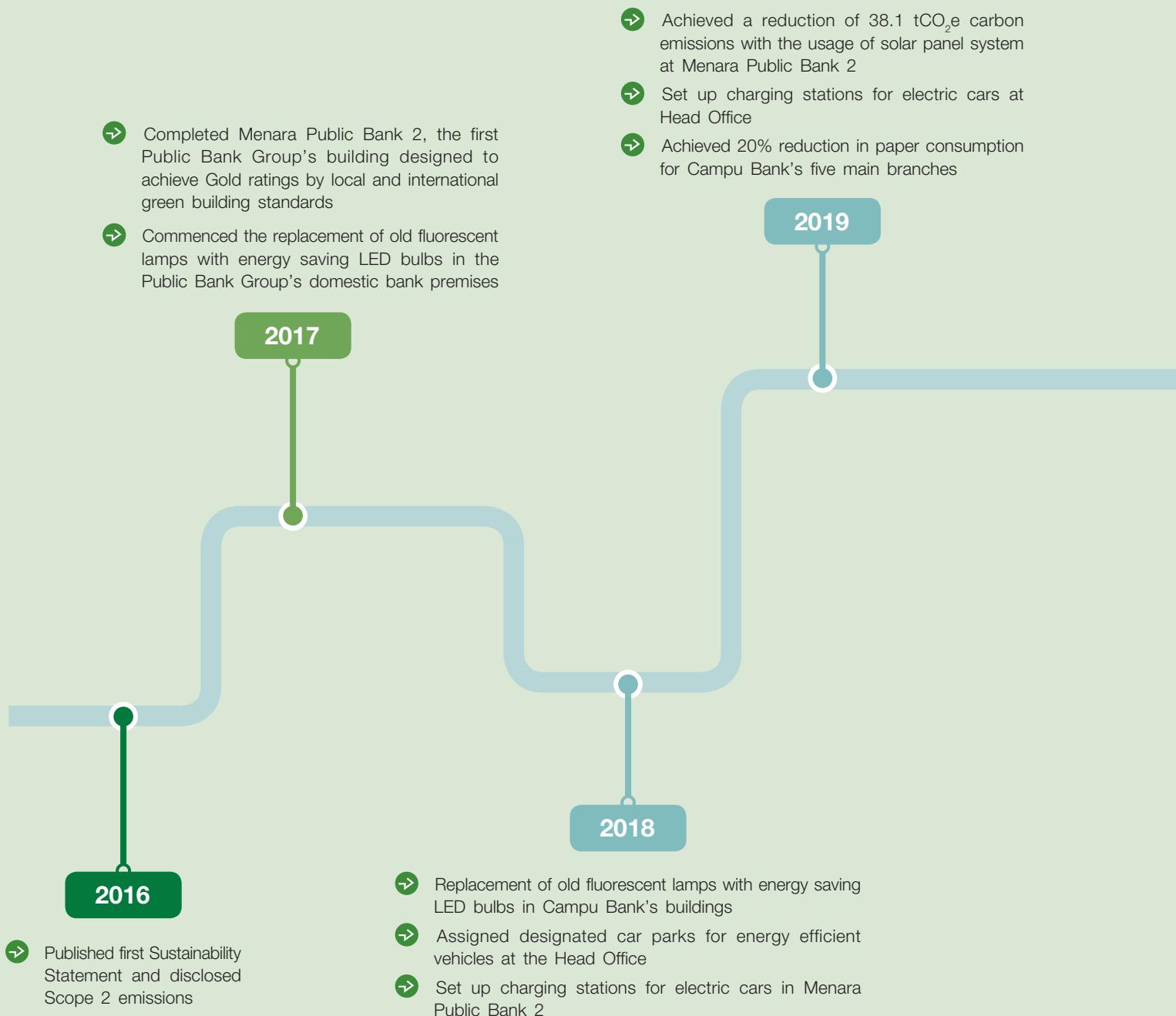
Over the years, the Public Bank Group has built and strengthened its understanding and efforts in addressing climate change risks and opportunities. The Group understands that climate actions will be a long term effort, hence an orderly, responsible and just transition is important.



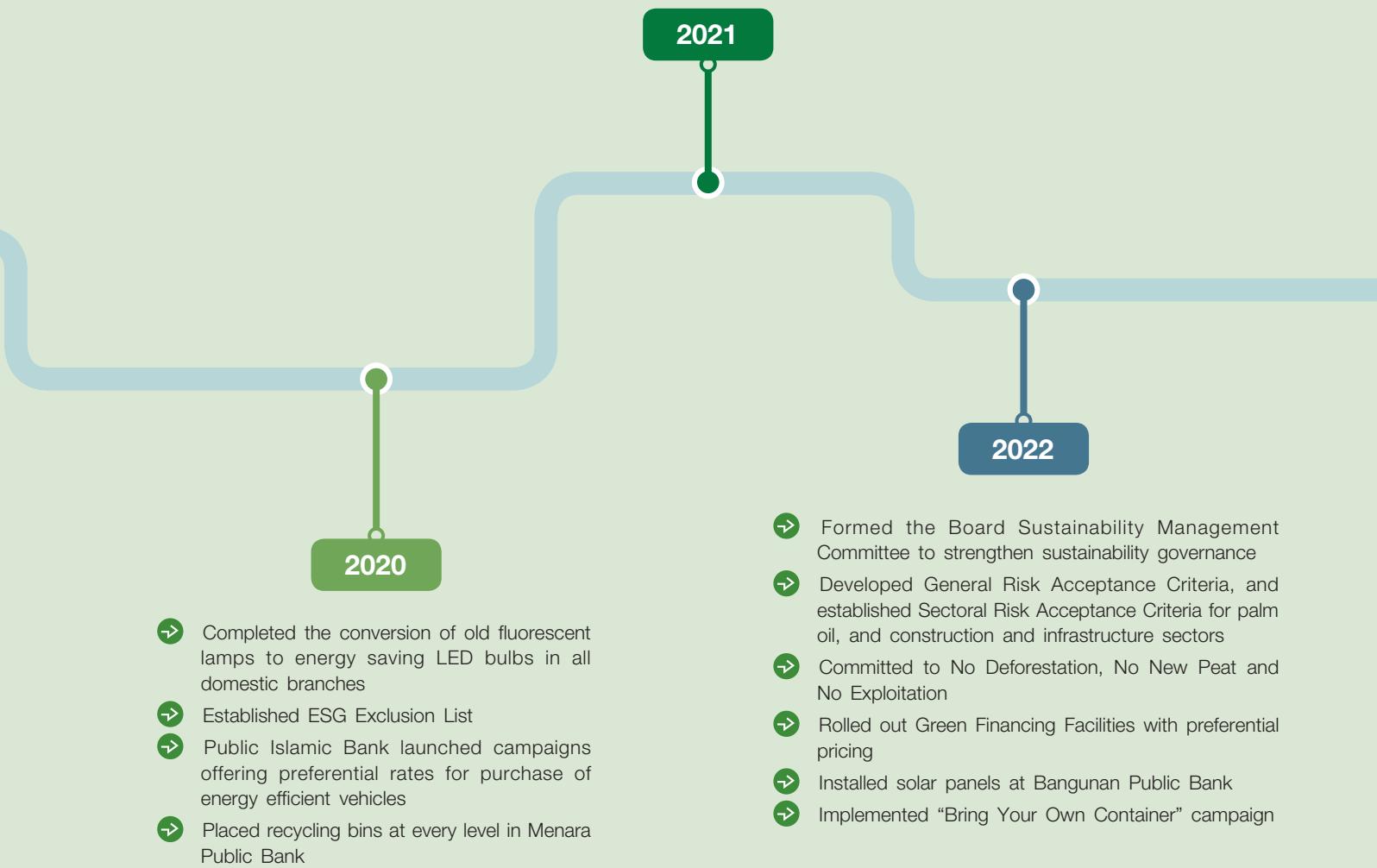
# Sustainability Statement

## Theme 1: Protecting the Environment

### KEY MILESTONES OF THE PUBLIC BANK GROUP'S CLIMATE ACTION



- ➡ Committed to being carbon neutral by 2030 (Scope 1 and 2) and net zero carbon by 2050
- ➡ Set up Climate Risk Management Task Force to steer climate actions
- ➡ Developed Climate-Related Risk Management Policy and Policy on Risk Acceptance Criteria
- ➡ Expanded emission disclosure covering Scope 1, 2 and 3
- ➡ Rolled out campaign offering preferential rates for solar panel financing
- ➡ Public Investment Bank awarded the Best ASEAN Sustainability SRI-Sukuk – Corporate by The Asset
- ➡ Public Mutual became a signatory of the Malaysian Code for Institutional Investors



# Sustainability Statement

## Theme 1: Protecting the Environment

### RESOURCE MANAGEMENT

In striving towards net zero carbon commitment, the Public Bank Group starts from managing its operational carbon footprint. The Group continues to invest in decarbonisation and intends to make its operations more environmentally sustainable.

#### Energy Management

Optimising the consumption of electricity remains a priority in reducing operational carbon footprint. In addition, the Public Bank Group is increasing its use of electricity from renewable sources.

In 2022, the Public Bank Group replaced six old elevators in Bangunan Public Bank with a more energy efficient model. The Group is planning to replace 21 old elevators in Menara Public Bank in stages.

Since the completion of Menara Public Bank 2 in 2017, this 40-storey office building continued to generate energy savings with its built-in green features. The solar panel system harvested 48,140 kWh of solar energy in 2022, which contributed to a total reduction of carbon emissions of about 32.25 tCO<sub>2</sub>e.

In 2022, the Public Bank Group commenced the installation work for solar panels at Bangunan Public Bank. The work is expected to be completed in the second quarter of 2023, with a maximum of 58 kilowatt peak.

Following the completion of replacing old lightings with more energy saving LED bulbs in Malaysian and Campu Bank branches, the Public Bank Group continued this effort with Public Mutual branches and had replaced more than 1,000 units of old lightings to energy saving LED bulbs during the year.

As part of its ongoing initiative, the Public Bank Group conducts regular tracking of its electricity bills across its business operations to better assess its electricity consumption. Routine major electrical systems checks are conducted to ensure optimal functionality. The Group actively engages and encourages its employees to practise energy saving practices, including switching off lights in vacant meeting rooms and unplugging electrical appliances when not in use. The Group also continued to source for information technology equipment that is designed to be environmentally friendly and energy efficient.

#### Paper Management

To minimise operational carbon emissions, reducing paper usage is part of the Public Bank Group's environmental management initiative.

The Public Bank Group has been enhancing its digitisation initiatives by converting physical documents, such as meeting minutes and statements into digital format. Operational processes, such as loan delivery system and human resource management have been gradually transformed to digital platforms.

Paper usage is also minimised with the adoption of the good 3R ("Reduce, Reuse & Recycle") practice. Double-sided printing is the standard practice when printing is necessary. In sourcing for paper supply, the Public Bank Group uses PEFC certified paper which is produced from sustainably managed forests and controlled sources.

#### Waste Management

To minimise environmental and human health impact, the Public Bank Group utilises effective systems for collection, recycling and disposal to ensure that all waste is disposed of appropriately and responsibly. There is a stringent electronic waste ("e-waste") management system in place whereby only vendors licensed by the Department of Environment ("DOE") and accredited by the applicable ISO standards for Environmental Management System are appointed. This is to ensure adherence to rules and regulations, minimise environmental pollution during the vendors' operations and prevent the leakage of confidential data.

Additionally, the Public Bank Group contributes to resource recycling by providing contractors access to waste paper, plastics, cans and other recyclable resources. Simultaneously, the Group's effort to conserve natural resources is extended to its overseas operations, whereby the Campu Bank has installed water filtration systems in place of plastic drums of water.



To minimise unnecessary waste, Public Investment Bank had engaged with the Community Recycle for Charity (“CRC”)<sup>3</sup> to put in place CRC Box for the disposal of the old furniture and equipment during the relocation exercise of its office premises from Menara Public Bank and Bangunan Public Bank to Menara Public Bank 2 in 2022. Usable old furniture and equipment were recycled and reused by the charity homes that need help.

The Public Bank Group continuously enhances its employee awareness with respect to reducing its carbon footprint as the Group believes that any initiative requires a team effort. As more employees are opting for takeaway food over dine-in to minimise the risk of COVID-19 transmission, the Group is aware of the increasing amount of food packaging waste from the takeaway services. In 2022, the Group launched the ‘Bring Your Own Container’ (“BYOC”) Campaign at the Hawker Centre of Menara Public Bank with the objective to reduce the usage of single-use plastics and paper food packaging. The BYOC Campaign encourages employees to use their own reusable containers, bags and drinking bottles while getting takeaway food.

#### **Environmental Impact 2020-2022**

	2020	2021	2022
<b>Electricity Consumption (MWh)</b>			
Malaysia <sup>1</sup>	35,293	34,484	<b>34,345</b>
Cambodia <sup>2</sup>	4,277	3,819	<b>3,527</b>
Vietnam <sup>3</sup>	1,494	1,916	<b>2,079</b>
<b>Total</b>	<b>41,064</b>	<b>40,219</b>	<b>39,951</b>
<b>Fuel Consumption (litres)</b>			
Malaysia <sup>4</sup> (Petrol)	792,804	660,786	<b>844,792</b>
Malaysia <sup>5</sup> (Diesel)	18,426	13,188	<b>15,378</b>
Cambodia <sup>6</sup> (Petrol)	62,107	55,681	<b>66,934</b>
Vietnam <sup>7</sup> (Petrol)	90,884	87,491	<b>111,541</b>
<b>Total</b>	<b>964,221</b>	<b>817,146</b>	<b>1,038,645</b>
<b>Water (m³)</b>			
Malaysia <sup>1</sup>	237,379	223,923	<b>256,107</b>
Cambodia <sup>2</sup>	19,588	20,961	<b>19,436</b>
Vietnam <sup>3</sup>	4,740	7,106	<b>8,550</b>
<b>Total</b>	<b>261,707</b>	<b>251,990</b>	<b>284,093</b>
<b>Waste Management</b>			
Total paper recycled <sup>8</sup> (kg)	106,800	90,250	<b>95,625</b>
Number of ICT equipment collected by appointed e-waste vendors	8,011	2,951	<b>2,240</b>
<b>E-Procurement</b>			
Average number of electronic purchase orders via e-procurement (per month)	644	573	<b>609</b>

Notes:

1. The data covers Menara Public Bank, Information Technology and Training Centre in Bangi, Bangunan Public Bank, Menara Public Bank 2 and Public Bank Tower in Johor Bahru.
2. The data covers Campus 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. The data covers fuel consumption from generator sets in Menara Public Bank, Information Technology and Training Centre in Bangi, Bangunan Public Bank, Menara Public Bank 2 and Public Bank Tower in Johor Bahru.
6. The data covers company-owned cars and road travel for business purpose by Campus Bank.
7. The data covers company-owned cars and road travel for business purpose by Public Bank Vietnam.
8. Total waste papers collected at Menara Public Bank and nearby branches in Kuala Lumpur.

<sup>3</sup> CRC is a non-profit, registered and government approved organisation, founded in 2008 with the aim to serve communities and helping those who are in need.



# Sustainability Statement

## Theme 1: Protecting the Environment

### SUSTAINABLE FINANCE

As a financial intermediary, the Public Bank Group is mindful of its role as a catalyst in the nation's transition to a low-carbon economy. These include widening the Group's offering of green financing solutions that can assist customers to adopt greener practices and to better cope with climate-related events.

#### Green Financing Facilities

In 2022, the Public Bank Group introduced the Green Financing Facilities which offered preferential pricing to cater for purpose of financing which are green and environmentally friendly.

Among the green activities that the Public Bank Group supports under the Green Financing Facilities are green certified properties, the cost of purchasing and installing solar panels and other energy-efficient equipment as well as capital raising for research and development of energy-saving technology.

In addition, the Public Bank Group has identified 72 green and environmentally-friendly economic activities which will be accorded preferential pricing under the Green Financing Facilities. These 72 green activities are grouped into nine core categories:

	Energy efficiency
	Waste management
	Water management
	Clean transportation
	Clean and renewable energy
	Green technology/manufacturing
	Agricultural, fisheries, forestry and land conservation
	Climate change adaptation projects, solutions, systems and technology
	Green real estate, construction and infrastructure (including the purchase of green building)

In 2022, the Public Bank Group had approved **more than RM620 million** in Green Financing Facilities to individuals and business customers.

#### Energy Efficient Vehicles Financing

Promoting financing for energy efficient vehicles ("EEV") is one of the focus areas of the Public Bank Group climate agenda, in line with Malaysia's ambition to become a regional EEV hub by 2030.

The Public Bank Group intensified its efforts to strengthen its market leading position in the EEV financing segment, such as collaboration with car dealers and distributors, exclusive tie-ups and promotional campaigns for hybrid electric vehicle and electric vehicle financing.

As at the end of 2022, the Public Bank Group mobilised more than **RM30 billion** of domestic EEV financing, accounting for close to **52%** of the Group's total domestic hire purchase financing portfolio.

#### Solar Panel Financing

In support of Malaysia's Renewable Energy Roadmap, the Public Bank Group offers solar panel financing for both residential and commercial customers, helping them to reduce their energy costs and manage their environmental carbon footprint.

The special financing packages, namely Solar Plus BAE Personal Financing-i and Solar BAE Term Financing-i, offer attractive profit rates and margin of financing up to 100% of the cost of the solar panel packages.

Other than financing, Public Islamic Bank also offers 0% easy payment plan via Public Bank and Public Islamic Bank credit cards for employees and customers who wish to install solar panel systems with its solar panel system supply partners.

As at the end of December 2022, Public Islamic Bank had provided **more than RM7 million** solar panel financing across all facilities, which translated into **more than 2.4MWp** of solar panel energy capacity.

## Financing for Sustainable and Green-Certified Properties

In 2022, in collaboration with property developers, the Public Bank Group offered the Special Sustainable Financing Package for customers who purchased green-certified and sustainable residential as well as commercial properties. In addition to offering preferential pricing and fast lane approval, the Group also offered borrowers the financing option to purchase and upgrade their new properties with eco-friendly and energy-efficient appliances, fixtures and fittings.



## Low Carbon Transition Facility

In supporting businesses, particularly SMEs to adopt low carbon practices, the Public Bank Group has participated in BNM's Low Carbon Transition Facility ("LCTF"), offering businesses financing of up to RM10 million, with a repayment period of up to ten years at an attractive financing rate of up to 5% per annum. Option for guarantee by Credit Guarantee Corporation Malaysia Berhad ("CGC") and Syarikat Jaminan Pembiayaan Perniagaan Berhad is provided. Collateral is not mandatory.

In addition to financing various types of green-related capital expenditure to help businesses transition towards a low carbon model, the LCTF also offers financing for the expenses required by businesses for their employees' capacity building on sustainability and costs of engaging sustainability consultants.

As at the end of 2022, the Public Bank Group had approved **RM2.6 million** of financing under the LCTF.



# Sustainability Statement

## Theme 1: Protecting the Environment

### ESG Exclusion List

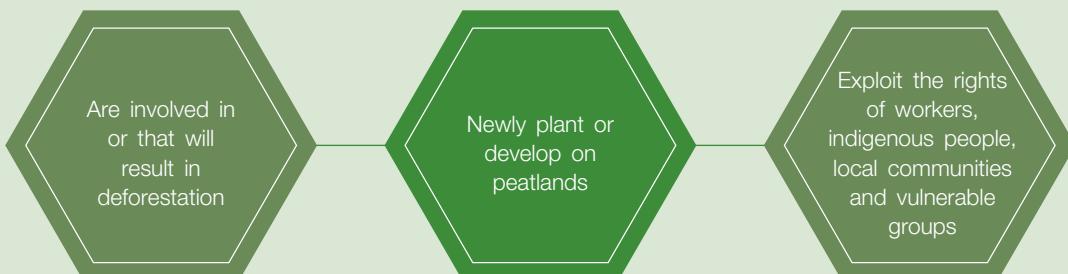
Since 2020, the Public Bank Group has established an ESG Exclusion List which refrains the Group from financing customers who are involved in activities that contravene local and international laws and regulations, as well as activities that have adverse environmental and social impact. The list is reviewed periodically as the Group weighs and evaluates the impact of various economic activities and sectors on the environment and society.

Issues/Sectors	Activities
Illegal activities	<ul style="list-style-type: none"><li>Individuals or corporations whose activities contravene the law</li><li>Money laundering and/or terrorism activities</li><li>Illegal activities, including illegal betting, drug trafficking and smuggling, human trafficking</li></ul>
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"><li>Activities that could damage any World/National/United Nations Educational, Scientific and Cultural Organisation ("UNESCO") heritage sites</li><li>Activities that could damage any Wetlands on the RAMSAR list</li><li>Activities that could damage any areas as per the International Union for Conservation of Nature ("IUCN") categories I to IV</li><li>Activities that could damage any Key Biodiversity Areas</li><li>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</li><li>Logging of or trade in illegally harvested or uncertified timber as well as logging in uncertified primary forest</li><li>Activities that could damage any high conservation value forests</li></ul>
Environmental Degradation	<ul style="list-style-type: none"><li>Coal mining and production activities</li><li>Activities which endanger local water security</li><li>Activities that cause pollution (e.g. release of untreated wastewater, pollution of soil and waterways with untreated organic content etc.)</li></ul>
Labour Rights	<ul style="list-style-type: none"><li>Activities causing human rights violations including child labour, forced labour and trafficked labour</li></ul>
Human Rights	<ul style="list-style-type: none"><li>Activities resulting in the infringement of the rights of indigenous and/or vulnerable groups without their Free, Prior and Informed Consent ("FPIC")</li><li>Activities that violate the rights of local communities or those that take place in locations of significant social conflicts</li></ul>

This screening methodology also complements the Public Bank Group's credit risk assessment. For existing borrowers whose economic activities and sector fall under the Exclusion List, the Group will nurture customers to adopt sustainable measures that would effectively support customers' transition towards adopting and enhancing their existing sustainability practices. The Group shall refrain from onboarding customers who fall under the Exclusion List and are unable to provide any remedial plans.

### Commitment towards "No Deforestation, No New Peat and No Exploitation"

The Public Bank Group has pledged to commit towards "No Deforestation, No New Peat and No Exploitation" ("NDPE") in its lending practices. Applicable to all business sectors, the NDPE stance was adopted to reflect the Group's commitment of not providing finance for companies that:



In the process of onboarding customers, aside from the due diligence conducted by the branches, a Written Declaration by the customer is required at the point of the financing application submission. The Written Declaration serves as one of the negative screening checks on customers on their ESG compliance, particularly the SMEs, to declare that they are not involved in activities that fall under the Public Bank Group's ESG Exclusion List and are not in breach of the Group's NDPE commitment.

### Sustainable Investment Advisory

Due to rising interest in sustainable investment opportunities from customers, Public Investment Bank continues to integrate ESG considerations into its investment decisions to ensure long term sustainable returns. In addition to supporting the Securities Commission Malaysia's Sustainable and Responsible Investment ("SRI") Roadmap for the Malaysian Capital Market, Public Investment Bank remains guided by the Securities Commission Malaysia's SRI Linked Sukuk Framework which facilitates fund raising by companies in addressing sustainability concerns, such as climate change or social agenda, with features that relate to the issuer's sustainability performance commitments.

Public Investment Bank provides advisory service for issuers to meet their funding objectives with ESG compliant purposes by providing fund raising solutions via issuance of SRI Linked Sukuk/Bonds under the ASEAN Green, Social and Sustainability Bond Standards.

### Mobilising Sustainable Financing in Cambodia and Vietnam

In line with the Public Bank Group's ESG commitments, Campu Bank and Public Bank Vietnam continued to make progress in mobilising sustainable financing.

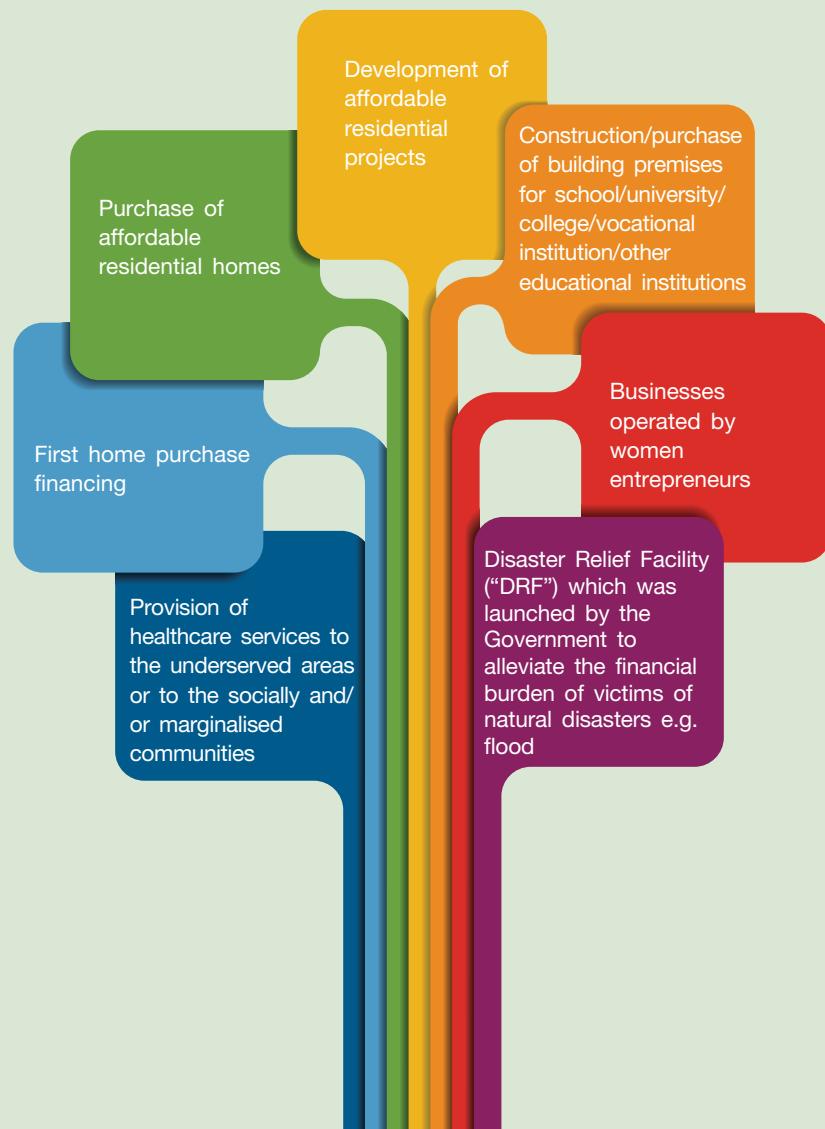
Campu Bank continued to offer financing that brings positive environmental and social impact, such as financing for affordable housing projects, private water and electricity producers for the expansion of power grid and water supply, purchase and installation of solar panel systems as well as extension of bank guarantee facility as tender and payment guarantee for various water, electricity and solar power expansion projects. Meanwhile, Public Bank Vietnam is supportive of the environmental agenda with its offering of financing for purchase and installation of solar panels.

ESG considerations are embedded into credit assessment. For instance, Campu Bank refrains from extending loans to borrowers who are engaged in sand dredging at riverbanks, timber logging as well as pawn shop and money lending business that are without proper license.

### Social Agenda Financing

In promoting sustainable financing, the Public Bank Group has not only focused on the "Environmental" aspect of ESG, but also prioritises the "Social" pillar in support of nation building and community well-being.

To support branches in ESG financing, the Public Bank Group has identified a list of 21 Social Agenda financing activities with wide social aspects coverage, amongst others:



# Sustainability Statement

## Theme 1: Protecting the Environment

### Sustainable Finance Framework

The Public Bank Group is working on developing the Group's Sustainable Finance Framework which will provide a structured framework to sustainability-support loans and financing products. The Framework will underscore the Group's commitment towards environmental and social agenda.

New ESG products and solutions will be developed on an ongoing basis aligned with the Framework to support customers' transitioning towards a low carbon economy. The Framework will also guide in identifying ESG priority sectors and activities for targeted financing.

To further heighten the awareness of climate change risk, climate change message flyers in dual languages printed on recycled papers are distributed to customers upon the approval of loans and financing.

## CLIMATE CHANGE MESSAGE

For Bank's internal use only:  
Consumer CCIP:

C1
C5

Dear Valued Customer,

Thank you for banking with Public Bank Berhad/Public Islamic Bank Berhad.

**Climate change** is an adverse phenomenon caused by global warming from uncontrolled greenhouse gas emissions (such as carbon emissions). This issue has grown increasingly urgent today as climate change has an impact on every aspect of our lives.

Negative impacts from climate change include extreme weather events such as worsening floods and droughts, water supply restrictions and air pollution. With the threat of climate change and an ever-warming planet, it has become even more important for all individuals to pursue carbon-reduction principle.

As a caring and responsible bank, we wish to share with our valued customers the importance of reducing our carbon footprint and how each of us can personally make a positive difference in the world. Even small changes to our lifestyles can bring positive impact on the environment.

Taking action on climate change today can bring many potential benefits including ensuring cleaner air, water and environment to protect the health and quality of life for you and your loved ones.

Simple measures that each of us can take to reduce our carbon footprint include using energy-efficient appliances and lighting, purchasing green-certified properties, switching to renewable energy, recycling and green sourcing of food products.

**“ Together we can contribute towards a greener and better world! ”**

Date this document is provided to customer: \_\_\_\_\_

**Disclaimer:**  
The purpose of this document is to provide general information to create awareness on the impact of climate change as it remains a new topic for many consumers and businesses in Malaysia. This document is not intended to be used for any other purposes only. It is not intended to be construed as business advice, professional advice or any other advice. It is also not an offer to sell nor is it a solicitation of an offer to subscribe to any of the products and/or services, whether offered by the Bank, its affiliates or any third parties. It is also not to be treated as a recommendation to you to make certain changes, whether in your business, lifestyle or otherwise. You should make your own assessment and seek independent advice from your advisor. The reliance on the information in this document is entirely at your own risk. The Bank does not in any way represent or warrant that the information contained in this document is accurate, up-to-date and remains relevant. The Bank expressly disclaims all its facilities and shall not be liable for any damages, losses, injuries, grievances, costs and/or expenses suffered hereby incurred as a result of your reliance on the information contained in this document.

PUBLIC ISLAMIC BANK WHOLLY OWNED SUBSIDIARY OF PUBLIC BANK  
 PUBLIC BANK Excellence Is Our Commitment

This message is printed on recycled paper.

PUBLIC BANK BERHAD 196501000672 (448-H); PUBLIC ISLAMIC BANK BERHAD 197501001439 (1438-H).

Note: For distribution to consumer loan and financing customers

## CLIMATE CHANGE MESSAGE

For Bank's internal use only:  
Commercial CCIP:

C1
C2
C3
C4
C5
C7

Dear Valued Customer,

Thank you for banking with Public Bank Berhad/Public Islamic Bank Berhad.

One of the increasingly urgent issues impacting our world today is **climate change**, an adverse phenomenon caused by global warming from uncontrolled greenhouse gas emissions (such as carbon emissions). Negative impacts from climate change include extreme weather events e.g. worsening floods and droughts, water supply restrictions, supply chain disruption and high transitioning costs brought on by changes in government policies, technology and consumer/market trends.

In view of the threats of climate change coupled with an ever-warming planet, it has become imperative for businesses to re-look into every aspect of their operations (including production, supply chain, packaging, transportation and energy use at their factory or business premises) to create a more sustainable future.

As a caring and responsible bank, we are pleased to share with you the benefits of transitioning towards a low-carbon and sustainable business model which can potentially safeguard and bring long-term value to your business. Studies have shown that mitigating and building resilience against climate change may enhance business reputation, create new business opportunities, achieve better cost efficiency and mitigate assets/portfolio risks while complying with the latest regulatory requirements.

Measures or solutions that can be adopted by businesses to address climate change challenges include using energy-efficient solutions, switching to renewable energy, adopting a proper waste management system and adopting circular economy (through the 3Rs of "Reduce", "Reuse" and "Recycle"). Even small changes today can bring positive impact on the environment while gradual improvements are made to achieve long-term business sustainability.

**“ Together we can contribute towards a greener and better world! ”**

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Note: For distribution to business loan and financing customers

## Responsible Investing

Responsible investing involves incorporating ESG factors in investment decisions with the objective to generate long-term sustainable returns.

In line with Public Mutual's commitment towards responsible investing, Public Mutual became a signatory of the Malaysian Code for Institutional Investors ("MCII") in 2021 and incorporates MCII's key stewardship principles in the management of its unit trust and private retirement scheme ("PRS") funds.

Following the launch of Public e-Islamic Sustainable Millennial Fund in 2019 and Public e-Carbon Efficient fund in 2021, Public Mutual expanded its list of Sustainable and Responsible Investment ("SRI") funds by introducing Public e-Wholesale Sustainable 20 Fund in 2022. This latest fund invests in domestic and foreign-listed shares of businesses that incorporate ESG factors into their business practices, bringing the aggregate net asset value ("NAV") of Public Mutual's SRI funds under management to RM668.0 million as at the end of 2022.

### New SRI Fund Launched by Public Mutual

Fund Name	Launch Date	Category	NAV as at the end of 2022 (RM'Million)
Public e-Wholesale Sustainable 20 Fund	5 July 2022	Equity	22.8

### Number and Net Asset Value of SRI Funds Managed by Public Mutual

	2020	2021	As at the end of 2022
Number of SRI funds managed by Public Mutual	1	2	3
Total NAV (RM'Million)	107.4	701.5	668.0

## Shariah Investing

Shariah investing is also widely seen as a form of responsible investing in compliance with Shariah principles. Within the private unit trust industry in Malaysia, Public Mutual manages the largest NAV of Islamic funds in aggregate, and offers the highest number of Shariah-based funds.

### Net Asset Value of Islamic Funds Managed by Public Mutual

Figures in RM'Billion	2020	2021	2022
Total NAV of Public Mutual's Islamic Funds, of which:	49.0	50.0	42.7
– Equity*	38.0	40.7	34.6
– Sukuk	9.3	7.3	6.7
– Money Market	0.9	0.9	0.5
– Private Retirement Scheme	0.8	1.1	0.9

Note: The total NAV declined in 2022 due to the volatility in the equity and sukuk markets amid a rising interest rate environment.

\* Includes equity, mixed asset and balanced funds

Source: Lipper for Investment Management



# Sustainability Statement

## Theme 1: Protecting the Environment

### Number of Islamic Funds Managed by Public Mutual

	2020	2021	2022
Number of Public Mutual's Islamic Funds, of which:	57	62	<b>62</b>
– Equity*	38	43	<b>43</b>
– Sukuk	12	12	<b>12</b>
– Money Market	3	3	<b>3</b>
– Private Retirement Scheme	4	4	<b>4</b>

\* Includes equity, mixed asset and balanced funds

Source: Lipper for Investment Management

Public Mutual is mindful that it is also important for its investee companies to incorporate sustainability considerations in their business operations to ensure their long-term sustainability and continued delivery of long-term value to their shareholders. As such, Public Mutual incorporates ESG considerations into the investment process by monitoring the ESG ratings of investee companies and, where possible, engaging with them to improve their ESG practices. Public Mutual also exercises proxy voting rights at the shareholders' meetings of investee companies to ensure that investee companies uphold good standards of corporate governance.

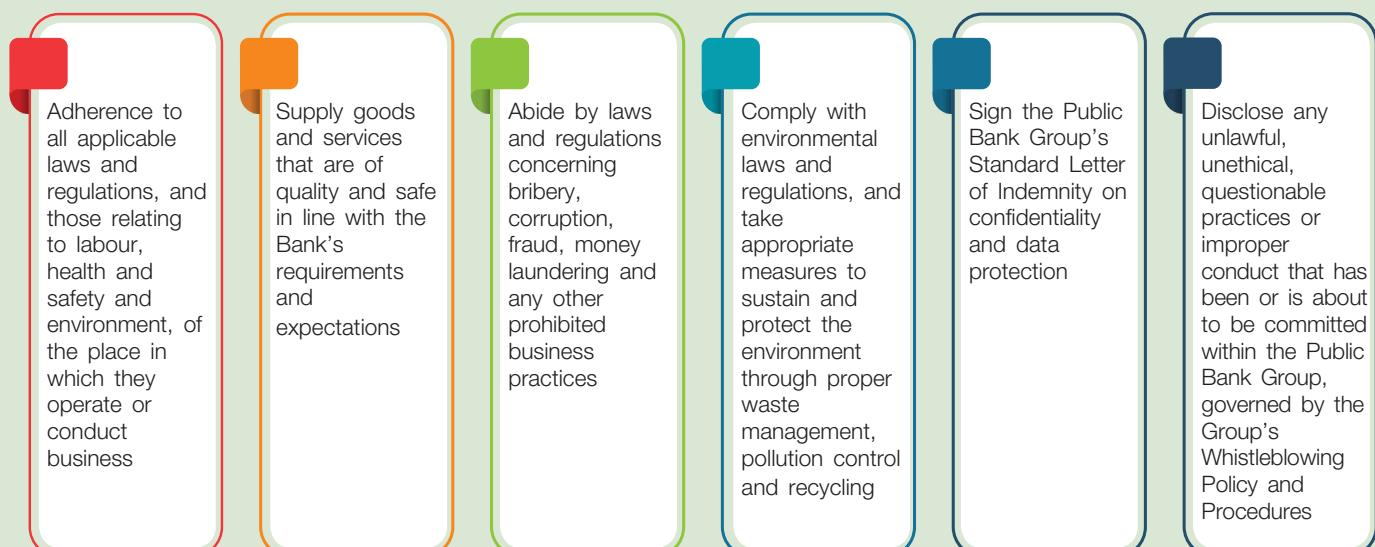
### SUSTAINABLE SUPPLY CHAIN

The Public Bank Group bases its supply chain management objectives not only on cost and speed, but also on upholding social and environmental responsibility to support its overall ESG efforts. The Group recognises the potential issues along the supply chain, from climate change, deforestation, carbon emission, to issues pertaining to social standards, such as human rights and fair labour practices. Hence the Group has set a required ESG standard for its suppliers through the Vendor Code of Conduct.

#### Vendor Code of Conduct

The Public Bank Group's Vendor Code of Conduct sets forth the principles and expectations for how vendors and service providers are to conduct their business dealings with the Group, in accordance with the Group's corporate objective to uphold good corporate governance and to develop a sustainable, ethical, respectable and profitable business.

Vendors must conduct their business in compliance with the following code of conduct standards:



For a fair supplier selection process, the Public Bank Group selects suppliers who share the Group's values. The Group's suppliers and vendors are assessed based on strict criteria that includes:

Sound management background with good business ethics

Capability and capacity to supply goods and services according to the Public Bank Group's requirements and specifications

Competitive pricing

Reliability and quality of products and services

Speedy delivery with short lead or turnaround time

Technology and design of products

After sales support

Embedding ESG practices into their business operations

On the ESG front, the Public Bank Group invites the suppliers to provide feedback and share with the Group on their commitment and practices on ESG matters. The Group keeps the vendors and suppliers informed about the Group's expectations and commitments towards the ESG initiatives. To mitigate the risk of disruption to the Group's operations in the event of adverse conditions or sudden termination of the suppliers' services, the Group regularly monitors the performance of suppliers to maintain business continuity across the Group's supply chain.



## Sustainability Statement

### Theme 1: Protecting the Environment

In addition, potential and existing suppliers are subject to due diligence conduct, whereby the Public Bank Group runs checks to ensure compliance with all applicable rules and regulations as well as that their business conduct is within the Group's expectations. If necessary, the Group conducts site visits.

No. of Vendor Due Diligence Conducted	2020	2021	2022
General Items*	28	3	<b>28</b>
ICT Sourcing and Procurement	25	53	<b>42</b>

\* Vendor due diligence for general items in 2021 was conducted on new vendors only as due diligence review is carried out on existing vendors every two years.

The Public Bank Group also screened all its suppliers based on ESG criteria, ensuring that its suppliers are operating in a manner that aligns with the Group's sustainable practices.

The Public Bank Group regularly reviews its procurement procedures and practices to identify areas for further improvement. The Group encourages and enlists more vendors and suppliers to participate in the electronic purchase to further reduce the usage of paper.

#### Outsourced Service Provider Due Diligence

In its engagements with outsourced service providers, the Public Bank Group has embedded climate risk considerations as part of the due diligence process. In addition to basic checks on the profile and track record of outsourced service providers, the susceptibility of facilities, operations and entire supply chain to climate-related risks are also assessed. This allows the Group to assess climate-risk exposures of its suppliers and vendors and ensure mitigation plans are in place to effectively respond to and manage the risk.

#### Supporting Local Business

As part of its efforts to strengthen the local supply chain ecosystem, the Public Bank Group supports local businesses which represent the majority of the Group's panel vendors and suppliers.

For general items, all of the RM72 million spent in 2022 was sourced from local-based suppliers.

For the procurement of information, communication and technology ("ICT") equipment, local companies comprised 88% of the Public Bank Group's total ICT suppliers and 93% of the Group's total ICT procurement cost was channelled to local suppliers in 2022.

	2020	2021	2022
<b>Procurement spent on local suppliers (% of total procurement spent)</b>			
General Items	100%	100%	<b>100%</b>
ICT procurement	92%	94%	<b>93%</b>
<b>Share of local companies (% of the total suppliers)</b>			
General Items	100%	100%	<b>100%</b>
ICT procurement	92%	86%	<b>88%</b>

# Proficient Employees

## Material Sustainability Matters:

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

## Theme 2

**Employees are the greatest asset.** The proficiency of employees determines the success of a business and consequently, its ability to sustain stable business performance over the long run. Strategic human resource management will nurture a positive workplace culture which will not only strengthen employees satisfaction but also help the business thrive.

At the Public Bank Group, investing in human capital is a continuous and long term priority. Employees are important resources that are imperative to the long term resilience, success and sustainability of the Group. The Group aims to sustain an inclusive working environment underpinned by respect for human and labour rights while nurturing its employees' growth through holistic training and development programmes.

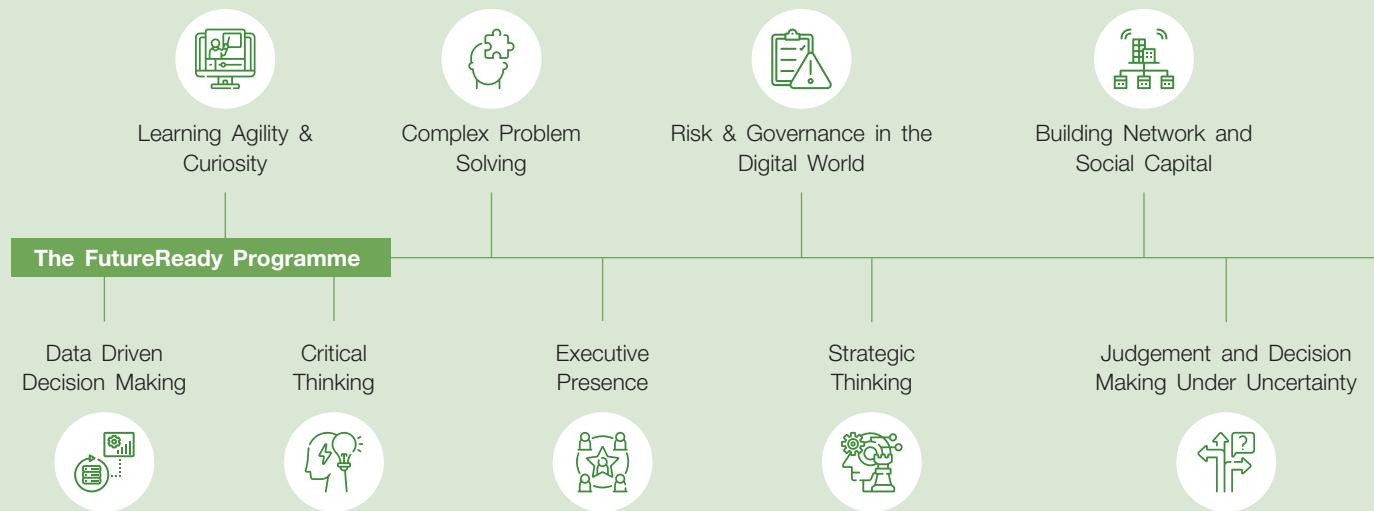


# Sustainability Statement

## Theme 2: Proficient Employees

### EMPLOYEE ENGAGEMENT AND DEVELOPMENT

As the world continues to evolve rapidly, it is vital for the employees to stay ahead of the curve to remain competitive. Guided by its Talent Management Model Framework, the Public Bank Group has set out a Training and Development Plan which brings together the planning and implementation of development programmes towards achieving the Group's Mission. This includes strengthening the employees' industry knowledge and skills, and tailoring training programmes to suit the needs of employees with different roles across the Group.



