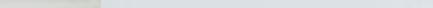




PUBLIC BANK

2023 INTEGRATED ANNUAL REPORT



BANK FOR THE PEOPLE



ABOUT THIS REPORT

REPORTING SCOPE AND BOUNDARIES

The Public Bank Group's Integrated Annual Report covers the period between 1 January 2023 to 31 December 2023. This report is the Group's effort to keep abreast and provide updates to stakeholders on key developments and initiatives, market challenges and business direction as well as achievements in 2023, in various markets where the Group operates. This report also presents directions, insights and forward looking initiatives.

This report is particularly relevant for stakeholders in Malaysia as well as overseas stakeholders in Hong Kong, China, Cambodia, Vietnam, Laos and Sri Lanka where the Public Bank Group operates.

INTEGRATED ANNUAL REPORT

The Public Bank Group's Integrated Annual Report is guided by local and international statutory requirements and frameworks. The preparation of the Group's Integrated Annual Report which includes the Group's Sustainability Report, provides a comprehensive overview of the Group's performance in 2023, sustainability performance and significant Environmental, Social and Governance matters that are material to the Group and its stakeholders as well as outlook for 2024.

Guided by:

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

Sustainability Report

Guided by:

- Bursa Malaysia's Main Market Listing Requirements and Sustainability Reporting Guide (3rd Edition)
- Malaysian Code on Corporate Governance by the Securities Commission Malaysia
- Global Reporting Initiative Standards
- Task Force on Climate-Related Financial Disclosures Recommendations

FINANCIAL BOOK

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

 *The Basel II Pillar 3 Disclosure is available on pages 251-304*

Guided by:

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

MATERIALITY AND MATERIAL MATTERS

Information included in this report is shaped by the Public Bank Group's material matters. Therefore, the report focuses on material risks, opportunities and outcomes that impact the Group's business and stakeholder value creation. Material matters as elaborated on page 169, also influence development of the Group's strategies.

INDEPENDENT ASSURANCE

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

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

FORWARD-LOOKING STATEMENT

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

STATEMENT OF RESPONSIBILITY

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

Tan Sri Dato' Sri Dr. Tay Ah Lek

Managing Director/Chief Executive Officer
(on behalf of Senior Management Team)

ICONS USED IN THIS REPORT

SIX CAPITALS ADOPTED TO CREATE VALUE

 Financial Capital	 Manufactured Capital	 Human Capital
 Social Capital	 Intellectual Capital	 Natural Capital

PUBLIC BANK GROUP'S STAKEHOLDERS

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

PUBLIC BANK GROUP'S PRINCIPAL RISKS

 Credit Risk	 Market Risk	 Liquidity and Funding Risk	 Operational Risk
 Technology and Cyber Risk	 Capital Risk	 Reputation Risk	 Strategic Risk
 Shariah Non-Compliance Risk	 Compliance risk	 Climate Risk	

PUBLIC BANK GROUP'S SUSTAINABILITY THEMES AND MATERIAL MATTERS

Protecting the Environment

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

Proficient Employees

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

Prosperous Customers and Communities

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

Principled Conduct

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

PRIORITY SUSTAINABLE DEVELOPMENT GOALS ("SDGS")

Methodology on UN SDG Alignment: To optimise SDG contributions, Public Bank prioritises on goals that are directly or indirectly impacted by operations and activities. Based on the assessment of 17 SDGs and the corresponding indicators, 12 priority SDGs were identified.



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Bank For The People

Public Bank's foundation is deeply rooted in the vision of serving the banking needs of the people. This vision signifies a commitment to inclusivity, ensuring that banking services are accessible and beneficial to all segments of society.

The cover design communicates the Bank's core values of inclusivity, accessibility, and the commitment to being a 'Bank for the People'. Public Bank remains strong through stability in leadership, financial acumen, digital transformation, high proficiency and professionalism, and continues to excel in delivering financial services that cater to the needs of individuals and businesses alike, promoting economic development and prosperity for all.



<https://www.publicbankgroup.com/investor-relations/annual-reports/>



The financial statements are available in the Financial Statements book of the 2023 Integrated Annual Report



To contact us, please refer to the Corporate Information on page 16 and the Group Corporate Directory on page 366



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Form of Proxy

CORPORATE PROFILE

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

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

The Public Bank Group delivers value across its wide network of...



450

Branches in the region



>19,000

Staff Force

Corporate Mission

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

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

Key Business Pillars

DOMESTIC CONSUMER BANKING AND SME LENDING

Offers:

- Residential Property Financing;
- Passenger Vehicle Hire Purchase Financing;
- SME Lending;
- Personal Consumer Financing;
- Credit and Debit Cards;
- Share Margin Financing; and
- Customer Deposits

WEALTH MANAGEMENT

Offers:

- Fund Management Services;
- Bancassurance Products; and
- Investments Products

TRANSACTIONAL SERVICES

Offers:

- Cash Management Services; and
- Remittances Services

ISLAMIC BANKING

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

CAPITAL MARKET

Comprises:

- Treasury Operations;
- Domestic Corporate Lending; and
- Investment Banking.

INTERNATIONAL OPERATIONS

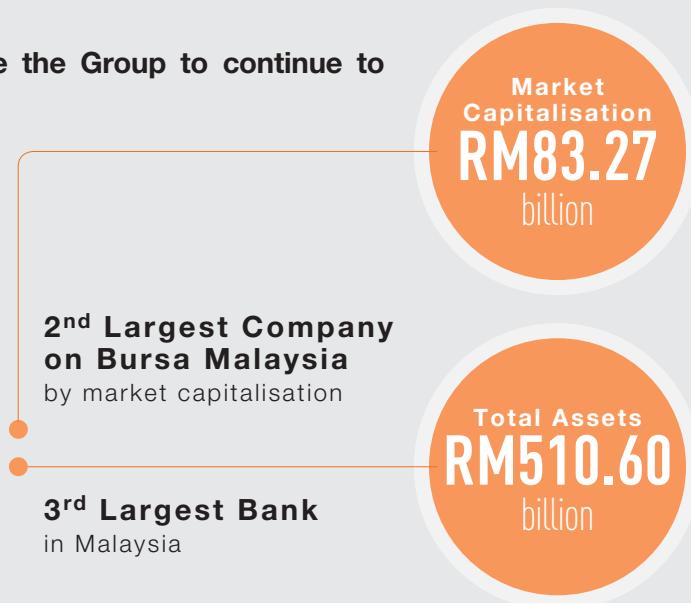
The Public Bank Group maintains its strategic regional footprint across five Asian countries, with subsidiaries in Cambodia, Hong Kong, Lao PDR and Vietnam as well as overseas branches in Sri Lanka and the People's Republic of China.

CORPORATE PROFILE

Investment Case

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

Public Bank's total asset size stood at RM510.60 billion and is the second largest company listed on Bursa Malaysia with total market capitalisation of RM83.27 billion as at the end of 2023.



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.



STELLAR FINANCIAL PERFORMANCE



STRONG CREDIT RATINGS

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	Rating Agency Malaysia AAA long term rating, <i>the highest rating by Rating Agency Malaysia</i> P1 short term rating Stable outlook
-----------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------

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.



Public Islamic Bank Berhad ("Public Islamic Bank")

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



Public Investment Bank Berhad ("Public Investment Bank")

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



Public Mutual Berhad ("Public Mutual")

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

* In terms of total retail fund size managed amongst private unit trust companies and PRS providers in Malaysia. Source: The Edge-Lipper, 18 December 2023.

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 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.



Public Bank Vietnam Limited ("Public Bank Vietnam")

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



Public Bank Lao Limited ("Public Bank Lao")

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

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



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



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



1966



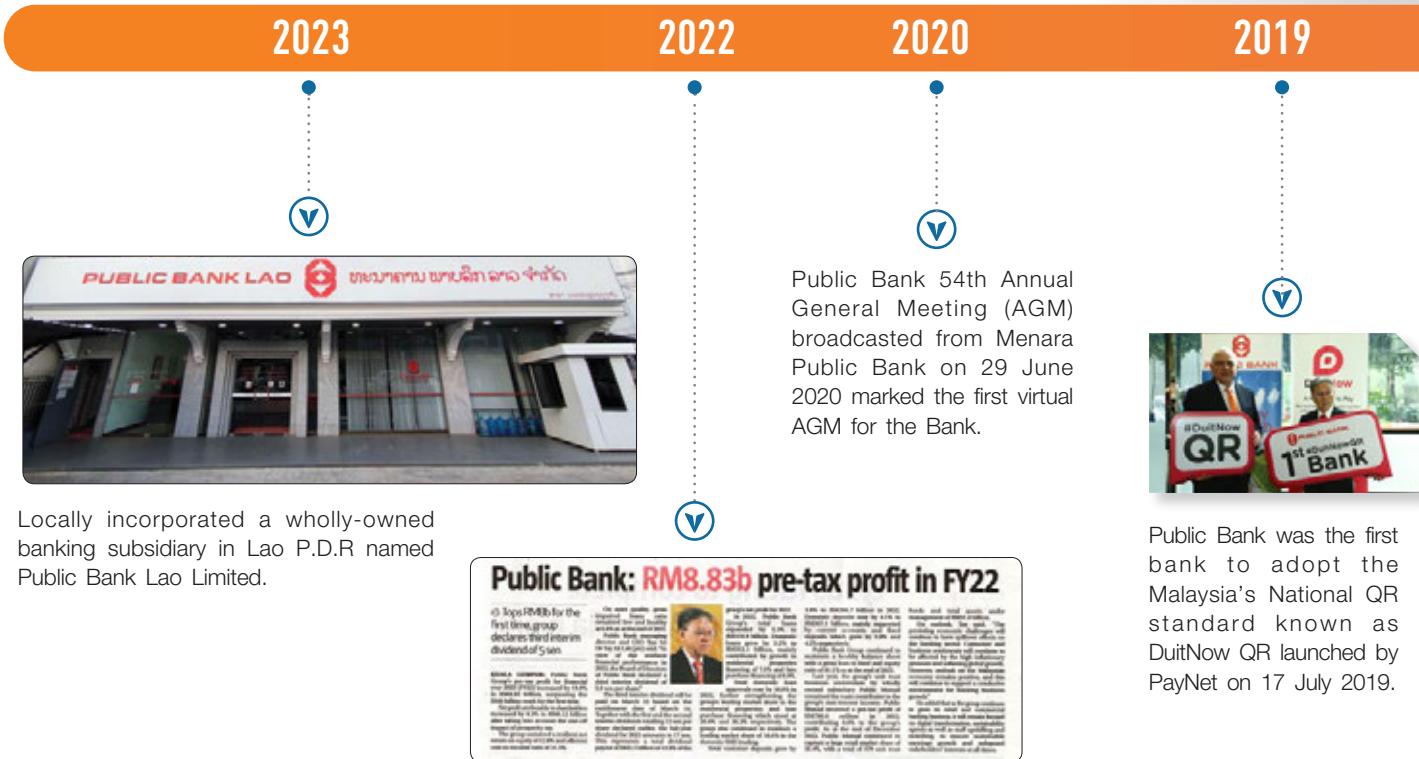
Public Bank moved to Bangunan Public Bank, the first Head Office building owned by the Bank.



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

1978

CORPORATE MILESTONES FROM 1966



Locally incorporated a wholly-owned banking subsidiary in Lao P.D.R named Public Bank Lao Limited.



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



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.



 Establishment of Cambodian Public Bank Plc, presently a wholly-owned subsidiary in Cambodia.



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



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



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.

1992

1996

2007

2008

2018

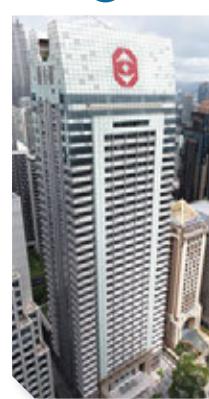
2017

2016

2010



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.



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.



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



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

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 57 years.

1967

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

1969

- ▶ 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.

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.

1996

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

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.

1998

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

2005

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

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.

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.

2001

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

2002

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

CORPORATE MILESTONES FROM 1966

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 the 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.

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.

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.

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.

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.

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.

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.

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.

2023

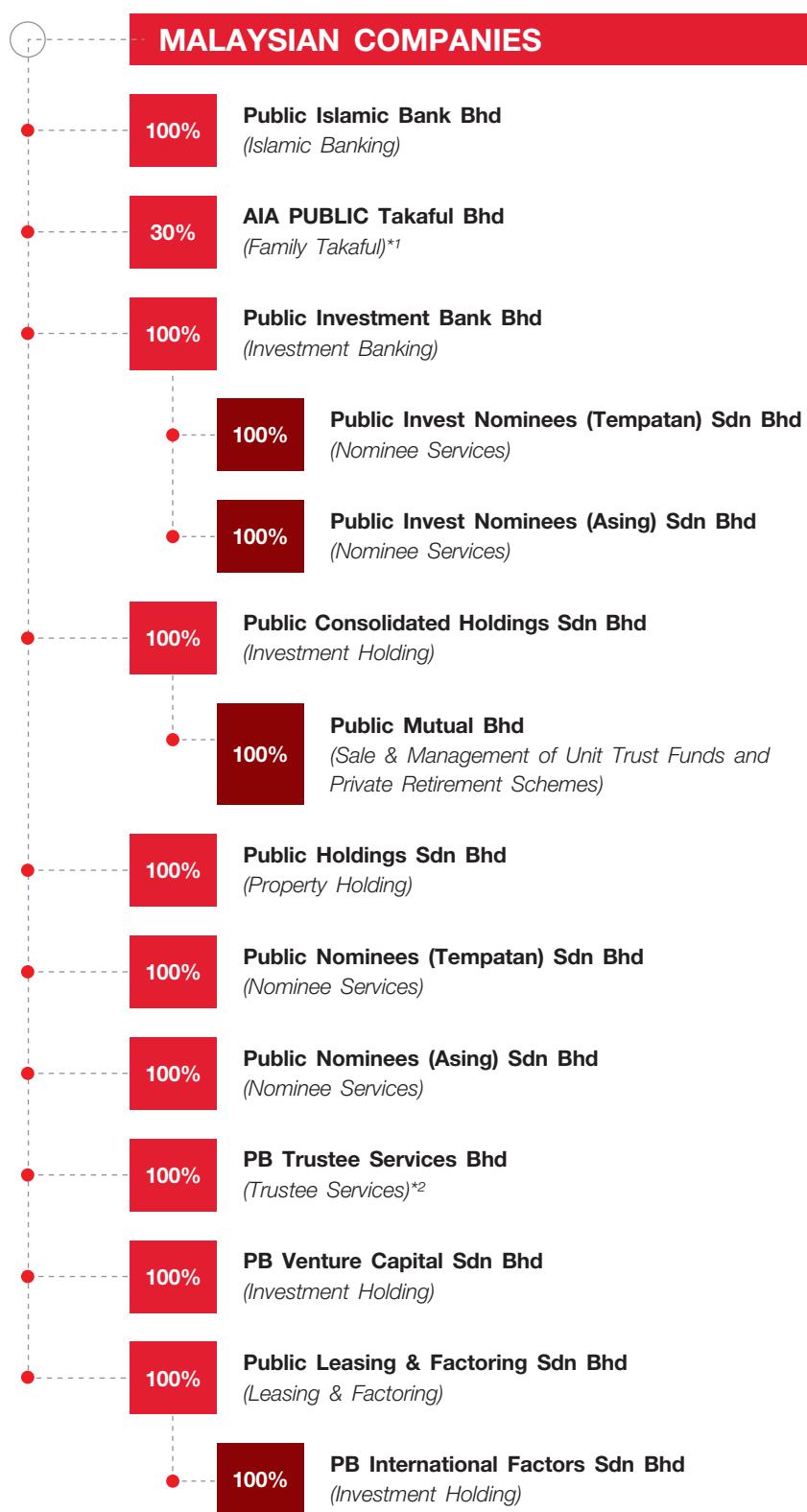
- ▷ Locally incorporated a wholly-owned banking subsidiary in Lao PDR named Public Bank Lao Limited to take over Public Bank's existing 4 domestic branches.



PUBLIC BANK

As at 29 February 2024

GROUP CORPORATE STRUCTURE



Notes:

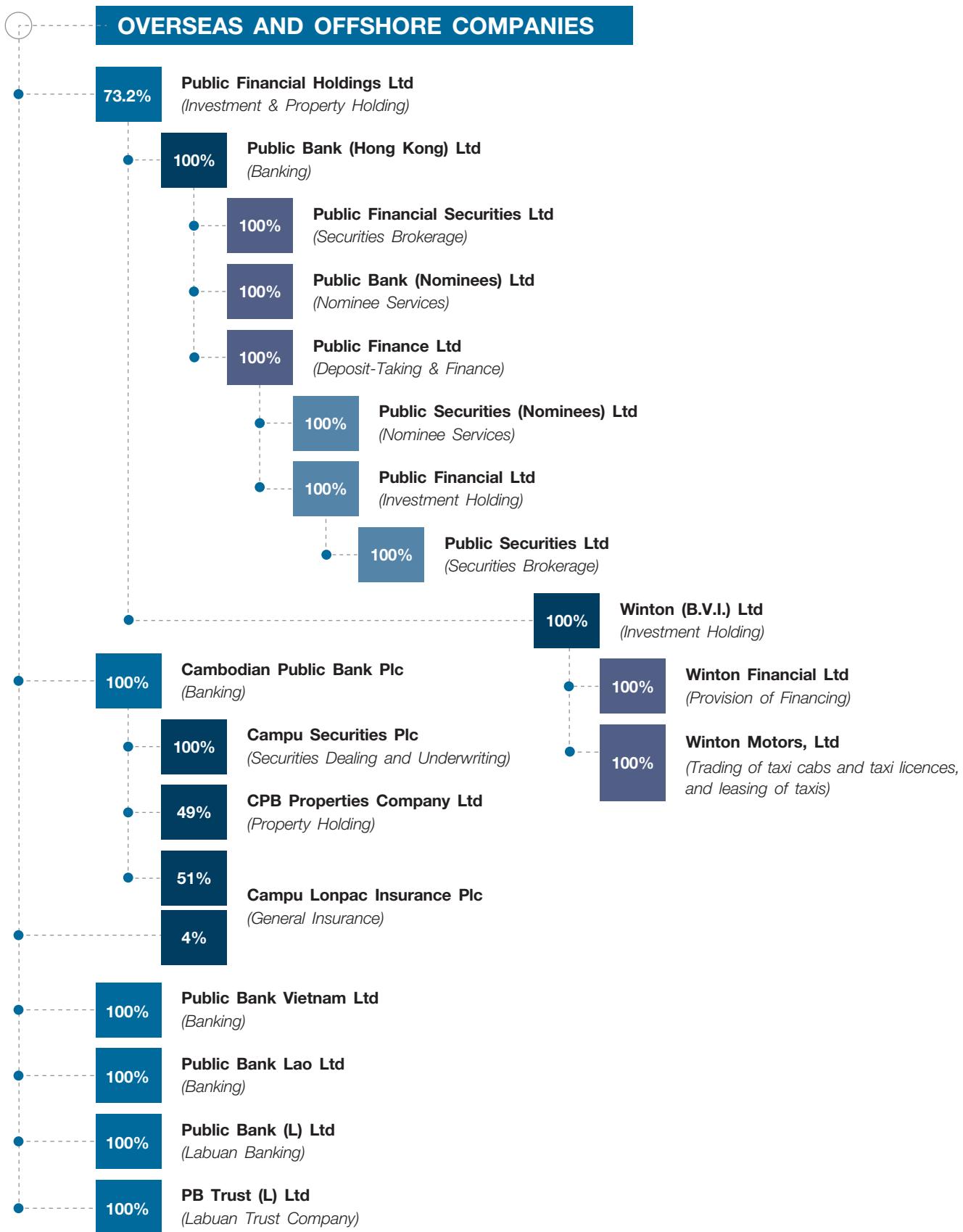
- | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|--------------------------------------------------------------------|
| <ul style="list-style-type: none"> The companies reflected are operating subsidiaries/associated companies. The full list of companies under the Public Bank Group is set out in Notes 15 and 16 to the Financial Statements on pages 100 to 104 in the Financial Statements section of this 2023 Integrated Annual Report. |  -  | 100% | Public Nominees (Asing) Sdn Bhd
(Nominee Services) |
| | | | |
| |  -  | 100% | PB Trustee Services Bhd
(Trustee Services)* ² |
| | | | |
| |  -  | | PB Venture Capital Sdn Bhd |

*1 Held by:

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

*2 Held by:

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



CORPORATE INFORMATION

As at 29 February 2024

BOARD OF DIRECTORS

LAI WAN

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

TAN SRI DATO' SRI DR. TAY AH LEK

Managing Director/Chief Executive Officer
PSM, SSAP, PJN, DIMP, KMN
MBA (Henley); EFMIM (M'sia);
Fellow, Chartered Banker, AICB; FCPA (Aust);
F Fin (Aust)

CHEAH KIM LING

Non-Independent Non-Executive Director
(Re-designated as Non-Independent Non-Executive Director on 29 April 2023)
BAcc (Hons); CA (M'sia)

LEE CHIN GUAN

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

DATO' MOHD HANIF BIN SHER MOHAMED

Independent Non-Executive Director
DSM, DSPN, PKT
MBA (UK)

THAM CHAI FHONG

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

LIM CHAO LI

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

GLADYS LEONG

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

TEOH MEOW CHOO

Independent Non-Executive Director
(Appointed on 1 November 2023)
BEcons (Acc/Fin) (Aust)

OTHER INFORMATION

COMPANY SECRETARY

WAN MARHANIM BINTI WAN MUHAMMAD

LS0009365

SSM Practising Certificate No. 202008003885

Telephone No.: 603-2176 6341

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COMPANY REGISTRATION NO.

196501000672 (6463-H)

WEBSITE

www.publicbankgroup.com

SHARE REGISTRAR

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD

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AUDITORS

MESSRS ERNST & YOUNG PLT

202006000003 (LLP 0022760-LCA) & AF 0039

Chartered Accountants

Level 23A, Menara Milenium

Jalan Damanlela

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SOCIAL MEDIA

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<https://www.youtube.com/@publicbankgroup>

<https://www.linkedin.com/company/public-bank>

<https://www.instagram.com/publicbankmy>

STOCK EXCHANGE LISTING

Listed on the Main Market of Bursa Malaysia Securities Berhad

Listing Date : 6 April 1967

Stock Name : PBBANK

Stock Code : 1295

CHAIRMAN'S STATEMENT

LAI WAN | Chairman

The Malaysian Economy Continued to Gain Momentum Driven by Resilient Domestic Demand

2023 was a year filled with an unprecedented mix of challenges. High inflation, slower-than-expected recovery of China's economy, tighter global monetary policy and the Middle East conflict disrupted the post pandemic recovery, leading to a slow global economic growth.

Navigating these challenges, the Malaysian economy continued to gain momentum driven by resilient domestic demand. The improved employment market and ongoing multi-year investment projects continued to support economic growth. The Government has also laid out pragmatic development plans, such as the New Industrial Master Plan 2030 and Mid Term Review of the 12th Malaysian Plan to further strengthen the country's growth prospects for the medium to long term.

Riding on these growth opportunities, coupled with the sound domestic banking system, the Malaysian banking sector continued to play its role as an effective and efficient financial intermediary supporting the nation's development.

BANK FOR THE PEOPLE

The theme of Public Bank's 2023 Annual Report titled "Bank for the People" is the core of the Public Bank Group's vision and commitment.

Since its founding by the late Tan Sri Dato' Sri Dr. Teh Hong Piow in 1966, the Bank has been steadfastly guided by its Corporate Philosophy with people-centric approach staying as an integral part of the Group's corporate culture and business strategies.

The Corporate Philosophy is deeply rooted in the Public Bank Group's operations and the Group emphasises on delivering long term value to its stakeholders – from sustainable shareholder return, superior customer service, sound corporate governance, to staff well-being – and the Group has continued to uphold its Corporate Philosophy till today.

The Public Bank Group's commitment to its stakeholders continued to be reflected in its achievements and performance in 2023. For the year, the Public Bank Group recorded another solid financial performance, with its net profit attributable to shareholders growing by 8.7% to RM6.65 billion.

In addition to its commendable financial performance, the Public Bank Group continued to maintain high cost efficiency and sound asset quality.



RM8.54

billion

Pre-tax Profit

55.5%

Dividend Payout

CHAIRMAN'S STATEMENT



The Group continued to stay abreast of market development and took appropriate strategic initiatives to sustain its leading market share in the financing, deposit and unit trust industry.

With the resilient performance, the Board of Directors declared a total dividend of 19.0 sen, equivalent to a total dividend payout of RM3.69 billion for the financial year 2023. This dividend payout represents 55.5% of the Group's net profit for 2023, demonstrating its ability to maintaining stable and consistent returns for its shareholders throughout the years.

STRENGTHENING STRATEGIC RESILIENCE

Amid a significantly challenging year, the Public Bank Group stayed agile and adaptable to the changing operating environment while fulfilling its responsibilities to its stakeholders.

The Group focused on sharpening its core business segments in the financing and deposit businesses as well as wealth management. The Group continued to stay

abreast of market development and took appropriate strategic initiatives to sustain its leading market share in the financing, deposit and unit trust industry.

The Public Bank Group's synergistic growth strategy is also reflected in its overseas operations. In 2023, the Group has opened eight new branches in Vietnam, solidifying its presence in Vietnam with a total of 40 branches as at the end of the year.

In addition, with effect from 1 January 2024, the Group has converted its operations in Laos into a wholly-owned subsidiary, which is renamed as Public Bank Lao Limited. This will further strengthen the Group's business footprint in the Indochina region.

With a total of 76 branches in Indochina, the Group is well-positioned to capture emerging business opportunities in this fast growing region.

Parallel to its progressive growth strategy, the Public Bank Group ensures sound corporate governance and prudent risk management in managing its balance sheet and asset quality.

In addition, the Public Bank Group continued to intensify its commitment towards environmental, social and governance ("ESG"). The Group has formalised its Sustainability Strategy and Roadmap, paving the path for further efforts towards achieving net zero carbon and the United Nation's Sustainable Development Goals. The Group also participated in the concerted efforts initiated by the financial industry, such as the Joint Committee on Climate Change to further accelerate ESG efforts contributing to global sustainability journey.



To further strengthen its capabilities to drive business growth, the Public Bank Group continued to strengthen its strategic focus in human capital development and digital transformation. Despite a challenging year with higher inflationary pressure, the Group has remained committed to investing in nurturing a conducive environment with progressive learning and personal development for the staff. The Group also continued to adopt a pragmatic approach on innovation and digitalisation to continuously enhance customer experience and operational efficiency.

THE YEAR AHEAD

2024 is expected to be another year filled with challenges. The Public Bank Group is ready to move ahead with the experiences gathered and resilience built throughout the years. The Group will continue to keep track of the shifting environment and scale up its capabilities to better serve the people.

With the expected sustained expansion of the Malaysian economy, the Public Bank Group will continue to leverage on its strong branding and network of branches to meet the growing needs of banking services to the people.

The Public Bank Group will also continue to make progress in the ESG journey to foster a sustainable and inclusive growth for all.

ETERNALLY GRATEFUL

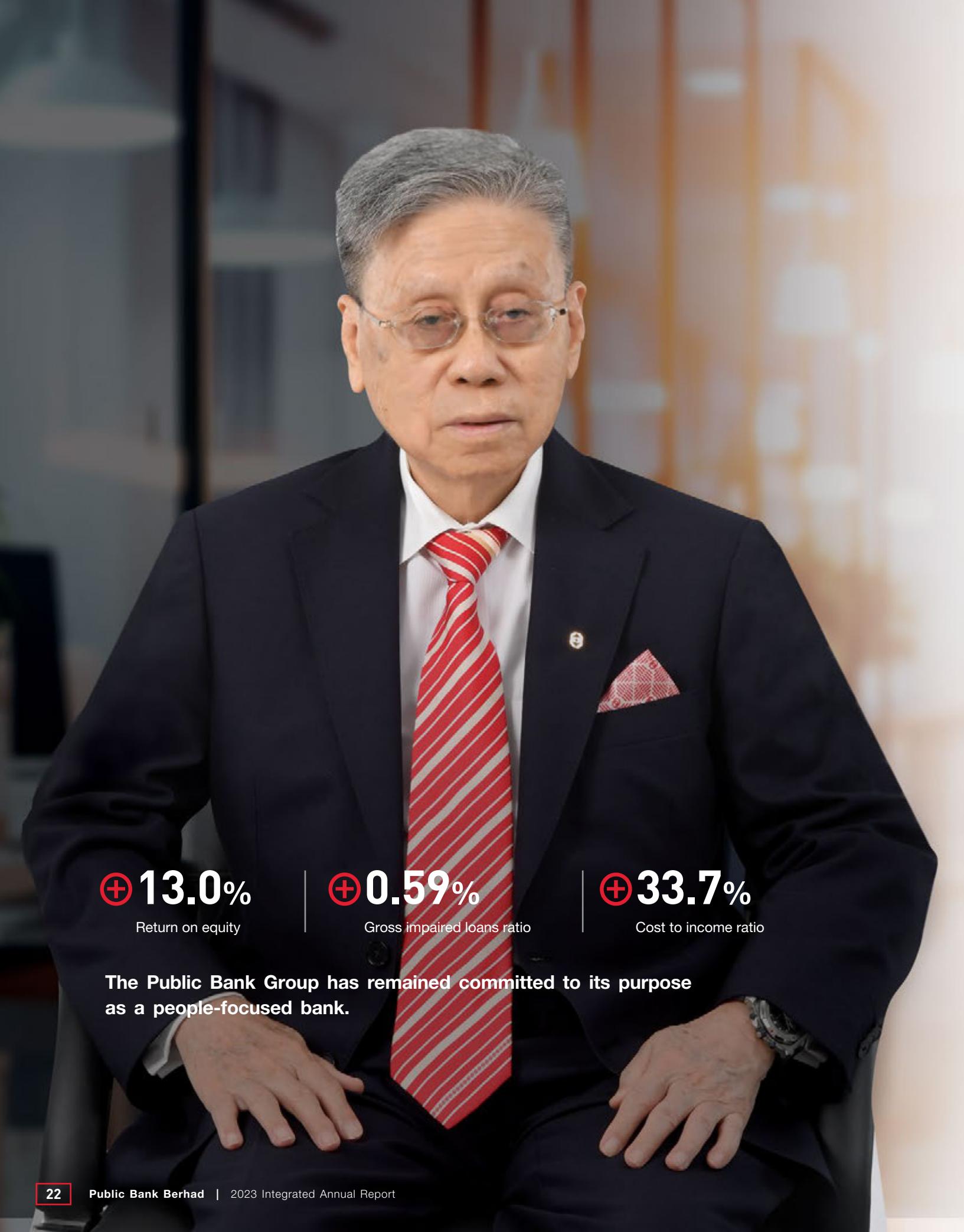
The Public Bank Group would like to extend its gratitude to all the shareholders, customers, the Group's management and employees for their continuing support, confidence and trust.

To Bank Negara Malaysia and relevant authorities, our utmost gratitude for their dedication in putting the nation's economy back on track and providing continuous guidance to the banking industry.

The Public Bank Group has remained unwavering in its pursuit of duty as a financial institution, from providing sustainable dividend distribution to the shareholders in appreciation for their support, to serving the people's financial needs to improve their lives.

The Group will continue to uphold its integrity to its stakeholders, adapting and constantly improving in all aspects to remain relevant to the people it serves.

Lai Wan
Chairman



+13.0%

Return on equity

+0.59%

Gross impaired loans ratio

+33.7%

Cost to income ratio

The Public Bank Group has remained committed to its purpose
as a people-focused bank.

REVIEW BY MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER

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

The global environment in 2023 was challenging. Many countries faced multi-faceted challenges stemming from high inflation, geopolitical tensions and tighter monetary policy, which had led to subdued economic growth. On the domestic front, however, the Malaysian economy sustained a GDP growth of 3.7% in 2023, underpinned by its resilient domestic demand.

The domestic economy do face some challenges. Amid this increasingly complex operating environment, the Public Bank Group continued to embrace growth by strengthening its core competency in the retail banking segment and further leveraging on its strong fundamentals to enhance its resilience against these challenges. The Group also took tangible steps in its sustainability journey to drive greater stakeholder value. Above all, the Group has remained committed to its purpose as a people-focused bank.

A RESILIENT FINANCIAL PERFORMANCE

Sound governance, together with proactive and prudent management, have always been the hallmarks of the Public Bank Group. These values have continued to contribute to the Group's financial stability throughout the years.

For the financial year 2023, the Public Bank Group achieved higher net profit attributable to shareholders, which grew by 8.7% to RM6.65 billion. With that, the Public Bank Group continued to sustain its leading position with a net return on equity of 13.0% and an efficient cost to income ratio of 33.7%.

In its core business segment, the Public Bank Group achieved total loan growth of 5.9%. On the domestic front, the Group achieved a commendable growth rate of 6.4% in residential properties financing and 10.8% in vehicle hire purchase financing, with leading market share of 20.4% and 30.5% respectively.

The Public Bank Group has also been supportive of the small and medium enterprises ("SMEs") that serve as the nation's engine of growth. In 2023, the Group achieved a domestic SME market share of 17.9% with total financing of RM67.9 billion as at the end of 2023.

With prudent lending practices and a resilient loan portfolio built throughout the years, the Public Bank Group continued to register a sound asset quality with a gross impaired loan ratio of 0.59% as at the end of 2023, significantly lower than the banking industry's gross impaired loan ratio of 1.65%.

In deposit-taking, the Public Bank Group achieved a 4.6% deposit growth in 2023. Liquidity position stayed at a healthy level with a liquidity coverage ratio of 136.8% as at the end of 2023.

The Group's wholly-owned subsidiary managing its unit trust business, Public Mutual, continued to gain support from the customers, as reflected in its leading market share of 35.9% in the domestic retail private unit trust industry as at the end of 2023. During the year, Public Mutual achieved a profit of RM798 million with an increased net asset value of RM97.1 billion as at the end of 2023.

REVIEW BY MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER

Apart from fulfilling customers' banking needs, the Public Bank Group is also embedding community needs into its people first strategy.

A PEOPLE FIRST STRATEGY

Underpinning its people-focused strategy, the Public Bank Group emphasises inclusiveness on financial accessibility. Leading to that, the Group has continued to adopt an omni-channel strategy, where banking services and face-to-face interaction are available at various touch points, be it physical branches or online platforms.

In addition to the 293 domestic branches strategically located across the country to serve the people, the Public Bank Group has continued to enhance its digital delivery channels, enriching customers' experience further.

Over the years, with its online banking platforms continuing to improve with more seamless and convenient banking services, the Public Bank Group had registered commendable growth in users of its online channels. Over the past five years, active users for the PBe internet banking had increased by about 46%, while PB enterprise and PB engage mobile platforms had grown by more than two fold respectively.

Given its proactive initiatives in promoting electronic payment, the Public Bank Group continued to be recognised by The Malaysian e-Payments Excellence Awards 2023 organised by PayNet, with the Bank being awarded the Special Recognition Award for Outstanding Contribution to Cross Border Payments.

Meanwhile, as banking technology continues to evolve, the Public Bank Group has been very vigilant to fraud risk. The Group takes a balanced approach in driving digital transformation and ensuring cyber resilience to protect its customer interests.

To enhance scam prevention effectiveness, the Public Bank Group has rolled out various measures, amongst others, the PB SecureSign for transaction authentication, the kill switch function that enables customer to deactivate their online accounts, as well as cooling-off period for abnormal transactions. The Group has always ensured its initiatives are in line with industry best practices as guided by Bank Negara Malaysia to enhance the effectiveness of collective efforts in safeguarding customer interests.

With these stringent measures in place, the Group has blacklisted about 151,000 mule accounts as of December 2023, which has protected 876,000 customers from being scammed and prevented RM1.4 billion from fraudulently transferred into scammers' accounts.

Apart from fulfilling customers' banking needs, the Public Bank Group is also embedding community needs into its people first strategy.

As part of its sustainability roadmap, the Public Bank Group aims to spend RM10 million on communities by 2030. Driving towards this target, the Group had in 2023 became the first bank in Malaysia to embark on the Eco-Schools programme in collaboration with Green Growth Asia Foundation. Pioneering climate education initiatives in schools, the Group has committed RM1.2 million for the programme which spans from 2023 to 2025.

The Public Bank Group has also been actively involved in capacity building programmes to raise the awareness of the public on sustainable development. During the year, the Group had organised seminars themed "Embracing Sustainable Development: The Way Forward for SME Developers", inviting subject matter expertise to share knowledge and guidance with the SMEs while nurturing them towards embracing sustainability best practices.

In 2023, the Public Bank Group's proactive initiatives contributing to sustainable development had been recognised by reputable publications such as FinanceAsia and Corporate Governance Asia which had awarded to the Group the Best ESG Impact and Best Sustainable Bank in Malaysia as well as Asia's Best CSR.



A PEOPLE CENTRIC ORGANISATION

Amid a dynamic business environment, the Public Bank Group continues to future proof its employees by ensuring they remain relevant and capable in the new business landscape, while taking care of their well being.

The Group has always encouraged its staff to accelerate their personal development. A key initiative that the Group has launched in 2023 was the Talent Development System and Learning Exchange Platform, which provide the staff with opportunities to realise their career aspiration while widening the Group's talent development pipeline.

These avenues encourage the staff to explore job opportunities within the Public Bank Group. The platforms also set out the required skillsets and courses to facilitate staff to acquire the job skills for the roles ahead.

GROUP'S PROSPECTS

Looking forward to 2024, the global environment remains uncertain given the persistent headwinds in the global economy and political landscape. Whilst Malaysia as an open economy is likely to continue to be affected by these challenges, the economy is expected to remain relatively stable with the support of domestic demand.

At the Public Bank Group, the people centric practice has been the bedrock of the Group's corporate culture since its founding by our late Chairman Emeritus, Tan Sri Dato' Sri Dr. Teh Hong Piow.

While continuing the tradition of excellence, the Public Bank Group will continue to stand by its founding philosophy of being a 'Bank for the People' and to proactively seek for value-creating growth opportunities. The Group will also stay vigilant amid the uncertain global environment, ensuring sustainable value generation for its stakeholders in the years to come.

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

Empowering You with Solutions for Now and Beyond

We enrich your banking experience with secure, convenient solutions tailored to your evolving needs. Our commitment to innovation ensures that banking is easy, safe and efficient, streamlining your financial management and safeguarding your assets. As your financial partner in the digital age, we prioritise your goals and dreams, placing your well-being at the forefront of everything we do.





PUBLIC BANK GROUP'S VALUE CREATION MODEL

INPUTS

BUSINESS STRATEGY AND FOCUS AREAS

FC

FINANCIAL CAPITAL

- Strong credit ratings and balance sheet with asset size of **RM510.60 billion**
(refer to Corporate Profile on pages 4-7)
- Healthy capital with **CET I, Tier I and total capital ratios of 14.7%, 14.7% and 17.6%** respectively
(refer to Capital Management on pages 63-65)

MC

MANUFACTURED CAPITAL

- Wide network of 450 branches
(refer to Corporate Profile on pages 4-7)
- 2,070 easily accessible self-service terminals
(refer to Channel Management on pages 116-119)
- Strong network of digital platforms

HC

HUMAN CAPITAL

- >19,000 staff across the Asian region

SC

SOCIAL CAPITAL

- Drive sustainable development of society and contribute to local communities through its business
(refer to Sustainability Report on pages 195-212)
- Corporate Social Responsibility
(refer to Calendar of Significant Events 2023 on pages 328-330)

IC

INTELLECTUAL CAPITAL

- Strong branding, corporate governance
(refer to Corporate Governance on pages 276-293) and risk management culture
(refer to Risk Management on pages 302-307)
- Strategic business partnership
- Other intangible assets such as proprietary innovations and in-house capabilities

NC

NATURAL CAPITAL

- ESG considerations are embedded into the Group's business operations, including mobilisation of sustainable finance
(refer to Sustainability Report on pages 152-275)
- Sustainability commitments and monitoring of progress
(refer to Sustainability Report on pages 160-162)

Strategic Direction

The Public Bank Group's strategic direction guides the Group towards the achievement of its Corporate Mission. The Group's strategic direction is focused on growing its retail banking business, driven by synergistic growth in a wide range of business segments. Environmental, Social and Governance ("ESG") considerations are embedded into the Group's business operations and strategic directions to further strengthen sustainable growth through responsible ESG practices.

Strategic Focus

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



Delivered through
Key Business Pillars



Domestic Consumer Banking and SME Lending

Capital Market Operations

Wealth Management

Islamic Banking

Transactional Services

International Operations



Embedded into business operations and strategic direction



Sustainability Strategies

Environment

- Contributing towards a low carbon economy

Social

- Customer centric technology
- Financial Inclusion
- Empowering employee and communities

Governance

- Upholding risk and compliance management

Sustainability Themes and Material Matters

Protecting the Environment



Proficient Employees



Prosperous Customers and Communities



Principled Conduct



(refer to Sustainability Report on pages 152-275)

CORPORATE MISSION

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

Key Business Pillars	Output						
Domestic Consumer Banking and SME Lending	<ul style="list-style-type: none"> ④ Highest market share in Malaysia <table> <tr> <td>Residential properties</td> <td>20.4%</td> </tr> <tr> <td>Commercial properties</td> <td>32.6%</td> </tr> <tr> <td>Hire purchase</td> <td>30.5%</td> </tr> </table>	Residential properties	20.4%	Commercial properties	32.6%	Hire purchase	30.5%
Residential properties	20.4%						
Commercial properties	32.6%						
Hire purchase	30.5%						
Wealth Management	<ul style="list-style-type: none"> ④ Asset under management Private Retail Unit Trust Business <p>↑ 5.7% to RM97.11 billion 35.9% market share</p>						
Transactional Services	<ul style="list-style-type: none"> ④ Total payees and payors Remittance transactions <p>↑ 25.7% ↓ 5%</p>						
Capital Market Operations	<ul style="list-style-type: none"> ④ Pre-tax profit <table> <tr> <td>Domestic Corporate Lending</td> <td>↑ 33.5%</td> </tr> <tr> <td>Investment Banking</td> <td>↓ 17.8%</td> </tr> <tr> <td>Treasury</td> <td>↓ 51.8%</td> </tr> </table>	Domestic Corporate Lending	↑ 33.5%	Investment Banking	↓ 17.8%	Treasury	↓ 51.8%
Domestic Corporate Lending	↑ 33.5%						
Investment Banking	↓ 17.8%						
Treasury	↓ 51.8%						
Islamic Banking	<ul style="list-style-type: none"> ④ Pre-tax profit <p>RM751.1 million (8.8% of the Group's pre-tax profit)</p>						
International Operations	<ul style="list-style-type: none"> ④ Pre-tax profit <p>RM504.3 million (5.9% of the Group's pre-tax profit)</p>						

④ (refer to Business Operations Review on pages 76-125)

Key Performance Indicators

Financial Indicators – Target for FYE2024										
Return on Equity ("ROE") ~12.0	Cost to income Ratio ~35.0	Gross Impaired Loans Ratio <1.0	Gross Loans Growth 5.0% - 6.0%							
ESG Indicators – Target										
Carbon Emissions Carbon Neutral 2030 (Scope 1 & Scope 2) and Net Zero Carbon by 2050	Sustainable Financing Mobilise RM100 billion in sustainable finance by 2030	Women in Senior Management Maintain ≥45.0% representation	Training Days Per Employee Minimum 5 days or 35 hours of training per employee for domestic banking operations (including 2 hours of ESG related training)	Inclusive Finance Improve lives of 1.5 million individuals through inclusive finance by 2025 starting from 2021						
Principal Risks										
CR	MR	LFR	OR	TCR	CAP	RR	SR	SNC	COM	CLR

④ (refer to Risk Management on pages 304-307)

Key Risks in Operating Environment

- Uncertain global economic environment;
- Persistent competitive pressure for deposit-taking and lending business;
- Acceleration of digital transformation; and
- Increased focus on ESG.