At the Public Bank Group, training and learning is an essential part of an employee's responsibility. Every supervisory employee is required to meet the minimum five days of training in a year.

### 2022 Employees Training and Development

	Malaysia			Campu Bank	Public Bank Vietnam
Total expenditure on training and development		RM50 million		USD50,777	VND5,955 million
Average training budget per employee		RM3,485		USD74	VND6 million
Percentage of employees meeting the minimum 5 days of training		98%		100%	72%

	Malaysia			Campu Bank			Public Bank Vietnam		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Employees participation in training:									
Classroom/Virtual (headcounts)	30,498	50,125	<b>54,781</b>	1,078	1,569	<b>2,806</b>	833	1,409	<b>1,469</b>
E-learning and DigitalBITES (headcounts)	351,240	380,314	<b>298,633</b>	17,465	22,673	<b>26,007</b>	6,348	7,527	<b>21,929</b>
Average hours of training per employee	60	70	<b>72</b>	40	44	<b>63</b>	12	40	<b>49</b>

## Cultivating Industry Experts

The Public Bank Group continues to encourage its employees to participate in professional certification programmes, such as Chartered Banker and Specialised Qualifications offered by the Asian Institute of Chartered Banker ("AICB"), to further enhance employees' competencies.

In 2022, the Public Bank Group continued to achieve the highest number of graduates for banking qualifications offered by the AICB, holding its leading position for eight consecutive years.



Under the Public Bank Group's sponsorship, employees in Campu Bank and Public Bank Vietnam also continued to enhance their credentials by taking up professional certifications by prestigious institutions, such as AICB Professional Banker, the Asian Banking School, Institute of Banking and Finance, Cambodia and Coursera.

	Campu Bank			Public Bank Vietnam		
	2020	2021	2022	2020	2021	2022
No. of employees enrolled for professional certifications	97	80	99	76	76	63

On the Islamic banking front, the Public Bank Group collaborated with external training and certification providers, including the Islamic Banking and Finance Institute Malaysia, Association of Islamic Banking and Financial Institutions Malaysia, Chartered Institute of Islamic Finance Professionals, Association of Shariah Advisors in Islamic Finance and International Islamic University Malaysia Institute of Islamic Banking and Finance. Targeted internal training for employees in Islamic Financial Services was also provided to enhance their understanding of Shariah-Compliant Banking Practices.

### Number of certified employees in Islamic certifications



# Sustainability Statement

## Theme 2: Proficient Employees

### Capacity Building on ESG

The Public Bank Group seeks to continuously embed ESG considerations into the business decisions and operations to further sustain financial performance, reduce environmental impact and improve social outcomes. All these trainings will further contribute to the Group's bottom line while being in line with its sustainability commitment.

In 2022, the Public Bank Group continued to intensify its sustainability driven initiatives by tapping into a range of internal communications channels and training programmes as well as campaigns to further empower employees to contribute positively to the ESG agenda.

- Board members and Senior Management attended the Sustainability Executive Learning Bites. The primary focus of the session was to equip participants with the knowledge on strategic sustainability engagement in driving the Public Bank Group's ESG agenda and to stay updated on current sustainability issues.
- Members of the SMC and SMTF attended conferences and seminars to equip themselves with the latest ESG development updates.
- Candidates were selected from various Head Office Divisions for the Certified Expert in Sustainable Finance course by the Asian Banking School and Frankfurt School of Finance and Management with 20 employees being certified to date.
- All supervisory employees of the Head Office are required to undergo learning in ESG every year. Learning could take the form of classroom training, e-learning, DigitalBITES or Learning Bites.
- Briefing on BNM's Climate Change and Principle-based Taxonomy and ESG Assessments were made mandatory for Branch Managers, Business Managers, Credit Processing Officers and Credit Review Officers at branches and regional offices. In 2022, the Public Bank Group held 20 sessions which were attended by 1,712 participants.
- Self-learning materials were curated internally to provide bite-sized learning:
  - E-Learning
    - ✓ ESG: Climate Change – What Bankers Need to Know
    - ✓ ESG: Sustainable Financing Series
    - ✓ ESG: Climate Change and Principle-based Taxonomy
  - DigitalBITES
    - ✓ ESG: Planet in Peril
    - ✓ ESG: Simple Ways to Reduce Your Carbon Footprint
- Implementation of the 'Green Influencer' Campaign which encouraged employees to create short informative videos that convey ESG messages.

Section Reference: Box article "The Green Influencer Campaign" on page 200

### Number of employees participated in ESG-related training

	2020	2021	2022
Classroom/Virtual training (Internal and External)	33	181	<b>3,065</b>
e-Learning	2,721	16,642	<b>11,961</b>
DigitalBITES	2,001	105	<b>674</b>
Total	4,755	16,928	<b>15,700</b>

Likewise, employees in Campu Bank and Public Bank Vietnam are encouraged to engage in training on sustainability. In 2022, employees in Campu Bank and Public Bank Vietnam had participated in e-learning courses and these included:

**ESG:** Climate Change – What Bankers Need To Know

**ESG:** Sustainable Financing Series – Introduction to Environmental Degradation & Climate Change

**ESG:** Sustainable Financing Series – Understanding Climate Change Risks

**ESG:** Sustainable Financing Series – Sustainable Financing Approaches

### Strengthening Digital and Data Capabilities

The Public Bank Group is cognisant that the digital world will continue to evolve and grow in prominence and it is essential to equip its employees with future ready skills and knowledge.

The Public Bank Group has continued to intensify the learning series made of virtual classroom, digital libraries and videos which are related to key future and work topics. In 2022, 70% of the training was virtual, reflecting the Group's commitment to the digitisation of training content using online methodologies.

On training content, the Public Bank Group continued to emphasise digital up-skilling and re-skilling through the roll-out of intermediate and advanced level digital and data skills training programmes, such as Big Data and Analytics, Coding and Programming, and Design Thinking.

### Sustainable Engagement

The Public Bank Group encourages mutual communications and various channels have been established to cultivate employee engagement.



# Sustainability Statement

## Theme 2: Proficient Employees

### THE GREEN INFLUENCER CAMPAIGN

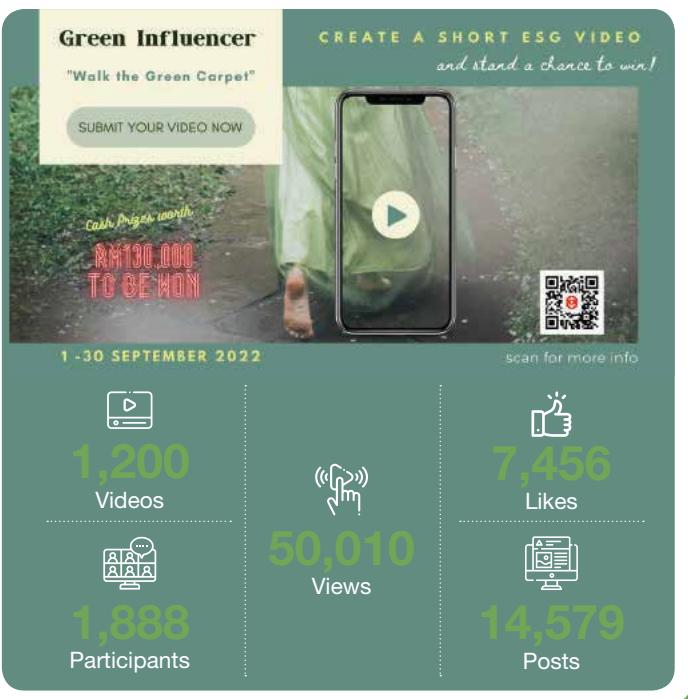
In 2022, Public Bank and Public Islamic Bank held a nationwide ESG campaign – Green Influencer with the tagline “Walk the Green Carpet”. All employees were encouraged to participate as video creators to create short informative TikTok style videos on ESG.

The Campaign objectives were:

- To inculcate ESG awareness among employees
- To encourage employees to become independent learners through self-learning by leveraging the digital platform
- To elevate social media engagement by connecting and interacting with audience to promote ESG initiatives
- To unleash hidden prolific green talents in content creation for social media among employees

The Campaign generated immense interest with 1,888 participants across all levels of employees and a total of 1,200 videos were submitted by 925 groups and individuals during the first stage. For the Final Challenge, a total of 30 creators were selected and required to produce two videos addressing two specific ESG topics, with the top five videos posted on Public Bank’s official social media accounts for public voting, which had garnered more than 50,000 views during the voting period.

With the immense popularity among employees, this campaign has successfully heightened the awareness and widened the knowledge and horizon of the employees on ESG, building a strong foundation and pathway for the Public Bank Group’s sustainability journey moving forward.



### Nurturing Talents

To facilitate a long term talent pipeline, the Public Bank Group continues to actively participate in campus engagement activities to strengthen the Group’s branding among the young talents. In 2022, various campus engagement activities were carried out to promote the Group’s presence among the new graduates:

Campus Engagement Activities	2020	2021	2022
Career Fairs/Events	15	19	<b>34</b>
On-campus/Virtual Career Talks	15	16	<b>16</b>
Career/Group Interview Workshops	1	3	<b>0</b>
Employer – Student Network Sessions	2	2	<b>1</b>
Total	33	40	<b>51</b>

In addition, the Public Bank Group has in place an internship programme which provides students the opportunity to learn about the banking industry. The ongoing internship programme continuously builds a steady pipeline of young talents as interns with commendable performance will be absorbed as full-time employees. Over the last three years, the Group had provided training opportunities to a total of 116 interns:

	2020	2021	2022
No. of Interns	25	35	<b>56</b>

In addition, the Public Bank Group continues to hire fresh graduates, providing employment while nurturing and developing them to be competent employees. In the last three years, the Group has employed a total of 2,677 management trainees to support the nation’s employment growth, while meeting the Group’s resource requirement for business growth:

	2020	2021	2022
No. of Management Trainees	677	896	<b>1,104</b>

In 2022, the Public Bank Group continued to build and nurture its management trainees under its flagship PB TalentMax Programme. The one-year training programme incorporating virtual classroom, e-learning, on-the-job training, project or learning assignments as well as mentoring has continued to garner attention from the young graduates who aspire to accelerate their career progression and hone their leadership skills in the Group.

This is further supported with the Support, Engage, Empower and Develop (“SEED”) programme to create a positive onboarding experience for the new trainees. In the SEED programme, a Talent Development Partner (“TDP”) is identified and assigned to each trainee to provide necessary support and guidance throughout their learning journey. The TDP acts as an advisor to the trainees as they learn to adapt to the new working environment and culture.

The SEED program encourages a two-way communication as feedback from both the TDP and the trainees are collected to foster engagement and further enhance the trainee's onboarding experience.

The Public Bank Group's effective engagement with the young talents resulted in a high retention rate of management trainees at 78.8% in 2022.

The Public Bank Group's aspiration to be an employer of choice has been reaffirmed with the recognition as the **"Top 3 Best Employer in the Banking sector"** for the fifth consecutive year in the "2022 Graduates' Choice Award" and the Group further emerged as Talentbank's **"Top 1% among Graduates Preferred Employer (Graduates' Top 25 Preferred Employers in Malaysia)"** for the second year.

### Developing a Sustainable Pipeline of Leaders

Developing leaders has always been a key focus at the Public Bank Group. The Group has in place a Leadership Capability Model which outlines the capabilities required of a leader and sets out the strategic criteria and credentials that are expected of a leader. Effective training and acceleration programmes are implemented to develop potential candidates, in both personal and professional aspects.

This is part of the Public Bank Group's plan for employees' career progression, while also preparing a stable leadership pipeline for succession planning.

Effective succession planning is fundamental to the Public Bank Group's leadership continuity and business sustainability. The Group has a structured and comprehensive succession planning process for the identification of high potential talents to grow replacements organically from within as well as to prepare them for succession to all the Key Leadership Positions in the Group to ensure a sustainable leadership pipeline.

The Public Bank Group's meritocracy based career progression system has further strengthened its effective succession planning system. The Group is committed to empower the workforce by providing employees with equal opportunities for career advancement. In 2022, a total of 1,587 employees were assessed and included in the Group's talent pool. During the year, a total of 1,742 employees have been promoted to take on greater responsibilities as part of their career advancement.

	2020	2021	2022
<b>Percentage of Number of Employees Promoted out of Total Staff Strength (%)</b>			
	3.8	6.7	<b>11.1</b>

The Public Bank Group's efforts in nurturing talents, supporting employees in their career growth and well-being had enabled the Group to maintain a low attrition rate of 8.2% in 2022.

### DIVERSITY AND INCLUSION

A diverse and inclusive workforce contributes to an effective and innovative human resource. The Public Bank Group's Diversity, Equality and Inclusion Policy lays the foundation in advocating an inclusive culture which emphasises care, collaboration and mutual trust. Guided by the Policy, the Group's workforce comprises a rich diversity of employees with a mix of gender, race, age, ethnicity, knowledge, skills and work experience.

The Public Bank Group practises:

- Equal employment opportunity, elimination of all forms of forced and compulsory labour as well as non-discrimination towards race, gender, religion, ethnic, age, disability, nationality, culture, marital and parental status
- Fair and equitable remuneration, recognition and rewards
- Transparent and fair performance appraisal system
- Compliance with fair labour practices, uphold freedom of association, rights to collective bargaining and minimum wage

The Public Bank Group has employed 24 differently-abled employees in domestic banking operations and subsidiaries. Working in various departments and bringing in their skills, talents and abilities to the workplace, relevant assistance and reasonable accommodation has been provided to make them feel valued, respected and recognised in the course of discharging their duties.

The Public Bank Group's focus also lies in providing equal opportunities to promote a fair and balanced workforce. All employees regardless of their gender, race or age have equal opportunities in their career advancement as well as in their performance assessment and remuneration. In 2022, a total of 741 male employees and 1,001 female employees were promoted.

Meanwhile, by indexing male to 1.0, the gender pay gap for female employees was 0.1 points less than the male index, reflecting the Public Bank Group's commitment to equality at the work place.

In terms of female employee representation, they represent close to 50% of management and top management in the domestic operations.

### Gender Diversity at the Public Bank Group

	Campus Malaysia	Public Bank	Public Bank Vietnam
Gender composition of employees (%)			
– Female	59.9	64.1	66.2
– Male	40.1	35.9	33.8
Women in management (%)			
	48.8	44.3	53.2

# Sustainability Statement

## Theme 2: Proficient Employees

### HUMAN AND LABOUR RIGHTS

The Public Bank Group complies with all applicable laws and regulations in relation to fair labour practices, forced and child labour as well as upholding the rights of employees.

The Public Bank Group vigilantly keeps abreast of the latest developments under the employment as well as industrial relations and human rights law in the community where the Group operates.

Placing people first in everything it does, the Public Bank Group recognises the importance of a supportive environment to create a sustainable and positive work experience which goes beyond the comfort of the workplace. In this regard, the Group adopts a holistic approach taking into consideration employees' personal aspirations and professional responsibilities to ensure the employees are well supported.

### Health, Safety and Well-being

The Public Bank Group ensures employees' rights to a safe and healthy workplace through the implementation of safety measures in the workplace.

The Public Bank Group's Occupational Safety and Health ("OSH") Policy prescribes the safety rules and safe working procedures. The OSH Policy is guided by the requirements and guidelines of the local authorities and not limited to the Occupational Safety and Health Act 1994.

A Safety and Health Committee has been established to assist in various aspects involving safety and health, covering the development and monitoring of work safety rules, safety systems of work, safety content for employee training, safety and health communication and publicity among others.

In addition, the Public Bank Group's OSH unit conducts periodic inspections to identify and assess potential risks to the health, safety and security of employees at the workplace. Periodic fire and evacuation drills are conducted as a fire safety procedure to prepare employees on the evacuation procedure in the event of emergency.

Thorough investigation is carried out in the event of an accident or mishap, which entails detailed information gathering including establishing a chronology of events supported by photographs and documents. The Safety and Health Committee will examine the safety reports to make recommendations for corrective action and to enable improvements of practices, procedures and conditions at the workplace.

In 2022, an e-learning course on general OSH knowledge was launched and all employees were required to complete the mandatory course as part of the Public Bank Group's initiatives to raise OSH awareness.

	2020	2021	2022
No. of workplace accidents with fatality	0	0	<b>0</b>
No. of workplace accidents with lost workdays	10	5	<b>9</b>
Total no. of lost workdays	343	210	<b>557</b>
Fatality rate (%)	0	0	<b>0</b>
Absenteeism due to workplace accident (%)	0.009	0.005	<b>0.014</b>

As part of the Public Bank Group's caring measures for employees' health, the Group's Wellness Programme includes a biennial medical examination at the panel clinics for all employees to have a health status check for preventive and early detection of any health threats.

Further to that, the Public Bank Group has launched a Long Term Medication Programme to provide flexibility and convenience to employees who are suffering from long term diseases where the medication will be conveniently delivered to the employee's office or home without having to travel to the panel clinics or hospitals.

Workshops on wellness and personal finances management were also regularly organised to raise health awareness among employees. Among the well-being courses that were held in 2022 include:



Healthier Lifestyle and Well-being Workshops	No. of Participants		
	2020	2021	2022
Total Wellness	531	827	<b>14,483</b>
Managing Your Finances	82	106	<b>110</b>

Note: Wellness workshops conducted in 2022 include e-learning on OSHA awareness programme.

Employee benefits are reviewed regularly to integrate sustainable practices while ensuring their relevance to the well-being of the employees. Among the key benefits that the Public Bank Group provides are:

- ✓ A dedicated in-house clinic in Head Office to provide on-site healthcare services to employees
- ✓ Lactation facilities in Head Office
- ✓ 180 days entitlement to maternity leave, comprising of 98 days full paid maternity leave and extended maternity leave up to a maximum of 82 days on a half-pay basis
- ✓ Time-off for eligible pregnant female employees who are in the 22<sup>nd</sup> week of pregnancy and above
- ✓ Five working days paternity leave for male employees to take care of their new born
- ✓ Medical benefits covering immediate family members of eligible employees
- ✓ Child care allowance for eligible employees with young children to alleviate the cost of child care services
- ✓ Subsidy for purchase of medical insurance to cover employees' immediate family
- ✓ 10 days marriage leave for employees to celebrate the joyous occasion
- ✓ Study leave and examination leave for employees to pursue professional qualifications
- ✓ Compassionate leave for unforeseen events such as floods and critical illness/death of family members
- ✓ Financial aid/assistance and loan moratorium for employees affected by natural disasters
- ✓ Sabbatical leave for employees to meet their domestic obligations or personal aspirations

No. of Employees Granted Sabbatical Leave	2020	2021	2022
Domestic Obligation	33	41	<b>91</b>
Health and Well-being	4	11	<b>7</b>
Total	37	52	<b>98</b>

Taking a holistic approach, the Public Bank Group also takes care of the employees' financial well-being with the following benefits:

- ✓ Employee festive advance scheme at zero interest rate for eligible employees of corresponding religion
- ✓ Special loan schemes for the purchase of tablets, smartphone, computer, medical expenses for immediate family members, funeral expenses, disaster relief, further study and house renovation
- ✓ Competitive interest rates for staff housing, vehicle and renovation loans. Preferential rates are further extended to employees for the purchase of electric vehicle ("EV") and plug-in EV as well as installation of rooftop solar panels to enhance the employees benefits scheme with an environmental essence



# Prosperous Customers and Communities

### Material Sustainability Matters:

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

## Theme 3

### RESPONSIBLE LENDING PRACTICES

Over-commitment or improper use of funds by borrowers can result in far reaching implications on the economy, society and the environment. Banks therefore hold an important role to maintain sound credit underwriting standards and promote responsible lending practices to avoid excessive debt accumulation by borrowers, thereby preserving financial and macroeconomic stability.

The Public Bank Group's lending approach is governed by Public Bank's Credit Policy which forms the foundation of the Group's credit function. The Credit Policy sets out lending directions, procedures, management of credit risks and minimum credit standards, and is operationalised through the Group's robust credit scoring system as well as a strong and coherent risk management system.

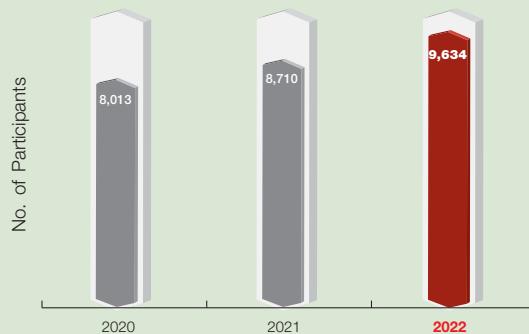
The Public Bank Group conducts thorough and careful assessment of a borrower's financial position, while also taking into consideration the suitability of the financial products to the borrower prior to the approval of loans. Given the evolving economic scenarios, the Group constantly reviews its credit scoring system to ensure the credit assessment remains relevant and fit for purpose. The Group also constantly assesses new business opportunities to support and finance customers' transitioning efforts towards a low-carbon lifestyle or business model in line with the Group's sustainability agenda.



Training is regularly conducted to ensure employees, particularly credit officers, are aware of the latest developments in the operating environment and regulatory requirement, thereby equipping them with adequate technical and analytical skills to make sound credit judgements.

Underpinned by its prudent and responsible lending practice and credit risk management, the Public Bank Group continued to achieve strong asset quality, as reflected in its long-standing track record of being below the banking industry's gross impaired loans ratio. The asset quality of the Group's overseas operations in Cambodia and Vietnam remained sound in 2022.

#### Training to Enhance Credit Quality\*



\* Data covers Public Bank, Public Islamic Bank, Campu Bank and Public Bank Vietnam

#### Gross Impaired Loans Ratio

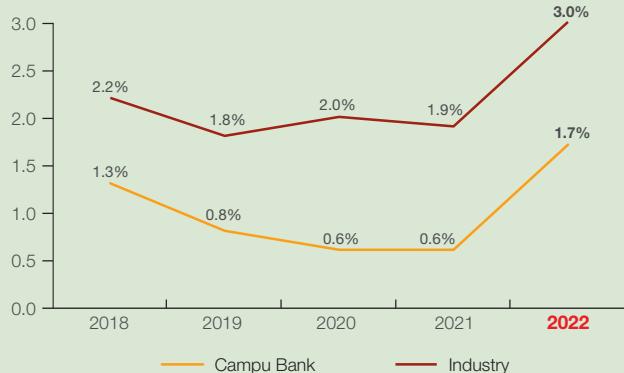


#### of which: Public Bank Group's Gross Impaired Loans Ratio

Residential Properties : 0.3%  
Commercial Properties : 0.6%  
Transport Vehicles : 0.3%

\* Industry's figures for 2021 and 2022 were based on the new set of loan/financing data reflecting the latest requirements

#### Campu Bank: Gross Impaired Loans Ratio



#### Public Bank Vietnam: Gross Impaired Loans Ratio



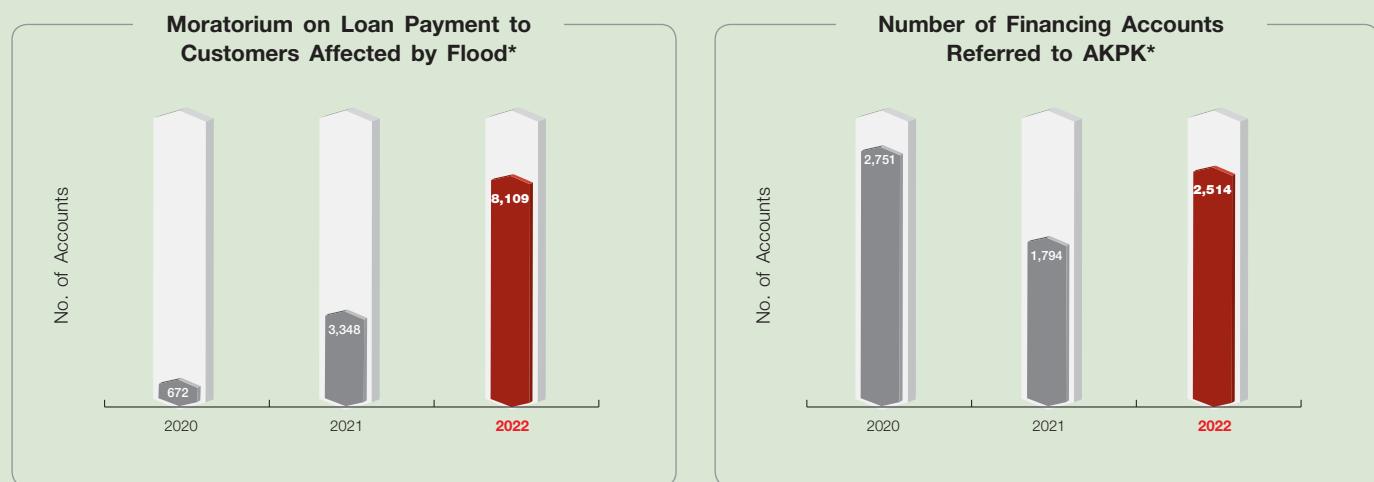
## Sustainability Statement

### Theme 3: Prosperous Customers and Communities

#### Financial Hardship Assistance for Customers

Complementing its prudent credit assessment, the Public Bank Group undertakes close monitoring on customers' repayment trend and would take prompt action to engage customers who face repayment difficulties.

When customers were faced with repayment difficulties, such as the after effects of floods and the COVID-19 pandemic, the Public Bank Group remained committed to provide full support to its customers to restore their livelihood, including offering repayment assistance. The Group also engaged borrowers with financial hardship under Agensi Kaunseling dan Pengurusan Kredit ("AKPK")'s Debt Management Programme, whereby borrowers were given guidance to restructure their repayment and regain control of their finances.



\* For retail loans, hire purchase and credit card

#### 2022 COVID-19 Repayment Relief Assistance



## FINANCIAL INCLUSION AND ACCESSIBILITY

Broadening access to finance would contribute to improved financial well-being of the general community, hence create a conducive environment for sustainable economic growth while supporting the livelihood of the society at large. In advancing financial inclusion, financial institutions play the key role in the provision of equitable access to suitable and affordable financial products and services to people from all segments of the society.

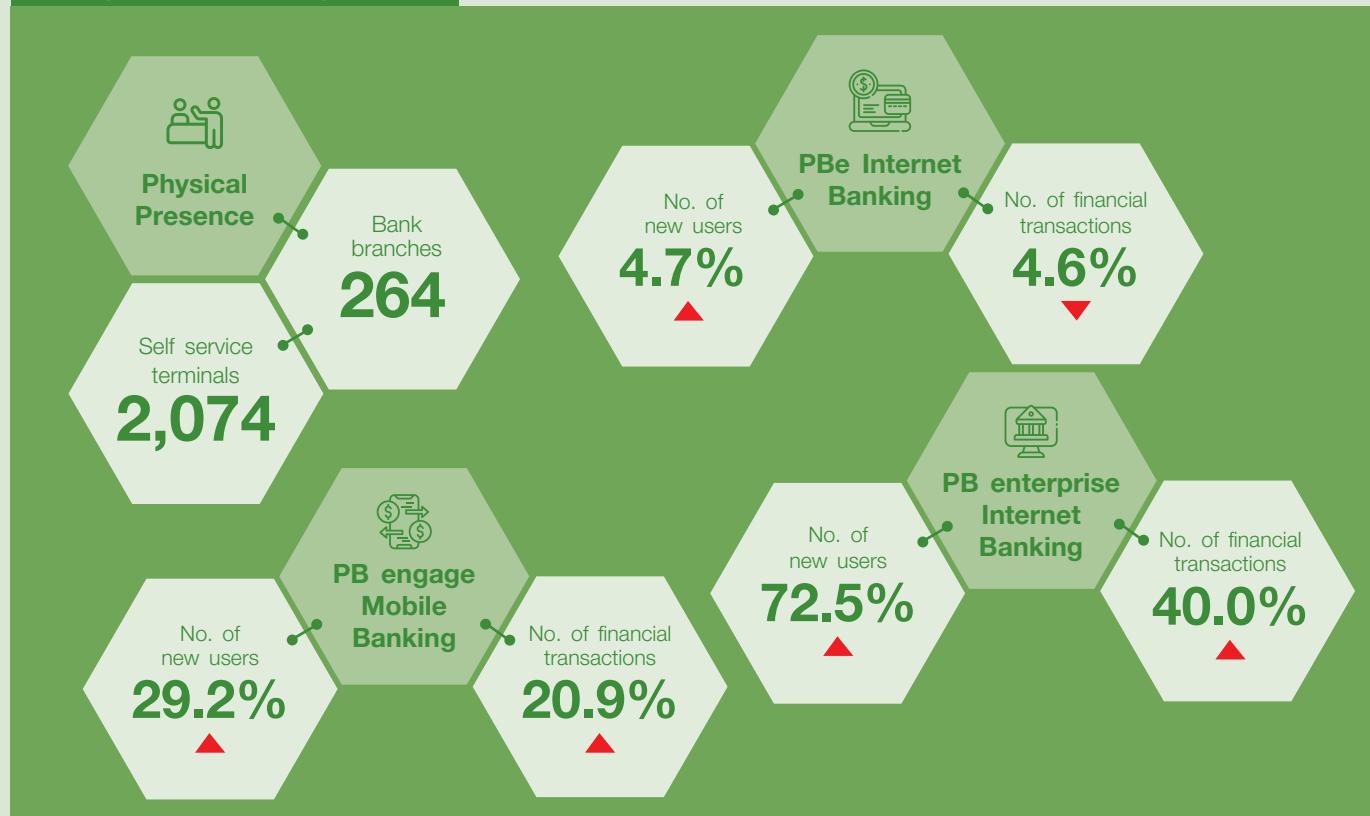
The Public Bank Group continues to recognise the importance of offering affordable and suitable products and services for all customer segments, particularly the small businesses, low-income group and underserved communities. Leveraging on its core business strength focusing on retail banking for the retail consumers and SMEs, the Group ensures that its pursuit of business growth would continue to create sustainable and inclusive growth for the general public.

### Expanding the Outreach of Financial Services

With 264 bank branches and more than 2,000 self service terminals across Malaysia, the Public Bank Group's presence is well established across the nation to serve the financial needs of the public.

Leveraging on digital technology, the Public Bank Group constantly improves its digital banking platforms with enhanced and innovative features, striving to provide useful and affordable banking products and services to customers regardless of where they are. Underpinned by growing convenience and efficiency of the Group's internet and mobile banking services, the Group continued to register growing usage of its digital banking platforms in 2022.

**Delivery Channels in Malaysia, 2022**



## Sustainability Statement

### Theme 3: Prosperous Customers and Communities



To improve accessibility and convenience for customers, the Public Bank Group established a “One Stop Contact Centre” in 2022 by consolidating all of the call centre numbers to only one single contact to better serve customers.

Apart from basic banking service, the Public Bank Group continued to increase the accessibility of wealth management products to the general public.

Public Mutual implemented a number of digital initiatives to create a seamless investment experience for investors. As a one-stop online investor platform, Public Mutual Online (“PMO”) allows subscribers to invest and make transaction requests as well as enquire on their investment accounts via online channels.

The number of subscribers of PMO has exceeded **more than 838,000** since its launch in January 2009.

Public Mutual also embarked on various initiatives to support the development of financial literate nation. In 2022, Public Mutual launched a video series on financial literacy topics via its official YouTube and TikTok channels. In addition, Public Mutual conducted talks on topics related to basic personal finances, debt management, financial tips and other related financial planning subjects to enhance the financial literacy levels of Malaysians.

In 2022, Public Mutual conducted **54** financial planning talks for its unit trust consultants, customers and new prospects as well as university students and **13** talks for Public Mutual events as well as external events.

#### Public Mutual, 2022

Branches/ Customer Service Centres <b>31</b>	PMO Subscribers <b>55.0%</b> of total investors	Online Investment Transactions <b>83.6%</b> of total investment transactions
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The Public Bank Group’s investment arm, Public Investment Bank participated in various events to reach out to all segments of society to spread awareness on share investment:

Participated in the “Mirror, Learn and Trade” organised by Bursa Malaysia which aimed at providing awareness and education on trading for beginners including the millennials, university students, female professionals, housewives and senior citizens who were keen to learn more about share trading

Collaborated with Bursa Malaysia to organise the Bursa Investment Quiz Competition 2022 which targeted youths from the age of 18 to 25

Sponsored Bursa Malaysia’s Inter-Varsity Stock Challenge and mentored university students on stock trading knowledge

Waived Central Depository System (“CDS”) account opening fees for all women who applied for CDS account in conjunction with the International Women’s Day

## Offering Affordable Banking Products

The Public Bank Group remains committed to growing its core business of providing affordable financing for the purchase of residential properties and motor vehicles as well as lending to SMEs, supporting all segments of society to improve their financial well-being and achieve their life goals.

### New Loans Approved in 2022

Home Financing	Motor Vehicles Financing	SME Financing
No. of Accounts <b>54,536</b>	No. of Accounts <b>246,384</b>	No. of Accounts <b>46,920</b>
Loan Amount <b>RM23.54 billion</b>	Loan Amount <b>RM20.12 billion</b>	Loan Amount <b>RM12.44 billion</b>

## Supporting Affordable Homes

Providing financing for affordable housing has always remained a core focus in the Public Bank Group's business. This is reflected in the high number of financing approved every year to assist the low to medium income earners in owning a home.

In 2022, the Public Bank Group assisted **more than 31,000** customers in owning a home costing between RM100,000 and RM500,000, which accounted for over **57%** of the Group's newly approved residential property loans.

The Public Bank Group also has dedicated house financing schemes for first time house buyers from the lower income group. Known as the PB – Skim Rumah Pertamaku ("PB-SPP") and SPP - PB First Home Loan ("PBFHL"), these two schemes are dedicated to assist first time buyers for the purchase of residential homes priced up to RM500,000 (for PB-SPP) and RM300,000 (for PBFHL). To accommodate the borrower's ability to repay, deferred Instalment Plan is made available as one of the repayment options under PBFHL, whereby the borrower only needs to repay the interest portion for the first five years of the financing tenure. In 2022, the approved and accepted loans for PB-SPP and PBFHL registered a strong increase in value of 115% and 17% respectively as compared with 2021.

## Enhancing SME Financial Inclusion

While SMEs are important pillars of the economy, access to finance has remained as one of the key challenges facing the SMEs. The Public Bank Group is cognisant of these challenges and various initiatives have been implemented to enhance financial inclusion for small businesses.

Apart from the Public Bank Group's flagship SME financing product, the SWIFT Plan, which offers comprehensive financing solutions for the SMEs, the Group launched the BizBooster Financing Campaign in 2022, an initiative offering attractive interest rates and rebates with lower entry criteria. Businesses are able to enjoy additional benefits such as fee waiver for bulk payment via PB enterprise internet banking, rebates for PB SME Flex as well as a welcome cash rewards.

As the environment becomes increasingly digital, there is huge business opportunity for the SMEs to capture from online channels. Public Bank's corporate online banking platform – PB enterprise, offers a range of functions and features that cater specifically to support SMEs' business needs, such as smarter account management with enhanced dashboard function, online payroll and unlimited fund transfer.

Complementing the PB enterprise, the Public Bank Group offers the PB enterprise Digital SME Assist, a collaboration programme with SME digital partners to provide businesses with exclusive privileges and rewards for digital business solutions. Businesses are able to manage their operations, such as online human resource system, cloud-based accounting and payroll solutions, e-commerce and property management, with greater efficiency at competitive prices.

In addition, the Public Bank Group continues to actively participate in the Government and BNM's SME financing schemes. In 2022, the Business Recapitalisation Facility and Low Carbon Transition Facility were established under BNM's financing schemes. The Business Recapitalisation Facility features innovative financing solutions, such as blended financing, while the Low Carbon Transition Facility provides green funding which encourages businesses to adopt sustainable practices.

As at the end of 2022, the Public Bank Group approved **about RM3.6 billion** of Government and BNM initiated financing schemes, benefitting **over 18,600 businesses**.

### Government and BNM's Financing Schemes

- ➡ Special Relief Facility
- ➡ Working Capital Guarantee Scheme
- ➡ All Economic Sectors Facility
- ➡ PEMULIH Government Guarantee Scheme
- ➡ Agrofood Facility
- ➡ SME Automation and Digitalisation Facility
- ➡ Micro Enterprises Facility
- ➡ PENJANA SME Financing
- ➡ PENJANA Tourism Financing Scheme
- ➡ Targeted Relief and Recovery Facility
- ➡ High Tech & Green Facility
- ➡ Disaster Relief Facility 2022
- ➡ Business Recapitalisation Facility \*new
- ➡ Low Carbon Transition Facility \*new



## Sustainability Statement

### Theme 3: Prosperous Customers and Communities

To increase financial literacy among the SMEs, the Public Bank Group actively engages with the SMEs via “SME Financing Roadshows” to deliver advisory services on financing opportunities that the Group offers while serving as an avenue to address any financial information asymmetry faced by the SMEs.

The Public Bank Group also continues to participate in the imSME online portal managed by CGC with the following assistance provided to SMEs:



In addition, a SME Helpdesk is made available at Head Office via email. Designated officers for SME financing are also appointed at branches to assist SMEs with their queries.

#### Promoting Financial Inclusion in Cambodia and Vietnam

With more than 60 branches in Indochina, the Public Bank Group aspires to continue expanding and extending its financial outreach to the people in the region to improve their financial accessibility.

In 2022, the Public Bank Group continued to enhance its service delivery channels, both physically and digitally in Cambodia and Vietnam, to fulfil the financial needs of customers. Campu Bank and Public Bank Vietnam maintained their double digit growth in terms of total registered users of internet banking. In addition, Public Bank Vietnam successfully launched its new mobile banking platform to better serve the customers in Vietnam.

#### Campu Bank and Public Bank Vietnam: Network of Delivery Channel

	Campu Bank			Public Bank Vietnam		
	2020	2021	2022	2020	2021	2022
Number of branches	31	31	<b>31</b>	26	29	<b>32</b>
Number of self service machines	74	79	<b>81</b>	50	57	<b>62</b>
Registered users of internet banking	20,922 (↑10.0%)	22,687 (↑8.4%)	<b>30,147 (↑32.9%)</b>	15,440 (↑42.6%)	21,540 (↑39.5%)	<b>30,180 (↑40.1%)</b>
Registered users of mobile banking	13,596 (↑69.0%)	16,674 (↑22.6%)	<b>29,073 (↑74.4%)</b>	NA	NA	<b>6,103</b>

NA: not available

Campu Bank and Public Bank Vietnam are mindful of their responsibilities as financial service providers, and are aligned with the Public Bank Group's financial inclusion as well as accessibility approach.

### Campu Bank and Public Bank Vietnam: Number of Bank Accounts and Bank Cards

	Campu Bank			Public Bank Vietnam		
	2020	2021	2022	2020	2021	2022
Number of deposit accounts	104,582	90,518	<b>89,267</b>	36,992	41,683	<b>56,049</b>
Number of loan accounts	9,892	9,956	<b>10,674</b>	16,515	20,379	<b>24,203</b>
Number of debit/credit cards	81,102	45,554	<b>37,705</b>	10,012	12,392	<b>18,708</b>

Campu Bank continued to collaborate with developer of affordable housing project by offering financing with preferential pricing and had approved more than USD7 million as at the end of 2022. Meanwhile, Public Bank Vietnam approved USD96 million of financing for affordable housing in 2022.

To support SMEs, Campu Bank launched the SWIFT-SME Plan which provides access to cheaper financing for SME businesses. In addition, Campu Bank has joint partnership with Credit Guarantee Corporation of Cambodia ("CGCC") to launch the Business Recovery Guarantee Scheme, where CGCC will provide guarantee coverage of 70% - 80% of loan principle amount for customers in order to increase accessibility to financing with Campu Bank.

### CUSTOMER SATISFACTION

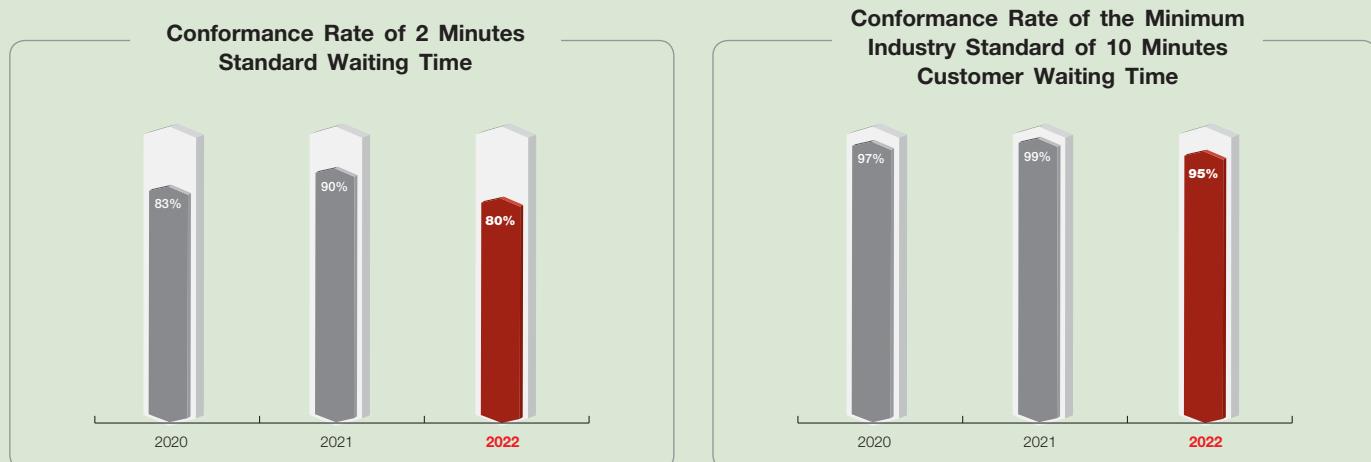
**Banking is a customer oriented industry anchored upon trust. Good product quality, superior customer service and responsible banking practices are key factors to sustaining customer satisfaction and strengthening the competitive advantage of financial institutions.**

Guided by its corporate tagline of "Excellence is Our Commitment", the Public Bank Group is dedicated to delivering service excellence and adopting customer-focused approach in its interactions with customers. The approach is underpinned by the belief that customer experience throughout the entire value chain of the business is core to the success of the Group in the long-term.