④ (refer to Outlook and Strategic Directions on pages 37-41)

OUTCOMES

To create value-added outcomes for the Public Bank Group's stakeholders

FC FINANCIAL CAPITAL

- Earnings per share increased by 8.7% to 34.3 sen.
 - Highest return on equity of 13.0% in the industry.
 - Total assets grew by 3.5% to RM510.60 billion.
 - Total dividend of 19 sen per share.
 - Market capitalisation of RM83.27 billion.
- ④ (refer to Group Financial Review on pages 44-75)

Impact on Stakeholders SDGs



MC MANUFACTURED CAPITAL

- Enhanced PB enterprise App and online banking website
 - Steady growth of new users and active subscribers of mobile banking by 37.3% and 89.1% respectively.
 - Number of transactions of internet banking and PB enterprise increased by 34.5% and 41.7% respectively.
- ④ (refer to Business Operations Review on pages 116-119)



HC HUMAN CAPITAL

- Promote well-being of staff, attract and retain talents as well as equip employees with relevant skills for career advancement and personal developments through trainings and development programmes.
 - RM3.20 billion paid in salaries and rewards.
 - RM52.4 million invested in employees training and development.
 - 61.2 hours of training per employee.
- ④ (refer to Sustainability Report on pages 184-194)



SC SOCIAL CAPITAL

- RM7.56 billion mobilised since 2020 for financing of affordable housing.
 - Total tax contribution amounted to RM2.35 billion for nation building and economic development.
- ④ (refer to Sustainability Report on pages 170-222)



IC INTELLECTUAL CAPITAL

- MyPB retail banking mobile app include features like eKYC, cross-border payments and ESG tracking.
 - Introduction of the Biometric recognition on Pocket-PMO.
 - Introduction of Secure Token Authentication (SecureSign).
 - Garnered numerous domestic and international awards and accolades for Best Bank.
 - Fraud prevention protected 876,000 customers from being scammed and prevented RM1.4 billion from being fraudulently transferred into scammers' accounts.
 - Ongoing strategic partnership with AIA.
 - Enhanced New Investor Onboarding on Public Mutual Online ("PMO").
- ④ (refer to Business Operations Review on pages 89-97 and 116-123)



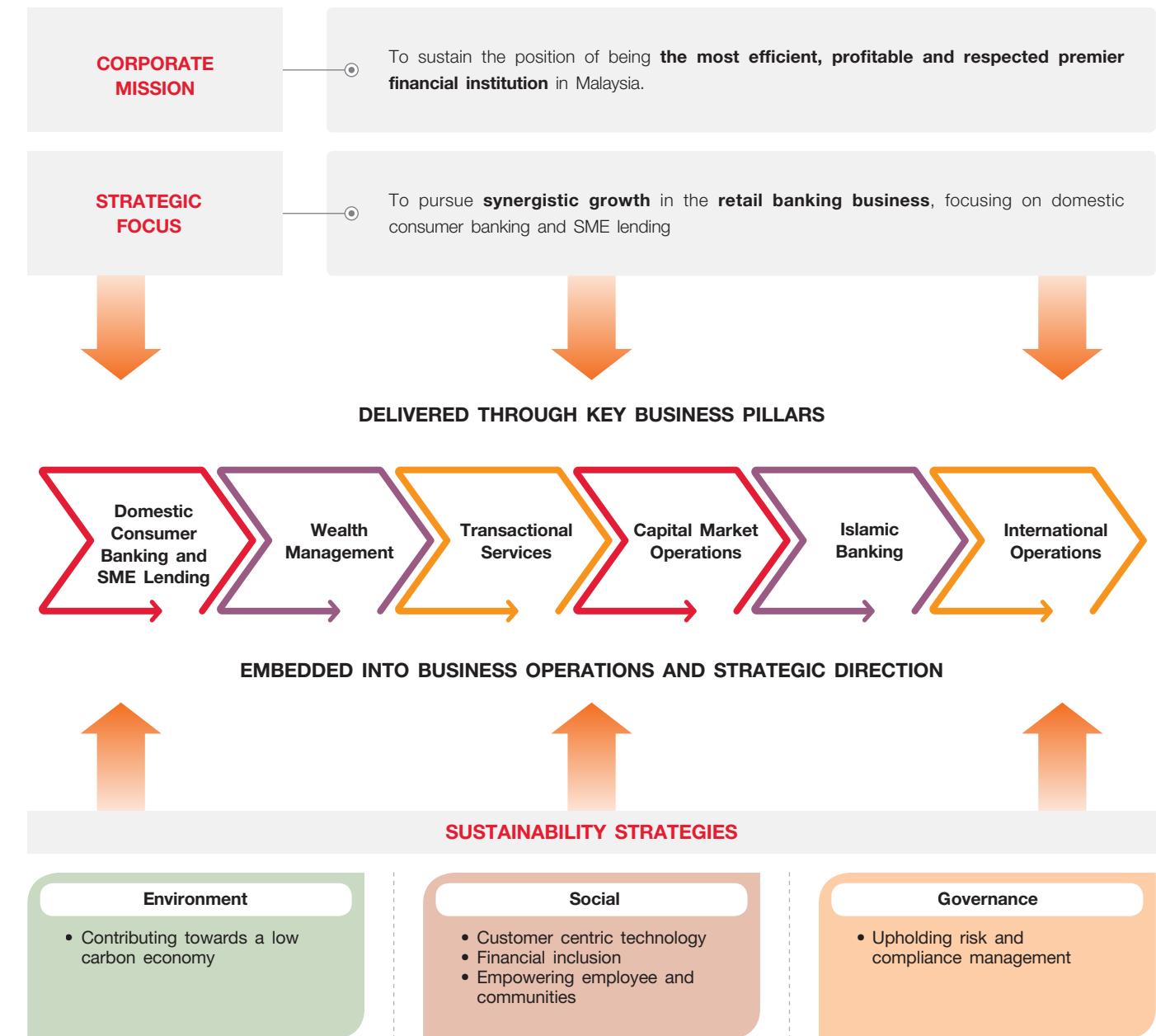
NC NATURAL CAPITAL

- Mobilisation of more than RM53 billion in sustainable finance.
 - Formalised commitment as Partnership for Carbon Accounting Financials ("PCAF") signatory.
 - Established Scope 3 financed emissions inventory for five asset classes.
 - Enhanced the Public Bank Group's Vendor Code of Conduct and to be communicated to all suppliers and vendors in 2024.
- ④ (refer to Sustainability Report on pages 170-222)



PUBLIC BANK GROUP'S STRATEGIC DIRECTION

The Public Bank Group's strategic direction guides the Group towards the achievement of its Corporate Mission. The Group's strategic direction is focused on growing its retail banking business, driven by synergistic growth in a wide range of business segments, including consumer banking and SME lending, wealth management, capital market operations, Islamic banking, transactional services and international banking. Environmental, Social and Governance ("ESG") considerations are also embedded into the Group's business operations and strategic directions to further strengthen sustainable growth through responsible ESG practices with the aim of delivering long term value for its stakeholders.



STRATEGIC FOCUS AREAS

To drive synergistic growth in its core banking business, the Public Bank Group's Short-Term and Medium-Term Business Plan outlines the initiatives that are in line with the Group's strategic direction and Risk Appetite. The Group's Risk Appetite sets the level of risk tolerance and limits to manage and control the Group's risk taking activities in its pursuit of business growth and profitability. The Group also takes into consideration market developments as well as industry trends and stakeholders' expectations in the development and review of its annual Business Plan.

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

KEY PERFORMANCE INDICATORS

To ensure the Public Bank Group stays on track to meet its strategic goals and commitment for the purpose of creating sustainable values for all the Group's stakeholders, Key Performance Indicators are set and continuously monitored.

FINANCIAL INDICATORS

To deliver resilient financial performance supported by continued healthy expansion of loans and deposits, coupled with resilient asset quality.

Indicators	Results	Target for FYE 2024
Return on Equity ("ROE")	 2023: 13.0% 2022: 12.8% 2021: 12.4%	~12.0
Cost to income Ratio ("CIR")	 2023: 33.7% 2022: 31.5% 2021: 31.6%	~35.0
Gross Impaired Loans Ratio	 2023: 0.59% 2022: 0.42% 2021: 0.31%	<1.0
Gross Loans Growth	 2023: 5.9% 2022: 5.3% 2021: 3.6%	5.0% - 6.0%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) INDICATORS

To align the Public Bank Group’s strategic business directions with ESG commitment and goals, thereby contributing to the best interest of the Group’s stakeholders and business.

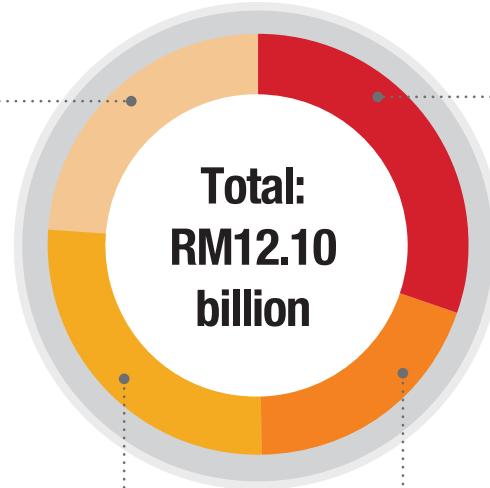
Indicators	Results	Target								
Carbon Emissions	<p>Scope 1 and Scope 2:</p> <ul style="list-style-type: none"> • 2023 Total carbon emissions: 64,063 tCO₂e <p>Scope 1, Scope 2 and Scope 3:</p> <ul style="list-style-type: none"> • 2023 Total carbon emissions: 87,223 tCO₂e 	<p>Carbon Neutral by 2030 (Scope 1 & Scope 2)</p> <p>Net Zero Carbon by 2050</p>								
Sustainable Finance	<p>Mobilised RM53.91 billion of sustainable finance since 2020, which includes key financing portfolio such as:</p> <ul style="list-style-type: none"> • RM38.36 billion of energy efficient vehicles financing • RM7.56 billion of affordable homes financing • RM5.22 billion of corporate loans • RM1.98 billion under Green Financing Facilities 	Mobilise RM100 billion in sustainable finance by 2030								
Women in Senior Management	<p>Achieved 48.8% women representation at Senior Management level</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Representation (%)</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>48.8%</td> </tr> <tr> <td>2022</td> <td>48.3%</td> </tr> <tr> <td>2021</td> <td>48.6%</td> </tr> </tbody> </table>	Year	Representation (%)	2023	48.8%	2022	48.3%	2021	48.6%	Maintain ≥ 45.0% women representation in Senior Management level
Year	Representation (%)									
2023	48.8%									
2022	48.3%									
2021	48.6%									
Training Hours Per Employee	<p>On average, employees have completed 61.2 hours of training.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Hours</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>61.2 hours</td> </tr> <tr> <td>2022</td> <td>62.2 hours</td> </tr> <tr> <td>2021</td> <td>58.8 hours</td> </tr> </tbody> </table>	Year	Hours	2023	61.2 hours	2022	62.2 hours	2021	58.8 hours	Minimum 5 days or 35 hours of training, with at least two hours of ESG related training per employee for domestic banking operations.
Year	Hours									
2023	61.2 hours									
2022	62.2 hours									
2021	58.8 hours									
Inclusive Finance	Over 1 million individuals' lives improved since 2021	Improve lives of 1.5 million individuals through inclusive finance by 2025 starting from 2021								

DISTRIBUTION OF VALUE ADDED

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

VALUE ADDED	2023 RM'000	2022 RM'000
Net interest income	9,055,292	9,166,884
Net income from Islamic banking business	1,561,548	1,857,189
Other operating income	2,475,747	2,414,169
Other operating expenses excluding staff costs and depreciation	(855,221)	(820,015)
Allowance for impairment on loans, advances and financing	(156,689)	(365,556)
Allowance for impairment on other assets	(1,278)	(13,199)
Share of results of equity accounted associated companies	18,956	6,947
Value added available for distribution	12,098,355	12,246,019

DISTRIBUTION OF VALUE ADDED	2023 RM'000	2022 RM'000
To employees:		
Personnel costs	3,196,151	3,043,786
To the Governments:		
Taxation	2,345,300	2,413,921
To providers of capital:		
Dividends paid to shareholders	3,688,031	3,299,818
Non-controlling interests	5,699	50,128
To reinvest in the Group:		
Depreciation	363,416	371,583
Retained profits	2,499,758	3,067,183
Total distributed	12,098,355	12,246,419



	Retained Earnings	Employees	Economy	Shareholders
	<p>For the Public Bank Group's sustainability RM2.86 billion 23.7%</p> <p>The Public Bank Group reinvested RM2.86 billion to fund future growth across its diversified franchise.</p>	<p>For employees RM3.20 billion 26.4%</p> <p>The Public Bank Group's salaries and staff related expenses amounted to RM3.20 billion.</p>	<p>For the economy RM2.35 billion 19.4%</p> <p>A total of RM2.35 billion in taxes paid to Governments, contributing to economic development.</p>	<p>For providers of capital RM3.69 billion 30.5%</p> <p>The Public Bank Group rewarded its shareholders with total dividend of 19.0 sen per share amounting to RM3.69 billion or dividend yield of 4.4%.</p>
Related Capital				
Related Material Matters				
Related Principal Risks	All			All
Related Stakeholders				

OUTLOOK AND STRATEGIC DIRECTIONS



BUSINESS LANDSCAPE IN 2024

GLOBAL

- The global economy is projected to grow in 2024, albeit at a moderate pace.
- China's economic activities are expected to grow albeit at a slower than expected pace, supported by both domestic and global demand.
- Global growth is expected to be weighed by the anticipated downtrend in external trades, slower momentum in major economies, protracted geopolitical tension(s) and tight financial market conditions.
- In the United States of America, consumer demand is expected to be adversely impacted as excess savings accumulated during the pandemic gradually deplete.
- The euro area economy is expected to face challenges amid global uncertainties.

MALAYSIA

- Firm fundamentals, stable labour market conditions and diversified economic structure.
- Steady domestic demand and services sector growth, including tourism activities.
- Further progress of investment and infrastructure projects will remain supportive of economic growth.
- National pursuits of sustainability encompassing a wide area of environmental, social and governance ("ESG").
- Appropriate Government policies and fiscal reform initiatives which enhance business resilience, will encourage domestic investments and strengthen the economy.
- Continued Government policy support will also help to cushion the impact of downside risks stemming from the global slowdown, geopolitical tension(s) and tighter global financial conditions amid monetary policy tightening.
- Other Government supportive measures include providing financial and fiscal impetus to businesses in need, especially for the small and medium enterprises ("SMEs").
- Overall banking system continued to be resilient, underpinned by ample liquidity and healthy capital buffers.
- Credit quality in the banking system is also expected to remain resilient as banks remain proactive in monitoring their asset quality.
- Banks in Malaysia continue to cater to the needs of customers while enhancing their operational and cost efficiency as well as overall productivity through various digital efforts.
- Businesses in Malaysia are anticipated to maintain operational efficiency amid ongoing efforts on cost controls and balance sheet management.

OUTLOOK AND STRATEGIC DIRECTIONS

RISKS, OPPORTUNITIES AND STRATEGIES

The economic environment is likely to remain challenging and uncertain. Despite uncertainties in the operating environment, the Public Bank Group has demonstrated resilience in navigating headwinds and managing emerging risks in line with the Group's risk appetite. The following table outlines the material risks and opportunities that affect the Group's ability to create value over time and the Group's strategies in response to these risks and opportunities.

UNCERTAIN GLOBAL ECONOMIC ENVIRONMENT

Risks

- Macroeconomic risks and external headwinds arising mainly from an escalation of geopolitical tensions and heightened volatility in global financial markets.
- Inflationary pressure and potential spillover effect on living cost.
- Slow global growth and inflationary pressure could affect regional economic growth where the Public Bank Group maintains overseas presence. Weak sentiment could also affect private consumption and raise business financing cost.

Opportunities

- The resilient domestic demand, coupled with improved employment market and pro-growth Government policy measures will continue to give rise to demand for consumer financing opportunities.
- Government's multi-year infrastructure projects and long term development plans, e.g. New Industrial Master Plan 2030, 12th Malaysia Plan and National Energy Transition Roadmap will further support the nation's economic development, hence, providing business opportunities for the banking industry.
- The various policy measures undertaken by the respective Governments where the Group maintains overseas presence will continue to support their domestic economies and banking industry.

Strategies

- The Public Bank Group will continue to weather potential market pressures through its strong risk management capabilities and remain vigilant in its business approach amid heightened market uncertainties.
- The Public Bank Group will leverage on its strong market position and offer a comprehensive range of products and services to cater to the needs of customers.
- The Public Bank Group remains committed to strengthen its regional presence particularly in Indochina, focusing on targeted customer segments and scalable business opportunities to create value.
- The Public Bank Group will continue to maintain its prudent lending policy and ensure its asset quality is well protected.

PERSISTENT COMPETITIVE PRESSURE FOR DEPOSIT-TAKING AND LENDING BUSINESS

Risks

- Competition among incumbent banks and new players such as digital banks and non-bank players such as e-Wallet providers and FinTech companies.

Opportunities

- Banks that are able to provide financial offerings that are competitive and intuitive as well as deliver seamless customer experience will gain greater growth opportunities.
- Efficient service delivery and enhanced customer experience will provide a competitive edge for banks to tap on business growth.

Strategies

- 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.
- The Public Bank Group will continue to be active in its balance sheet management to manage the interest margin pressure and optimise its returns to shareholders.
- To remain relevant and competitive, the Public Bank Group will further enhance its products and service capabilities to cater to the evolving needs of customers.
- 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.

OUTLOOK AND STRATEGIC DIRECTIONS

RISKS, OPPORTUNITIES AND STRATEGIES

ACCELERATION OF DIGITAL TRANSFORMATION

Risks

- Cyber risks are on the rise amid ongoing developments of various scam tactics.
- Customers are increasingly more digitally-savvy, driving demand for technological innovations that offer greater customer convenience and enhanced banking experience.
- Products and service offerings are increasingly transitioning to digital channels, with increasing competition from existing and new players to provide new and intuitive digital offerings.

Opportunities

- Digitalisation leveraging on the advancement of technology enhances customer banking experience and improves operational efficiency which leads to better productivity and cost efficiency.
- The exploration and adoption of new technologies with ongoing upgrades of information and communication technology (“ICT”) infrastructure, enhancement of cybersecurity coupled with enhanced service delivery standards will enable the provision of customer-centric solutions, uninterrupted banking services and online banking access to customers as well as ensure cyber resilience to prevent operational risks.
- End-to-end digital and system integration will further enhance customer experience and improve operational efficiency which reduce operational risks and increase productivity.

Strategies

- The Public Bank Group continues to apply relevant roadmap and strategies for the development of digital initiatives. The Group is making continuous progress in the development of a holistic digital ecosystem, explore new services for integration of banking systems and create sustainable value. The Group is committed towards reducing reliance on print-based operational processes while ensuring that its digital channels are accessible, user friendly, secure and reliable.
- The Public Bank Group remains committed in combating cybercrimes. The Group has adopted robust and stringent security protocols and risk management practices to ensure that customers' information are well-protected when performing banking transactions through digital platforms. The Group ensures that its system is up-to-date to prevent operational risks including system failures, data breaches and processing errors. The Group also proactively reaches out to customers to create awareness on preventive methods against online fraud and latest scam tactics by criminals.
- The Public Bank Group will accelerate its digitalisation efforts to further enhance its service delivery standards and infrastructure as well as operational efficiency with ongoing upgrades and enhancement of its ICT infrastructure. This will lead to overall improvement in productivity and cost efficiency.

INCREASED FOCUS ON ESG

Risks

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

Opportunities

- Taking cognisant of the Government's aspiration to reduce carbon emissions, eco-conscious customers are switching to sustainable options, including green homes/buildings and energy efficient vehicles.
- The growing prominence of ESG has offered rising opportunities for sustainable/green financing.

Strategies

- The Public Bank Group will continue to take appropriate actions to capture any viable business synergies from sustainable financing. The 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 as it works towards its RM100 billion commitment on sustainable financing by 2030.
- The Public Bank Group will continue to support Bank Negara Malaysia's Value-Based Intermediation directive, proactively incorporate climate risk in its credit assessment process as well as identify new green financing opportunities, which are in line with the Group's sustainability agenda.

MANAGEMENT DISCUSSION AND ANALYSIS





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MANAGEMENT DISCUSSION AND ANALYSIS GROUP FINANCIAL REVIEW

KEY HIGHLIGHTS 2023

STABLE PROFIT PERFORMANCE



Net Profit Attributable to Equity Holders

RM6.65 billion

↑ 8.7%

2022: RM6.12 billion



Earnings Per Share

34.3 sen

↑ 8.7%

2022: 31.5 sen



Dividend Per Share

19.0 sen

↑ 2.0 sen

2022: 17.0 sen

LEADER IN THE DOMESTIC MARKET



Highest Net Return on Equity

13.0%



Lowest Cost to Income Ratio

33.7%



Low Gross Impaired Loans Ratio

0.59%

LOANS

↑ 5.9%
Group

↑ 5.9%
Domestic

DEPOSITS

↑ 4.6%
Group

↑ 4.8%
Domestic

ROBUST CAPITAL POSITION



14.7%
CET I Capital Ratio



14.7%
Tier I Capital Ratio



17.6%
Total Capital Ratio

STRONG CREDIT RATINGS

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

Rating Agency Malaysia

AAA long term rating, *the highest rating by Rating Agency Malaysia*
P1 short term rating
Stable outlook

HEALTHY LIQUIDITY



136.8%
Liquidity Coverage Ratio

SUMMARY OF GROUP FINANCIAL PERFORMANCE

AT A GLANCE

	2023	2022	Variance %
PROFITABILITY (RM'MILLION)			
Operating revenue	25,415	21,427	18.6
Profit before tax expense and zakat	8,539	8,831	(3.3)
Net profit attributable to equity holders	6,649	6,119	8.7
Earnings per share (sen)	34.3	31.5	8.7
BALANCE SHEET (RM'MILLION)			
Total assets	510,598	493,263	3.5
Gross loans, advances and financing	398,997	376,892	5.9
Deposits from customers	412,897	394,719	4.6
Shareholders' equity	54,674	50,179	9.0
FINANCIAL INDICATORS			
Net return on equity	13.0%	12.8%	0.2
Cost to income ratio	33.7%	31.5%	2.2
Gross impaired loans ratio	0.59%	0.42%	0.17
Loan loss coverage	181.8%	272.0%	(90.2)
Liquidity coverage ratio	136.8%	127.7%	9.1
Gross loans to fund ratio [^]	92.9%	91.4%	1.5
Gross loans to fund and equity ratio [^]	82.0%	81.1%	0.9
Common Equity Tier I capital ratio [#]	14.7%	14.6%	0.1
Tier I capital ratio [#]	14.7%	14.6%	0.1
Total capital ratio [#]	17.6%	17.6%	—

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

[#] After deducting dividend declared subsequent to year end.

MANAGEMENT DISCUSSION AND ANALYSIS

GROUP FINANCIAL REVIEW

SUMMARY OF GROUP FINANCIAL PERFORMANCE

INCOME STATEMENT ANALYSIS

	2023 RM'Million	2022 RM'Million	Variance	
			RM'Million	%
Net interest income	9,055	9,167	(112)	(1.2)
Net income from Islamic banking business	1,562	1,857	(295)	(15.9)
Other operating income	2,476	2,414	62	2.6
Net income	13,093	13,438	(345)	(2.6)
Other operating expenses	(4,415)	(4,235)	(180)	(4.2)
Operating profit	8,678	9,203	(525)	(5.7)
Allowance for impairment on loans, advances and financing	(157)	(366)	209	57.1
Other allowances	(1)	(13)	12	90.3
Share of profit after tax of equity accounted associated companies	19	7	12	>100.0
Profit before tax expense and zakat	8,539	8,831	(292)	(3.3)
Net profit attributable to equity holders	6,649	6,119	530	8.7
Net interest margin (%)	2.20	2.39		

Amid an environment marked by rising global uncertainties, the Public Bank Group recorded a profit before tax of RM8,538.8 million in 2023. Net profit attributable to equity holders rose by 8.7% or RM529.8 million in 2023 with the absence of one-off prosperity tax charge. The decline in profit before tax was mainly attributable to the lower net interest income and net income from Islamic banking business as a result of margin compression, partially offset by lower allowance for impairment on loans, advances and financing as adequate pre-emptive allowance has been made in prior years.

NET INTEREST INCOME

Net interest income, which stood at RM9,055.3 million, accounted for 69.2% of the Public Bank Group's total income in 2023.

Net interest income decreased by 1.2% or RM111.6 million to RM9,055.3 million in 2023 as a result of margin compression arising from persistent competitive pressures on deposit-taking and lending business as well as higher Statutory Reserve Requirement ("SRR") cost due to the expiry of Bank Negara Malaysia's ("BNM") indulgence on 31 December 2022.

As a result, net interest margin moderated to 2.20% in 2023 from 2.39% in 2022.

NET INCOME FROM ISLAMIC BANKING BUSINESS

Net income from Islamic banking business, which represented 11.9% of the Public Bank Group's total net income in 2023, decreased by 15.9% or RM295.6 million to RM1,561.5 million in 2023 mainly due to lower net financing income as a result of margin compression amid high cost of deposits and higher SRR cost due to the expiry of BNM's indulgence on 31 December 2022.

OTHER OPERATING INCOME

	2023 RM'Million	2022 RM'Million	Variance	
			RM'Million	%
Income from fund management business	1,084	1,062	22	2.1
Net commission, service charges and fees	739	743	(4)	(0.6)
Brokerage and commissions from stock broking activities	127	110	17	15.4
Net fee and commission income	1,950	1,915	35	1.8
Net gains and losses on financial instruments	49	71	(22)	(30.9)
Foreign exchange income	361	309	52	16.8
Others	116	119	(3)	(3.1)
Other income	477	428	49	11.2
Total other operating income	2,476	2,414	62	2.6

Other operating income increased by 2.6% or RM61.6 million to RM2,475.7 million in 2023 mainly due to higher foreign exchange income and higher income from fund management business, partially offset by lower net gains and losses on financial instruments. Other operating income accounted for 18.9% of the Group's total net income in 2023.

Net fee and commission income increased by 1.8% or RM35.3 million to RM1,949.8 million in 2023 mainly due to higher income from fund management business and stock broking activities.

Net gains and losses on financial instruments decreased by 30.9% or RM21.9 million to RM49.0 million in 2023 mainly due to unrealised revaluation loss from financial assets in 2023 as compared to unrealised revaluation gain in the previous year, partially offset by higher gain from disposal of financial instruments.

Foreign exchange income increased by 16.8% or RM51.8 million to RM360.8 million in 2023 mainly due to higher business volume.

MANAGEMENT DISCUSSION AND ANALYSIS

GROUP FINANCIAL REVIEW

SUMMARY OF GROUP FINANCIAL PERFORMANCE

OTHER OPERATING EXPENSES

	2023 RM'Million	2022 RM'Million	Variance	
			RM'Million	%
Personnel costs	3,196	3,044	152	5.0
Establishment costs	818	766	52	6.8
Marketing expenses	110	111	(1)	(1.3)
Administration and general expenses	291	314	(23)	(7.6)
Total other operating expenses	4,415	4,235	180	4.2
Cost to income ratio (%)	33.7	31.5		
Staff strength	19,827	19,188		

The Public Bank Group continued to exercise prudent cost management throughout the year. In line with increased business activities, the Group's total other operating expenses increased by 4.2% or RM179.4 million to RM4,414.8 million in 2023. The Group continued to be the most cost efficient bank in the domestic banking industry with the lowest cost to income ratio of 33.7%.

Personnel costs, which accounted for 72.4% of the Group's total other operating expenses, rose by 5.0% or RM152.4 million to RM3,196.2 million in 2023. The Group's staff strength increased to 19,827 as at the end of 2023.

Establishment costs increased by 6.8% or RM52.2 million to RM818.2 million in 2023 mainly due to higher information technology expenses. Marketing expenses decreased by 1.3% or RM1.4 million to RM109.8 million in 2023. Both establishment and marketing expenses accounted for 18.5% and 2.5% respectively of the Group's total other operating expenses in 2023.

Administration and general expenses decreased by 7.6% or RM23.8 million to RM290.7 million in 2023 mainly due to lower communication expenses.

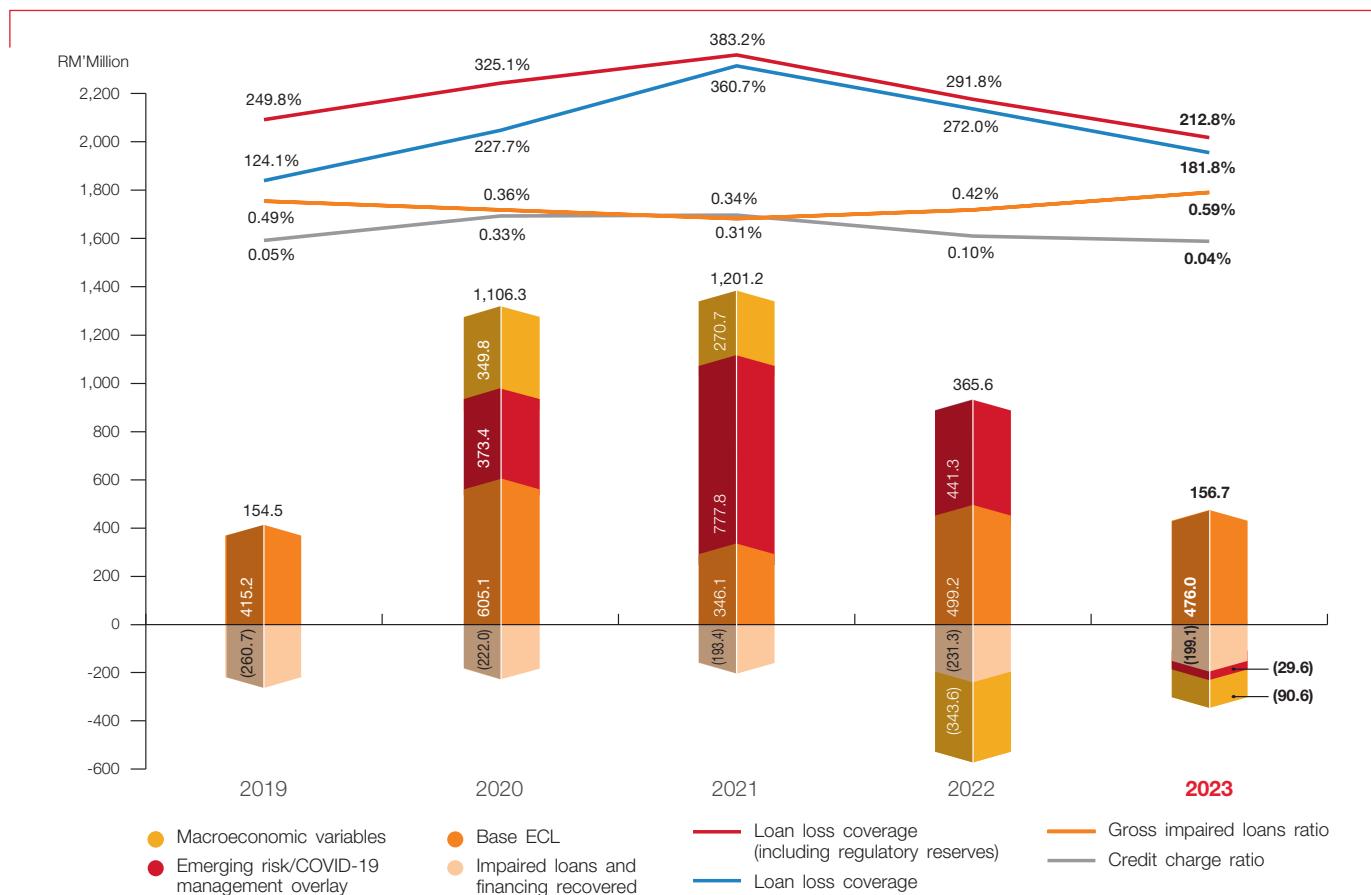
ALLOWANCE FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING

	2023 RM'Million	2022 RM'Million	Variance	
			RM'Million	%
Expected credit losses, including loan/financing commitments and financial guarantees:	356	597	(241)	(40.4)
Stage 1	(889)	(41)	(848)	(>100.0)
Stage 2	637	236	401	>100.0
Stage 3	608	402	206	51.4
Recoveries	(199)	(231)	32	(14.0)
Total allowance for impairment on loans, advances and financing	157	366	(209)	(57.1)
Credit charge ratio (%)	0.04	0.10		

The total allowance for impairment on loans, advances and financing decreased by 57.1% or RM208.9 million to RM156.7 million in 2023 as adequate pre-emptive provisioning had already been made in previous years coupled with stable asset quality observed in the current year. As a result, credit charge ratio dropped to 4 basis points ("bps") in 2023 from 10 bps in 2022.

The decrease in expected credit loss ("ECL") of RM241.1 million was mainly due to the following:

- Stage 1: Writeback of ECL in 2023 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: Higher ECL in 2023 was mainly due to loans, advances and financing that migrated to Stage 2 from Stage 1 as a result of normalisation of migration between stages post COVID-19.
- Stage 3: Higher ECL in 2023 was mainly due to higher credit-impaired loans, advances and financing arising from normalisation of impaired loans formation post COVID-19.



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. The Group's ECL decreased to RM365.6 million in 2022 and further dropped to RM156.7 million in 2023 as adequate pre-emptive provisioning has been provided in prior years coupled with stable repayment and delinquency trend observed upon expiry of the various repayment assistance programmes.

As at the end of 2023, the Group's gross impaired loans ratio stood at 0.59%. The Group's loan loss coverage ratio remained above pre-pandemic level despite dropping to 181.8% as at the end of 2023, from 272.0% a year ago mainly due to higher gross impaired loans. Including the Group's regulatory reserves, the loan loss coverage ratio was higher at 212.8%.

MANAGEMENT DISCUSSION AND ANALYSIS

GROUP FINANCIAL REVIEW

SUMMARY OF GROUP FINANCIAL PERFORMANCE

SEGMENTAL PROFITABILITY

(I) PROFIT BEFORE TAX BY BUSINESS SEGMENT

	2023		2022		Growth %	
	RM'Million	% of Contribution	RM'Million	% of Contribution		
Domestic Operations						
<i>Comprise of:</i>						
Retail	4,120	48.2	4,197	47.5	(1.9)	
Hire Purchase	753	8.8	907	10.3	(16.9)	
Fund Management	798	9.3	780	8.9	2.3	
Corporate Lending	568	6.7	426	4.8	33.5	
Treasury and Capital Market	167	2.0	347	3.9	(51.8)	
Investment Banking	43	0.5	52	0.6	(17.8)	
Head office, funding centre and others*	1,586	18.6	1,457	16.5	8.8	
Total domestic operations	8,035	94.1	8,166	92.5	(1.6)	
Overseas Operations	504	5.9	665	7.5	(24.2)	
Profit before taxation	8,539	100.0	8,831	100.0	(3.3)	

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

- Retail operations contributed 48.2% to the Public Bank Group's pre-tax profit in 2023 and was the largest contributor to the Group's pre-tax profit.
- Retail operations' pre-tax profit decreased by 1.9% or RM77.8 million to RM4,119.7 million in 2023 mainly due to lower net interest and financing income arising from margin compression and higher other operating expenses. These were partially mitigated by lower impairment allowance on loans and other assets as well as higher fee income.
- Hire purchase operations reported a drop in pre-tax profit by 16.9% or RM153.6 million to RM753.1 million in 2023 mainly due to lower net writeback of loan impairment allowance and higher other operating expenses. These were partially mitigated by higher net interest and financing income on higher average gross loans/financing achieved.
- Fund management operations' pre-tax profit increased by 2.3% or RM17.7 million to RM798.0 million in 2023 mainly due to higher net interest and management fee income, partially offset by higher other operating expenses.
- Corporate lending's pre-tax profit increased by 33.5% or RM142.6 million to RM568.1 million in 2023 mainly due to lower loan impairment allowance and higher net interest and financing income on higher average gross loans/financing achieved.
- Treasury and capital market operations' pre-tax profit decreased by 51.8% or RM179.6 million to RM167.2 million in 2023 mainly due to lower interest and financing income arising from unfavourable interest gapping activities, partially mitigated by higher investment income.
- Investment banking operations' pre-tax profit decreased by 17.8% or RM9.3 million to RM42.8 million in 2023 mainly due to lower net interest income and higher other operating expenses, partially mitigated by net writeback of loan impairment allowance and higher fee and other income in the current year.
- The pre-tax profit from head office, funding centre and others increased by 8.8% or RM128.4 million to RM1,585.5 million in 2023 mainly due to higher net interest and financing income and lower other operating expenses, partially offset by lower investment income.

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

	2023		2022		Growth %
	RM'Million	% of Contribution	RM'Million	% of Contribution	
In Malaysia	8,035	94.1	8,166	92.5	(1.6)
of which:					
Public Bank Berhad*	6,367	74.6	6,365	72.1	0.0
Public Islamic Bank Berhad*	751	8.8	929	10.5	(19.1)
Public Mutual Berhad	798	9.3	780	8.9	2.3
Public Investment Bank Berhad*	43	0.5	52	0.6	(17.8)
Outside Malaysia	504	5.9	665	7.5	(24.2)
of which:					
<u>Hong Kong operations</u>	24	0.3	228	2.6	(89.6)
<u>Cambodian operations</u>					
Cambodian Public Bank Plc	337	3.9	295	3.3	14.0
<u>Vietnam operations</u>					
Public Bank Vietnam Limited	104	1.2	111	1.3	(7.0)
Profit before taxation	8,539	100.0	8,831	100.0	(3.3)

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

- The Public Bank Group's domestic operations contributed 94.1% to the Group's pre-tax profit for 2023. The Group's overseas operations contributed the remaining 5.9%, mainly from its Indo-China operations.
- The pre-tax profit from the Group's overseas operations fell by 24.2% to RM504.3 million in 2023 mainly due to the impact of the challenging operating environment on the Group's Hong Kong business.

MANAGEMENT DISCUSSION AND ANALYSIS

GROUP FINANCIAL REVIEW

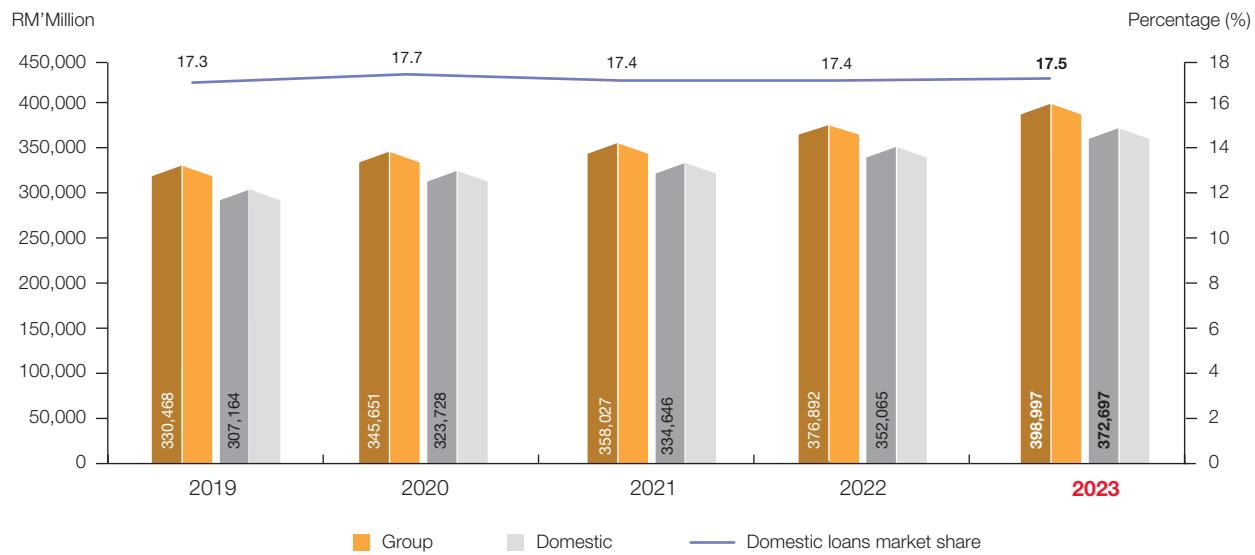
SUMMARY OF GROUP FINANCIAL PERFORMANCE

LOANS AND DEPOSITS

HEALTHY LOANS AND DEPOSITS GROWTH

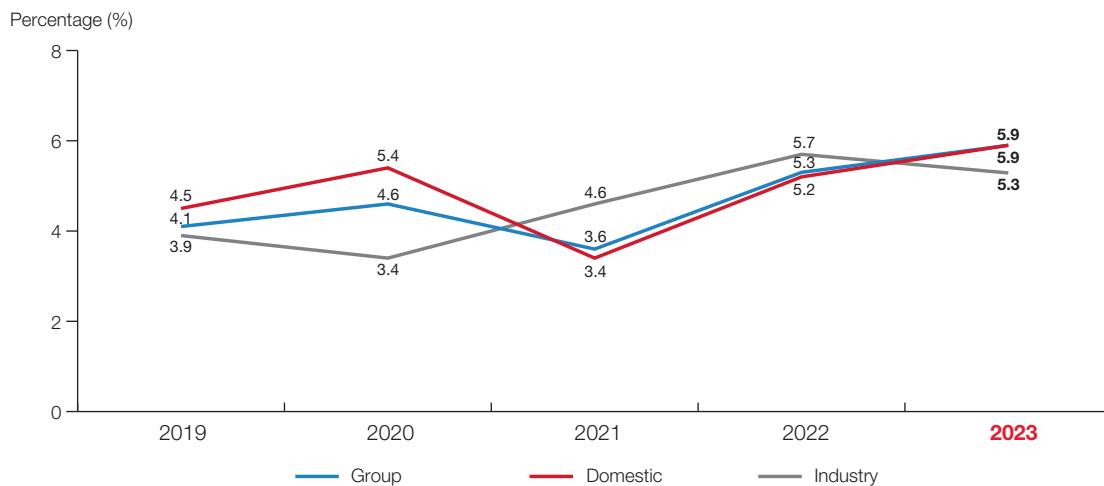
In 2023, the Public Bank Group continued to drive healthy growth in its lending and deposit-taking businesses as well as maintained the Group's strong domestic market position in loans and deposits.

Loans – Outstanding Balance and Domestic Market Share



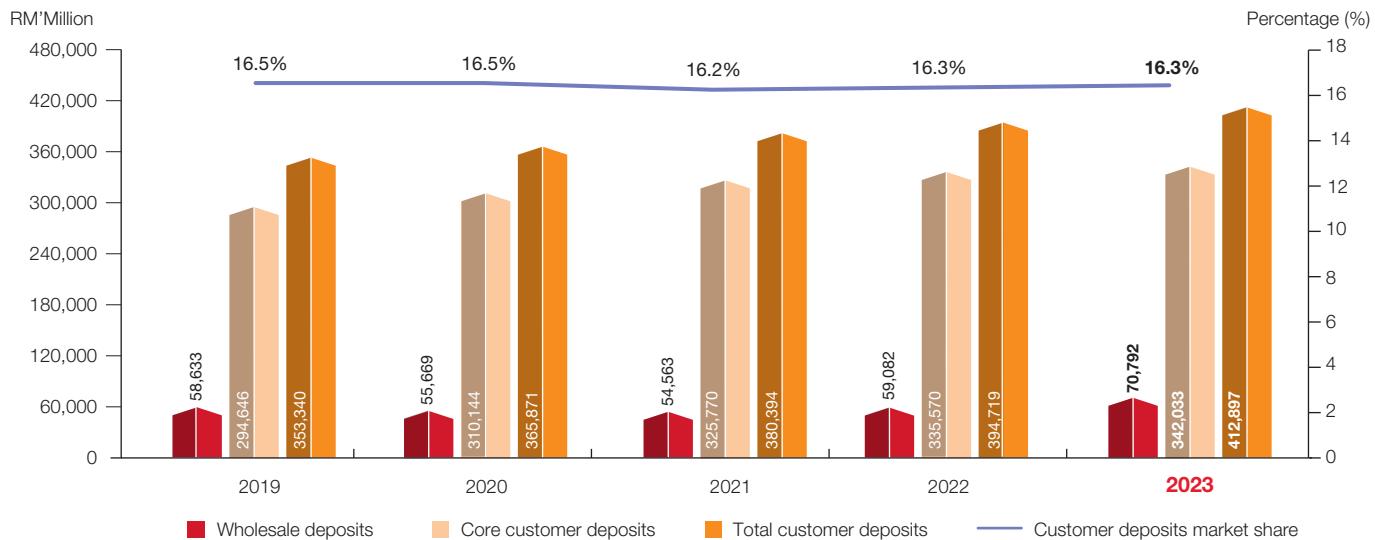
- The Public Bank Group's gross loans, advances and financing increased by 5.9% or RM22.10 billion to RM399.00 billion as at the end of 2023, mainly driven by domestic loans growth which grew by 5.9% or RM20.63 billion to RM372.70 billion as at the end of 2023.
- The Group's domestic loans market share grew from 17.4% a year ago to 17.5% as at the end of 2023.

Loans Growth vs Industry



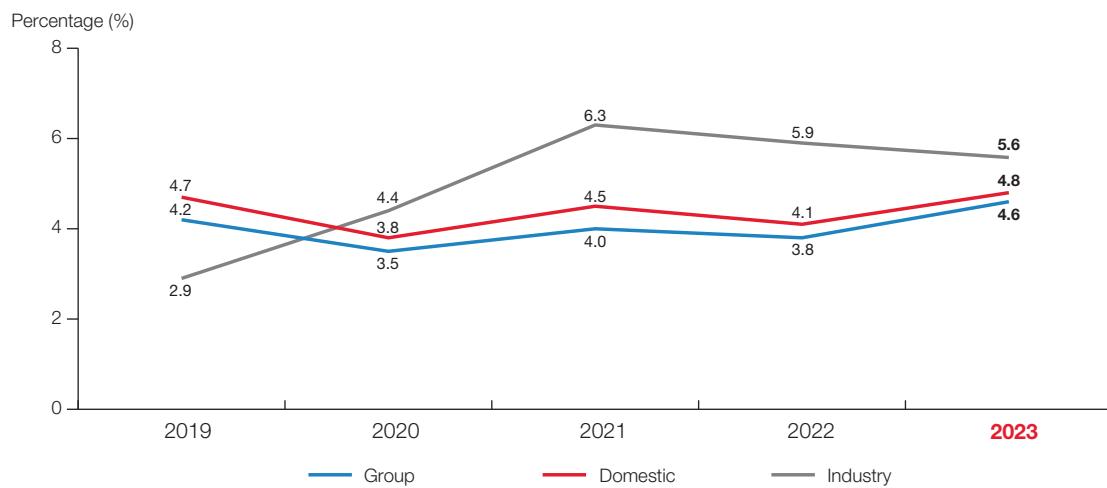
- Both the Public Bank Group's total and domestic loans grew by 5.9% in 2023, outpacing the banking industry's growth rate of 5.3%.

Deposits – Outstanding Balance and Domestic Market Share



- The Public Bank Group's customer deposits grew by 4.6% or RM18.18 billion to RM412.90 billion as at the end of 2023 mainly supported by wholesale deposits which grew by an impressive 19.8% and fixed deposits which expanded by 3.3%.
- The Group's domestic customer deposits market share remained stable at 16.3% as at the end of 2023, driven by the Group's strong retail franchise and large domestic depositor base.

Deposits Growth vs Industry



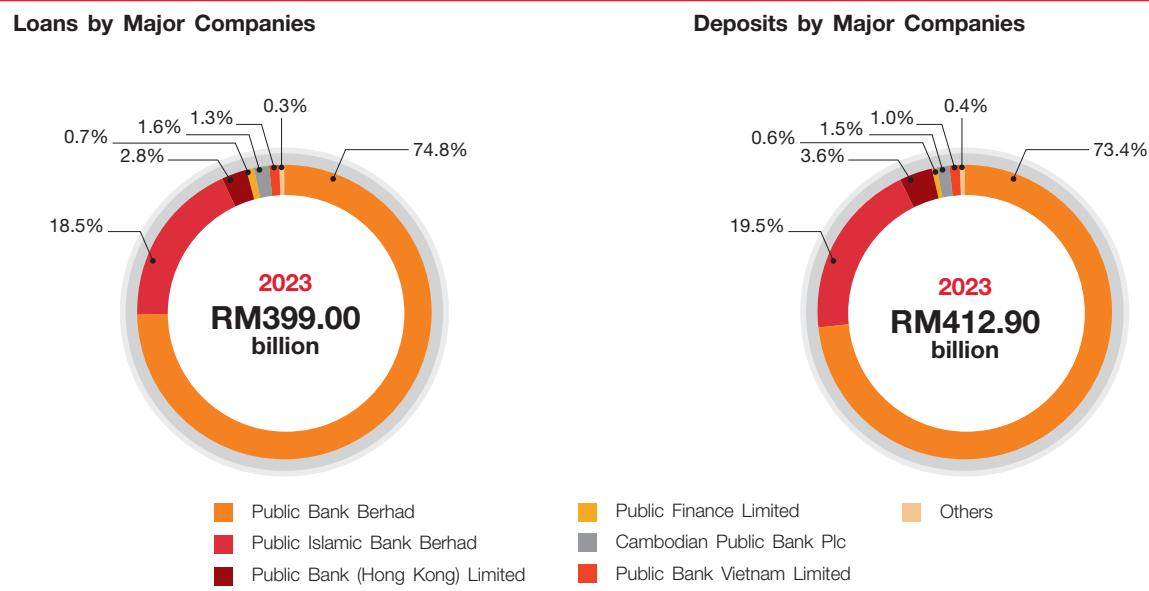
- Despite stiff market competition, the Group's deposits grew by 4.6% in 2023 mainly supported by domestic deposits which grew at a faster pace of 4.8% as compared to the domestic banking industry's deposits growth rate of 5.6%.