#### Maintaining High Standard of Service Delivery

To ensure continued good customer service, the Public Bank Group regularly monitors and measures its service standard and customer satisfaction rates. Prompt actions are taken to address any areas of improvements or gaps in service quality.

#### Frontline Counter Queue Management



The Public Bank Group recorded a conformance rate of **80%** in meeting its target of **2 minutes Standard Waiting Time**.

As compared to the **minimum industry standard of 80% of customers to be served within 10 minutes**, the Public Bank Group registered a conformance rate of **95%**.

The Public Bank Group continues to deliver excellent counter service, with the 2 minutes Standard Waiting Time set as key target for its frontline service standard. For the Group's overseas operations, Campu Bank and Public Bank Vietnam set their frontline customer waiting time at 5 minutes.

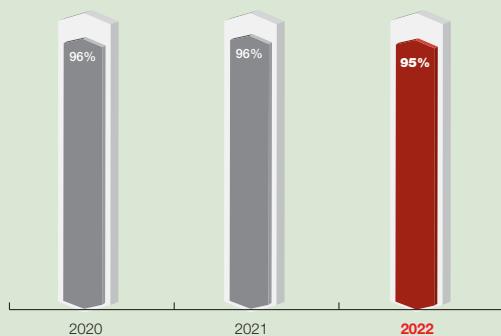


# Sustainability Statement

## Theme 3: Prosperous Customers and Communities

### Loan Delivery Survey

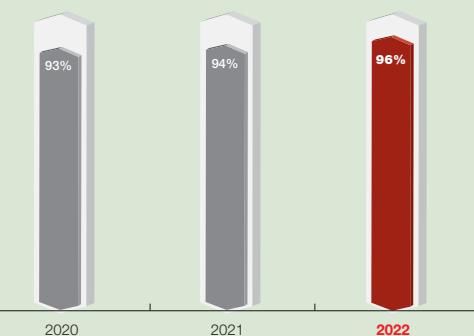
Loan Delivery Service Customer Satisfaction Ratings of “Exceeded Expectation” or “Within Expectation”



In 2022, **95%** of customers perceived that the Public Bank Group’s loan delivery service “**Exceeded Expectation**” or was “**Within Expectation**”.

### Public Mutual: Customer Satisfaction Survey

Customer Satisfaction Rating of “Very Good” or “Good”



Customer satisfaction at Public Mutual’s frontline counter and call centre remained high, with **96%** of customers rating Public Mutual’s services as “**Very Good**” or “**Good**”.

### ISO 9001:2015 Quality Management System

Public Bank obtained a bank-wide ISO 9001:2000 certification for Quality Management System Front Line (“QMSFL”) in 2001 and Quality Management System Loan Delivery (“QMSLD”) in 2003. Both QMSFL and QMSLD were subsequently upgraded to ISO 9001:2015 in 2018. The QMSFL and QMSLD are subject to yearly audit by SIRIM.

Over the years, the Public Bank Group continued to maintain the ISO certification, a reflection of its superior service quality.

### Campu Bank Customer Service Survey

In 2022, Campu Bank launched a survey questionnaire via its mobile application and internet banking. The survey was conducted to solicit customers’ feedback on the perception on its service.

**98%** of participating customers rated their overall experience with Campu Bank as “**Delightful**”, “**Exceeded Expectation**” or “**Meets Expectation**”.

### Customer Complaint Management

The Public Bank Group has developed a customer complaint resolution process to ensure complaints are addressed promptly and efficiently within the internally set standard of 10 days. Additionally, an online tracking system has been put in place to ensure that all complaints lodged through the Group’s online platform are identified and resolved within stipulated timeline.

The Public Bank Group’s exceptional service delivery was demonstrated through its 100% compliance in complaints processing within the internal turnaround time of 10 days, well below the minimum industry standard turnaround time of 14 days. The Group’s overseas operations in Cambodia and Vietnam are committed to resolving customers’ complaints within the industry standard of 14-days.

## Responsible Marketing Practices

Guided by BNM Policy Document on "Fair Treatment of Financial Consumers", the Public Bank Group published the Group's Treat Customer Fairly Charter as a pledge to ensure fairness in all its dealings with customers.

The Public Bank Group's "Treat Customers Fairly Charter" is available on Public Bank's website at [www.pbebank.com](http://www.pbebank.com).

## Treat Customers Fairly Charter

- Embedding fair dealing into our corporate culture and core values
- Customers are provided with right to fair treatment/terms
- Customers are provided with clear, relevant and timely information on financial services and products
- All employees, representatives and agents exercise due care, skill and diligence in accordance with professional ethical standards when dealing with customers
- Provide suitable advice and recommendations to customers
- Handle financial consumer complaints and claims promptly, fairly and effectively

When promoting the Public Bank Group's products and services, the Group is guided by internal policies to provide clear and transparent information in marketing and advertising materials. Product Disclosure Sheets ("PDS") highlighting products' features, fees and charges, as well as any potential risks are distributed to customers to build awareness and understanding of the financial products and services offered. These will facilitate informed decision-making. The PDSs are reviewed regularly to ensure compliance with guidelines and policies such as BNM's Guidelines on Product Transparency and Disclosure as well as the Group's Policy and Procedure on Risk Management Practices for New Products.

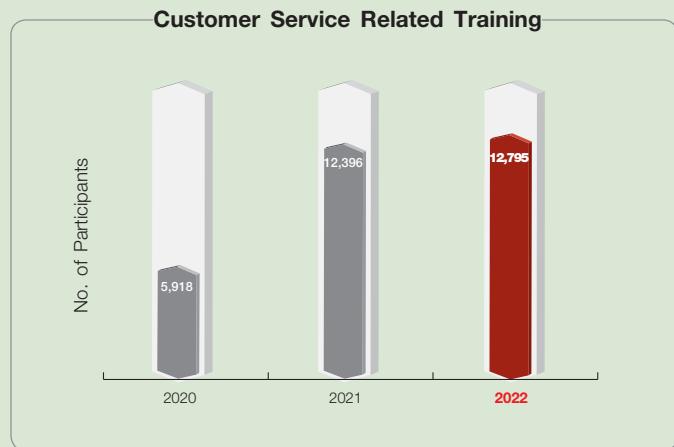
Sales ethics remain as a key performance indicator to evaluate the performance of the sales and marketing team, reinforcing the significance of ethics in customer dealings.

To ensure due compliance, sales and marketing personnel are required to attend the half-yearly briefing on Prohibited Business Conduct, Code of Ethics and Rules of Professional Conduct, and undertake the assessment on Ethics in Selling for Sales and Marketing Executives.

There was no material non-compliance concerning marketing communications by the Public Bank Group in 2022.

## Enhancing Service Quality with Effective Training

Employees with customer-facing job responsibilities are required to participate in training to upskill and continuously enhance their service quality to customers.



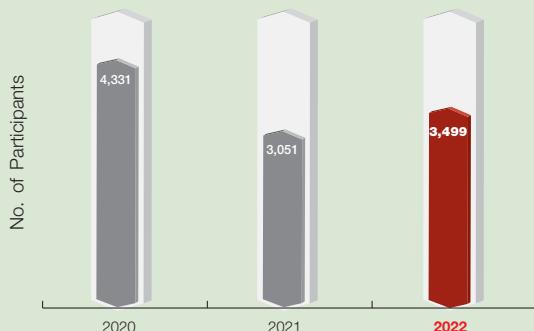
Note: Data covers Public Bank, Public Islamic Bank, Campu Bank and Public Bank Vietnam



# Sustainability Statement

## Theme 3: Prosperous Customers and Communities

### Fair Dealing/Responsible Sales Training



Note: Data covers Public Bank, Public Islamic Bank and Public Bank Vietnam

To sustain customer satisfaction of the services rendered by its unit trust consultants ("UTCs"), Public Mutual provides regular training programmes on customer service, sales competency, ethics and professional code of conduct to all of its UTCs.

### Public Mutual's Training Programmes for UTCs

	2020	2021	2022
% of productive UTCs who have fulfilled training for Continuous Professional Development ("CPD") programme	98%	98%	<b>96%</b>
Number of UTCs trained*:			
• Virtual learning	38,478	46,388	<b>37,521</b>
• Workshops	3,180	24,811	<b>25,174</b>
• e-Learning	16,189	29,387	<b>24,724</b>
• Mandatory e-Learning	205,679	311,069	<b>141,734</b>

\* Based on number of attendance for various courses in the programmes

### COMMUNITY EMPOWERMENT

**A community that is empowered is one that feels safe, included and valued. Through a wide array of programmes to help improve the well-being of the community, the Public Bank Group believes that spreading positivity where it operates is not only good for the community, but also creates a positive chain effect where the Group's brand that is synonymous with serving the community becomes entrenched in both the hearts and minds of customers and employees.**

For more than half a century, the Public Bank Group has been contributing positively to the society and creating value to the community where the Group is present.

In 2022, the Public Bank Group conscientiously made RM2.41 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, had in 2022, contributed about RM1 million in Malaysia, Cambodia and Vietnam to help improve the well-being of the community prioritising healthcare, education and community development.

### Contribution to Healthcare and Humanitarian Relief

The Public Bank Group's charitable spirit extended over a range of activities to cater to various communities, with donations to non-governmental organisations as well as education and healthcare institutions.

In 2022, charitable activities in Malaysia included:

- Donation of RM10,000 to support National Cancer Society of Malaysia's noble effort in running their cancer care centre and their various awareness programmes
- Two units of PERKINS Brailleur worth RM8,640 were presented to Yayasan Orang Buta Malaysia for the use of visually impaired students studying at special needs schools under the purview of the Ministry of Education, Ministry of Higher Education and Tahfiz Schools in Malaysia
- Donation of RM30,000 in support of Institut Jantung Negara Foundation's Charity Golf Challenge fundraising programme to financially assist the less fortunate heart patients
- Contribution of RM33,000, in conjunction with the Deepavali celebrations, to four orphanage homes, namely Pusat Jagaan Anbe Sivam, Pertubuhan Kebajikan Thangam Illam, Persatuan Kebajikan Kanak-Kanak Cornerstone, Selangor, and Pusat Jagaan Beribuan Kasih
- Contribution of RM15,000 to support the Safety Operation 18 launched in conjunction with the Hari Raya Aidilfitri celebrations by the Kuala Lumpur Police Contingent under Polis Diraja Malaysia
- Distribution of zakat totalling RM67,500, via Public Islamic Bank's Wakalah Zakat, to eligible recipients (Asnaf) from Sekolah Rendah Islam Darul Aman, Lembaga Zakat Negeri Kedah and Hartasuci Sdn Bhd (Pusat Pungutan Zakat – Majlis Agama Islam Wilayah Persekutuan)
- Donation of RM4,200 by Public Investment Bank to Lighthouse Children Welfare Home Association for underprivileged children and RM2,000 during the month of Ramadan for 100 children of Sekolah Tahfiz Al Habbah. It also donated essential items to 50 families affected by the floods in Sungai Lui, Hulu Langat, Selangor
- Donation of grocery and toiletry items worth RM16,930 to 200 households that were affected by the floods in Banting and Shah Alam under the "Flood Relief Campaign" by Public Mutual via the Community Outreach Fund

- Sponsorship of RM3,000 to Yayasan Orang Buta Malaysia for their fund raising charity dinner
- Donation of RM26,000 to three orphanages namely, Trinity Community Children Home, Rumah Charis (children), and Victory of Children & Youth Home, in conjunction with the Bank's Christmas Festive Charity programme
- On the overseas front, Public Bank Vietnam donated VND135 million for charity events covering charity aid for the victims of storm Noru from Thanh Khe District, Danang City, donation to Thi Nghe Orphanage Vietnam Center in Binh Thanh District and donation to Quang Ninh Children Protection Center in Quang Ninh province
- Meanwhile, Cambodian Bank contributed:
  - USD5,100 to Cambodian Red Cross to support community welfare
  - USD5,000 to Cambodian Mine Action and Victim Assistance Authority for landmine clearing
  - USD3,000 to the Association of Banks in Cambodia for the Bankers' Cycling 2022
  - USD3,000 to affected flood victims in Stouring Commune, Kampong Thom Province through the National Bank of Cambodia
  - USD3,000 to Raksa Koma Foundation to provide free eye and ear medical check-up and treatment to the underprivileged in the Kampong Thom Province
  - USD2,400 for the construction of a religious school as well as for the celebration of festivals in Kampong Thom province
  - USD250 to YLP Foundation to provide essentials to underprivileged individuals in Banteay Meanchey Province
  - USD250 to the Administrative Police Post of Phsar Kandal II for office renovation

### **Supporting Press and Educational Related Initiatives**

The Public Bank Group recognises the importance of access to information and education as key enabler to develop and grow the nation. The Group has continued to make various forms of contributions to the press and educational institutions to make a positive impact.

### **Contribution to the Press Community**

The Public Bank Group contributed RM10,000 to the Malaysian Journalism Award 2022 organised by the Malaysia Press Institute to acknowledge the best journalism works by Malaysian journalists. To further appreciate the journalists, the Group further contributed RM10,000 to the Malaysian National News Agency ("BERNAMA") in conjunction with their National Journalists Day Celebration which was held from 28 to 29 May 2022 at Dataran Pahlawan, Melaka.

### **Contribution to Educational Institutions and Awareness Programmes**

To inculcate the right financial values from an early age, the Public Bank Group participated in the School Adoption Programme to promote financial literacy and to nurture the habit of saving amongst school children.

Furthermore, the Public Bank Group also 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 as part of its financial literacy initiative.

Moving forward, the Public Bank Group will be actively promoting the PB Journey Mobile Application to all adopted schools to impart the value of money, and to guide the students to achieve their savings goals.

The Public Bank Group had also been promoting academic excellence through the Star Achiever Programme. This yearly Programme rewards WISE Savings Account holders who excel in examinations such as the Sijil Pelajaran Malaysia examinations. In 2022, the Group awarded a total of RM52,400 to 262 students.

To assist underprivileged children and youths, the Public Bank Group has contributed over RM1 million to FINCO since 2017. FINCO is a collaborative initiative pioneered by all financial institutions in Malaysia to champion English proficiency, financial literacy, provide avenues for underprivileged children and youths to achieve their life aspirations as well as disaster relief.

The Public Bank Group also contributed RM10,000 to Tunku Abdul Rahman University of Management & Technology in support of their TARCIAN Run 2022 which promotes a healthy lifestyle while raising funds for the TAR UMT Students Fund.

Another RM5,000 went to Universiti Tunku Abdul Rahman's ("UTAR") Medical & Health Sciences Society to organise their Virtual Asian Medical Students' Association Health Day 2022 and UTAR Medical Week 3.0.

To educate the public about the nation's sustainability agenda, RM40,000 sponsorship was presented to Cagamas Berhad to organise the Developing and Financing Green Housing in Asia Conference, providing new insights and understanding in the development of sustainable green housing and green finance.

Another RM20,000 sponsorship was presented to the Sustainable Energy Development Authority Malaysia towards their 5<sup>th</sup> International Sustainable Energy Summit 2022.

The Public Bank Group also contributed RM12,000 to the Minority Shareholders Watch Group ("MSWG") to organise a forum on Minority Shareholding Interest and Experience. Another beneficiary of the Group's appreciation of education is the Koperasi Jaya Diri Malaysia Berhad ("KOJADI") which received RM3,000 for the publication of their 2021 Annual Report.

Further contributions were also made to support the Malaysian Institute of Management with a RM50,000 sponsorship for their corporate event.



## Sustainability Statement

### Theme 3: Prosperous Customers and Communities

On the overseas front, Campu Bank had taken up a Gold Sponsorship of USD5,000 through Malaysian Business Chamber Cambodia Gala Charity Dinner for Mine Clearing. Also, Campu Bank sponsored USD3,000 for the printing of 1,000 copies of “Let’s Talk About Money” comic books initiated by the Association of Banks in Cambodia in collaboration with the National Bank of Cambodia.

Through the National Bank of Cambodia, Campu Bank further donated five refurbished personal computers and three new printers costing about USD790 to Kampong Thmor High School and Kampong Thmor Communal Office.

#### Staff Donation Programme

While the Public Bank Group extends a helping hand to the communities, the Group's employees too have received the necessary assistance. In 2022, a total of RM31,000 financial contributions were extended through this programme to 12 employees who needed financial assistance due to unfortunate events. Since its inception in 2004, with the generous voluntary donations from employees to assist fellow colleagues in times of need, it has assisted 258 employees with a total cumulative amount of about RM591,000.

#### DIGITAL TRANSFORMATION

**Digitalisation drives greater efficiency and productivity in economic development while improving the standard of life. The integration of digital technology into the many aspects of business can also be an enabler in providing solutions to many ESG challenges, by promoting a low carbon economy and inclusive growth.**

The Public Bank Group continues to prioritise exploring and adopting new digital technologies to respond to evolving customer needs and improving customer experience. The Group also leverages on technological development for greater innovation and competitiveness to enhance operational efficiency.

In 2022, the Public Bank Group continued to focus on enhancing the features of its internet and mobile banking platforms to better serve its customers.

In recognition of the Public Bank Group's efforts and commitments towards the nation's e-payment ecosystem, the Group continued to be recognised with the two awards of the Malaysian e-Payments Excellence Awards 2022 by Paynet, namely the Best MyDebit Bank and Best MyDebit (Acquirer – Bank).



#### DuitNow Online Banking/Wallets

Arising from the growing needs of a cashless economy, the Public Bank Group was the first bank to launch the DuitNow Online Banking/Wallets to support e-commerce and m-commerce merchants in facilitating real-time payment acceptance via online banking and e-Wallets. This new secured online payment solution is designed to elevate the user experience through a seamless checkout process with the option of application-to-application payment redirection which significantly reduces payment friction and cart abandonment.

#### PBe QR Cross Border Payment

As the first bank in Malaysia to launch the DuitNow QR Cross Border Payment Acceptance PBe QR in 2021 to facilitate international QR payment from Thailand, the service was extended to Indonesia in 2022.

The PBe QR cross border payment service allows Public Bank's customers who travel abroad to transact conveniently with merchants in Indonesia and Thailand using Public Bank's PB engage mobile application. Vice-versa, customers from Indonesia and Thailand are able to use their home countries' banking accounts to pay merchants in Malaysia.

The Public Bank Group achieved an increase of about 90.0% in business operators registered for PBe QR, and more than 51,000 businesses have become the Bank's merchant partners as at the end of 2022.



## PB enterprise Digital SME Assist Programme

Following the launch of PB enterprise Digital SME Assist Programme, the Public Bank Group continued to provide PB enterprise customers with greater choices of digital solutions ranging from human resource management, property management to cloud base accounting and payroll solutions, helping its business customers to achieve greater operational efficiencies.



## Digital Customer Onboarding

In 2022, the Public Bank Group continued to enhance the adoption of innovative technology to facilitate online customer onboarding, whereby customers are able to apply for banking products and services through digital channels. The Group has in place digital onboarding for its products and services, including online application for credit card, debit card, housing loan and hire purchase.

## Collaboration with Carsome

During the year, the Public Bank Group signed a Memorandum of Understanding with Carsome, Southeast Asia's largest car e-commerce platform, to provide stock-financing and end-financing arrangement for vehicles, as well as extending a suite of financial products and services, such as PB Current Account, PB enterprise and cash management to Carsome's customers. This collaboration enabled Public Bank to interface with Carsome's online platform to facilitate a more efficient vehicle financing delivery system via digital channel.



## Mobile Banking Platform in Vietnam

Public Bank Vietnam successfully launched the mobile banking application, PB engage VN, for individual customers. Public Bank Vietnam also integrated QR-Pay function in its PB engage VN application which enables customers to make payment at merchant point by scanning VNPAY-QR code.



## Enhancing Operational Efficiency

During the year, the Public Bank Group continued to leverage on its Enterprise Data Warehouse as the foundation for big data platform to facilitate advanced analytics with Artificial Intelligence ("AI") and Machine Learning. Tapping on AI and Machine Learning technology, the Group has developed applications that facilitate business intelligence which analyses various data types, such as transaction trend and customer preference, enabling the business units to effectively manage and generate leads, leading to increased business opportunities.

AI and Machine Learning has also strengthened the Public Bank Group's risk management capabilities as data driven online risk scoring engines are used to make more insightful credit decisions.

Leveraging on the advanced clustering technology, the Public Bank Group continued to implement high performance, high scalability and high availability of Information and Communication Technology ("ICT") infrastructure.

*Section Reference: Management Discussion and Analysis – Business Operations Review (Information and Communication Technology) on page 142*



# Sustainability Statement

## Theme 3: Prosperous Customers and Communities

### Public Mutual – Value Driven Digital Solutions

Public Mutual's digital journey is focused on providing a more personalised, convenient and seamless investing experience to its customer and UTCs across its operations as well as marketing and communication activities.

Adoption of new technological algorithms and techniques such as Machine Learning, Artificial Intelligence, big data analytics and system virtualisation enabled Public Mutual to enhance its digital services to be more convenient, reliable and secure investment transactions.

In 2022, the PMO portal and Pocket-PMO mobile application were further improved to enable the customers to make online investment transactions and monitor their investment portfolios:

#### Joint Holder to Single Name Account

A facility for first holders to add a Joint Holder to their single name accounts via PMO so that the joint holder can have immediate access to the unit trust investments should anything happen to them.

#### Self-Suitability Assessment

An online service provided to assist investors in identifying funds that are suitable to their risk appetite by going through a self-suitability assessment.

#### Fund Analytics

New comparison module and more categorisation of funds based on portfolio objectives, currency exposure and investment themes were made available for investor's selection to assist investors in constructing a diversified portfolio of unit trust funds.

#### e-Magazines for Priority Customers

e-Magazines for Mutual Gold, Mutual Gold Elite and Mutual Platinum members were made available on PMO and Pocket-PMO for members to read anytime and anywhere based on their convenience.

With a large pool of more than 33,100 UTCs, Public Mutual has in place various digital tools to assist UTCs in dealings with investors:

- **UTC Connect**  
To easily access to the information and updates of funds as well as customers' profiles to manage their business and agencies efficiently.
- **Client and Agency Management System 2 ("CAMS2")**  
To help UTCs in analysing and monitoring investors' investment portfolio and agencies' performance.
- **UTC@Work**  
To assist UTCs in closing sales and servicing their investors.
- **Online Enquiry System**  
To complement CAMS2, the system provides more value-added business functions and analyses pertaining to investors and UTCs' downlines.
- **Media Centre for UTCs**  
An online library comprising marketing materials for UTCs to share with existing and prospective investors.
- **U@Bis\$**  
To assist UTCs in building and personalising customers' unit trust portfolio via funds analytics, as well as to guide fund selections that meet their objectives and risk profile through mobile application.
- **Fund Analytics**  
To view fund information, fund performance and fund prices at a glance. UTC is able to filter and sort funds based on the fund performance, Product Highlights Sheet, Prospectus, Quarterly Fund Review and Fund Report as well as enable fund comparisons.

# Principled Conduct

## Material Sustainability Matters:

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



## Theme 4

### DATA PRIVACY AND CYBERSECURITY

There has been a rapid uptake of e-payment amongst consumers in recent years. Digital payment has not only facilitated increased banking convenience, it has also brought improved cost efficiency and productivity. Amid the digital surge, consumers are expecting safe and secure protection of their data and financial assets. Data privacy and cybersecurity are two pivotal elements of the larger banking ecosystem that need to be vigilantly safeguarded.

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At the Public Bank Group, privacy protection and cybersecurity remain as top priorities and the Group is fully committed to zero-tolerance for any non-compliance. As digitalisation and technological adoption remains key in the Group's expansion, the Group has taken holistic and proactive measures to assure the security of data and protection of customer privacy. Beyond the continuous investments in cyber security capabilities, a robust compliance culture with various data privacy and cybersecurity policies are in place to safeguard the Group against emerging threats.



# Sustainability Statement

## Theme 4: Principled Conduct



### Banking Secrecy Framework

The framework sets out the governance process including roles and responsibilities in managing compliance with the secrecy provisions. It also establishes the internal control processes and procedures to manage the risk associated with customer information breach, as well as the escalation process in the event of customer information breach.



### Corporate Information Security Management Policy ("CISM")

The policy is formulated to ensure that the Public Bank Group's information systems are properly safeguarded and adequately protected from a wide-range of threats, which includes communications between employees and relevant external parties.



### Cyber Resilience Framework

The framework provides guidance to the Public Bank Group in managing cyber security risk, improving cyber resilience as well as ensuring adequate cyber-security preparedness throughout the Group on a continuous basis. It identifies the risks from cyber threats and sets out measures to address and mitigate the risks.



### Enterprise Architecture Framework

The framework outlines the overall technical design and high level plan of the Public Bank Group's ICT architecture to promote standardisation and a disciplined way of delivering information technology solutions.



### Technology Risk Management Framework

The framework provides guidance to the Public Bank Group in managing technological risks and its operating processes from both business and technology risks perspective. It sets out the risk management processes for identification, assessment, control, monitoring and reporting of technology risks which the Group is exposed to, including risks from the adoption of new or emerging technology.

These policies and frameworks are reviewed and updated in line with the latest regulatory requirements. Wherever relevant, the Public Bank Group extends the applicability of these policies and frameworks to the Group's subsidiaries.

In line with the Public Bank Group's approach to data protection and cybersecurity, Public Mutual adopts the Group's framework and policies, whilst also guided by the information risk and security frameworks and policies from Securities Commission Malaysia ("SC"):



### SC Guidelines on Management of Cyber Risk

Public Mutual implements strategies and measures in line with this guideline to manage cyber risk encompassing processes and procedures for identification, detection, assessment, prioritisation, containment, response, management and mitigation of cyber risks.



### SC Guidelines on Online Transactions and Activities in Relation to Unit Trusts

Adequate and appropriate systems and security measures are taken to ensure reliability, availability, integrity and confidentiality for transactions transmitted online.

## Continuous Enhancement of Cybersecurity System

As the Public Bank Group continues to promote electronic banking in line with the national agenda in driving e-payments, the Group remains unwavering in protecting banking security:

- Adopt a safe-to-fail strategy with the view that even with the best security in place, a breach may occur and if it does, procedures are in place to recover quickly
- Strengthen 24x7 Security Operation Centre monitoring
- Deploy multilayered security defence systems to protect against both internal and external threats
- Embrace security-by-design best practices to ensure that banking products and services, systems and processes are developed with security consideration from the outset
- Implement security solution using machine-learning capabilities to proactively detect anomalous behaviour that could indicate data breaches, ransomware and other threats
- Partner with Global Cyber Security Collaboration for global dissemination of threat intelligence and guidelines to mitigate cyberattacks
- Engage independent security consultants to assess and validate the adequacy of the Public Bank Group's cybersecurity infrastructure and benchmark the cybersecurity posture against international standards
- Participate in yearly cyber drill exercise conducted by regulators to test the effectiveness of Cyber Incident Response Plan based on various current and emerging threat scenarios
- Continue to train employees on the latest digital security skills through advanced security courses, as well as professional certification programmes to keep them abreast of advancement in digital security risks

With the rise of cyber frauds and scams targeting the customers, the Public Bank Group also increased its efforts to manage these risks. In addition to participating in the joint effort with industry players in the National Scam Awareness Campaign as well as the National Scam Response Centre to combat financial scams, the Group also implemented the following initiatives to further strengthen cybersecurity:

- Setting up the Case Management Unit to provide 24-hour assistance to affected customers
- Terminating access to customers' PBe internet banking and PB engage mobile banking immediately upon receiving a fraud report
- Deploying a more secure authentication method known as PB SecureSign to replace Short Message Service one-time password

➢ Implementing the "Kill Switch" whereby customers are able to deactivate their online banking access immediately without the need to contact Public Bank's helpline

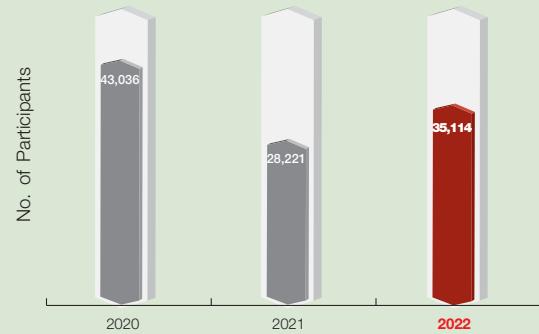
➢ Sending a prompter to remind e-banking users prior to a transaction made to a new beneficiary

*Section Reference: Management Discussion and Analysis – Business Operations Review (Information and Communication Technology) on page 142*

## Raising Employees' Awareness

To integrate the awareness and knowledge on data privacy and cyber security into the corporate culture, the Public Bank Group issues circulars and sends periodic reminders to all employees on the importance of safeguarding customer information and the serious ramifications in the event of non-compliance. To keep track of the changing data breach and cyber threat landscape, the Group constantly reviews control objectives, efficacy of controls, policies, standards, frameworks, processes and procedures for information security at planned intervals or when significant changes to the security implementation occur.

### Cyber Awareness Education Initiatives



*Note: Data covers Public Bank, Public Islamic Bank, Public Investment Bank, Capu Bank and Public Bank Vietnam*

The Public Bank Group continues to raise employees' awareness and improve their knowledge on data protection and cybersecurity by conducting mandatory e-learning courses and classroom trainings. Amid the increasingly sophisticated cyberattacks against financial institutions, phishing simulation tests are routinely conducted to educate employees on prompt and timely response to detect and to prevent potential threats and phishing attacks.



# Sustainability Statement

## Theme 4: Principled Conduct

### GOVERNANCE, RISK MANAGEMENT AND COMPLIANCE

As custodians of public funds, financial institutions shoulder the responsibility towards various stakeholders ranging from depositors to shareholders. Financial institutions have the primary duty of upholding good corporate governance, risk management and compliance. With evolving risks, changing operating environment and stringent regulatory requirements, it is imperative for financial institutions to practise robust corporate management across all business and operation areas to strengthen the resilience and trust of its stakeholders.

At the Public Bank Group, solid fundamentals on governance, risk management and compliance are in place, with clear, communicable and actionable objectives, guidance and practice embedded in every business and operational process. The Group adopts zero tolerance approach towards legal and regulatory non-compliance. All employees are expected to comply with the laws and regulations governing the Group's business, and uphold the values of transparency and accountability in the day-to-day operations.

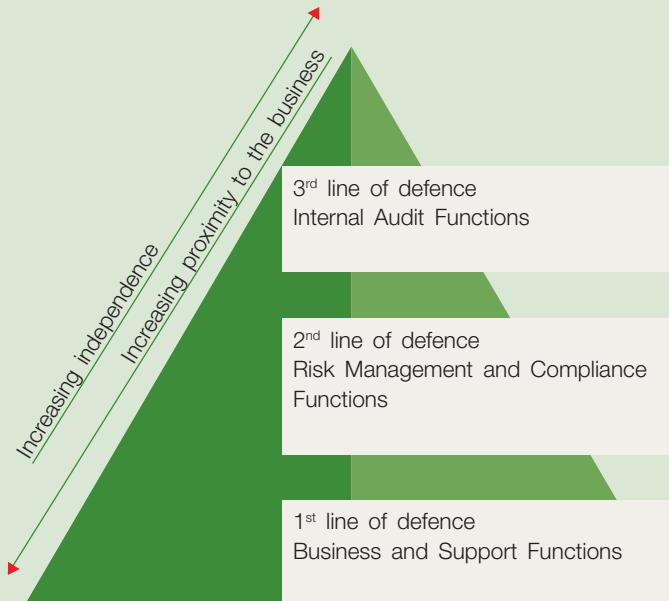
#### Governance

The Board of Directors has the overall responsibility for the oversight of the Public Bank Group's corporate governance, risk management and compliance.

While these key areas of corporate management have its own structured and robust system to manage the growing complexities of the business environment, procedures and processes are in place to complement these key areas to enable the Public Bank Group to effectively manage risks and thrive even in challenging times.

Section reference: Corporate Governance Overview Statement on page 254; Risk Management on page 271

The Public Bank Group adopts the three lines of defence in its approach to manage compliance risk. The effectiveness of the compliance environment is premised on a collaborative effort from the three lines of defence, namely the Business and Support Functions (first line), Compliance Function (second line), Risk Management Function (second line) and Internal Audit Function (third line).



Parties	Roles and Responsibilities
<b>1<sup>st</sup> line of defence – Business and Support Functions</b>	
Business and Support Functions	Responsible for managing compliance risk including to own, develop, execute and update systems, policies, processes and procedures in business activities as well as support functions.
<b>2<sup>nd</sup> line of defence – Compliance and Risk Management Functions</b>	
Compliance Function	Responsible for coordinating the identification and assessment of compliance risk at the entity-wide level, independently monitoring compliance and ensuring testing of compliance controls are carried out consistently across the Public Bank Group.
Risk Management Function	Develop and review risk management policies and procedures for all material inherent risks taking into consideration the compliance with legal and regulatory requirements.
<b>3<sup>rd</sup> line of defence – Internal Audit Function</b>	
Internal Audit Function	Provide an independent assessment on the adequacy and reliability of the risk management processes and system of internal control, and compliance with approved risk policies, legal and regulatory requirements.

## Policies and Procedures

As the foundation of a holistic corporate governance, risk management and compliance frameworks, the Public Bank Group developed a broad range of policies and procedures to tackle various corporate management matters.

Among the key policies and procedures 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.

The Compliance Policy sets out three compliance principles, as follows:-

**Zero Tolerance Approach** to legal and regulatory non-compliance. A breach of the laws and regulations may result in enforcement and disciplinary actions against the staff concerned.

**Compliance is Everyone's Responsibilities.** All staff, regardless of their position held within the Public Bank Group, must carry out their responsibilities to ensure effective management of compliance risk.

**Risk-based Approach** in managing compliance risk.

### → Anti-Bribery and Anti-Corruption Policy ("ABAC Policy")

The Public Bank Group's Anti-Bribery and Anti-Corruption Policy is in line with the requirements of Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009.

The Public Bank Group adopts a zero tolerance approach towards any form of bribery and corruption in conducting its business. All members of the Board of Directors, employees and third parties must uphold the highest standard of integrity and accountability in discharging their duties.

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 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.

Public Bank's Ethics and Integrity Working Group is responsible to oversee the management of ABAC programme and to promote a culture of integrity within the Bank.

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).



# Sustainability Statement

## Theme 4: Principled Conduct

### → 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.

### → Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions ("AML/CFT and TFS") Policy

The Public Bank Group's Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions ("AML/CFT and TFS") Policy is prepared in accordance with the following:

- a) Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 ("AMLA");
- b) Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions Policy Document issued by BNM;
- c) Financial Action Task Force ("FATF") Recommendations – International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation (The FATF Recommendation); and
- d) United Nations Security Council Resolutions ("UNSCR").

The Policy has been enhanced to ensure higher risk areas are subject to enhanced controls to preserve the integrity of the financial system. The Policy also incorporates the detailed TFS requirements for all United Nations Security Council sanctions regimes, such as Terrorism Financing ("TF"), Proliferation Financing ("PF") and other UN-Sanctions.

While the Board has an overall responsibility for compliance with AML/CFT and TFS requirements, the Public Bank Group has appointed AML Compliance Officer, Branch AML Compliance Officer, AML Appointed Officer at Head Office Divisions and AML Compliance Officers at subsidiaries to ensure effective and orderly AML/CFT practices at operational levels.

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 the seven Guidelines as follows:

- Guidelines on Customer Risk Profiling
- Guidelines on AML/CFT Staff Training and Awareness Programme
- Guidelines on Suspicious Transaction Reporting
- Guidelines on Sanctions
- Guidelines on Employee Assessment System
- Guidelines on ML/TF/PF Risk Assessment
- Guidelines on Handling of Enforcement Orders

### → Code of Ethics

The Board and all employees are guided by the Public Bank Group's Code of Ethics comprising five fundamental ethical principles, namely **Competence, Integrity, Fairness, Confidentiality** and **Objectivity**.

### → Whistleblowing Policy and Procedures

The Whistleblowing Policy and Procedures 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.

### → Personal Dealing Policy

Public Mutual's Personal Dealing Policy outlines the requirements pertaining to disclosure and conduct on personal dealing in securities by the members of the Board, members of the Investment Committee and all employees.

### → Managing Conflicts of Interests Policy

Public Mutual's Managing Conflicts of Interests Policy outlines the requirements in managing potential conflict of interest situations in the services and activities carried out by or on behalf of Public Mutual in accordance with the Securities Commission Malaysia's Guidelines on Compliance Function for Fund Management Companies.

## Holistic Compliance Framework Implemented at All Levels

The value of integrity drives the Public Bank Group's conduct and forms the cornerstone of its compliance and risk culture.

The following four principles solidify the Public Bank Group's approach – enforcing robust risk governance; balancing growth with stability; ensuring accountability for all of the Group's risk-based decisions and actions; and encouraging awareness, engagement and consistent behaviour in every employee.

This culture permeates across the Public Bank Group, particularly at the point of joining the Group. The Group conducts stringent pre-employment screening on potential candidates to ensure they possess the required knowledge, skills and competencies. The screening consists of personal background, employment history, financial screening as well as criminal records and cyber-crime screening.

The Public Bank Group's risk-focused culture is strengthened through a multi-pronged approach. In addition to a clear tone from the top, the Group actively engages employees and carries out various assessments throughout the year to gauge the maturity level of employees' compliance and risk awareness.

Transparent, fair and appropriate disciplinary actions in accordance with the Public Bank Group's Consequence Management Framework will be discharged should there be any contravention by employees.

### The 4 Principles – Risk Focused Organisation Culture

Enforcing a Robust Risk Governance

Balancing Growth with Stability

Ensuring Accountability

Encouraging Awareness, Engagement and Consistent Behaviour



# Sustainability Statement

## Theme 4: Principled Conduct

### Multi-pronged Approach to Strengthen a Risk-focused Culture

#### • Compliance Risk Assessment

A process undertaken to identify and prioritise the legal and regulatory requirements that are relevant to the Public Bank Group.

#### • Compliance Risk Testing and Monitoring

Testing and resource plans based on the results of the Compliance Risk Assessment.

#### • Compliance Newsletter and Bulletin

The Public Bank Group's Compliance Function published eight Compliance Newsletters and four Compliance Bulletins in 2022 to provide compliance updates to all employees.

#### • Regional Virtual Dialogue

In 2022, 13 regional virtual dialogue sessions on compliance and AML/CFT matters were carried out with 339 participants.

#### • Briefing Session

Nine briefing sessions were held to provide awareness on hire purchase fraud detection and prevention for management trainees.

For Public Investment Bank, 23 briefings were held for new recruits and remisiers on AML/CFT and TFS as well as compliance matters.

#### • Branch Review

In 2022, 347 compliance reviews were carried out at domestic branches, hire purchase centres, hire purchase hubs and securities documentation centres.

#### • Compliance Communication Platform

An online platform made available for employees to escalate and raise compliance issues related to regulatory requirements.

#### • Onsite Visits

In 2022, 31 and 46 branch visits were carried out by Mobile Compliance Officers at Public Bank Vietnam and Campu Bank respectively.

#### • Self-assessment Questions at Employees Intranet

Periodic self-assessment through the staff intranet for employees to gauge their understanding of compliance matters.

#### • Due Diligence

Rigorous screenings are carried out on customers and suppliers.

#### • Corruption Risk Assessment

In 2022, the operations of Public Investment Bank, Public Bank and Public Islamic Bank were assessed for corruption related risks with zero confirmed incidents of corruption.

#### • Shariah Division and Knowledge and Learning

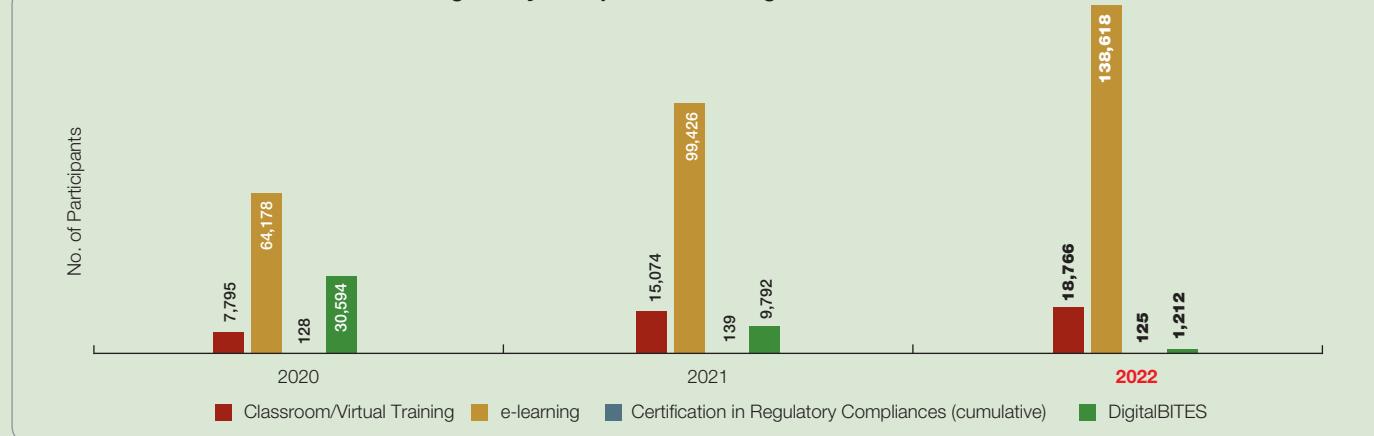
A series of Islamic Banking training and awareness programmes were conducted to cultivate Shariah compliance culture. Meanwhile, all Senior Managements, Branch Managers and Regional Managers are required to attend briefing sessions by IBFIM on "Recent Islamic Banking Court Cases in Malaysia".

In 2022, the Public Bank Group had published four Islamic Banking Bulletin, as part of its efforts to raise Shariah awareness among employees.

#### • Comprehensive Training Programmes

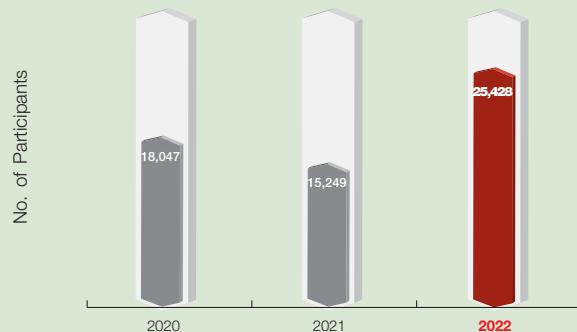
Ongoing education and training to keep strengthening the compliance and risk culture amongst employees.

Regulatory Compliance Training and Certification



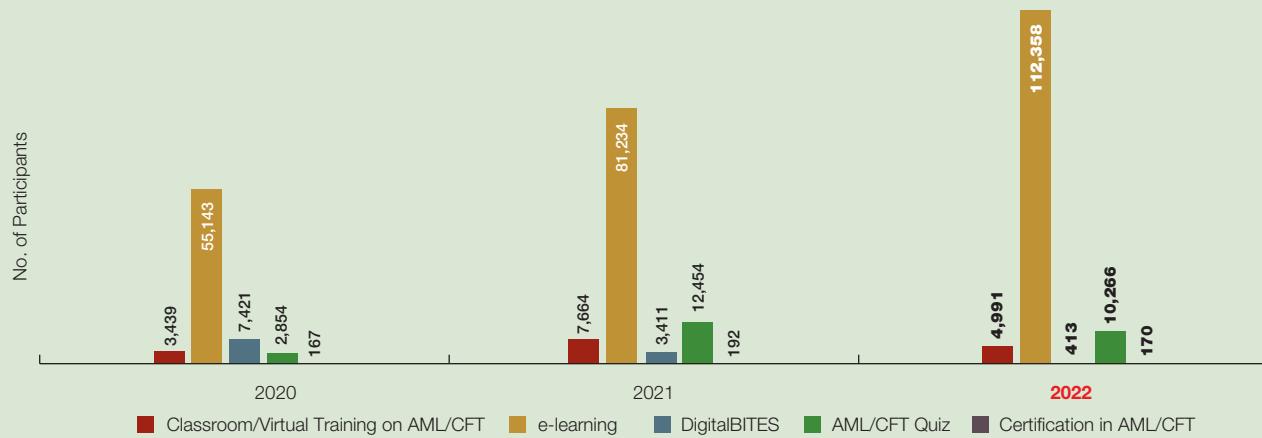
Notes: The key training programmes include AML/CFT – Beneficial Ownership Requirements, Handling Alerts and Sanctions Risk, Understanding Key Requirements in Operational Risk Incident Reporting System ("ORIRS"), Managing Operational Lapses, Legal Aspects of Banker – Customer Relationship, Application of Foreign Exchange Policy, Understanding Banking Regulations, Zero Defect in Frontline Operations, Updates on AMLA, Specialised AML/CFT Training 2022 (focuses on CDD/EDD Requirements, TM & ODD and Illegal Financial Scheme & Mule Account), Operational Risk Awareness Briefing 2022, Skill Gap Assessment ("SGA") on AML/CFT/CPF, SGA Review on AML/CFT/CPF, ABAC, MACC and Code of Ethics.

### Training on Anti-bribery and Anti-corruption



Note: Data covers Public Bank, Public Islamic Bank, Public Investment Bank, Campu Bank and Public Bank Vietnam

### Training on AML/CFT Focused Training and Certification



Note: Data covers Public Bank, Public Islamic Bank, Public Mutual, Public Investment Bank, Campu Bank and Public Bank Vietnam

### Compliance on Tax Requirements

Being a responsible corporate tax payer, the Public Bank Group is committed to comply with applicable tax laws at all times and has been conducting its tax affairs based on the following principles:

- Ensure compliance with applicable tax laws and regulations
- The conduct of business transactions is always driven by commercial reasons and is in compliance with the tax requirements
- Maintain collaborative professional relationship with tax authorities
- Keep abreast of tax development through regular updates from external tax advisors and tax forums conducted by professional bodies or tax authorities to mitigate any tax risk which could arise due to unclear tax interpretation
- Awareness on the importance of compliance with tax requirements is instilled through continuous education and training on all relevant parties within the organisation



# Sustainability Statement

## Performance Data

The Performance Data table contains 3-year data and targets (where applicable) for the key indicators disclosed in this Sustainability Statement.

### WORKPLACE

\*Figures as at 31 December 2022

#### STAFF STRENGTH (%)

	2020	2021	2022	Target (where applicable)
<b>By Employee Category:</b>				
Senior Managerial	1.6	1.6	<b>1.6</b>	—
Managerial	10.9	11.0	<b>11.5</b>	—
Supervisory	59.3	60.4	<b>60.9</b>	—
Non-supervisory	28.2	27.0	<b>26.0</b>	—
<b>By Employment Status:</b>				
Permanent	99.5	99.5	<b>99.5</b>	To ensure that % of contract employees <0.5% of total workforce
Contract	0.5	0.5	<b>0.5</b>	
<b>By Union:</b>				
Union	24.0	23.0	<b>22.6</b>	—
<b>By Gender:</b>				
Female	59.8	59.5	<b>59.9</b>	Not less than 30% for female
Male	40.2	40.5	<b>40.1</b>	
<b>By Age Group:</b>				
<30	24.2	23.6	<b>22.9</b>	—
30 to <40	33.3	33.7	<b>33.4</b>	—
40 to <50	29.2	28.3	<b>28.0</b>	—
50 and above	13.3	14.4	<b>15.7</b>	—
<b>By Ethnicity:</b>				
Malay	37.1	36.4	<b>36.4</b>	—
Chinese	56.3	57.0	<b>56.8</b>	—
Indian	6.3	6.3	<b>6.5</b>	—
Others	0.3	0.3	<b>0.3</b>	—

**STAFF STRENGTH (%)**

	2020	2021	2022	Target (where applicable)
<b>By Years of Service:</b>				
<1 year	4.0	5.3	<b>6.7</b>	-
1 to <5 years	15.7	14.9	<b>13.7</b>	-
5 to <15 years	34.4	33.9	<b>31.5</b>	-
15 years and above	45.9	45.9	<b>48.1</b>	-
<b>Senior Managerial Level</b>				
<b>By Gender:</b>				
Female	49.2	51.0	<b>51.2</b>	Not less than 30% for female
Male	50.8	49.0	<b>48.8</b>	
<b>By Age Group:</b>				
<30	0.0	0.0	<b>0.0</b>	-
30 to <40	3.9	2.4	<b>2.0</b>	-
40 to <50	30.5	29.8	<b>27.6</b>	-
50 and above	65.6	67.8	<b>70.4</b>	-
<b>Managerial Level</b>				
<b>By Gender:</b>				
Female	44.8	45.6	<b>46.6</b>	Not less than 30% for female
Male	55.2	54.4	<b>53.4</b>	
<b>By Age Group:</b>				
<30	1.3	0.9	<b>0.6</b>	-
30 to <40	26.2	28.3	<b>30.0</b>	-
40 to <50	38.1	35.9	<b>34.8</b>	-
50 and above	34.4	34.9	<b>34.6</b>	-
<b>Supervisory Level</b>				
<b>By Gender:</b>				
Female	61.8	61.1	<b>61.6</b>	Not less than 30% for female
Male	38.2	38.9	<b>38.4</b>	
<b>By Age Group:</b>				
<30	33.3	33.8	<b>33.9</b>	-
30 to <40	28.9	29.1	<b>29.0</b>	-
40 to <50	27.8	26.1	<b>25.1</b>	-
50 and above	10.0	11.0	<b>12.0</b>	-



# Sustainability Statement

## Performance Data

### STAFF STRENGTH (%)

	2020	2021	2022	Target (where applicable)
<b>Non-Supervisory Level</b>				
<b>By Gender:</b>				
Female	61.9	62.1	<b>62.3</b>	Not less than 30% for female
Male	38.1	37.9	<b>37.7</b>	
<b>By Age Group:</b>				
<30	15.3	11.4	<b>8.4</b>	–
30 to <40	47.1	48.0	<b>47.2</b>	–
40 to <50	28.6	30.1	<b>31.9</b>	–
50 and above	9.0	10.5	<b>12.5</b>	–

### RECRUITMENT (%)

	2020	2021	2022	Target (where applicable)
<b>By Employee Category:</b>				
Senior Managerial	0.2	0.2	<b>0.2</b>	
Managerial	0.5	0.6	<b>1.5</b>	98.0
Supervisory	96.7	98.4	<b>96.4</b>	
Non-supervisory	2.6	0.8	<b>1.9</b>	2.0

### EMPLOYEE TURNOVER RATE (%)

	2020	2021	2022	Target (where applicable)
<b>Overall</b>				
Overall	4.5	5.1	<b>8.2</b>	Not more than 10%
<b>By Employee Category:</b>				
Senior Managerial	0.8	0.8	<b>4.0</b>	Not more than 12%
Managerial	1.4	1.4	<b>2.8</b>	Not more than 7.6%
Supervisory	6.7	7.7	<b>12.1</b>	Not more than 13%
Non-supervisory	1.2	1.0	<b>1.7</b>	Not more than 3.3%

**EMPLOYEE TURNOVER RATE (%) – BY COMPOSITION OF EMPLOYEES**

	2020	2021	2022	Target (where applicable)
<b>By Age Group</b>				
<b>Senior Managerial Level:</b>				
<30	0.0	0.0	<b>0.0</b>	–
30 to <40	0.0	0.0	<b>0.0</b>	–
40 to <50	0.0	50.0	<b>40.0</b>	–
50 and above	100.0	50.0	<b>60.0</b>	–
<b>Managerial Level:</b>				
<30	4.2	0.0	<b>2.0</b>	–
30 to <40	45.8	20.0	<b>34.0</b>	–
40 to <50	33.3	40.0	<b>26.0</b>	–
50 and above	16.7	40.0	<b>38.0</b>	–
<b>Supervisory Level:</b>				
<30	83.0	79.1	<b>76.4</b>	–
30 to <40	11.5	12.7	<b>15.8</b>	–
40 to <50	3.5	5.6	<b>5.8</b>	–
50 and above	2.0	2.6	<b>2.0</b>	–
<b>Non-supervisory Level:</b>				
<30	44.4	42.2	<b>42.9</b>	–
30 to <40	37.0	37.8	<b>38.6</b>	–
40 to <50	16.7	17.8	<b>15.7</b>	–
50 and above	1.9	2.2	<b>2.8</b>	–

**DIVERSITY AND INCLUSION**

	2020	2021	2022	Target (where applicable)
Women in Management (%)	47.1	48.1	<b>48.8</b>	Not less than 30%
Women in Top Management (%)	48.8	50.4	<b>51.0</b>	Not less than 30%
Number of employees with disabilities (Headcounts)	13	13	<b>24</b>	–
<b>Gender Pay Ratio*:</b>				
Male	1.0	1.0	<b>1.0</b>	–
Female	0.9	0.9	<b>0.9</b>	–

\* Gender pay ratio is based on the average salary of male to female, by indexing Male to 1.0.



# Sustainability Statement

## Performance Data

### BOARD OF DIRECTORS (%)

	2020	2021	2022	Target (where applicable)
<b>By Gender:</b>				
Female	33.0	33.0	<b>37.0</b>	Not less than 30% for female
Male	67.0	67.0	<b>63.0</b>	
<b>By Age Group:</b>				
<60	-	11.0	<b>13.0</b>	-
60 to <70	56.0	44.0	<b>50.0</b>	-
70 and above	44.0	45.0	<b>37.0</b>	-

### EMPLOYEE DEVELOPMENT

	2020	2021	2022	Target (where applicable)
<b>Average Number of Participants per Training Programme</b>				
Average Number of Participants per Training Programme	21	22	<b>22</b>	-
Average Training Budget per Employee (RM)	3,159	3,512	<b>3,485</b>	-
Employee Training as Percentage of Salaries Cost	2.23	1.96	<b>2.44</b>	-
<b>Employees Participation in Training (Headcounts)</b>				
Classroom	30,498	50,125	<b>54,781</b>	-
E-learning	215,251	295,101	<b>292,070</b>	-
DigitalBites	135,989	85,213	<b>6,563</b>	-
<b>Training Hours</b>				
Average Hours of Training per Employee	60	70	<b>72</b>	-
<b>By Employee Category:</b>				
Supervisory*	72	80	<b>81</b>	-
Non-supervisory	37	40	<b>37</b>	-

\* Including Senior Managerial and Managerial levels.

### PERCENTAGE OF EMPLOYEES RECEIVED ANTI-BRIBERY AND ANTI-CORRUPTION TRAINING

	2020	2021	2022	Target (where applicable)
<b>Public Bank and Public Islamic Bank</b>				
Supervisory*	99.0	99.0	<b>100.0</b>	100.0
Non-supervisory	98.0	98.0	<b>98.0</b>	-

\* Including Senior Managerial and Managerial levels.

**PERCENTAGE OF EMPLOYEES RECEIVED ANTI-BRIBERY AND ANTI-CORRUPTION TRAINING**

	2020	2021	2022	Target (where applicable)
<b>Public Investment Bank</b>				
Senior Management	100.0	100.0	<b>93.0</b>	100.0
Middle Management	100.0	99.0	<b>99.0</b>	100.0
Entry Level	100.0	100.0	<b>100.0</b>	100.0
<b>Campu Bank</b>				
Supervisory*	100.0	100.0	<b>96.0</b>	-
Non-supervisory	100.0	100.0	<b>91.0</b>	-
<b>Public Bank Vietnam</b>				
Supervisory*	100.0	98.0	<b>99.0</b>	100.0
Non-supervisory	100.0	98.0	<b>96.0</b>	100.0

\* Including Senior Managerial and Managerial levels.

**WORKPLACE ETHICS**

	2020	2021	2022	Target (where applicable)
Confirmed incidents of corruption and action taken	Nil	Nil	<b>Nil</b>	-

**HUMAN AND LABOUR RIGHTS**

	2020	2021	2022	Target (where applicable)
Number of substantiated complaints concerning human rights violations	Nil	Nil	<b>Nil</b>	To ensure no complaints on human rights violation
Number of Workplace Accident with Fatality	Nil	Nil	<b>Nil</b>	To ensure no workplace accident with fatality
Lost Time Incident Rate (Number of workplace accident per 100 employees)	0.06 per 100 employees	0.03 per 100 employees	<b>0.06 per 100 employees</b>	To ensure that lost time incident rate <0.05 per 100 employees
Number of Workplace Accident with Lost Workdays	10	5	<b>9</b>	-
Number of Workplace Accident without Lost Workdays	Nil	Nil	<b>1</b>	-
Total Number of Workplace Accident	10	5	<b>10</b>	-
Total Number of Lost Workdays (Number of Days)	343	210	<b>557</b>	-
Absenteeism due to Workplace Accident (%)	0.009	0.005	<b>0.014</b>	-
Fatality Rate (%)	0	0	<b>0</b>	-
Number of employees trained on health and safety standards	531	944	<b>12,814</b>	All employees



# Sustainability Statement

## Performance Data

### EMPLOYEE WELFARE

	2020	2021	2022	Target (where applicable)
Total Amount of Staff Loans Approved (RM'Million)	227.5	240.1	<b>203.3</b>	—
Total Outstanding Amount of Staff Loans (RM'Million)	2,063.7	2,113.7	<b>2,120.8</b>	—
<b>Benefits Paid under the Public Bank Group's Protection Insurance Policies</b>				
Personal Accident Insurance (RM'Million)	0.7	0.3	<b>0.8</b>	—
Group Term Life Insurance (RM'Million)	2.2	6.8	<b>3.4</b>	—
<b>Parental Leave*</b>				
<b>No. of Employees Who Took Parental Leave</b>				
Female	429	420	<b>337</b>	—
Male	274	252	<b>228</b>	—

\* Data covers Public Bank and Public Islamic Bank.

### CUSTOMERS

#### CUSTOMER SATISFACTION

	2020	2021	2022	Target (where applicable)
<b>Frontline Counter Queue Management</b>				
Conformance Rate of 2 Minutes Standard Waiting Time (%)	83.0	90.0	<b>80.0</b>	—
Conformance Rate of 10 Minutes Customer Waiting Time (%)	97.0	99.0	<b>95.0</b>	—
<b>Customer Satisfaction Ratings</b>				
Loan Delivery Service of "Exceeded Expectation" or "Within Expectation" (%)	96.0	96.0	<b>95.0</b>	—
Public Mutual: Customer Satisfaction Rating of "Very Good" or "Good" (%)	93.0	94.0	<b>96.0</b>	—
<b>Customer Complaints</b>				
Number of Customer Complaints	907	826	<b>618</b>	—
% of Complaints Resolved Within Internal Turnaround Time of 10 days	100.0	100.0	<b>100.0</b>	—

#### DATA PRIVACY AND SECURITY

	2020	2021	2022	Target (where applicable)
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Nil	Nil	<b>Nil</b>	—

**SERVICE DELIVERY NETWORK**

	2020	2021	2022	Target (where applicable)
<b>Public Bank and Public Islamic Bank</b>				
Number of Branches	264	264	<b>264</b>	-
Number of Self Service Terminals	2,089	2,078	<b>2,074</b>	-
<b>Pbe Internet Banking</b>				
Number of Subscribers (million)	3.1	3.2	<b>3.4</b>	-
Number of Financial Transactions (million)	124.1	158.0	<b>150.8</b>	-
Penetration Rate (%)	45.4	46.8	<b>48.1</b>	-
<b>Pb engage Mobile Banking</b>				
Number of Subscribers (million)	1.2	1.7	<b>2.2</b>	-
Number of Financial Transactions (million)	36.4	69.0	<b>83.4</b>	-
Penetration Rate (%)	18.6	26.7	<b>34.1</b>	-
<b>Pb enterprise Internet Banking</b>				
Number of Subscribers (million)	0.1	0.2	<b>0.3</b>	-
Number of Financial Transactions (million)	16.0	30.1	<b>42.2</b>	-
Penetration Rate (%)	19.3	28.8	<b>47.5</b>	-
<b>Campu Bank</b>				
Number of Branches	31	31	<b>31</b>	-
Number of Self Service Terminals	74	79	<b>81</b>	-
Increase in Number of Registered Users of Internet Banking (%)	10.0	8.4	<b>32.9</b>	-
Increase in Number of Registered Users of Mobile Banking (%)	69.0	22.6	<b>74.4</b>	-
<b>Public Bank Vietnam</b>				
Number of Branches	26	29	<b>32</b>	-
Number of Self Service Terminals	50	57	<b>62</b>	-
Increase in Number of Registered Users of Internet Banking (%)	42.6	39.5	<b>40.1</b>	-



# Sustainability Statement

## Performance Data

### FINANCIAL INCLUSION

	2020	2021	2022	Target (where applicable)
<b>New Loans Approved</b>				
<b>Home Financing</b>				
Number of Accounts	43,215	47,954	<b>54,536</b>	—
Loan Amount (RM'Billion)	18.03	20.86	<b>23.54</b>	—
<b>Motor Vehicles Financing</b>				
Number of Accounts	188,547	184,524	<b>246,384</b>	—
Loan Amount (RM'Billion)	14.16	14.31	<b>20.12</b>	—
<b>SME Financing</b>				
Number of Accounts	48,846	39,534	<b>46,920</b>	—
Loan Amount (RM'Billion)	11.48	9.14	<b>12.44</b>	—

### SUPPLIERS

#### PROCUREMENT PRACTICES

	2020	2021	2022	Target (where applicable)
<b>Number of Vendor Due Diligence Conducted</b>				
General Items	28	3	<b>28</b>	—
ICT Sourcing and Procurement	25	53	<b>42</b>	—
<b>Procurement Spent on Local Suppliers (% of Total Procurement)</b>				
General Items	100.0	100.0	<b>100.0</b>	—
ICT Sourcing and Procurement	92.0	94.0	<b>93.0</b>	—
<b>% of Local Companies out of the Total Suppliers</b>				
General Items	100.0	100.0	<b>100.0</b>	—
ICT Sourcing and Procurement	92.0	86.0	<b>88.0</b>	—

## ENVIRONMENT

### ENVIRONMENTAL IMPACT

	2020	2021	2022	Target (where applicable)
<b>Total Electricity Consumption (MWh)</b>				
Malaysia <sup>1</sup>	35,293	34,484	<b>34,345</b>	–
Cambodia <sup>2</sup>	4,276	3,819	<b>3,527</b>	–
Vietnam <sup>3</sup>	1,494	1,916	<b>2,079</b>	–
<b>Total</b>	<b>41,063</b>	<b>40,219</b>	<b>39,951</b>	–
<b>Fuel Consumption (litres)</b>				
Malaysia <sup>4</sup> (Petrol)	792,804	660,786	<b>844,792</b>	–
Malaysia <sup>5</sup> (Diesel)	18,426	13,188	<b>15,378</b>	–
Cambodia <sup>6</sup> (Petrol)	62,107	55,681	<b>66,934</b>	–
Vietnam <sup>7</sup> (Petrol)	90,884	87,491	<b>111,541</b>	–
<b>Total</b>	<b>964,221</b>	<b>817,146</b>	<b>1,038,645</b>	–
<b>Water (m³)</b>				
Malaysia <sup>1</sup>	237,379	223,923	<b>256,107</b>	–
Cambodia <sup>2</sup>	19,588	20,961	<b>19,436</b>	–
Vietnam <sup>3</sup>	4,740	7,106	<b>8,550</b>	–
<b>Total</b>	<b>261,707</b>	<b>251,990</b>	<b>284,093</b>	–
<b>Waste Management</b>				
Total Paper Recycled <sup>8</sup> (kg)	106,800	90,250	<b>95,625</b>	–
Number of ICT Equipment Collected by Appointed e-Waste Vendors	8,011	2,951	<b>2,240</b>	–
<b>E-Procurement</b>				
Average Number of Electronic Purchase Orders via e-Procurement (per month)	644	573	<b>609</b>	–

Notes:

1. The data covers Menara Public Bank, Information Technology and Training Centre in Bangi, Bangunan Public Bank, Menara Public Bank 2 and Public Bank Tower in Johor Bahru.
2. The data covers Campus 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. Data covers fuel consumption from generator sets located at Menara Public Bank, Information Technology and Training Centre in Bangi, Bangunan Public Bank, Menara Public Bank 2 and Public Bank Tower in Johor Bahru.
6. The data covers company-owned cars and road travel for business purpose by Campus Bank.
7. The data covers company-owned cars and road travel for business purpose by Public Bank Vietnam.
8. Total waste papers collected at Menara Public Bank and nearby branches in Kuala Lumpur.



# Sustainability Statement

## Performance Data

### EMISSIONS (in tCO<sub>2</sub>e)

	2020	2021	2022	Target (where applicable)
<b>Scope 1 – Direct Emissions</b>				
Mobile combustion (company-owned vehicles and generator set)	533.75	482.70	<b>588.46</b>	–
<b>Scope 2 – Indirect Emissions</b>				
Purchased electricity	27,063.33	26,507.03	<b>26,340.99</b>	–
<b>Scope 3 – Other Indirect Emissions</b>				
Business Travel (Road and Air)	1,698.04	1,398.40	<b>1,839.57</b>	–
Employee Commuting	NA	NA	<b>61.92</b>	–
<b>Total</b>	<b>29,295.12</b>	<b>28,388.12</b>	<b>28,830.94</b>	–

Notes:

1. The collection and calculation of 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, Malaysia as well as overseas operations in Cambodia and Vietnam. The data also covers generator sets located at Menara Public Bank, Information Technology and Training Centre in Bangi, Bangunan Public Bank, Menara Public Bank 2 and Public Bank Tower in Johor Bahru. 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, Menara Public Bank 2 and Public Bank Tower), 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 road and air business travel by employees for domestic banking operations in Malaysia and overseas operations in Cambodia and Vietnam. 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. 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>). Scope 3 data also covers daily commuting to work place by employees in domestic banking operations. Emission for employee commuting is calculated with reference to 2006 Intergovernmental Panel on Climate Change Guidelines for National Greenhouse Gas Inventories, International Energy Agency and UK Government GHG Conversion Factors for Company Reporting 2022.
5. NA: not available. The Public Bank Group started to collect data on employee commuting under Scope 3 emissions in 2022.

### COMMUNITY

#### THE PUBLIC BANK GROUP'S COMMUNITY INVESTMENT

	2020	2021	2022	Target (where applicable)
Public Bank (RM)	1,400,000	3,400,000	<b>568,000</b>	–
Public Islamic Bank (RM)	–	–	<b>67,500</b>	–
Public Mutual (RM)	6,800	21,800	<b>16,930</b>	–
Public Investment Bank (RM)	2,100	–	<b>18,300</b>	–
Campu Bank (USD)	25,000	16,000	<b>26,000</b>	–
Public Bank Vietnam (VND'Million)	50	273	<b>135</b>	–

## EXTERNAL BENEFICIARIES OF THE PUBLIC BANK GROUP'S COMMUNITY INVESTMENT

### 2020

1. MERCY Malaysia
2. Anjung Singgah Yayasan Kebajikan Negara Centre
3. The Asia School of Business
4. Financial Industry Collective Outreach
5. Pusat Jagaan Nuri
6. Rumah Kanak-Kanak Tengku Budriah Cheras
7. Ti-Ratana Welfare Society
8. Pusat Jagaan An Xie
9. Tunku Abdul Rahman University of Management & Technology (formerly known as Tunku Abdul Rahman University College)
10. Malaysian Press Institute
11. Persatuan Pemuzik Tempatan Selangor
12. KOJADI
13. MSWG
14. UTAR
15. Rumah Kanak-Kanak Impian, Taman Plaza, Petaling Jaya
16. Rumah Sejahtera Taman Bahagia Kuala Terengganu
17. Pusat Jagaan Warga Emas, Bait Al-Mawaddah, Shah Alam
18. Institut Jantung Negara
19. Pusat Dialysis National Kidney Foundation – Kelab Lions Alor Setar
20. Hospital Sultanah Bahiyah Alor Setar
21. BNM's School Adoption Programme
22. Khmer-Soviet Friendship Hospital
23. The National Bank of Cambodia
24. Cambodia Securities Exchange Co., Ltd
25. Cambodian Red Cross
26. Angkor Hospital for Children
27. Sri Jinaranda Children's home
28. Go Vap Centre for Children Nurturing & Protection, Ho Chi Minh City
29. Elderly residents of Ha Thanh Village, Quang Nam province
30. Flood victims in Stourng Commune, Kampong Thom Province



# Sustainability Statement

## Performance Data

### EXTERNAL BENEFICIARIES OF THE PUBLIC BANK GROUP'S COMMUNITY INVESTMENT

#### 2021

1. Academy of Medicine Malaysia and the Academy of Family Physicians
2. Frontliners at Hospital Kuala Lumpur
3. Malaysian Press Institute ("MPI")
4. Star Media Group
5. UCSI University
6. Financial Industry Collective Outreach
7. KOJADI
8. MSWG
9. Tunku Abdul Rahman University of Management & Technology
10. BNM's School Adoption Programme
11. Persatuan Kami Prihatin Anak Yatim & Miskin
12. Rumah Amal Asnaf Al Barakh
13. Pertubuhan Kebajikan Anak Yatim Mary
14. Yayasan Sunbeams Home
15. Block K, Flat Cempaka, Bandar Sri Damansara
16. Kampung Desa Mukmin, Batu 7, Gombak
17. Kampung Orang Asli Batu 12, Gombak
18. Kampung Orang Asli Batu 16, Gombak
19. Kampung Orang Asli Sungai Relang, Gombak
20. Kampung Alang Sedayu (Pesima, Gombak)
21. Kampung Changkat, Gombak
22. Ladang Kam Seng (India Estet), Batu 8, Gombak
23. Taman Setapak, Setapak
24. Flat PPR Kg. Baru Air Panas, Setapak
25. The Association of Banks in Cambodia
26. AIA (Cambodia) Life Insurance Plc
27. Insurance Regulator of Cambodia
28. Angkor Hospital for Children
29. Cambodian Red Cross
30. Cambodian Red Cross, Siem Reap Branch
31. People in Koh Kong province who tested positive COVID-19 and/or under quarantine
32. Vietnam's National COVID-19 Vaccine Fund and Central Committee Vietnam Fatherland Front of Binh Duong Province COVID-19 Prevention Fund
33. GoVap Central for Children Nurturing & Protection at Ward 4, GoVap District, Ho Chi Minh City
34. Rajabo Buddhist High School in Siem Reap Province

## EXTERNAL BENEFICIARIES OF THE PUBLIC BANK GROUP'S COMMUNITY INVESTMENT

### 2022

1. Institut Jantung Negara
2. National Cancer Society of Malaysia
3. Yayasan Orang Buta Malaysia
4. BERNAMA
5. MPI
6. Kuala Lumpur Police Contingent
7. Malaysian Institute of Management
8. UTAR
9. Financial Industry Collective Outreach
10. Sustainable Energy Development Authority Malaysia
11. MSWG
12. KOJADI
13. Tunku Abdul Rahman University of Management & Technology
14. Cagamas Berhad
15. Pusat Jagaan Anbe Sivam
16. Pertubuhan Kebajikan Thangam Illam
17. Persatuan Kebajikan Kanak-Kanak Cornerstone
18. Pusat Jagaan Beribuan Kasih
19. Sekolah Tahfiz Al Habbah
20. Kampung Bukit Changgang, Banting
21. Taman Sri Muda, Shah Alam
22. Flood victim in Hulu Langat Selangor
23. Lighthouse Children Welfare Home Association
24. Sekolah Tahfiz Al Habbah
25. Persatuan Kebajikan Orang-Orang Tua Bahagia Selangor
26. Pertubuhan Kebajikan Kanak-Kanak Cacat Permata Hati Kuala Lumpur
27. Malaysian Business Chamber Cambodia
28. Hoan Kiem District People's Committee
29. Charity Aid of the Victims of Storm Noru in Thanh Khe District, Danang City
30. Thi Nghe Orphanage Vietnam Center in Binh Thanh District
31. Quang Ninh Children Protection Center in Quang Ninh province
32. Sihanouk Hospital Centre of Hope
33. Flood victims in Stourng Commune, Kampong Thom Province
34. Samrong Rath Pagoda
35. Kok Til Pagoda (Thorn Neath)
36. Tipkaram Pagoda
37. Svay Cherng Ouk Pagoda
38. Cambodia Red Cross, Siem Reap Branch
39. Mongkorl Meanleak Pagoda
40. The Association of Banks in Cambodia
41. Raksa Koma Foundation
42. Buddhist Gathering Hall
43. YLP Foundation
44. Administrative Police Post of Phsar Kandal II
45. 34 public schools in Kandal Province, Cambodia
46. Association of Banks in Cambodia
47. Kampong Thmor High School and Kampong Thmor Communal Office
48. Sekolah Rendah Islam Darul Aman
49. Lembaga Zakat Negeri Kedah
50. Hartasuci Sdn Bhd (Pusat Pungutan Zakat – Majlis Agama Islam Wilayah Persekutuan)
51. Trinity Community Children Home
52. Rumah Charis (Children)
53. Victory of Children & Youth Home



# Sustainability Statement

## GRI Content Index

### GRI CONTENT INDEX

Statement of use	The Public Bank Group has reported the information in this GRI Content Index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

### GRI 2: GENERAL DISCLOSURE 2021

Disclosure	Description	References in Annual Report 2022/ Sustainability Statement 2022	Page Number
<b>The Organisation and its Reporting Practices</b>			
2-1	Organisational details	Corporate Profile	22
2-2	Entities included in the organisation's sustainability reporting	Sustainability Statement – About Public Bank Group's Sustainability Statement 2022	155 (Reporting Scope)
2-3	Reporting period, frequency and contact point	Sustainability Statement – About Public Bank Group's Sustainability Statement 2022	155 (Reporting Period), 155 (For Feedback)
2-4	Restatement of Information	Restatements of some data compared to prior years are mainly due to additional buildings/subsidiaries have been added to the reporting scope.	
2-5	External Assurance	This Sustainability Statement has not been externally assured. The Public Bank Group will review its stance in the near future.	
<b>Activities and Workers</b>			
2-6	Activities, value chain and other business relationships	Corporate Profile  Sustainability Statement – About Public Bank Group's Sustainability Statement 2022	22  155 (Reporting Scope)
2-7	Employees	Sustainability Statement – Performance Data	228 (Workplace)
<b>Governance</b>			
2-9	Governance structure and composition	Corporate Governance Overview Statement  Sustainability Statement – Approach to Sustainability  For further details, please refer to Corporate Governance Report 2022 available on Public Bank's corporate website at <a href="http://www.publicbankgroup.com">www.publicbankgroup.com</a>	254  157 (Sustainability Governance)  For further details, please refer to Corporate Governance Report 2022 available on Public Bank's corporate website at <a href="http://www.publicbankgroup.com">www.publicbankgroup.com</a>
2-10	Nomination and selection of the highest governance body	Corporate Governance Overview Statement  For further details, please refer to Corporate Governance Report 2022 available on Public Bank's corporate website at <a href="http://www.publicbankgroup.com">www.publicbankgroup.com</a>	259 (New Appointment and Re-appointment of Director), 259 (Re-election of Directors)  For further details, please refer to Corporate Governance Report 2022 available on Public Bank's corporate website at <a href="http://www.publicbankgroup.com">www.publicbankgroup.com</a>
2-11	Chair of the highest governance body	Corporate Governance Overview Statement  For further details, please refer to Corporate Governance Report 2022 available on Public Bank's corporate website at <a href="http://www.publicbankgroup.com">www.publicbankgroup.com</a>	255 (Roles of Chairman, Managing Director/CEO and Non-Executive Directors)  For further details, please refer to Corporate Governance Report 2022 available on Public Bank's corporate website at <a href="http://www.publicbankgroup.com">www.publicbankgroup.com</a>

**GRI 2: GENERAL DISCLOSURE 2021**

<b>Disclosure</b>	<b>Description</b>	<b>References in Annual Report 2022/ Sustainability Statement 2022</b>	<b>Page Number</b>
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Statement – Approach to Sustainability	157 (Sustainability Governance)
2-13	Delegation of responsibility for managing impacts	Sustainability Statement – Approach to Sustainability	157 (Sustainability Governance)
2-14	Role of the highest governance body in sustainability reporting	Sustainability Statement – Approach to Sustainability	157 (Sustainability Governance)
2-15	Conflicts of interest	Corporate Governance Overview Statement  Ethics, Integrity and Trust	254  277
2-16	Communication of critical concerns	Corporate Governance Overview Statement  Sustainability Statement – Approach to Sustainability  For further details, please refer to Corporate Governance Report 2022 available on Public Bank's corporate website at <a href="http://www.publicbankgroup.com">www.publicbankgroup.com</a>	254  157 (Sustainability Governance)
2-17	Collective knowledge of the highest governance body	Corporate Governance Overview Statement  Sustainability Statement – Approach to Sustainability  Sustainability Statement – Theme 2: Proficient Employees  For further details, please refer to Corporate Governance Report 2022 available on Public Bank's corporate website at <a href="http://www.publicbankgroup.com">www.publicbankgroup.com</a>	259 (Directors' Training)  157 (Sustainability Governance)  196 (Employee Engagement and Development)
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Overview Statement  For further details, please refer to Corporate Governance Report 2022 available on Public Bank's corporate website at <a href="http://www.publicbankgroup.com">www.publicbankgroup.com</a>	261 (Board Evaluation)
2-19	Remuneration policies	Corporate Governance Overview Statement  Sustainability Statement – Approach to Sustainability  For further details, please refer to Corporate Governance Report 2022 available on Public Bank's corporate website at <a href="http://www.publicbankgroup.com">www.publicbankgroup.com</a>	264 (Remuneration Policy & Practice)  157 (Sustainability Governance)
2-20	Process to determine remuneration	Notice of Public Bank 57th Annual General Meeting  Corporate Governance Overview Statement  For further details, please refer to Corporate Governance Report 2022 available on Public Bank's corporate website at <a href="http://www.publicbankgroup.com">www.publicbankgroup.com</a>	4  264 (Remuneration Policy & Practice)



# Sustainability Statement

## GRI Content Index

### GRI 2: GENERAL DISCLOSURE 2021

Disclosure	Description	References in Annual Report 2022/ Sustainability Statement 2022	Page Number
<b>Strategy, Policies and Practices</b>			
2-22	Statement on sustainable development strategy	Statement by Chairman  Review by Managing Director/Chief Executive Officer	46  50
2-23	Policy commitments	Ethics, Integrity and Trust  Sustainability Statement – Sustainability Commitments and Key Progress  Sustainability Statement – Theme 2: Proficient Employees  Sustainability Statement – Theme 4: Principled Conduct	277  169  195  219
2-24	Embedding policy commitments	Ethics, Integrity and Trust  Sustainability Statement – Sustainability Commitments and Key Progress  Sustainability Statement – Theme 2: Proficient Employees  Sustainability Statement – Theme 4: Principled Conduct	277  169  195  219
2-25	Processes to remediate negative impacts	Sustainability Statement – Approach to Sustainability	158 (Stakeholder Engagement)
2-26	Mechanisms for seeking advice and raising concerns	Ethics, Integrity and Trust	279 (Whistleblowing Policy and Procedure)
2-27	Compliance with laws and regulations	Sustainability Statement – Theme 4: Principled Conduct  Sustainability Statement – Performance Data	219  228 (Workplace), 234 (Customers)
2-28	Membership associations	Sustainability Statement – Approach to Sustainability	162 (Membership Associations)
<b>Stakeholder Engagement</b>			
2-29	Approach to stakeholder engagement	Corporate Governance Overview Statement  Sustainability Statement – Approach to Sustainability  For further details, please refer to Corporate Governance Report 2022 available on Public Bank's corporate website at <a href="http://www.publicbankgroup.com">www.publicbankgroup.com</a>	269 (MCCG 2021 Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders)  158 (Stakeholder Engagement)
2-30	Collective bargaining agreements	Sustainability Statement – Theme 2: Proficient Employees  Sustainability Statement – Performance Data	201 (Diversity and Inclusion)  228 (Workplace)

**GRI 3: MATERIAL TOPICS 2021**

<b>Disclosure</b>	<b>Description</b>	<b>References in Annual Report 2022/ Sustainability Statement 2022</b>	<b>Page Number</b>
3-1	Process to determine material topics	Sustainability Statement – Approach to Sustainability	162 (Materiality Assessment)
3-2	List of material topics	Sustainability Statement – Approach to Sustainability	162 (Materiality Assessment)

**Material Matters: Climate Change Resilience, Community Empowerment**

GRI 3: Material Topics 2021	3-3	Management of material topics	Sustainability Statement – Theme 1: Protecting the Environment  Sustainability Statement – Theme 3: Prosperous Customers and Communities	181  204
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Financial Highlights  Distribution of Value  For further details, please refer to Annual Report 2022 – Financial Statements available on Public Bank's corporate website at <a href="http://www.publicbankgroup.com">www.publicbankgroup.com</a>	16  80
	201-2	Financial implications and other risks and opportunities due to climate change	Sustainability Statement – Disclosures Aligned with Task Force on Climate-Related Financial Disclosures	172 (Risk Management)
	201-3	Defined benefit plan obligations and other retirement plans	The Public Bank Group complies with Malaysia's retirement obligations and has a separate additional retirement scheme for its long serving employees.  For further details, please refer to Annual Report 2022 – Financial Statements available on Public Bank's corporate website at <a href="http://www.publicbankgroup.com">www.publicbankgroup.com</a>	
	201-4	Financial assistance received from government	The Public Bank Group is unable to disclose the information due to confidentiality constraints.	

**Material Matters: Carbon Emissions, Climate Change Resilience**

GRI 3: Material Topics 2021	3-3	Management of material topics	Sustainability Statement – Disclosures Aligned with Task Force on Climate-Related Financial Disclosures  Sustainability Statement – Theme 1: Protecting the Environment	170  181
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# Sustainability Statement

## GRI Content Index

### GRI 3: MATERIAL TOPICS 2021

<b>Disclosure</b>	<b>Description</b>	<b>References in Annual Report 2022/ Sustainability Statement 2022</b>	<b>Page Number</b>
GRI 305: Emissions 2016	305-1 Direct (scope 1) GHG emissions	Sustainability Statement – Disclosures Aligned with Task Force on Climate-Related Financial Disclosures	177 (Metrics and Targets)
	305-2 Energy indirect (scope 2) GHG emissions	Sustainability Statement – Performance Data	237 (Environment)
	305-3 Other indirect (scope 3) GHG emissions	Sustainability Statement – Disclosures Aligned with Task Force on Climate-Related Financial Disclosures	177 (Metrics and Targets)
	305-4 GHG emissions intensity	Sustainability Statement – Performance Data	237 (Environment)
	305-5 Reduction of GHG emissions	The Public Bank Group endeavours to disclose this information in the Sustainability Statement 2023.	
		Sustainability Statement – Disclosures Aligned with Task Force on Climate-Related Financial Disclosures	177 (Metrics and Targets)
		Sustainability Statement – Performance Data	237 (Environment)

### Material Matter: Resource Management

GRI 3: Material Topics 2021	3-3	Management of material topics	Sustainability Statement – Theme 1: Protecting the Environment	181
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Sustainability Statement – Theme 1: Protecting the Environment	184 (Resource Management)
	302-3	Energy intensity	Sustainability Statement – Performance Data	237 (Environment)
	302-4	Reduction of energy consumption	The Public Bank Group endeavours to disclose this information in the Sustainability Statement 2023.	
			Sustainability Statement – Theme 1: Protecting the Environment	184 (Resource Management)
			Sustainability Statement – Performance Data	237 (Environment)
GRI 303: Water and Effluents 2018	303-3	Water withdrawal	All water used by the Public Bank Group are sourced from municipal water source.	
	303-4	Water discharge	Not applicable. Water discharge is managed by municipalities.	
	303-5	Water consumption	Sustainability Statement – Theme 1: Protecting the Environment	184 (Resource Management)
			Sustainability Statement – Performance Data	237 (Environment)

**GRI 3: MATERIAL TOPICS 2021**

<b>Disclosure</b>	<b>Description</b>	<b>References in Annual Report 2022/ Sustainability Statement 2022</b>	<b>Page Number</b>
GRI 306: Waste 2020	306-2 Management of significant waste-related impact	Sustainability Statement – Theme 1: Protecting the Environment	184 (Resource Management)
	306-4 Waste diverted from disposal	Sustainability Statement – Theme 1: Protecting the Environment  Sustainability Statement – Performance Data	184 (Resource Management)  237 (Environment)

**Material Matter: Sustainable Supply Chain**

GRI 3: Material Topics 2021	3-3	Management of material topics	Sustainability Statement – Theme 1: Protecting the Environment	181
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Sustainability Statement – Theme 1: Protecting the Environment	192 (Sustainable Supply Chain)
			Sustainability Statement – Performance Data	236 (Suppliers)
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Sustainability Statement – Theme 1: Protecting the Environment	192 (Sustainable Supply Chain)
	308-2	Negative environmental impacts in the supply chain and actions	Sustainability Statement – Theme 1: Protecting the Environment	192 (Sustainable Supply Chain)
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Sustainability Statement – Theme 1: Protecting the Environment	192 (Sustainable Supply Chain)
	414-2	Negative social impacts in the supply chain and actions taken	Sustainability Statement – Theme 1: Protecting the Environment	192 (Sustainable Supply Chain)

**Material Matter: Employee Engagement and Development**

GRI 3: Material Topics 2021	3-3	Management of material topics	Sustainability Statement – Theme 2: Proficient Employees	195
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Sustainability Statement – Theme 2: Proficient Employees	196 (Employee Engagement and Development)
			Sustainability Statement – Performance Data	228 (Workplace)
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability Statement – Theme 2: Proficient Employees	202 (Human and Labour Rights)
	401-3	Parental leave	Sustainability Statement – Performance Data	228 (Workplace)



# Sustainability Statement

## GRI Content Index

### GRI 3: MATERIAL TOPICS 2021

<b>Disclosure</b>	<b>Description</b>	<b>References in Annual Report 2022/ Sustainability Statement 2022</b>	<b>Page Number</b>
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Sustainability Statement – Theme 2: Proficient Employees	196 (Employee Engagement and Development)
	404-2 Programmes for upgrading employee skills and transition assistance programme	Sustainability Statement – Performance Data	228 (Workplace)
	404-3 Percentage of employees receiving regular performance and career development reviews	Sustainability Statement – Theme 2: Proficient Employees	196 (Employee Engagement and Development)
		Sustainability Statement – Performance Data	228 (Workplace)

### Material Matter: Diversity and Inclusion

GRI 3: Material Topics 2021	3-3	Management of material topics	Sustainability Statement – Theme 2: Proficient Employees	195
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Corporate Governance Overview Statement	258 (Gender Diversity)
			Board of Directors' Profile	56
			Group Management Profile	65
			Sustainability Statement – Theme 2: Proficient Employees	201 (Diversity and Inclusion)
GRI 406: Non-discrimination 2016	406-1	Ratio of basic salary and remuneration of women to men	Sustainability Statement – Performance Data	228 (Workplace)
			Sustainability Statement – Theme 2: Proficient Employees	201 (Diversity and Inclusion)
			Sustainability Statement – Performance Data	228 (Workplace)
			No reported cases of discrimination in 2022.	