MANAGEMENT DISCUSSION AND ANALYSIS

GROUP FINANCIAL REVIEW

SUMMARY OF GROUP FINANCIAL PERFORMANCE

(I) LOANS AND DEPOSITS BY MAJOR COMPANIES



Loans and Deposits Growth by Geographical Locations and Major Companies

	Loans Growth Rate		Deposits Growth Rate	
	2023 %	2022 %	2023 %	2022 %
Domestic*	5.9	5.2	4.8	4.1
of which:				
Public Bank Berhad	4.7	4.0	3.9	1.7
Public Islamic Bank Berhad	10.7	10.8	8.2	14.8
Overseas	5.9	6.2	1.5	(0.7)
of which:				
Public Bank (Hong Kong) Limited**	(3.1)	(5.9)	(4.7)	(4.8)
Public Finance Limited**	(0.2)	(2.6)	2.6	(8.4)
Cambodian Public Bank Plc**	10.4	7.8	(9.7)	(13.6)
Public Bank Vietnam Limited**	5.6	19.0	15.9	9.3
Group	5.9	5.3	4.6	3.8

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

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

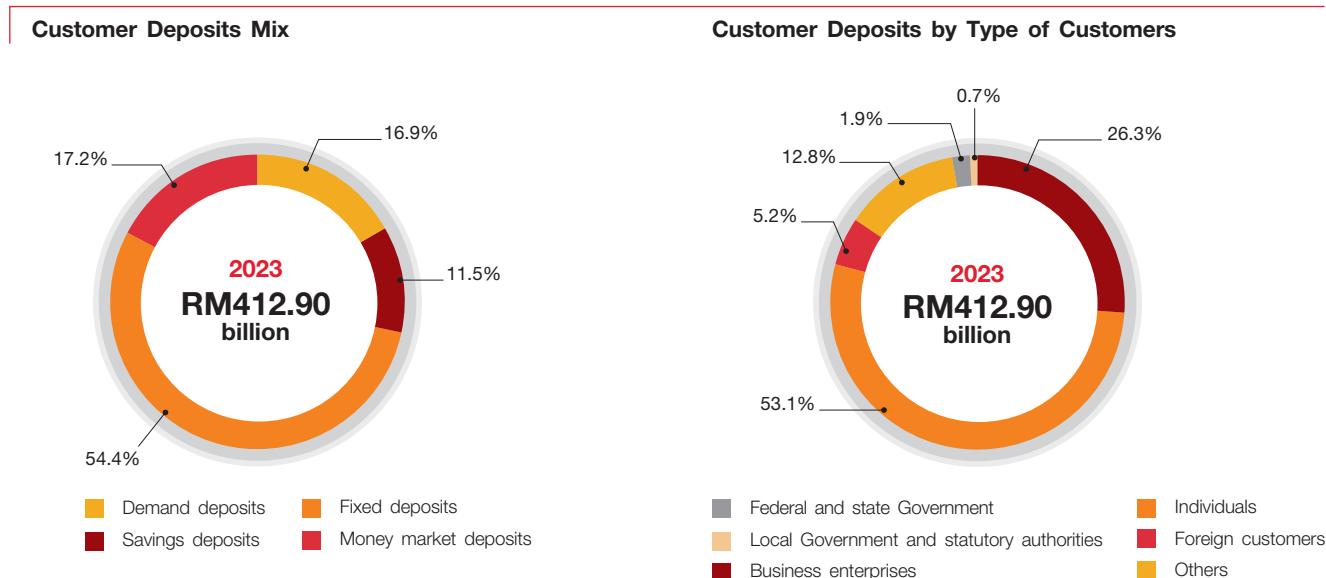
- The Public Bank Group continued to focus in the domestic market. The Group remains committed to expand in the regional front, particularly in Indo-China, capitalising on potential long term regional growth prospect.
- In 2023, whilst the domestic macro environment gained momentum, there was intense competition for loans and deposits. Despite persistent competitive pressure, the Group's domestic loans and customer deposits grew healthily by 5.9% and 4.8% respectively in 2023.
- The performance of the Group's overseas operations was mixed in 2023. In Hong Kong, the challenging operating environment weighed on the Group's business operations. However, total loans and deposits of the Group's overseas operations grew by 5.9% and 1.5% respectively in 2023. In particular, Cambodian Public Bank Plc recorded an impressive loans growth of 10.4% whilst Public Bank Vietnam Limited recorded double digit deposits growth of 15.9%.

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

	Outstanding		Growth Rate		Market Share	
	2023 RM'Million	2022 RM'Million	2023 %	2022 %	2023 %	
Residential Properties	168,492	158,506	6.3	7.3		
– Domestic	161,459	151,708	6.4	7.5	20.4	
Passenger Vehicles	67,510	61,166	10.4	8.8		
– Domestic	64,572	58,250	10.9	9.0	30.5	
SME	72,722	71,764	1.3	(0.7)		
– Domestic	67,867	67,174	1.0	(1.0)	17.9	

- 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 77.4% of the Group's total gross loans, advances and financing as at the end of 2023.
- In 2023, the Group's financing of residential properties, passenger vehicles and lending to SMEs grew by 6.3%, 10.4% and 1.3% respectively.
- The Group maintained its market leading position in the domestic financing for the purchase of residential properties and passenger vehicles as well as commercial lending to SMEs with market shares of 20.4%, 30.5% and 17.9% respectively as at the end of 2023.

(III) COMPOSITION OF CUSTOMER DEPOSITS



- Core customer deposits consisting of demand deposits, savings deposits and fixed deposits, accounted for 82.8% of the Public Bank Group's total customer deposits as at the end of 2023. Low cost current and savings accounts contributed 28.4% to the Group's total customer deposits as at the end of 2023.
- Individual depositors which accounted for 53.1% of the Group's total customer deposits as at the end of 2023, remained the largest group of depositors.

MANAGEMENT DISCUSSION AND ANALYSIS

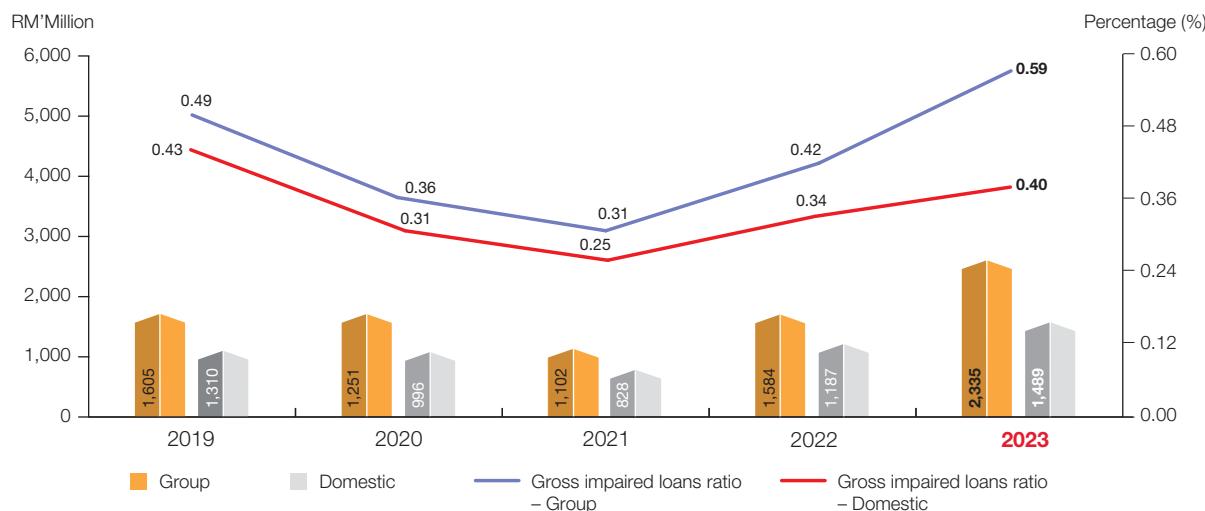
GROUP FINANCIAL REVIEW

SUMMARY OF GROUP FINANCIAL PERFORMANCE

ASSET QUALITY

SOUND ASSET QUALITY

Gross Impaired Loans

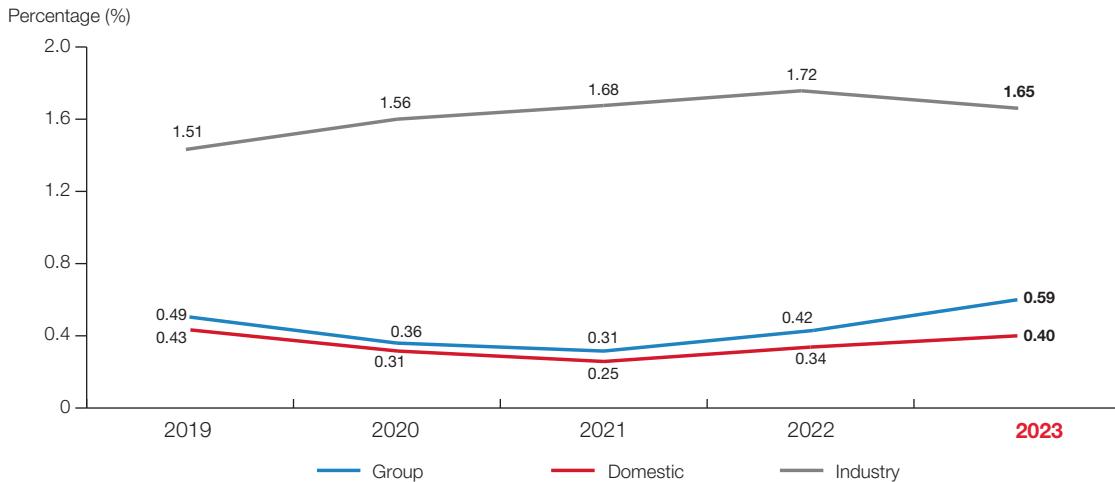


- Since the unprecedented COVID-19 pandemic in 2020, the Group's gross impaired loans ratio has reduced to 0.36% and subsequently to 0.31% as at the end of 2021 due to financial and monetary relief measures supported by both the Government and Bank Negara Malaysia as well as various flexible loan repayment assistance packages. Given the expiry of the PEMULIH repayment assistance programme and progressive economic recovery in 2022, the Group's gross impaired loans ratio has gradually normalised with gross impaired loans ratio increasing to 0.42% as at the end of 2022 and further rose to 0.59% as at the end of 2023.
- The Public Bank Group's domestic asset quality continues to rank No.1 amongst key domestic banking groups with the lowest gross impaired loans ratio of 0.40% as at the end of 2023, well below the banking industry's gross impaired loans ratio of 1.65%.
- The resilient and stable asset quality is a reflection of the Group's prudent approach in loans approval coupled with its strong credit risk management practices and effective recovery processes.

	2023 %	2022 %
Gross Impaired Loans Ratio		
Domestic	0.40	0.34
of which:		
Public Bank Berhad	0.42	0.37
Public Islamic Bank Berhad	0.34	0.23
Overseas	3.22	1.60
of which:		
Public Bank (Hong Kong) Limited	4.46	1.22
Public Finance Limited	1.63	1.43
Cambodian Public Bank Plc	1.52	1.70
Public Bank Vietnam Limited	3.26	1.87
Group	0.59	0.42

- The Public Bank Group's domestic gross impaired loans ratio of 0.40% as at the end of 2023 continued to be the lowest amongst the Malaysian banking groups.
- The gross impaired loans ratio of the Group's overseas operations showed an uptick to 3.22% as at the end of 2023 mainly due to one newly surfaced impaired loans from collateralised lending to one large commercial borrower in Hong Kong.

Gross Impaired Loans Ratio vs Industry



- 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 over the past five years.

Gross Impaired Loans Ratio by Type	Public Bank Group		Industry Average
	2023 %	2022 %	%
Domestic Consumer			
Housing Loans	0.33	0.21	1.33
Hire Purchase	0.26	0.25	0.51
Commercial Properties	0.62	0.57	1.63

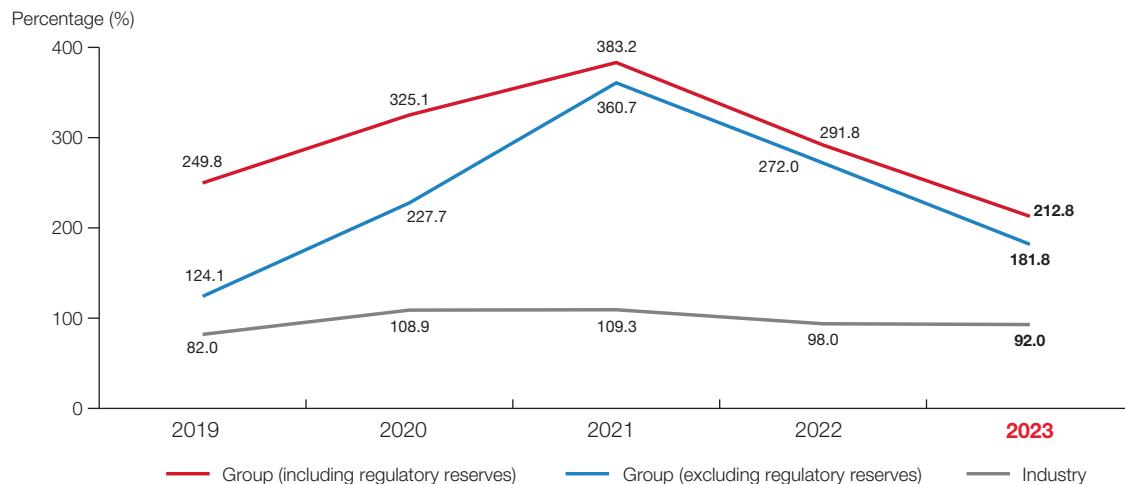
- The Public Bank Group's domestic gross impaired loans ratio for housing loans, hire purchase and commercial properties financing of 0.33%, 0.26% and 0.62% respectively as at the end of 2023 remained well below the industry's average of 1.33%, 0.51% and 1.63% respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

GROUP FINANCIAL REVIEW

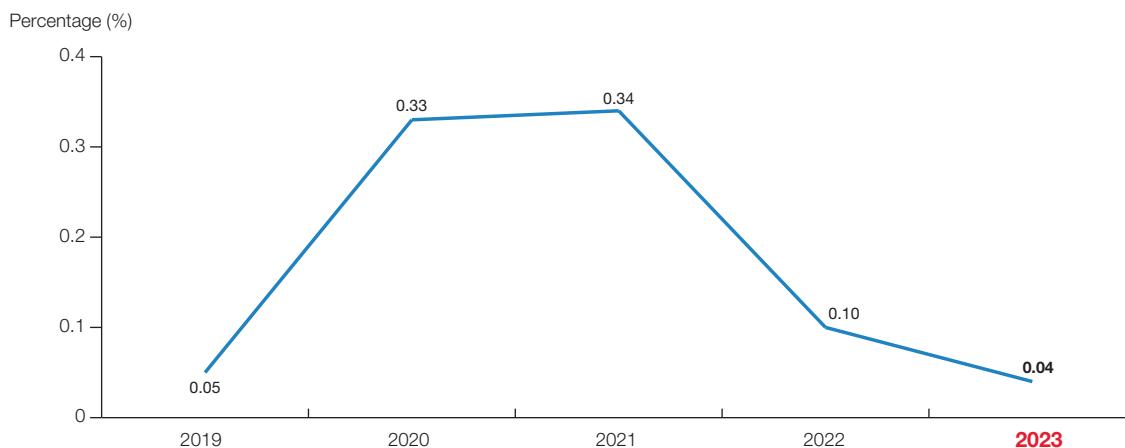
SUMMARY OF GROUP FINANCIAL PERFORMANCE

Loan Loss Coverage vs Industry



- The Public Bank Group continued to maintain high levels of provisioning and regulatory reserves as reflected by the Group's high loan loss coverage.
- The Group's loan loss coverage ratio stood at 181.8% as at the end of 2023, which was higher than pre-pandemic level and remained significantly higher compared to the banking industry's loan loss coverage ratio of 92.0%. This is notwithstanding that more than 90% of the Group's impaired loans are secured.
- With the inclusion of regulatory reserves, the Group's loan loss coverage would be higher at 212.8% as at the end of 2023. The Group's resilient credit profile and prudent provisioning will help to cushion any potential pressure on the Group's asset quality.

Credit Charge Ratio

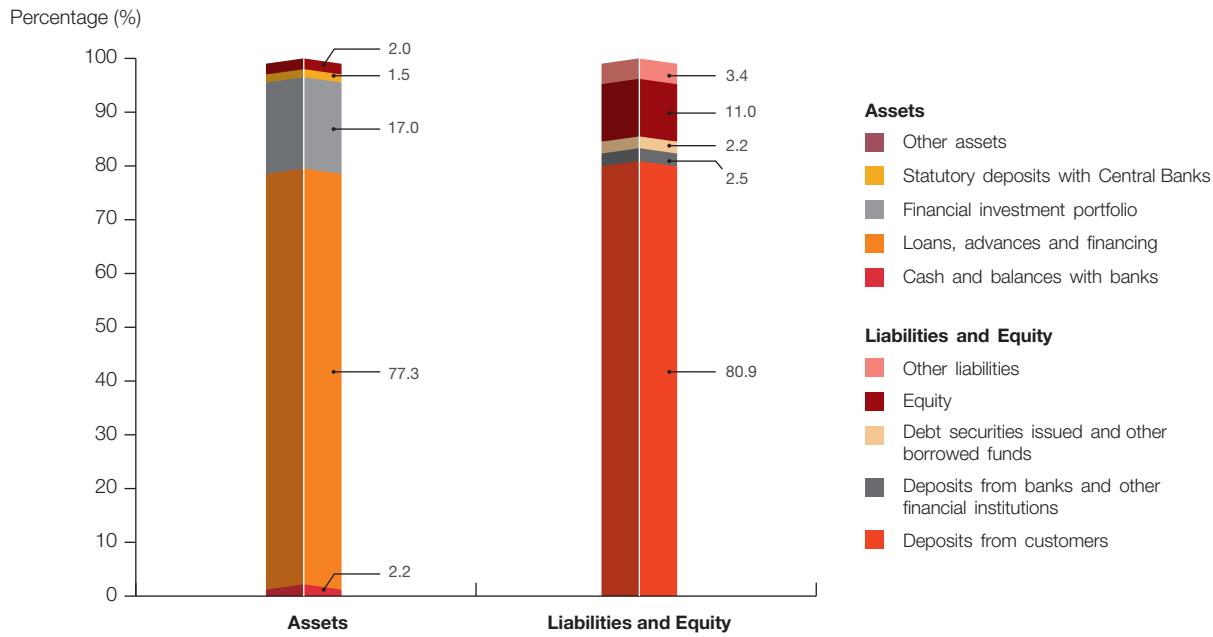


- Since 2020, the Group's credit charge ratio has increased significantly due to prudent pre-emptive provisioning set aside for potential credit losses from the COVID-19 pandemic. This is reflected in the credit charge ratio which increased from 0.05% in 2019 to 0.33% in 2020 and 0.34% in 2021. The credit charge ratio of the Group fell to 0.10% and 0.04% in 2022 and 2023 respectively as adequate pre-emptive provisioning has been made in prior years coupled with stable repayment and delinquency trend observed upon expiry of the various repayment assistance programmes.

FUNDING AND LIQUIDITY

STABLE AND WELL-DIVERSIFIED FUNDING AND LIQUIDITY PROFILE

Assets and Funding Structure as at the end of 2023



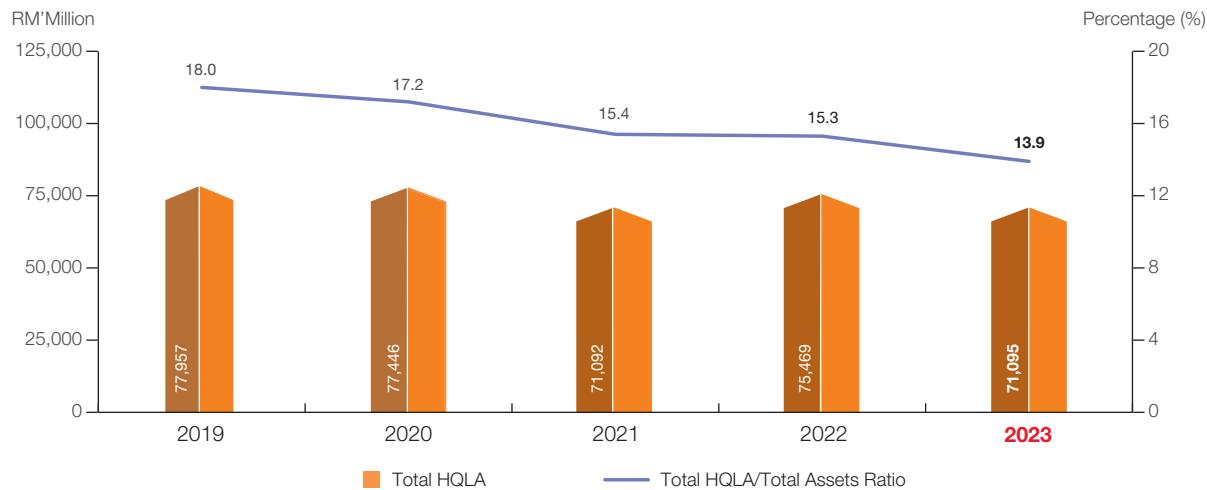
- The Public Bank Group strives to ensure it remains well-capitalised and well-funded with diversified funding sources comprising retail and wholesale deposits as well as long term funding sources.
- The Group's loans, advances and financing is funded from a funding mix comprising customers deposits and long term debt capital funding. The Group's primary source of funding is derived from customer deposits which contributed 80.9% to the Group's total funding.
- As at the end of 2023, the Group's equity capital and long term debt capital funding comprising Subordinated Notes and Subordinated Sukuk Murabahah formed 12.4% of the Group's total funding.

MANAGEMENT DISCUSSION AND ANALYSIS

GROUP FINANCIAL REVIEW

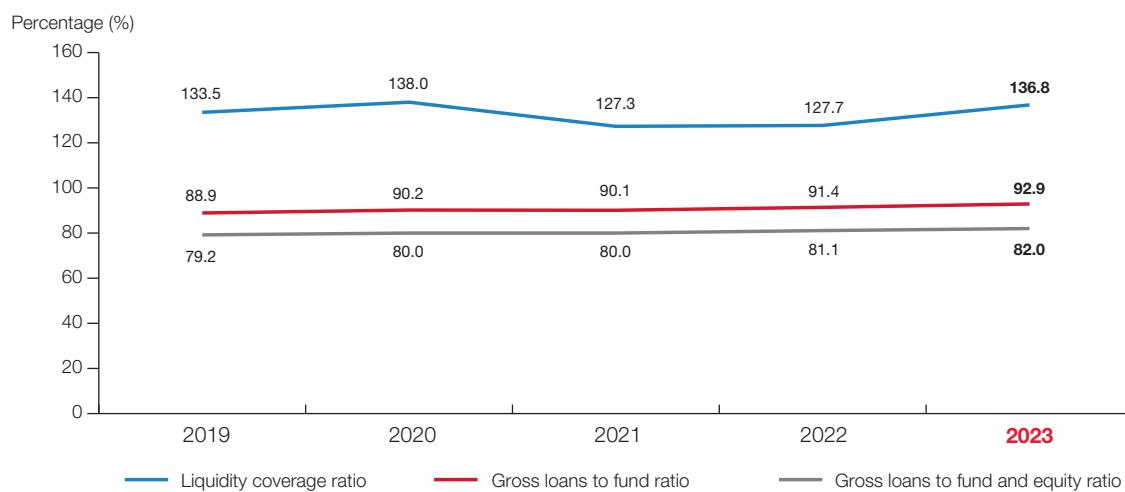
SUMMARY OF GROUP FINANCIAL PERFORMANCE

High Quality Liquid Assets ("HQLA") Profile



- The Public Bank Group holds high quality, well-diversified liquid assets to meet liquidity buffers and regulatory requirements. As at the end of 2023, the Group's high quality liquid assets stood at RM71.10 billion, which formed 13.9% of the Group's total assets. The stability of the Group's deposits profile provided lesser requirement to hold HQLA.

Liquidity Risk Indicators



- The Public Bank Group will maintain vigilance and continue to closely monitor developments in the banking system liquidity. The Group will continue to pursue growth in core deposits and safeguard its deposits market share while exercising prudence in its cash flow to maintain healthy liquidity position.
- The Group's liquidity and funding positions remained healthy with gross loans to fund ratio as well as gross loans to fund and equity ratio standing at 92.9% and 82.0% respectively as at the end of 2023. The Group's liquidity coverage ratio ("LCR") increased to 136.8% as at the end of 2023, well above BNM's minimum LCR requirement of 100%.

BENCHMARKING AGAINST BANKING INDUSTRY'S PERFORMANCE

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

Key Financial Indicators	2023		2022	
	Public Bank Group	Latest Industry Average	Public Bank Group	Latest Industry Average
Profitability (%)				
Pre-tax return on average equity	16.3	11.2	17.9	12.4
Pre-tax return on average assets	1.7	1.2	1.8	1.4
Cost to income ratio	33.7	48.3	31.5	44.3
Productivity (RM'000)				
Pre-tax profit/employee	431	NA	460	NA
Gross loans/employee	20,124	NA	19,642	NA
Deposits/employee	20,825	NA	20,571	NA
Asset Quality (%)				
Gross impaired loans ratio (domestic)	0.40	1.65	0.34	1.72
Loan loss coverage	181.8	92.0	272.0	98.0
Growth Rate (%)				
Gross loans (domestic)	5.9	5.3	5.2	5.7
Customer deposits (domestic)	4.8	5.6	4.1	5.9

NA Not available

The Public Bank Group was the third largest banking group in Malaysia with total assets of RM510.60 billion as at the end of 2023. This accounted for 13.3% of the domestic banking industry's total assets. As at the end of 2023, the Group's domestic market share of gross loans and customer deposits stood at 17.5% and 16.3% respectively.

PROFITABILITY

- In terms of profitability and cost efficiency, the Public Bank Group ranked No. 1 amongst the domestic banking groups.
- The Group continued to achieve resilient pre-tax return on average equity and pre-tax return on average assets of 16.3% and 1.7% respectively in 2023, well above the banking industry's average of 11.2% and 1.2% respectively.
- The Group continued to be the most cost efficient domestic banking group in Malaysia with the lowest cost to income ratio of 33.7%, well below the banking industry's average cost to income ratio of 48.3%.

PRODUCTIVITY

- The Public Bank Group's gross loans per employee and deposits per employee increased by 2.5% and 1.2% respectively to RM20.1 million and RM20.8 million respectively as at the end of 2023 whilst pre-tax profit per employee stood at RM431,000 in 2023.

ASSET QUALITY

- The Public Bank Group remained the best in terms of domestic asset quality with gross impaired loans ratio of 0.40% as at the end of 2023. This was well below the banking industry's gross impaired loans ratio of 1.65%.
- The Group's loan loss coverage ratio which stood at 181.8% as at the end of 2023, was significantly higher than the banking industry's loan loss coverage ratio of 92.0%.

LOANS AND DEPOSITS GROWTH

- The Public Bank Group achieved domestic loans and deposits growth of 5.9% and 4.8% respectively, as compared to the industry's loans and deposits growth of 5.3% and 5.6% respectively.

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 %
Public Bank Group	13.0	33.7	0.59
Malaysia			
Malayan Banking Berhad	10.8	48.9	1.34
CIMB Group Holdings Berhad	10.7	46.9	2.67
RHB Bank Berhad	9.5	47.5	1.74
Hong Leong Bank Berhad	12.2	39.7	0.56
AMMB Holdings Berhad	10.0	43.8	1.60
Affin Bank Berhad	3.7	71.6	1.90
Alliance Bank Malaysia Berhad	10.1	48.2	2.33

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

The Public Bank Group's profitability and cost efficiency remained the best amongst key domestic commercial banking groups in Malaysia with the highest net return on equity of 13.0% and lowest cost to income ratio 33.7%. The Group's gross impaired loans ratio of 0.59% ranked second in the industry.

COMPARISON AGAINST LEADING BANKS IN ASIA PACIFIC

Banks	Net Return on Equity %	Cost to Income Ratio %	Gross Impaired Loans Ratio %
Public Bank Group	13.0	33.7	0.6
Singapore			
DBS Group	18.0	39.9	1.1
UOB	14.2	41.5	1.5
OCBC	13.7	38.7	1.0
Hong Kong			
Hang Seng Bank	11.3	35.8	2.8
The Hongkong and Shanghai Banking Corporation Limited	11.3	44.1	NA
Australia			
ANZ Bank	10.5	49.6	0.2
Commonwealth Bank of Australia	13.1	44.0	0.4
National Australia Bank	12.3	45.4	0.8

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

NA Not available

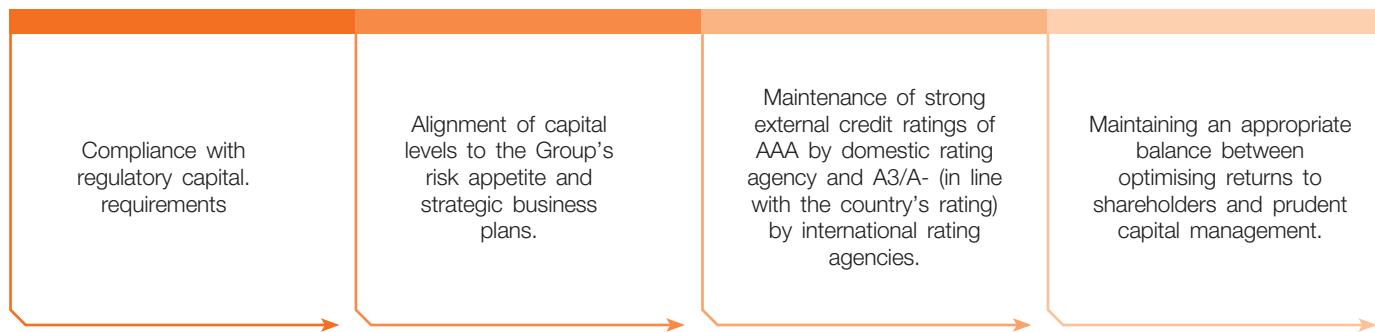
When benchmarked against other leading banks in the Asia Pacific region, the Public Bank Group's cost to income ratio ranked first, whilst the Group's gross impaired loans ratio and net return on equity ranked third and fifth respectively.

CAPITAL MANAGEMENT

The Public Bank Group's capital management approach is guided by key capital management objectives as set out in the Group's Capital Management Framework. The Group strives to maintain 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.

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:

Assessment

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

Capital plan

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

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 2023 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		Tier I Capital		Total Capital/ Solvency Ratio	
	2023	Minimum Regulatory Requirements	2023	Minimum Regulatory Requirements	2023	Minimum Regulatory Requirements
Public Bank Group	14.7	7.5*	14.7	9.0*	17.6	11.0*
Public Bank Berhad	13.1	7.0**	13.1	8.5**	16.2	10.5**
Public Islamic Bank Berhad	13.2	7.0**	13.2	8.5**	16.2	10.5**
Public Investment Bank Berhad	36.4	7.0**	36.4	8.5**	37.0	10.5**
Public Bank (Hong Kong) Limited	22.6	8.0***	22.6	9.5***	23.4	11.5***
Public Finance Limited	29.0	8.0***	29.0	9.5***	30.0	11.5***
Cambodian Public Bank Plc	NA	NA	NA	NA	28.1	16.0
Public Bank Vietnam Limited	NA	NA	NA	NA	21.2	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 2023, the Public Bank Group has a total of RM6.00 billion Basel III compliant Subordinated notes/Sukuk Murabahah.

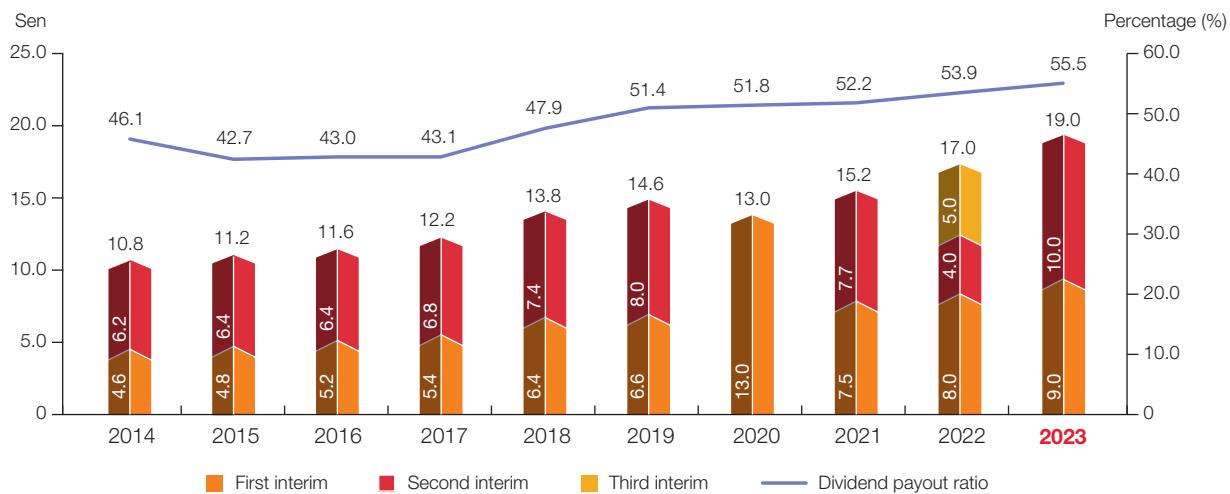
(ii) Healthy Dividend Payout

In view of the Public Bank Group's favourable performance, the Board of Directors has declared a second interim dividend of 10.0 sen per share. Together with the first interim dividend of 9.0 sen, the total dividend for 2023 amounted to 19.0 sen per share. This represents a total payout of RM3.69 billion or 55.5% of the Public Bank Group's net profit for 2023. The 19.0 sen dividend per share also translates to a dividend yield of 4.4% based on the share price of RM4.29 per Public Bank share as at the end of 2023.

(iii) Value Creation and Superior Returns to Shareholders

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

Dividend and Dividend Payout Ratio



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

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

If a shareholder of Public Bank bought 1,000 shares in 1967 when Public Bank was listed, and assuming that the shareholder subscribed to all rights issues and did not sell any of the shares, he would have accumulated 744,690 shares worth RM3.2 million based on Public Bank's share price of RM4.29 as at the end of 2023. In addition, he would have received a total gross dividend of RM1.9 million whilst having only invested a capital outlay of RM235,612, including subscription for all rights issues. Total dividends received and appreciation in share value translate to a remarkable compounded annual rate of return of 17.7% for each of the 56 years that this shareholder has held the share in Public Bank since it was listed in 1967.

MANAGEMENT DISCUSSION AND ANALYSIS
GROUP FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS

	GROUP		BANK	
	2023	2022	2023	2022
PROFITABILITY (RM'Million)				
Operating revenue	25,415	21,427	17,572	14,651
Operating profit	8,678	9,203	6,741	6,973
Profit before tax expense and zakat	8,539	8,831	6,863	6,825
Net profit attributable to equity holders of the Bank	6,649	6,119	5,439	4,849
KEY BALANCE SHEET DATA (RM'Million)				
Total assets	510,598	493,263	385,280	376,464
Gross loans, advances and financing	398,997	376,892	299,098	285,651
Deposits from customers	412,897	394,719	305,060	293,505
Shareholders' equity	54,674	50,179	43,581	40,728
FINANCIAL RATIOS (%)				
Profitability Ratios				
Net interest margin on average interest bearing assets	2.2	2.4	2.1	2.3
Net return on equity ¹	13.0	12.8	13.4	12.4
Return on average assets	1.7	1.8	1.8	1.9
Return on average risk-weighted assets	2.6	2.9	2.8	2.9
Capital Adequacy Ratios²				
Common Equity Tier I capital ratio	14.7	14.6	13.1	13.1
Tier I capital ratio	14.7	14.6	13.1	13.1
Total capital ratio	17.6	17.6	16.2	16.3
Asset Quality Ratio				
Gross impaired loans ratio	0.59	0.42	0.42	0.37

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

2 After deducting dividend declared subsequent to year end.

SIMPLIFIED GROUP BALANCE SHEET

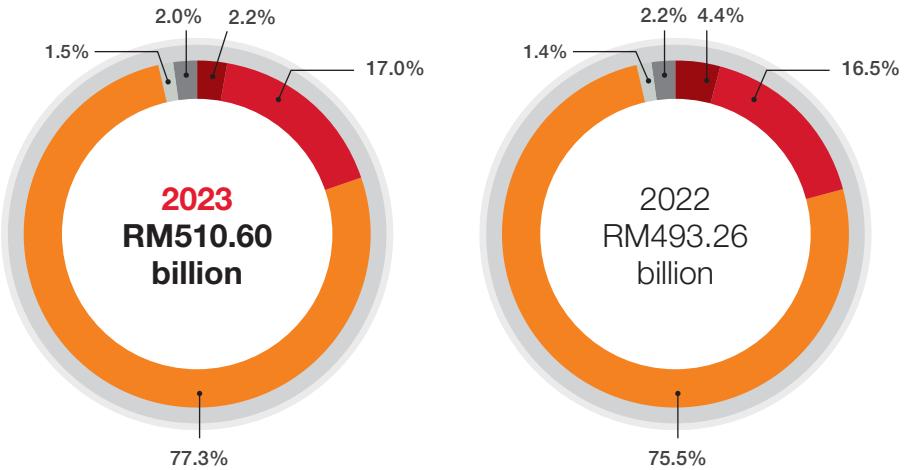
ASSETS

- █ Cash and balances with banks and reverse repurchase agreements
- █ Portfolio of financial investments
- █ Loans, advances and financing
- █ Statutory deposits with Central Banks
- █ Other assets (including intangible assets)

Total 2023

RM510.60 billion

2022: RM493.26 billion



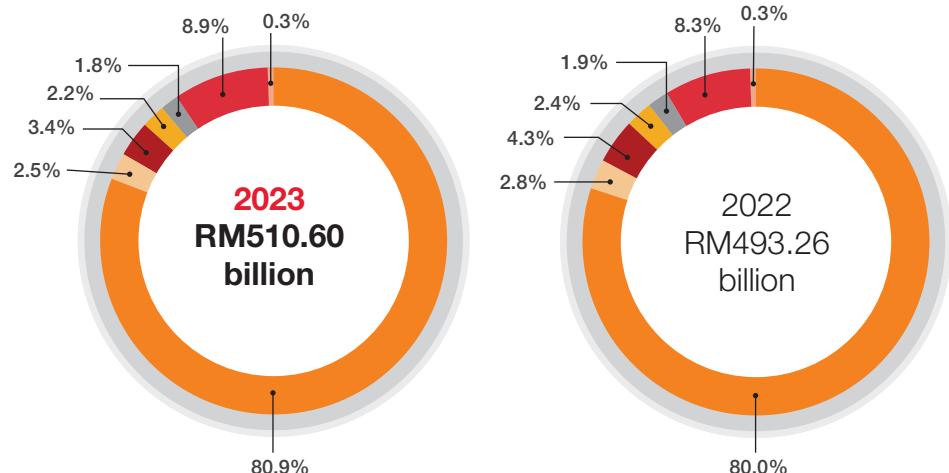
LIABILITIES & EQUITY

- █ 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

Total 2023

RM510.60 billion

2022: RM493.26 billion



MANAGEMENT DISCUSSION AND ANALYSIS GROUP FINANCIAL REVIEW

FIVE-YEAR GROUP FINANCIAL SUMMARY

Year Ended 31 December	2023	2022	2021	2020	2019
OPERATING RESULTS (RM'Million)					
Operating profit	8,678	9,203	8,579	7,403	7,283
Profit before tax expense and zakat	8,539	8,831	7,367	6,285	7,134
Net profit attributable to equity holders of the Bank	6,649	6,119	5,657	4,872	5,512
KEY BALANCE SHEET DATA (RM'Million)					
Total assets	510,598	493,263	462,739	451,257	432,831
Gross loans, advances and financing	398,997	376,892	358,027	345,651	330,468
Total liabilities	454,218	441,737	413,314	402,830	388,084
Deposits from customers	412,897	394,719	380,394	365,871	353,340
Core customer deposits	342,033	335,570	325,770	310,144	294,646
Share capital	9,418	9,418	9,418	9,418	9,418
Shareholders' equity	54,674	50,179	48,163	47,248	43,594
Commitments and contingencies	121,326	104,722	102,643	106,934	94,315
SHARE INFORMATION AND VALUATION					
Share Information					
Per share (sen)					
Basic/Diluted earnings*	34.3	31.5	29.1	25.1	28.4
Dividend*	19.0	17.0	15.2	13.0	14.6
Net assets*	281.7	258.5	248.1	243.4	224.6
Share price as at 31 December (RM)*	4.29	4.32	4.16	4.12	3.89
Market capitalisation (RM'Million)	83,272	83,854	80,748	79,972	75,469
Valuation					
Dividend yield (%)	4.4	3.9	3.7	3.2	3.8
Dividend payout ratio (%)	55.5	53.9	52.2	51.8	51.4
Price to earnings multiple (times)	12.5	13.7	14.3	16.4	13.7
Price to book multiple (times)	1.5	1.7	1.7	1.7	1.7

* 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	2023	2022	2021	2020	2019
FINANCIAL RATIOS (%)					
Profitability Ratios					
Net interest margin on average interest bearing assets	2.2	2.4	2.2	2.0	2.2
Net return on equity ¹	13.0	12.8	12.4	11.2	13.6
Return on average assets	1.7	1.8	1.6	1.4	1.7
Return on average risk-weighted assets	2.6	2.9	2.5	2.2	2.6
Cost/income ratio	33.7	31.5	31.6	34.6	34.4
Asset Quality Ratios					
Gross loans to fund ratio	92.9	91.4	90.1	90.2	88.9
Gross loans to fund and equity ratio	82.0	81.1	80.0	80.0	79.2
Gross impaired loans ratio	0.59	0.42	0.31	0.36	0.49
Loan loss coverage					
- Exclude regulatory reserve	181.8	272.0	360.7	227.7	124.1
- Include regulatory reserve	212.8	291.8	383.2	325.1	249.8
Capital Adequacy Ratios²					
Common Equity Tier I ("CET I") capital ratio	14.7	14.6	14.5	14.0	13.5
Tier I capital ratio	14.7	14.6	14.6	14.0	13.5
Total capital ratio	17.6	17.6	17.7	17.1	16.8
PRODUCTIVITY RATIOS					
Number of employees	19,827	19,188	19,364	19,414	19,260
Gross loans per employee (RM'000)	20,124	19,642	18,489	17,804	17,158
Deposits per employee (RM'000)	20,825	20,571	19,644	18,846	18,346
Profit before tax per employee (RM'000)	431	460	380	324	370
MARKET SHARE (%)					
Domestic market share					
Loans, advances & financing	17.5	17.4	17.4	17.7	17.3
Deposits from customers	16.3	16.3	16.2	16.5	16.5
Core customer deposits	16.4	16.8	17.2	17.2	16.9

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

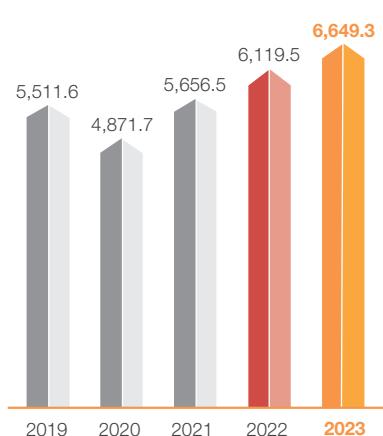
² After deducting dividend declared subsequent to year end.

MANAGEMENT DISCUSSION AND ANALYSIS
GROUP FINANCIAL REVIEW

SUMMARY OF FIVE-YEAR GROUP GROWTH

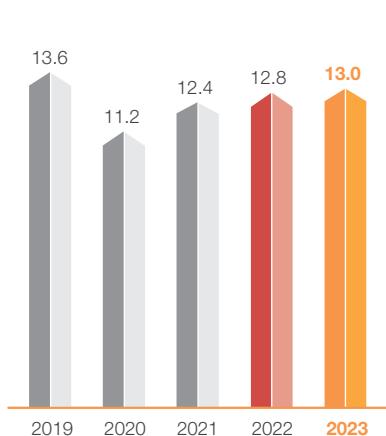
**NET PROFIT ATTRIBUTABLE
TO EQUITY HOLDERS**

RM'Million



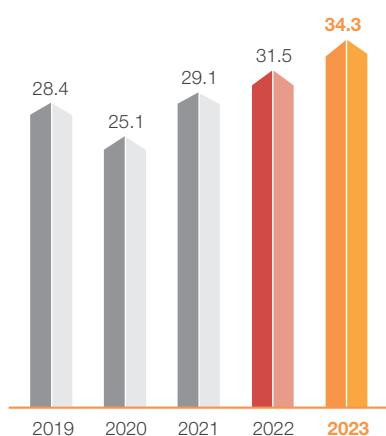
NET RETURN ON EQUITY

Percentage (%)



EARNINGS PER SHARE

Sen



DIVIDEND PER SHARE[#]

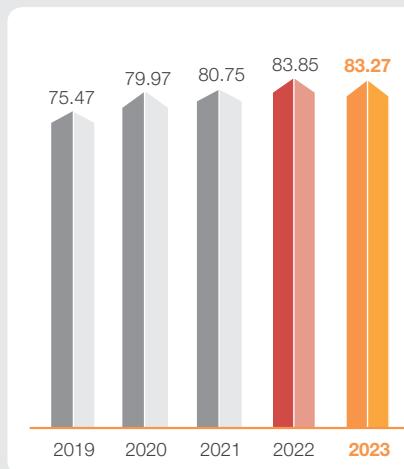
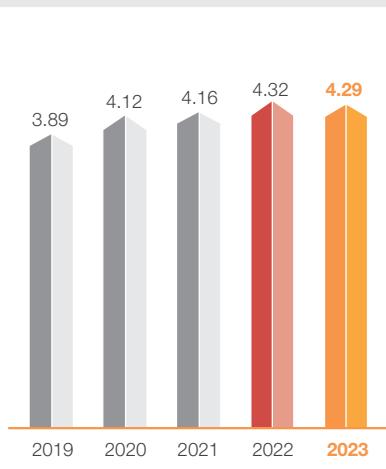
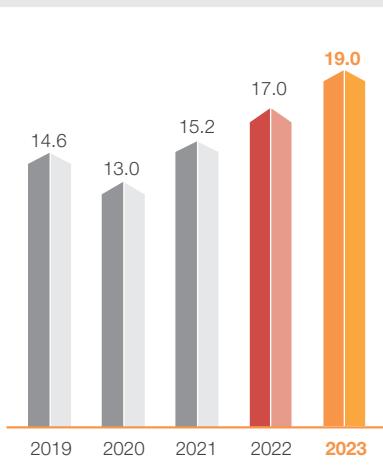
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SHARE PRICE[#]

RM

MARKET CAPITALISATION

RM'Billion



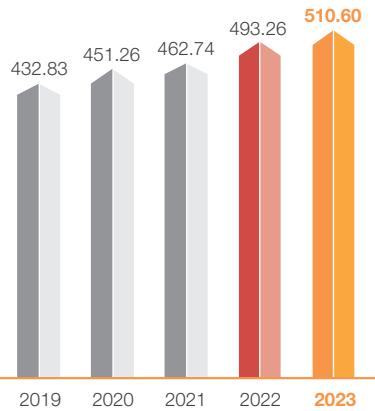
[#] Adjusted to reflect the bonus issue of four bonus shares for every one existing ordinary share, which was completed on 29 January 2021.

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

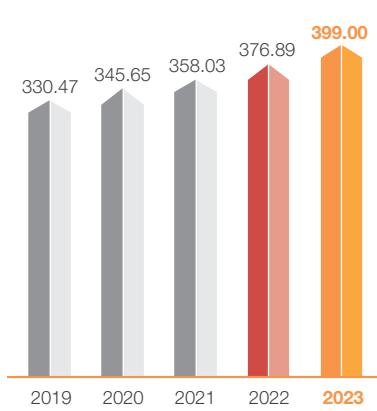
Year	2019	2020	2021	2022	2023
Ranking	2nd	2nd	2nd	2nd	2nd

TOTAL ASSETS

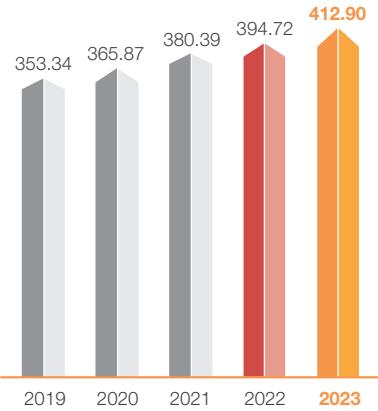
RM'Billion

**GROSS LOANS, ADVANCES AND FINANCING**

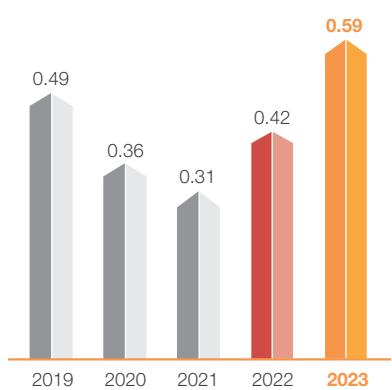
RM'Billion

**CUSTOMER DEPOSITS**

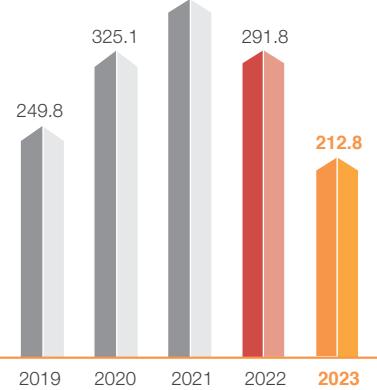
RM'Billion

**GROSS IMPAIRED LOANS RATIO**

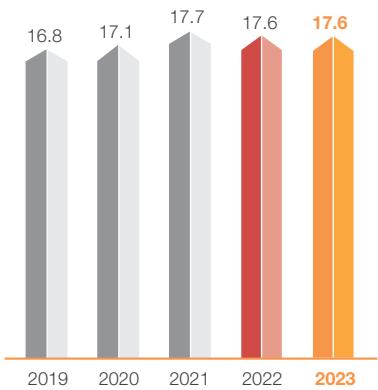
Percentage (%)

**LOAN LOSS COVERAGE***

Percentage (%)

**TOTAL CAPITAL RATIO****

Percentage (%)



* Including regulatory reserves

** After deducting dividend declared subsequent to year end

MANAGEMENT DISCUSSION AND ANALYSIS
GROUP FINANCIAL REVIEW

KEY INTEREST BEARING ASSETS & LIABILITIES

	2023			2022		
	Average Balance RM'Million	Average rate (%)	Interest RM'Million	Average Balance RM'Million	Average rate (%)	Interest RM'Million
INTEREST EARNING ASSETS						
Loans, advances and financing	393,931	4.69	18,475	366,099	4.16	15,230
Balances with banks	11,109	3.79	421	11,340	2.34	265
Financial investments	84,763	3.36	2,848	81,489	3.05	2,485
Total	489,803	4.44	21,744	458,928	3.92	17,980
INTEREST BEARING LIABILITIES						
Deposits from customers	348,166	2.93	10,201	324,552	1.89	6,134
Deposits from banks	9,892	4.05	401	18,651	2.09	390
Recourse obligations on loans and financing sold to Cagamas	5,096	4.29	219	4,252	4.06	173
Debt securities issued and other borrowed funds	11,424	4.18	478	11,288	3.81	430
Total	374,578	3.02	11,298	358,743	1.99	7,127

GROUP QUARTERLY PERFORMANCE

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

	2022				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 2022
FINANCIAL PERFORMANCE (RM'Million)					
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

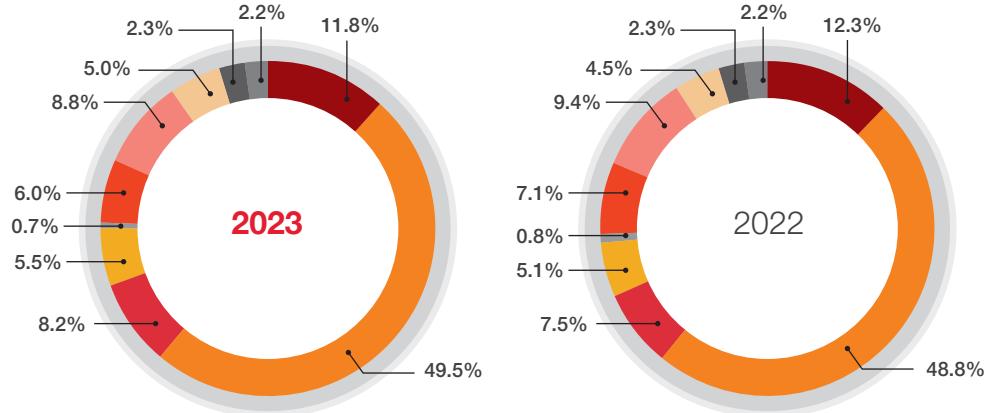
MANAGEMENT DISCUSSION AND ANALYSIS
GROUP FINANCIAL REVIEW

SEGMENTAL ANALYSIS

	Operating Revenue		Profit Before Tax		Total Assets	
	2023 (%)	2022 (%)	2023 (%)	2022 (%)	2023 (%)	2022 (%)
Hire purchase	11.8	12.3	8.8	10.3	10.4	9.7
Retail operations	49.5	48.8	48.2	47.5	49.7	51.5
Corporate lending	8.2	7.5	6.7	4.8	7.2	7.0
Treasury and capital market operations	5.5	5.1	2.0	3.9	16.2	15.2
Investment banking	0.7	0.8	0.5	0.6	0.4	0.5
Fund management	6.0	7.1	9.3	8.9	0.1	0.1
Others	8.8	9.4	18.6	16.5	9.1	9.1
Total domestic	90.5	91.0	94.1	92.5	93.1	93.1
Hong Kong SAR	5.0	4.5	0.3	2.6	3.6	3.7
Cambodia	2.3	2.3	4.0	3.4	1.6	1.7
Other countries	2.2	2.2	1.6	1.5	1.7	1.5
Total overseas	9.5	9.0	5.9	7.5	6.9	6.9
Total	100.0	100.0	100.0	100.0	100.0	100.0

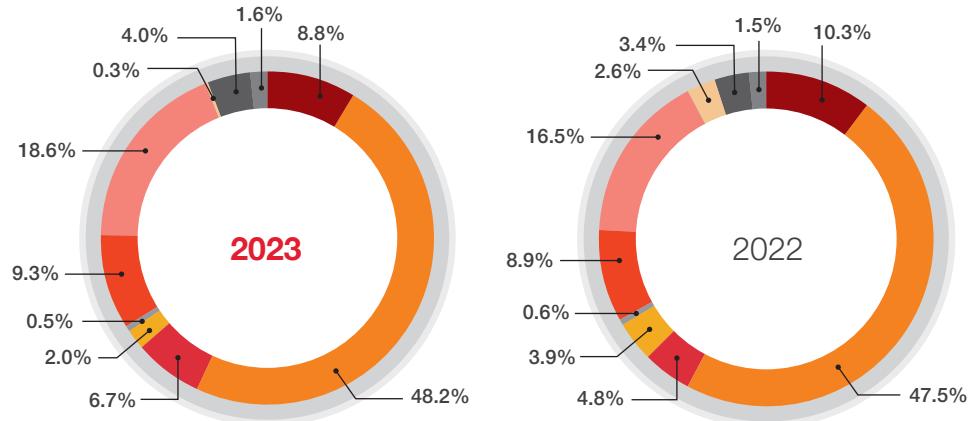
OPERATING REVENUE

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



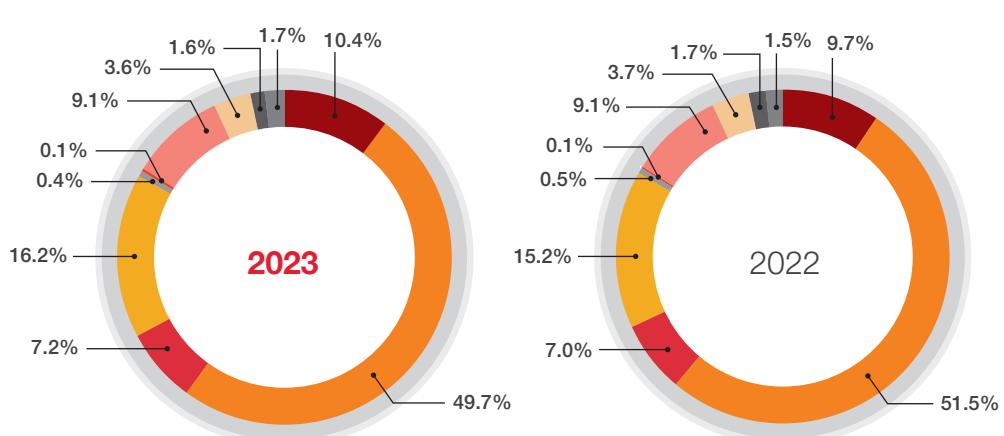
PROFIT BEFORE TAX

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



TOTAL ASSETS

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



DOMESTIC CONSUMER BANKING AND SME LENDING

KEY HIGHLIGHTS 2023

No. 1 financier in Malaysia

Domestic Market Shares

Residential properties

20.4%

Non-residential properties

32.6%

Passenger vehicle hire purchase

30.5%

Healthy loans growth in key domestic business segments

Residential properties

↑ 6.4%

Passenger vehicles hire purchase

↑ 10.9%

Low gross impaired loans ratios

Domestic residential property loans

0.33%

Domestic hire purchase

0.26%

Mobilised over **RM470 million** of financing under green financing facilities in 2023

Mobilisation of over **RM53 billion** of sustainable finance since 2020

Collaboration with reputable property developers, offering **Special Financing Package for purchase of green-certified and sustainable residential, industrial and commercial properties**

Mobilised over **RM850 million** in 2023

Top FI Partner Award – Commercial Financial Institution Category at the 28th FI/

DFI & SME Awards 2022 by Credit Guarantee Corporation Malaysia Berhad ("CGC")

The Public Bank Group's domestic banking primarily encompasses consumer banking and Small and Medium Enterprise ("SME") lending. The Group's domestic consumer banking segment serves individual customers and provide financing for residential properties and passenger vehicles, personal financing, credit and debit cards as well as share margin financing. The SME lending segment provides business financing solutions to SMEs. The Group offers an extensive array of conventional and Shariah-compliant retail loans/financing, deposit products and financial services.

RESIDENTIAL PROPERTY FINANCING

In 2023, favourable Government policies for first time homebuyers such as 100% stamp duty exemption for residential properties of up to RM500,000 as well as increase in stamp duty exemption to 75% from 50% for residential properties priced between RM500,000 to RM1 million led to an increase in buying interest. In addition, the favourable economic landscape boosted consumer confidence. These were positive for the overall property sector.

The Public Bank Group continued to focus in the mass market segment which is the financing of residential properties priced between RM100,000 and RM500,000. In 2023, residential properties priced between RM100,000 and RM500,000 accounted for 52.8% of the Group's total number of residential property loans approved.

Performance Review for 2023

Domestic residential properties loans portfolio growth ↑ 6.4%	The Public Bank Group's domestic residential properties loans portfolio grew by 6.4% to RM161.46 billion as at the end of 2023. This represented 43.3% of the Group's total domestic loans portfolio.
Largest financial provider for residential properties in Malaysia 20.4% market share	The Public Bank Group remained the largest financial provider for residential properties in Malaysia with a market share of 20.4% as at the end of 2023, compared to 20.1% a year ago.
New loans approved RM21.98 billion	The Public Bank Group approved RM21.98 billion of residential property loans in 2023. The Group's new loans approved for residential property constituted 26.6% of total domestic loans approved.
Gross impaired loans ratio for domestic residential property loans 0.33%	The domestic residential property loans continued to maintain resilient asset quality. Gross impaired loans ratio for the domestic residential property loans segment was 0.33%, which remained well below the industry's gross impaired loans ratio of 1.3%.

Product and Marketing Initiatives

The Public Bank Group's strong branding, efficient loan service delivery and widespread branch network helped position the Group as a leading residential property financial provider. The strong partnerships forged over the years with solicitors, reputable property developers, valuers and real estate agents have enabled the Group to gain continuous business support.

Products/Initiatives	Results
The Public Bank Group's Flagship Packages <ul style="list-style-type: none"> • Home Ownership Made Easy ("5HOME Plan"); and • Mortgage Refinancing ("MORE Plan"). 	Based on these flagship packages, total residential property loans were approved for over 47,200 customers in 2023.
<i>Skim Rumah Pertamaku</i> - PB First Home and PB - <i>Skim Rumah Pertamaku</i> (scheme was discontinued on 31 March 2023). <ul style="list-style-type: none"> • Provide financing for first time homebuyers who meet the eligibility criteria. • Financing margin of up to 110%. 	The Public Bank Group's outstanding loans amounted to RM551.7 million as at the end of 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OPERATIONS REVIEW

DOMESTIC CONSUMER BANKING AND SME LENDING

Digital Initiatives

Digital Climate Change Message Flyers

In 2023, digital climate change message flyers were distributed to raise customers' awareness on climate change and encourage transitioning to a low carbon footprint, which is aligned with Public Bank's sustainability value proposition.

Automated Notices to Customers

Banking system has been automated to generate and send notices to customers in the event of non-compliance with certain terms and conditions (e.g. Letter of Offer).

PASSENGER VEHICLE HIRE PURCHASE FINANCING

Total Industry Volume ("TIV") for the automotive sector posted another record high in 2023 with car sales of 799,731 units, which was an increase of 10.9% as compared to 2022. The industry was able to maintain robust sales momentum, as supported by a resilient domestic economy; fulfilment of bookings during the National Economic Recovery Plan ("PENJANA" – *Pelan Jana Semula Ekonomi Negara*) sales tax exemption period in 2022, new model launches and improvement in the automotive industry supply chain. The increase popularity of online used car platforms have also contributed to the significant double-digit growth in used car sales in 2023.

Performance Review for 2023

Domestic vehicle hire purchase financing growth

↑ 10.9%

The Public Bank Group's domestic vehicle hire purchase financing grew by 10.9% or RM6.32 billion to RM64.57 billion, despite stiff competition.

Passenger vehicle hire purchase financing remained one of the key retail lending businesses of the Group, representing 17.3% of the Group's total domestic loans portfolio.

New loans approval

↑ 13.3%

The Public Bank Group's loans approved for domestic vehicle hire purchase financing grew by 13.3% to RM22.78 billion as at the end of 2023, constituting 27.1% of total domestic loans approved.

Market share

30.5%

The Public Bank Group's market share of passenger vehicle hire purchase financing increased further to 30.5% as at the end of 2023, from 30.2% a year ago.

Gross impaired loans ratio

0.26%

Despite strong hire purchase loans growth, gross impaired loans ratio remained low at 0.26% as at the end of 2023.

This is lower than the industry's gross impaired loans ratio of 0.51%.

Key Priorities and Achievements

- Public Bank signed a Memorandum of Collaboration (“MOC”) with Perodua Sales Sdn Bhd on 25 May 2023 for extension of financing facilities to authorised Perodua dealers. The collaboration with Perodua enables digital submission of hire purchase applications, including uploading basic application documents and tracking of application status.
- Public Bank has signed a MOC with Proton New Energy Technology Sdn Bhd (“PRO-NET”) on 9 August 2023, which is an exclusive collaboration with PRO-NET to embark on the PRO-NET Straight Through Process online loan application submission namely ‘Smart Project’ for its smart electric vehicles (“EVs”).
- Introduction of hire purchase (“HP”) Fixed Rate Staggered Repayment Scheme with flexible gradual increasing and decreasing repayment schedule arrangement for a wider range of financial solutions to HP customers.
- Public Bank continued to collaborate with key business partners such as established and reputable car dealers to drive business volume. The Bank has sustained business rapport with more than 2,900 established and reputable car dealers, with successful recruitment and appointment of more than 160 new panel car dealers in 2023.
- As part of Public Bank’s ongoing commitment to support the growth of energy efficient vehicles (“EEV”) industry, the following targeted campaigns were launched in order to promote EEV financing:
 - HP Promotional Campaign for Female HP Applicants;
 - Flexible Ownership for Proton Sport Utility Vehicle;
 - Flexible Ownership for Perodua Ativa;
 - HP Promotional Campaign for EV;
 - Step-Up Financing for New Toyota Vios; and
 - PBB Used EEV Campaign 2023.

Marketing and Promotional Initiatives

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

- PB eDealer On-the-Go Campaign;
- Mitsubishi Xpander Program 2023;
- Millennium Autohaus Trition Low Interest;
- Interest Subsidy Program for the Financing of new Volkswagen Vehicles;
- Carsome First Time Buyer Campaign 2023; and
- PBB’s ‘On-the-Go’ Campaign 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OPERATIONS REVIEW

DOMESTIC CONSUMER BANKING AND SME LENDING

Digital Initiatives

Amid heightened pace of digitalisation among businesses and customers, the Public Bank Group has continued to scale up its digitalisation efforts through various initiatives to improve business processes, operational efficiency and training for staff.

Straight Through Process (“STP”) for Interbank Giro Payment via Electronic HP Delivery System (“eHPDS”)

eHPDS.Net has been enhanced to include InterBank Giro payment under the STP for disbursement of the hire purchase financing and handling fee.

Financial Information System (“FIS”) Search in eHPDS to Verify Ownership Claim and Vehicle Particulars

FIS Search was automated in eHPDS to ensure that the Bank’s Ownership Claim is duly endorsed and the particulars in the FIS – *Jabatan Pengangkutan Jalan* search result are correct and in order as per Vehicle Ownership Claim.

Pre-Opening of New Savings Account for HP Customer via eHPDS

System has been enhanced to leverage on the data in the hire purchase application to allow a straight through process of pre-opening of Savings Account for customer via eHPDS.Net.

B2B Electronic Discharge of Vehicle Ownership Claim Services

Hire Purchase Centre/Hire Purchase Hub and branches are able to perform daily e-Discharge request and hire purchase credit activities under a single platform simultaneously (i.e. eHPDS.net).

Online Submission of Floor Stocking Facility via eHPDS

STP for Floor Stocking online submission via eHPDS.Net.

Auto Email Letter of Undertaking and Disbursement to Car Dealer

eHPDS.Net auto generate and forward Letter of Undertaking and Letter of Disbursement to car dealers via e-mail.

e-Hakmilik and Letter of Undertaking Request via PB eDealer

Car dealers are able to submit for e-Hakmilik and Letter of Undertaking Request via PB eDealer.

Digitalisation of Acquiring Income Document for HP Applications via e-Documents System (“eDOCS”)

In an effort to improve operational efficiency, the process of acquiring income document from customers has been digitalised for HP Applications via eDOCS.

PERSONAL CONSUMER FINANCING

Public Islamic Bank's Bai' Al-Einah ("BAE") Personal Financing-i propels the growth of the Public Bank Group's domestic personal consumer financing. This financing option is predominantly available to employees of various Government-related agencies and corporations.

Performance Review for 2023

Total number of BAE agencies
293

Total number of BAE agencies stood at 293 which are established through agency arrangements with Public Islamic Bank.

BAE personal financing-i
RM3.43 billion

The Public Bank Group adheres to a prudent credit assessment approach, aligning with its risk tolerance. The outstanding BAE Personal Financing-i grew by 43.4% to RM3.43 billion.

CREDIT AND DEBIT CARDS

2023 was another year filled with significant challenges for the domestic credit and debit cards industry, mainly due to intense competition. Nevertheless, consumer spending behaviour and domestic demand growth remained supportive of the domestic credit and debit cards industry.

Public Bank delivered another strong financial performance in its card business. Throughout the year, the Bank achieved positive growth in both its credit and debit cards as well as merchant base. New credit and debit card acquisition as well as merchant recruitment grew, supported by both existing and newly acquired customers.

Performance Review for 2023

Total credit card sales growth
↑10.9%

Credit card receivables growth
↑11.8%

Public Bank's total credit card sales and credit card receivables increased by 10.9% and 11.8% respectively in 2023, as compared to the card industry's growth rate of 12.5% and 10.8% respectively.

Credit card base growth
↑6.1%

The Public Bank Group's credit card base also recorded a growth of 6.1% in 2023, higher than the industry's growth rate of 5.6%.

Debit card base
↑5.5%

Debit card usage
↑15.6%

The debit card segment continues to experience strong growth with increase in debit card base and usage by 5.5% and 15.6% respectively in 2023.

Merchant sales
↑16.1%

The merchant acquiring business faced ongoing stiff pricing competition. Nevertheless, merchant sales grew by a commendable 16.1% in 2023. Public Bank has successfully rolled out more than 14,500 new terminals, bringing the total to more than 151,500 terminals located at more than 107,400 merchant outlets.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OPERATIONS REVIEW

DOMESTIC CONSUMER BANKING AND SME LENDING

New Products and Marketing Initiatives

Public Bank continued to drive attractive rewards and merchant privilege programmes.

- Launched the 'Apply & Get Rewarded' and 'Mastercard Credit Card Online Acquisition' campaign to encourage credit card acquisition and usage.
- Launched the 'Mass Acquisition Campaign 2023 2.0' and 'Spend More, Earn Cash Back Everyday' to drive new acquisition, usage as well as increased billings and receivables.
- Thematic campaigns to support local businesses such as 'Life is a Journey, Enjoy The Ride with PB Visa Credit Card'
- Ongoing collaboration with major card schemes such as Mastercard, Visa, PayNet and Unionpay to promote card usage and sales.

Digital Initiatives

Open Payment Toll Collection System ("SPT" – Sistem Pembayaran Tol Terbuka)

SPT provides more payment options for users. Public Bank has worked with four highway concessionaires to implement the open payment system in August 2023, which allows road users to pay tolls using debit and credit cards, in tandem with Bank Negara Malaysia ("BNM")'s objective to promote a cashless society and reduce traffic congestion at toll plazas.

SHARE MARGIN FINANCING

The Public Bank Group's share trading and share margin business provide customers with a wide range of margin and non-margin products, coupled with convenient share trading infrastructure for investment and trading activities.

Performance Review for 2023

Share trading volume
RM15.10 billion

Brokerage income
RM43.8 million

Mainly, income generated from this business segment are interest and brokerage income.

Share trading volume declined by 2.0% or RM0.20 billion to RM15.10 billion in 2023 amid lower retail participation, mainly due to unfavourable market conditions.

Brokerage income fell by 1.0% or RM0.5 million to RM43.8 million.

CUSTOMER DEPOSITS

Performance Review for 2023

Domestic core customer deposits growth

↑2.0%

Demand deposits growth Fixed deposits growth

↑2.7% ↑2.8%

Savings deposits growth

↓2.9%

Market share of domestic core customer deposits

16.4%

Despite intense competition, the Public Bank Group's total domestic core customer deposits grew by 2.0% to RM314.06 billion as at the end of 2023.

The Group's domestic demand deposits and fixed deposits also grew by 2.7% and 2.8% respectively.

Domestic savings deposits fell by 2.9% due to moderation of balances, which is in line with the industry trend.

Key Priorities and Achievements

- Launched PB Multi Foreign Currency Current Account ("PB MFCA") and PB Multi Foreign Currency Fixed Deposit Account ("PB MFFD") on 9 October 2023. These Foreign Currency Deposit accounts are opened to all customers who can now maintain a total of 12 foreign currencies within a single account.
- 12 foreign currencies available are as follows:
 - U.S. Dollar
 - Australian Dollar
 - Hong Kong Dollar
 - Singapore Dollar
 - Chinese Renminbi
 - Thai Baht
 - Great Britain Pound
 - Euro
 - New Zealand Dollar
 - Japanese Yen
 - Swiss Franc
 - Canadian Dollar

Marketing and Promotional Initiatives

- Continued to ensure growth of new deposits and retail customer base through tactical campaigns and promotional initiatives.
- Tactical campaigns which comprised of various campaigns for senior citizens, children and millennials were launched during the year.
- 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.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OPERATIONS REVIEW

DOMESTIC CONSUMER BANKING AND SME LENDING

Campaigns by Public Bank

- PB Golden Fortune 2023 Campaign
- Save & Earn Campaign
- PB Prosperity 8888 Campaign
- 50 Golden Reward Campaign
- PB Golden Opportunity 2023 Campaign
- Gold Rush Campaign
- \$AVE & \$PEND Campaign
- MySalary Bonus Campaign
- PB Special Fixed Deposit Campaign
- PB FD Bonanza Campaign
- PB Deposit Delight Campaign
- ACE Enterprise Booster Campaign
- eGold Investment Account Campaign
- PB eFD via FPX Campaign
- 50 Golden Journey Campaign

The Public Bank Group's focused marketing efforts for these campaigns garnered total deposits amounting to RM35.03 billion.

RED CARPET BANKING

Public Bank continues to embark on various initiatives to drive its Red Carpet Banking ("RCB") business which aims to provide elevated premier banking solutions to cater to the financial needs of the affluent customer segments.

Performance Review for 2023

New RCB members ↑ 38.1%	Acquired new RCB members especially new-to-bank customers and increase fresh deposits. New RCB members rose by 38.1% to over 107,000 members.
New RCB centres ↑ 2 centres	Expanding RCB footprint across the nation. Opened two new centres at Muar branch and Bandar Setia Alam branch respectively, bringing total RCB centres to 20 centres nationwide.
Average product holding per RCB customer 5.69 products	Improving RCB customer's average product holding. The average product holding is 5.69 products per RCB customer.

Marketing and Promotional Initiatives

-
- Public Bank launched several targeted campaigns for RCB customers, which aimed to attract new deposits, reward RCB customers and improve product holdings.
 - RCB launched exclusive campaigns and extended the benefits to family members of RCB customers.
-

RCB Campaigns

- PB RCB Special Fixed Deposit/Term Deposit-i Campaign
- PB Premier High Yield Fixed Deposit Campaign
- RCB Birthday Month Privileges Campaign
- RCB Elite Exclusive Privilege Campaign
- RCB Product Holding Reward
- RCB Appreciation Reward
- RCB Exclusive Invitation & Referral
- RCB Friends Referral
- PB Insure Rewards Campaign

In 2023, total deposits garnered via these RCB exclusive campaigns amounted to RM30.81 billion.

RCB Events

Various RCB Events were conducted for RCB customers, which include Legacy Planning and Lifestyle event.

Digital and Other Initiatives

Issuance of monthly RCB highlights via e-Newsletter	e-Birthday card
RCB customers were promptly notified of the latest marketing initiatives and campaign promotions via monthly e-newsletter.	E-birthday card wishes to RCB customers via email.
Exclusive RCB Events	Distribution of 'Premier Series' festive packets
Exclusive RCB Events such as Financial Planning, Legacy Planning and Lifestyle Event.	Distribution of 'Premier Series' festive packets to premier RCB customers.
Queue Management System ("QMS")	
Additional 104 branches have implemented QMS to provide priority services and enhance customer experience for RCB customers at non-RCB branches.	

MANAGEMENT DISCUSSION AND ANALYSIS

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DOMESTIC CONSUMER BANKING AND SME LENDING

SME LENDING

Small and Medium Enterprises ("SMEs") serve as the cornerstone of the Malaysian economy, contributing about 38% to Gross Domestic Product in 2023. Constituting over 97% of all business establishments in Malaysia and providing employment to 48% of the population, SMEs play a pivotal and indispensable role. The Public Bank Group continued to offer robust support for SMEs, providing a comprehensive suite of financing products at competitive rates, solidifying SME lending as a core focus within its business portfolio.

Performance Review for 2023

Total SMEs financing growth ↑ 1.0%	As at the end of 2023, the Public Bank Group's total financing to SMEs increased by 1.0% to RM67.87 billion, which accounted for 18.2% of the Group's domestic loans portfolio.
New loans approved ↑ 12.1%	Total new loans approved for SMEs grew by 12.1% to RM13.94 billion, which represented 16.6% of total domestic loans approved.
Market share 17.9%	Market leader in domestic financing for commercial lending to SMEs with a market share of 17.9% as at the end of 2023.

Products and Initiatives

The Public Bank Group remains steadfast in bolstering SMEs, by offering vital financing pathways and customised funding solutions. Through active involvement in BNM's financing initiatives as well as Government of Malaysia and Credit Guarantee Corporation Malaysia Berhad ("CGC") guarantee schemes, the Group facilitates SMEs' access to affordable financing, alleviating short-term cash flow constraints and foster growth.

In addition to its flagship SME financing product, the SWIFT Plan, the Public Bank Group proactively backs numerous financing schemes initiated by the Government, BNM and CGC.

Products/Initiatives	Results
<i>Shophouse, Warehouse, Industrial Factory and Trade Financing ("SWIFT") Plan</i> The Public Bank Group's SWIFT Plan is a premier SME financing product, which provides an all-encompassing solution for business expansion, asset acquisition, working capital and/or trade financing.	In 2023, the Group extended total financing of RM4.08 billion under the SWIFT Plan to eligible SMEs.
<i>BNM Initiated Financing Schemes</i> The Public Bank Group proactively engages in diverse BNM initiatives, encompassing the All Economic Sectors Facility, Agrofood Facility, SME Automation and Digitalisation Facility, Micro Enterprises Facility and others. The Group also extended financial assistance through BNM's Disaster Relief Facility 2022, supporting affected SMEs to swiftly resume their business operations following unprecedented natural calamities.	
<i>Government of Malaysia and CGC Guarantee Schemes</i> The Public Bank Group proactively supports the Government and CGC-backed financing schemes by offering a versatile array of products tailored for SMEs, covering both working capital and capital expenditure financing.	Throughout the COVID-19 pandemic, the Public Bank Group has supported more than 19,400 SMEs under the various Government and BNM initiated financing schemes.
<i>Participated in the new Government Guarantee Scheme MADANI ("GGSM") to aid Malaysian SMEs and Mid-Size Companies ("MSCs") in four focus sectors (e.g. high technology, agriculture, manufacturing and tourism).</i>	

Marketing Initiatives

- The Public Bank Group enhanced the PBB BizBooster Financing Campaign with attractive pricing. In 2023, the Group approved RM168.4 million in financing, benefitting more than 140 SMEs through this campaign.
- Promotional pricing campaigns were extended until 31 December 2023, which ensured that SMEs continued to gain access to competitive financing rates.
- In 2023, four SME Financing Roadshows were held across Malaysia, benefitting more than 130 SME participants from various business sectors. The roadshows gave an opportunity for the Public Bank Group to meet and serve the needs of SMEs. These roadshows aimed to deliver advisory services on financing opportunities, build financial literacy and provide an avenue for SMEs to address their financial needs and/or funding challenges.
- The Public Bank Group's ongoing collaboration with the CGC-managed '*imSME*' online portal facilitates real-time financing information. Dedicated SME Helpdesk is accessible at Public Bank's Head Office via email.

Award

Top FI Partner Award – Commercial Financial Institution Category

28th FI/DFI & SME Awards 2022 by CGC

Digital Initiatives

Digital Climate Change Message Flyers

In 2023, digital climate change message flyers were distributed to raise customers' awareness on climate change and encourage transitioning to a low carbon footprint, which is aligned with Public Bank's sustainability value proposition.

Automated Notices to Customers

Banking system has been automated to generate and send notices to customers in the event of non-compliance with certain terms and conditions (e.g. Letter of Offer).

MANAGEMENT DISCUSSION AND ANALYSIS

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DOMESTIC CONSUMER BANKING AND SME LENDING

SUSTAINABLE FINANCING

The Public Bank Group is committed to integrate Environmental, Social and Governance (“ESG”) considerations into its lending business and banking operations, in line with the environmental and social demands. The Group continues to enhance financial accessibility, promote financial literacy as well as develop and promote its financial products, services and solutions 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 Green Financing Facilities are dedicated to climate mitigation, transition and adaptation activities, encompassing financing of 80 green and environmentally-friendly economic activities.
- The Public Bank Group approved dedicated Green Financing Facilities of more than RM470 million in 2023, benefitting both individuals and businesses.
- Since 2020, the Group mobilised over RM53 billion of sustainable financing and targets to mobilise a cumulative of RM100 billion in sustainable financing by 2030.
- The Group actively supports BNM's initiated financing schemes, such as the Low Carbon Transition Facility and Business Recapitalisation Facility.
- In 2022, the Group collaborated with reputable property developers (e.g. Gamuda Land, Eco World and Sunway Property), offering Special Financing Package for customers purchasing green-certified and sustainable residential, industrial and commercial properties.

Memorandum of Understanding (“MOU”) is ongoing and the Group had approved Special Financing Package of more than RM850 million in 2023 with features that include attractive pricing, fast approval and financing options for eco-friendly enhancements, making green-certified properties more accessible and affordable for customers.

- In 2023, the Group expanded its list of green and environmental-friendly economic activities eligible for financing, increasing the number from 72 to 80 across 11 core categories.
- In 2023, the Group continued to actively promote its list of 21 Social Agenda financing activities.
- The Group maintains a steadfast commitment of ‘No Deforestation, No New Peat and No Exploitation’ principles across all financing activities, regardless of sectors.
- The Group organised a full-day seminar for SME property developers based on the theme ‘*Embracing Sustainable Development: The Way Forward for SME Developers*’ on 14 June 2023 in Kuala Lumpur, which drew the participation of 120 SME delegates from the real estate sector.

Insights and information imparted by subject matter experts include issues in the areas of climate change and ESG, green buildings processes and certification as well as real-life case studies.

- Following the aforementioned successful seminar in Kuala Lumpur, a similar event for SME property developers in the Central and Northern Region was held in Penang on 18 October 2023.

The seminar in Penang attracted 180 SME delegates from the real estate sector. A panel of expert speakers provided invaluable knowledge, insights and guidance on the importance and benefits for SME developers to pursue sustainable business practices.

WEALTH MANAGEMENT

KEY HIGHLIGHTS 2023

Total Assets under Management
↑5.7% to RM97.11 billion

Private Retail Unit Trust
Business

35.9%
market share

Public Mutual was accorded

31 awards

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

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

application incorporated with new features

PB Direct Integration

for seamless appointment outcome updates

The Public Bank Group's fund management business is undertaken by Public Mutual Berhad ("Public Mutual"), which engages in the sales and management of unit trust and Private Retirement Scheme ("PRS") funds. Supported by its strong distribution network, Public Mutual is the No. 1 private retail unit trust company and PRS provider in Malaysia. The Group also has an established strategic bancassurance partnership with AIA Group Ltd. ("AIA") which entered its eleventh year of partnership in 2023. The Group promotes a broad spectrum of bancassurance products through its domestic and regional branch network as well as its domestic telemarketing channel. The Group also offers structured product investment for customers who have risk appetite and are looking for higher returns than fixed deposits. Together, these business segments form the Group's wealth management business.

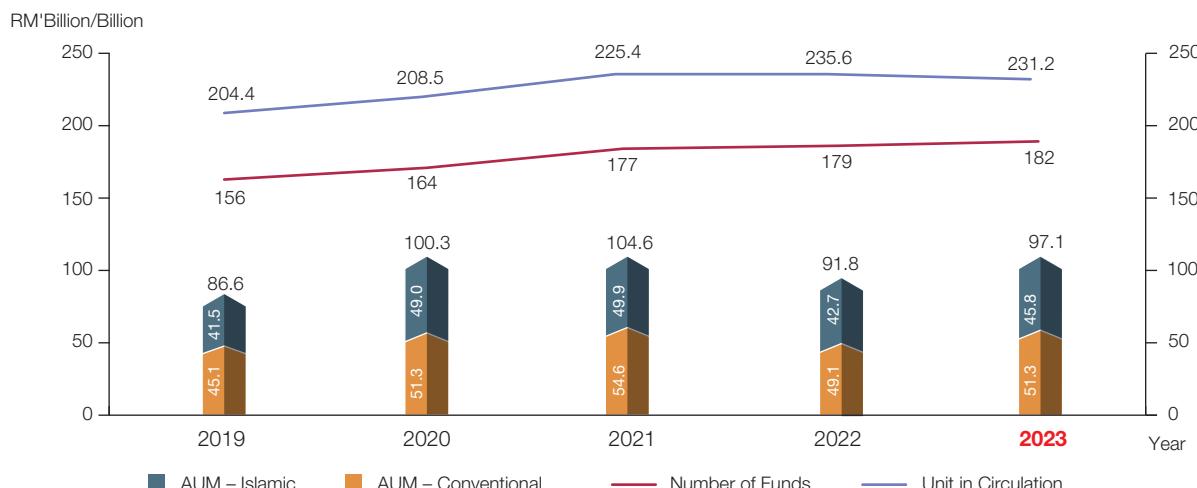
MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OPERATIONS REVIEW

WEALTH MANAGEMENT

FUND MANAGEMENT

Assets under Management, Units in Circulation and Number of Funds



Total assets under management ("AUM")

↑ 5.7% to RM97.11 billion

Returns of foreign equity fund up to 57.6%

Returns of domestic equity and mixed asset funds

up to 13.3%

Returns of bond/sukuk funds

up to 8.2%

Retail funds' AUM
RM88.93 billion

Profit before tax

↑ 2.3%

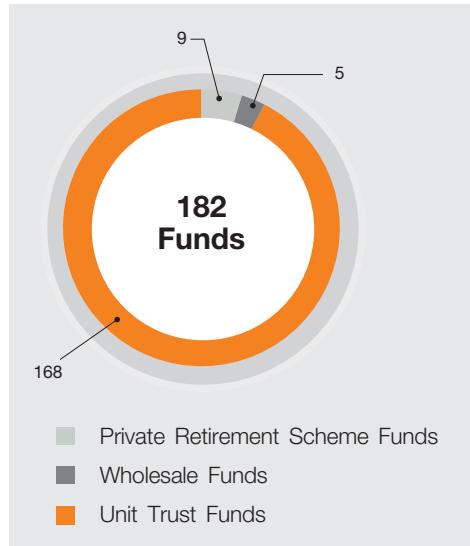
The AUM of Public Mutual increased by RM5.27 billion or 5.7% to RM97.11 billion as at the end of 2023. This was mainly attributable to RM5.19 billion or 15.6% rise in the net asset value ("NAV") of retail foreign equity funds amid a rebound in selected global and regional equity markets.

Public Mutual's foreign equity funds generated returns of up to 57.6% in 2023, while the domestic equity and mixed asset funds registered returns of up to 13.3% over the same period.

On the fixed income front, Public Mutual's bond/sukuk funds registered returns of up to 8.2% for the year, supported by coupon income and capital gains.

Public Mutual's retail funds' AUM stood at RM88.93 billion, comprising of RM73.17 billion or 82.3% in equity funds, RM12.26 billion or 13.8% in bond/sukuk funds and RM3.50 billion or 3.9% in money market funds and a specialised gold fund.

Public Mutual's profit before tax rose by 2.3% to RM798.0 million in 2023, mainly due to higher net interest and management fee income, partially offset by higher other operating expenses.

Total Funds**New Fund Launches**

Fund Name	Launch Date
Public e-Ataraxia Mixed Asset Fund	23 May 2023
PB Sustainable Growth Fund	5 September 2023
Public Islamic Regional ESG Fund	7 November 2023

Marketing and Promotional Initiatives

Public Mutual successfully launched the following campaigns in 2023.

Campaign	Results
Awards Celebration Campaign 2023	More than 2,100 investors received gifts whilst 303,000 lucky draw entries were generated for the prizes offered.
Birthday Special Promo 2023	Over 16,400 investors participated in Birthday Special Promo 2023.
Direct Debit Authorisation ("DDA") Campaign 2023	This campaign is ongoing until 31 August 2024.
Public Mutual Online ("PMO") Campaign 2023	This campaign is ongoing until 31 March 2024.

Digital Initiatives

In 2023, Public Mutual implemented the following digital initiatives to enhance its investors' online experience.

Enhanced Onboarding of New Investors on PMO

- Provides a more efficient and user-friendly experience for individuals looking to begin investing with Public Mutual, enabling new customers to upload their identity documents quickly by scanning a QR code.
- New investors have the option to be onboarded conveniently through the Pocket-PMO mobile app.

Biometric Recognition on Pocket-PMO

- Pocket-PMO users using mobile devices equipped with biometric capabilities are able to activate and log in to the Pocket-PMO app using either Face Recognition or Touch ID (Fingerprint).

MANAGEMENT DISCUSSION AND ANALYSIS

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WEALTH MANAGEMENT

Secure Token Authentication (“SecureSign”)

- Public Mutual introduced SecureSign as an alternative to the SMS Personal Authentication Code (“PAC”), to enhance security.
- PMO users are able to authenticate all transactions and service requests using the SecureSign authentication feature available on the Pocket-PMO app.

Anomaly Detection and Two-Factor Authentication

- Public Mutual implemented two-factor authentication with SecureSign via the Pocket-PMO app and the SMS PAC sent to investors’ registered mobile number, to detect unusual login activities during the PMO login process.

Register to Pay for Family Members’ Investments

- Public Mutual rolled out a new feature for PMO users – i.e. register and make payments for family members’ investments.
- Hassle-free and allows investors to easily manage and support their family members’ investments.

Other Initiatives

In 2023, Public Mutual enhanced its advertising and branding efforts through the following initiatives:

Social Media Initiatives	<ul style="list-style-type: none">• Financial planning and money management-related content was shared via Instagram, YouTube, TikTok and LinkedIn to enhance the level of financial literacy among investors and the general public.
Investment Talks and Mutual Gold Webinars	<ul style="list-style-type: none">• Investment talks and Mutual Gold webinars were organised for Mutual Gold, Mutual Gold Elite and Mutual Platinum members in order to educate and engage with investors on investment-related matters.
Investors’ Day 2023	<ul style="list-style-type: none">• A 3-day webinar highlighting strategies for investment success over the long term was held from 22 to 24 July 2023.
Electronic Direct Mailers (“eDMs”)	<ul style="list-style-type: none">• Disseminated eDMs aimed at improving investors’ financial literacy, enhancing awareness on scams, and keeping investors updated on Public Mutual’s products and services.
Billboard Advertising	<ul style="list-style-type: none">• Placed prominent billboards across Klang Valley as well as selected states in Malaysia to enhance Public Mutual’s visibility and branding.

Customer Service**PMO subscribers****>870,000****Mutual Gold/Mutual Gold Elite/
Mutual Platinum members****>131,000****Branch offices and customer
service centres nationwide****31**

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 PMO subscribers grew to more than 870,000 since its launch on 12 January 2009.

As at the end of 2023, the number of Public Mutual priority service members increased to more than 131,000 members.

Training and Support

- Public Mutual offers a range of comprehensive and value-added training programmes to equip its unit trust consultants ("UTCs") with the skills and knowledge required to serve its investors.
- Public Mutual is also dedicated to provide its employees with access to continuous learning and development opportunities.
 - (i) Public Mutual offers a variety of staff training programmes that range from technical and soft skills to communication and leadership courses.
 - (ii) These regular training programmes are conducted throughout the year in order to educate employees on Public Mutual's values, policies and best practices as well as to equip them with the necessary skills and knowledge for their current and future roles; enabling employees to perform at their very best.

Awards**Refinitiv Lipper Fund Awards 2023**

19 individual awards at Refinitiv Lipper Fund Awards 2023

Refinitiv Lipper Fund Awards 2023 – Global Islamic

4 individual awards at Refinitiv Lipper Fund Awards 2023 – Global Islamic

**Asia Asset Management – 2023 Best of the Best
Awards**

Four awards for the following categories:

- Best ASEAN Equity (3-year period)
- Best Retail House – Malaysia
- Islamic Retail House of the Year – Malaysia
- Best Member Communications – Malaysia

**Reader's Digest Trusted Brand Platinum Award
2023**

Reader's Digest Trusted Brand Platinum Award 2023 for the Investment Fund Company category in Malaysia (14th consecutive year)

The Asset Triple A Islamic Finance Awards 2023

The Asset Triple A Islamic Finance Awards 2023 for the Islamic Asset Manager of the Year – Malaysia (Retail)

The Edge Malaysia ESG Awards 2023

Two individual awards at The Edge Malaysia ESG Awards 2023 – for the following categories:

- Best E, S and G (E Category – Silver)
- Best Low Carbon (Gold)

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OPERATIONS REVIEW

WEALTH MANAGEMENT

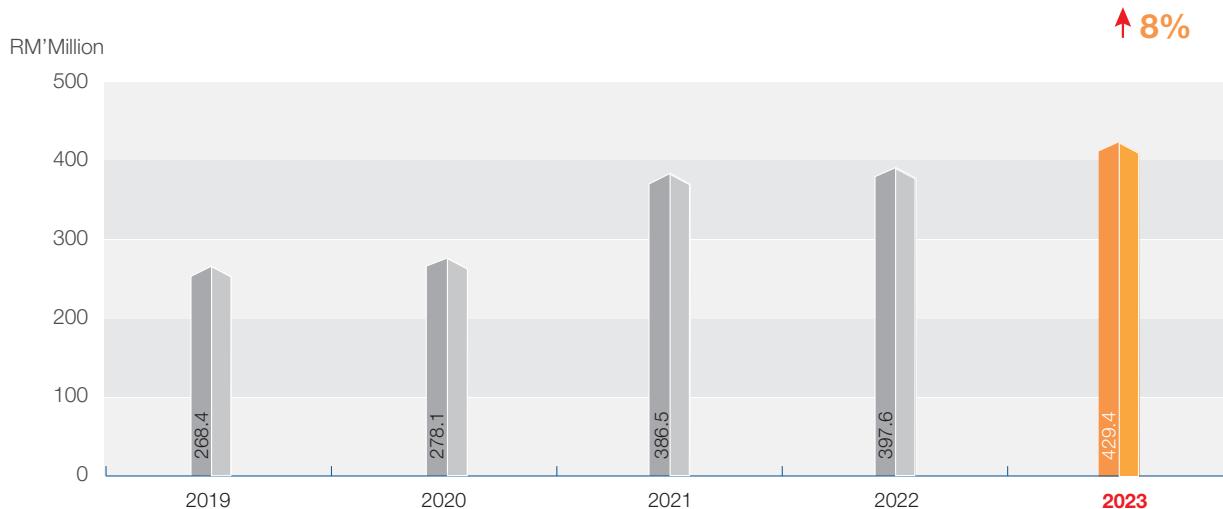
BANCASSURANCE

The Public Bank Group's bancassurance business, which leverages on its bancassurance partnership with AIA, continued to be one of the Group's main fee income generator. The Group's domestic bancassurance business is fully supported by approximately 564 licensed financial executives and more than 2,000 credit related staff located across the Group's domestic branches.