**GRI 3: MATERIAL TOPICS 2021**

<b>Disclosure</b>	<b>Description</b>	<b>References in Annual Report 2022/ Sustainability Statement 2022</b>	<b>Page Number</b>
<b>Material Matter: Human Rights and Labour Rights</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Statement – Theme 2: Proficient Employees	195
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Sustainability Statement – Theme 2: Proficient Employees	202 (Human and Labour Rights)
	403-2 Hazard identification, risk assessment and incident system	Sustainability Statement – Theme 2: Proficient Employees	202 (Human and Labour Rights)
	403-3 Occupational health services	Sustainability Statement – Theme 2: Proficient Employees	202 (Human and Labour Rights)
	403-4 Worker participation, consultation, and communication on occupational health and safety	Sustainability Statement – Theme 2: Proficient Employees	202 (Human and Labour Rights)
	403-5 Worker training on occupational health and safety	Sustainability Statement – Theme 2: Proficient Employees	202 (Human and Labour Rights)
	403-6 Promotion of worker health	Sustainability Statement – Theme 2: Proficient Employees	202 (Human and Labour Rights)
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability Statement – Theme 1: Protecting the Environment Sustainability Statement – Theme 2: Proficient Employees	192 (Sustainable Supply Chain) 202 (Human and Labour Rights)
	403-9 Work-related injuries	Sustainability Statement – Theme 2: Proficient Employees	202 (Human and Labour Rights)
		Sustainability Statement – Performance Data	228 (Workplace)
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not applicable. The Public Bank Group's employees are allowed rights to participate in unions.	



# Sustainability Statement

## GRI Content Index

### GRI 3: MATERIAL TOPICS 2021

Disclosure	Description	References in Annual Report 2022/ Sustainability Statement 2022	Page Number
<b>Material Matters: Financial Inclusion and Accessibility, Digital Transformation</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Statement – Theme 3: Prosperous Customers and Communities	204
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Sustainability Statement – Theme 3: Prosperous Customers and Communities	207 (Financial Inclusion and Accessibility), 216 (Digital Transformation)
	203-2 Significant indirect economic impacts	Sustainability Statement – Performance Data	234 (Customers)
		Sustainability Statement – Theme 3: Prosperous Customers and Communities	207 (Financial Inclusion and Accessibility), 216 (Digital Transformation)
		Sustainability Statement – Performance Data	234 (Customers)
<b>Material Matter: Customer Satisfaction</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Statement – Theme 3: Prosperous Customers and Communities	204
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	Sustainability Statement – Theme 3: Prosperous Customers and Communities	211 (Customer Satisfaction)
	417-2 Incidents of non-compliance concerning product and service information and labelling	No non-compliance concerning product and service information and labelling.	
	417-3 Incidents of non-compliance concerning marketing communications	Sustainability Statement – Theme 3: Prosperous Customers and Communities	211 (Customer Satisfaction)
<b>Material Matter: Data Privacy and Cybersecurity</b>			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Statement – Theme 4: Principled Conduct	219 (Data Privacy and Cybersecurity)
		Sustainability Statement – Performance Data	234 (Customers)
<b>Material Matter: Governance and Business Ethics</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Statement – Theme 4: Principled Conduct	219

**GRI 3: MATERIAL TOPICS 2021**

<b>Disclosure</b>	<b>Description</b>	<b>References in Annual Report 2022/ Sustainability Statement 2022</b>	<b>Page Number</b>
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Sustainability Statement – Theme 4: Principled Conduct	222 (Governance, Risk Management and Compliance)
	205-2 Communication and training about anti-corruption policies and procedures	Sustainability Statement – Theme 4: Principled Conduct	222 (Governance, Risk Management and Compliance)
	205-3 Confirmed incidents of corruption and actions taken	Sustainability Statement – Performance Data	228 (Workplace)

**Material Matter: Transparency and Trust**

GRI 3: Material Topics 2021	3-3	Management of material topics	Sustainability Statement – Theme 4: Principled Conduct	219
GRI 207: Tax 2019	207-1	Approach to tax	Sustainability Statement – Theme 4: Principled Conduct	222 (Governance, Risk Management and Compliance)
	207-2	Tax governance, control and risk management	Audit Committee Report	290 (External Audit)

**OTHER MATERIAL TOPICS NOT COVERED BY GRI STANDARDS**

<b>Material Topics</b>	<b>Description</b>	<b>References in Annual Report 2022/ Sustainability Statement 2022</b>
Sustainable Finance	Developing and promoting ESG related financial products, services and relevant solutions to address evolving environmental as well as social demands	Sustainability Statement – Theme 1: Protecting the Environment, page 186 (Sustainable Finance)
Responsible Lending Practice	Practising ethical and prudent lending practices, including careful assessment of customers' repayment capacity and providing assistance to borrowers who face financial hardship	Sustainability Statement – Theme 3: Prosperous Customers and Communities, page 204 (Responsible Lending Practices)
Risk Management	Safeguarding the Public Bank Group from any possible risks through necessary risk management frameworks and risk assessment	Sustainability Statement – Theme 4: Principled Conduct, page 222 (Governance, Risk Management and Compliance)





# GOVERNANCE



01  
LOREM

40%

01  
LOREM

60%

80%

95%

45%

85%



*“Upholding **Ethics**  
and **Integrity**”*

## **ROBUST CORPORATE GOVERNANCE**

Good corporate governance is the cornerstone of a successful and sustainable organisation. At Public Bank, we ensure best practices are embedded in every aspect of our operations which helps cultivate a culture of integrity, leading to positive performance and an overall sustainable business.

# “Upholding Responsible Business Practices”

## 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 the Securities Commission on 28 April 2021:-

### Principle A

Board leadership and effectiveness

### Principle B

Effective audit and risk management

### Principle C

Integrity in corporate reporting and meaningful relationship with stakeholders

Public Bank's application of the practices as set out in the MCCG 2021 during the financial year 2022 are disclosed in the Public Bank's Corporate Governance Report for the financial year ended 31 December 2022 which can be downloaded from Public Bank's corporate website at [www.publicbankgroup.com](http://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, Credit Risk Management Committee and Board Sustainability Management Committee provides effective oversight of the Management's performance, risk assessment and controls over business operations, sustainability management, and compliance with regulatory requirements. The Board is responsible for determining the nature and extent of the principal risks 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 2022 which can be downloaded from Public Bank's corporate website at [www.publicbankgroup.com](http://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.

### Separation of Roles of Non-Executive Chairman and Managing Director/Chief Executive Officer

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

### Roles of Chairman, Managing Director/CEO and Non-Executive Directors

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 acts as the facilitator at Board meetings to ensure that healthy discussions take place by fostering free expression of opinions of Board Members so as to arrive at optimum decisions. 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 ensures that the Bank's business strategies and policies are effectively implemented.

The Non-Executive Directors review, among other things, the performance of Management in meeting key performance targets and monitor the reporting of the Group's performance. Their role is to constructively challenge the Management and monitor the success of Management in achieving 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.

The roles and responsibilities of the Non-Executive Chairman, Managing Director/CEO and Non-Executive Directors are set out in the Board Charter which is available on Public Bank's corporate website at [www.publicbankgroup.com](http://www.publicbankgroup.com).

### 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, Attendance and Access to Information

Board meetings for the ensuing financial year are scheduled in advance before the end of the current financial year so that the Directors are able to plan ahead and ensure their full attendance at Board meetings.

The Board holds regular meetings of not less than 16 times a year. In addition to monthly Board meetings, the Board also meets as soon as the Bank's quarterly and annual results are finalised 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 2022, all the Board meetings were conducted virtually as a precautionary measure to contain the spread of COVID-19 especially in a confined room.

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 2022.

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, Board Sustainability Management Committee and Management Working Committees through minutes of these committees. The Board Members deliberate on and, in the process, assess the viability of business propositions and corporate proposals, 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 relevant regulatory requirements.

The Chairs of various Board Committees would inform the Directors at Board meetings, of salient recommendations and matters that may have arisen at their respective meetings which require the Board's notice or direction to be given to the Management.

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. This is to allow time for the Directors to review the Board papers and to facilitate full discussion at Board meetings. The meeting papers are uploaded onto a secure portal which is accessible by the Directors from the electronic devices provided by the Bank.

The Board Members are well prepared for Board meetings and engage in robust discussions on key matters on 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 an interested party, so that he/she does not exercise any influence over the Board's decision in respect of the matter. In the event a corporate proposal is required to be approved by shareholders, interested Directors are required to abstain from voting on their shares held in Public Bank on the shareholders' resolutions pertaining to the corporate proposal, and will further undertake to ensure that persons connected to them similarly abstain from voting on the relevant shareholders' resolutions.

The minutes of Board meetings are circulated to all Directors for their perusal prior to confirmation of the minutes to be done at the commencement of the following Board meeting and thereafter signed by the Chairman of meeting.

The Deputy CEO attends all Board meetings by invitation, while the Senior Chief Operating Officers and Senior Management Officers are invited to attend Board meetings to report on matters pertaining to their respective areas of responsibility, and also to brief and provide details to the Directors on recommendations or reports submitted to the Board. The Chief Financial Officer also attends Board meetings by invitation to update the Board on financial guidelines issued by BNM and new accounting standards, and to brief the Board on matters relating to the finance portfolio, such as guidelines and policies to be implemented by the Bank pursuant to BNM policy documents or new accounting standards.

Some Directors also 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 serves as the primary reference that guides the governance and conduct of the Board. It sets out the roles and responsibilities of the Board, Board Committees, individual Directors and Management in upholding sound corporate governance standards and practices. The Board Charter reflects the procedures of the Board and matters reserved for the Board's consideration and approval. The Board Charter is subject to periodic review to ensure it remains fit for purpose. The Board Charter is available on Public Bank's corporate website at [www.publicbankgroup.com](http://www.publicbankgroup.com).

## Sustainability Management

The Board is overall responsible for sustainability management of the Public Bank Group. The Board is supported by the Board Sustainability Management Committee in fulfilling its responsibilities in the setting of sustainability strategies, priorities and targets. On climate-related risk management, the Board Risk Management Committee assists the Board in identifying, measuring, monitoring and mitigating enterprise climate related risks.

At the management level, the Sustainability Management Committee is responsible to oversee the process and conduct of embedding sustainability into the Bank's operations. For this purpose, the Sustainability Management Taskforce (formerly known as the Climate Risk Management Task Force) drives and executes sustainability and climate-related initiatives in the Bank's operations.

The Board plays a key role in the development of the Bank's business plan and ensures that the environmental, social and governance ("ESG") matters, including priorities and targets, are taken into consideration when setting the Bank's business strategies and action plans. In order to upskill their knowledge and keep abreast of the latest developments and emerging issues on sustainability, the Board receives training on sustainability matters, including climate-related matters. Various ESG-related classroom training and self-learning are also provided to enhance employees' knowledge on ESG matters, including climate change.

The Board also ensures regular stakeholder engagements are carried out to facilitate effective communication on ESG-related matters. The Group makes timely ESG disclosure via the Sustainability Statement in the Public Bank annual report, Annual General Meeting, emails, investors' meetings, teleconferencing and the Bank's corporate website.

#### **Board Size and Composition**

The Board as at 14 March 2023 comprises 8 Members following the demise of the Founder, Chairman Emeritus, Director and Adviser, Tan Sri Dato' Sri Dr. Teh Hong Piow on 12 December 2022. The size and composition of the Board are adequate 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 which include the following:-



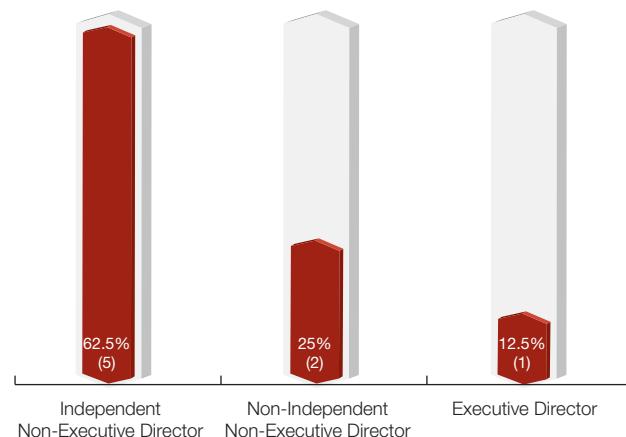
The 8 Members of the Board are persons of high calibre and integrity, and they have a sound understanding of the Bank's business as well as deep industry expertise. They possess the skills, knowledge, experience and competencies to address key risks and major issues relating to the Bank's business and its policies and strategies. The Directors more than adequately fulfill the fit and proper criteria as specified in the Financial Services Act 2013 ("FSA"), the BNM Policy Document on Fit and Proper Criteria as well as the Bank's Fit and Proper Policy for Directors. None of the Members of the Board is an active politician.

The profile of each Member of the Board is as presented on pages 56 to 63 of this annual report.

#### **Board Balance and Independence**

The Board as at 14 March 2023 comprises only 1 Executive Director and a strong presence of 7 Non-Executive Directors, of whom 5 are Independent Non-Executive Directors, thus constituting the majority on the Board. The presence of a majority of Independent Non-Executive Directors provides effective check and balance in the functioning of the Board to safeguard the interests of the Bank and all stakeholders.

#### **Board Composition**



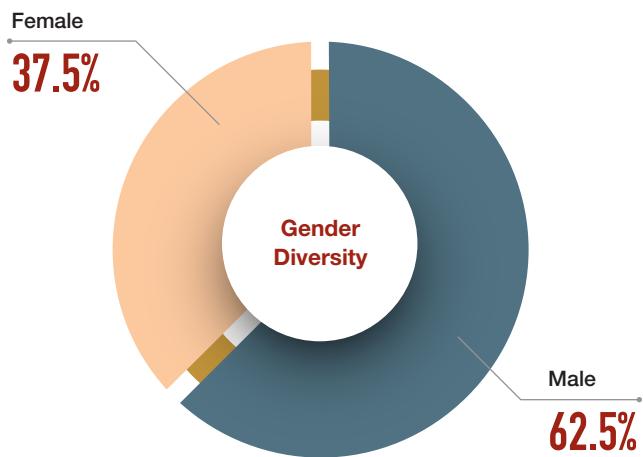
The Nomination and Remuneration Committee and the Board had assessed the independence of each Independent Non-Executive Director during the financial year 2022 as part of the annual fit and proper assessment and were satisfied that all the Independent Non-Executive Directors continue to meet the criteria 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

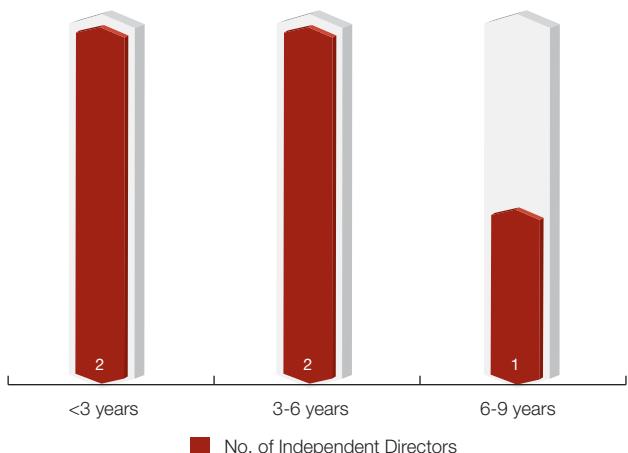
In line with the best practices of the MCCG 2021, the Board has in 2021 formally adopted a gender diversity policy whereby the Board shall comprise at least 30% women Directors. The Board as at 14 March 2023 comprises 37.5% women Directors with 3 out of the 8 Members of the Board. The 3 women Directors 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. As at 14 March 2023, the tenure of the 5 Independent Non-Executive Directors of the Bank is as follows:-

### Tenure of Independent Non-Executive Directors



## Fit and Proper Policy for Directors

The Members of the Board provide strategic leadership that influences the financial position and future direction of the Bank. All Members of the Board are required to have the necessary qualities, competencies and experience that will allow them to perform the duties and carry out the responsibilities required of the position.

The Nomination and Remuneration Committee shall have regard to the following in conducting the assessments of the fitness and propriety of the person identified for appointment as a Director or for re-appointment/re-election as a Director:-

- The Board's composition and requirements in terms of appropriate size, required mix of skills, experience and core competencies, diversity and adequacy of balance between Executive Director, Non-Executive Directors and Independent Directors.
- The person's ability to supplement the collective skill sets of the Directors and bring different perspectives to the Board, and his/her fitness and propriety to be considered for appointment/re-appointment/re-election based on the factors specified in the Bank's Fit and Proper Policy and the BNM Policy Document on Fit and Proper Criteria which include the following overarching criteria:-
  - Probity, Personal Integrity and Reputation  
The person must have the personal qualities such as honesty, integrity, diligence, independence of mind and fairness.
  - Competence and Capability  
The person must have the necessary skills, ability, experience and commitment to carry out the role.
  - Financial Integrity  
The person must manage his or her debts and financial affairs prudently.

A person who has been identified for appointment as a Director or for re-appointment/re-election as a Director shall be required to provide a declaration that he/she complies with the fit and proper factors as specified in the Bank's Fit and Proper Policy and the BNM Policy Document on Fit and Proper Criteria.

- The person must not be disqualified under Section 59(1) of the FSA.
- The person must not have competing time commitments that impair his/her ability to discharge his/her duties effectively.
- In the case of proposed appointment/re-appointment/re-election of an Independent Director, the person must be free of any business or other relationship with the Company which could reasonably be perceived to materially interfere with the exercise of unfettered and independent judgement, and must fulfil the criteria of Independent Director as defined in the BNM Policy Document on Corporate Governance and Bursa Malaysia Securities Berhad Main Market Listing Requirements.

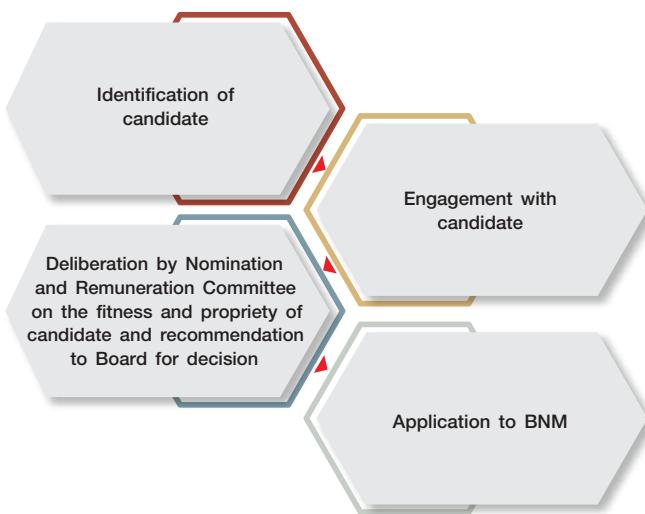
- The person meets regulatory requirements for appointment/re-appointment/re-election and possesses the qualifications to be able to contribute effectively as a Member of a harmonious Board.

The fit and proper assessment of the person identified for appointment as a Director or for re-appointment/re-election as a Director shall be conducted prior to the initial appointment or proposed re-appointment/re-election of a Director. The fit and proper assessment of a Director shall also be conducted at regular intervals of at least annually or whenever the Bank becomes aware of information that may materially compromise a Director's fitness and propriety.

### New Appointment and Re-Appointment of Director

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.

### Nomination Process



The proposed re-appointment of a Director, upon expiry of his/her current term of appointment as approved by BNM, is also subject to the approval of BNM. The Nomination and Remuneration Committee is responsible for assessing the performance and the fitness and propriety of Directors whose current term of appointment as approved by BNM is due to expire, and for submitting their recommendation to the Board for decision on the submission of the application to BNM for the proposed re-appointment of the Director concerned.

### 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 15 May 2023 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 2022.
- 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.



# Corporate Governance Overview Statement

During the financial year 2022, 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.

Conferences, seminars and training programmes participated by Directors in 2022 included the following:-

## Board Leadership/Corporate Governance

- FIDE Forum Core Programme
- FIDE Forum Leadership Perspectives Forum on Board Effectiveness in conjunction with the Launch of Board Effectiveness Evaluation Guidebook
- Board Effectiveness Evaluation – Post Launch Workshop
- Institute of Corporate Directors (ICDM) PowerTalk Talent Uprising – How Boards Should Rethink Their Talent Strategy in this Era of Opportunity
- Climate Governance Malaysia Conversations with Chairmen: A Standard Item in Board Agendas
- Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers
- Webinar on No Rules Rules: Building a Corporate Culture that Breeds Innovation and Flexibility

## Sustainability

- BNM-FIDE Forum Dialogue on Climate Risk Management and Scenario Analysis
- ICLIF-FIDE Forum: Steward Leadership for Sustainability
- Joint Committee on Climate Change (JC3) Upskilling Sustainability Training (JUST) Series: Implementation of Task Force on Climate Related Financial Disclosures
- ICDM PowerTalk ESG Series – Climate Change and Carbon: From the Financial Risk & Reporting Perspectives
- ICDM PowerTalk ESG Series – Climate Characteristics of ESG & Sustainability Leadership
- Asia School of Business: Evening Talk on Inflation, Looming Recession & Climate Change: A Tricky Balancing Act?
- Webinar on ESG Frameworks: Understanding the Alphabet Soup
- Webinar on Understanding Task Force on Climate-Related Financial Disclosures

## Risk/Compliance/Regulatory

- Islamic Finance for Board of Directors Programme
- PIDM Industry Forum 2022
- PIDM - FIDE Forum: Recovery and Resolution Planning Sharing Session
- FIDE Forum: The Emerging Trends, Threats and Risks to the Financial Services Industry - Managing Global Risk, Investment and Payment System

- Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees
- Webinar on Sanctions and Financial Crime Prevention

### **Banking, Finance & Economy**

- FIDE Forum 1st Distinguished Board Leadership Webinar 2022 on MetaFinance: The Next Frontier of the Global Economy
- Chartered Banker Annual Banking Conference: Responsible Banking in a Global Inflationary Climate
- Webinar on Leading Through Banking Transformation

### **Digital Banking/Cyber Security**

- BNM-FIDE Forum MyFintech Week 2022 Masterclasses
- FIDE Forum – International Compliance Association: Can We Win the War Against Financial Crime?
- Webinar on The Token Economy, Cryptocurrencies and Central Bank Digital Currency
- Artificial Intelligence for Business

### **Board Evaluation**

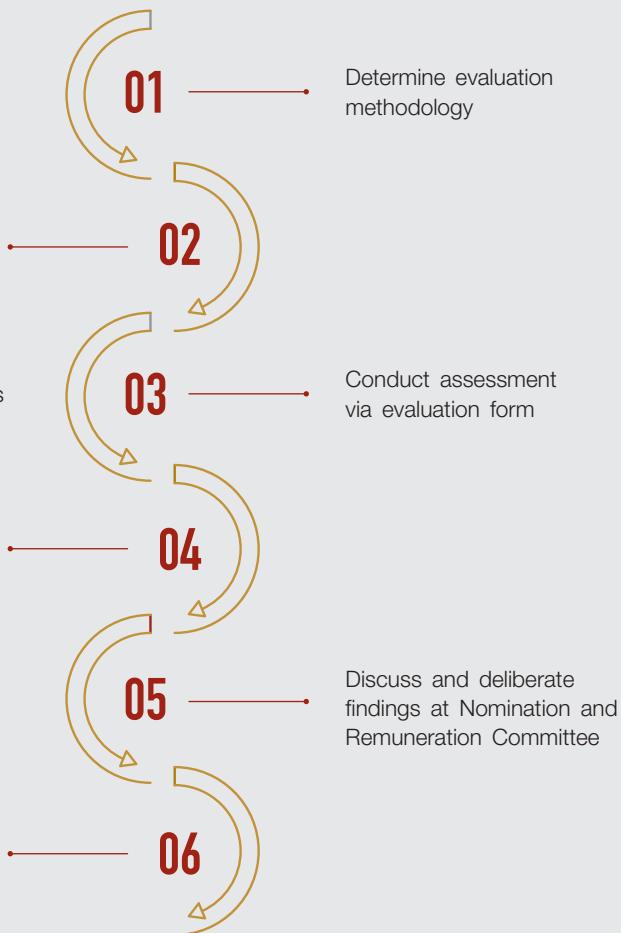
The Board has established an annual performance evaluation process to assess the performance and effectiveness of the Board and Board Committees, as well as the performance of each Director and each Audit Committee Member. The Board evaluation exercise assists the Board to address any gaps and improvement required for the Board.

An overview of the Board evaluation process is as reflected below:-

Evaluation factors pre-established by Board on:-

- Board as a whole
  - Board composition and quality
  - Board meetings and procedures
  - Board training and development
  - Board strategy and risk management
  - Board and management relations
- Board Committees
  - Skills and competencies
  - Functions and duties
  - Meeting administration and conduct
  - Management relations
- Individual Directors
  - Participation and contributions at Board meetings
  - Knowledge and skills
  - Independence (applicable for Independent Director only)

Collates responses and produce reports



# Corporate Governance Overview Statement

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 2022 which can be downloaded from Public Bank's corporate website at [www.publicbankgroup.com](http://www.publicbankgroup.com).

The Board upon its annual assessment carried out for financial year 2022, concurred with the Nomination and Remuneration Committee that:-

- The composition and size of the Board meets the expectations and requirements of the supervisory authorities. However, due to the regulatory limit on the maximum tenure of an Independent Non-Executive Director and other considerations, strenuous efforts are being made on an on-going basis on Board renewal and succession planning by identifying and attracting prospective candidates with appropriate qualifications and relevant experiences to join the Board.
- The Board Members collectively make up a well-balanced Board with Members possessing varied relevant experiences and skill sets in practical banking and finance, banking regulation, accounting, law/legal matters, corporate finance and consumer banking, information technology, business management as well as assurance and advisory services.

The Directors play a constructive role in providing an overall oversight and offering advice and guidance, wherever applicable on general business direction and development.

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 2022 is based on the following fee structure:-

## Director's Fees (per annum)

The Late 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
Board Sustainability Management Committee	4,000

Details of the total remuneration (including benefits-in-kind) of each Director for the financial year 2022 are as follows:-

2022	Remuneration Received from the Bank							Remuneration Received from Subsidiary Companies		Group Total RM'000
	Salary RM'000	Fees RM'000	Bonus RM'000	Other Emoluments RM'000	Benefits-in-kind RM'000	Bank Total RM'000	Fees RM'000	Other Emoluments RM'000		
<b>Executive Director</b>										
Tan Sri Dato' Sri Dr. Tay Ah Lek	13,824	316	22,761	8,413	40	45,354	594	833	46,781	
<b>Non-Executive Directors</b>										
The Late Tan Sri Dato' Sri Dr. Teh Hong Piow (Demised on 12 December 2022)	-	428	-	20,014	49	20,491	1,619	383	22,493	
Lai Wan	-	428	-	317	-	745	302	-	1,047	
Cheah Kim Ling	-	316	-	476	-	792	251	-	1,043	
Lee Chin Guan	-	316	-	240	-	556	286	109	951	
Dato' Mohd Hanif bin Sher Mohamed	-	316	-	512	-	828	300	228	1,356	
Tham Chai Phong	-	316	-	378	-	694	-	-	694	
Lim Chao Li	-	316	-	404	-	720	286	-	1,006	
Gladys Leong	-	316	-	313	-	629	175	124	928	
	-	2,752	-	22,654	49	25,455	3,219	844	29,518	
<b>Total Directors' remuneration</b>	<b>13,824</b>	<b>3,068</b>	<b>22,761</b>	<b>31,067</b>	<b>89</b>	<b>70,809</b>	<b>3,813</b>	<b>1,677</b>	<b>76,299</b>	

### Senior Management

A strong and solid corporate governance and ethical culture is a key and sustainable factor which enables the Group to maintain its edge in the industry and create lasting value to its stakeholders.

The Senior Management, helmed by the CEO, are collectively responsible to spearhead and actualise good governance across all levels of employees and throughout all business activities of the Group. They are collectively responsible for the development and implementation of the corporate business strategies and policies in accordance with the directions set out by the Board of Directors.

The Group's organisation structure is well defined with clear lines of responsibility to promote accountability and transparency amongst the Senior Management. Clear discretionary powers and authority limits are put in place in support of a well-controlled operating environment.

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 strengthen the effectiveness of the internal control and governance systems.

### Senior Management Appointment and Removal

The Bank's Fit and Proper Policy has laid down clear and defined processes and procedures relating to the appointment and removal of Key Responsible Persons ("KRPs") and the stringent assessment of candidates against the requirements. All KRPs are assessed to have met all the fit and proper criteria based on the following factors:-

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

Succession Planning is at the heart of the Public Bank's talent and succession management to secure continuity of leadership and business sustainability. The Group has a structured succession planning framework to identify and nurture internal talents in its leadership pipeline.



# Corporate Governance Overview Statement

The Bank keeps abreast with the latest trends in the market to ensure the workforce remains agile and future-ready. The succession planning process has accordingly been enhanced to include a holistic 3-dimensional talent assessment for a more effective talent identification and management. The 3-dimensional assessment which covers aspects of talents' competency, behavioural tendencies and career aspirations provides a holistic view of their talents, strengths and developmental gaps. Customised individual developmental plans are drawn up for each talent to close the competency gaps. This strategic succession planning process unleashes the talents' full potential, accelerates their development and supports their career growth in the Bank. The Bank upholds a 'Look Within' policy which further gives impetus to the career advancement of identified talents and to retain corporate knowledge and ensure that its corporate values are embedded in leadership positions.

The implementation of the succession planning policy and process is also extended to the Bank's subsidiaries facilitating a standardised practice in talent benchmarking and identification to pave the way for talent mobilisation within the Public Bank Group.

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 is collectively implemented by the Senior Management team.

## Remuneration Policy & Practice

The Public Bank Remuneration Policy is developed based on the Bank's philosophy and principles to perpetuate a performance-orientated culture whilst appropriately balanced with prudent risk-taking across its business practices.

The Bank is cognisant that value creation for stakeholders is integral to the long term sustainability and has thus embedded sustainability considerations into the Bank's performance and rewards strategies.

The elements of ESG are integrated into Senior Management's performance evaluation in financial year 2022 to assess their involvement or initiatives in respect of the strategic management of the Bank's sustainability matters and priorities within their job areas. This is consistent with the MCCG 2021.

A new quantitative key performance indicator ("KPI") on "Achievement of Sustainability Targets in respect of ESG Initiatives" has been introduced in the performance assessment of all Heads of Divisions as they are responsible to entrench sustainability elements in the day-to-day operations of the Bank and ensure the effective implementation of the Bank's sustainability strategies and plans.

The scope of the quantitative KPI on "Training" for Heads of Division and Senior Management has been expanded to include staff's enrolment in at least 1 session of ESG related courses in order to further inculcate staff's awareness and knowledge on climate change and ESG.

The Bank's Remuneration Policy is reviewed by the Nomination and Remuneration Committee and approved by the Board of Directors for implementation across all levels of employees including Senior Management and other employees not governed by any collective agreement in the Bank. Senior Management in this context refers to management staff who are KRPs as defined in the Bank's Fit and Proper Policy as well as persons who are accountable or responsible for the management and oversight of the Bank. 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.

The prescribed deferred amount of performance bonus is further subject to a multi-year framework, minimally a 3-year graded vesting with a proportionate rate of 35%/35%/30% and payable annually at the end of each vested period.

The second component of the variable performance bonus is cash-based and linked to the Total Shareholder's Return ("TSR") of the Bank. However, it is cliff-vested over a period of 3 years. The quantum is calculated as a percentage of the individual eligible performance bonus for the prevailing financial year but payable at the end of the cliff-vested period of 3 years and further subject to the TSR achievement and good individual performance.

The variable performance bonus, whether it is vested or unvested, is subject to adjustments (e.g. malus, clawback and other reversals or downward revaluation of awards) in the event of poor performance of the business unit or the Bank, attributable to the individual or if he/she commits serious legal, regulatory or internal policy breaches. The awards may be clawed back within 3 years from the date of payment to the 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 2022:-

Remuneration	Deferred					
	Non-Deferred		Paid in the Financial Year		Outstanding	
	Amount No.	(RM)	Amount No.	(RM)	Amount No.	(RM)
Fixed	28	28,899,554.33	-	-	-	-
Variable	28	4,209,596.00	28	16,536,606.31	28	6,575,585.40

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

### Strengthening Corporate Governance Culture

A sound and effective corporate governance must be manifested in every sphere of the Group's management and business activities. It is a prominent differentiating factor for long-term value creation and sustainable business performance. The following corporate governance policies and procedures are put in place to enhance awareness and their adoption and compliance. These policies and procedures are subject to regular review to ensure that they remain relevant and reflective of the prevailing practices:-

- **Public Bank Group Code of Ethics**

The Public Bank Group Code of Ethics is aligned with the "Code of Ethics for the Financial Services Industry" established by the Financial Services Professional Board and it is enshrined 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 277 of this annual report.

- **Diversity, Equality and Inclusion Policy**

The Diversity, Equality and Inclusion Policy is put in place to promote diversity, equality, and inclusion within the Public Bank Group for those of all ages, race, ethnic, culture, national origins, gender, marital and parental status, physical impairment, disability and religious beliefs.

The Public Bank Group is committed to building and fostering a fair and inclusive workplace which values diversity and encourages respect for dignity. Diversity is an important value of the Bank, where each employee is respected, valued and appreciated for their differences.

- **Whistleblowing Policy and Procedures**

The Bank's Whistleblowing Policy and Procedures has been established to cultivate a culture of integrity in the workplace. The scope of the Whistleblowing Policy and Procedures covers all staff and third parties in making disclosure of any improper conduct or irregularities without risk of reprisals or 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.



# Corporate Governance Overview Statement

The user-friendly whistleblowing channels are accessible via Public Bank's corporate website at [www.publicbankgroup.com](http://www.publicbankgroup.com). All disclosures are held in strictest confidentiality by the authorised personnel.

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 279 of this annual report.

## • Anti-Fraud Policy

The establishment of the Anti-Fraud Policy is underpinned by integrity and it documents the Group's expectation of all its staff and the requirements relating to the prohibition, recognition, reporting and investigation of suspected fraud, corruption, misappropriation and other similar irregularities.

The Group adopts a zero-tolerance approach towards any form of fraud and is committed to eliminate any improper and illegal acts from all its business activities.

Further details of the Anti-Fraud Policy are set out on page 278 of this annual report.

## • Anti-Bribery and Anti-Corruption Policy

The Public Bank Group upholds the highest level of integrity and honesty in all its business dealings and adopts a "zero-tolerance approach" towards any form of bribery and corruption. It is committed to conducting its activities free from any acts which are contrary to its ethics and integrity.

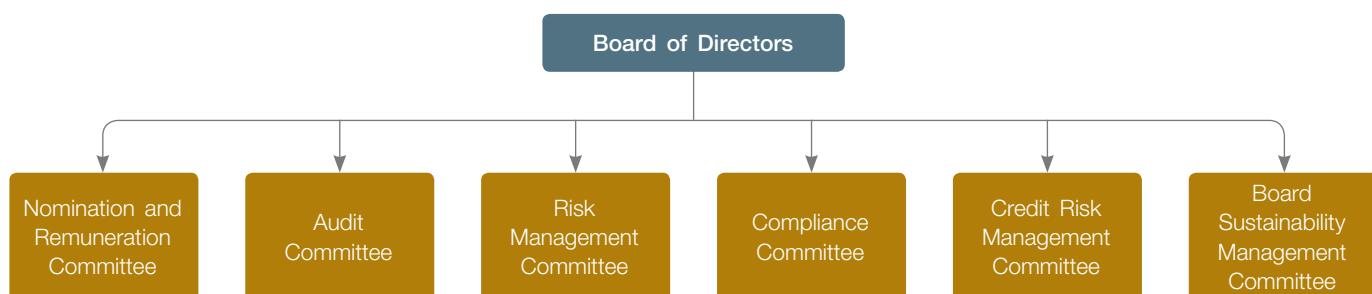
The Anti-Bribery and Anti-Corruption Policy (hereinafter referred to as "ABAC Policy") guides all staff on the Group's zero-tolerance towards any acts of bribery and corruption. The ABAC Policy complies with all applicable laws and regulations including but not limited to Malaysian Anti-Corruption Commission Act 2009 and its amendments and all other laws which are applicable to the Group's business.

The ABAC Policy is established with the following objectives:-

1. To build and foster a business environment which is free of bribes and corruption and which enhances integrity, transparency and accountability.
2. To 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. To 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 solely of Independent Non-Executive Directors while the other Board Committees comprise majority Independent Non-Executive Directors. The Chairman of the Board is not a Member of the Audit Committee or the Nomination and Remuneration Committee. The exclusion of the Chairman of the Board from the Audit Committee and Nomination and Remuneration Committee represents a position that is aligned with MCCG 2021. The Chairman of the Board does not chair the Risk Management Committee, Compliance Committee, Credit Risk Management Committee and Board Sustainability Management Committee, which is in line with BNM Policy Document on Corporate Governance which restricts the Chairman of the Board from chairing Board Committees.

The roles and responsibilities of Board Committees as well as authority delegated by the Board to these Committees, are reviewed from time to time to ensure that they remain relevant and are up-to-date.

The roles and responsibilities of the Board Committees and attendance of each Director at the Board Committee meetings are disclosed in the Public Bank's Corporate Governance Report for the financial year ended 31 December 2022 which can be downloaded from Public Bank's corporate website at [www.publicbankgroup.com](http://www.publicbankgroup.com).

The main activities of the Nomination and Remuneration Committee in 2022 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.
- 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 renewal of contracts of employment of Senior Management staff.
- Review of Public Bank's succession planning for key leadership positions.
- Recommendation to the Board on proposed payment of Directors' fees, Board Committee Members' fees and allowances to Directors subject to shareholders' approval.
- Recommendation to the Board on proposed cap on bonus payment and salary adjustments to be granted by the Bank.
- Recommendation to the Board on bonus payment and annual increment for the Managing Director/CEO, Deputy CEO and other KRPs.
- Recommendation to the Board on Fit and Proper Policy for Directors.
- Recommendation to the Board on salary structure for staff.

## MCCG 2021 PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### Audit Committee

The Audit Committee is established by the Board and comprises 5 Members as at 14 March 2023, 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 Public Bank's corporate website at [www.publicbankgroup.com](http://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 skills, knowledge and experience, including accounting or related banking expertise and experience, ranging from banking regulatory, finance, research, information technology, training and stewardship of financial institutions to discharge their duties. In addition, 2 Audit Committee Members are Chartered Accountants 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 in 2022 to keep themselves abreast of the 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 team, including 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 Bank's external auditors to discuss their audit plan, audit findings and observations on the annual and interim financial results of Public Bank and the Public Bank Group.



# Corporate Governance Overview Statement

The details of the duties and responsibilities of the Audit Committee are set out under the Audit Committee Report on pages 287 to 293 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 stipulated in the BNM Policy Document on External Auditors.

The assessments of the external auditors for audit and non-audit services are carried out vide an assessment checklist in accordance with the 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 conflicts of interest. Additionally, the Audit Committee ensures that the proposed fees are within the allowable threshold set before recommending the proposed engagement to the Board for consideration and approval.

The details of the fees paid/payable to the external auditors for their provision of statutory audit, audit related and non-audit related services in 2022 are set out in Practice 9.3 of the Public Bank's Corporate Governance Report for the financial year ended 31 December 2022 which can be downloaded from Public Bank's corporate website at [www.publicbankgroup.com](http://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 relationships or conflicts of interest.

Public Bank's IAD is staffed by 200 individuals and majority of them are equipped with the relevant experiences 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 43 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, whistleblowing and governance processes in accordance with and conforming to the requirements set out in the BNM's Guidelines on Internal Audit Function of Licensed Institutions as well as MCGC 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 287 to 293 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, mitigation, continuous monitoring and reporting of all relevant and material risks on a group and entity-wide basis, including new and emerging risks. The Board ensures that the risk management and internal control system manages the Public Bank Group's relevant and material risks within its risk appetite in the Public Bank Group's pursuit of its strategies and business objectives.

The establishment of the risk management and internal control system is driven by the Public Bank Group's Risk Management Framework which is approved by the Board and developed based on the BNM's Policy Document on Risk Governance. The key principles of the Public Bank Group's Risk Management Framework set out the requirements for effective risk management covering risk governance, risk appetite, risk management processes and risk culture.

The adequacy and effectiveness of the risk management and internal control system as well as the level of compliance with the relevant laws, regulations, policies and procedures are subject to ongoing assessment by the Risk Management Function, Compliance Function and Internal Audit Function. The Board in discharging its risk and internal control oversight responsibilities is assisted by the independent control functions, the Risk Management Committee, the Credit Risk Management Committee, the Compliance Committee and the Audit Committee.

The Board receives assurance from the 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 281 to 286 of this annual report.

## Risk Management Committee

The Risk Management Committee is established by the Board and supports the Board in carrying out its risk management roles and responsibilities as delegated and authorised by the Board. As at 14 March 2023, it 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 necessity of keeping its key stakeholders, including shareholders, regularly informed in order to foster greater mutual understanding as well as healthy relationships between the parties.

The Bank continues to ensure that adequate, accurate and timely information is disclosed and disseminated in a transparent manner, so that all stakeholders are well informed of the Bank's strategic directions, business activities, financial performance, governance practices and sustainability efforts.

With the increasing focus on ESG issues, Public Bank carries out regular stakeholder engagement to ensure the Board and Management are kept up to date on stakeholders' ESG expectations. Through its investor relations channels, the Bank ensures that investors' enquiries on ESG matters are promptly responded.

The Public Bank's extensive investor relations channel helps facilitate effective communication with the investment community through multiple platforms, including annual report, quarterly results briefings, investors' meetings, roadshows and conferences, Annual General Meeting as well as corporate website. Also, Public Bank's corporate website at [www.publicbankgroup.com](http://www.publicbankgroup.com), with its dedicated investor relations and corporate governance section, is regularly updated to ensure effective transmission of information to stakeholders.

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

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Managing Director/Chief Executive Officer

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Senior Chief Operating Officer

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#### Yik Sook Ling

Chief Financial Officer

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# Corporate Governance Overview Statement

## **Chong Soo Loong**

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## **PUBLIC FINANCIAL HOLDINGS LIMITED**

### **Tan Yoke Kong**

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## **INVESTOR RELATIONS UNIT**

### **Denise Fong Po Yen**

Corporate Planning, Economics & Sustainability Management  
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### **General Meetings**

Since the COVID-19 pandemic, Public Bank has been conducting its Annual General Meetings/Extraordinary General Meeting virtually to ensure continued shareholders engagement, even from a remote location. The 56th Annual General Meeting was held virtually on 23 May 2022.

The Annual General Meeting is the main platform for shareholders to interact directly with the Board and Senior Management, vote on the issues at hand, and bring up concerns and questions. All the Directors attended the 56th Annual General Meeting held on 23 May 2022.