In conjunction with the launch of Project Phoenix, a joint initiative between Public Bank and AIA at all Red Carpet Banking ("RCB") centres in 2023, a new single premium product, namely PB Signature Legacy, was introduced exclusively for RCB customers. During the implementation of Project Phoenix, Sales Opportunity Action Result 360 ("SOAR360"), an application developed on iPad for financial executives to support remote sales, and Customer Relationship Management Application ("CRMA") have also been enhanced. Marketing leads will now flow seamlessly through SOAR360 and CRMA to enable more accurate and holistic view of RCB customer's journey for effective engagement and performance monitoring.

Domestic Market

Domestic Annualised New Premium ("ANP")



Public Bank garnered a total of RM429.4 million ANP which is an increase of 8.0%, despite the challenging market environment.

Regional Market's ANP

Hong Kong
HKD16.9 million
2022: HKD15.9 million

Cambodia
USD0.9 million
2022: USD1.1 million

Vietnam
VND3.00 billion
2022: VND6.70 billion

Telemarketing Insurance Products

Annualised new premium ("ANP")
RM18.3 million

Telemarketing activities were lacklustre in 2023, mainly due to heightened customers' skepticism towards telemarketing channel due to escalating telephone scams coupled with high inflationary pressure. Public Bank aims to launch new telemarketing products to complement the existing insurance coverage and boost its sales performance.

New products

Products	Launch Date
PB Signature Legacy ("PBSLe")	8 August 2023
PB Protect Term & PB Protect CI	8 September 2023
PB WealthElite Xtra 2	13 October 2023

Marketing and Promotional Initiatives

Public Bank successfully launched the following bancassurance campaigns in 2023.

- Launched several sales campaigns promoting insurance solutions for wealth management and protection needs.
- Launched 'cashback' campaigns, such as Gift of Love Campaign, Gemilang Cashback Campaign, Bonanza Cashback Campaign and Joyful Cashback Campaign.
- Personal Accident Cover Campaign for PB SME Flex, Protection Booster Campaign and Hospital Cash Allowance Campaign which enhanced the value received by customers through the offering of additional insurance coverage.
- Future Premium Payment Option Campaign offered customers 4% per annum on their advanced payment of premium for a minimum of 5 years.
- Launched Free Cover Limit Campaign and Credit Life Non-Medical Limit Campaign to further ease customer eligibility by loosening the insurance underwriting requirements.
- Launched PB Insure Rewards Campaign from March to April 2023, exclusively for RCB customers which bundles PB WealthElite Xtra, PB Elite Signature, PB Max Advantage and PLUS Fixed Deposit.
- Launched 2023 PBSLe Campaign which offered HABIB Gold Bar/Gold Wafer in conjunction with the distribution of PBSLe in August 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

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WEALTH MANAGEMENT

Digital Initiatives

PB Direct

PB Direct is a customised tablet enabled business application tool designed to allow paperless submission of sales proposal via portable devices. PB Saleskit is a comprehensive marketing tool which facilitates effective sales presentation of bancassurance products to cater to the needs of potential customers. PB Direct and PB Saleskit were enhanced with the following updates:

- New feature to enable underwriting priority for RCB customers; and
- Inclusion of enhancement for new products, PB WealthELite Xtra 2 and PB Signature Legacy.

SOAR360

SOAR360 is an application developed on iPad for Financial Executives ("FEs") to manage their sales activities.

SOAR360 has incorporated new features to better support bancassurance sales force in driving their sales performance and productivity of bancassurance marketing activities.

New enhancements in SOAR360 include:

- Introducing PB Direct Integration which is a seamless appointment outcome updates;
- Enhancing AIA Contacts with additional source of leads;
- Enhancing its gamification to reward FEs; and
- Introducing Home Dashboard/Team Activity to manage sales performance and productivity.

Other Initiatives

Sales Campaigns	<ul style="list-style-type: none">• Launched various attractive campaigns throughout the year to motivate and incentivise bancassurance sales force to achieve higher productivity. These are 2023 Up-Forcing Incentive for Bancassurance Financial Executive and Rookie, 2023 Regular Premium Challenge for Financial Executive (Unit Trust), 2023 Branch Regular Premium Challenge, Incentive Trip Challenge 2023, 2023 Customer Gift Campaign, 'PB Insure Rewards' Campaign, 'Gift of Love' Campaign, 'Gemilang Cashback' Campaign and 'Joyful Cashback' Campaign.• 2023 June Gear Up Challenge was launched to further motivate sales team to push for higher sales productivity.• Provided incentives for sales staff in various forms such as cash rewards, eVoucher and gifts. Referral cash incentives were also rewarded to branch staff for successful policy set-inforced to bolster cross selling initiatives among branches.
Training Initiatives	<ul style="list-style-type: none">• Conducted training programmes for onboarding of rookies.• Conducted Product Training, Rising Star Club and FASTRAC training to enhance product knowledge, sales concepts and soft skills.• Introduced multiple e-Learnings via Learning Acceleration Platform to improve understanding of customers' insurance needs, addressing customers' uncertainties and promote a comprehensive wealth planning solution to customers.• Conducted '<i>AIA Seal Your D.E.A.L</i>' training programme for existing sales staff to improve bancassurance sales quality and minimise cancellation cases.• Held selected product refresher courses for financial executives to refresh their understanding of the products and boost sales performance by targeting niche market segments.

Regional Bancassurance Partnership

Public Bank's Overseas Operations	Initiatives and Results
Hong Kong Operations <ul style="list-style-type: none"> Eleventh year of bancassurance partnership with AIA International Limited (Hong Kong). Leverage on the Public Bank Group's extensive network of 30 branches in Hong Kong with licensed Customer Service Officers. 	<ul style="list-style-type: none"> A total of HKD16.9 million in ANP was generated in 2023 mainly contributed by sales of the <i>Bonus Power Vantage</i> insurance plan and <i>Simply Love Encore 5</i> plan. AIA continues to launch new innovative insurance products and services as well as broaden the range of high-quality life insurance protection and long-term savings solution for customers. More new customer segments will be targeted to boost insurance sales.
Cambodian Public Bank <ul style="list-style-type: none"> Seventh year of distribution partnership with one-way exclusive AIA (Cambodia) Life Insurance Plc. Leverage on Cambodian Public Bank's network of 32 branches. 	<ul style="list-style-type: none"> A new protection plan with medical life insurance (i.e AIA Chambong with AIA Sokhapheap Rider) was introduced in August 2023. In 2023, total ANP of USD0.9 million was generated mainly from the sales of the Life and Health Insurance Plan.
Public Bank Vietnam Limited ("PBVN") <ul style="list-style-type: none"> Distribution partnership with AIA (Vietnam) Life Insurance Company Limited since August 2018. 	<ul style="list-style-type: none"> Despite unfavourable market sentiment, a total ANP of VND3.00 billion was generated in 2023. PBVN and AIA conducted two training courses to enhance staff skills and knowledge on the changes in regulatory requirements. In September 2023, a new insurance solution package namely Vung Vang Noi Luc was introduced, offering a combination of Convertible Term Insurance and Early Critical Illness. For onboarding of new bancassurance customers, PBVN and AIA continued to offer a cashback promotion of up to 6.0% for PBVN credit cardholders.

INVESTMENT PRODUCT – PB DUAL CURRENCY INVESTMENT (“PB DCI”)

PB DCI contributed

RM4.6 million

to the Public Bank Group's fee based income

PB DCI is a short term currency-linked structured product investment that aims to provide customers the opportunity to capitalise on foreign exchange movements and potentially earn a higher interest rate than traditional fixed deposits.

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

MANAGEMENT DISCUSSION AND ANALYSIS

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WEALTH MANAGEMENT

CROSS-SELLING INITIATIVES

Public Bank continues to focus on its strategy to cultivate a cross-selling culture amongst staff and deepen customer engagement to foster long term customer relationships. The Bank has adopted a three-pronged strategy; leveraging on data analytics, enhanced marketing tool using the Customer Relationship Management Application ("CRMA") as well as scaling talents through Cross-Selling Unit and Lead Generation initiatives.

Data Analytics and Analytical Customer Relationship Management	<ul style="list-style-type: none">Enhanced data mining tools and developed analytical competencies in order to predict customer behaviour and build sustainable customer relationships.Strengthened capabilities to enable more innovation and to drive customer centricity and marketing.Development and application of customer segmentation and propensity model to uncover hidden business opportunities with the goal of delivering outstanding customer experience and deepening customers' wallet share.
CRMA	<ul style="list-style-type: none">Enhanced integrated marketing tool, CRMA enables insightful information on customers' portfolio on a single platform, hence providing more personalised offers to fulfil their financial needs and expectations.Introduced a first-of-its-kind LeadGen 360 mobile application for staff to refer customers from their mobile devices to the CRMA. This helps to capture more prospective customers and scale value-driven cross marketing.
Cross Selling Unit	<ul style="list-style-type: none">The team of 219 dedicated personal bankers located at branches nationwide continue to focus on delivery of personalised financial solutions by leveraging on CRMA to identify new opportunities to augment conversational engagements and grow relationships.
Lead Generation	<ul style="list-style-type: none">The Lead Generation initiative has further expanded to include Head Office marketing personnel, with the aim of widening customer reach in offering the Bank's products and services.The Lead Generation initiative include more products and services that emphasises on environmental, social and governance.LeadGen 360, a new sub-module in PBeXperience mobile application, makes it convenient for any staff to refer customers through their mobile devices while on the go.
Product Promotional Event ("PPE")	<ul style="list-style-type: none">PPE during weekdays and weekends remain as an effective strategy for Public Bank to connect with customers and provide banking services at customers' convenience.Branches are encouraged to conduct at least one PPE each quarter during weekday or weekend.In 2023, PPE themes were '<i>PB Prosperity Savings</i>' and '<i>PB Smart Planning</i>'.There were more than 1,000 PPEs in 2023 which generated total sales of RM281.9 million 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.

TRANSACTIONAL SERVICES



Public Bank offers a wide range of cash management services and remittance services to cater to the banking needs of its customers.

CASH MANAGEMENT SERVICES

Cash management services provided by Public Bank comes with comprehensive payment and collection modules designed to meet the banking needs of its customers. These customised cash management solutions are fully supported by the Bank's wide network of branches and digital channels.

Performance Review for 2023

Total payees and payors

↑ 25.7%

Public Bank has added more than 15,000 new payees and payors corporations in 2023, representing an increase of total payees and payors by 25.7%.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OPERATIONS REVIEW

TRANSACTIONAL SERVICES

Key Priorities and Achievements

- Public Bank was the first bank in Malaysia to implement DuitNow Online Banking/Wallet in 2023. Public Bank has since onboarded 95 new merchants in 2023. Majority of these merchants are in the midst of performing system development, integration and/or testing.
- Introduction of a new collection service – DuitNow Request, allowing merchants to send digital payment request to collect payment from their customers.
- Introduction of PB enterprise@Work to encourage PB enterprise utilisation and running of campaigns. The system is able to display a utilisation tracker for customers to meet utilisation goals in exchange for a reward based on the current campaign.
- Automation of the PayNet Direct Debit service (*as part of the PB enterprise Liquidity Management System Phase 1*), providing convenience for customers to automate the debiting of their accounts from other PayNet participating banks on a periodic basis with just a one-time instruction.
- Further extension of Public Bank's DuitNow QR Cross Border Payment Services to Singapore in March 2023. Customers of Public Bank can now perform instant QR payments for retail transactions with Singapore merchants via Singapore's Network for Electronic Transfer QR Code on PB engage. The Bank's merchants under PB QR are also able to receive QR payments from individuals travelling from Singapore.
- Introduction of PB SecureSign (digital token) for the PB enterprise channel, replacing SMS one-time-passwords with improved security.
- Implementation of new artificial intelligence fraud prevention system to ensure continuous cyber risk mitigation of online fraud.
- Enhancement of payment efficiency and facilitate risk management by successfully migrating from MT format to ISO 20022 for RENTAS and Foreign Telegraphic Transfer services.

Award

Outstanding Contribution to Cross Border Payments

Malaysian e-Payments Excellence Awards 2023 by PayNet

REMITTANCES

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

Performance Review for 2023

Remittance transactions

↓ 5%

In light of the challenging operating environment and intense competition, total remittance transactions dropped by 5% to RM71.46 billion in 2023. Public Bank continued with its efforts to build effective collaboration with business partners and launch remittance campaigns to further grow its remittance business.

Marketing and Promotional Initiatives

Campaigns	Results
Remittance Campaign for Overseas Education Preferential foreign exchange rates for education remittances to Australia, New Zealand, United Kingdom and the United States of America.	A total of RM278.1 million was remitted under the campaign in 2023.
PB Overseas Remittance Campaign Promote cross border remittance services between Public Bank and its overseas subsidiaries or branches in Hong Kong, Vietnam, Laos, Cambodia and Sri Lanka.	More than 25,500 transactions amounting to USD1.39 billion was generated.
PB Indonesia Money Transfer (“PBIMT”) 2023 Ramadan Campaign 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 2023 Ramadan Campaign, which offered zero fees for over-the-counter outward remittance to Indonesia.	More than 670 transactions amounting to RM1.8 million was remitted through this campaign.
Peso Remittance Service Campaign Foreign remittance transaction via over-the-counter with 50% discount on cable charges on all foreign telegraphic transfers that were remitted in Philippine Peso.	More than 600 transactions worth RM4.7 million were generated.

Digital Initiatives

PB Foreign Telegraphic Transfer 2023 Campaign	Western Union Grab Food e-Voucher 2023 Campaign
<ul style="list-style-type: none"> Foreign remittance transaction via online with 50% discount on cable charges on all foreign telegraphic transfer. More than 11,100 transactions worth RM85.5 million were generated. 	<ul style="list-style-type: none"> Public Bank, together with Western Union, launched the Western Union Grab Food e-Voucher 2023 Campaign from 1 April 2023 to 31 May 2023. A total of RM5.1 million was remitted during the campaign period.

MANAGEMENT DISCUSSION AND ANALYSIS BUSINESS OPERATIONS REVIEW

CAPITAL MARKET

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

KEY HIGHLIGHTS 2023

Domestic Corporate Lending
Profit before tax

↑ 33.5%

Investment Banking
Operating Revenue

↑ 9.2%

8 fund raising programmes worth
RM4.03 billion

by Public Investment Bank through issuance of corporate bonds and sukuk

TREASURY

The Public Bank Group's treasury operations offer a wide range of conventional and Islamic financial services solutions to corporate, institutional and retail customers. The Group's treasury operations are conducted through the treasury offices of Public Bank, Public Islamic Bank, Public Investment Bank, Public Bank (L) Limited and the Group's overseas subsidiaries. Products offered include commercial Foreign Exchange ("FX"), wholesale deposits, money market ("unit trust funds") and dual currency investments. Other prominent functions of the Group's treasury operations include cash flow and liquidity management, proprietary trading in FX and fixed income securities.

Established in 2014, the Public Bank Group's International Business Unit ("IBU") has formed strategic alliances with international partners such as Resona Bank, Saitama Resona Bank and Kansai Mirai Bank Ltd, Bank Central Asia of Indonesia, The Siam Commercial Bank and China Construction Bank. These alliances help to promote the Group's global presence, which is supportive of its treasury revenue growth via business offerings to a diverse group of clients in the Asian region, such as Japan, South Korea and China.

Performance Review for 2023

Profit before tax

↓ 51.8%

The Public Bank Group's treasury operations recorded a lower profit before tax of RM167.2 million in 2023 predominantly due to lower interest and financing income arising from unfavourable interest gapping activities, partially mitigated by higher investment income.

The performance of the Public Bank Group's treasury operations is dependent on developments in both the domestic and global financial markets. In the United States of America ("US"), key economic measures prompted the US Federal Reserve to maintain its monetary policy.

DOMESTIC CORPORATE LENDING

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.

Performance Review for 2023

Profit before tax

↑ 33.5%

Loans growth

↑ 7.9%

Loan loss coverage

244.8%

Gross impaired loans ratio

0.97%

Profit before tax increased by 33.5% to RM568.1 million in 2023, mainly due to lower loan impairment allowance and higher net interest and financing income arising from higher average gross loans/financing achieved.

The Public Bank Group's domestic corporate lending operations recorded loans growth of 7.9% or RM3.34 billion to RM45.57 billion as at the end of 2023.

Total loans, advances and financing of the Public Bank Group's domestic corporate lending operations contributed 12.2% to the Group's domestic lending portfolio as at the end of 2023.

The loan loss coverage of the Public Bank Group's domestic corporate lending operation remained high at 244.8%, reflecting prudent loan loss reserves to absorb potential increase in credit losses.

Gross impaired loans ratio remained stable at 0.97% as at the end of 2023, from 1.0% a year ago.

MANAGEMENT DISCUSSION AND ANALYSIS

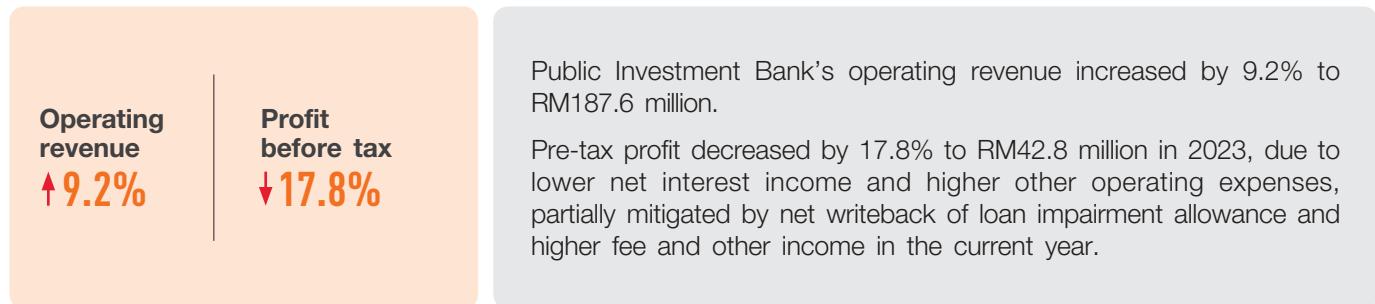
BUSINESS OPERATIONS REVIEW

CAPITAL MARKET

INVESTMENT BANKING

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

Performance Review for 2023



Key Priorities and Achievements

- In 2023, Public Investment Bank continued its efforts to grow its retail customer base for its stock broking business by collaborating with Public Bank Group’s Share Investment Units established nationwide, while also further maximising efforts of Public Investment Bank’s Internet Share Trading Unit. Growth of the institutional business was attributed to the value-added services provided by institutional dealing and in-house research teams.
- The Debt Capital Market Division successfully raised RM4.03 billion through eight fund raising programmes via the issuance of corporate bonds and sukuk. The Corporate Finance and Advisory Division continued to exert its presence in the ACE Market initial public offering space with successful listing of two companies in 2023. Other corporate exercises involve equity fund raising, merger and acquisition, restructuring and provision of independent advisory services.

ISLAMIC BANKING

KEY HIGHLIGHTS 2023

Public Islamic Bank Berhad ("Public Islamic Bank") launched

BNM iTEKAD Social Financing programme

in collaboration with Majlis Agama Islam Wilayah Persekutuan and Institut Keusahawanan Negara.

Pilot Implementation of Dedicated Islamic Banking Ambassador ("DIBA") Programme

at branches and Securities Documentation Center ("SDC").



Public Islamic Bank was awarded

Most Sustainable Islamic Bank - Malaysia 2023

by The Global Economics

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, leveraging on Public Bank's strong branding, extensive branch network and infrastructure.

Performance Review for 2023

Profit before tax

RM751.1 million
↓ 25.3%

In 2023, the Public Bank Group's Islamic banking operation recorded a drop in profit before tax by 25.3% to RM751.1 million as compared to RM1,005.8 million in 2022, contributing 8.8% to the Group's profit before tax. The lower profit before tax was mainly due to the effect of margin compression arising from deposit competition and higher Statutory Reserve Requirement cost.

Gross financing and advances

RM73.65 billion
↑ 10.7%

Public Islamic Bank's gross financing and advances grew by 10.7% or RM7.13 billion to RM73.65 billion, mainly driven by higher residential properties, hire purchase financing and corporate financing. Total financing represented 18.5% of the Public Bank Group's total loans, advances and financing.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OPERATIONS REVIEW

ISLAMIC BANKING

Deposits

RM82.33 billion

↑8.2%

Gross impaired financing ratio

0.34%

Public Islamic Bank's customer deposits increased by 8.2% to RM82.33 billion, mainly due to strong growth of term deposits by 9.5%. Total deposits accounted for 19.9% of the Public Bank Group's total customer deposits. The funding position of Public Islamic Bank remained healthy with gross financing to fund as well as gross financing to fund and equity ratios standing at 84.3% and 77.6% respectively.

Public Islamic Bank maintained resilient asset quality with a relatively low gross impaired financing ratio of 0.34%, well below the Islamic banking industry's ratio of 1.51%.

Public Islamic Bank continued to be well-capitalised with Common Equity Tier I capital ratio, Tier I capital ratio and total capital ratio of 13.2%, 13.2% and 16.2% respectively.

In May 2023, RAM Ratings reaffirmed Public Islamic Bank's long and short term financial institution ratings of AAA and P1 respectively premised on its highly strategic role as the Islamic banking arm of Public Bank Berhad.

Key Priorities and Achievements

In 2023, Public Islamic's key priorities include:

- implementation of Value-Based Intermediation ("VBI") strategies to deliver the intended outcomes of Shariah practices;
- support social finance initiative ("i-TEKAD") with the aim of assisting low-income microentrepreneur; and
- engagement with Halal Financing Programme with embedded environmental, social and governance ("ESG") elements.

Government Related Schemes

Public Islamic Bank is supportive of the various assistance programmes and national development initiatives through financing schemes initiated by the Government. In 2023, Public Islamic Bank disbursed total financing amounting to RM259.8 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 Pembiayaan Perniagaan PENJANA Tourism Financing-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 Guarantee Scheme MADANI

Government Related Scheme to encourage ESG and digitalisation

- Low Carbon Transition Facility-i
- Automation & Digital Guarantee Scheme
- High Tech & Green Facility-i – previously known as High Tech Facility – National Investment Aspirations

Marketing and Promotional Initiatives

In 2023, Public Islamic Bank launched various Term Deposit-i campaigns, offering flexible investment opportunities to customers whilst further improving its retail customer base.

Campaigns	Results
Term Deposit-i/eTerm Deposit-i Campaign	Garnered total deposits placements of RM11.67 billion
Term Deposit-i/eTerm Deposit-i via Financial Process Exchange ("FPX") Campaign	
30% Discount for Safe Deposit Box-i Campaign	Total rented Safe Deposit Box-i of 1,203 units
Solar Zero-interest Instalment Plan ("ZIIP") via Credit Card-i	RM11.4 million worth of solar panels signed up under ZIIP

Digital Initiatives

Introduction of Digital Interest Form for Solar Financing <p>Developed digital interest form for Solar Financing to facilitate online submission of customer information.</p>	Website Enhancement <p>Enhancement of Public Islamic Bank's website page to improve brand awareness.</p>
Launch of QR Pay Bunting to Promote Collection of Waqf <p>QR buntins are distributed at the following locations:</p> <ul style="list-style-type: none"> • Public Bank's building; • Public Bank and Public Islamic Bank branches; • Yayasan Waqaf Malaysia HQ; and • Mosques. 	Launch of Takaful Myclick Motor <p>Takaful MyClick Motor is a Comprehensive Private Motor Takaful plan that provides takaful coverage for customers' vehicles in the event of losses or damages.</p>

Other Initiatives

<p>Public Islamic Bank has developed DIBA Programme at branches and SDCs. DIBA Programme is a new initiative to enable independent identification of Shariah Non-Compliant risk issues at the first line of defence and timely escalation of the issues for immediate rectification actions.</p>	<p>Public Islamic Bank organised Sadaqah Ramadhan Event by collating food and necessities for an orphanage house and a tahfiz academic in Kuala Lumpur as well as organising a collection drive of used clothes for the underprivileged in Selangor Darul Ehsan.</p>
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Products and Services

- In collaboration with Halal Development Corporation ("HDC"), Public Islamic Bank leveraged on leads to cross sell commercial units in HDC Halal Park business and solar financing as part of its ESG branding.
- Public Islamic Bank initiated the solar financing programme for staff via home financing and credit card with an extended ZIIP plan tenure of up to 7 years and with 0% profit.
- Public Islamic Bank, in collaboration with PB Trustee Services Berhad, promoted the cross-selling of will writing (Wasiat).
- Public Islamic Bank also offered free add-on benefits under Fire Takaful Coverage for PIBB Sustainable Financing Package and Green Financing Facilities.
- During the year, Public Islamic Bank participated in the Kuala Lumpur Islamic Finance Forum, Global Islamic Finance Forum and Malaysia International Halal Showcase to increase the value creation dynamics for financial literacy education to customers.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OPERATIONS REVIEW

ISLAMIC BANKING

Roles and Authority of Shariah Committee (“SC”)

- Public Islamic Bank’s SC was established in line with the requirements of Islamic Financial Services Act 2013 and the Shariah Governance Policy Document (“SGPD”) issued by BNM, which came into effect on 1 April 2020. The SC is responsible for the overall Shariah governance and Shariah-compliance of Public Islamic Bank.
- The SC members were appointed by the Board of Directors to perform oversight and advisory roles on Shariah matters to ensure that Public Islamic Bank’s business and activities are in compliance with Shariah principles.

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

- Perform an oversight role on Shariah matters related to Public Islamic Bank’s business operations and activities, including oversight requirements;
- Advise the Board of Directors and the Management on Shariah related matters in order for Public Islamic Bank to comply with Shariah rules and principles at all times. The SC members are responsible and accountable for all Shariah decisions, opinions and views provided by them;
- Endorse Shariah related policies and guidelines;
- Approve products and services to ensure compliance with Shariah rules and principles;
- Assess work carried out by Shariah Risk Management, Shariah Review and Compliance and Shariah Audit (Shariah Control Function), which form part of the SC’s duties in providing compliance assessment in terms of Shariah and assurance information in the annual report of Public Islamic Bank;
- Advise related parties such as the parent company, clients, legal counsels, auditors and/or consultants on Shariah matters upon request;
- Advise Public Islamic Bank to consult the Shariah Advisory Councils (“SAC”) of BNM and Securities Commission on Shariah matters that cannot be resolved;
- Provide written Shariah opinions in circumstances where Public Islamic Bank makes reference to the SAC for further deliberation or where Public Islamic Bank submits application to BNM for new product approval; and
- Notwithstanding the above, the SC is also responsible to perform any specific duties and responsibilities outlined in any policy documents and/or standards issued by the relevant authorities at all times.

In 2023, a total of 13¹ meetings were held and details of attendance of the SC members are as follows:

Shariah Committee Members	Number of SC Meetings	
	Held During Tenure in Office	Attended
Dr. Shafaai bin Musa	13	13
YM Engku Ahmad Fadzil bin Engku Ali	13	13
En. Wan Abdul Rahim Kamil bin Wan Mohamed Ali	13	13
Assoc. Prof. Dr. Syed Musa bin Syed Jaafar Alhabshi	13	13
Assoc. Prof. Dr. Marhanum bin Che Mohd Salleh (Appointed on 1 November 2023)	3	3
Dr. Ab Mumin bin Ab Ghani (Completed tenure on 1 April 2023)	3	3

¹ Number of SC Meetings held and attended from 1 January 2023 till 31 December 2023.

Zakat Obligation

Public Islamic Bank’s zakat payment amounted to RM2,359,000, which has been paid to 14 states of zakat authorities in Malaysia for the assessment year of 2022.

INTERNATIONAL OPERATIONS

KEY HIGHLIGHTS 2023

Profit before tax of RM504.3 million
contributing 5.9% to the Public Bank Group's profitability

Cambodian Public Bank Plc was accorded with
SME Bank of the Year – Cambodia 2023

by Asian Banking & Finance

Best Bank in Cambodia (Domestic category)

by FinanceAsia

The Next100 Global Awards 2023 – Retail Banking

by Global Banking & Finance

Best Bank for ESG in Cambodia and Best Bank for Diversity & Inclusion in Cambodia for 2023

by Asiamoney

Best CSR Bank in Cambodia 2023

by Global Banking and Finance

Public Bank Vietnam Limited

↑ **5.6%**
loans growth

↑ **15.9%**
deposits growth

Cambodian Public Bank Plc

↑ **9.9%**
profit before tax

↑ **10.4%**
loans growth

The Public Bank Group's International Operations comprise financing and banking businesses in five Asian countries, with subsidiaries in Hong Kong, Cambodia, Vietnam and Lao PDR as well as overseas branches in Sri Lanka and the People's Republic of China ("PRC").

BRANCH NETWORK



Hong Kong
Branches

73



PRC
Branches

5



Vietnam
Branches

40



Cambodia
Branches

32



Lao PDR
Branches

4



Sri Lanka
Branches

3

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OPERATIONS REVIEW

INTERNATIONAL OPERATIONS

In 2023, the Public Bank Group's International Operations recorded a pre-tax profit of RM504.3 million, which was mainly from Cambodian Public Bank and Public Bank Vietnam. Pre-tax profit from International Operations contributed 5.9% to the Group's pre-tax profit.

The Public Bank Group remains committed to strengthen its regional presence in Indochina through synergistic growth, focusing on targeted customer segments and scalable business opportunities to create value.

HONG KONG

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

The economy of Hong Kong improved in 2023, on the back of higher consumer spending and revival of inbound tourism. Nevertheless, the general business environment remained challenging amid intensified geopolitics, tighter monetary policy and weak investment sentiment coupled with unfavourable property market.

Performance Review for 2023

Public Financial Holdings Group

Profit before tax

HKD40.6 million

↓ 90.0%

Public Financial Holdings Group

Gross loans, advances and financing

HKD24,287.7 million

↓ 2.4%

Deposits from customers

HKD29,536.4 million

↓ 3.0%

Gross impaired loans ratio

3.83%

2022: 1.29%

Public Bank (Hong Kong) Limited

Gross loans, advances and financing

HKD18,763.7 million

↓ 3.1%

Deposits from customers

HKD25,184.6 million

↓ 4.7%

Gross impaired loans ratio

4.46%

2022: 1.22%

Public Finance Limited

Gross loans, advances and financing

HKD5,118.4 million

↓ 0.2%

Deposits from customers

HKD4,406.2 million

↑ 2.6%

Gross impaired loans ratio

1.63%

2022: 1.43%

- In 2023, PFHL's profit before tax declined by 90.0% to HKD40.6 million. The drop in profitability was due to higher allowance for impairment on loans, advances and financing and lower net interest income arising from the escalation of funding cost consequential to the United States of America ("US") Federal Reserve rate hikes. The higher allowance for impairment on loans, advances and financing was mainly due to one large commercial borrower and some hire purchase loans amid the devaluation of commercial property prices and public vehicle licence value.
- Amid weak loans demand, the gross loans, advances and financing of PFHL dropped by 2.4% to HKD24.29 billion as at the end of 2023. PFHL's total customer deposits also declined by 3.0% to HKD29.54 billion.
- The gross impaired loans ratio of PFHL increased to 3.83% mainly due to credit deterioration of collateralised lending for one large commercial borrower. Excluding this impaired loan, PFHL's asset quality remained well managed in 2023. PFHL continued to be prudent in its underwriting standards to ensure healthy level of impaired loans and took prompt actions to pursue loans recovery.

The Public Bank Group's Hong Kong operations implemented business rationalisation to achieve cost synergy by integrating the stockbroking and securities businesses operated by Public Bank (Hong Kong) and one of the stockbroking subsidiaries in the fourth quarter of 2023. The Group will continue to further improve its operational efficiency via optimisation of resources, streamline support services across entities and make use of synergies from the combined branch network of PBHK and PFL to achieve cost synergy within the Group's Hong Kong operations.

PBHK's strategic bancassurance partnership with AIA International Limited (Hong Kong) generated total annualised new premium of HKD16.9 million in 2023, an increase by 6.3% over the previous year. PBHK will continue to tap on its bancassurance business and leverage on the launching of 'Global Power Multi-Currency Plan 3' in January 2024 to improve its fee-based income.

CAMBODIA

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

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

Campu Bank, established in 1992, spearheads the Public Bank Group's retail and commercial banking business in Cambodia. Campu Bank is one of the largest banks in Cambodia in terms of asset size and is among the market leaders in terms of deposits, loans and profitability. Campu Securities, a wholly-owned subsidiary of Campu Bank, was established in 2010 and offers securities underwriting and trading activities. CLIP is 55% owned by the Group and provides general insurance services in Cambodia.

In 2023, Cambodia's GDP grew by 5.6%, propelled by continued improvement in the service sector, foreign direct investments as well as recovery in tourism and hospitality sector.

Performance Review for 2023

Cambodian Public Bank Plc

Profit before tax

USD74.0 million

↑ 9.9%

Gross loans, advances and financing

USD1,403.6 million

↑ 10.4%

Deposits from customers

USD1,337.4 million

↓ 9.7%

Gross impaired loans ratio

1.52%

2022: 1.70%

- On the back of the buoyant economy, Campu Bank's profit before tax increased by 9.9% to USD74.0 million in 2023, supported by double digit loans growth of 10.4% to USD1,403.6 million. The asset quality of Campu Bank remained sound with gross impaired loans ratio of 1.52%. In terms of deposits taking, Campu Bank continued to face stiff competition amid the tight liquidity market in Cambodia. Consequently, Campu Bank's customer deposits dropped by 9.7% to USD1,337.4 million. However, Campu Bank continued to operate on a healthy loan to fund and equity ratio of 66.0%.
- Under an exclusive bancassurance partnership with AIA (Cambodia), Campu Bank captured a total annualised new premium of USD0.9 million in 2023. Campu Bank will continue to roll out new bancassurance products to cater to its diverse customer segments.
- In order to have a wider reach for the underserved market, Campu Bank has expanded its branch network to 32 with the opening of a new branch at Russey Keo in June 2023.
- CLIP, one of the main players in the highly competitive Cambodian insurance market, remained profitable, recording a pre-tax profit of USD1.0 million in 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OPERATIONS REVIEW

INTERNATIONAL OPERATIONS

Awards

Asiamoney

Best Bank for ESG in Cambodia and Best Bank for Diversity & Inclusion in Cambodia for 2023

Global Banking and Finance

The Next 100 Global Awards 2023 – Retail Banking
Best CSR Bank in Cambodia 2023

Bank of America Merrill Lynch, New York

US Dollar Straight-Through-Processing Excellence
Award 2022

Asian Banking & Finance

SME Bank of the Year – Cambodia for 2023

FinanceAsia

Best Bank in Cambodia for 2023 – Domestic Category

MASTERCARD

Leadership in 'Credit Volume' 2023

VIETNAM

In 2023, Vietnam's economy slowed to 6.0%, impacted by the slowdown in global demand and weaker domestic consumption.

Performance Review for 2023

Public Bank Vietnam

Profit before tax

VND541.34 billion

↓ 8.4%

Gross loans, advances and financing

VND26,302.59 billion

↑ 5.6%

Deposits from customers

VND21,341.02 billion

↑ 15.9%

Gross impaired loans ratio

3.26%

2022: 1.84%

- Operating under these challenging conditions, Public Bank Vietnam recorded a decline in profit before tax by 8.4% to VND541.34 billion in 2023, attributed to higher allowance for impairment on loans, advances and financing, lower non-interest income as well as increase in operating expenses due to branch network expansion.
- Public Bank Vietnam recorded a healthy gross loans, advances and financing growth of 5.6% to VND26,302.59 billion whilst customer deposits grew by a commendable 15.9% to VND21,341.02 billion.
- The bancassurance partnership between Public Bank Vietnam and AIA (Vietnam) generated total annualised new premium of VND3.00 billion in 2023. For product diversity, a new insurance plan 'Vung Vang Noi Luc' was introduced in September 2023, offering a combination of convertible term insurance and early critical illness.
- Public Bank Vietnam continued with its branch expansion plan in 2023 with the opening of eight new branches, bringing the total number of branches to 40. With its presence in Vietnam since 1992, Public Bank Vietnam has expanded its market reach to tap on new business opportunities and provide greater convenience for its customers.

LAO PDR

- Lao PDR's market condition was challenging throughout 2023, partly due to the weaker Lao KIP, the Laos national currency and heightened inflationary pressure.
- Notwithstanding the difficult operating environment, the Public Bank Laos Operations' profit before tax increased by 34.1% to LAK90.67 billion in 2023 supported by improvement in gross loans, advances and financing by 15.1% to LAK1,819.50 billion. However, deposits decreased marginally by 3.5% to LAK1,834.98 billion due to intense competition for foreign currency deposits, especially the US Dollar.
- In 2023, the Public Bank Group obtained regulatory approval to locally incorporate a banking subsidiary known as Public Bank Lao Limited ("Public Bank Lao") to take over the existing four banking branch businesses in Lao PDR. The Bank of Lao PDR granted the banking licence to Public Bank Lao in November 2023 and Public Bank Lao officially commenced business operations on 1 January 2024 as a full fledged banking subsidiary.

This signifies a milestone achievement and augurs well for the Group to strengthen its presence in Lao PDR and to boost the synergy in the Indo-China region for long term business growth and sustainability.

- The Public Bank Group is committed to expand its banking operations in Lao PDR leveraging on the strategically located branch network of the four branches of Public Bank Lao.

SRI LANKA

- Public Bank has three overseas branches in Sri Lanka. In line with the economic improvement in the second half of 2023 owing to numerous macroeconomics policies implemented by the Government, Public Bank's Sri Lanka Operations achieved a commendable increase in its profit before tax to LKR938.9 million in 2023, on the back of double-digit interest rates in the market.
- Deposits from customers also grew by 3.8% to LKR3,343.7 million in 2023. However, loans and advances decreased marginally by 3.2% to LKR5,772.6 million impacted by the subdued loans demand which was affected by the high interest rate environment and stagnant property market in Sri Lanka.

MANAGEMENT DISCUSSION AND ANALYSIS BUSINESS OPERATIONS REVIEW

SERVING THE CUSTOMER

KEY HIGHLIGHTS 2023

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)

**Public Bank's corporate tagline
'Excellence is Our Commitment' reflects
the Public Bank Group's customer service
culture and the Group's commitment to
deliver top-notch customer service.**

COMMITMENT IN PROVIDING EXCELLENT CUSTOMER SERVICE

The Group's customer-centric approach to the delivery of excellent customer service is an integral part of the Group's corporate values and culture. This customer service ethos remains a testament, which sets the guiding principles for a deep engagement that forges enduring customer relationships.

Key Priorities and Achievements

SIRIM Certified	<p><i>ISO 9001:2015 certification for the 'Provision of Customer Service at the Front Office'</i></p> <p>Public Bank achieved conformance rate of 67% in 2023, with 5.5 million customers served within 2 minutes SWT. In terms of the SWT of 5 minutes, the Bank achieved higher conformance rate of 80%, with 6.6 million customers being served within 5 minutes.</p> <p><i>ISO 9001:2015 certification for the Provision of Customer Service in Loan Delivery'</i></p> <p>Public Bank's loan processing and loan disbursement at branches are carried out in accordance with the Bank's standard turnaround time to ensure efficient service in loan delivery.</p>
Business Continuity Management ("BCM")	<p>Public Bank has in place an established BCM process in the event of disaster(s) which could impede the Bank's service deliveries.</p> <p>The Public Bank's Business Continuity Plan is constantly reviewed, enhanced and tested throughout the year to ensure operational and infrastructure sustainability so that essential banking services can be continuously delivered in the event of disaster.</p>
Customer Feedback Questionnaire ("CFQ")	<p>Public Bank continues to carry out in-house CFQ to collate and measure customer satisfaction for further insights into customer behaviour, needs and opinions.</p> <p>The results were satisfactory with Public Bank achieving high rating on counter services as well as loan services delivery. More than 95% of the customers were satisfied with the Bank's services.</p>
Customer Service Survey via QR Code – 'Staff of the Month' Campaign	<p>The Public Bank Group's Customer Service Survey via QR code seeks feedback from customers on their satisfaction with the Group's services. Public Bank launched the Customer Service Survey via QR code for customers to participate in a customer satisfaction survey regarding services rendered by Public Bank staff and likelihood of recommending Public Bank to family and friends. The responses were collated for identifying 'Staff of the Month' who will be awarded with cash prizes.</p> <p>More than 99% of the customers were satisfied with the services rendered to them as well as rated Public Bank either '9' or '10' from the score of between '0' and '10' and will promote the Bank's services to others.</p>
New QMS ticketing button for Red Carpet Banking ("RCB") and Debit Card renewal	<p>Implementation of additional button at the queue management system ("QMS") ticketing machine for RCB customers and those renewing their Debit Card.</p>
Prompt Complaint Resolution System	<p>Public Bank takes all complaints received seriously and always seeks to minimise instances of complaints as well as grievances. Public Bank has established a comprehensive consumer complaint management system to ensure that all complaints received are tracked, recorded and redressed accordingly.</p> <p>Public Bank achieved 100% compliance in meeting the internal turnaround time of 10 days in resolving customers' complaint.</p>
PB Customer Xperience Survey via eSignature tablet	<p>Introduction of a new Customer Experience Survey via Electronic Signature ("eSignature") tablet that adopts a dynamic QR code which allows valuable feedback from across different dimensions to be gathered. The insights will enable enhancement of future customer journey mapping to improve overall customer experience.</p>
Special Care Service for Customers	<p>Branches are equipped with Special Care Counter to provide priority services to those who are physically disabled, senior citizens and expectant mothers regardless of the queue, time of arrival and nature of transaction(s).</p>
Customer Service Focus Group ("CSFG")	<p>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.</p>

MANAGEMENT DISCUSSION AND ANALYSIS BUSINESS OPERATIONS REVIEW

CHANNEL MANAGEMENT

KEY HIGHLIGHTS 2023

Launched

**New information website and
MyPB mobile App**

The Public Bank Group's mobile-first approach will include

**New PB enterprise App,
a mobile banking app for
corporate customer**

Further extension of

**Cross border QR payments
using DuitNow QR to Singapore**

Participated in

**Alipay Payment Network to
enable Alipay+ payments
across 38 countries via MyPB
App.**

Malaysia's digital economy remains one of the fastest growing sectors with continued effort by the Government to digitalise businesses. Leveraging on the growth momentum of this sector, the Public Bank Group is committed to invest in the development and enhancement of its digital capabilities in order to offer the best customer experience through its digital channels and meet the expanding digital needs of its customers.

Performance Review for 2023

Self service terminals

2,070

2022: 2,074

Public Bank has 2,070 units of self service terminals which comprised automated teller machines, cash recycling machines, cheque deposits and coin deposits machines at various in- and off-branches located throughout Malaysia.

Mobile banking PB engage**↑ 37.3%**

New Users

↑ 89.1

Active Users

Internet banking PBe**↑ 3.4%**

New Users

↑ 1.1%

Active Users

- The trend of consumers shifting banking activities from online banking towards mobile channels appeared to pick up pace, with growth of mobile banking users outpacing growth of online banking users.

- The Public Bank Group's newly registered subscribers of online banking and mobile banking grew by 3.4% and 37.3% respectively. Active users of online banking grew at a steady pace of 1.1% whilst mobile banking active users increased at a faster pace by 89.1% in 2023.
- The significant increase in the number of mobile banking users is attributable to the Group's continuous efforts in promoting online security and mandating the use of PB SecureSign, which is a soft token tied to the customers' mobile device to protect customers' online activities and transactions.

No. of financial transactions**↑ 34.5%**Mobile Banking
PB engage

- In line with the shifting trend from online banking to mobile banking, the number of online banking transactions declined by 30.1% and transitioned to an increase in the number of mobile banking transactions by 34.5%.

- As customers grow more accustomed to using mobile banking applications and e-wallets for payments, the volume and value of PB QR transactions accepted by merchants also saw an increase by 78.7% and 178.4% respectively.

**Internet banking
PB enterprise****↑ 41.7%**

No. of Financial Transactions

↑ 21.9%

New Companies

- PB enterprise is the Public Bank Group's online banking platform for corporate customers. The Bank introduced its mobile-first approach for corporate customers through a new PB enterprise App. PB SecureSign is also used to protect customers during their online transactions.

- The number of transactions of PB enterprise increased by 41.7% from the previous year partly contributed by the surge in newly registered firms as well as added features and functionalities.
- Building on the success from the previous year, PB enterprise saw a strong increase in the number of new business registration by 21.9% in 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OPERATIONS REVIEW

CHANNEL MANAGEMENT

Digital Initiatives

Banking for All, Digitally and Seamlessly

- The Public Bank Group launched a new information website and MyPB App, a new mobile banking application. With the new information website, customers are provided with better and more intuitive navigation to search online for the Bank's products and services.
- MyPB App is a new mobile banking application for retail customers that provides lifestyle-based services that complement banking services provided.
- The Group is revamping its online banking website for retail customers to provide more intuitive navigation and overall experience.
- The Group's mobile-first approach will include corporate customers through a new PB enterprise App. PB enterprise App is a new mobile banking application for PB enterprise customers that offers ease of viewing accounts and approving transactions whenever and wherever they are. For cybersecurity safety measures, PB enterprise App will also offer PB SecureSign to protect customers' online and transaction approval activities.

Banking Sustainably and for the Needy

- The Public Bank Group is committed to provide all customer segments accessibility to banking and finance services in a sustainable manner.
- The Group will be introducing a new feature on MyPB App to allow customers to track their carbon impact based on their card expenditures with an option for customers to offset their carbon footprints by donating and supporting carbon neutral activities.
- The Group is also planning to include features to make MyPB App more accessible for visually impaired individuals and the elderly.

Transcending Payments Beyond Borders

- Over the years, the Public Bank Group has offered cross-border QR payments using DuitNow QR to countries such as Thailand and Indonesia. In 2023, the Group further extend its DuitNow QR service to support cross border payment service between Malaysia and Singapore.
- The Group is committed towards expanding cross border payments and has now participated in Alipay Payment Network to offer Alipay+ payments on the Group's new mobile banking app, MyPB App. Through this participation, customers using MyPB App are now able to make Alipay+ payments across 38 countries globally.

Creating Value to All, from Platform to Customers

- The Public Bank Group intends to provide lifestyle-based services on MyPB App, while providing personalised recommendations and financial services through a single mobile app.
- The Group continues to support corporate customers through value added services via the expansion of its PB enterprise Digital SME Assist programme. This provides SMEs with a one-stop centre to access all their business needs, including accounting and HR software.
- The Group remains committed in its effort to provide the best value through its digital channels by staying abreast and adopting new technology, studying market movements and planning for initiatives in line with the Group's overall digital strategy and roadmap.