During the meeting, the Managing Director/CEO presented a comprehensive review of the Public Bank Group's financial performance as well as the prospects and business strategies moving forward. Shareholders who had enquiries on the Bank's agenda could submit their questions to the Board, before or during the live streaming of the general meeting. At the conclusion of the Annual General Meeting, the Bank addressed all shareholders' enquiries related to the agenda of the general meeting. The Board and Senior Management also took note of the valuable feedbacks and suggestions from shareholders.

The minutes of the general meeting proceedings are available on Public Bank's corporate website at [www.publicbankgroup.com](http://www.publicbankgroup.com).

This Corporate Governance Overview Statement is made in accordance with the resolution of the Board of Directors dated 28 February 2023.

# Risk Management

## RISK MANAGEMENT OVERVIEW

The Public Bank Group's foundation to create value to its shareholders, customers, counterparties, employees, investors and the community it serves is premised on an effective risk management system across all lines of defence. This is supported by the Group's Risk Management Framework embedded into the day-to-day operations and decision making process.

## RISK MANAGEMENT FRAMEWORK

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

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

## RISK GOVERNANCE STRUCTURE

The Public Bank Group's risk governance structure is as follows:

<b>ESTABLISH RISK APPETITE &amp; POLICY</b>	<ol style="list-style-type: none"> <li><b>1. Board of Directors</b></li> <li><b>2. Risk Management Committee</b></li> <li><b>3. Credit Risk Management Committee</b></li> <li><b>4. Shariah Committee</b></li> </ol>	<b>10. COMPLIANCE COMMITTEE</b> (supported by Compliance Function)	<b>11. AUDIT COMMITTEE</b> (supported by Internal Audit Function)
<b>ENSURE IMPLEMENTATION OF RISK AND COMPLIANCE POLICY</b>	<ol style="list-style-type: none"> <li><b>5. Dedicated Risk Committees</b> <ul style="list-style-type: none"> <li>Assets &amp; Liabilities Management Committee</li> <li>Operational Risk Management Committee</li> <li>Internal Capital Adequacy Assessment Process Working Group</li> </ul> </li> <li><b>6. Credit Committee</b></li> <li><b>7. Risk Management and Control Functions</b> <ul style="list-style-type: none"> <li>Risk Management Function</li> <li>Compliance Function</li> <li>Shariah Review &amp; Compliance Function</li> </ul> </li> </ol>		
<b>IMPLEMENT AND COMPLY WITH RISK POLICY</b>	<ol style="list-style-type: none"> <li><b>8. Support Functions</b> <ul style="list-style-type: none"> <li>Human Resource</li> <li>Information Technology</li> <li>Finance</li> <li>Banking Operations</li> <li>Credit Control, Administration &amp; Supervision</li> <li>Property</li> <li>Security</li> </ul> </li> <li><b>9. Business Functions</b> <ul style="list-style-type: none"> <li>Corporate Lending</li> <li>Investment Banking</li> <li>Islamic Banking</li> <li>Retail Banking and Financing Operations</li> <li>Share Broking</li> <li>Fund Management</li> <li>Treasury and Capital Market Operations</li> </ul> </li> </ol>		



# 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 is responsible for the oversight of compliance management system which encompasses assessment of compliance profile and evaluation of compliance risks. The Compliance Committee deliberates on identified compliance issues regularly to ensure they are resolved effectively, and adequate infrastructure, resources, processes and systems are in place to effectively manage compliance risks.

## Audit Committee

The Audit Committee assists the Board to review and evaluate the adequacy, soundness and effectiveness of the risk management systems, internal controls and governance processes implemented in Public Bank.

In performing this role, the Audit Committee reviews the internal control issues reported, the root causes and its impacts identified by the internal and external auditors during their periodic audits as well as the assessment outcome conducted by the regulators. The Audit Committee also reviews the appropriateness, adequacy and

timeliness of the remedial action taken by the Management to address and resolve the control weaknesses, policies and other operational lapses highlighted by the internal and external auditors, and the regulators in ensuring continuous compliance with the applicable laws and regulatory requirements as well as internal policies.

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, quality of audit, adequacy of audit scope and coverage, adequacy of resources and competency, knowledge and skillsets of the Internal Audit staff.

The Audit Committee is also entrusted to review the unaudited quarterly and half-yearly financial results and the audited annual 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 processes are reliable and transparent.

## 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 any potential Shariah Non-Compliance ("SNC") event confirmed by Potential SNC Committee and endorse rectification measures to address the actual SNC events prior to the approval by the Board.

## Dedicated Risk Committees

The dedicated risk committees assist the RMC in the management of all material risks. The committees are responsible for the effective implementation of the risk management strategies and policies as approved by the Board or RMC. The key responsibilities of the dedicated risk committees are as follows:

- 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 – PRINCIPAL RISKS

The principal risks of the Public Bank Group together with the implications to the Group and key risk management processes are outlined below.

Principal Risks	Definition & Impact	Key Risk Management Processes & Internal Controls
<b>Credit Risk (including counterparty credit risk and country risk)</b>	<p>Risk of defaults by the borrowers/customers or counterparties through lending/financing, hedging, trading and investing activities</p> <p><b>Impact on:</b></p>  Financial Capital  Intellectual Capital  Social Capital	<ul style="list-style-type: none"> <li>• Credit policy incorporating prudent and responsible lending criteria and guidelines to manage credit risk</li> <li>• 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</li> <li>• Monitoring mechanisms to identify potential distress for early intervention and/or to take prompt recovery actions</li> <li>• Independent credit review on large loan application, credit request and review</li> </ul>
<b>Market Risk</b>	<p>Risk of movements in market variables, including interest/profit rates, foreign exchange rates, credit spreads, commodity prices and equity prices</p> <p><b>Impact on:</b></p>  Financial Capital  Intellectual Capital	<ul style="list-style-type: none"> <li>• Regular review of the market and economic conditions to identify areas giving rise to market risk</li> <li>• Market risk policies, procedures and internal controls are in place</li> <li>• Derivative activities for trading are strictly prohibited. Approval from the Board is required</li> <li>• Hedging interest rate/rate of return risk and foreign exchange risk in the event the exposures exceed the risk appetite</li> </ul>
<b>Liquidity and Funding Risk</b>	<p>Risk of insufficient financial resources to meet obligations due and/or inefficient funding structure resulting in high funding cost</p> <p><b>Impact on:</b></p>  Financial Capital  Intellectual Capital	<ul style="list-style-type: none"> <li>• Funding strategy is to pursue growth in stable customer deposits</li> <li>• Maintain a diversified and balanced funding portfolio</li> <li>• Subsidiaries are to attain self-funding position</li> <li>• Contingency Funding Plan ("CFP") to manage liquidity crisis and testing of CFP to ensure operational feasibility</li> <li>• Liquidity stress test to assess the adequacy of liquidity to withstand stress scenarios and the identification of areas of vulnerabilities for further actions</li> </ul>



# Risk Management

Principal Risks	Definition & Impact	Key Risk Management Processes & Internal Controls
<b>Operational Risk</b>	<p>Risk of inadequate or failed internal processes, people and systems or from external events</p> <p><b>Impact on:</b></p>  Financial Capital  Human Capital  Manufactured Capital  Intellectual Capital	<ul style="list-style-type: none"> <li>Day-to-day management of operational risk through system of internal controls and risk management processes</li> <li>Operational risk management tools such as loss incident management, Risk and Control Self-Assessment, Key Risk Indicators and Scenario Analysis</li> <li>Introduction of new products or services and variations are subject to a systematic evaluation process to ensure all related risks are identified and mitigated</li> <li>Disaster recovery and business continuity plans covering all critical business operations to ensure continued provision of essential services</li> </ul>
<b>Technology and Cyber Risk</b>	<p>Risk of ineffective IT strategy, failures or breaches of IT systems, applications, platforms, infrastructure, processes or human errors which could result in financial loss, disruptions in financial services or operations, or reputational harm</p> <p><b>Impact on:</b></p>  Financial Capital  Intellectual Capital  Manufactured Capital	<ul style="list-style-type: none"> <li>Technology Risk Management Framework and Cyber Resilience Framework are established to govern the effective management of technology and cyber risk</li> <li>Regular IT risk assessment to assess the resilience of the IT infrastructure and adequacy of cybersecurity preparedness and to identify areas for enhancement</li> <li>Risk assessment is conducted prior to implementing new e-banking services or material enhancement to the e-banking services</li> <li>Systems development life cycle procedures to govern the development, testing, implementation and maintenance of information systems</li> <li>Conduct continuous cyber security awareness programs/ trainings such as phishing email attack tests and e-learning modules on information security</li> </ul>
<b>Capital Risk</b>	<p>Risk of insufficient capital to meet the capital required to support the business growth strategies, risk profile and regulatory capital</p> <p><b>Impact on:</b></p>  Financial Capital  Intellectual Capital	<ul style="list-style-type: none"> <li>Internal Capital Targets established under the Internal Capital Adequacy Assessment Process ("ICAAP") and are subject to annual review</li> <li>Monitoring of capital positions against Internal Capital Targets</li> <li>Enterprise stress test to assess the adequacy of capital to withstand stress scenarios</li> <li>Capital deficiency plan to identify early warning signals of capital deficiency and the accompanying capital restoration strategies</li> </ul>
<b>Reputation Risk</b>	<p>Risk of negative perception by customers, counterparties, shareholders, investors, debt-holders, market analysts, staff, community, other relevant parties or regulators (collectively known as stakeholders) affecting the ability to maintain existing or establish new business relationships and access to funding</p> <p><b>Impact on:</b></p>  Financial Capital  Intellectual Capital  Social Capital	<ul style="list-style-type: none"> <li>Identify risk drivers and emerging risk that may have an impact on reputation and assessment of the controls in place to manage the risks</li> <li>Establish procedures on the escalation and management of any potential or current reputation events</li> </ul>

Principal Risks	Definition & Impact	Key Risk Management Processes & Internal Controls
<b>Strategic Risk</b>	<p>Risk of the internal and external events that challenges the ability of the Group to achieve its strategic goals or objectives</p> <p><b>Impact on:</b></p> <ul style="list-style-type: none"> <li> Financial Capital</li> <li> Social Capital</li> <li> Manufactured Capital</li> <li> Intellectual Capital</li> <li> Human Capital</li> </ul>	<ul style="list-style-type: none"> <li>• Regular review of business plans and targets taking into account the market conditions and developments</li> <li>• 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</li> </ul>
<b>Shariah Non-Compliance (“SNC”) Risk</b>	<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 Malaysia, Bursa Malaysia, standards on Shariah matters issued by BNM pursuant to section 29 (1) of the Islamic Financial Services Act 2013, or decisions or advice of the respective entities’ Shariah Committee/Shariah Advisers</p> <p><b>Impact on:</b></p> <ul style="list-style-type: none"> <li> Financial Capital</li> <li> Intellectual Capital</li> <li> Social Capital</li> </ul>	<ul style="list-style-type: none"> <li>• Shariah Governance Policy, Shariah Risk Management Policy and other relevant Shariah policies and procedures to manage the compliance with Shariah principles of the Islamic banking operations</li> <li>• Shariah risk management tools such as Risk and Control Self-Assessment, Key Risk Indicators and SNC incident reporting and Scenario Analysis</li> <li>• New Islamic products or services introduced and variations are subject to a systematic evaluation process</li> <li>• Continuous enforcement of Shariah compliance culture, awareness and upgrading staff knowledge</li> <li>• Certification in Islamic Finance e.g. Islamic Banking and Finance Institute Malaysia’s Fundamental Certificate in Islamic Banking, Associate Qualification in Islamic Finance and Certified Professional Shariah Auditor</li> <li>• Independent review program to assess Shariah Compliance at Islamic Banking Units</li> </ul>
<b>Compliance risk</b>	<p>Risk of failure to comply with legal and regulatory requirements applicable to its activities resulting in regulatory sanctions</p> <p><b>Impact on:</b></p> <ul style="list-style-type: none"> <li> Financial Capital</li> <li> Social Capital</li> <li> Manufactured Capital</li> <li> Intellectual Capital</li> <li> Human Capital</li> </ul>	<ul style="list-style-type: none"> <li>• 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</li> <li>• 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</li> <li>• Resident/Mobile Compliance Officers are deployed to perform compliance checks at branches, Hire Purchase (“HP”) Centres, HP Hubs and Securities Documentation Centres</li> <li>• Dedicated Compliance Officers are appointed to support the business/support units to establish and execute their compliance risk mitigation strategies and processes</li> <li>• Compliance Checklists are the core tools to monitor the compliance status of the compliance risk areas at each business/support unit within the Group</li> </ul>



## Risk Management

Principal Risks	Definition & Impact	Key Risk Management Processes & Internal Controls				
<b>Climate Risk</b>	<p>Risks from climate change, the related impacts and the economic and financial consequences, as a result of physical damage caused by extreme weather events or from transitioning towards a low-carbon economy</p> <p><b>Impact on:</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">  Financial Capital                 </td> <td style="width: 25%; text-align: center;">  Social Capital                 </td> </tr> <tr> <td style="text-align: center;">  Manufactured Capital                 </td> <td style="text-align: center;">  Intellectual Capital                 </td> </tr> </table>	 Financial Capital	 Social Capital	 Manufactured Capital	 Intellectual Capital	<ul style="list-style-type: none"> <li>• Climate Related Risk Management Policy setting out the risk governance and risk management practices to ensure climate-related risks are progressively identified, measured, mitigated and monitored</li> <li>• <i>For more information, please refer to 'Disclosure Aligned with Task Force on Climate-Related Financial Disclosures' of the Sustainability Statement on pages 170 to 178.</i></li> </ul>
 Financial Capital	 Social Capital					
 Manufactured Capital	 Intellectual Capital					

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

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

# Ethics, Integrity and Trust

"The Public Bank Group's conformance to elevated standards of professionalism and ethics is at the heart of its business which goes a long way to merit confidence and support of the community at large."

The late Tan Sri Dato' Sri Dr. Teh Hong Piow

## ETHICAL LEADERSHIP

The Public Bank Group's businesses are built on ethical foundation which steers the Group towards achieving banking excellence and further anchors the future of a sustainable financial industry. The adoption of high standards of ethics and professionalism not only goes beyond what is set out in the letter of the law, but also embodies the spirit of goodness and doing what is right.

The Public Bank Group strongly believes that the key to maintaining public trust and remain resilient in the dynamic business environment lies in its human capital who embraces high ethical standards and professionalism. The Group's unwavering commitment to a pervasive ethical culture is spearheaded from the very top, with the Board of Directors setting the tone for ethical and responsible conduct and cascaded to all levels of employees across the Group.

The Public Bank Group is committed to demonstrating and walking the values of ethics, governance and professionalism in all its business dealings. Hence, the Group has set clear and consistent policies on the ethical standards required of all employees to accelerate the adoption and internalisation of standards.

## PUBLIC BANK GROUP'S CODE OF ETHICS

The Public Bank Group's Code of Ethics is aligned to the Professional Code for the Financial Services Industry issued by the Financial Services Professional Board and translate the Group's corporate culture into a comprehensive policy detailing the professional conduct and ethical behaviour expected of employees in discharging their duties.

The following five (5) fundamental principles of the Public Bank Group's Code of Ethics serve as the core guiding principles governing the behaviour of the employees in all facets of the Group's business and operations.

### 1. Competence

To develop and maintain the relevant knowledge, skills and behaviour to ensure that activities are conducted professionally and proficiently.

### 2. Integrity

To be honest and open in all business dealings or relationships. Behaving in an accountable and trustworthy manner.

### 3. Fairness

To be responsible and take actions that are fair and transparent towards all stakeholders.

### 4. Confidentiality

To protect the confidentiality and sensitivity of information, including customer's relationship with Public Bank.

### 5. Objectivity

To not allow bias, conflict of interest or undue influence of others to override business and professional judgement.

## FIT AND PROPER POLICY FOR KEY RESPONSIBLE PERSONS

The Public Bank Group is guided by its Fit and Proper Policy for Key Responsible Persons which is in line with Bank Negara Malaysia ("BNM") guidelines to ensure that the Group is helmed by a team of competent leaders who have fulfilled the following criteria:

- **Probity, Personal Integrity and Reputation** – possesses the personal qualities such as honesty, integrity, diligence, independence of mind and fairness.
- **Competence and Capability** – have the relevant knowledge, skills, experience, ability and commitment to carry out the person's role.
- **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 preserve an appropriate separation between ownership and management of the Public Bank Group. Thereafter, they are required to inform the Bank as and when there are changes pertaining to their declaration.

## INVESTOR PROTECTION POLICY

The Public Bank Group vigilantly complies with prevailing provisions of the Capital Market and Services Act 2007 by conducting periodic review and maintaining 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.



# Ethics, Integrity and Trust

## DIVERSITY, EQUALITY AND INCLUSION POLICY

The Diversity, Equality and Inclusion Policy is put in place to promote diversity, equality, and inclusion within the Public Bank Group for those of all ages, race, ethnic, culture, national origins, gender, marital and parental status, physical impairment, disability and religious beliefs.

The Public Bank Group is committed to building and fostering a fair and inclusive workplace and continues to promote diversity and encourages respect for dignity. Diversity is an important value of the Group, where each employee is respected, valued and appreciated for their differences.

## COMPLIANCE POLICY

The Public Bank Group's Compliance Policy has been put in place with the following objectives and to ensure consistency in its compliance risk governance processes:

- To set out the roles and responsibilities of the Board of Directors, Senior Management and employees of the Public Bank Group in managing compliance risk.
- To set out the mandate of the Compliance Function for the Public Bank Group.
- To set out the compliance requirements and standards for the Public Bank Group.
- To set out the operating model for Compliance Function with regards to the identification, management and reporting of compliance risk.
- To promote a corporate culture that upholds high standards of zero tolerance for legal and regulatory non-compliance, integrity and ethics in the conduct of the Public Bank Group's business.

The Public Bank Group's Compliance Policy is developed based on three over-arching principles:

- ✓ 'Zero tolerance approach' towards legal and regulatory non-compliance.

All employees are expected to comply with the laws and regulations governing the Public Bank Group's business and operations.

- ✓ 'Compliance is Everyone's Responsibility'

This principle is infused in the veins of all employees to ensure that all employees are responsible for the effective management of compliance risk within their work scope.

- ✓ 'Risk-based approach' in managing compliance risk.

The Compliance Function undertakes a periodic Compliance Risk Assessment to identify and prioritise the legal and regulatory requirements set out by regulators, relevant to the Public Bank Group.

## ANTI-FRAUD POLICY

The Public Bank Group continues to uphold a culture of zero-tolerance towards any form of fraud. The Anti-Fraud Policy is developed in line with the Group's commitment to eliminate fraud from all its business activities as well as to maintain clear roles and responsibilities at every level of the organisation.

The objectives of the Public Bank Group's Anti-Fraud Policy are as follows:

- To ensure the Public Bank Group's business is conducted in accordance with the law.
- To nurture an environment of honesty and integrity.
- To promote awareness of the Public Bank Group's stand on improper, illegal and dishonest acts and the consequences of such acts.
- To create employee awareness of their roles, rights and responsibilities in relation to improper, illegal and dishonest acts.

## ANTI-BRIBERY AND ANTI-CORRUPTION ("ABAC") POLICY

In its pursuit of business growth, the Public Bank Group remains steadfast in conducting its business in accordance with the highest ethical standards and prohibits all forms of bribery or corruption. Accordingly, the Group's ABAC Policy has been established in full compliance with all applicable laws and regulations, including but not limited to Malaysian Anti-Corruption Commission Act 2009 and its amendments and all other laws which are applicable to the Group's business. The objectives of the ABAC Policy are as follows:

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

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

The Public Bank Group remains alert on the evolving AML/CFT risks brought about by the borderless world and the era of digitalisation. The Group's AML/CFT and TFS framework further affirms its commitment in managing the threats of money laundering, counter financing of terrorism and targeted financial sanctions. Robust infrastructure and system of internal controls have been established and embedded in the business processes to mitigate the risk associated with AML/CFT, curtail illicit activities and safeguard the financial system.

The key objectives of the Public Bank Group's AML/CFT and TFS Policy are as follows:

- To set out the expectation of AML/CFT and TFS requirements for the entities within the Public Bank Group.
- To 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 and proliferation of financing risks.

### **WHISTLEBLOWING POLICY AND PROCEDURE (“WBP”)**

The Public Bank Group's WBP encapsulates the governance and standards required to bring potential compliance and ethical risk or malpractices to the Management's timely attention in a secure and transparent manner. The employees and members of the public are able to raise their concerns through the designated whistleblowing platform without fear of reprisals as the disclosures are only accessible and treated in strictest confidence by an authorised personnel.

The Public Bank Group's WBP is in line with BNM's Policy Document on Corporate Governance, Standard on Whistleblowing for Financial Institutions by the Financial Services Professional Board as well as the principles prescribed in the Whistleblower Protection Act 2010 with the following objectives:

- 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 the WBP.

### **SOCIAL MEDIA POLICY**

The line between personal and professional life has become increasingly blurred in the current tech-dependency era. The social media platforms have undeniably changed human communication through its worldwide connectivity from anywhere and anytime, using any platform or device.

Such technological advancements however pose as a double-edged sword if clear guidelines are not in place to prescribe the appropriate standard of protocols when engaging in social media in order to mitigate the associated legal risk and cyber threats. In this context, the Public Bank Group has effectuated the Social Media Policy to ensure that all employees are guided by the expected behavioural conduct or decorum while engaging in social media activities both in their personal or professional capacity.

The Public Bank Group's Social Media Policy has been established with the following objectives:

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

### **INFORMATION SECURITY POLICY**

As a trusted financial institution, the Public Bank Group is cognisant of the importance to protect and preserve the entrusted information assets from the growing information security threats such as the threats to Public Bank's information system and/or the data or information. The Group and its employees are committed to safeguard and manage the information assets in conformance with the principles of confidentiality, integrity and availability.

The Information Security Policy is put in place with the following objectives:

- To protect the Public Bank Group's information from possible threats whether internal or external, deliberate or accidental.
- To enable secure information sharing.
- To ensure all employees are aware of their roles and responsibilities in managing and protecting the confidentiality and integrity of the information they handle.
- To protect the Public Bank Group from legal liability due to inappropriate use of its information.
- To 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'S CORPORATE CULTURE**

The Public Bank Group is a strong advocate of best practices and service excellence anchored on a strong and solid ethical corporate culture. Amongst others the following initiatives and measures are in place to develop, maintain and continuously uphold a thriving ethical culture:

- Incorporation of applicable guidelines and policies in the offer letter and service undertaking to be read, understood and acknowledged by all employees upon their appointment.
- Emphasis of the guidelines and policies during induction programme for new employees.
- Reminders via employee circulars.



## Ethics, Integrity and Trust

- 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 Codes of Ethics and Conduct as well as the Group's Anti-Bribery and Anti-Corruption Policy.
- Extensive supervisory control and procedures in the Public Bank Group's daily operations to ensure scrupulous dealings 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 internal audit or compliance team on a regular basis.
- Implementing a performance management system incorporating the achievement of expected ethical standards, governance and compliance in the performance evaluation criteria.
- 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

At the Public Bank Group, strong ethical culture is embedded in its transparent governance and compliance framework including its consequence management framework where stringent disciplinary procedures are implemented to reinforce the Group's stand against unethical practices and/or misconduct.

The Public Bank Group will not hesitate to take stern disciplinary action on any non-compliance with the Group's Code of Ethics and Conduct or any applicable laws, regulations or policies in order to protect the interest of the Group and its stakeholders.

The Board of Directors maintains oversight of the reputational risk within the Group. Hence, all breaches relating to the Group's Code of Ethics and Conduct are reported to the Board for the effective discharge of their oversight responsibilities.

# 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 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 Public Bank 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 Public Bank 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 Public Bank 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 Public Bank 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 Public Bank Group's 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 is responsible for the development and the implementation of the Group Risk Management Framework.

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

#### - Risk Governance

The Public Bank 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 Public 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.



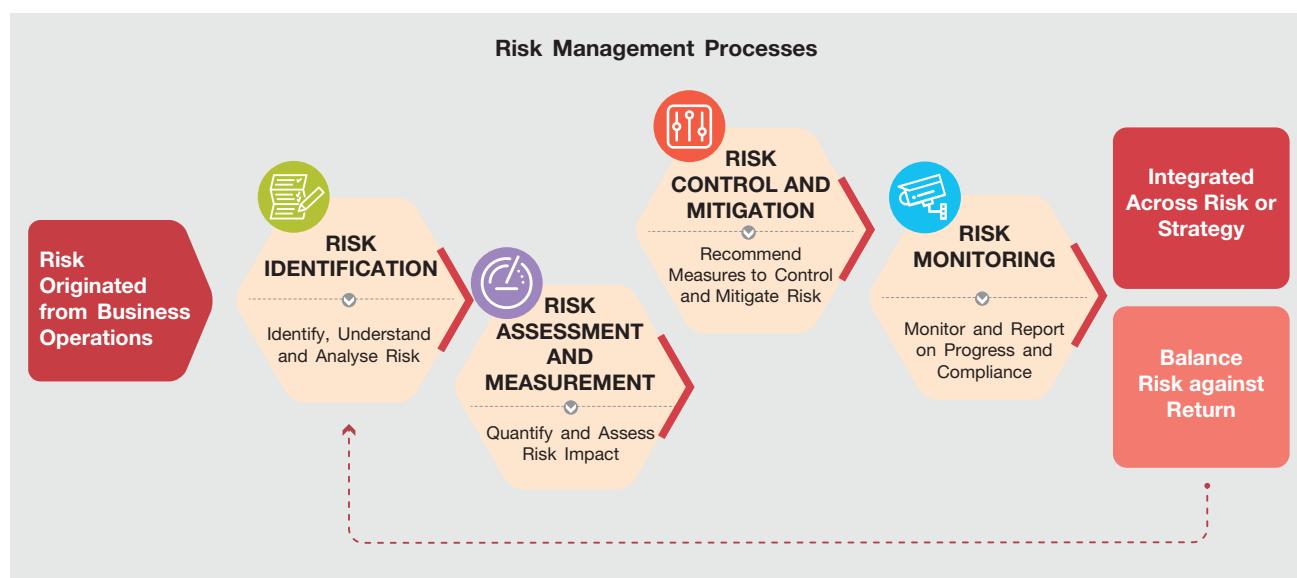
# Statement on Risk Management and Internal Control

## - Risk Appetite

The Public Bank 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's 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 Public Bank 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

## • Group Compliance

The Public Bank Group's 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 Public Bank Group adopts a zero tolerance approach towards legal and regulatory non-compliance and all staff are expected to comply with the laws and regulations governing the Group's business

### - Compliance is Everyone's Responsibility

Compliance is the responsibility of all staff, regardless of their position within the Public Bank Group

### - Risk-based Approach

The Compliance Function undertakes a periodic Compliance Risk Assessment to identify and prioritise the legal and regulatory requirements applicable to the Public Bank Group

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

The Compliance Functions of Public Bank and its major subsidiaries are responsible for the management of statutory and regulatory compliance risk of the Public Bank Group across all jurisdictions in which the Group operates. The Compliance Function's overall responsibility of coordinating the management of the Group's compliance risk is guided by the Group's Compliance Policy, which sets out the mandate of the Compliance Function for the Group and the compliance expectations for its entities to adopt and implement.

Reports on compliance matters covering compliance findings, corrective measures, the latest regulatory environment and any discernible areas of regulatory focus such as anti-money laundering, counter financing of terrorism and counter proliferation financing are tabled to the CC for review and deliberations at the monthly meetings.

#### **• Shariah Governance, Risk and Compliance**

The Shariah Governance Policy of Public Islamic Bank ("SGP") 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 and Shariah Review & Compliance

- Third line of defence**

Internal Audit

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

#### **• Technology and Cyber Risk Management**

The Public Bank Group's 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 Public Bank Group's 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 on technological control measures are conducted by Information Technology Functions and are subject to independent review by Technology Risk Management, Compliance and Internal Audit Functions. External consultants are engaged periodically to conduct independent assessments on the resilience of the Public Bank Group's cybersecurity.

#### **• Sustainability Management**

The Public Bank Group's approach to sustainability is to embed the principles of social responsibility, environment protection and economic viability in discharging its duties as a financial service provider. This is reinforced by the Group's four overarching sustainability themes, being Environmental, Workforce, Customer & Community and Governance. The progress towards the achievements of the committed themes are supported by the Group's Sustainability Roadmap.

The Board is assisted by the Board Sustainability Management Committee to oversee the setting of the sustainability strategies, priorities and targets, in alignment to the Public Bank Group's sustainability commitments.

At the management level, the Sustainability Management Committee oversee the implementation of the sustainability initiatives to progressively achieve the Public Bank Group's sustainability objectives and commitments.



# Statement on Risk Management and Internal Control

## • Reputation Risk Management

The reputation of the Public Bank Group is founded on trust from its customers, shareholders, employees, regulators and from the public in general. Isolated events can undermine that trust and negatively impact the Group's reputation and it is therefore of the utmost importance that it is protected. The Group's 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 being the Nomination and Remuneration Committee, the Board Sustainability Management Committee, the Risk Management Committee, the Credit Risk Management Committee, the Compliance Committee and the Audit Committee to oversee specific responsibilities based on the approved terms of reference. Any change to the terms of reference of the Board committees requires the Board's approval.

#### • Management Committees and Management Working Committees

Management committees and the management working committees of Public Bank and its major subsidiaries are established to ensure the 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 Public Bank 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 Public 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 respective entities' risk management systems, internal controls and governance processes. The minutes of the Audit Committees' meetings are tabled to the respective Boards.

### Control Activities

#### • Annual Business Plans, Budgets and Management Reports

Annual business plans and budgets of Public Bank and its major subsidiaries, which are developed in line with the Public Bank 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.

- **Internal Controls, Policies and Procedures**

A system of internal controls based on segregation of duties, independent checks, segmented system access control and multi-tier authorisation processes is in place to ensure control procedures and limits are implemented and complied with. Authority limits are in place to govern the day-to-day risk-taking activities such as extension of credits, treasury operations, investments, acquisitions and disposals of assets. Policies and procedures to govern the business and operations of the Public Bank Group are formulated to ensure compliance with internal controls and relevant laws and regulations. These policies and procedures are subject to periodic review to ensure continuing relevance 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 Public Bank Group's risk management and internal control system is operating as intended.

- **Business Continuity Management**

Public Bank and its subsidiaries have established the Business Continuity Management Policy which sets out the objectives, scope, strategies and response procedures as well as the lines of authority and responsibility for effective implementation of business continuity management throughout the organisation. In addition, Business Continuity Plans ("BCP") and Disaster Recovery Plans ("DRP") are established for critical business functions and critical application systems respectively 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. Enhanced BCP measures which include split operations and Work-From-Home arrangements, and utilisation of digital platform for meeting arrangements have strengthened the operational resilience within the Bank and its subsidiaries ensuring the continued provision of essential financial services at all times.

- **Information Asset Security and Data Privacy**

The Public Bank Group holds and processes confidential and personal information of customers, employees, business partners and suppliers as well as information relating to its own operations. To safeguard data privacy and prevent the misuse of confidential information, the Group has established principles and standards expected of staff when accessing and processing information in the course of their duties. In addition, policies, systems and control measures are put in place to ensure 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 Public Bank 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 Public Bank Group undertakes a structured screening in the acquisition and placement of talents designed to attract and match the right talents to job functions. Customised training programmes are in place to groom and nurture staff at all levels to enhance their professional competencies, knowledge and skills. Various awareness programmes are conducted regularly to inculcate ethical conduct and professionalism in the staff force.

- **Group Code of Ethics**

The Public Bank Group's Code of Ethics sets out the organisational values and ethical principles including the ethical standards of behaviour expected of all staff in the Group. It is aligned to the Financial Services Professional Board's Professional Code for the Financial Services Industry. The five fundamental ethical principles outlined in the Group's Code of Ethics are Competence, Integrity, Fairness, Confidentiality and Objectivity. They are observed in all business and professional dealings with all stakeholders.



# Statement on Risk Management and Internal Control

## • Anti-Fraud Policy

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

It also sets out the Public Bank Group's expectations on 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 Public Bank Group is committed to conduct its activities free from any form of bribery, corruption or any acts which are contrary to its ethics and integrity. The Group adopts a zero tolerance approach towards any form of bribery and corruption. This is governed by the Group's Anti-Bribery and Anti-Corruption Policy ("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 Public Bank 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.

## FLOOD MANAGEMENT

In December 2022, several states in Malaysia were severely affected by the 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 Public Bank 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.

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. In respect of the sustainability and climate-related risk management, it will be intensified in 2023 and is overseen by the Board Sustainability Management Committee and the Risk Management Committee.

## REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants for inclusion in the annual report of the Public Bank Group for the year ended 31 December 2022, and reported to the Board that nothing has come to their attention that causes them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

- a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
- b) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Public Bank Group's risk management and internal control system including the assessment and opinion by the Board 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



**GLADYS LEONG**  
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 five (5) Members as at 14 March 2023, all of whom are Independent Non-Executive Directors and the Chairman of the Board of Directors 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:

- Policy Document on Corporate Governance issued by Bank Negara Malaysia on 3 August 2016;
- The Malaysian Code of Corporate Governance revised by the Securities Commission Malaysia on 28 April 2021; and
- Bursa Malaysia Securities Berhad's Main Market Listing Requirements which were last updated on 1 September 2022.

## 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 17 times in year 2022. 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
<b>Dato' Mohd Hanif bin Sher Mohamed</b> Chairman/Independent Non-Executive Director	17/17
<b>Cheah Kim Ling</b> Member/Independent Non-Executive Director	17/17
<b>Tham Chai Phong</b> Member/Independent Non-Executive Director	17/17
<b>Lim Chao Li</b> Member/Independent Non-Executive Director	17/17
<b>Gladys Leong*</b> Member/Independent Non-Executive Director	9/9

\* Ms Gladys Leong was appointed as a Member of the Audit Committee with effect from 1 July 2022.



# Audit Committee Report

## 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 Bank Negara Malaysia's Policy Document on Corporate Governance, Bursa Malaysia Securities Berhad's Main Market Listing Requirements and Securities Commission Malaysia's The Malaysian Code on Corporate Governance. Public Bank's Audit Committee is supported by the respective Audit Committees established at the subsidiaries as the case may be.

In discharging its duties, the Audit Committee is empowered to carry out its roles and responsibilities with unambiguous authority to investigate any matter within its terms of reference, to seek independent professional advices, if necessary, and to require essential resources to perform its duties 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 Bank Negara Malaysia's Guidelines on Internal Audit Function of Licensed Institutions. The Internal Audit function performs ongoing periodic reviews and assessments on the adequacy and effectiveness of the established risk management systems, internal controls, anti-corruption measures, whistleblowing policy and governance processes and reports the outcome of such reviews and assessments 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, anti-corruption measures, whistleblowing policy 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 Public Bank 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 Division 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 Bank Negara Malaysia'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 of the external auditors prior to its recommendation to the Board of Directors for consideration on their appointment/re-appointment, remuneration and removal. For provision of non-audit services by the external auditors, the Audit Committee reviews and evaluates that the external auditors have the capability and are independent as well as objective in the provision of such services and there is no 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](http://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 2022, 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 Bank Negara Malaysia and thereafter release to Bursa Malaysia Securities Berhad pursuant to its Main Market Listing Requirements. The review focused on, amongst others, an assessment on the appropriateness of the accounting standards applied and its treatments as well as financial reporting and disclosures are in compliance with the relevant regulatory requirements and applicable accounting standards.

In carrying out such a review, the Audit Committee had sought explanations and additional information from the Senior Management team including the Chief Financial Officer on the reasons for any significant variances/fluctuations in the financial performance of Public Bank and the Public Bank Group, including the key income components and operating expenses.

In reviewing the unaudited quarterly, half yearly and annual audited financial results of Public Bank and the Public Bank Group, the Audit Committee met up with the Bank's external auditors, Messrs. Ernst & Young PLT ("EY") to discuss the outcome of EY's audit on the Bank and the 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: Financial Instruments (MFRS 9), 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 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 a going concern basis, fairly presented and in conformance with the relevant accounting standards in all material aspects of its financial position and performance for the financial year ended 31 December 2022.

##### **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 2022.



# Audit Committee Report

## 4.3 External Audit

The Audit Committee met four (4) 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 2022. In so doing, the Audit Committee had:

- Reviewed and deliberated the audit plan for the financial year ending 31 December 2022;
- Reviewed, followed up and where necessary sought explanations from EY on the results of their audits including the limited review for the 6-month period ended 30 June 2022 and 9-month period ended 30 September 2022;
- Discussed EY's areas of audit emphasis, internal control observations including the Shariah matters within Public Bank Group; and
- Reviewed the recommendations set out in the Memorandum of Recommendations for the financial year ended 31 December 2022 as presented by EY.

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 the Bank and the 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 Bank's Senior Management team or Internal Audit staff shall be held at least twice a year. In 2022, the Audit Committee had three (3) such meetings with the EY's engagement team to discuss matters of interest without the presence of Bank's Senior Management team 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.

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 Bank's Senior Management to rectify and improve control procedures based on the internal auditors' recommendations. For the financial year under review, the Audit Committee is not aware of any significant disagreement between the GCIA and Bank's Senior Management.

As for the reports issued by regulatory authorities, the Audit Committee reviewed the Management's responses to the supervisory concerns and areas for improvement as well as 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 the Internal Audit function. 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 Bank Negara Malaysia's Guidelines on Business Continuity Management. The Audit Committee also reviewed, on a quarterly basis the Internal Audit report on related party transactions entered into by the Bank 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 Division twice in 2022. During the meetings, 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 post (COVID-19) pandemic on the work progress of the Internal Audit function.

The Chairman also advised Internal Audit function on the need to provide adequate training and certification courses to its staff in order to further enhance their competency level and skill sets so that they are prepared and ready to meet the challenges ahead.

#### **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 the Bank's staff and other relevant stakeholders such as vendors, suppliers, contractors, consultants and interns to report, in confidence and without the risk of reprisal, instances of any illegal, unethical or questionable practices.

Public Bank had further strengthened its whistleblowing policies and procedures taking into consideration the requirements set out in Bank Negara Malaysia's Policy Document on Corporate Governance as well as the requirements under the Public Bank Group Anti-Bribery and Anti-Corruption Policy, which was last reviewed and approved by Board of Director on 28 April 2022.

Pursuant to the Bank Negara Malaysia's Policy Document on Corporate Governance, the Board of Directors had appointed the Chairman of the Audit Committee as the designated non-executive director responsible for the effective implementation of the whistleblowing policies and procedures, encompassing how disclosures on concerns are timely escalated and dealt with including the punitive action taken against errant staff.

### **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.



## Audit Committee Report

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 Bank Negara Malaysia 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 Banks's electronic publication homepage on 25 August 2022 and a copy of which was extended to the Internal Audit function of subsidiary companies for their adoption.

The 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 Bank's Senior Management, as well as the authority to seek information and explanations, for the purpose of conducting its audit.

Internal Audit function provides independent assurance to the Audit Committee and Bank's Senior Management based on its report on the adequacy and effectiveness of the internal control environment of the areas audited upon the completion of each audit. Internal Audit 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 Bank Negara Malaysia, Securities Commission Malaysia and Payments Network Malaysia Sdn Bhd;
- Reviews the unaudited quarterly and half-yearly financial results and annual audited financial statements focusing on Public Bank's conformity with applicable approved accounting and financial reporting standards as well as compliance with the relevant regulatory requirements;
- Reviews the level of commitment to Business Continuity Management and overall preparedness, against the Bank's Business Continuity Management policies and regulatory requirements as well as to participate as an independent observer in the various business continuity plan, crisis management 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 for them to take necessary actions to beef up the branches' internal controls and to reinforce the Bank's compliance culture vide issuance of circulars to remind branches on the Bank's established processes and procedures, ongoing publishing of compliance bulletins to create staff's awareness on compliance issues and focus training to elevate the staff's knowledge and skill sets;
- Conducts periodic audits/reviews on the key audit risk areas, frameworks, audit methodologies, scope and extent of audit coverage of the subsidiaries' Internal Audit function as well as to provide guidance and support to the subsidiaries' Head of Internal Audit in managing an effective Internal Audit function;

- Arranges for in-house trainings and conducts internal workshops virtually to further equip the Internal Audit staff's knowledge and skill sets to enable them to perform their audit roles more effectively and progressively, to assume higher responsibilities; and
- Monitors and encourages eligible Internal Audit staff to attain relevant certification programmes set by regulators/ offered by professional bodies such as Asian Institute of Chartered Bankers, Islamic Banking and Finance Institute Malaysia as well as the Information Systems Audit and Control Association to equip themselves with the necessary knowledge and understanding of the subject matter relevant to their job functions.

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 the Bank and the Group.

The total costs incurred for the Internal Audit function of Public Bank and the Public Bank Group for 2022 are as follows:

	<b>RM'000</b>
Public Bank	<b>32,819</b>
Public Bank Group	<b>50,598</b>

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



# *"A Winning Organisation"*

## **ACHIEVING GREATER HEIGHTS**

Our loyal and dedicated employees are the backbone of our organisation. We have strengthened key competencies and future-proofed our employees by investing in human capital development to ensure they are equipped with the right skill sets. Thriving in a high performance culture, our employees are empowered to achieve business goals and deliver superior results.





# Calendar of Significant Events 2022

## CORPORATE

### 17 JANUARY

**Public Bank Sales Conference 2022** based on the theme 'Conquering Challenges with Strong Fundamentals' was held virtually and digitally transmitted from Head Office to approximately 1,500 sales staff across Malaysia.



### 14 FEBRUARY

**Kwai Chung Branch**, Hong Kong was relocated to a bigger premises to better serve its customers.



### 25 FEBRUARY

The Public Bank Group recorded a **pre-tax profit of RM7.37 billion** and **net profit of RM5.66 billion** in 2021, as compared to RM6.29 billion and RM4.87 billion respectively in 2020.



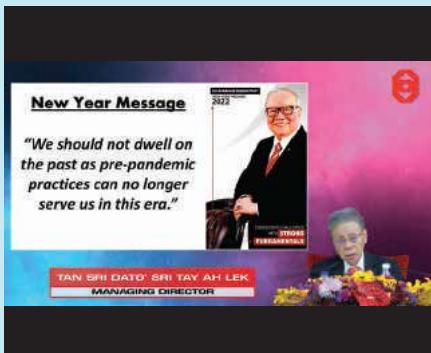
### 10 MARCH

Cambodian Public Bank signed a **partnership agreement** with **Credit Guarantee Corporation of Cambodia Plc** which aims to financially aid the Small and Medium Enterprises ("SMEs").



### 14 MARCH

About 1,000 management staff and panelists from both domestic and overseas operations attended the **2022 Management Seminar** which was held virtually.



### 14 MARCH

A total of **97 award winners** of the Branch Performance Awards for Year 2021 were announced at the Management Seminar and **cash prizes worth close to RM900,000** were awarded to the winners.



**18 MARCH**

A **Memorandum of Understanding** ("MoU") was signed between Public Bank and **Carsome Sdn Bhd** ("Carsome") where the Bank will provide stock-finance and end-finance arrangement for vehicles bid by used car dealers through Carsome online platform, as well as extend wholesome financing solutions to Carsome and its members.

**29 MARCH**

The **17th Red Carpet Banking Centre** was officially opened at Sutera Utama Branch, Skudai, Johor.

**20 APRIL**

An **Understanding Agreement** was sealed between Public Investment Bank and **SFP Tech Holdings Berhad**, a one-stop integrated engineering and automation solutions provider for its Initial Public Offering ("IPO") exercise.

**21 APRIL**

Public Investment Bank and **YX Precious Metals Bhd**, a wholesaler and manufacturer specialising in gold jewellery signed a MoU for its IPO exercise.

**20 MAY**

**Public Financial Holdings Limited** ("PFHL") held its 31st Annual General Meeting chaired by Mr. Tan Yoke Kong, Executive Director of PFHL.

**23 MAY**

The **56th Annual General Meeting** was held virtually at Menara Public Bank with 927 shareholders participating remotely.



# Calendar of Significant Events 2022

## CORPORATE

### 30 MAY

The Public Bank Group posted a **pre-tax profit growth of 0.1% year-on-year ("y-o-y") of RM2.0 billion** in the first quarter ended 31 March 2022.



### 10-12 AUGUST

A series of **business meetings** were held virtually with **254 branch managers nationwide** with the objective to review overall business performance of the branches and highlight areas of concern which require immediate attention to expedite growth in key business areas.



### 16 AUGUST

A collaboration between Public Bank and **Gamuda Land** was sealed in a MoU on property financing to promote end-financing for **green and sustainable development projects** by Gamuda Land.



### 26 AUGUST

**Eco World Development Group Berhad** and Public Bank signed a MoU for **green and sustainable development financing** which covers the financing of residential and non-residential properties under Public Bank's Green 5HOME Plan and Green SWIFT Plan respectively.

### 29 AUGUST

The Public Bank Group registered a **pre-tax profit growth of 6.0% to RM4.02 billion**, in the first half of 2022. The Group declared the first interim dividend of 8.0 sen per share.



**5 SEPTEMBER**

Public Bank and **Sunway Property** signed a MoU to collaborate on **property financing for green and sustainable development projects** whereby customers can enjoy preferential pricing, fast lane approval and a financing option for customers who wish to purchase eco-friendly and energy efficient appliances, fixtures and fittings to further enhance the sustainability elements of properties.

**6 SEPTEMBER**

Public Bank's International Business Unit participated in the **Malaysia Banking Day** organised by World Federation of Overseas Korean Traders Association, Embassy of the Republic of Korea and Korean Society in Malaysia to connect with the Korean community in Malaysia.

**6 OCTOBER**

Over 200 Malaysia My Second Home Consultants Association ("MM2HCA") agents including Public Bank staff attended the **MM2HCA National Workshop** that aimed to upgrade and enhance agents' skills, knowledge and professionalism.

**20 OCTOBER**

The **18th Red Carpet Banking Centre** was opened at the heritage building of the Pulau Pinang Branch.

**3 NOVEMBER**

Public Investment Bank signed an Underwriting Agreement with **DS Sigma Holdings Berhad** for its IPO in conjunction with its intended listing on ACE Market of Bursa Malaysia Securities Berhad in early 2023.

**30 NOVEMBER**

The Public Bank Group posted a **pre-tax profit growth of 13.5% y-o-y to RM6.31 billion** for the first nine months ended 30 September 2022 and declared a 4.0 sen second interim dividend.



# Calendar of Significant Events 2022

## CORPORATE SOCIAL RESPONSIBILITY

### 9-23 JANUARY

The Public Bank Group in Hong Kong raised HKD1,900 through participation in the 'Virtual Walk for Millions' fund-raising campaign organised by the **Community Chest of Hong Kong**.



### 15 JANUARY

**50 families** residing in Sungai Lui, Hulu Langat, Selangor affected by floods received donation of essential items from Public Investment Bank.



### 14 FEBRUARY

Campu Bank donated USD5,000 to **Sihanouk Hospital Centre of Hope** during an event organised by AIA (Cambodia) Life Insurance Plc to **raise public awareness** on breast cancer and available treatments.



### 14 FEBRUARY

500 boxes of face masks were donated by Campu Securities to **34 public schools** located in the rural area in **Kandal Province, Cambodia**.



### 3 MARCH

**National Cancer Society of Malaysia** received **RM10,000** contribution from Public Bank in support of its noble effort in running the cancer care centre and its various awareness programmes.



### 18 MARCH

A sum of HKD3,100 was raised by the Public Bank Group in Hong Kong through a community activity 'Skip Lunch Day 2022' organised by the **Community Chest**. The funds were channelled to support the homeless, those residing in caged homes (i.e. bed space apartments) and cubicles in Hong Kong.



**13 APRIL**

Two units of **PERKINS Brailler** worth RM8,640 were presented to **Yayasan Orang Buta Malaysia** by Public Bank for the use of visually impaired students at special needs schools under the purview of the Ministry of Education, Ministry of Higher Education and Tahfiz Schools in Malaysia.

**13 APRIL**

A cash contribution of RM4,200 from Public Investment Bank was presented to 100 underprivileged children from **Sekolah Tahfiz Al Habbah** during the month of *Ramadan*.

**21 APRIL – 6 MAY**

HKD7,300 worth of gift packs were presented by Public Bank (Hong Kong) to the elderly community via the **Dragon Boat Festival Donation** organised by the Yang Memorial Methodist Social Service and Hong Kong Sheng Kung Hui Welfare Council.

**22 APRIL**

Public Bank contributed RM10,000 to **BERNAMA** in conjunction with its **National Journalists Day (HAWANA)** Celebration which was celebrated from 28 to 29 May 2022 at Dataran Pahlawan, Melaka.

**28 APRIL**

The Kuala Lumpur Police Contingent under Polis Diraja Malaysia received RM15,000 from Public Bank for the launching of the **Safety Operation 18** in conjunction with the Hari Raya Aidilfitri celebrations.



# Calendar of Significant Events 2022

## CORPORATE SOCIAL RESPONSIBILITY

### 5 MAY

Campu Bank donated USD5,000 to the **Cambodian Red Cross** ("CRC") in conjunction with its **159th International Red Cross and Red Crescent Day**. This year marked the 12th consecutive year of support from Campu Bank to CRC.



### 2 JUNE

'Malam Kewartawanan Malaysia 2022' organised by the **Malaysian Press Institute** received a sponsorship of RM10,000 from Public Bank. The award presentation ceremony was later held on 1 July 2022 to acknowledge the best journalism works by Malaysian journalists.



### 17 JUNE

Public Bank sponsored RM5,000 to **Universiti Tunku Abdul Rahman** ("UTAR") Medical & Health Sciences Society to organise its 'Virtual Asian Medical Students' Association Health Day 2022 and UTAR Medical Week 3.0.

### 29 JULY

The **Minority Shareholder Watch Group** received RM12,000 from Public Bank to organise a forum on Minority Shareholding Interest and Experience.

### 10 AUGUST

Public Bank contributed RM3,000 to **Koperasi JayaDiri Malaysia Berhad** for the publication of its 2021 Annual Report.

### 17 AUGUST

Public Bank sponsored RM50,000 to the **Malaysian Institute of Management** for its 55th Anniversary Royal Gala Dinner held at the St. Regis Hotel Kuala Lumpur.

### 1 AUGUST

Campu Bank sponsored USD5,000 to **Cambodia Gala Charity Dinner for Mine Clearing** in support of efforts by the Government of Cambodia to make the country **mine-free by 2025**.

### 15 AUGUST

Tunku Abdul Rahman University College received RM10,000 from Public Bank in support of its **TARCIAN Run 2022** which was held on 16 September 2022 to promote a healthy lifestyle and to raise funds for Tunku Abdul Rahman University of Management and Technology Students Fund.

### 26 AUGUST

Cagamas received a sponsorship of RM40,000 from Public Bank to organise the **Developing and Financing Green Housing in Asia Conference** which was an initiative to provide insights in the development of sustainable green housing and green finance.

**5 SEPTEMBER**

The Public Bank Group in Hong Kong donated 100 gift bags filled with food items worth HKD5,000 to the elderly community in Lai King in conjunction with the **Mid-Autumn Festival celebration**.

**29 SEPTEMBER**

**Campu Bank** donated USD3,000 to **Raksa Koma Foundation**, the Khmer Sight Foundation and Hope Cambodia which aimed to provide free eye and ear medical treatment to approximately 1,000 underprivileged and financially burdened residents in the Kampong Thom Province.

**1 OCTOBER**

**IJN Foundation** received RM30,000 from Public Bank in support of its **Charity Golf Challenge** fundraising programme to assist less fortunate heart patients.

**27-28 OCTOBER**

Public Bank contributed a total sum of **RM33,000 to four orphanage homes** in conjunction with the Deepavali celebrations, namely *Pusat Jagaan Anbe Sivam*, *Pertubuhan Kebajikan Thangam Illam*, *Persatuan Kebajikan Kanak-Kanak Cornerstone*, Selangor, and *Pusat Jagaan Beribuan Kasih*.

**30 NOVEMBER**

A sponsorship of RM3,000 from Public Bank was extended to **Yayasan Orang Buta Malaysia** for its fund raising dinner in conjunction with its 10th Anniversary celebration.



MALAYSIA FOUNDATION FOR THE BLIND  
(Yayasan Orang Buta Malaysia)

**30 DECEMBER**

Contribution of RM26,000 from Public Bank was donated to three orphanages, namely *Trinity Community Children Home*, *Rumah Charis (Children)* and *Victory of Children & Youth Home* in conjunction with the Bank's **Christmas Charity Programme**.



# Calendar of Significant Events 2022

## PRODUCTS AND SERVICES

### 4 JANUARY

**PB Golden Fortune Campaign** which offered 24K Gold-Plated Twin Blessing of Health and Prosperity and 24K Gold-Foiled Golden Charm of Abundances was launched in conjunction with the 2022 Chinese New Year celebration.



### 4 JANUARY

PB Trustee Services Berhad collaborated with **AIA Berhad** on Will/Wasiat Writing and Insurance Takaful Trust Services.



### 16 FEBRUARY

**Cross border payment** with Indonesia and Thailand via DuitNow QR is now accessible through Public Bank's mobile banking application, PB engage.

### 28 FEBRUARY

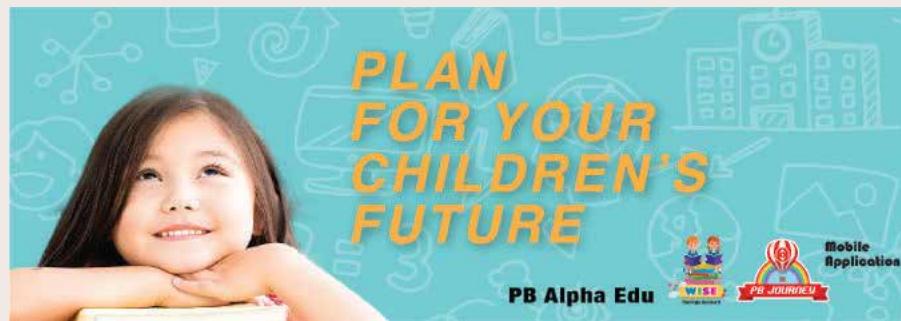
A new secure online payment solution – the **DuitNow Online Banking/Wallets** was launched by Public Bank to further support the growing needs of a **cashless economy**.

### 15 MARCH

Two new products namely, the **PB Alpha Edu** and the **PB Journey Mobile Application** were launched, which aim to help parents **plan ahead** towards providing children with financial security.

### 6 JUNE

Public Bank Vietnam launched the **PB engage VN** mobile banking application that aims at providing a user-friendly and convenient banking experience for all customers.



**8 JULY**

**Customer Care Campaign – Phase 5** with the theme ‘Doing It Right For You’ with sub-tagline ‘Your Needs Our Focus’ was launched by Campu Bank for a period of three months as part of its continuous effort to provide excellent services to its customers.

**15-17 JULY**

Public Bank took part in the **Karnival Jom Beli Rumah 2022**, which was jointly organised by Kementerian Perumahan dan Kerajaan Tempatan and Real Estate Housing Developers to promote loans products, particularly ‘Skim Rumah Pertamaku’ and ‘PB First Home Loan’.

**26 SEPTEMBER**

Public Bank provides 24-hours assistance to customers via its **Cash Management Unit** in its effort to combat the rising trend of **fraud and scams** in the country.

**27 SEPTEMBER**

Public Mutual launched a new fund, named **Public e-AvantGarde Focus Fund** which aimed to achieve capital growth over the long term by investing primarily in companies which may stand to benefit from prevailing economic conditions in both the domestic and foreign markets.

**15 NOVEMBER**

Public Bank Visa Credit and Debit card members are able to pay in-store, online and in-app with **Google Wallet**.

**1 DECEMBER**

Public Bank launched the **PB Golden Fortune Campaign** in conjunction with the 2023 Chinese New Year celebration, which offered exquisite **limited edition gifts** that symbolises prosperity and success.



# Calendar of Significant Events 2022

## AWARDS AND ACCOLADES

### 13 JANUARY

Public Bank won the **Reader's Digest Trusted Brands Gold Award 2022** under the Bank category.

### 22 MARCH

**Global Banking & Finance** presented Public Bank with the '*Best Corporate Governance Bank*' in Malaysia 2022 Award.

Public Bank was awarded the '*Best Bank in Malaysia 2021*' by **The Asset**.

### 30 MARCH

Public Investment Bank was awarded the **Islamic Finance News ("IFN") Deal of the Year 2020 – Real Estate** for its role as the Joint Lead Manager for the Sime Darby Property Berhad's RM800 Million ASEAN Sustainability SRI Sukuk Musharakah by the IFN.

### 21 FEBRUARY

**Syarikat Jaminan Pembangunan Perniagaan Berhad** awarded Public Bank with the '*Best Performance Bank*' (Anugerah Prestasi Terbaik 2020-2021) and '*Most Coverage for COVID-19 Financing Scheme*' (Anugerah Pengiktirafan Khas 2020 – 2021 – Liputan Terluas Bagi Skim COVID-19) during the official launch of 'Semarak Niaga 2022'.

### 28 MARCH

Public Mutual was accorded **32 awards** at the **Refinitiv Lipper Fund Awards 2022**, including two group awards for '*Best Equity – Malaysia*' and '*Best Mixed Assets – Malaysia Islamic Funds*'.

### 7 APRIL

Two awards namely, '*Best Asia-Pacific Equity Fund*' and '*Best Malaysia Large-Cap Equity (Shariah) Fund*' were presented to Public Mutual at the **2022 Morningstar Awards Malaysia**.

### 1 MAY

**Asia Asset Management** awarded Public Mutual with **5 awards** for **Best of the Best Awards 2022** namely, '*Malaysia Best Retail House*', '*Malaysia Islamic Retail House of the Year*', '*Malaysia Best Islamic Fund-Equity Fund*', '*Malaysia Best Investor Education*' and '*Malaysia Best Member Communications*'.

### 31 MAY

Public Mutual was recognised as one of the **top Private Retirement Scheme ("PRS") providers** at the **Private Pension Administrator Malaysia Growing PRS Together Recognising Excellence Award 2021** in eleven categories.

### 7 JUNE

Public Bank was announced as the '*Best Bank in Malaysia*' at the **FinanceAsia Country Awards 2022**.

### 18 MAY

**13 awards** including a group award for the Best Mixed Assets category were presented to Public Mutual at the **Refinitiv Lipper Fund Awards 2022** – Global Islamic Funds.

### 1 JUNE

Public Mutual won the prestigious **Reader's Digest Trusted Brand Platinum Award** for the Investment Fund Company category in Malaysia for the **13th consecutive years**.

### 13 JUNE

**Two awards** from **Alpha Southeast Asia** were granted to Public Bank at the 16th Annual Alpha Southeast Asia Best Financial Institution Awards 2022, namely, the '*Best Bank*' in Malaysia for the 16th consecutive years and '*Best Retail Bank in Malaysia*' for the 4th time.

**13 JULY**

Public Bank won the ‘*Best Bank in Malaysia*’ Award 2022 by the **Euromoney** magazine for the 17th times since the inaugural award in 1997.

**21 JULY**

Campu Bank was named the ‘**Best Bank for SMEs 2022 in Cambodia**’ by **Asiamoney** on 21 July 2022 for its outstanding commitment in meeting the needs of SMEs.

**7 SEPTEMBER**

Canon Marketing (Malaysia) Sdn Bhd presented Public Bank with the **2021 Honorary Award** in appreciation for collaborating with them for more than 25 years.

**20 JULY**

Public Bank’s commitment towards **the nation’s e-payment ecosystem** was recognised by **Payments Network Malaysia Sdn Bhd** (“PayNet”). PayNet has awarded the Bank the following awards – ‘*The Best MyDebit Bank*’ for the 6th consecutive year and ‘*Best MyDebit*’ (Acquirer – Bank) during the Malaysian e-Payments Excellence Awards (“MEEA”) 2022.

**29 JULY**

**Credit Guarantee Corporation Malaysia Berhad** (“CGC”) awarded Public Bank with the ‘*Top FI Partner*’ under Commercial Financial Institution Category at the CGC 27th FI/DFI & SME Awards 2021.

**15 OCTOBER**

The ‘*Best Bank in Malaysia*’ 2022 Award was granted to Public Bank by **Global Finance**.

**31 OCTOBER**

**The Edge Billion Ringgit Club** awarded Public Bank with the **Highest Return on Equity Over Three Years Award** under the Financial Services – **RM10 Billion and Above Market Capitalisation category** at the The Edge Billion Ringgit Club Corporate Awards 2022.

**5 NOVEMBER**

**MSWG** presented Public Bank with the ‘*Industry Excellence Award*’ for CG Disclosure under the Financial Services Category at the MSWG-ASEAN Corporate Governance Awards 2021.

**17 NOVEMBER**

Public Bank won 3rd placing for the Banking Category in the **‘Kantar Malaysia Brands Awards 2022’**.



# Bursa Malaysia Listing Requirements Compliance Information

The information set out below is disclosed in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”):

## I) UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

During the year, the following issuances were made by the Public Bank Group:

- (a) On 7 April 2022, Public Bank issued the eighth tranche of RM2.0 billion Subordinated Notes under its RM10.0 billion Subordinated Medium Term Notes Programme; and
- (b) On 28 July 2022, Public Islamic Bank Berhad issued the fourth tranche of RM500 million Subordinated Sukuk Murabahah under its RM5.0 billion Sukuk Murabahah Programme.

Aside from these, there were no other issuances of debt and equity securities by Public Bank and its subsidiary companies for the financial year ended 31 December 2022.

The proceeds raised from corporate proposals 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 2022 amounted to RM6,602,000 and RM2,585,000 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 2022 amounted to RM1,072,000 and RM524,000 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 2022 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 expanded in 2022, supported by the reopening of most economies and international borders. This has helped to cushion the impact weighed by heightened financial market volatility owing to monetary policy tightening in the United States of America ("US"), slowdown in China, inflationary pressure and prolonged geopolitical tension.

Major central banks adjusted their monetary policy settings amid elevated inflationary pressures. In the US, the Federal Reserve raised its federal funds rate to between 4.25% and 4.50% by the end of 2022 (2021: 0 – 0.25%).

In Europe, the European Central Bank raised its main refinancing rate to 2.50% in 2022 (2021: 0%). Meanwhile, the Bank of England raised its key interest rate to 3.50% in 2022 (2021: 0.25%).

Similarly, most central banks in Asia raised their key interest rates in 2022 but with several exceptions, among which include Bank of Japan ("BOJ") and the People's Bank of China ("PBOC"). BOJ has been retaining its key policy rate at -0.10% since January 2016. Meanwhile, the PBOC's one-year loan prime rate stood at 3.65% as at the end of 2022 following rate cuts during the year (2021: 3.80%).

## II. MALAYSIAN ECONOMY: REVIEW

The Malaysian economy grew by 8.7% in 2022 (2021: 3.1%) (Table 1). Growth was mainly supported by domestic economic activities as the economy transitioned to an endemic phase.

Aggregate domestic demand was supported by private consumption spending spurred by pent up demand and reopening of the borders. Private investment grew as capital spending increased across various sectors of the economy. Also, the growth in public sector expenditure was partly attributable to the ongoing fiscal support.

**Table 1**

Malaysia: Gross Domestic Product ("GDP") by Expenditure Components, 2021 – 2022 (at constant 2015 prices)

	2021	2022	% Annual Change				
			2022				
		2021	2022	1Q	2Q	3Q	4Q
<b>Aggregate Domestic Demand</b>							
Private Sector	1.7	<b>9.2</b>	4.4	13.0	13.1	6.8	
Consumption	2.0	<b>10.4</b>	4.4	15.4	14.7	7.9	
Investment	1.9	<b>11.3</b>	5.5	18.3	15.1	7.4	
Public Sector	2.6	<b>7.2</b>	0.4	6.3	13.2	10.3	
Consumption	0.6	<b>4.3</b>	4.8	2.8	6.3	3.5	
Investment	5.3	<b>3.9</b>	6.7	2.6	4.5	2.4	
	-11.3	<b>5.3</b>	-0.9	3.2	13.1	6.0	
<b>Net Exports</b>	-4.1	<b>-1.8</b>	-26.5	-28.7	18.7	23.4	
Exports of Goods and Services	15.4	<b>12.8</b>	8.0	10.4	23.9	9.6	
Imports of Goods and Services	17.7	<b>14.2</b>	11.1	14.0	24.4	8.1	
<b>GDP</b>		<b>3.1</b>	<b>8.7</b>	<b>5.0</b>	<b>8.9</b>	<b>14.2</b>	<b>7.0</b>

Source: Department of Statistics, Malaysia, Gross Domestic Product.

On the supply side, all segments recorded an improvement in 2022 (Table 2). Economic activities improved in 2022 amid the reopening of the economy and resumption of economic activities, including domestic travels. Services sector was largely supported by consumer-related subsectors, including tourism activities. Manufacturing sector was supported by the improvement in the output of electrical and electronics products as well as domestic oriented industries, such as consumer sectors. The construction sector has also gathered pace amid progress of large infrastructure, commercial and industrial projects. The mining sector grew, mainly driven by higher production. The agriculture sector grew slightly, mainly due to oil palm output which depended on the overall weather conditions.

**Table 2**

Malaysia: GDP by Economic Activity, 2021 – 2022 (at constant 2015 prices)

	2021	2022	% Annual Change				
			2022				
		2021	2022	1Q	2Q	3Q	4Q
Services	1.9	<b>10.9</b>	6.5	12.0	16.7	8.9	
Manufacturing	9.5	<b>8.1</b>	6.6	9.2	13.2	3.9	
Agriculture	-0.2	<b>0.1</b>	0.1	-2.4	1.2	1.1	
Mining	0.3	<b>3.4</b>	-1.1	-0.5	9.2	6.8	
Construction	-5.2	<b>5.0</b>	-6.2	2.4	15.3	10.1	
<b>GDP</b>		<b>3.1</b>	<b>8.7</b>	<b>5.0</b>	<b>8.9</b>	<b>14.2</b>	<b>7.0</b>

Source: Department of Statistics, Malaysia, Gross Domestic Product.



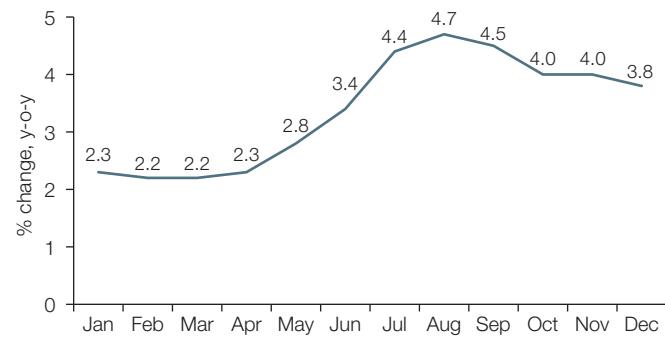
# Malaysian Economy: Review and Outlook

In 2022, Malaysia's inflation was 3.3% (2021: 2.5%), primarily due to higher prices of food and non-alcoholic beverages, transport as well as restaurants and hotels (Graph 1).

Labour market has improved as economic sectors reopened. The unemployment rate fell to 3.6% in December 2022 (Dec'21: 4.2%) (Graph 2).

**Graph 1**

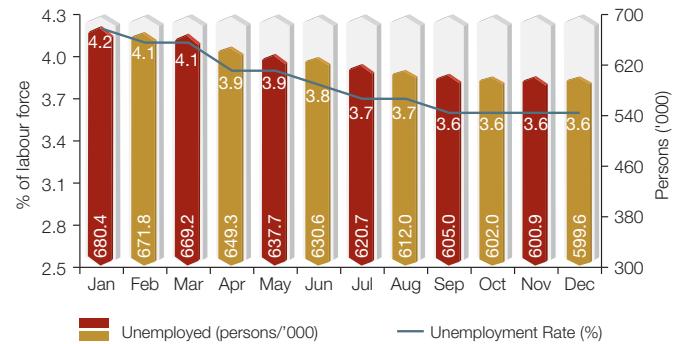
Malaysia: Inflation, 2022



Source: Department of Statistics, Malaysia, Consumer Price Index.

**Graph 2**

Malaysia: Unemployment Rate and Unemployed Persons, 2022



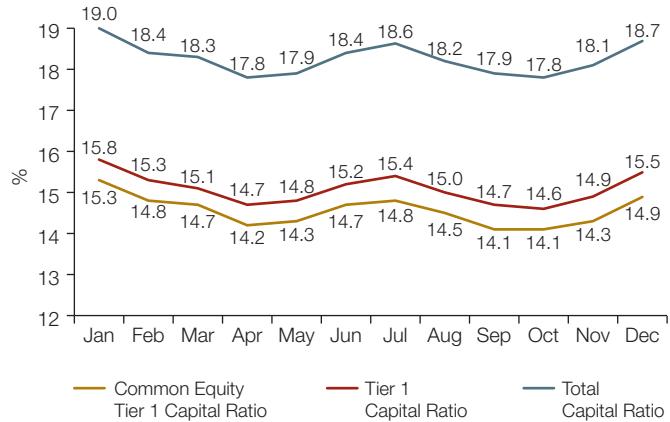
Source: Department of Statistics, Malaysia, Labour Force Statistics.

## Banking System

The banking sector's liquidity remained broadly stable. The industry's Common Equity Tier I capital ratio, Tier I capital ratio and total capital ratio stood at 14.9%, 15.5% and 18.7%, respectively as at the end of 2022 (2021: 15.5%, 16.0% and 19.2%, respectively) (Graph 3), which remained well above the minimum regulatory requirements under Basel III. The gross impaired loans ratio was 1.7% as at the end of 2022 (2021: 1.7%) (Graph 4). The loan to fund ratio stood at 82.4% as at the end of 2022 (2021: 81.2%) (Graph 5).

**Graph 3**

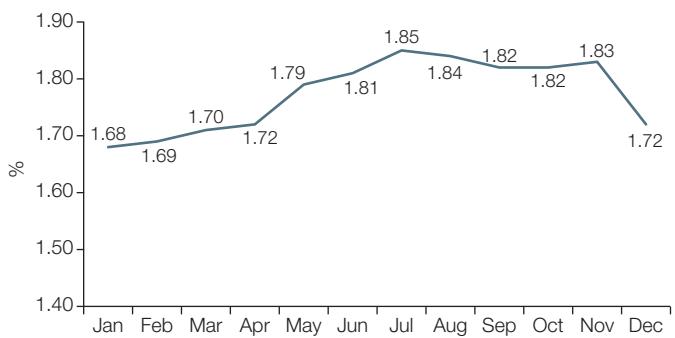
Banking System: Capital Strength, 2022



Source: Bank Negara Malaysia, Monthly Highlights and Statistics.

**Graph 4**

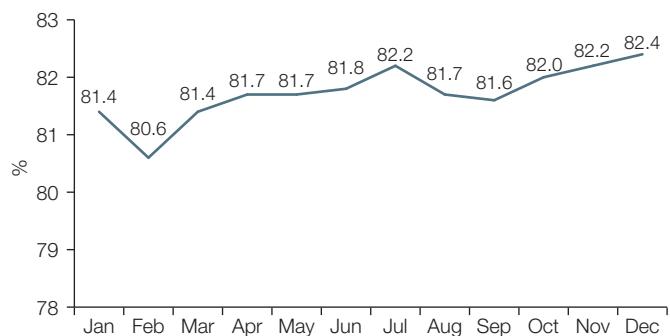
Banking System: Gross Impaired Loans Ratio, 2022



Source: Bank Negara Malaysia, Monthly Highlights and Statistics.

**Graph 5**

Banking System: Loan to Fund Ratio, 2022

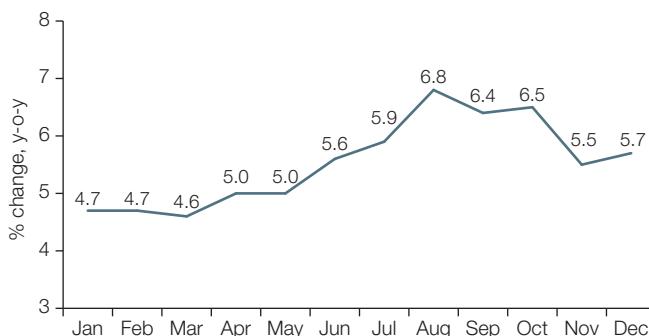


Source: Bank Negara Malaysia, Monthly Highlights and Statistics.

Banking sector indicators were supported by key economic activities nationwide. Total loans in the banking system grew by 5.7% in 2022 (2021: 4.5%) (Graph 6). Also, total deposits grew by 5.9% (2021: 6.3%), supported by deposits among most holders (Graph 7).

### Graph 6

Banking System: Loans Growth, 2022



Source: Bank Negara Malaysia, *Monthly Highlights and Statistics*.

### Graph 7

Banking System: Deposits Growth, 2022



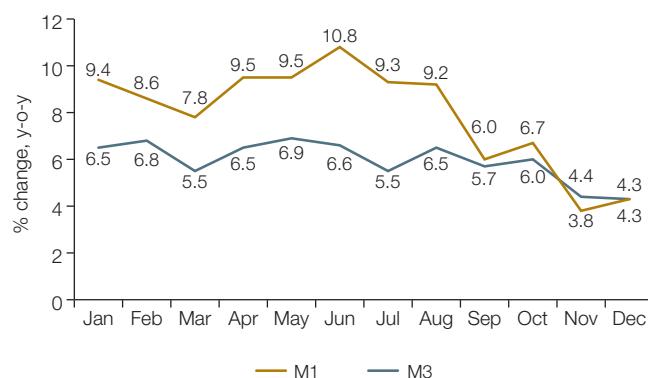
Source: Bank Negara Malaysia, *Monthly Highlights and Statistics*.

### Monetary Aggregates

Monetary aggregates grew in 2022. Narrow money supply ("M1") expanded by 4.3% in 2022 (2021: 10.4%), underpinned by demand deposits and currency in circulation. Meanwhile, broad money supply ("M3") rose by 4.3% (2021: 6.4%), supported by various segments including fixed deposits and demand deposits (Graph 8).

### Graph 8

Malaysia: Monetary Aggregates, 2022



Source: Bank Negara Malaysia, *Monthly Highlights and Statistics*.

### Monetary Policy

BNM raised the Overnight Policy Rate ("OPR") to 2.75% in 2022, from a record low of 1.75% in 2021 (Table 3). The Statutory Reserve Requirement ("SRR") Ratio was retained at 2.00% in 2022, 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 adjusted higher in line with the increase in OPR in 2022. The base lending rate ("BLR"), average lending rate ("Avg LR") and weighted base rate rose to 6.42%, 5.01% and 3.42%, respectively as at the end of 2022 (2021: 5.49%, 3.45% and 2.43%, respectively) (Graph 10). The average interest rate of savings deposits ("SD") for commercial banks was 0.85% (2021: 0.56%), while the 3-month fixed deposits ("FD") rate stood at 2.55% as at the end of 2022 (2021: 1.57%) (Graph 11).



# Malaysian Economy: Review and Outlook

**Table 3**

Malaysia: Monetary Policy Committee Meetings, 2022

	Dates	Policy Decisions
1 <sup>st</sup>	19 and 20 January 2022	1.75% (Unchanged)
2 <sup>nd</sup>	2 and 3 March 2022	1.75% (Unchanged)
3 <sup>rd</sup>	10 and 11 May 2022	2.00% (+25 bps)
4 <sup>th</sup>	5 and 6 July 2022	2.25% (+25 bps)
5 <sup>th</sup>	7 and 8 September 2022	2.50% (+25 bps)
6 <sup>th</sup>	2 and 3 November 2022	2.75% (+25 bps)

Sources: Bank Negara Malaysia.

**Graph 9**

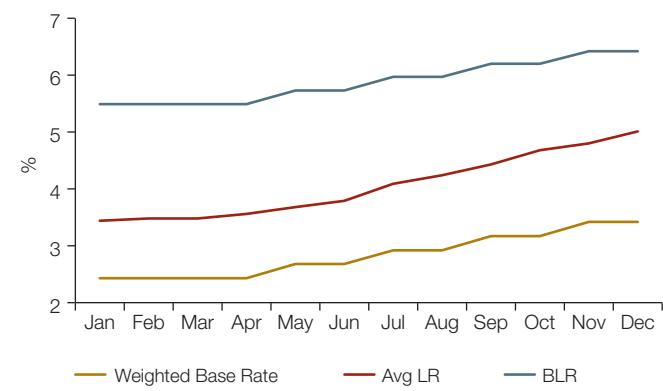
Malaysia: Overnight Policy Rate and Statutory Reserve Requirement Ratio, 2022



Sources: Bank Negara Malaysia, Press Statements on Overnight Policy Rate and Statutory Reserve Requirement Ratio.

**Graph 10**

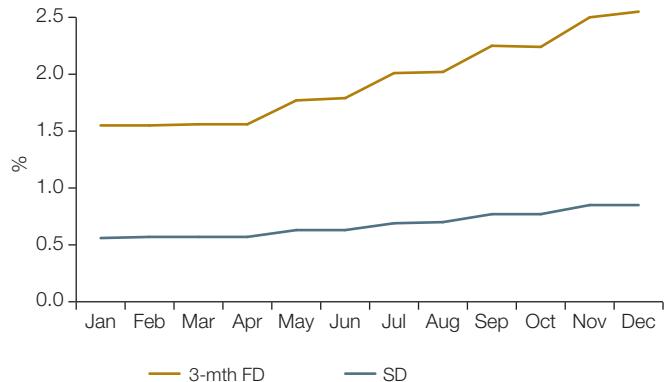
Banking System: Lending Rates of Commercial Banks, 2022



Source: Bank Negara Malaysia, Monthly Statistical Bulletin.

**Graph 11**

Banking System: Deposit Rates of Commercial Banks, 2022



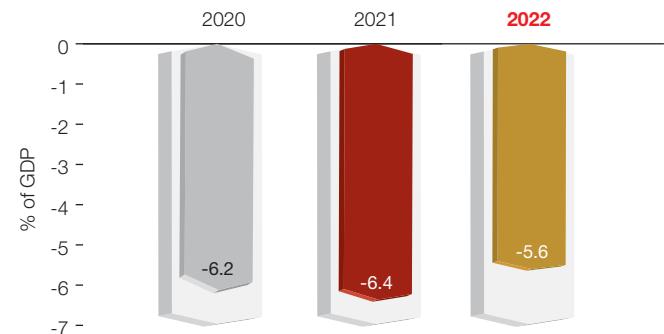
Source: Bank Negara Malaysia, Monthly Statistical Bulletin.

## Fiscal Policy

The much needed policy support through the Government's funding of various initiatives has resulted in a budget deficit of 5.6% of GDP in 2022 (2021: -6.4% of GDP) (Graph 12). Meanwhile, the Federal Government debt stood at 60.4% of GDP in 2022 (2021: 63.4% of GDP).

**Graph 12**

Malaysia: Federal Government Fiscal Balance, 2020 – 2022



Sources: Bank Negara Malaysia, Quarterly Bulletin.

## External Position

Malaysia's current account surplus narrowed in 2022, mainly due to higher deficits in the income accounts. Current account surplus amounted to RM47.21 billion or 2.7% of gross national income ("GNI") (2021: RM58.70 billion or 3.9% of GNI) (Table 4).

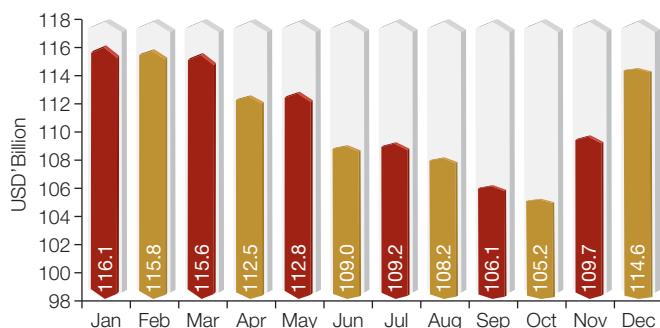
Malaysia's international reserves stood at USD114.6 billion as at the end of 2022 (2021: USD116.9 billion) (Graph 13), which is sufficient to finance 5.2 months of retained imports and 1.0 time the total short term external debt.

**Table 4**  
Malaysia: Current Account Balance, 2021 – 2022

	2022					
	2021	2022	1Q	2Q	3Q	4Q
Current Account Balance (RM'Billion)	58.70	<b>47.21</b>	2.98	4.42	14.14	25.67
% of Gross National Income	3.9	<b>2.7</b>	0.7	1.0	3.2	5.6

Sources: Bank Negara Malaysia, Quarterly Bulletin, various issues and Department of Statistics, Malaysia, Gross Domestic Product.

**Graph 13**  
Malaysia: International Reserves, 2022



Source: Bank Negara Malaysia, Press Statements on International Reserves.

Malaysia's external debt increased as total external debt amounted to RM1,144.04 billion or 64.0% of GDP in 2022 (2021: RM1,082.06 billion or 70.0% of GDP).

## Ringgit Exchange Rate

The Ringgit strengthened against most regional currencies supported by inflows of funds, including its appreciation of 7.9% against JPY to close at RM3.333 per 100 JPY as at the end of 2022 (2021: RM3.619 per 100 JPY) (Table 5).

On the contrary, the Ringgit depreciated against several currencies, including the depreciation of 5.4% against USD to close at RM4.390 per USD as at the end of 2022 (2021: RM4.165 per USD).

**Table 5**  
Malaysia: Performance of Ringgit, 2022

Currencies	RM/Foreign Currency (end-period)		% change*
	Dec 2021	Dec 2022	
100 JPY	3.6188	<b>3.3327</b>	<b>7.9</b>
GBP	5.6309	<b>5.2926</b>	<b>6.0</b>
100 PHP	8.1795	<b>7.8872</b>	<b>3.6</b>
CNY	0.6547	<b>0.6322</b>	<b>3.4</b>
100 IDR	0.0292	<b>0.0282</b>	<b>3.4</b>
AUD	3.0265	<b>2.9843</b>	<b>1.4</b>
EUR	4.7142	<b>4.6846</b>	<b>0.6</b>
100 KRW	0.3501	<b>0.3489</b>	<b>0.3</b>
100 THB	12.4682	<b>12.7200</b>	<b>-2.0</b>
100 HKD	53.4211	<b>56.2976</b>	<b>-5.4</b>
USD	4.1650	<b>4.3900</b>	<b>-5.4</b>
SGD	3.0853	<b>3.2740</b>	<b>-6.1</b>

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 2023

### Global Headwinds

The world is experiencing a volatile period amid economic and prolonged geopolitical challenges which have a pronounced impact on the overall global outlook. The global economy is projected to grow albeit moderately, due to slower growth across various economies.

Uncertainties surrounding the global economic outlook are mainly due to inflationary pressures, fears of global contagion amid geopolitical risk(s) and heightened financial market volatility owing to adjustments in monetary policy. Advanced economies are expected to moderate further due to weak private consumption and high inflation. In the US, consumer demand would be adversely impacted due to declining real disposable income and higher interest rates. Growth in the euro area is also expected to moderate, as limited energy supply will continue to adversely affect economic activities.

### Malaysia: Moderate Growth

The Malaysian economy is expected to grow moderately backed by stable fundamentals and its diversified economic structure, supported by steady domestic demand, services sector growth as well as implementation of new and ongoing infrastructure projects. National pursuits of sustainability encompassing a wide area of environmental, social and governance are expected to augur well for economic growth. Fiscal measures and financial accommodations will continue to provide support to the economy.

Continued policy support will also help to cushion the impact of downside risks stemming from the global slowdown, rising inflation, geopolitical tension(s) and tighter global financial conditions amid monetary policy tightening. Meanwhile, Malaysia's headline inflation is projected to remain moderate in 2023 as commodity prices are expected to remain broadly stable.

On the policy front, Malaysia's ecosystem is supported by appropriate policies and reform initiatives which strengthen the economy to withstand potential external shocks while enhancing business resilience and encouraging domestic investments. Other supportive measures include providing financial and fiscal impetus to businesses in need, especially the small and medium enterprises.

# Investor Information

## STOCK MARKET PERFORMANCE IN 2022

The benchmark FTSE Bursa Malaysia Composite Index ("FBM KLCI") was volatile in the first quarter of 2022, notably affected by the start of the US Federal Reserve's ("FED") rate hike cycle and Russia's invasion of Ukraine. Investor sentiment improved towards the latter part of the quarter as initial shocks from the aforementioned events dissipated gradually. While the trough to peak of the FBM KLCI was a 117.10-point swing, the FBM KLCI only managed to gain 19.83 points or 1.3% quarter-on-quarter ("q-o-q"). Malaysia reported a Gross Domestic Product ("GDP") growth of 3.6% year-on-year ("y-o-y") in the fourth quarter of 2021, a turnaround from the preceding quarter's 4.5% contraction.

Similar to 2021, trading value on Bursa Malaysia fell q-o-q in the second quarter, with the FBM KLCI also sliding in line with weaker performances in global markets. The FBM KLCI fell 143.14 points (-9.0%) during the quarter, shaken by sharp spikes in global inflationary pressures, rapid FED rate hikes, and ongoing supply disruptions from the Russia – Ukraine war. The Malaysian economy grew by 5.0% in the first quarter of 2022 (4Q 2021: 3.6%), mainly supported by improved domestic demand as economic activity continued to normalise with the easing of containment measures.

External conditions weakened in the third quarter of 2022, with growth of major economies like the United States of America ("US") and China losing momentum. The US showed early signs of being hit by the FED's rapid rate hikes to tackle runaway inflationary pressures while China stuttered due in large part to its zero-COVID policy which had led to intermittent shutdowns in various economically-important parts of the country. Average daily value for the third quarter of 2022 slumped 23.9% q-o-q to RM1.62 billion as a result, compared to a decline of 18.6% q-o-q in the second quarter of 2022. The FBM KLCI fell 49.59 points or 3.4% q-o-q. Malaysia recorded stronger growth of 8.9% in the second quarter of 2022 (1Q 2022: 5.0%), lifted to some extent by the low base from the Full Movement Control Order in June 2021.

Similar to last year, the final quarter of 2022 also saw the FBM KLCI performing admirably, adding 100.86 points or 7.2% q-o-q. Trading activity on Bursa Malaysia recovered in the fourth quarter, with investor sentiment improving following the formation of a Unity Government after the 15th General Election which initially left the country with a hung Parliament. An apparent shift in tone towards less-aggressive monetary tightening by global central banks also appeared to have soothed nerves. This was augmented by the Malaysian economy's strong growth of 14.2% in the third quarter of 2022 (2Q 2022: 8.9%). While there were base effects from the negative growth in the third quarter of 2021, growth was also driven by strong domestic demand, underpinned by improvements in labour market and income conditions.

For the full year, the benchmark FBM KLCI fell by 72.04 points or 4.6% to close at 1,495.49 points as at the end of 2022.