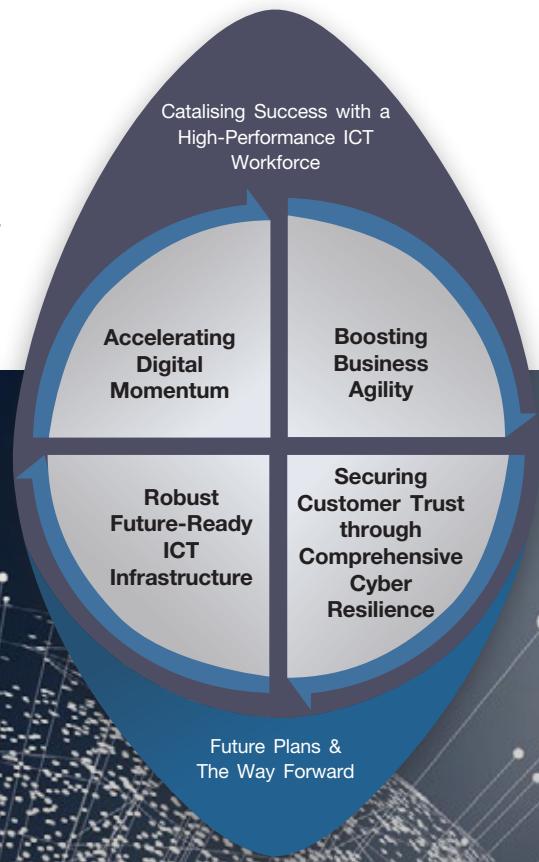
Cybersecurity

- The Public Bank Group implemented Bank Negara Malaysia (“BNM”)’s key measures to combat financial scams.
- Other measures being carried out by the Group include the following:
 - (i) Instituting transaction cooling-off period as precautionary measure that allows customers to review and assess certain transactions that display characteristics of abnormal behaviour;
 - (ii) Migrating from SMS one-time passwords (“OTP”) to a more secure authentication method of PB SecureSign;
 - (iii) Allowing PB SecureSign on a single designated device for authorisation;
 - (iv) Removing hyperlinks from SMS;
 - (v) Providing customer support through email correspondence and a 24/7 Case Management Digital Support Hotline; as well as
 - (vi) Implement the ‘Kill Switch’ for customers to deactivate their online banking access through the PBe internet banking and mobile banking application.
- Public Bank introduced ‘Report Fraud/Scam Incident’ form on its PBe login page for customers to report fraud and scam cases in the event of irregularities in the customers’ bank account(s). Report Fraud/Scam Incident function is an enhancement implemented by the Bank as an alternative for customers to report any fraud and scam incident(s).
- Public Bank continues to actively promote anti-scam awareness via its digital touchpoints (i.e. website, mobile banking app, e-mail blast, roadshow event, social media platforms and online security microsite) to provide safe and secure ecosystem to customers.
- Public Bank is coordinating similar scam postings across all its digital platforms, in collaboration with BNM, Association of Banks in Malaysia, Association of Islamic Banking and Financial Institutions Malaysia as well as other banks. This aims to maximise messaging efficiency and to ensure consistent content across the industry.
- Public Bank assisted 876,000 customers from being scammed and prevented RM1.4 billion from being fraudulently transferred into scammers’ accounts.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OPERATIONS REVIEW

INFORMATION AND COMMUNICATION TECHNOLOGY



Within the Public Bank Group's Information and Communication Technology ("ICT") domain, the Group's strategies embody a harmonious blend of innovation and core values, delivering a customer-centric and holistic banking experience.

1 ACCELERATING DIGITAL MOMENTUM

In the past year, the Public Bank Group has continued its focus on digital advancement, ensuring a seamless fusion of modern technology and customer needs.

New Digital Banking Experiences

The MyPB retail banking mobile app marks a paradigm shift with its new sleek and customer-centric design to elevate customer engagement and simplify navigation. The app offers features like direct local and cross-border cashless payments as well as easy and seamless online applications for an array of products and services such as home loans, hire-purchase, credit cards, deposits and other services such as converting credit card payments into installments via PB Flexipay. MyPB App also enhances personal banking security with the PB SecureSign feature – providing greater security and convenience when authenticating financial transactions.

The continued expansion of mobile banking epitomises Public Bank's commitment to enhance customer experience. In addition, the enhanced PB enterprise App and online banking platform also further elevate the experience for its enterprise customers.

Innovating HP Service Delivery

Digitalisation shines through in streamlined hire purchase loans processes, featuring enhanced straight-through-processing for auto-discharge, direct disbursement and automated notifications to hire purchase customers.

Expanding Products and Services With Strategic Collaboration

Collaborative Open Application Programming Interface ("API") integrations and partnerships expand Public Bank's horizons, fostering seamless data exchange and innovative solutions. Examples include partnerships with Alipay+ and PayNet DuitNow QR for cross-border payments and partnership with PayNet QR Third Party Interface for point-of-sale integration.

2 BOOSTING BUSINESS AGILITY

In a rapidly evolving landscape, the Public Bank Group commits to swift business adaptability, positioning itself to better serve its customers.

Agile Systems Development

Significant strides were made in fortifying internal development platforms, incorporating DevOps tools and a Central Binary Repository to embrace continuous integration and continuous delivery practices.

Container Solutions for Greater Efficiency and Scalability

Public Bank continues to invest in the adoption of container solutions for various application systems and services, enabling faster, more reliable and scalable deployment – to effectively reduce costs, improve productivity and enhance innovation.

Big Data Analytics

Investments in Enterprise Data Warehouse tools and other analytics platforms enhance big data capabilities and streamline data-driven insights for more informed business strategies.

Lead Generation On-The-Go

New lead generation module introduced into the PBeXperience work productivity mobile application empowers the workforce. Seamless integration with the Customer Relationship Management System facilitates efficient client engagement and business development.

3 ROBUST FUTURE-READY ICT INFRASTRUCTURE

The Public Bank Group's ICT objectives involve continual bolstering of infrastructure, attesting to Public Bank's commitment to resilience and future readiness.

Mainframe and Servers

Public Bank's mainframe and server platforms upgraded with the cutting-edge IBM Telum microprocessors resulted in a leap in processing efficiency and scalability for future business growth.

Data Management

Innovative data management solutions include new storage for open systems, utilising non-volatile memory technology for enhanced data handling and high-capacity database servers to support digital transactions.

Network Infrastructure

Significant enhancements in the network infrastructure, incorporating new controllers and switches, exemplify Public Bank's strategic response to the evolving demands of robust and efficient digital connectivity.

Network Monitoring

Additional prime infrastructure network monitoring tools, infused with cloud and Artificial Intelligence ("AI")/Machine Learning ("ML") technology, fortify resilience, ensuring robust and reliable systems at all times.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OPERATIONS REVIEW

INFORMATION AND COMMUNICATION TECHNOLOGY

4 SECURING CUSTOMER TRUST THROUGH COMPREHENSIVE CYBER RESILIENCE

In the cybersecurity domain, the Public Bank Group integrates AI and ML capabilities, ensuring secure, data-driven and compliant operations.

Cybersecurity Fortification: A Proactive Approach

The Group's proactive cybersecurity approach include continuous scrutiny of cybersecurity measures and investments in new next-generation firewall management solutions, advanced malware protection systems, incident response services and proactive threat intelligence solutions.

AI-Powered Defense: Cloud-Based Fraud Prevention

Implementation of a cloud-based AI Fraud Prevention System employs AI and machine learning algorithms for real-time transaction monitoring, detection and prevention of fraudulent activities.

Prioritising Online Safety With New Industry Standards

Proactive measures against online scams, such as the 12-hour 'cooling-off' period for device binding and fund transfers, reflects Public Bank's commitment to protect customers' financial well-being.

CATALISING SUCCESS WITH A HIGH-PERFORMING ICT WORKFORCE

Acknowledging the pivotal role of a skilled ICT workforce, the Public Bank Group invests in continuous development, talent nurturing, workplace flexibility and productivity enhancement.

Empowering Excellence through Continuous Learning

Ongoing technical and soft-skills training programmes as well as certifications ensure that Public Bank's ICT workforce remains at the forefront of the ongoing changes in the technology landscape.

Nurturing Talent with Cloud-Based Assessments

A cloud-based assessment platform with advanced machine learning capabilities serves dual purposes, facilitating continuous technical skills assessments for existing staff and robust evaluation in recruitment processes.

Flexibility and Resilience in the Modern Workplace

Seamless integration of a secure work-from-home setup supports a hybrid workforce model, ensuring uninterrupted service delivery and adaptability to unforeseen challenges.

PBEXPERIENCE: ELEVATING PRODUCTIVITY ON-THE-GO

Continuous enhancements to the staff productivity PBeXperience mobile app to empower the workforce with on-the-go access to essential information and efficient task management.

FUTURE PLANS AND THE WAY FORWARD

The Public Bank Group's unwavering commitment in shaping a future of innovation and forward-thinking technologies.

AI and ML: Pioneering Intelligent Solutions

Advanced smart analytics capabilities coupled with machine learning elastic search aims to enhance data retrieval efficiency. A Robo Advisor for product recommendations ensures personalised financial decisions.

Empowering Greater Big Data and Advanced Analytics

Incorporation of new cloud-based advanced analytics frameworks along with leveraging on the utility of new generative AI tools further enhance Public Bank's capabilities in managing big data going forward.

Cloud/Hybrid Computing: Unlocking New Horizons

Robust cloud and hybrid computing solutions, including API Gateway management and software as a service ("SaaS") strategy, aim to empower business units and enhance overall productivity.

Internet of Things: Shaping Connected Experiences

Venturing into Internet of Things includes wireless connectivity for multi-factor authentication and the development of a Smart Banking Hall, redefining customer experiences.

Quantum Computing: Fortifying Security and Performance

Exploration of quantum-safe encryption methods and communication protocol layering keep up with technological advancement.

The Public Bank Group's ICT strategies encapsulate its commitment in the innovation space while staying rooted in core values. Through this approach, the Group remains steadfast in its mission to offer a seamless banking experience that blends tradition with a customer centric innovation.

MANAGEMENT DISCUSSION AND ANALYSIS BUSINESS OPERATIONS REVIEW

BRANCH PERFORMANCE – KPIS AND AWARDS

BRANCH KEY PERFORMANCE INDICATORS

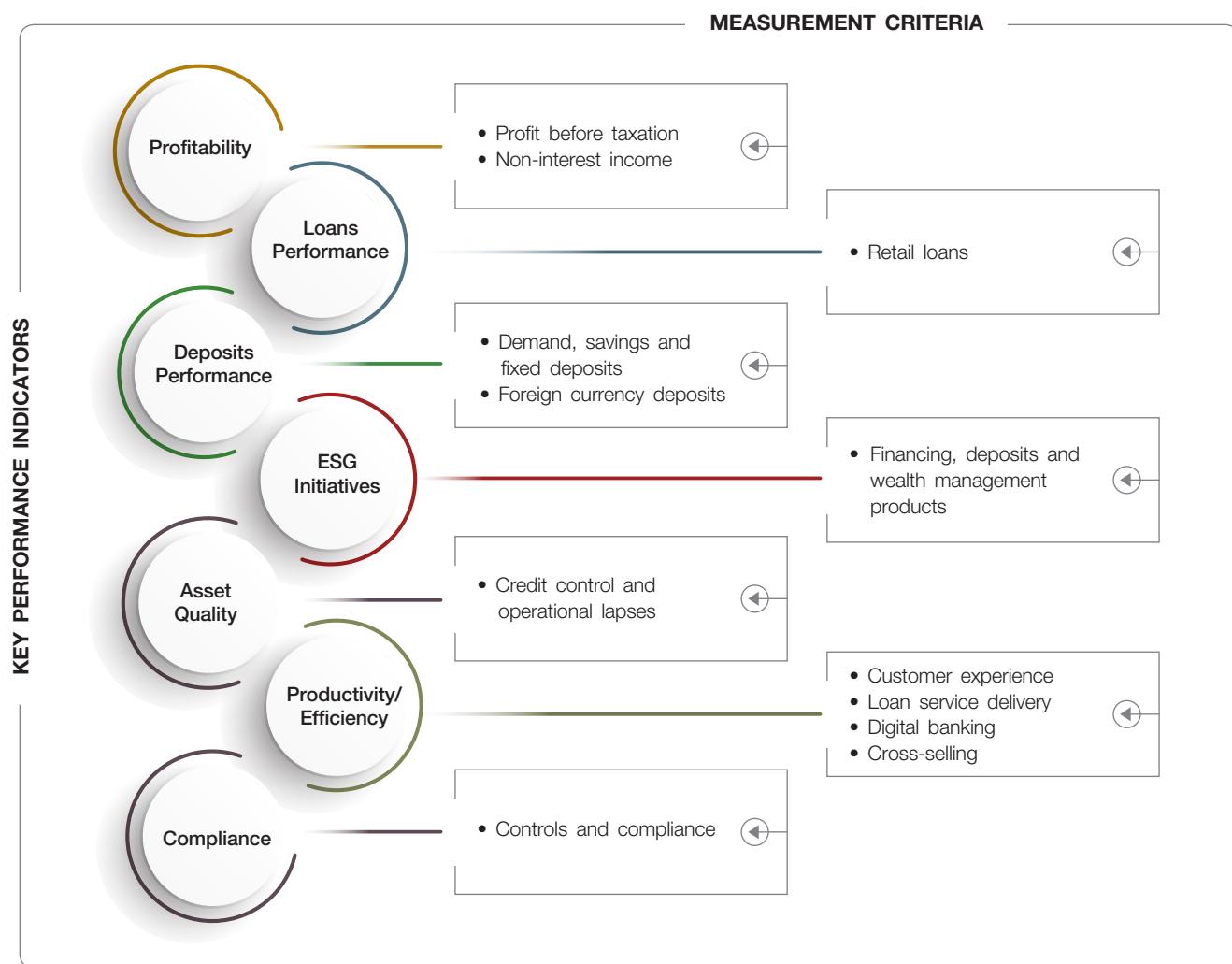
Public Bank assesses the business performance and operational efficiency of its branches through the adoption of Key Performance Indicators ("KPI"). Besides serving as a tool to measure effectiveness of achieving the Bank's strategic business goals, KPIs are also adopted to appraise and incentivise branch staff as well as allocate resources. These KPIs encompass crucial performance factors pertaining to profitability, loans and deposits performance, Environmental, Social and Governance ("ESG") initiatives, asset quality, compliance, staff productivity as well as efficiency in determining the Bank's level of success.

Public Bank's Approach

The KPIs are reviewed annually to ensure their alignment with Public Bank's current operating environment and business strategies. Each month, the business performance and ranking of branches are shared to facilitate the implementation of necessary measures to enhance performance. By closely monitoring KPIs, branches will be motivated to continuously improve their performance.

Public Bank's Measurement Criteria

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



Branch Performance Awards

Branch Performance Awards are granted annually to accord recognition to top performing domestic and overseas branches. These awards with attractive monetary rewards are part of Public Bank's performance-based reward structure to inspire branches to strive for outstanding achievement in various key performance areas.

Awards

BRANCH PERFORMANCE AWARDS 2023

- **The Founder Award** for the Overall Best Domestic Branch
- **Best Branch Awards** for domestic and overseas branches
- **Special Awards** for specific areas of business performance, branch management and service quality

The Branch Performance Awards categories are reviewed annually to ensure that these categories are in line with business goals and strategies of Public Bank. Branches are segregated into six groups according to their branch size and rated against their peers in each group. The assessments incorporate the key areas of business performance, loans asset quality, compliance and risk management, cost efficiency and customer service delivery.

The Winners

A total of 99 awards with cash prizes exceeding RM900,000 were rewarded to the winners of the Branch Performance Awards for 2023.

Awards

WINNERS OF BEST BRANCH AWARDS FOR 2023

DOMESTIC BRANCHES

- GROUP 1** Jalan Raja Chulan Branch
- GROUP 2** Stutong Branch
- GROUP 3** Air Keroh Branch
- GROUP 4** Damansara Jaya Branch
- GROUP 5** Bandar Setia Alam Branch
- GROUP 6** Jalan Air Itam Branch

OVERSEAS BUSINESS UNITS

- | | |
|---------------------------------|----------------------|
| PUBLIC BANK (HK) LIMITED | San Po Kong Branch |
| PUBLIC FINANCE LIMITED | Yuen Long Branch |
| CAMBODIAN PUBLIC BANK | Mao Tse Toung Branch |
| PUBLIC BANK VIETNAM | Go Vap Branch |
| SRI LANKA OPERATIONS | Nawala Branch |

The Founder Award

STUTONG BRANCH



Growing Together with You

At Public Bank, we're dedicated to helping you to drive exceptional growth. Guided by stable leadership and sharp business acumen, our journey is a commitment to your success. Focused on stability, expertise, and trust, we've paved the way for exceptional growth with you at the centre. We're ready to continue this legacy with the same determination that has defined our journey thus far. Your success is our success, and together, we will continue to thrive.





BOARD OF DIRECTORS



STANDING FROM LEFT TO RIGHT

Cheah Kim Ling
Non-Independent
Non-Executive Director

Lim Chao Li
Independent
Non-Executive Director

Lee Chin Guan
Non-Independent
Non-Executive Director

Gladys Leong
Independent
Non-Executive Director

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

Teoh Meow Choo
Independent
Non-Executive Director

Tham Chai Phong
Independent
Non-Executive Director

Wan Marhanim Binti Wan Muhammad
Company Secretary

SITTING FROM LEFT TO RIGHT

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

Lai Wan
Non-Independent
Non-Executive Chairman



BOARD OF DIRECTORS' PROFILE

As at 29 February 2024



LAI WAN

Non-Independent Non-Executive Chairman

Nationality Malaysian

Gender Male

Age 80

Date of Appointment

26 April 2012

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

Memberships of Board Committees:

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

Academic/Professional Qualifications:

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

Relevant Experience:

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

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

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

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

Board Meetings Attendance in 2023: 16/16

TAN SRI DATO' SRI DR. TAY AH LEK

Managing Director/Chief Executive Officer

Nationality Malaysian

Gender Male

Age 81

Date of Appointment

18 June 1997

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

Membership of Board Committee:

Nil

Academic/Professional Qualifications/Memberships:

Academic/Professional Qualifications

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

Memberships

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

Relevant Experience:

Tan Sri Dato' Sri Dr. Tay Ah Lek has 63 years' experience in the banking and finance industry. He joined the Public Bank Group as a pioneer staff in 1966. He was the Executive Vice-President of Public Bank from 1995 to 1997 and prior to this appointment, he was the Executive Vice-President of the former Public Finance Bhd.

Present Directorship(s) in Other Public Companies:

Public Bank Group

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

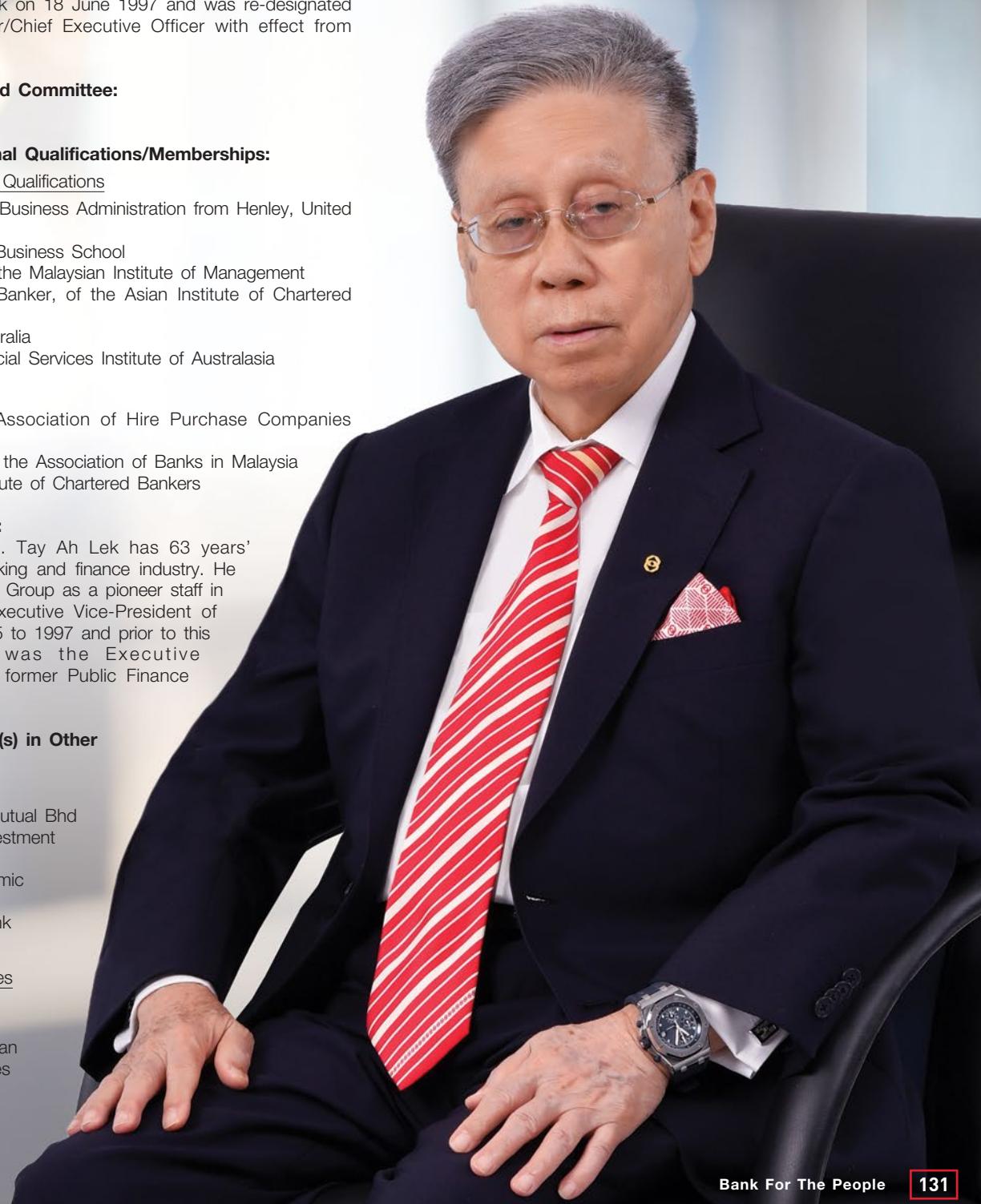
Other Public Companies

- Director, Cagamas Holdings Bhd
- Director, Ombudsman for Financial Services

Board Meetings

Attendance in 2023:

15/16



BOARD OF DIRECTORS' PROFILE

CHEAH KIM LING

Non-Independent Non-Executive Director

Nationality Malaysian

Gender Female

Age 66

Date of Appointment

29 April 2014

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

Memberships of Board Committees:

- Member, Nomination and Remuneration Committee
- Member, Risk Management Committee
- Member, Compliance Committee

Academic/Professional Qualifications:

- Bachelor of Accounting (Honours) degree from the University of Malaya
- Chartered Accountant of the Malaysian Institute of Accountants

Relevant Experience:

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

Present Directorship(s) in Other Public Companies:

Nil

Board Meetings Attendance in 2023: 16/16



LEE CHIN GUAN

Non-Independent Non-Executive Director

Nationality Malaysian

Gender Male

Age 65

Date of Appointment

27 December 2018



Memberships of Board Committees:

- Member, Nomination and Remuneration Committee
- Member, Risk Management Committee
- Member, Compliance Committee

Academic/Professional Qualifications:

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

Relevant Experience:

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

Present Directorship(s) in Other Public Companies:

Public Bank Group

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

Other Public Companies

- Director, LPI Capital Bhd (a public company listed on the Main Market of Bursa Malaysia Securities Bhd)
- Director, Lonpac Insurance Bhd

Board Meetings Attendance in 2023: 16/16

BOARD OF DIRECTORS' PROFILE

Memberships of Board Committees:

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

Academic/Professional Qualification:

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

Relevant Experience:

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

Present Directorship(s) in Other Public Companies:

Public Bank Group

- Director, Public Mutual Bhd

Other Public Company

- Chairman, Sivash Holdings Bhd

Board Meetings Attendance in 2023: 16/16

DATO' MOHD HANIF BIN SHER MOHAMED

Independent Non-Executive Director

Nationality Malaysian

Gender Male

Age 72

Date of Appointment

22 January 2019



THAM CHAI FHONG

Independent Non-Executive Director

Nationality Malaysian

Gender Female

Age 67

Date of Appointment

1 June 2019



Memberships of Board Committees:

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

Academic/Professional Qualifications:

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

Relevant Experience:

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

Present Directorship(s) in Other Public Companies:

Nil

Board Meetings Attendance in 2023: 16/16

BOARD OF DIRECTORS' PROFILE

LIM CHAO LI

Independent Non-Executive Director

Nationality Malaysian

Gender Male

Age 57

Date of Appointment

5 April 2021



Memberships of Board Committees:

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

Academic/Professional Qualifications:

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

Relevant Experience:

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

Present Directorship(s) in Other Public Companies:

Public Bank Group

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

Other Public Company

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

Board Meeting Attendance in 2023: 16/16

GLADYS LEONG

Independent Non-Executive Director

Nationality Malaysian

Gender Female

Age 62

Date of Appointment

1 July 2021



Memberships of Board Committees:

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

Academic/Professional Qualifications:

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

Relevant Experience:

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

Present Directorship(s) in Other Public Companies:

Public Bank Group

- Director, Public Mutual Bhd

Other Public Company

- Director, Malaysia Marine and Heavy Engineering Holdings Bhd (a public company listed on the Main Market of Bursa Malaysia Securities Bhd)

Board Meeting Attendance in 2023: 16/16

BOARD OF DIRECTORS' PROFILE

Memberships of Board Committees:

- Chairperson, Credit Risk Management Committee
- Member, Audit Committee
- Member, Risk Management Committee
- Member, Compliance Committee

Academic/Professional Qualification:

- Bachelor of Economics in Accounting and Finance from Monash University, Australia
- Member of Asian Institute of Chartered Bankers

Relevant Experience:

Ms Teoh has over 35 years of extensive and diversified corporate and investment banking experience in the regional financial markets. She worked with two leading banking groups and has in-depth knowledge in corporate advisory, structuring and origination of banking and capital markets transactions. Her management experience includes strategic planning, risk underwriting and management, portfolio and capital management, policies formulation and corporate governance.

Present Directorship(s) in Other Public Companies:

Nil

Board Meeting Attendance in 2023:

2/2 (following appointment on 1 November 2023)

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.

TEOH MEOW CHOO

Independent Non-Executive Director

Nationality Malaysian

Gender Female

Age 58

Date of Appointment

1 November 2023



WAN MARHANIM BINTI WAN MUHAMMAD

Company Secretary

Nationality Malaysian

Gender Female

Age 52

Date of Appointment

1 January 2021



Academic/Professional Qualifications:

- Bachelor of Human Science (English Language & Literature), International Islamic University Malaysia
- Master of Law Executive (Business Law), International Islamic University Malaysia
- Licensed Company Secretary by the Companies Commission of Malaysia
- Affiliate Member of the Malaysian Institute of Chartered Secretaries and Administrators

Relevant Working Experience:

Cik Wan Marhanim has more than 27 years of experience in company secretarial functions. She is also the Company Secretary of several Malaysian and overseas subsidiaries of Public Bank, and she oversees the Public Bank Group's company secretarial matters. She is the Secretary of various Board Committees of Public Bank Group. Presently, she heads the Public Bank's Secretariat Division.

GROUP MANAGEMENT PROFILE



TAN SRI DATO' SRI DR. TAY AH LEK

Managing Director/Chief Executive Officer, Public Bank Berhad

Nationality | Malaysian **Age** | 81 **Gender** | 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 63 years of experience
- A pioneer staff of Public Bank in 1966, he held several portfolios over the years including the Executive Vice President position in Public Finance and Public Bank
- Appointed Executive Director of Public Bank in 1997 and Managing Director/Chief Executive Officer in 2002

Present Directorship in other Public Companies

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

DATO' CHANG KAT KIAM

Deputy Chief Executive Officer, Public Bank Berhad

Nationality | **Age** | **Gender**
Malaysian | 69 | 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 Public Bank Lao Ltd
- Director of AIA PUBLIC Takaful Bhd



GROUP MANAGEMENT PROFILE



CHANG SIEW YEN

Senior Chief Operating Officer, Public Bank Berhad

Nationality | Age | Gender
Malaysian | 55 | 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 30 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 | 67 | 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 Credit Review & Loan Rehabilitation of Corporate Banking

Present Directorship in other Public Companies

- Nil



LEE YO-HUNN

Chief Executive Officer, Public Investment Bank Berhad

Nationality | Age | Gender
Malaysian | 48 | Male

Qualifications

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

Experience

- Mr Lee has a total of 26 years of working experience, comprising 7 years of assurance and advisory work in both Malaysia and Australia and 19 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 | 47 | 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 25 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 | 54 | 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



CHONG YAM KIANG

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

Nationality | **Age** | **Gender**
Malaysian | 73 | Male

Qualifications

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

Experience

- Mr Chong has more than 54 years of service with the Public Bank Group
- Joined Public Bank in April 1969 and experienced in branch operations before his transfer to Public Bank (Hong Kong) Limited in 2006

- Appointed Executive Director and Alternate Chief Executive in September of the same year
- Appointed Executive Director & Chief Executive of Public Finance Limited in January 2020
- Transferred to Public Bank (Hong Kong) Limited and appointed to his current position as Executive Director & Chief Executive in January 2024

Present Directorship in other Public Companies

- Executive Director/Chief Executive of Public Financial Holdings Ltd
- Director of Public Finance Ltd

GROUP MANAGEMENT PROFILE



LEE HUAT OON

Executive Director & Chief Executive, Public Finance Limited

Nationality | Age | Gender
Malaysian | 61 | Male

Qualifications

- Chartered Accountant of the Malaysian Institute of Accountants (MIA)
- Bachelor in Accounting, University of Malaya

Experience

- Mr Lee has more than 31 years of experience in the banking and finance industry
- Joined Public Bank Group in Hong Kong in 1995
- Appointed as an Executive Director of Public Financial Holdings Limited in June 1996, re-designated as a Non-Executive Director in November 2013 and re-designated as an Executive Director in December 2013 and retired in December 2019
- Appointed as General Manager/Chief Executive and Executive Director, and a member of Board Executive Committee of Public Finance Limited

from September 2006, until he retired in December 2019

- He was re-appointed as Chief Executive of Public Finance Limited in November 2023 and appointed to his current position as Executive Director & Chief Executive in January 2024
- Prior to his retirement, he was the Acting Chairman of The Deposit-Taking Companies Association and a member of The Deposit-Taking Companies Advisory Committee, served as Vice Chairman of The Deposit-Taking Companies Association, a director of The Hong Kong Mortgage Corporation Limited and a member of the Banking and Finance Industry Training Board in Hong Kong for several years

Present Directorship in other Public Companies

- Director of Public Financial Holdings Ltd

CHEE KENG ENG

General Director, Public Bank Vietnam Ltd

Nationality | Age | Gender
Malaysian | 54 | Male

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



ONG MING TECK

Chief Executive Officer, Cambodian Public Bank Plc

Nationality | Age | Gender
Malaysian | 61 | Male

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



CHAN CHEW FUNG

Chief Operating Officer,
Corporate Banking/HP Operations

Age | Gender 65 | Female
Nationality Malaysian

Qualifications

- Bachelor of Arts (Economics) (Hons), City of Birmingham Polytechnic, United Kingdom

Experience

- Joined Public Bank in 1982 and appointed Head of Corporate Banking & Trade Finance in 1995
- Promoted to General Manager in 2009 and Senior General Manager in July 2012 overseeing Corporate Banking and subsequently her portfolio was expanded to oversee Credit Operations, HP Operations and Share Investment in January 2016
- Appointed Chief Operating Officer in January 2024

Present Directorship in other Public Companies

- Director of Public Bank (L) Ltd



CHAN CHIEW PENG

Chief Operating Officer, Retail Financial Services

Age | Gender 60 | Female
Nationality Malaysian

Qualifications

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

Experience

- Joined Public Bank Group in 1986 and appointed Head of Retail Financial Services in September 2012
- Appointed General Manager in October 2014 to oversee both PB Card Services & Support as well as Wealth Management & Transaction Banking and promoted to Senior General Manager in September 2018
- Appointed Chief Operating Officer in January 2024

Present Directorship in other Public Companies

- Nil



KOAY SEOK KHM

Chief Learning Officer

Age | Gender 70 | Female
Nationality Malaysian

Qualifications

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

Experience

- Joined Public Bank in 1981 as a Trainer
- Appointed Head of Knowledge & Learning Centre since 1993
- Appointed Chief Learning Officer in January 2024

Present Directorship in other Public Companies

- Nil



LIM THEN FUI

Group Chief Internal Auditor

Age | Gender 69 | Male
Nationality Malaysian

Qualifications

- Chartered Accountant of the Malaysian Institute of Accountants (MIA)
- Certified Public Accountant of the Malaysian Institute of Certified Public Accountants (MICPA)
- Certification for Bank Auditors (CBA), Asian Institute of Chartered Bankers (AICB)

Experience

- Mr Lim has a total of 44 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

HEADS OF DIVISION



MARY NG POH LYN
Chief Human Capital Officer

Age | Gender 60 | Female
Nationality Malaysian

Qualifications

- The Institute of Chartered Secretaries and Administrators (ICSA)

Experience

- Joined Public Bank in 1989 and has more than 37 years of experience in the HR field
- Appointed Head of Human Capital Management in January 2020 and oversees the Group's Human Resource portfolio
- Appointed Chief Human Capital Officer in January 2024

Present Directorship in other Public Companies

- Nil



YIK SOOK LING
Chief Financial Officer

Age | Gender 54 | Female
Nationality Malaysian

Qualifications

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

Experience

- Served as a Group Financial Controller before joining the Public Bank Group in 2010
- 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



JASMINE LOH SOOK LING
Chief Risk Officer

Age | Gender 52 | Female
Nationality Malaysian

Qualifications

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

Experience

- Ms Loh has a total of 33 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



TAN SHIEN DOON
Chief Compliance Officer

Age | Gender 52 | Male
Nationality Malaysian

Qualifications

- Bachelor of Science (Business Administration), Bemidji State University, USA

Experience

- Joined Public Bank in 1994 and has more than 20 years of experience in Banking Operations
- Appointed Head of Banking Operations in January 2017 before his current appointment as Chief Compliance Officer in March 2017

Present Directorship in other Public Companies

- Nil



BACIL FERNANDEZ
General Manager, Treasury

Age | Gender 65 | Male
Nationality Malaysian

Qualifications

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

Experience

- Mr Fernandez has more than 41 years of experience in treasury and capital markets
- Joined Public Bank in 2009 as a Senior Manager of Treasury and appointed Head of Treasury in September 2018
- Promoted to General Manager in January 2024

Present Directorship in other Public Companies

- Nil



CHAN SEE CHOI
General Manager, Credit Administration & Supervision

Age | Gender 57 | Male
Nationality Malaysian

Qualifications

- Bachelor of Science (Agribusiness), Universiti Pertanian Malaysia

Experience

- Joined Public Bank in 1991 with exposure to branch banking and Head Office credit control
- Appointed Head of HP Credit Control in January 2018 which was subsequently renamed to HP Supervision in December 2022
- Appointed Head of Credit Administration & Supervision in January 2024

Present Directorship in other Public Companies

- Nil



FAM YOKE FONG
General Manager, Information Technology

Age | Gender 54 | Female
Nationality Malaysian

Qualifications

- Bachelor of Computer Science, Universiti Sains Malaysia

Experience

- Joined Public Bank in 1994
- Has more than 29 years of experience in the IT field
- Appointed Head of Division in January 2017

Present Directorship in other Public Companies

- Nil



CARENE KHOO GEOK KHENG
General Manager, Wealth Management & Transaction Banking

Age | Gender 57 | Female
Nationality Malaysian

Qualifications

- Master in Business Administration (Finance), University of Hull, United Kingdom
- Bachelor of Arts (Economics) (Hons), University of Malaya

Experience

- Joined the Public Bank Group in 1992 and experienced in both branch banking and retail financial services
- Appointed Head of Wealth Management & Transaction Banking in October 2014

Present Directorship in other Public Companies

- Nil

HEADS OF DIVISION



LEE KOK KEONG
General Manager, Credit
Operations

Age | Gender 55 | Male
Nationality Malaysian

Qualifications

- Bachelor of Economics (Hons), Universiti Kebangsaan Malaysia

Experience

- Joined Public Bank in 1993 and experienced in both branch banking and Head Office credit
- Appointed Head of Credit Operations in November 2016

**Present Directorship in other
Public Companies**

- Nil



**SAMUEL SOH BOON
LEONG**
General Manager, Corporate
Banking

Age | Gender 51 | Male
Nationality Malaysian

Qualifications

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

Experience

- Joined Public Bank in 1996 and has more than 27 years of experience in managing corporate loans
- Appointed Head of Corporate Banking in 2016

**Present Directorship in other
Public Companies**

- Nil



TEE CHUI CHEE
General Manager, PB Card
Services & Support

Age | Gender 61 | Male
Nationality Malaysian

Qualifications

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

Experience

- Joined Public Bank in 1991 and has more than 37 years of experience in the card industry
- Appointed Head of Division in January 2014

**Present Directorship in other
Public Companies**

- Nil



**WAN MARHANIM BINTI
WAN MUHAMMAD**
General Manager, Secretariat

Age | Gender 52 | Female
Nationality Malaysian

Qualifications

- Master of Law Executive (Business Law), International Islamic University Malaysia
- Bachelor of Human Science (English Language and Literature), International Islamic University Malaysia

Experience

- Cik Wan Marhanim has more than 27 years of experience in company secretarial functions
- Has held managerial and assistant company secretarial positions prior to joining Public Bank as Director of Secretariat in January 2021
- She is the Bank's Company Secretary and oversees the Group's company secretarial matters
- Promoted to General Manager in January 2024

**Present Directorship in other
Public Companies**

- Nil



WONG MAN HOE
General Manager, HP Operations

Age | Gender 54 | Male
Nationality Malaysian

Qualifications

- Master in Business Administration, Universiti Putra Malaysia
- Bachelor of Economics (Hons), Universiti Utara Malaysia

Experience

- Joined the Public Bank Group in 1994
- Has more than 15 years of experience in both branch banking and hire purchase operations prior to his transfer to Head Office as Senior Manager in 2009
- Appointed Head of HP Operations in May 2012 and promoted to General Manager in January 2020

Present Directorship in other Public Companies

- Nil



TUAN HAJI A WAHAB BIN A RAMAN
Director, Security

Age | Gender 65 | Male
Nationality Malaysian

Qualifications

- Diploma in Police Science, Universiti Kebangsaan Malaysia

Experience

- Tuan Haji A Wahab has a total of 31 years of service with the Royal Malaysian Police
- Held several high rank positions in the Police Force and last position held was Kuala Lumpur Traffic Chief (ACP Rank)
- Joined Public Bank in 2011 as Head of Security

Present Directorship in other Public Companies

- Nil



CHONG SOO LOONG
Director, Corporate Planning, Economics & Sustainability Management

Age | Gender 47 | Male
Nationality Malaysian

Qualifications

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

Experience

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

Present Directorship in other Public Companies

- Nil



HASLINDA BINTI OTHMAN
Director, Strategic Communications

Age | Gender 60 | Female
Nationality Malaysian

Qualifications

- Bachelor of Arts in Education (English) (Hons), Universiti Sains Malaysia

Experience

- Cik Haslinda has more than 30 years of experience in public relations, corporate communication and advertising
- Held several managerial positions prior to joining Public Bank as Senior Manager in January 2021
- Appointed Head of Strategic Communications in January 2024

Present Directorship in other Public Companies

- Nil

HEADS OF DIVISION



LIM SAY HUAT
Director, Overseas Operations

Age | Gender 54 | Male
Nationality Malaysian

Qualifications

- Bachelor of Management (Finance and Accounting) (Hons), Universiti Sains Malaysia

Experience

- Joined Public Bank in 1993 and experienced in branch banking prior to his transfer to Overseas Operations
- Appointed Head of Overseas Operations in December 2012 and promoted to current position in May 2020

Present Directorship in other Public Companies

- Nil



EDDIE LIM YEW HUI
Director, Property

Age | Gender 54 | Male
Nationality Malaysian

Qualifications

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

Experience

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

Present Directorship in other Public Companies

- Nil



LING HAAN TIANG
Director, HP Supervision

Age | Gender 60 | Male
Nationality Malaysian

Qualifications

- STPM

Experience

- Joined Public Bank in 1984
- Has more than 20 years experience in Head Office credit control
- Appointed Head of HP Supervision in January 2024

Present Directorship in other Public Companies

- Nil



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

Age | Gender 56 | Female
Nationality Malaysian

Qualifications

- Chartered Banker of the Chartered Banker Institute (CBI), United Kingdom
- Bachelor of Management (Marketing) (Hons), Universiti Sains Malaysia

Experience

- Joined Public Bank in 1992 and experienced in branch banking as well as Head Office branch business review, loan product development & trade finance
- Appointed Head of Branch Business Review & Support/Loan Product Development & Trade Finance in November 2011 and subsequently expanded to oversee Share Investment Centre in January 2022

Present Directorship in other Public Companies

- Nil



**SARAVANAN A/L
MURUGIAH**
Head, Branch Supervision &
Regulation of Banking Operations

Age | Gender 53 | Male
Nationality Malaysian

Qualifications

- Bachelor of Business Administration (Marketing) (Hons), Universiti Kebangsaan Malaysia
- Bachelor of Law (Hons), University of London, United Kingdom
- Certification for Bank Auditors (CBA), Asian Institute of Chartered Bankers (AICB)
- Advanced Certification in AML/CFT, International Compliance Association/Asian Institute of Chartered Bankers

Experience

- Joined Public Bank in 1995
- Has more than 27 years of audit experience prior to his transfer to Branch Supervision & Regulation of Banking Operations as Head in October 2022

Present Directorship in other Public Companies

- Nil



SIEW LUP YAN
Head, Branch Administration &
Systems Control of Banking
Operations

Age | Gender 57 | Male
Nationality Malaysian

Qualifications

- Bachelor of Economics (Statistics), Universiti Kebangsaan Malaysia

Experience

- Joined Public Bank in 1991 and experienced in branch banking prior to his transfer to Banking Operations
- Appointed Head of Branch Administration & Systems Control in August 2022

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
- Any conflict of interest with Public Bank
- Any conviction for offences within the past 5 years, other than traffic offences



SUSTAINABILITY REPORT



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SUSTAINABILITY REPORT OVERVIEW

ABOUT PUBLIC BANK GROUP'S SUSTAINABILITY REPORT 2023

The Public Bank Group's Sustainability Report ("the Report") communicates the Group's approach to embracing and embedding sustainability into its strategic directions and operations. This Report highlights the Group's sustainability performance across all three dimensions, namely Environmental, Social and Governance ("ESG"), as well as initiatives in response to the matters that are most material to the Group and its key stakeholders.

This Sustainability Report covers the reporting period from 1 January 2023 to 31 December 2023, unless stated otherwise. The reporting scope covers information pertaining to the Public Bank Group's main business operations and activities across entities in Asia, including:

- Public Bank Berhad ("Public Bank") – Banking;
- Public Islamic Bank Berhad ("Public Islamic Bank") – Islamic Banking;
- Public Investment Bank Berhad ("Public Investment Bank") – Investment Banking;
- Public Mutual Berhad ("Public Mutual") – Sale and Management of Unit Trust Funds and Private Retirement Schemes;
- Public Financial Holdings Limited (Hong Kong) ("PFHL") – Banking and Finance;
- Cambodian Public Bank Plc ("Campu Bank") – Banking; and
- Public Bank Vietnam Limited ("Public Bank Vietnam") – Banking.

This Report is approved by the Board of Directors of Public Bank, and is prepared in line with:



STATEMENT OF ASSURANCE

In strengthening the credibility of this Sustainability Report, selected sustainability indicators in the Report has been subjected to an independent assurance by KPMG PLT ("KPMG") in accordance with International Standard on Assurance Engagements ("ISAE") 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and has been approved by the Board of Directors of Public Bank. The Subject Matter, Scope and Conclusion can be found in KPMG's Limited Assurance Report set out on page 273.

POINT OF CONTACT

Should there be any comments, submit your feedback and enquiries to: sustainability@publicbank.com.my.

SUSTAINABILITY FRAMEWORK

The Public Bank Group's Sustainability Framework comprises four strategic themes – Protecting the Environment, Proficient Employees, Prosperous Customers and Communities, and Principled Conduct – which guide the Group's approach towards creating positive impact through 17 material matters. Through a strategic review of the framework during the year, the Group set a forward-looking strategy and roadmap with tangible targets to better align with the Group's business direction. The Sustainability Framework focuses on contributing towards 12 of the United Nations Sustainable Development Goals ("UN SDGs").