## PUBLIC BANK'S SHARE PRICE PERFORMANCE IN 2022

In line with continued market volatility in 2022, Public Bank's shares traded within a relatively wider band though remaining in positive territory throughout the year and ended higher compared to the end of 2021.

Public Bank's share price rose 12.3% or 51 sen q-o-q in the first quarter of 2022, compared to a 1.3% gain in the FBM KLCI. An interim dividend of 7.7 sen per share was declared during the period. While the Bank's share price declined 30 sen or 6.4% in the following quarter, it nevertheless outperformed the FBM KLCI which slumped 9.0%. Meanwhile, the Bank reported a 8.6% year-on-year ("y-o-y") decline in net profit to RM1.40 billion for the first quarter of 2022. While the Bank's share price fell by another 14 sen or 3.2% in the third quarter of 2022, it continued to outperform the FBM KLCI which fell by 3.4%. The cumulative net profit decreased by 3.4% y-o-y to RM2.82 billion for the first half of 2022. An interim dividend of 8.0 sen per share was declared during the period. The Bank's share price gained by 2.1% or 9 sen in the fourth quarter of 2022. The cumulative net profit for the nine month ended 30 September 2022 increased by 3.0% y-o-y to RM4.41 billion. A second interim dividend of 4.0 sen per share was declared during the period.

As at the end of 2022, Public Bank's share price gained by 3.8% or 16 sen to close at RM4.32 compared to RM4.16 as at the end of 2021. The encouraging performance reflected investor confidence in the Public Bank Group amid challenging market conditions, bucking the trend of the overall market as the FBM KLCI fell by 4.6% or 72.04 points in 2022.

Public Bank remained the second largest company listed on Bursa Malaysia with market capitalisation of RM83.85 billion as at the end of 2022.

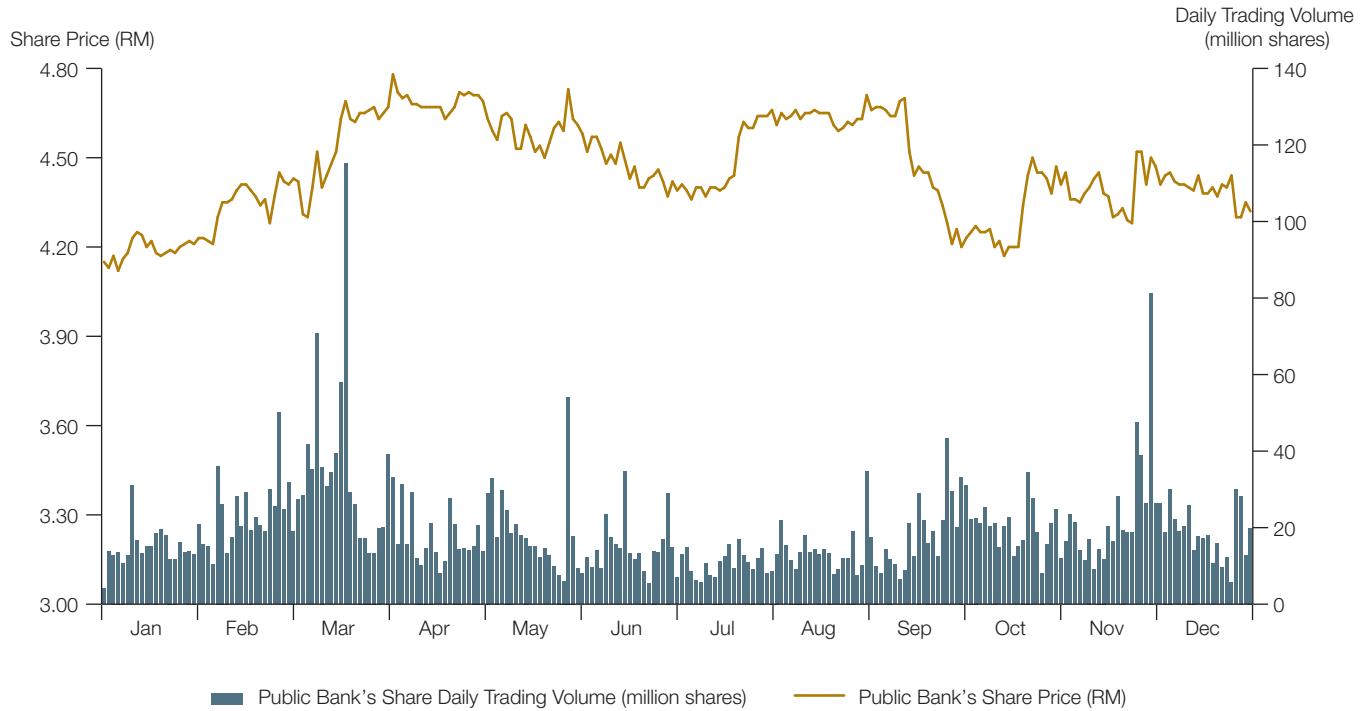
On average, the daily trading volume and value of Public Bank's shares recorded 19.3 million shares (2021: 20.3 million shares) and RM86.3 million (2021: RM83.9 million) respectively in 2022.



## Investor Information

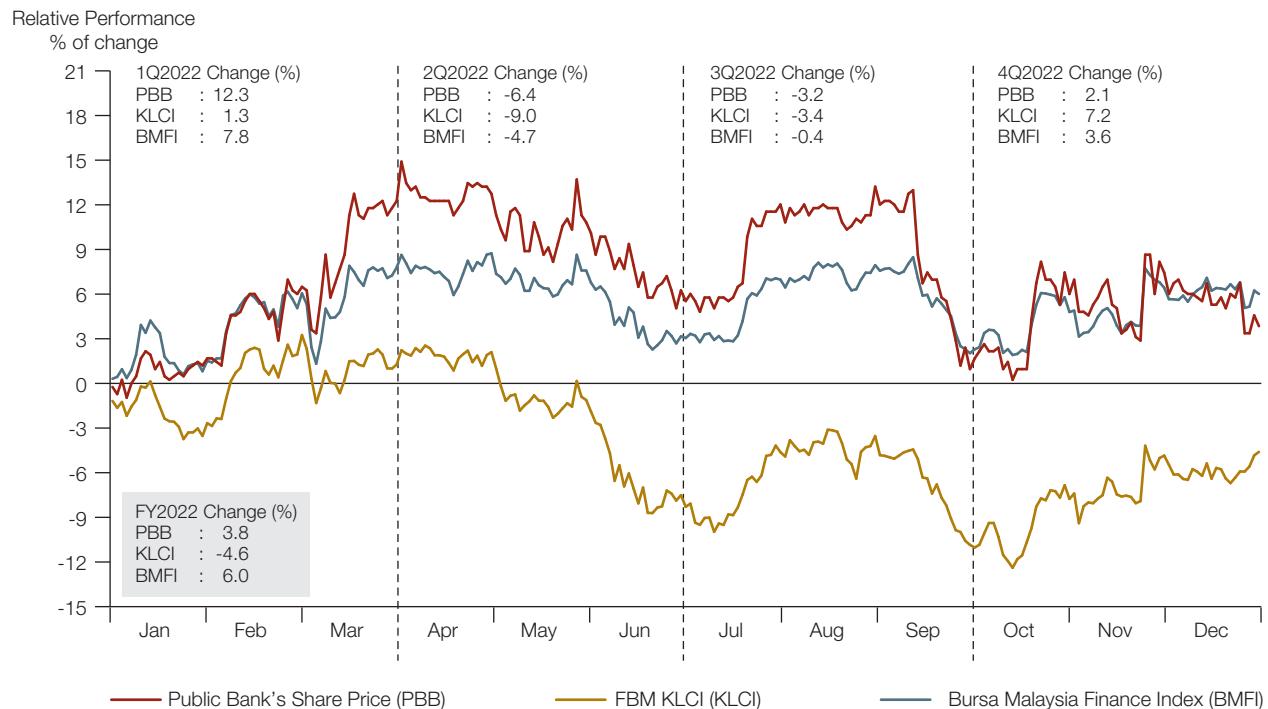
Share Price	Market Capitalisation	Earnings Per Share	Dividend Per Share
<b>RM4.32</b> 2021: RM4.16	<b>RM83.85 bil</b> 2021: RM80.75 bil	<b>31.5 sen</b> 2021: 29.1 sen	<b>17.0 sen</b> 2021: 15.2 sen

### Public Bank's Share Price and Transactions in 2022



Public Bank	1Q		2Q		3Q		4Q		FY2022	
<b>Share Price (RM):</b>										
High	4.69	18 Mar	4.79	4 Apr	4.72	12 Sep	4.61	25 Nov	<b>4.79</b>	<b>4 Apr</b>
Low	4.11	4 Jan 6 Jan	4.37	30 Jun	4.18	29 Sep	4.16	13 Oct	<b>4.11</b>	<b>4 Jan 6 Jan</b>
Close	4.67	31 Mar	4.37	30 Jun	4.23	30 Sep	4.32	30 Dec	<b>4.32</b>	<b>30 Dec</b>
<b>Average Daily Trading Volume (million shares)</b>	24.65		17.36		14.58		20.88		<b>19.34</b>	

### Relative Performance of Public Bank's Share Price vs Benchmark Indices in 2022



# Analysis of Shareholdings

As at 14 March 2023

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	3,875	2.07	101	0.05	151,308	*	3,345	*
100 – 1,000 shares	43,176	23.06	356	0.19	29,310,798	0.15	206,105	*
1,001 – 10,000 shares	89,512	47.80	1,151	0.61	401,547,789	2.07	5,964,558	0.03
10,001 – 100,000 shares	40,326	21.54	2,012	1.07	1,183,489,872	6.10	76,467,710	0.39
100,001 – 970,534,585 (less than 5% of issued shares)	5,290	2.83	1,452	0.78	5,745,385,789	29.60	5,065,739,086	26.10
970,534,586 (5% of issued shares) and above	2	*	–	–	6,902,425,375	35.56	–	–
Total	182,181	97.30	5,072	2.70	14,262,310,931	73.48	5,148,380,804	26.52
<b>Grand Total</b>	<b>187,253</b>				<b>19,410,691,735</b>			

**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
Lai Wan	–	–	93,270 <sup>1</sup>	*	93,270	*
Tan Sri Dato' Sri Dr. Tay Ah Lek	27,944,225	0.14	3,448,725 <sup>2</sup>	0.02	31,392,950	0.16
Cheah Kim Ling	–	–	51,960 <sup>1</sup>	*	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:**

<sup>1</sup> These shares are held by his/her spouse.

<sup>2</sup> 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

**SUBSTANTIAL SHAREHOLDERS BASED ON REGISTER OF SUBSTANTIAL SHAREHOLDERS**

Name	Direct Interests		Deemed Interests		Total Interests	
	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
The Estate of the late Tan Sri Dato' Sri Dr. Teh Hong Piow	123,556,410	0.64	4,420,974,855*	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	2,921,064,700	15.05	–	–	2,921,064,700	15.05

**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 2023

### 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>	2,701,745,000	13.92
3. Kumpulan Wang Persaraan (Diperbadankan)	789,383,900	4.07
4. Cartaban Nominees (Asing) Sdn Bhd <i>Exempt An for State Street Bank &amp; Trust Company (West CLT OD67)</i>	278,197,100	1.43
5. Amanahraya Trustees Berhad <i>Amanah Saham Bumiputera</i>	263,000,000	1.36
6. Citigroup Nominees (Asing) Sdn Bhd <i>CB Spore GW for Government of Singapore (GIC C)</i>	253,886,210	1.31
7. LPI Capital Bhd	212,603,520	1.10
8. Citigroup Nominees (Tempatan) Sdn Bhd <i>Exempt An for AIA Bhd</i>	199,907,405	1.03
9. HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA for Vanguard Emerging Markets Stock Index Fund</i>	198,345,890	1.02
10. HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA for Vanguard Total International Stock Index Fund</i>	187,131,215	0.96
11. Amanahraya Trustees Berhad <i>Amanah Saham Malaysia</i>	178,362,000	0.92
12. Cartaban Nominees (Tempatan) Sdn Bhd <i>PAMB for Prulink Equity Fund</i>	166,725,025	0.86
13. Citigroup Nominees (Tempatan) Sdn Bhd <i>Great Eastern Life Assurance (Malaysia) Berhad (Par 1)</i>	161,945,605	0.83
14. UOB Kay Hian Nominees (Asing) Sdn Bhd <i>Exempt An for UOB Kay Hian Pte Ltd (A/c Clients)</i>	136,261,370	0.70
15. The Estate of the late Tan Sri Dato' Sri Dr. Teh Hong Piow	123,556,410	0.64
16. Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board (Nomura)</i>	118,685,300	0.61
17. Cartaban Nominees (Asing) Sdn Bhd <i>BNYM SA/NV for People's Bank of China (SICL Asia EM)</i>	103,919,100	0.54
18. Citigroup Nominees (Asing) Sdn Bhd <i>UBS AG</i>	95,804,827	0.49
19. Public Invest Nominees (Tempatan) Sdn Bhd <i>Public Bank Group Officers' Retirement Benefits Fund</i>	93,144,660	0.48

Name	No. of Shares Held	% of Issued Shares
20. HSBC Nominees (Asing) Sdn Bhd <i>JPMSE LUX for Stichting Depositary APG Emerging Markets Equity Pool</i>	88,360,770	0.46
21. HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA for Blackrock Institutional Trust Company, N.A. Investment Funds for Employee Benefit Trusts</i>	85,255,476	0.44
22. HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA for Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II</i>	84,837,900	0.44
23. Maybank Nominees (Tempatan) Sdn Bhd <i>Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)</i>	82,249,565	0.42
24. Amanahraya Trustees Berhad <i>Amanah Saham Bumiputera 2</i>	82,130,000	0.42
25. Amanahraya Trustees Berhad <i>Amanah Saham Malaysia 2 – Wawasan</i>	75,000,000	0.39
26. Citigroup Nominees (Tempatan) Sdn Bhd <i>Great Eastern Life Assurance (Malaysia) Berhad (Par 3)</i>	68,743,980	0.35
27. Cartaban Nominees (Asing) Sdn Bhd <i>SSBT Fund SWV4 for California Public Employees Retirement System</i>	66,439,350	0.34
28. Cartaban Nominees (Asing) Sdn Bhd <i>State Street London Fund OQ78 for iShares IV Public Limited Company</i>	62,976,700	0.32
29. Cartaban Nominees (Tempatan) Sdn Bhd <i>Prudential Assurance Malaysia Berhad for Prulink Strategic Fund</i>	62,619,700	0.32
30. HSBC Nominees (Asing) Sdn Bhd <i>J.P. Morgan Securities Plc</i>	59,118,689	0.31
<b>11,281,017,042</b>		<b>58.12</b>



# Share Capital

As at 14 March 2023

The total number of issued shares as at 14 March 2023 stands at 19,410,691,735 ordinary shares. The changes in the number of issued shares are as follows:

Date of Allotment	No. of Shares Allotted	Consideration	Total Number of Issued Shares
Up to 30.08.1966	16,000,000	Cash	16,000,000
15.11.1978	4,000,000	Capitalisation of general reserve account (Bonus Issue 1:4)	20,000,000
22.07.1981	5,000,000	Capitalisation of general reserve account (Bonus Issue 1:4)	25,000,000
07.01.1982	10,000,000	Capitalisation of capital reserve account and general reserve account (Bonus Issue 2:5)	35,000,000
11.02.1982	35,000,000	Rights Issue 1:1 at RM2.00 per share	70,000,000
22.06.1983	42,000,000	Capitalisation of share premium account and general reserve account (Bonus Issue 3:5)	112,000,000
22.08.1983	56,000,000	Rights Issue 1:2 at RM2.00 per share	168,000,000
05.07.1984	42,000,000	Capitalisation of share premium account and general reserve account (Bonus Issue 1:4)	210,000,000
05.02.1988	42,000,000	Capitalisation of share premium account and general reserve account (Bonus Issue 1:5)	252,000,000
03.08.1988	105,000,000	Rights Issue 1:2 at RM1.60 per share	357,000,000
11.10.1989	218,500	Exercise of share options under Public Bank Berhad Employees' Share Option Scheme (PBB ESOS) at option price of RM3.80 per share	357,218,500
02.05.1990	1,237,500	Exercise of share options under PBB ESOS at option price of RM3.80 per share	358,456,000
15.06.1990	119,485,333	Capitalisation of share premium account and general reserve account (Bonus Issue 1:3)	477,941,333
06.08.1990	71,691,200	Rights Issue 1:5 at RM2.20 per share	549,632,533
08.10.1990	138,500	Exercise of share options under PBB ESOS at option price of RM2.76 per share	549,771,033
12.04.1991	3,828,850	Exercise of share options under PBB ESOS at option price of RM2.76 per share	553,599,883
24.09.1991	334,300	Exercise of share options under PBB ESOS at option price of RM2.76 per share	553,934,183
25.03.1992	114,700	Exercise of share options under PBB ESOS at option price of RM2.76 per share	554,048,883
15.04.1993	1,038,701	Exercise of share options under PBB ESOS at option price of RM2.76 per share	555,087,584
01.10.1993	9,912,337	Exercise of share options under PBB ESOS at option price of RM2.76 per share	564,999,921
20.04.1994	3,434,479	Exercise of share options under PBB ESOS at option price of RM2.76 per share	568,434,400
05.10.1994	1,113,000	Exercise of share options under PBB ESOS at option price of RM7.84 per share	569,547,400

Date of Allotment	No. of Shares Allotted	Consideration	Total Number of Issued Shares
27.12.1994	50,000,000	Issue and private placement of 50,000,000 new shares as follows: – 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
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



## Share Capital

As at 14 March 2023

Date of Allotment	No. of Shares Allotted	Consideration	Total Number of Issued Shares
12.12.2002	247,675	Exercise of share options under PBB ESOS as follows: – 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
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

Date of Allotment	No. of Shares Allotted	Consideration	Total Number of Issued Shares
13.11.2003	1,202,135	Exercise of share options under PBB ESOS as follows: – 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
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



## Share Capital

As at 14 March 2023

Date of Allotment	No. of Shares Allotted	Consideration	Total Number of Issued Shares
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
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

Date of Allotment	No. of Shares Allotted	Consideration	Total Number of Issued Shares
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
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



## Share Capital

As at 14 March 2023

Date of Allotment	No. of Shares Allotted	Consideration	Total Number of Issued Shares
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
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

Date of Allotment	No. of Shares Allotted	Consideration	Total Number of Issued Shares
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
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

## Share Capital

As at 14 March 2023

Date of Allotment	No. of Shares Allotted	Consideration	Total Number of Issued Shares
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
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

Date of Allotment	No. of Shares Allotted	Consideration	Total Number of Issued Shares
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
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

## Share Capital

As at 14 March 2023

Date of Allotment	No. of Shares Allotted	Consideration	Total Number of Issued Shares
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
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

Date of Allotment	No. of Shares Allotted	Consideration	Total Number of Issued Shares
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
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



## Share Capital

As at 14 March 2023

Date of Allotment	No. of Shares Allotted	Consideration	Total Number of Issued Shares
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 2022

Area	No. of Properties		Net Book Value RM'000	
	Freehold	Leasehold		
<b>DOMESTIC</b>				
<b>PUBLIC BANK BERHAD</b>				
Kuala Lumpur	2	–	201,069	
Perak	1	–	198	
Sarawak	–	1	114	
<b>PUBLIC MUTUAL BERHAD</b>				
Kuala Lumpur	1	3	7,310	
Johor	–	1	641	
Pahang	1	–	1,437	
Pulau Pinang	1	–	1,536	
Sarawak	–	2	2,054	
Selangor	1	1	4,814	
<b>PUBLIC HOLDINGS SDN BHD</b>				
Kuala Lumpur	5	4	686,106	
Johor	4	–	67,637	
Kedah	1	–	1,369	
Melaka	–	2	833	
Pahang	1	–	74	
Perak	3	1	4,053	
Pulau Pinang	7	1	3,714	
Sabah	–	1	950	
Sarawak	1	2	2,786	
Selangor	1	2	31,527	
<b>OVERSEAS</b>				
<b>CAMBODIAN PUBLIC BANK PLC</b>				
Phnom Penh	1	–	36,416	
<b>PUBLIC FINANCIAL HOLDINGS GROUP</b>				
Hong Kong	–	34	672,748	

**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 2022

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	-	6 Years CCC issued on 1-1-2017	58,865 (gross) Net lettable 42,816	28-10-2022 (R)	598,635
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	-	28 Years	46,436	2-1-1995	200,906
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	820 Years (26-6-2842)	45 Years	5,451	30-5-2006**	137,912
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	38 Years (18-2-2060)	40 Years	1,465	31-12-2022 (R)	128,897
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	-	28 Years	36,222	28-10-2022 (R)	64,900
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 Divisions/ Departments; Lonpac Insurance	Freehold	-	45 Years	18,277	28-10-2022 (R)	53,578

Location	Description	Current Use	Tenure	Remaining Lease Period		Age of Property	Built-up Area (sq m)	Date of Last Revaluation/Acquisition	Net Book Value RM'000
				(Expiry Date)					
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.'s and Public Finance Ltd.'s Mongkok Branch; storeroom of Public Financial Holdings Group; office space leased to third parties	Leasehold 150 Years	28 Years (27-5-2050)	35 Years	2,215	31-12-2022 (R)	51,711	
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	880 Years (14-8-2902)	55 Years	1,464	11-6-1993	49,003	
Shop 11, Ground Floor Mei Hang Building Nos. 15/17, 21/25, 29/33, 37/41 & 45, Kai Man Path Tuen Mun, New Territories Hong Kong	A shop unit on ground floor of a 5-storey residential building	Leased to third parties	Leasehold 149 years	25 Years (30-6-2047)	49 Years	93	31-12-2022 (R)	40,698	
Shop A, Ground Floor EK Lam Mansion Nos. 486, 486A & 488 Nathan Road Yau Ma Tei, Kowloon Hong Kong	A shop unit on ground floor of a 11-storey composite building	Public Bank (Hong Kong) Ltd.'s Yau Ma Tei Branch	Leasehold 150 Years	22 Years (24-12-2044)	60 Years	120	29-4-2022	39,134	

**Notes:**

(L/B) Land and building

(R) Date that revaluation was performed

\*\* 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

China

Hong Kong

Laos

Cambodia

Vietnam



Sri Lanka



Malaysia



**445**

Total Branches



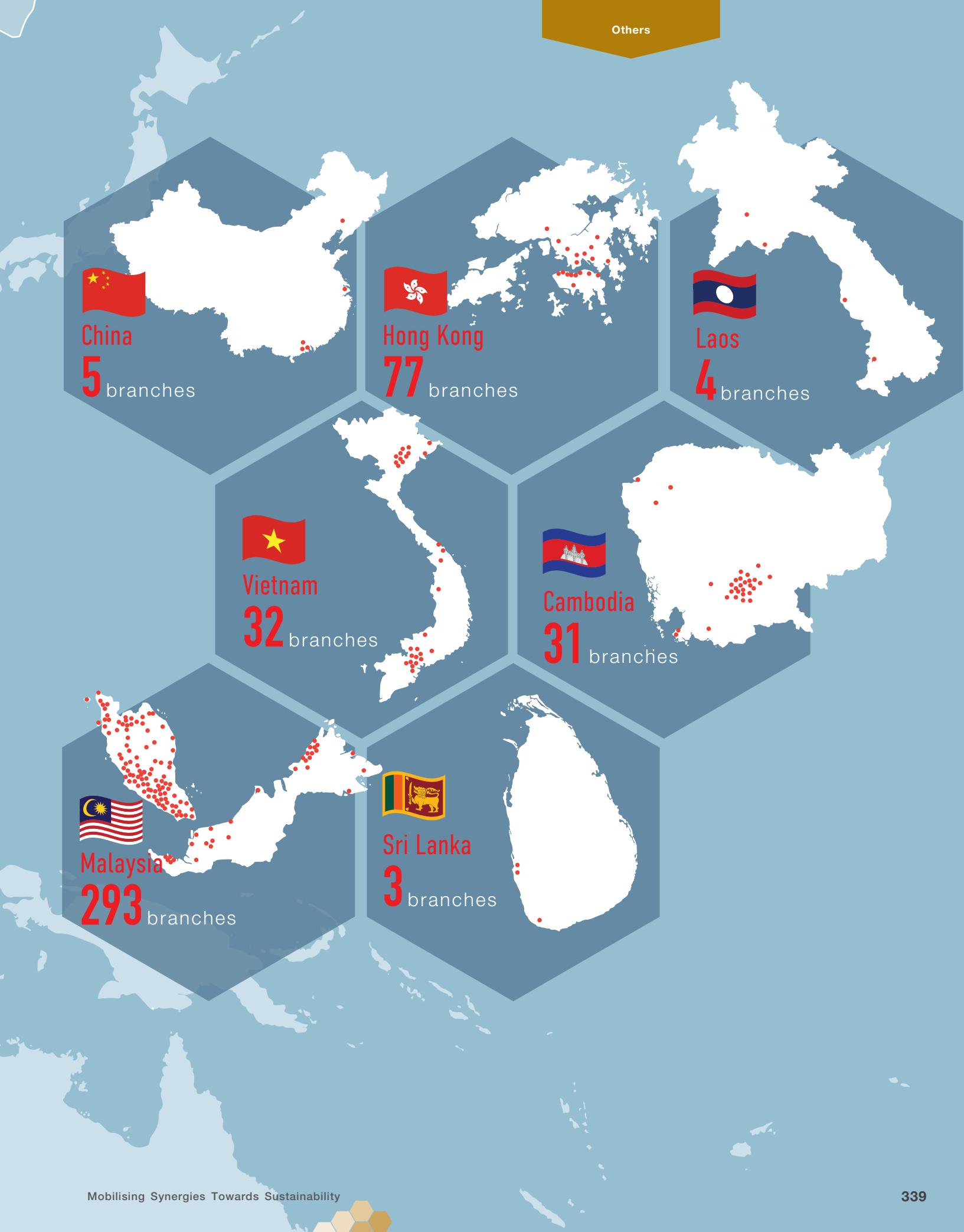
**2,074**

Self Service  
Terminals



**>19,000**

Staff Force



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**Jalan Datuk Keramat**  
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04-228 1045  
Email: jdkbm@publicbank.  
com.my

**Jalan Macalister**  
Tel : 04-227 6842  
04-227 6843  
Email: jmrbm@publicbank.  
com.my

**Jalan Raja Uda**  
Tel : 04-324 5229  
04-324 5297  
Email: jrubm@publicbank.  
com.my

**Jelutong**  
Tel : 04-281 3227  
04-282 5230  
Email: jjtmbm@publicbank.  
com.my

**Kepala Batas**  
Tel : 04-575 9085  
04-575 9086  
Email: kbsbm@publicbank.  
com.my

**Lebuh Macallum**  
Tel : 04-262 7732  
04-262 7886  
Email: lmmbm@publicbank.  
com.my

**Nibong Tebal**  
Tel : 04-593 1433  
04-593 1460  
Email: ntlbm@publicbank.  
com.my

**Prai**  
Tel : 04-390 1241  
04-390 1246  
Email: prabm@publicbank.  
com.my

**Pulau Pinang**  
Tel : 04-261 0060  
04-261 1416  
Email: ppgbm@publicbank.  
com.my

**Pulau Tikus**  
Tel : 04-227 6017  
04-227 6018  
Email: ptsbm@publicbank.  
com.my

**Relau**  
Tel : 04-644 3102  
04-644 3112  
Email: rlubm@publicbank.  
com.my

**Simpang Ampat**  
Tel : 04-588 2436  
04-588 6744  
Email: satbm@publicbank.  
com.my

**Sungai Nibong**  
Tel : 04-656 2288  
04-658 6000  
Email: sngbm@publicbank.  
com.my

**Taman Bukit Mas**  
Tel : 04-530 0288  
04-530 1951  
Email: tbmbm@publicbank.  
com.my

### Sabah

**Beaufort**  
Tel : 087-214 836  
087-214 844  
Email: bftbm@publicbank.  
com.my

**City Parade**  
Tel : 088-251 812  
088-251 813  
Email: cpebm@publicbank.  
com.my

**Donggongan**  
Tel : 088-722 780  
088-723 780  
Email: dggbm@publicbank.  
com.my

**Inanam**  
Tel : 088-429 112  
088-429 113  
Email: innbm@publicbank.  
com.my

**Jalan Apas**  
Tel : 089-913 262  
089-913 606  
Email: jasbm@publicbank.  
com.my

**Jalan Pantai**  
Tel : 088-236 800  
Email: jpibm@publicbank.  
com.my

**Keningau**  
Tel : 087-335 841  
087-335 845  
Email: kngbm@publicbank.  
com.my

**Kota Belud**  
Tel : 088-977 784  
088-977 807  
Email: kbdm@publicbank.  
com.my

**Kota Kinabalu**  
Tel : 088-536 123  
088-536 188  
Email: kkubm@publicbank.  
com.my

**Lahad Datu**  
Tel : 089-884 020  
089-884 021  
Email: ldubm@publicbank.  
com.my

**Lido**  
Tel : 088-217 125  
088-217 669  
Email: ldobm@publicbank.  
com.my

**Papar**  
Tel : 088-912 522  
088-912 523  
Email: pprbm@publicbank.  
com.my

**Prima Square**  
Tel : 089-202 288  
089-202 289  
Email: psebm@publicbank.  
com.my

**Putatan**  
Tel : 088-771 811  
088-772 890  
Email: ptbtm@publicbank.  
com.my

**Sandakan**  
Tel : 089-245 588  
089-245 666  
Email: sdkbm@publicbank.  
com.my

**Tawau**  
Tel : 089-761 311  
089-761 322  
Email: twubm@publicbank.  
com.my

### Sarawak

**Batu Niah**  
Tel : 085-737 111  
085-737 112  
Email: bnrbm@publicbank.  
com.my

**Bintangor**  
Tel : 084-693 511  
084-693 622  
Email: btrbm@publicbank.  
com.my

**Bintulu**  
Tel : 086-858 688  
086-858 788  
Email: btlbm@publicbank.  
com.my

**Jalan Central**  
Tel : 084-311 080  
084-335 677  
Email: jcblm@publicbank.  
com.my

**Jalan Penrissen**  
Tel : 082-613 377  
082-615 988  
Email: jpnbm@publicbank.  
com.my

**Jalan Tun Zaidi**  
Tel : 082-245 220  
082-245 271  
Email: jtzbm@publicbank.  
com.my

**Kapit**  
Tel : 084-797 652  
084-797 677  
Email: kptbm@publicbank.  
com.my

**Kuching City**  
Tel : 082-228 688  
082-243 886  
Email: kcybm@publicbank.  
com.my

**Li Hua**  
Tel : 084-210 984  
084-216 996  
Email: lhabm@publicbank.  
com.my

**Limbang**  
Tel : 085-212 443  
085-212 933  
Email: lgbm@publicbank.  
com.my

**Marudi**  
Tel : 085-755 000  
085-755 009  
Email: mrdbm@publicbank.  
com.my

**Medan Sentral**  
Tel : 086-311 116  
086-318 883  
Email: msrbm@publicbank.  
com.my

**Miri**  
Tel : 085-461 688  
Email: mribm@publicbank.  
com.my

**Mukah**  
Tel : 084-871 900  
084-872 668  
Email: mkhbm@publicbank.  
com.my

**Padungan**  
Tel : 082-330 542  
082-335 954  
Email: pdgbm@publicbank.  
com.my

**Pelita**  
Tel : 085-415 728  
085-431 639  
Email: pltbm@publicbank.  
com.my

**Sarikei**  
Tel : 084-652 490  
084-652 491  
Email: srkbm@publicbank.  
com.my

**Sibu**  
Tel : 084-316 511  
084-320 088  
Email: sbubm@publicbank.  
com.my

**Sri Aman**  
Tel : 083-323 031  
083-323 032  
Email: sanbm@publicbank.  
com.my

**Stutong**  
Tel : 082-363 889  
082-369 389  
Email: stgbm@publicbank.  
com.my

**Wisma Saberkas**  
Tel : 082-428 800  
082-428 801  
Email: wssbm@publicbank.  
com.my

### Selangor

**Ampang**  
Tel : 03-4256 2333  
03-4256 2636  
Email: apgbm@publicbank.  
com.my

**Bandar Bukit Tinggi**  
Tel : 03-3323 1661  
03-3323 6006  
Email: bbtbm@publicbank.  
com.my

**Bandar Kinrara**  
Tel : 03-8082 9821  
03-8082 9822  
Email: bkrbm@publicbank.  
com.my

**Bandar Mahkota Cheras**  
Tel : 03-9019 7872  
03-9019 8788  
Email: bmcbm@publicbank.  
com.my

**Bandar Puchong Jaya**  
Tel : 03-8074 2628  
03-8074 2788  
Email: bpjbm@publicbank.  
com.my

**Bandar Puteri Puchong**  
Tel : 03-8062 7799  
03-8062 7941  
Email: bpibm@publicbank.  
com.my

**Bandar Setia Alam**  
Tel : 03-3348 3988  
03-3348 3999  
Email: bsabm@publicbank.  
com.my

**Bandar Sri Damansara**  
Tel : 03-6272 5694  
03-6272 5741  
Email: bsdbm@publicbank.  
com.my

**Bandar Sungai Long**  
Tel : 03-9055 1888  
03-9055 1890  
Email: bslbm@publicbank.  
com.my

**Bandar Sunway**  
Tel : 03-5636 0713  
03-5636 0722  
Email: bsybm@publicbank.  
com.my

# Group Corporate Directory

<b>Banting</b> Tel : 03-3181 3081 03-3187 8387 Email: btgbm@publicbank. com.my	<b>Kuala Selangor</b> Tel : 03-3289 4193 03-3289 4194 Email: ksrbm@publicbank. com.my	<b>Seri Gombak</b> Tel : 03-6185 2980 03-6188 6316 Email: sgkbm@publicbank. com.my	<b>Taman Melawati</b> Tel : 03-4105 2003 03-4105 2004 Email: tmwbm@publicbank. com.my
<b>Batang Kali</b> Tel : 03-6057 1200 03-6057 2401 Email: bkibm@publicbank. com.my	<b>Pandamaran</b> Tel : 03-3167 2830 03-3167 2831 Email: pdabm@publicbank. com.my	<b>Seri Kembangan</b> Tel : 03-8939 2000 03-8939 2001 Email: sknbm@publicbank. com.my	<b>Taman Mayang</b> Tel : 03-7803 0124 03-7803 0151 Email: tmgbm@publicbank. com.my
<b>Bukit Beruntung</b> Tel : 03-6028 2168 03-6028 2169 Email: bbgbm@publicbank. com.my	<b>Pandan Indah</b> Tel : 03-9274 2495 03-9274 2496 Email: pihbm@publicbank. com.my	<b>Seri Setia</b> Tel : 03-7874 1944 03-7874 1966 Email: ssabm@publicbank. com.my	<b>Taman Muda</b> Tel : 03-4296 1806 03-4296 1935 Email: tmabm@publicbank. com.my
<b>Damansara Jaya</b> Tel : 03-7728 7353 03-7729 8588 Email: djabm@publicbank. com.my	<b>Pandan Jaya</b> Tel : 03-9281 2199 03-9286 3149 Email: pjabm@publicbank. com.my	<b>Shah Alam</b> Tel : 03-5510 0567 03-5510 1313 Email: sambm@publicbank. com.my	<b>Taman Sentosa Klang</b> Tel : 03-5161 3369 03-5161 3414 Email: tskbm@publicbank. com.my
<b>Damansara Utama</b> Tel : 03-7711 5000 03-7728 9406 Email: duabm@publicbank. com.my	<b>Petaling Jaya New Town</b> Tel : 03-7957 0007 03-7957 0211 Email: pjnmbm@publicbank. com.my	<b>SS2</b> Tel : 03-7872 8800 03-7874 1988 Email: ss2bm@publicbank. com.my	<b>Taman Seri Muda</b> Tel : 03-5121 6394 03-5121 6395 Email: tsmbm@publicbank. com.my
<b>Jalan Tapah</b> Tel : 03-3341 4889 03-3341 9036 Email: jthbm@publicbank. com.my	<b>Petaling Jaya Old Town</b> Tel : 03-7783 3734 03-7783 3735 Email: pjobjm@publicbank. com.my	<b>Subang Jaya</b> Tel : 03-5629 3400 03-5629 3588 Email: sjabm@publicbank. com.my	<b>Taman Taming Jaya</b> Tel : 03-8961 2460 03-8961 4980 Email: ttbjm@publicbank. com.my
<b>Kajang</b> Tel : 03-8913 4880 03-8913 4888 Email: kjgbm@publicbank. com.my	<b>Port Klang</b> Tel : 03-3167 4550 03-3167 4668 Email: pkgbm@publicbank. com.my	<b>Sungai Buloh</b> Tel : 03-6156 1983 03-6156 2056 Email: sbhbm@publicbank. com.my	<b>UEP Subang Jaya</b> Tel : 03-5635 0617 03-5635 0760 Email: usjbm@publicbank. com.my
<b>Kampung Baru Subang</b> Tel : 03-7845 8614 03-7846 8012 Email: kgbm@publicbank. com.my	<b>Rawang</b> Tel : 03-6099 6214 03-6099 6388 Email: rwgbm@publicbank. com.my	<b>Sungai Chua</b> Tel : 03-8736 0228 03-8737 0228 Email: scabm@publicbank. com.my	<b>Terengganu</b>
<b>Kapar</b> Tel : 03-3250 0916 03-3250 0917 Email: kapbm@publicbank. com.my	<b>Sabak Bernam</b> Tel : 03-3216 2500 03-3216 2612 Email: sbmbm@publicbank. com.my	<b>Sungai Jarom</b> Tel : 03-3191 2031 03-3191 2032 Email: sjmbm@publicbank. com.my	<b>Chukai</b> Tel : 09-859 3150 09-859 3154 Email: ckibm@publicbank. com.my
<b>Kelana Jaya</b> Tel : 03-7803 1267 03-7803 4928 Email: kjabm@publicbank. com.my	<b>Sea Park</b> Tel : 03-7873 8931 03-7873 8932 Email: seabm@publicbank. com.my	<b>Sungai Pelek</b> Tel : 03-3141 1236 03-3141 1237 Email: spkbm@publicbank. com.my	<b>Kuala Dungun</b> Tel : 09-848 2114 09-848 2507 Email: kdnbm@publicbank. com.my
<b>Klang</b> Tel : 03-3343 8161 03-3342 4048 Email: klgbm@publicbank. com.my	<b>Section 14</b> Tel : 03-7958 2585 03-7958 2586 Email: s14bm@publicbank. com.my	<b>Taman Chi Liung</b> Tel : 03-3371 8212 03-3371 8433 Email: tclbm@publicbank. com.my	<b>Kuala Terengganu</b> Tel : 09-622 6016 09-622 6122 Email: ktubm@publicbank. com.my
<b>Kota Damansara</b> Tel : 03-6140 6295 03-6148 3766 Email: kdabm@publicbank. com.my	<b>Sekinchan</b> Tel : 03-3241 0092 03-3241 0093 Email: skcbm@publicbank. com.my	<b>Taman Equine</b> Tel : 03-8938 1829 03-8938 1988 Email: teebm@publicbank. com.my	
<b>Kota Kemuning</b> Tel : 03-5525 9600 03-5525 9601 Email: kkmbm@publicbank. com.my	<b>Semenyih</b> Tel : 03-8723 8706 03-8723 8811 Email: smyb@publicbank. com.my	<b>Taman Indah</b> Tel : 03-9075 5200 03-9075 5202 Email: tihbm@publicbank. com.my	

## Overseas Branches

### SRI LANKA

#### Colombo Branch

Tel : 94-11-257 6289, 94-11-257 6290  
 Fax : 94-11-257 3958  
 Swift : PBBELKX  
 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

#### Watay 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

#### Islamic Kampung Baru Branch

Tel : 03-2692 7269  
 Fax : 03-2692 7188  
 Email: ikbbm@publicislamic.com.my

#### Islamic Putrajaya Branch

Tel : 03-8888 7878  
 Fax : 03-8881 1366  
 Email: ipjbm@publicislamic.com.my

#### Islamic Jalan Kota Branch

Tel : 04-731 1384  
 Fax : 04-731 7716  
 Email: ijkbm@publicislamic.com.my

#### Islamic Wakaf Siku Branch

Tel : 09-747 0111  
 Fax : 09-746 1177  
 Email: iwsbm@publicislamic.com.my

### PB Trustee Services Berhad

Tel : 03-2177 3127  
 Fax : 03-2164 6197  
 Email: pbtrustee@publicbank.com.my  
 Web : www.pbtrustee.com.my

### 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

Investment Banking:  
 Tel : 03-2036 2800  
 Fax : 03-2036 2950  
 Email: pivbhelpdesk@publicinvestbank.com.my  
 Web : www.pivbgroup.com

#### Stockbroking:

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  
 (42 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 : CPBLKHPP  
 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 : 855-23-999 883  
 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  
 (32 branches)

## Associated Companies

### 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

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# Form of Proxy



**PUBLIC BANK**

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

Number of shares held	CDS Account No.

I/We \_\_\_\_\_ NRIC No./Co. No. \_\_\_\_\_  
(FULL NAME IN BLOCK LETTERS AS PER NRIC/CERTIFICATE OF INCORPORATION)

of \_\_\_\_\_  
(FULL ADDRESS)

Tel No. \_\_\_\_\_ being a Member of PUBLIC BANK BERHAD, hereby appoint

NRIC No. \_\_\_\_\_  
(FULL NAME IN BLOCK LETTERS AS PER NRIC)

of \_\_\_\_\_  
(FULL ADDRESS)

and/or failing him/her, \_\_\_\_\_ NRIC No. \_\_\_\_\_  
(FULL NAME IN BLOCK LETTERS AS PER NRIC)

of \_\_\_\_\_  
(FULL ADDRESS)

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to participate and vote for me/us on my/our behalf at the 57th 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, Malaysia on Monday, 15 May 2023 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 Mr Lai Wan as Director.				
2.	Re-election of Mr Lee Chin Guan as Director.				
3.	Re-election of Ms Tham Chai Phong as Director.				
4.	Approval of payment of Directors' fees, Board Committees Members' fees, and allowances to Directors for financial year ended 31 December 2022.				
5.	Approval of payment of remuneration and benefits-in-kind (excluding Director's fee and Board meeting allowance) for financial year ended 31 December 2022 to the late Chairman Emeritus, Director and Adviser, Tan Sri Dato' Sri Dr. Teh Hong Piow.				
6.	Re-appointment of Messrs Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2023 and authority to the Directors to fix the Auditors' remuneration.				

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2023.

\_\_\_\_\_  
Signature of Member/Common Seal

## Notes:

1. The 57th 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 57th AGM in order to register, participate and vote remotely via the RPV facilities.
  2. Members may submit questions to the Board of Directors prior to the 57th 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 13 May 2023 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 57th AGM.
  3. In respect of deposited securities, only Members whose names appear in the Record of Depositors on 9 May 2023 (General Meeting Record of Depositors) shall be entitled to participate and vote at the 57th AGM.
  4. Since the 57th 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.
  5. A Member shall not be entitled to appoint more than 2 proxies to participate and vote at the 57th 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.
6. 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.
  7. 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 57th AGM or no later than 13 May 2023 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](mailto: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.
  8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of meeting will be put to vote by way of poll.

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STAMP

**TO:** **SHARE REGISTRAR**  
**TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD**  
Unit 32-01, Level 32  
Tower A, Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Malaysia

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