Corporate Mission

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

Sustainability Purpose

Embracing Sustainability

Sustainability Themes and Material Matters

Protecting the Environment

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

Proficient Employees

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

Prosperous Customers and Communities

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

Principled Conduct

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

Sustainability Strategies

Environmental

- Contributing towards a low carbon economy

Social

- Customer centric technology
- Financial Inclusion
- Empowering employee and commitments

Governance

- Upholding risk and compliance management

Aligned UN SDGs



SUSTAINABILITY REPORT
OVERVIEW

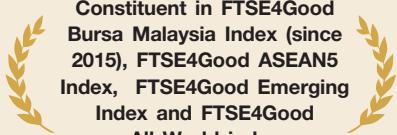
KEY SUSTAINABILITY MILESTONES

Pre-2020	2020	2021	2022	2023
<ul style="list-style-type: none">▶ Admitted as a constituent of FTSE4Good Bursa Malaysia Index (since 2015)▶ Established the Sustainability Management Committee▶ Published the first Sustainability Statement (since 2016)▶ Completed Menara Public Bank 2 in 2017, the Group's first green certified building	<ul style="list-style-type: none">▶ Established the ESG Exclusion List▶ Public Islamic Bank launched preferential rates for financing of energy efficient vehicles and solar panels▶ Developed the Public Bank Group Anti-Bribery and Anti-Corruption Policy	<ul style="list-style-type: none">▶ Committed to achieving Carbon Neutral by 2030 (Scope 1 and Scope 2) and Net Zero Carbon by 2050▶ Set up the Sustainability Management Task Force▶ Developed the Public Bank Group Climate-Related Risk Management Policy, and Policy on Risk Acceptance Criteria on Environmental, Social and Governance ("ESG RAC Policy")▶ Established Sectoral RAC for Palm Oil sector	<ul style="list-style-type: none">▶ Formed the Board Sustainability Management Committee▶ Established Sectoral RAC for Construction and Infrastructure sector▶ Committed to No Deforestation, No New Peat and No Exploitation ("NDPE")▶ Developed the Diversity, Equality and Inclusion Policy	<ul style="list-style-type: none">▶ Established the Sustainability Framework▶ Developed the Public Bank Group Climate-Related Strategy Policy▶ Developed General RAC for Non SMEs and Sectoral RAC for Real Estate sector▶ Developed the Sustainable Finance Framework, and Sustainable Products and Services Guideline▶ Established the Public Bank Group ESG Statement▶ Signed up as Partnership for Carbon Accounting Financials signatory▶ Inaugural Scope 3 financed emissions disclosures

2023 HIGHLIGHTS

Theme 1: Protecting the Environment	2,684 tCO ₂ reduction achieved for Scope 1, Scope 2 and Scope 3 carbon emissions	Mobilised RM53.91 billion of sustainable finance since 2020	Developed Climate-Related Strategy Policy	Developed Sustainable Finance Framework, and Sustainable Products and Services Guideline
Theme 2: Proficient Employees	Over RM52 million spent on training and development	Achieved more than one million total training hours	48.8% female representation in senior management	Zero incidents of human rights violation
Theme 3: Prosperous Customers and Communities	Over RM1.2 million spent on the community	Approved and accepted more than RM7 billion of affordable homes financing since 2020	Net Promoter Score improved to +61	Improved over one million individuals' lives since 2021
Theme 4: Principled Conduct	RM2.35 billion of income tax paid in 2023	Zero incidents of corruption	100% of Malaysian banking entities conducted corruption-related risk assessment	Over 32,000 enrolments in cyber awareness education initiatives for employees

Awards and Recognitions







Ensuring Sustainable Tomorrow for All

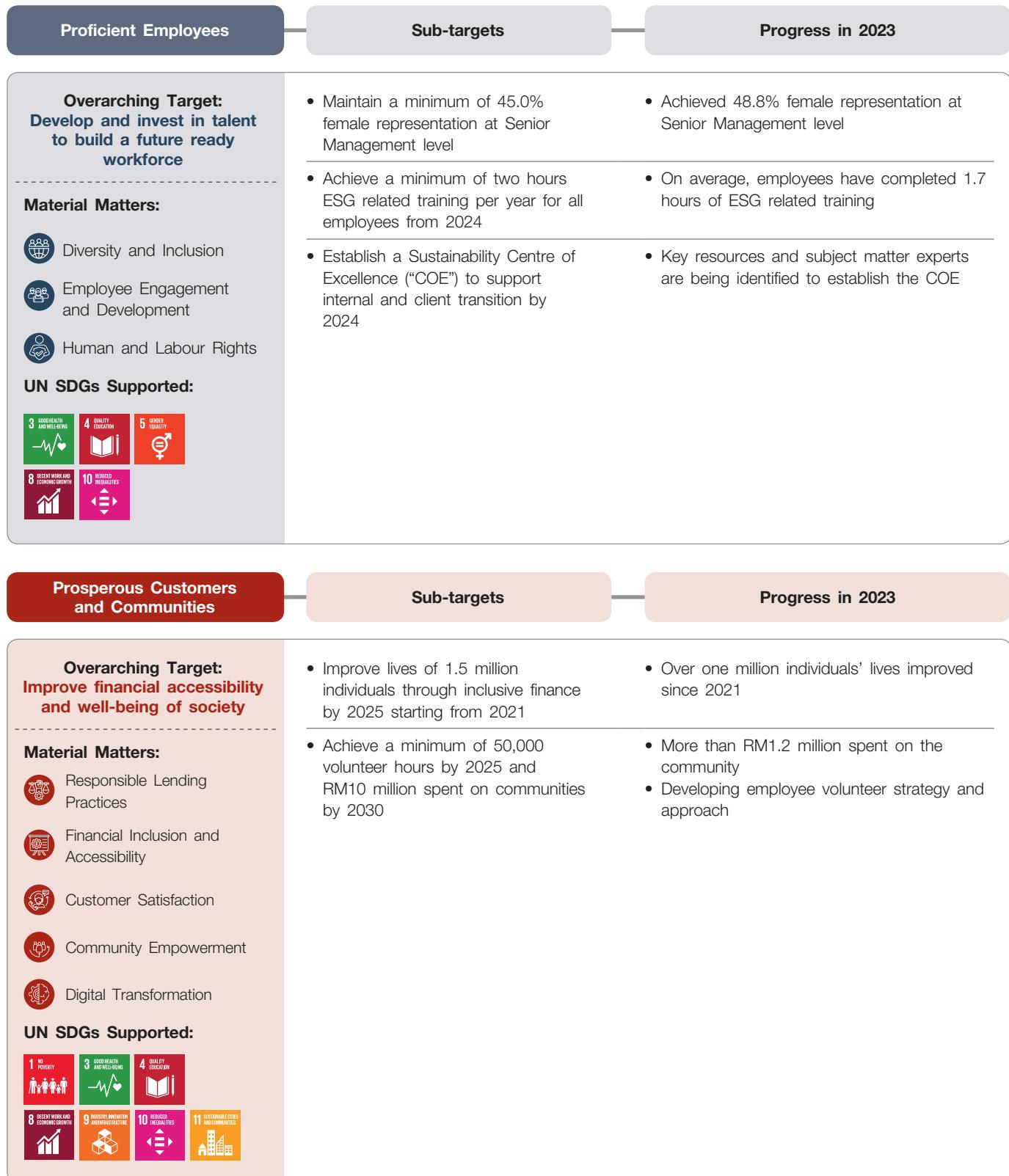
At Public Bank, our commitment to sustainability is unwavering. We actively champion projects that benefit our customers and have a positive impact on the environment and society. We take pride in supporting initiatives that reduce carbon footprint, promote clean energy, and encourage responsible business practices, reflecting our belief in a more eco-friendly and sustainable future.

SUSTAINABILITY REPORT APPROACH TO SUSTAINABILITY

PROGRESS TOWARDS SUSTAINABILITY COMMITMENTS

The Public Bank Group has set sustainability commitments to drive progress in its sustainability journey. This includes achieving Net Zero Carbon by 2050 and mobilising RM100 billion of sustainable finance by 2030. The sustainability commitments are underpinned by four overarching targets for each of the strategic sustainability themes.

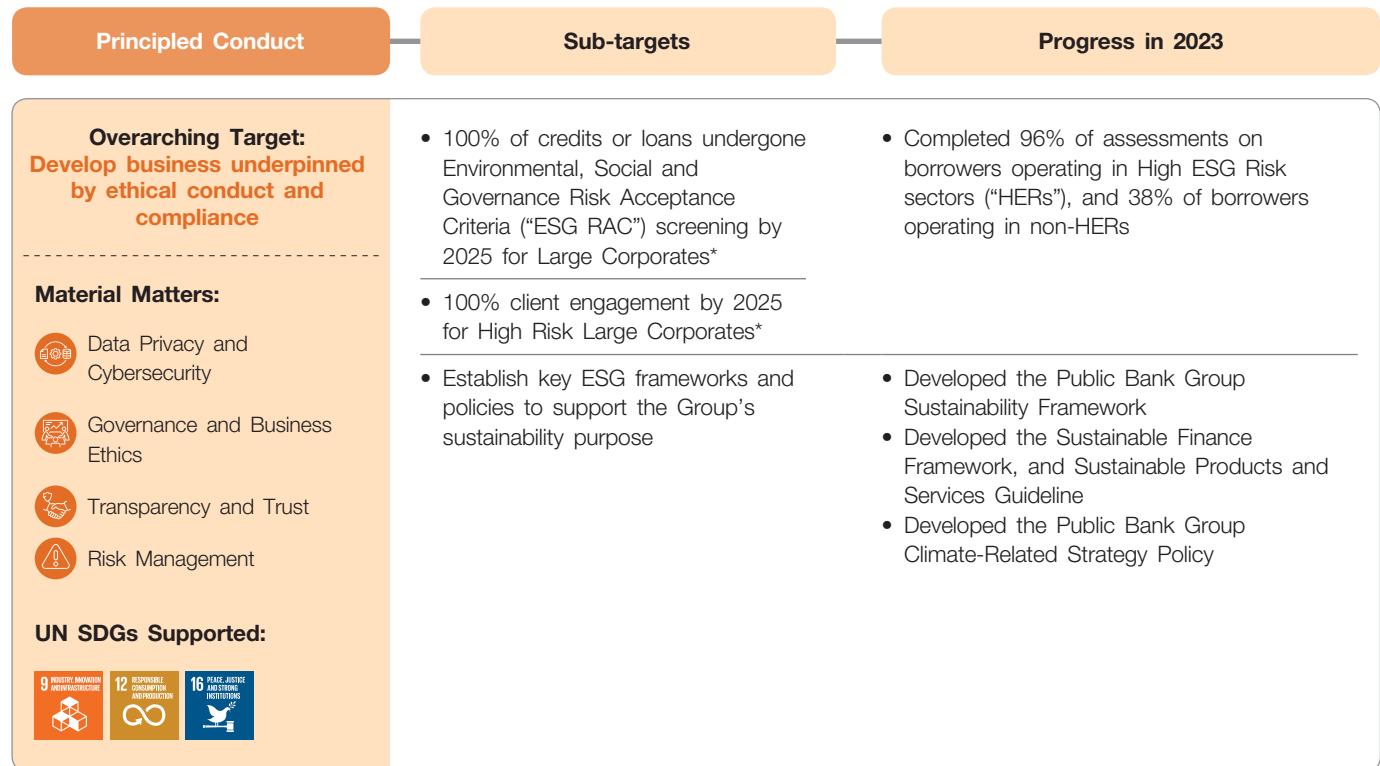
Protecting the Environment	Sub-targets	Progress in 2023
<p>Overarching Target: Net Zero Carbon by 2050</p> <p>Material Matters:</p> <ul style="list-style-type: none"> Climate Change Resilience Carbon Emissions Resource Management Sustainable Finance Sustainable Supply Chain <p>UN SDGs Supported:</p>  <ul style="list-style-type: none">7 AFFORDABLE AND CLEAN ENERGY9 INDUSTRY INNOVATION AND INFRASTRUCTURE12 RESPONSIBLE CONSUMPTION AND PRODUCTION13 CLIMATE ACTION	<ul style="list-style-type: none">Achieve Carbon Neutral position (Scope 1 and Scope 2) by 2030Achieve a minimum of 25% of building gross floor area ("GFA") operating under green building criteria by 2030Achieve a minimum 30% reduction in energy consumed from baseline by 2030Achieve a minimum 30% reduction in water consumption from baseline by 2030Mobilise RM100 billion of sustainable finance by 2030Set portfolio emissions reduction targets aligned with the Paris Agreement and 1.5°C global warming trajectory100% of suppliers and vendors to acknowledge the Public Bank Group Vendor Code of Conduct by 2025	<ul style="list-style-type: none">Scope 1 and Scope 2:<ul style="list-style-type: none">– 2023 Total carbon emissions: 64,063 tCO₂e– 2023 Emission intensity: 3.2 tCO₂e/full-time employee ("FTE")Scope 1, Scope 2 and Scope 3:<ul style="list-style-type: none">– 2023 Total carbon emissions: 87,223 tCO₂e– 2023 Emission intensity: 4.4 tCO₂e/FTEMenara Public Bank 2 is certified Leadership in Energy and Environmental Design ("LEED") Gold, equivalent to 24% of Malaysia's main buildings GFAReduced 2% of total energy consumption from 2022Inaugural purchase of green electricity totalling 650MWhTotal water consumption: 479,193 m³Water intensity: 24.2 m³/FTEMobilised RM53.91 billion of sustainable finance since 2020, which includes key financing portfolio such as:<ul style="list-style-type: none">– RM38.36 billion of energy efficient vehicle financing– RM7.56 billion of affordable homes financing– RM5.22 billion of corporate loans– RM1.98 billion under Green Financing FacilitiesFormalised commitment as PCAF signatoryEstablished Scope 3 financed emissions inventory for five asset classesEnhanced the Public Bank Group Vendor Code of Conduct and to be communicated to all suppliers and vendors in 2024



SUSTAINABILITY REPORT

APPROACH TO SUSTAINABILITY

PROGRESS TOWARDS SUSTAINABILITY COMMITMENTS



* Large Corporates refer to all large corporate borrowers under the corporate financing segment.

SUSTAINABILITY GOVERNANCE

The sustainability governance of the Public Bank Group is anchored by the commitment to ensure effective delivery of its sustainability targets. From the Board of Directors ("the Board") to management level committees, each provides clear strategic direction and oversight in relation to sustainability matters.

► **Board of Directors ("the Board")**

- 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

► **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 input to the Management in relation to the Public Bank Group's sustainability strategies, goals and principles, ensuring 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 achievement of sustainability commitments
- Reviews and endorses the implementation of the Public Bank Group's sustainability strategies, goals and principles with respect to engaging stakeholders, materiality assessment, setting targets and measuring of performance against targets

► **Sustainability Management Task Force ("SMTF")**

- The management working group, chaired by the Deputy Chief Executive Officer with members comprising both the business and control functions
- Assists and supports the SMC in its oversight function over sustainability strategies, priorities and targets by managing it on a day-to-day basis
- Formulates and deliberates specific strategies/actions to achieve the Public Bank Group's sustainability commitments with business, support units and independent control units

SUSTAINABILITY REPORT APPROACH TO SUSTAINABILITY

STAKEHOLDER ENGAGEMENT

The Public Bank Group seeks to engage with its key stakeholder groups to deepen the understanding of their expectations and matters that are of significance to them. The constructive engagements enable the Group to make informed and balanced decisions which are essential to building trust and creating long-term shared value.

Customers		Shareholders and Investors	
Engagement Platforms	Frequency	Engagement Platforms	Frequency
Branches	Ongoing	Investor relations channel	Ongoing
Customer service channels	Ongoing	Annual General Meeting	Yearly
Self service terminals	Ongoing	Conferences and roadshows	As and when required
Customer surveys	Ongoing	Analyst briefings	Quarterly
Social media	Ongoing	Annual Report	Yearly
Annual Report	Yearly	Corporate Governance Report	Yearly
Financial roadshows	As and when required	Media releases and interviews	As and when required
Webinar events	As and when required	Public Bank's corporate website, www.publicbankgroup.com	Ongoing
Public Bank's website www.pbebank.com	Ongoing		

Scope of Interest	Scope of Interest
<ul style="list-style-type: none"> Efficient and courteous frontline counter service Key performance indicators ("KPIs") on service delivery Availability and suitability of products Ethical and fair conduct in sales and marketing practice Efficient and prompt response in addressing customer complaints Fair pricing of products and services Shariah-compliant Islamic products and services Protection from fraud and scams Data privacy and security Efficient and safe internet banking Reachability during non-office hours on e-banking security matters 	<ul style="list-style-type: none"> Business performance, strategies and prospects Return on investments and dividend payout ESG initiatives, performance and targets Good business conduct Guidance on Key Performance Targets

Group's Response	Group's Response
<ul style="list-style-type: none"> Management Discussion and Analysis <ul style="list-style-type: none"> Serving the Customer (page 114) Channel Management (page 116) Sustainability Report <ul style="list-style-type: none"> Theme 3: Prosperous Customers and Communities (page 195) Theme 4: Principled Conduct (page 213) Ethics, Integrity and Trust (page 308) 	<ul style="list-style-type: none"> Chairman's Statement (page 18) Review by Managing Director/Chief Executive Officer (page 22) Management Discussion and Analysis (page 42) Sustainability Report (page 152) Corporate Governance Overview Statement (page 276) Risk Management (page 302) Investor Information (page 341) Annual Report – Financial Statements



Employees

Engagement Platforms	Frequency
Employee engagement events	As and when required
Performance review	Yearly
Electronic communication channels (e.g. emails, circulars, newsletters, intranet portal and mobile application)	As and when required
Employee survey	As and when required

Scope of Interest

- Talent and skill development
- Career prospects
- Remuneration and benefits
- Workplace health and safety
- Labour and human rights
- Equal opportunities in employment practices
- Succession planning
- Employee engagement activities

Group's Response

- Sustainability Report – Theme 2: Proficient Employees (page 184)
- Ethics, Integrity and Trust (page 308)



Communities and Non-Governmental Organisations

Engagement Platforms	Frequency
Philanthropic activities	Ongoing
Annual Report	Yearly
Social media	Ongoing
Public Bank's corporate website, www.publicbankgroup.com	Ongoing

Scope of Interest

- Community well-being and empowerment
- Social development
- ESG initiatives
- Response to climate change risks

Group's Response

- Sustainability Report
 - Theme 1: Protecting the Environment (page 170)
 - Theme 3: Prosperous Customers and Communities (page 195)
 - Disclosures Aligned with TCFD (page 223)

SUSTAINABILITY REPORT

APPROACH TO SUSTAINABILITY

STAKEHOLDER ENGAGEMENT

Suppliers and Vendors		Regulators	
Engagement Platforms	Frequency	Engagement Platforms	Frequency
Procurement process	Ongoing	Meetings	As and when required
Suppliers/Vendors engagement activities	Ongoing	Industry forums	As and when required
Sustainability section of Public Bank's corporate website, www.publicbankgroup.com	Ongoing	Consultation/townhall sessions	As and when required
		Correspondence	As and when required
Scope of Interest		Scope of Interest	
<ul style="list-style-type: none"> Fair selection of suppliers and vendors Transparent procurement process Vendor Code of Conduct 		<ul style="list-style-type: none"> Regulatory compliance and good corporate governance practices Business continuity and growth Financial inclusion and literacy Customer service Ethical banking conduct Risk management Digital banking Cyber security ESG initiatives Response to climate change risks Personal data protection 	
Group's Response		Group's Response	
<ul style="list-style-type: none"> Sustainability Report <ul style="list-style-type: none"> Theme 1: Protecting the Environment (page 170) Ethics, Integrity and Trust (page 308) 		<ul style="list-style-type: none"> Sustainability Report (page 152) Corporate Governance Overview Statement (page 276) Statement on Risk Management and Internal Control (page 295) Risk Management (page 302) Ethics, Integrity and Trust (page 308) Audit Committee Report (page 312) Annual Report – Financial Statements 	



Media

Engagement Platforms	Frequency
Interviews	As and when required
Press releases	As and when required
Annual Report	Yearly
Social media	Ongoing
Public Bank's corporate website, www.publicbankgroup.com	Ongoing

Scope of Interest

- Financial results, business performance, strategy and prospects
- Corporate development
- Launch of new products and services
- ESG initiatives, performance and targets

Group's Response

- Chairman's Statement (page 18)
- Review by Managing Director/Chief Executive Officer (page 22)
- Outlook and Strategic Directions (page 36)
- Sustainability Report (page 152)
- Corporate Governance Overview Statement (page 276)



Other Financial Institutions

Engagement Platforms	Frequency
Annual Report	Yearly
Membership in associations	As and when required
Events and roadshows	As and when required
Conferences and dialogues	As and when required
Public Bank's corporate website, www.publicbankgroup.com	Ongoing

Scope of Interest

- Financial results, business performance, strategy and prospects
- Corporate development
- Product innovation
- ESG initiatives, performance and targets
- Information and Communication Technology infrastructure and system
- Best banking industry practices

Group's Response

- Chairman's Statement (page 18)
- Review by Managing Director/Chief Executive Officer (page 22)
- Sustainability Report (page 152)
- Corporate Governance Overview Statement (page 276)
- Statement on Risk Management and Internal Control (page 295)
- Risk Management (page 302)
- Ethics, Integrity and Trust (page 308)

SUSTAINABILITY REPORT

APPROACH TO SUSTAINABILITY

STAKEHOLDER ENGAGEMENT

Contributing to the Industry

The Public Bank Group is a member of or affiliated with various associations and organisations. The following table highlights the Group's representations in key associations and organisations in 2023.

Name of Associations/Organisations	Description
Sustainability-Related	
Partnership for Carbon Accounting Financials ("PCAF")	Signatory of PCAF
Bank Negara Malaysia ("BNM")'s Joint Committee on Climate Change ("JC3")	Member in JC3 SME Focus Group ("SFG") and Sub-Committee 1: Risk Management
BNM's Value-based Intermediation Financing and Investment Impact Assessment Framework ("VBIAF")	Public Islamic Bank is a member of BNM's VBIAF Sectoral Guide Working Group (third cohort)
Financial Industry Collective Outreach ("FINCO")	Member of FINCO
Ombudsman for Financial Services ("OFS")	Member of OFS
Institutional Investors Council Malaysia ("IIC")	Public Mutual is a signatory of IIC's Malaysian Code of Institutional Investors
Banking and Finance-Related	
The Association of Banks in Malaysia ("ABM")	Member of ABM
Perbadanan Insurans Deposit Malaysia ("PIDM")	Member of PIDM
Financial Institutions Directors' Education Forum ("FIDE Forum")	Member of FIDE Forum
Malaysian Investment Banking Association ("MIBA")	Public Investment Bank is a member of MIBA
The Association of Islamic Banking and Financial Institution Malaysia ("AIBIM")	Public Islamic Bank is a member of AIBIM
Federation of Investment Managers Malaysia ("FIMM")	Public Mutual is a member of FIMM

ABM Seven ESG Principles

As a member of the ABM, the Public Bank Group's sustainability commitments are aligned with ABM's ESG Principles:

- ① We commit to promoting Carbon Net Zero across our entire business and financed customer portfolio
- ② We commit to incorporating ESG into our governance and risk management approach
- ③ We commit to identifying, mitigating and managing risks of modern slavery and human rights
- ④ We commit to supporting financing for Agribusiness customers
- ⑤ We commit to encouraging sustainable practices within the high impact sectors for ESG
- ⑥ We commit to promoting social and financial inclusion to ensure a sustainable future
- ⑦ We commit to promoting transparency by making periodic disclosures on our ESG practices and progress

MATERIALITY ASSESSMENT

The Public Bank Group conducted a comprehensive formal review and assessment of its material matters in 2022, facilitated by an external consultant. Following an internal review in 2023, it is affirmed that the material matters continue to remain relevant and material to the Group's business and its stakeholders.



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

Theme 1: Protecting the Environment

Material Matters

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

Related UN SDGs



“Recognising the growing urgency of net zero emissions, the Public Bank Group joins the global call for urgent action to combat climate change and its impacts.”

***Tan Sri Dato’ Sri Dr. Tay Ah Lek
Managing Director / Chief Executive Officer***





Climate Change Resilience

The Group's Approach

With the global and national climate change agenda gaining traction, the Public Bank Group too has charted its approach to managing the risk and opportunities from climate change. Since 2022, the Group has embarked on efforts to integrate climate-related considerations into business strategies and risk management processes guided by the VBIAF and in 2023, to be in line with BNM's requirements outlined in the Policy Document on Climate Risk Management and Scenario Analysis.

► Key Highlights

- Developed the **Public Bank Group Climate-Related Strategy Policy**
- Became a **signatory to the Partnership for Carbon Accounting Financials**

Evolving the Group's Climate Action Agenda

Overarching the Public Bank Group's climate action agenda is the Group's qualitative Climate Risk Appetite Statement, operationalised into the Group's targets of achieving Carbon Neutral (Scope 1 and Scope 2) by 2030 and Net Zero Carbon by 2050, and is in line with the Paris Agreement's ultimate goal of limiting global warming to no more than 1.5°C.

The Public Bank Group has in 2023, became a signatory to the Partnership for Carbon Accounting Financials ("PCAF"), and accordingly adopted the PCAF methodologies and database to compute the Group's financed emissions. Read more about the Group's financed emission in **Section Reference: Carbon Emissions** on page 172.

The Public Bank Group's commitments and strategies in relation to climate change are embedded in the Climate-Related Strategy Policy ("CRSP"). The CRSP is underpinned by three climate-related Strategic Directions ("3 SDs"):



The 3 SD's will guide the operationalisation of the Group-wide climate change initiatives to achieve the Public Bank Group's climate change commitments. The Group will progressively improve on its climate-related disclosures to meet the "Stretch" recommendations outlined in the Joint Committee on Climate Change's Task Force on Climate-Related Financial Disclosures ("JC3 TCFD") Application Guide for Malaysian Financial Institutions issued on 29 June 2022. As at the end of 2023, the Group is on track to meet the "Basic" Recommendations of the TCFD Application Guide, which is due at the end of 2024.

Section Reference: Disclosures Aligned with TCFD on page 223

SUSTAINABILITY REPORT

DELIVERING SUSTAINABLE IMPACT

Theme 1: Protecting the Environment



Carbon Emissions

The Group's Approach

The Public Bank Group is committed to reducing its direct and indirect carbon emissions. The Group consistently measures and discloses its carbon emissions to track progress towards its climate targets of achieving Carbon Neutral (Scope 1 and Scope 2) by 2030 and Net Zero Carbon by 2050. The Group endeavours to bolster its approach to carbon emissions management initiatives to reduce its carbon footprint.

► Key Highlights

- Established **2022 as baseline year**
- Achieved **3.0%** reduction in total carbon emissions against 2022 baseline for Scope 1, Scope 2 and Scope 3

► Targets/Sub-targets

- Achieve **Carbon Neutral position (Scope 1 and Scope 2) by 2030**
- Achieve **Net Zero Carbon by 2050**

Strengthening Efforts Towards Decarbonisation

Since 2016, the Public Bank Group has measured and disclosed its carbon emissions in the annual Sustainability Report. In 2023, the Group restructured its approach towards carbon emissions management through three focus areas.

① Expanding Data Monitoring and Reporting

Driven by the ethos – what gets measured gets managed, the Public Bank Group expanded the scope of carbon emissions reporting to include emissions from its banking branch network in Malaysia, Laos and Sri Lanka, as well as the Group's subsidiaries in Malaysia, Hong Kong, Cambodia and Vietnam. This effort is in line with the development of a decarbonisation strategy for the Group to achieve Carbon Neutral status for Scope 1 and Scope 2 by 2030.

② Developing a Public Bank Group Decarbonisation Strategy

The Public Bank Group undertook a Group-wide review of its Scope 1 and Scope 2 boundaries and reporting scope to establish a clear understanding of its carbon emissions sources and determine the carbon emissions baseline. The year 2022 was identified as the baseline year for Scope 1 and Scope 2. To accelerate the decarbonisation efforts, an external consultant was engaged to support the development of the decarbonisation strategy. A focused and concerted strategy will increase the impact of carbon and energy initiatives implemented across the Group. The Public Bank Group aims to publish the decarbonisation strategy in the near term.

To ensure reliability, the Public Bank Group, in 2023, obtained its first external assurance on Scope 1 and Scope 2 emissions data for 2022 and 2023. Please refer to **Limited Assurance Report** on page 273.

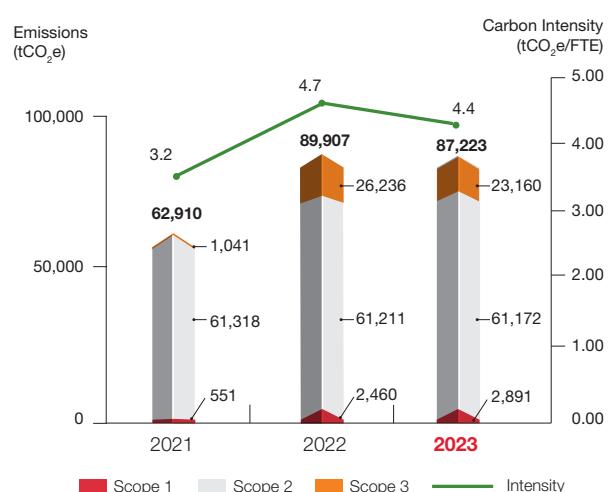
③ Setting the Foundations for Scope 3 Financed Emissions

Acknowledging that financed emissions constitutes the largest source of emissions for the Public Bank Group, the Group has begun to measure its financed emissions. As a PCAF Signatory, the Group referred to the PCAF Standards in measuring its estimated financed emissions for the first time. The Group's estimated financed emissions cover approximately 86% of the Group's total domestic loans, advances and financing since 2021 in five asset classes – motor vehicles, mortgage, commercial real estate, business loan and project finance.

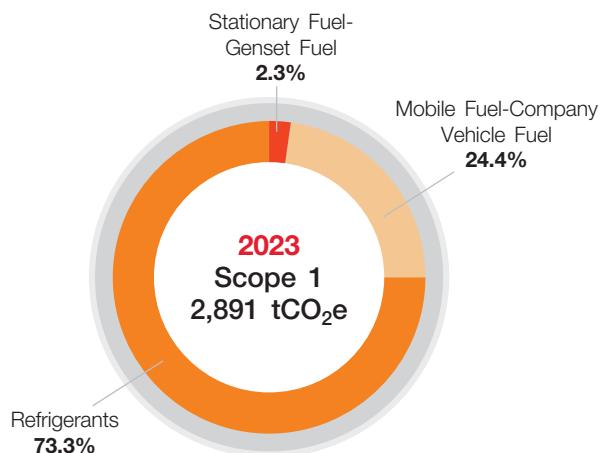
The estimated financed emissions allow the Public Bank Group to set the foundation for development of the Group's Net Zero Carbon strategy. The estimated financed emissions enable the Group to identify the emissions hotspots across its financing portfolio as well as the drivers and opportunities for climate transition including partnerships with customers. While the Group recognises that there are limitations to the estimated financed emissions, the Group endeavours to improve the data quality and accuracy of the financed emissions over time. The Group expects the emissions value to change alongside improvement in data quality.

Carbon Emissions Dashboard

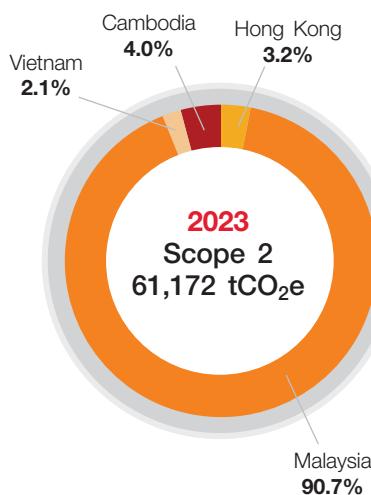
Total Carbon Emissions and Carbon Intensity



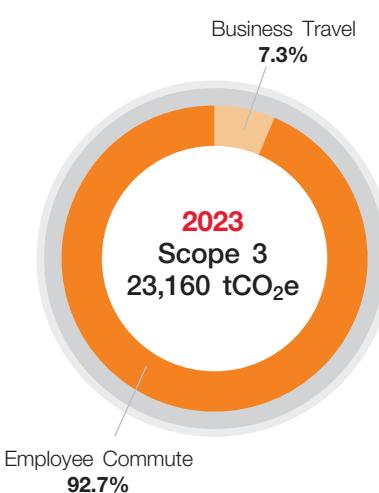
Scope 1 Emissions



Scope 2 Emissions



Scope 3 Emissions



Notes:

1. Data for Scope 1 is based on the fuel consumption from generator sets and company-owned mobile vehicles, as well as refrigerant gas refills for stationary air conditioners. The data covers the Group's domestic subsidiaries and its branches, namely Public Bank (including overseas branches in Laos and Sri Lanka), Public Islamic Bank, Public Mutual and Public Investment Bank, as well as overseas subsidiaries and its branches, namely Public Financial Holdings (Hong Kong), Campu Bank and Public Bank Vietnam.
2. Data for Scope 2 (location-based) is based on purchased electricity consumed by the Group's domestic subsidiaries and its branches, namely Public Bank (including overseas branches in Laos and Sri Lanka), Public Islamic Bank, Public Mutual and Public Investment Bank, as well as overseas subsidiaries and its branches, namely Public Financial Holdings (Hong Kong), Campu Bank and Public Bank Vietnam.
3. Data for Scope 3 is based on land and air business travel, as well as daily commuting to workplace by employees of the Group's domestic subsidiaries and its branches, namely Public Bank, Public Islamic Bank, Public Mutual and Public Investment Bank, as well as overseas subsidiaries and its branches, namely Public Financial Holdings (Hong Kong), Campu Bank and Public Bank Vietnam. Data collection for employee commute started in 2022.

SUSTAINABILITY REPORT

DELIVERING SUSTAINABLE IMPACT

Theme 1: Protecting the Environment

Estimated Financed Emissions Dashboard

Year	Asset Class	Absolute Emissions (ktCO ₂ e)	Outstanding Balance (RM'Billion)	Emissions Intensity (ktCO ₂ e/RM'Billion)	PCAF Data Quality Score	% of Portfolio Analysed
2021	Motor Vehicle	1,407	40.9	34.4	3.6	77%
	Mortgage	1,508	139.8	10.8	4.0	100%
	Commercial Real Estate	780	66.4	11.7	4.1	100%
	Business Loan	1,971	34.4	57.3	5.0	100%
	Project Finance	23	6.3	3.6	5.0	100%
2022	Motor Vehicle	1,506	43.9	34.3	3.6	76%
	Mortgage	1,528	150.4	10.2	4.0	100%
	Commercial Real Estate	803	68.5	11.7	4.1	100%
	Business Loan	2,053	35.0	58.6	5.0	100%
	Project Finance	22	5.9	3.6	5.0	100%
2023	Motor Vehicle	1,560	47.3	33.0	3.7	73%
	Mortgage	1,542	160.2	9.6	4.0	100%
	Commercial Real Estate	676	71.9	9.4	4.1	100%
	Business Loan	2,239	37.1	60.4	5.0	100%
	Project Finance	22	5.9	3.6	5.0	100%
2021 Total		5,689	287.8	19.8		86%
2022 Total		5,912	303.7	19.5		86%
2023 Total		6,039	322.4	18.7		86%

Notes:

1. Estimated financed emissions disclosed for positions as at 31 December 2021, 31 December 2022 and 31 December 2023.
2. Emissions and outstanding balance are derived from loans and/or financing in Malaysia.
3. Loans and/or financing used to estimate the financed emissions cover 81% of total loans and/or financing in Malaysia and overseas operations in 2023.
4. Absolute emissions for Business Loan include Scope 1, Scope 2, and Scope 3 emissions.
5. Motor vehicle emissions are derived from passenger vehicles. Disclosure will include more vehicle types as data availability improves.
6. Project finance consists of construction projects.
7. PCAF data score of 1 to 5 represents data quality from good (more actual data representation e.g. actual emissions or energy consumption) to worse (estimation using average data e.g. sector average).

For more information on the Public Bank Group's data on carbon emissions, please refer to  **Section Reference: Performance Data (Environment)** on page 252.



Resource Management

The Group's Approach

The Public Bank Group strives to minimise its environmental impact by reassessing and strategising its approach towards consumption of resources. The Group recognises the need to reflect on its business-as-usual practices and transition towards lower operational footprint. This includes increasing the use of renewable energy where possible, operating energy and water efficient properties and waste management.

► Key Highlights

- **746 MWh** renewable energy usage
- **100%** increase in solar energy generation capacity in Malaysia

► Targets/Sub-targets

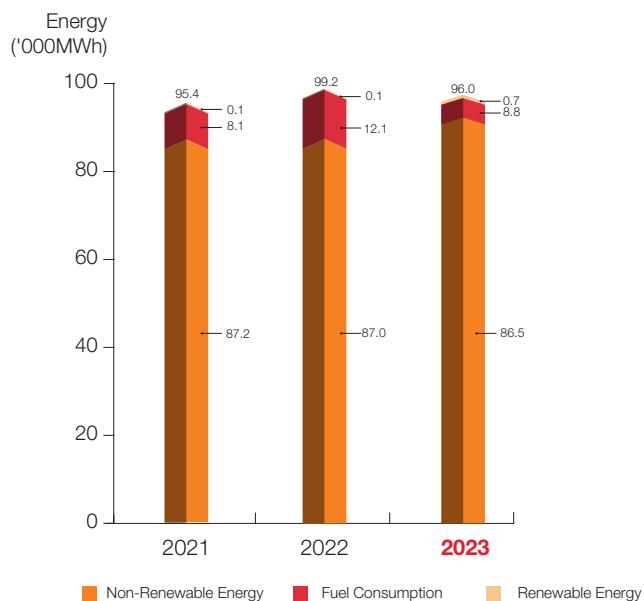
- Achieve **30%** reduction in energy consumed from baseline by 2030
- Achieve **30%** reduction in water consumption from baseline by 2030
- Achieve a minimum of **25% of GFA operating under green building criteria** by 2030

Energy Management

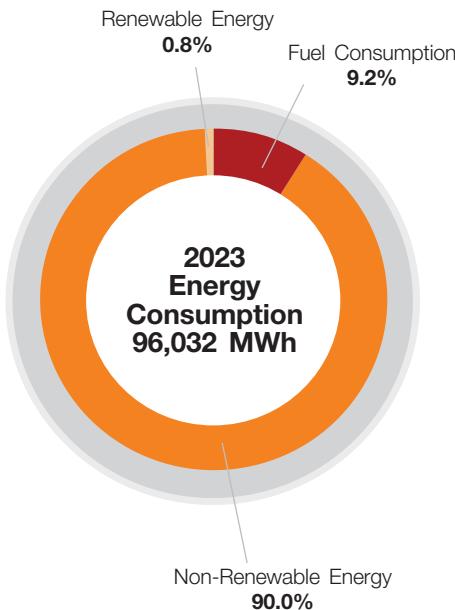
Driven by its target of reducing by 30% of its fossil-based energy consumption from baseline by 2030, the Public Bank Group's approach towards managing its energy consumption is focused on the use of renewable energy and improving the energy efficiencies of the Group's buildings and branches. The year 2023 marked significant progress in implementation of energy-related initiatives.

Energy Dashboard

Total Energy Consumption



Energy Sources



SUSTAINABILITY REPORT

DELIVERING SUSTAINABLE IMPACT

Theme 1: Protecting the Environment

Improving Operational Efficiency

The Public Bank Group continues to focus efforts on reducing energy consumption through various operational initiatives.

Improving Energy Efficiency

During the year, various energy efficiency initiatives were implemented for the Group's buildings. Photoelectric sensors and motion sensors were installed in two main buildings, Menara Public Bank and Public Bank Tower in all the common areas. At Public Mutual's Head Office, half of the lights are switched off during lunchtime to minimise wastage. Additional energy efficient features are being studied and leveraged to further reduce energy use.



Generating Renewable Energy

Menara Public Bank 2, the Public Bank Group's first LEED Gold certified property, houses a solar panel system covering 400 m² on the roof. In 2023, three solar panel projects were completed in Malaysia. One of the main buildings, Bangunan Public Bank, was installed with solar panels with generation capacity of 58 kWp. Solar panels were installed at two domestic branches with generation capacity of 53 kWp and 54 kWp respectively. With the completion of these projects, the total renewable energy production increased from 48 MWh in 2022 to 100 MWh in 2023. The Group will continue to explore the feasibility of installing additional solar panels across its properties to increase its renewable energy generation capacity.

Purchasing Renewable Energy Certificates

To boost the energy efficiency efforts, Renewable Energy Certificates ("RECs") were purchased. In 2023, a total of 650 MWh were purchased under Tenaga Nasional Berhad's Green Electricity Tariff Program, to compensate for 50% of the annual grid electricity consumption of Public Bank Tower.

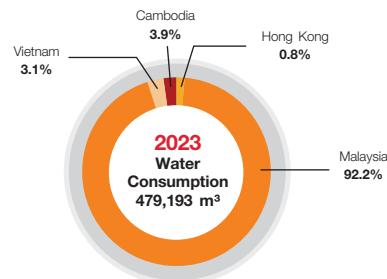
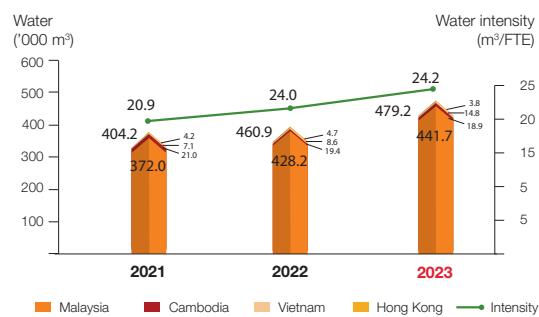
Water

The Public Bank Group recognises that water is a key resource and encourages responsible water use to conserve water across the Group's operations. Driven by its water reduction target, the Group consistently monitors its water consumption, sourced from the local municipal water supply.

The Public Bank Group is focused on reducing its water footprint through physical asset enhancement by installing water efficient fittings. In 2023, the Group expanded its water consumption data coverage group-wide to better monitor its water footprint. The annual water consumption for the Public Bank Group was 479,193 m³, an increase of 4.0% compared to 2022, mainly attributed by employees returning to work in the office.

Water Consumption Dashboard

Total Water Consumption and Water Intensity



Waste Management and Paper Consumption

The Public Bank Group strives to manage its waste responsibly and reduce its waste sent to landfill. The Group's approach towards waste management centres upon the concept of 3Rs – Reduce, Reuse and Recycle. The Group is looking at new ways of working and education as integral means to minimise waste generation.

Waste Management

The Public Bank Group has taken the necessary precautions to comply with local authorities on managing waste responsibly and efficiently without overburdening the environment.

To manage solid waste and electronic waste, the Public Bank Group appoints vendors licensed by the Department of Environment ("DOE"). The Group has also set strict disposal policies for sensitive documents to ensure the documents are properly disposed of and recycled.

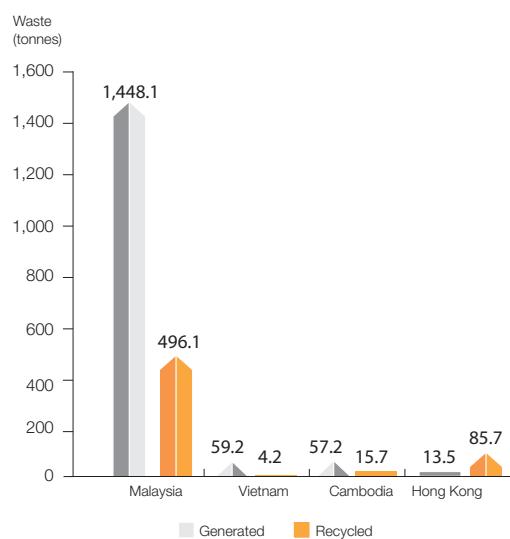
For the first time, waste data is monitored across the Public Bank Group. In 2023, the Group generated an estimated 1,578 tonnes of waste and recycled about 602 tonnes of waste including items such as paper, plastics and cardboard.

As part of the Public Bank Group's recycling initiative, the Group started to issue the Visa Signature credit cards, made from sustainable materials and introduced green points to encourage card members to spend on recognised green products with selected merchants.

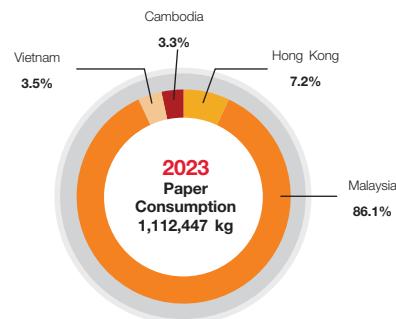
Paper Consumption

In 2023, the Public Bank Group's paper consumption amounted to 1,112,447 kg of paper¹, utilised in its day-to-day operations. To minimise impact from its use of paper, the Group purchases Programme for the Endorsement of Forest Certification ("PEFC") certified paper to ensure that the paper comes from sustainably managed forests. Employees are encouraged to minimise printing and recycle paper. Various digitalisation efforts have also been implemented to reduce the use of paper in the daily operations.

Total Waste Generated and Recycled



Total Paper Consumption



For more information on the Public Bank Group's environmental footprint, please refer to **Section Reference: Performance Data (Environment)** on page 252.

¹ Paper consumption includes A3 and A4 paper.

SUSTAINABILITY REPORT

DELIVERING SUSTAINABLE IMPACT

Theme 1: Protecting the Environment



Sustainable Finance

The Group's Approach

The Public Bank Group is mindful of its role in supporting the nation's transition towards a low carbon economy. By supporting projects and lifestyles that prioritise energy efficiency, healthy ecosystems and other sustainable activities, the Group endeavours to work with customers to adopt greener practices for a better tomorrow.

The Public Bank Group ensures that ESG elements are embedded in the development of its products and services to deliver good outcomes – meeting customers' needs, while managing the environmental and social impacts.

► Key Highlights

- Developed the **Sustainable Finance Framework** and **Sustainable Products and Services Guideline**
- Mobilised **RM53.91 billion** of sustainable finance since 2020

► Targets/Sub-targets

- Mobilise **RM100 billion in sustainable finance** by 2030
- Set **portfolio emissions reduction targets** aligned with Paris Agreement and 1.5°C global warming trajectory

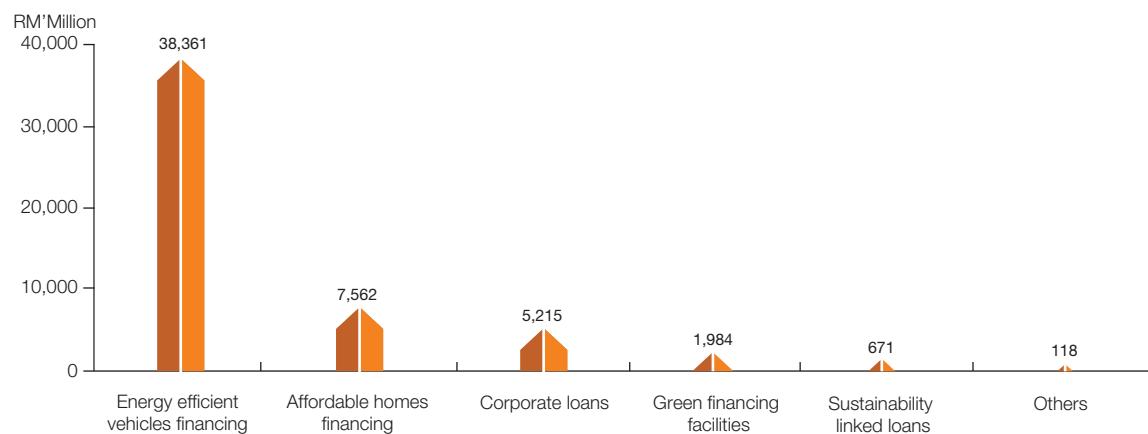
Facilitating Transition to a Low Carbon Economy

Since 2020, the Group has mobilised RM53.91 billion of sustainable financing.

In 2023, the Public Bank Group revised its sustainable finance target upwards. The Group targets to mobilise RM100 billion of sustainable finance by 2030 from 2020.

To this end, the Public Bank Group Sustainable Finance Framework was established to provide the overarching approach towards its sustainable financing activities. In supporting the framework, the Sustainable Products and Services Guideline ("SPSG") which sets out the eligible environmental and social economic activities, and criteria for sustainable financing was developed. With over 80 activities identified, the SPSG is meant to be a whole-of-bank strategy to accelerate the achievement of the RM100 billion sustainable finance target by 2030.

Breakdown of RM53.91 billion Sustainable Finance Mobilised since 2020



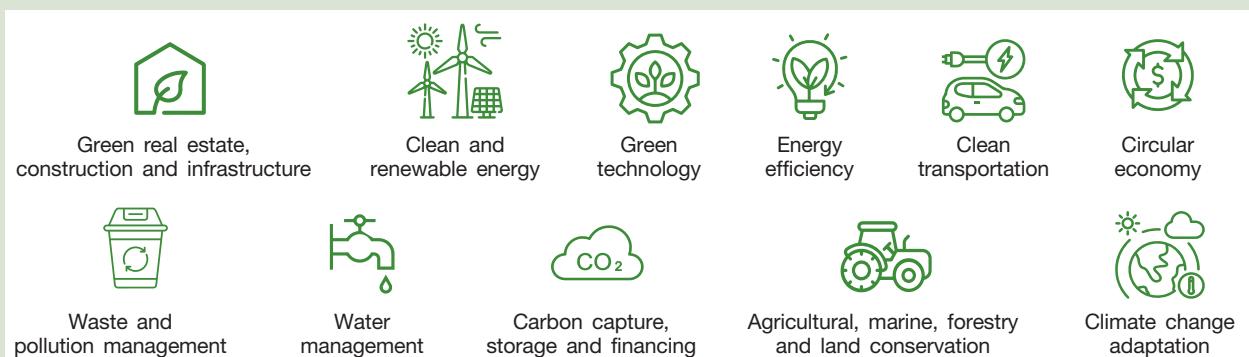
Sustainable Finance Framework

- Provide structure for the classification and development of sustainable financing products to promote sustainability in businesses
- Due diligence for sustainable finance which includes assessment against ESG exclusion list and ESG risk acceptance criteria ("RAC") checklist
- Governance process for sustainable finance classification to prevent greenwashing and social washing

Read more on Public Bank Sustainable Finance Framework and Public Bank High ESG Risk sectors ("HERs") Position Statement at <https://www.publicbankgroup.com/sustainability/sustainability-report/>.

Sustainable Products and Services Guideline

- Provide detailed specifications of eligible environmental and social economic activities which can be classified as sustainable financing
- The eligible environmental categories include:



- The eligible social categories include:



- Specification of eligible economic activities is prescriptive with qualitative and quantitative requirements set in place
- The list of eligible activities is not exhaustive and shall be reviewed periodically to ensure relevance to development of new products, technology advancement and market practice

Integrating of ESG Considerations into Credit Process

No Deforestation, No New Peat, and No Exploitation ("NDPE")

A steadfast commitment to NDPE principles across all financing activities, regardless of sectors

Industry Standards for Palm Oil Sector

Malaysian Sustainable Palm Oil ("MSPO") or Roundtable on Sustainable Palm Oil ("RSPO") certification mandatory for onboarding of new loans for non smallholder oil palm plantation businesses by 2030

ESG Lending Exclusion List

The list of the economic activities that the Group shall refrain from financing can be found in Public Bank's Sustainable Finance Framework available on Public Bank's corporate website

Sectoral RAC Checklists

RAC Checklists for Palm Oil, Construction and Infrastructure and Real Estate sectors are adopted to embed the Impact-Based Assessments comprising ESG practices in the customer onboarding/review process

SUSTAINABILITY REPORT

DELIVERING SUSTAINABLE IMPACT

Theme 1: Protecting the Environment

The Public Bank Group uses positive and negative ESG screening criteria during the onboarding of new loans and financing of retail and corporate customers, ensuring alignment with the Group's environmental and social values in the portfolio.

Customers are required to declare and confirm their non-involvement in activities listed in the Public Bank Group's ESG Exclusion List and adhere to the Group's NDPE commitment. Through the BNM Climate Change and Principle-based Taxonomy ("CCPT"), the Group aims to support and encourage customers in their journey to transition to more environmentally sustainable practices.

Offering Sustainable Financing Solutions

Green Financing Facilities

- Introduced in 2022 to support climate mitigation, transition, and adaptation activities
- The eligible economic activities include: financing for green certified properties, purchasing of solar panels, clean transportation, sustainable agro technology, and capital raising for energy-saving technology research and development

Mobilised over **RM470 million** of financing under green financing facilities in 2023

Sustainable Financing Package ("SFP")

- In collaboration with reputable property developers to offer the SFP for customers purchasing green-certified and sustainable residential, industrial and commercial properties
- Features include attractive pricing, fast approval, and financing of eco-friendly enhancements

Mobilised over **RM850 million** of financing under SFP in 2023

Solar Panel Financing

- Public Islamic Bank's solar financing products, Solar BAE Term Financing-i and Solar Plus BAE Personal Financing-i, offer attractive profit rates and margin of financing up to 100% of the solar panel price

Mobilised over **RM11 million** of solar financing in 2023

Energy Efficient Vehicle ("EEV")* Financing

- Enhanced promotional campaigns with offering of preferential rate for electric vehicle financing

Mobilised over **RM13 billion** of EEV financing in 2023

*EEVs include electric vehicles and low emissions vehicles

Low Carbon Transition Facility ("LCTF")

- Provide the LCTF under Bank Negara Malaysia's Fund for Small and Medium Enterprises
- Offer financing of up to RM10 million without collateral, with a 10-year repayment period at an attractive pricing of up to 4.25% per annum rate
- Funds a wide range of green-related capital expenditure as well as sustainability capacity building and the engagement of sustainability consultants

Mobilised over **RM16 million** of LCTF financing in 2023

Social Agenda Financing

- Financing of social activities that promote strong social values and positive social impact, such as purchase of affordable homes, and develop public infrastructure projects (e.g. roads, public transport).

Mobilised over **RM1 billion** of social agenda financing in 2023

Accelerating Sustainable Finance Across the Region

The Public Bank Group's overseas operations in Cambodia, Hong Kong and Vietnam continue to be in line with the Group's sustainable financing policies and practices. To promote positive environmental and social impacts, Campu Bank continues to offer financing for affordable homes, and to private water and electricity producers for expansion of power grid and water supply. In Vietnam, Public Bank Vietnam continues to offer financing for purchase of electric vehicle ("EV") and solar panel installation.

One of the major subsidiaries in Hong Kong, Public Bank (Hong Kong) Limited, offers Green Mortgage Plan, Green Business Financing Plan, and Green Vehicle Financing Programme and Green Taxi Financing Programme.

Sustainable Investment Advisory

As the investment banking arm of the Public Bank Group, Public Investment Bank continues to pursue the integration of ESG considerations in its financial decisions with the objective of driving sustainable returns. Accordingly, Public Investment Bank assists issuers of sustainable financing via the issuance of Sustainable and Responsible Investment Sukuk and Bonds under the ASEAN Green, Social and Sustainability Bond Standards.

Sustainable and Responsible Investing

Public Mutual, the premier private unit trust and Private Retirement Scheme ("PRS") provider in Malaysia embeds sustainability considerations in the management of its funds to deliver long-term returns to its investors.

Public Mutual's responsible investing approach encompasses two key strategies:



In 2023, Public Mutual launched two SRI funds, the PB Sustainable Growth Fund and Public Islamic Regional ESG Fund, raising the total number of its SRI funds to five and its aggregated net asset value ("NAV") of SRI funds under management to RM891.5 million as at the end of 2023. Shariah-based funds incorporate socially responsible Shariah principles and Public Mutual continues to manage the most Islamic funds in the private unit trust industry at 63 with a total NAV of over RM45 billion as at the end of 2023.

As a testament of its commitment and excellence in ESG fund management, Public Mutual won two awards under the Funds Category at The Edge Malaysia ESG Awards 2023.

SUSTAINABILITY REPORT

DELIVERING SUSTAINABLE IMPACT

Theme 1: Protecting the Environment



Sustainable Supply Chain

The Group's Approach

A sustainable supply chain is an essential factor to mitigate the risk of business disruption caused by economic, social and environmental impacts. The Public Bank Group is progressively working towards aligning sustainable practices across its value chain, improving supplier management efficiency and mitigating supply chain risks.

► Key Highlights

- Enhanced **the Public Bank Group Vendor Code of Conduct**
- About **97%** procurement spent on local suppliers

► Targets/Sub-targets

- **100%** of suppliers and vendors to acknowledge the Public Bank Group Vendor Code of Conduct by 2025

Supporting Local Suppliers

As part of its efforts to support the local economy, the Public Bank Group sources from local suppliers and vendors. This is reflected through the Group's supplier profile whereby over 98% of the total suppliers are local suppliers.

For more information on the Public Bank Group's data on suppliers, please refer to **Section Reference: Performance Data (Suppliers)** on page 251.

Aligning Public Bank's Expectations Across the Supply Chain

The Public Bank Group has put in place the ESG requirements of its suppliers and vendors through the Public Bank Group Vendor Code of Conduct ("Vendor CoC"). The Vendor CoC sets out the principles and expectations of its suppliers and vendors to conduct their businesses in line with the Group's corporate objectives of upholding good corporate governance and building a sustainable, ethical, strong, respectable and profitable business.

The Vendor CoC applies to all of the Public Bank Group's third-party suppliers, vendors, consultants and contractors. In 2023, the Group reviewed and enhanced its Vendor CoC, setting higher ESG expectations required of its suppliers and vendors. The key enhancements are focused on environmental-related practices such as resource management, carbon emissions management and climate resilience.

Key ESG issues set out in the Public Bank Group Vendor Code of Conduct

- | | | |
|---------------------------------------|---------------------------|---------------------------------|
| ✓ Anti-Bribery and Anti-Corruption | ✓ Climate Resilience | ✓ Human Rights |
| ✓ Business Integrity and Ethics | ✓ Health and Safety | ✓ Discrimination and Harassment |
| ✓ Resource Management | ✓ Forced and Child Labour | ✓ Freedom of Association |
| ✓ Carbon Emissions Management | ✓ Working Environment | ✓ Product Quality and Safety |
| ✓ Confidentiality and Data Protection | ✓ Whistleblowing Policy | |

Read more on Public Bank Group Vendor Code of Conduct at <https://www.publicbankgroup.com/sustainability/sustainability-report/>.

Driving the ESG Agenda through Vendor Engagement

In addition to the vendor due diligence conducted on existing and potential suppliers and vendors, the Public Bank Group has embedded ESG criteria into its supplier screening process to encourage sustainable practices among its suppliers and vendors. If necessary, the Group conducts on-site audits to ensure the suppliers and vendors' practices are aligned with the Group's ESG commitments.

To promote greener procurement practices, the Public Bank Group actively encourages its suppliers and vendors to participate in its electronic purchase orders. The Group will continue to identify and explore areas for improvement to create better ESG practices in its supply chain.

458

Vendor due diligence conducted

90

ESG screenings performed*

* Public Bank and Public Islamic Bank

A fair supplier selection process for fair and equal opportunities in doing business with the Group



Sound management background with good business ethics



Speedy delivery with short lead or turnaround time



Competitive pricing



Reliability and quality of products and services



Capability and capacity to supply goods and services according to the Group's requirements and specifications



After sales support



Technology and design of products



Embedding ESG practices into their business operations

Building Climate Resilience

To effectively respond to financial risks and disruptions to supply chains due to climate change, the Public Bank Group ensures that vendors of critical services are aware and manage their climate-related risks to prevent disruption to the provision of the Group's products and services. The Group also practises multi vendors system to avoid over reliance on a single link in the supply chain.

Theme 2: Proficient Employees

Material Matters

 Diversity and Inclusion

 Employee Engagement and Development

 Human and Labour Rights

Related UN SDGs



“Employees are the Public Bank Group’s greatest asset, and their proficiency has a direct impact on customer support and loyalty, contributing to the Group’s bottom-line.”

Dato’ Chang Kat Kiam
Deputy Chief Executive Officer



Diversity and Inclusion

The Group's Approach

Diversity and inclusion create a progressive, collaborative and safe workplace where employees feel empowered and respected. A collaborative culture drives innovation, productivity and profitability. At the core of the Public Bank Group's approach is the Diversity, Equality and Inclusion ("DEI") Policy, which sets the foundation of the Group's advancement of a diverse, equal and inclusive culture.

► Key Highlights

- **48.8%** female representation in Senior Management
- Over **2,700** new hires during the year
- Healthy employee turnover rate at **9.5%**

► Targets/Sub-targets

- **≥45.0%** female representation at Senior Management level

Advancing People-Related Policies

In 2023, the DEI Policy was reviewed to reinforce its stance in upholding diversity, equality and inclusion. The DEI Policy demonstrates the Public Bank Group's commitment to provide an inclusive, safe and conducive workplace for its employees. The key tenets of the DEI Policy include:

- ▶ Equal employment opportunity, elimination of all forms of forced and compulsory labour as well as non-discrimination towards race, gender, religion, ethnicity, age, disability, nationality, culture, marital and parental status, physical impairment and religious beliefs;
- ▶ Fair and equal access to all developmental and career advancement opportunity;
- ▶ Prioritising the safety, health and well-being of employees;
- ▶ Fair and equitable remuneration, recognition and rewards;
- ▶ Transparent and fair performance appraisal system;
- ▶ Compliance with fair labour practices, uphold freedom of association, right to collective bargaining and minimum wage; and
- ▶ Embedding supportive and inclusive culture through women empowerment in support of equal rights for women.

The DEI Policy is accessible through Public Bank's corporate website.

Read more:

<https://www.publicbankgroup.com/sustainability/diverse-and-inclusive-workforce/>

SUSTAINABILITY REPORT

DELIVERING SUSTAINABLE IMPACT

Theme 2: Proficient Employees

Nurturing a Diverse and Inclusive Workforce

The Public Bank Group's philosophy of embracing diversity and inclusion goes beyond gender, ethnicity, experience and nationality. In the Public Bank Group, the workplace is designed to foster employee growth and development.

As an equal opportunity employer, the Public Bank Group adopts a non-discriminatory approach. The Group's gender-balanced workforce and composition of women in leadership positions are reflective of its commitment. This year, women made up more than 60% of the workforce and held over 48% of the Senior Management positions respectively.

Over the years, a total of 28 differently-abled employees were recruited into the Public Bank Group's workforce. To facilitate the new hires in assimilating with the culture and building a sense of belonging, relevant assistance is provided to expedite the integration process.

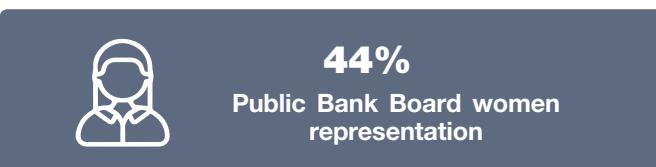
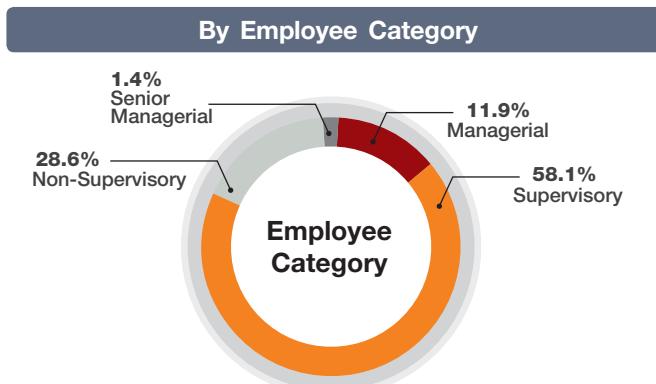
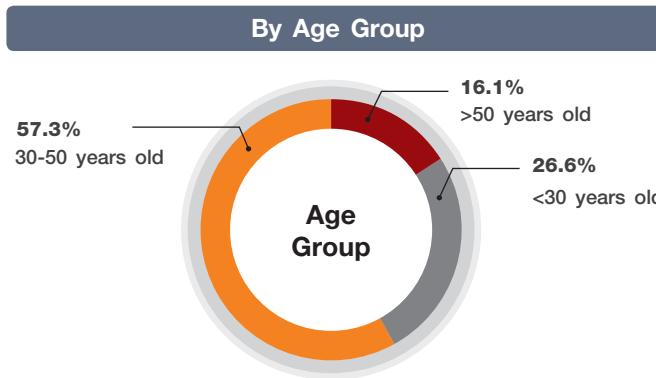
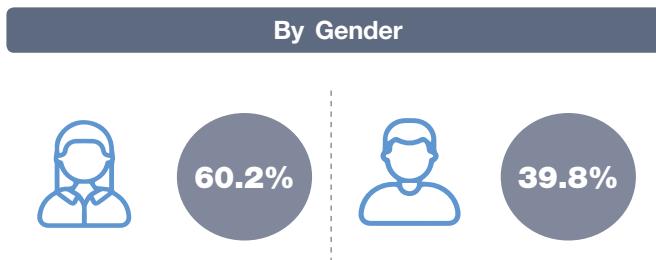
For more information on the Public Bank Group's data on employee diversity, please refer to **Section Reference: Performance Data (Workforce)** on page 239.

Advocating Equal Opportunities

The Public Bank Group advocates for rewarding career progression for its employees and ensures fair advancement based on merit. In 2023, a total of 1,036 female and 843 male employees were promoted.

In Malaysia, the gender pay gap for female employees was 0.1 point less than the male index (based on male index of 1.0), reinforcing the Public Bank Group's commitment to equality at the workplace.

Employee Diversity Dashboard





Employee Engagement and Development

The Group's Approach

The Public Bank Group believes that talent is intrinsically linked to the success of the business. Against a rapidly evolving banking landscape, talent development continues to be at the forefront of the Group's strategy towards human capital to keep pace with change and remain agile.

Developing Talent and Leadership

Learning and development opportunities are curated and made accessible to all employees from all levels across the Public Bank Group with the objective of upskilling and nurturing a growth mind set in both professional and personal capacities.

In 2023, the Public Bank Group's employees completed more than one million hours of learning and more than 535,000 enrolments in key training programmes.

► Key Highlights

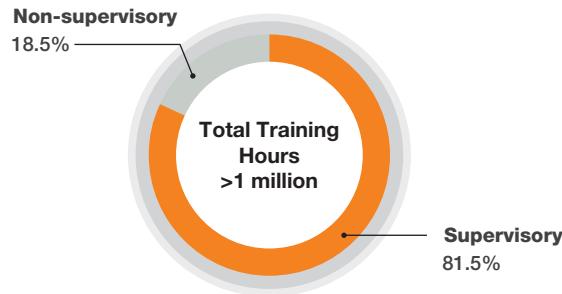
- Over **RM52 million** spent on training and development
- Achieved over **one million** total training hours across the Group
- Developed **Staff Grievance Policy**

► Targets/Sub-targets

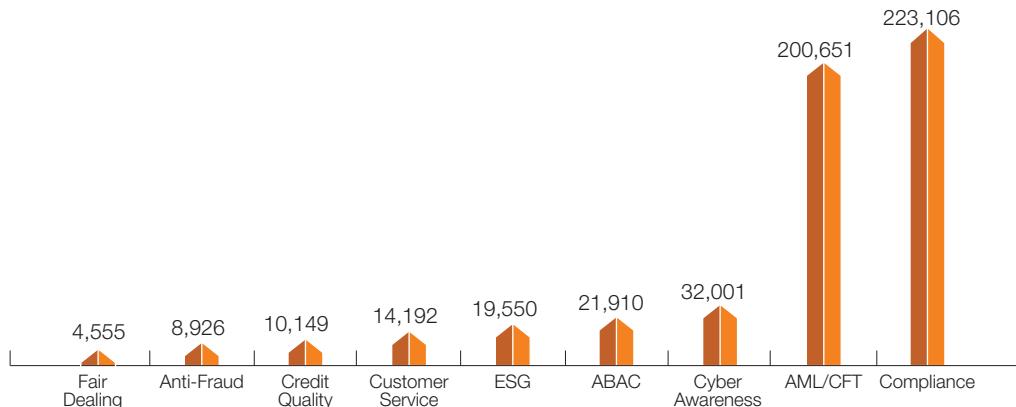
- Achieve a minimum of **two hours ESG-related training per year** for all employees from 2024
- Establish a **Sustainability Centre of Excellence ("COE")** to support internal and client transition by 2024

Employee Training Dashboard

Total Training Hours by Employee Category



Breakdown of Training Enrolments, by Key Training Programmes



Notes:

1. ABAC: Anti-Bribery and Anti-Corruption
2. AML/CFT: Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions Policy

SUSTAINABILITY REPORT

DELIVERING SUSTAINABLE IMPACT

Theme 2: Proficient Employees

During the year, the Training Framework took on the overarching theme of Capacity Building, Collaboration and Care. In line with the PIVOT-25 Talent Development Blueprint, the Public Bank Group continues to focus on the three Essentials, namely *People*, *Business* and *Digital Essentials*.

In preparing the Public Bank Group's workforce for the future by developing the required skills, some key initiatives implemented in 2023 include:

- **Skill Gap Assessment (“SGA”)** – This assessment facilitates the identification of competency gaps among employees and matching to the relevant trainings. To-date, over 3,900 employees participated in the SGA for Frontline Operations and Islamic Banking.
- **Digital Upskilling Programme** – With rapid digitalisation shaping the future of banking, this digital upskilling programme offers digital-essential curriculum which focuses on promoting baseline digital proficiency, developing higher level digital skills for non-information technology users and strengthening digital awareness in critical digital-related areas.
- **Managerial Skill Programme** – In supporting managerial roles to develop strong leadership qualities and become successful people managers, identified candidates are enrolled into an online learning programme in partnership with Harvard ManageMentor. The platform provides comprehensive leadership webinar courses facilitated by world-class moderators from Harvard to build fundamental leadership knowledge and skills.
- **Sustainability Capacity Building** – In view of the increasing expectations of stakeholders and regulatory requirements in the banking industry, sustainability-related trainings are made available across the business from new hires up to the Board of Directors. The Group regularly enrols candidates in credible sustainability-related certified courses throughout the year.

Learning Exchange Platform

As part of the talent retention strategy and to support internal employees to build holistic skillsets within the Public Bank Group, ‘My PB Aspiration’ was established as a platform to enable and facilitate internal job mobility. Interested candidates are encouraged to apply for job roles posted within the platform and matched based on skills, relevance and experience.

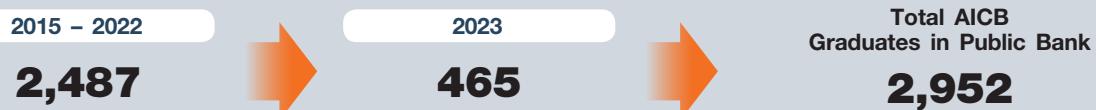
For more information on the Public Bank Group’s data on employee training and development, please refer to  **Section Reference: Performance Data (Workforce)** on page 239.

Training Professionals Amongst the Workforce

In 2023, the Public Bank Group was awarded the inaugural Platinum Award for '**Leading Bank for Professional Development**' by Asian Institute of Chartered Bankers ("AICB") for having the highest number of employees with banking qualifications. The Group held the record for the most number of AICB graduates for the last nine consecutive years.

To date, the Public Bank Group has a total of 73 employees with Chartered Banker qualification, making it the top Bank with the most number of Chartered Banker as at 31 December 2023. For this, the Group received another inaugural AICB Award '**Leading Bank for Chartered Banker**'.

Number of AICB Graduates in Public Bank



On the Islamic banking front, the Public Bank Group continues to work closely with external training and certification providers such as Chartered Institute of Islamic Finance and Association of Islamic Banking and Financial Institutions Malaysia.

Number of Certified Employees in Islamic Certifications



Certified Professional Shariah Auditors



PB BINGO Gamification Campaign 2023

The Public Bank Group held a nationwide 'PB BINGO' gamification campaign on its mobile application, PBeXperience. The campaign, held from 30 October to 30 November 2023, aimed to raise baseline knowledge in products and services, regulations and compliance, ESG, sales and services, and general knowledge while promoting a selling culture among all employees.

Inspired by the traditional Bingo game, PB Bingo was modified into a digital game consisting of 25 knowledge and referral-based mini challenges. Through innovative gamified learning experiences on digital platforms, the Public Bank Group continues to inculcate the habit of continuous learning in its effort to foster proficient employees.



8,224
players participated



70,086
mini-challenges completed



SUSTAINABILITY REPORT

DELIVERING SUSTAINABLE IMPACT

Theme 2: Proficient Employees

Attracting and Retaining Talent

Underlying the Public Bank Group's success is the ability of its talent pool to drive positive business outcomes. It is a challenge for the Group to attract and retain its talent pool amidst high demands for talent across the industry. To this end, the Group focused on differentiating itself against its competitors to attract the right talent. Initiatives include:

- **Campus Engagement** – The key objective of this initiative is to strengthen the Group's brand name among the youths through a series of campus activities. In 2023, the Group held various activities including 49 careers fairs and 19 career engagement talks.
- **Internship Programme** – The Group offers of internship placements throughout the year to provide exposure and build interest in the banking industry. A total of 96 interns were hired during the year. Those with commendable performance were absorbed as full time employees.
- **PB TalentMax Programme** – The Group's flagship one-year training programme which incorporates virtual classroom, e-learning, on-the-job training, project or learning assignments as well as mentoring. This year, a total of 758 fresh graduates were enrolled into this programme.
- **Return to Work Programme** – This programme provides annual working contracts to retired employees who wish to return to the workforce and continue to share their knowledge and experience with their younger peers. The Group re-employed 70 retired employees in 2023 to leverage on their skills and experiences for a special project.

Driving Performance of Employees

To motivate employees in driving the Public Bank Group's long-term sustainable goals, employees are rewarded through financial and non-financial means. The amount and type of compensation awarded will be commensurate with each employee's performance, measured based on specific Key Performance Indicators ("KPIs") determined annually.

Quantitative ESG KPIs

The Public Bank Group has integrated ESG KPIs into the performance assessment of the C-suite and Senior Management to demonstrate the importance of leadership roles in driving the sustainability agenda.

Following the introduction of Quantitative ESG KPIs for Head of Divisions ("HoDs") in 2022, the KPIs are now extended to the C-suite and Senior Management of Public Bank, as well as Chief Executive Officer, General Manager and HoDs of Public Islamic Bank.

Quantitative ESG KPIs in relation to 'ESG-friendly Economic Activities/Green Activities' continue to be incorporated within the score cards of Regional Managers and Branch Management Personnel (including Hire Purchase ("HP") Centres and HP Hubs) to promote growth in ESG Financing and Deposit/Wealth Management products, corresponding with the Group's sustainability financing target.

Planning for Future Leaders

The Public Bank Group has a structured and dynamic succession planning culture which covers multi-pronged talent identification and development approaches where all key leadership positions are ready with identified potential successors.

Customised leadership development programmes have been created under three main categories:



Leading Self



Leading Teams



Leading Organisation

The Public Bank Group continues to provide opportunities for career progression for existing employees. In 2023, 2,054 employees were assessed and included in the Group's talent pool, whilst 1,879 employees were promoted to take on greater responsibilities. As a result, the Group maintained a low attrition rate of 9.5% in 2023.

SEED Programme

The SEED ("Support, Engage, Empower and Develop") programme is developed to assist new Management Trainees in maximising their potential in the Public Bank Group. In the SEED programme, a Talent Development Partner ("TDP") is identified and assigned to each trainee. The TDP acts as an advisor to the trainees to provide necessary support and guidance throughout their learning journey.

The SEED program involves a two-way communication as feedback from both the TDP and the trainees to foster collaboration and enhance the trainees' onboarding experience. The proactive engagement initiative has contributed to a high retention rate of Management Trainees of 79.3%.

Listening to the Employees

Employee engagement is pivotal in understanding employee satisfaction and fostering positive work sentiment towards the Public Bank Group. Employee engagement also enables the Management to gain insights of potential areas of improvement across the business. This year, the Malaysian operations conducted its inaugural Workplace Pulse Survey ("WPS"). The survey received an overwhelming response rate of 74%, signalling a positive reception towards the survey. The outcome of the survey will be used to drive employee-focused initiatives with the aim of improving workplace culture and environment.

Grievance Handling Mechanism

- **Staff Grievance Policy** – A systematic and structured grievance handling mechanism for employees to voice concerns, especially in respect of any violations of labour practice and human rights through the 'Staff Grievance Portal' digital platform.
- **Whistleblowing Policy and Procedures** – A confidential avenue for employees and third parties to speak up and raise legitimate concerns about any wrongdoings at the workplace without any fear of reprisals.

Awards and Recognition

In 2023, the Public Bank Group's talent branding efforts were recognised with various awards. Public Bank was awarded the 'Top 3 Best Employer in the Banking sector' for the sixth consecutive year and 'Top 1% among Graduates Preferred Employer (Graduates' Top 25 Preferred Employers in Malaysia)' for the third consecutive year in the 2023 Graduates' Choice Award. In the same regard, Public Investment Bank won the 'Fourth Most Preferred Employer in Investment Banking' whilst Public Islamic Bank was awarded the 'Sixth Most Preferred Employer in Islamic Banking' in the 2023 Graduates' Choice Award. Meanwhile, Public Mutual was awarded 'Premium Employer Partner' for the fourth consecutive year by the Chartered Financial Analyst ("CFA") Society Malaysia.

SUSTAINABILITY REPORT

DELIVERING SUSTAINABLE IMPACT

Theme 2: Proficient Employees



Human and Labour Rights

The Group's Approach

The Public Bank Group is committed to upholding and respecting human and labour rights. The Group respects human rights and vigilantly keeps abreast with the latest developments in the employment law, industrial relations law as well as the human rights climate in the community where the Group operates and takes human rights matters into its considerations across the business operations. The Group expects the same principles are upheld by all its employees and integrated across its value chain.

Protecting Human and Labour Rights

In ensuring that all Public Bank Group's employees are treated with respect and dignity, the Group does not tolerate any malpractices or inappropriate behaviour including violation of human rights, child labour or unfair labour practices.

Employees can raise concerns relating to the workplace including discrimination and harassment via the existing reporting channels, such as the whistleblowing channel and staff grievance portal. Mechanisms are in place to manage human and labour rights violations, should they occur.

The Public Bank Group also recognises that its business relationships have the potential to cause or contribute towards negative human and labour rights impact. In this respect, all suppliers and vendors are expected to align with the Group's commitments. The salient principles expected of them are - respect human rights principles, prohibit all forms of forced or child labour in its operations and at minimum, meet the applicable employment and labour regulations.

Recognising that policies and preventive measures may not sufficiently mitigate all the risk related to human and labour rights, the Public Bank Group proactively communicates its expectations to the relevant stakeholders through the revised DEI Policy and Public Bank Group Vendor Code of Conduct. As part of the Group's commitment towards human and labour rights, the Group aims to publish a Human Rights Policy in the near term.

► Key Highlights

- **Zero** incidents of human rights violation
- **Zero** accidents with fatalities
- Developed **Anti-Sexual Harassment Policy**

In 2023, there were zero incidents reported related to violation of human rights, unfair labour practice, discrimination and/or harassment.

Anti – Sexual Harassment Policy

An Anti – Sexual Harassment Policy is in place to provide a safe work environment for all employees, free from sexual harassment arising out of and in the course of employment. Sexual harassment in the workplace includes any employment-related sexual harassment occurring outside the workplace due to employment responsibilities or employment relationships. In the event of a sexual harassment incident occurring in the workplace, proper investigation shall be conducted and disciplinary action shall be taken if the complaint is verified.

Health and Safety in the Workplace

The Occupational Safety and Health ("OSH") Policy was developed published with the objective of creating a safe and healthy workplace. The OSH Policy is guided by the requirements and guidelines of the local authorities such as the Occupational Safety and Health Act 1994.

A Safety and Health Committee was established to assist in reviewing and developing safety and health standards and procedures at the workplace. The OSH Unit, supporting the Safety and Health Committee carries out inspections to identify and assess potential risk to the health, safety and security of the stakeholders at the workplace. Periodic fire and evacuation drills are conducted as a fire safety procedure to prepare and familiarise the employees with the evacuation procedure in the event of emergency.

The Public Bank Group continuously equips its employees with the necessary training and knowledge of OSH to protect its people and the relevant stakeholders. In 2023, 140 certified first aiders attended the refresher first aid training course. In addition, the Group continues to conduct e-learning courses on OSH-related matters to raise awareness among the employees.

Similarly, the same principles and expectations are required of the Public Bank Group's suppliers and vendors. They are expected to uphold the same principles and adhere to the Group's OSH Policy and requirements, especially when stationed at the Group's premises.

The Public Bank Group has in place a reporting cadence to manage any accident or mishap that may occur.



Employee reports accident/mishap to their superiors, who shall immediately notify the OSH unit



Report is presented to Safety and Health Committee ("SHC")



Assigned SHC member inspects the place of accident/mishap and investigates the claim



SHC recommends corrective action and makes the necessary recommendations to Management, if any



Preventive and corrective actions are taken



Report is presented to OSH unit for review/onward submission to Department of Occupational Safety and Health ("DOSH")

OSH Dashboard

Zero accidents
with fatalities

Lost Time Incident Rate
0.075 per 100 employees

Over 14,700
employees trained on
health and safety
standards in 2023

For more information on the Public Bank Group's data on OSH, please refer to **Section Reference: Performance Data (Workforce)** on page 239.

SUSTAINABILITY REPORT

DELIVERING SUSTAINABLE IMPACT

Theme 2: Proficient Employees

Caring for Employees' Well-being

Going beyond regulatory compliance, the Public Bank Group continued its robust 'Be Well and Healthy' programme to provide holistic and inclusive approach on well-being, focusing on the three pillars of Physical, Mental and Financial Well-being. As part of the programmes, employee benefits are regularly reviewed and guided by the three pillars.

The Public Bank Group provides employees with a comprehensive suite of benefits including:

Life and Personal Development

- Flexible working arrangement
- 98 days entitlement of maternity leave
- 10 days entitlement of paternity leave
- Medical benefit for employees and immediate family members
- Onsite medical services with in-house clinic
- Lactation facilities
- Long-term medical programme
- Medical insurance subsidy for immediate family member

Financial Assistance

- Childcare allowance
- Natural disaster financial aid
- Interest free solar panel financing
- Staff housing, vehicle and renovation loans
- Special loan schemes for the purchase of electronic gadgets, payment of medical expenses of immediate family members, funeral expenses, disaster relief, further study and house renovation

Health and Convenience

In collaboration with a local pharmacy, a Medication Safety Locker was placed in Menara Public Bank to promote safe, fast, convenient and secure delivery of long-term medication to its employees. Medication purchased is delivered to the safety locker and retrieved through use of Quick Response ("QR") Code providing convenience at the finger-tips for employees.



Theme 3: Prosperous Customers and Communities

Material Matters



Responsible Lending Practices



Financial Inclusion and Accessibility



Customer Satisfaction



Community Empowerment



Digital Transformation

Related UN SDGs



1 NO POVERTY
Poverty reduction and inclusive growth



3 GOOD HEALTH AND WELL-BEING
Promotion of healthy living and well-being



4 QUALITY EDUCATION
Ensuring inclusive and equitable quality education



8 DECENT WORK AND ECONOMIC GROWTH
Promotion of decent work and sustainable economic growth



9 INDUSTRY, INNOVATION,
AND INFRASTRUCTURE
Promotion of industrialization and innovation



10 REDUCED INEQUALITIES
Promotion of equality and inclusion



11 SUSTAINABLE CITIES
AND COMMUNITIES
Promotion of sustainable urban development

“A thriving and prosperous community is core to the Public Bank Group’s sustainability and success in the long-term.”

*Dato’ Sulaiman Bin Abd Manap
Senior Chief Operating Officer*

SUSTAINABILITY REPORT

DELIVERING SUSTAINABLE IMPACT

Theme 3: Prosperous Customers and Communities



Responsible Lending Practices

The Group's Approach

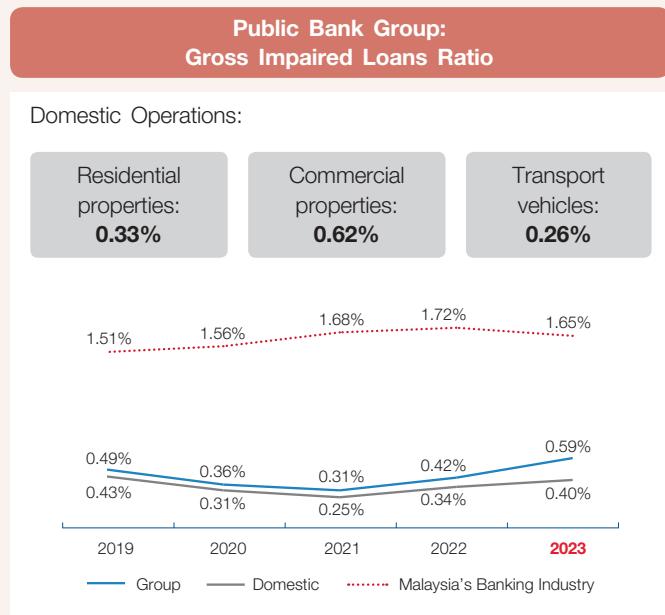
The Public Bank Group's responsible lending approach is supported by its Credit Policy, which is a comprehensive framework encompassing lending directions, procedures, management of credit risks and minimum credit standards. To ensure the resilience of its loan portfolio, the Group practises a strict credit appraisal approach, underpinned by a strong centralised credit control and credit risk management system.

Embedding Responsible Lending Principles across the Group

The Public Bank Group has established a sound and well-defined RAC for housing loan/house financing, commercial retail loan/financing, retail small and medium enterprise ("SME") financing and corporate loans, which is commensurate with the Group's policy on sectoral concentration risk and key factors aligned with the Group's business strategy.

To this end, employees play a critical role in operationalising the principles. Periodic training is conducted to ensure employees are competent in making responsible credit judgements amid the rapidly changing regulatory requirements and credit management environment. On average, more than 9,000 employees were trained annually since 2021.

The Public Bank Group's responsible lending practices have resulted in low impaired loans ratio across its major business segments.



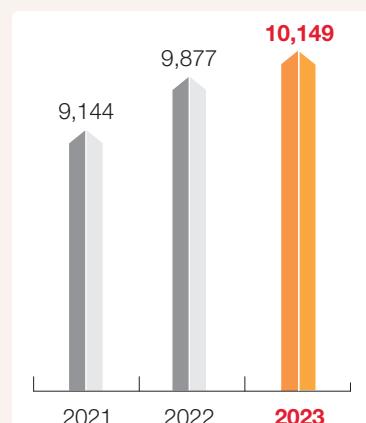
Note: Industry's figures for 2021 onwards were based on the new set loan/financing data reflecting the latest requirements.

► Key Highlights

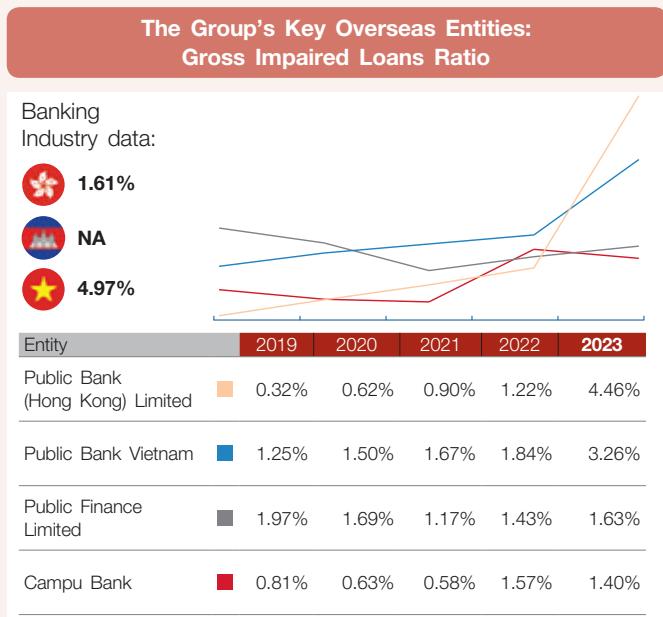
- More than **16,000** customers benefitted from the Group's financial assistance programmes

Credit Quality Training

(Number of participants)



Note: Data excludes Public Mutual and Public Investment Bank.



Notes: 1. Public Bank (Hong Kong) Limited and Public Finance Limited are major subsidiaries of PFHL.

2. Hong Kong's banking industry data is at the end of September 2023.

3. NA: Not Available.

Supporting Customers in Need

The Public Bank Group offers a comprehensive suite of repayment assistance to assist individuals and businesses which encounter financial difficulties. In line with the nation's economic recovery in 2023, the Group continues to offer programmes which support the financial well-being of customers:

Collaboration with AKPK

- Collaboration with Agensi Kaunseling dan Pengurusan Kredit ("AKPK")'s Debt Management Programme
- Borrowers were given guidance and options to restructure their repayment and regain control of their finances
- Referred more than **5,000** customers accounts with cumulative loans over **RM760 million** to AKPK for repayment assistance

Revising Repayment/Rescheduling and Restructuring ("R&R")

- Tiered reduction in repayment for 12 months period for individuals who are employed but had their salaries reduced
- Extended to the SMEs which encounter reduced business income
- Approved more than **RM2.9 billion** of revised repayment as well as restructuring and rescheduling for more than **8,000 customers**

Retaining Original Monthly Instalment Amount

- Customers may request to retain their original monthly instalment amount paid prior to the increase of interest rates
- Assisted more than **600 customers** amounting to about **RM190 million***

Flood Moratorium

- Loan repayment relief of up to six months repayment moratorium for customers affected by floods
- Granted flood moratorium for more than **3,000** customers amounting to about **RM1.3 billion**

* for retail segment

AKPK Financial Advisory Clinic

In collaboration with AKPK, the Financial Advisory Clinic was set up to assist customers who are facing financial difficulties to engage with Public Bank via a single one-stop platform for financial assistance.

Retail Loans/Financing

18 AKPK Carnivals were organised in 2023, attracting more than **2,600** customers

Hire Purchase

Eight Hire Purchase Financial Advisory Clinics were organised in 2023, attracting more than **300** customers

SUSTAINABILITY REPORT

DELIVERING SUSTAINABLE IMPACT

Theme 3: Prosperous Customers and Communities



Financial Inclusion and Accessibility

The Group's Approach

Understanding that every customer has different financing needs, the Public Bank Group's financial inclusion efforts are focused on enabling equitable access to financing for all customer segments, encompassing corporate, small and medium businesses, and retail customers. The Group aims to improve the lives of 1.5 million individuals through inclusive finance by 2025 starting from 2021.

Providing Accessible Banking

The Public Bank Group focuses on delivering better services and making banking accessible for all, from physical touchpoints to digital interactions. The Group utilises multiple platforms to offer its products and services, and to listen and cater to the diverse needs of customers.

► Key Highlights

- Assisted more than **25,300** low to medium income earners in owning a home
- Elevated the financial well-being of over **one million** individuals since 2021
- Extended about **RM3.7 billion** of Government and BNM initiated financing schemes to benefit more than **19,000** businesses

► Targets

- Improve lives of **1.5 million** individuals through inclusive finance by 2025 starting from 2021

Physical Presence

- The Public Bank Group places importance on physical presence with an extensive coverage of branch network and self-service terminals. To-date, the Group operates over 400 physical branches and over 2,000 self-service terminals across its footprint in Asia.

Banking

Branches	Self-service Terminals
264	2,070
73	27
32	84
40	66

Investment

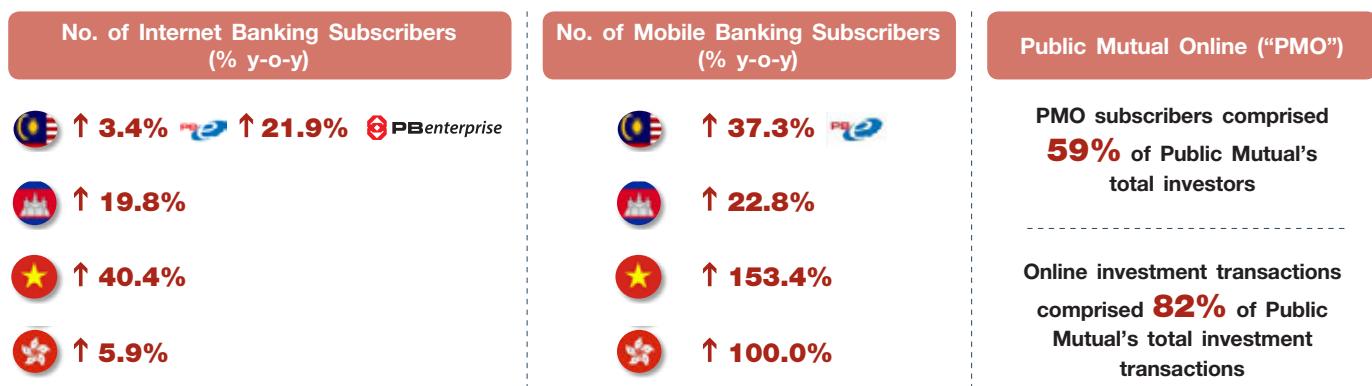
Public Mutual



31 branches and customer service centres

Digital Platforms

- The PBe internet banking and PB engage mobile application offer customers a comprehensive set of services, fulfilling their everyday banking needs.
- The PB enterprise internet banking is specifically catered to the needs of businesses, offering them a one-stop digital platform to run their business finances with ease and convenience.
- In 2023, Public Bank (Hong Kong) Limited successfully launched its brand new mobile banking application, PBHK Digi.

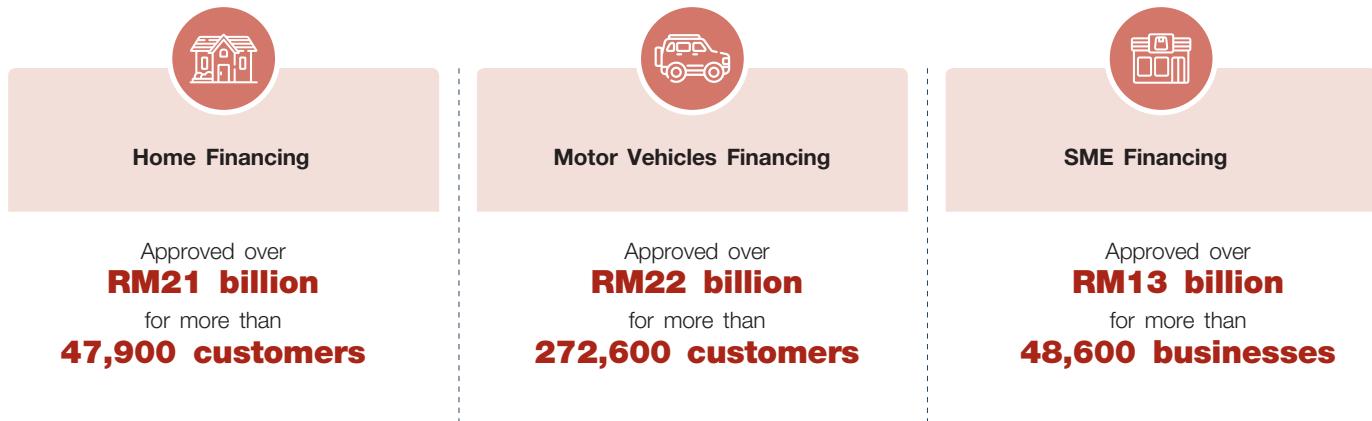


 For more information on the Public Bank Group's data on Digital Banking, please refer to **Section Reference: Performance Data (Customers)** on page 249.

Inclusive Financing

Towards achieving its target to improve lives of 1.5 million individuals through inclusive finance by 2025, the Public Bank Group has, since 2021, elevated the financial well-being of over one million individuals. The Group continues to offer financing to the mass market, particularly for the purchase of homes and motor vehicles for individual customers as well as SME financing.

In 2023, about 53% of the Public Bank Group's newly approved housing loans were for the purchase of home costing between RM100,000 and RM500,000. This benefitted more than 25,300 customers from low to medium income group.



SUSTAINABILITY REPORT

DELIVERING SUSTAINABLE IMPACT

Theme 3: Prosperous Customers and Communities

Advancing Financial Literacy

The Public Bank Group continues to embark on various initiatives to support the development of a financially literate nation. Some of the key initiatives the Group undertook in 2023 are:

- Public Bank organised ‘SME Developers Seminars’ to promote sustainability among the SMEs from real estate sector;

- Public Investment Bank participated in Bursa Malaysia’s Inter-Varsity Stock Challenge 2023 and Karnival Saham Terengganu, as well as Monash University’s Workshop Programme: MUIG Summit: Trade, Invest, Triumph!; and

- Public Mutual organised the ‘Investors’ Day 2023’, webinars and workshops on money management, namely ‘Manage Your Wealth Wisely and Say No to Money Scams’ webinar, ‘Jom Simpan Moneyku’ workshop and ‘Money Matters for Women’ webinar, as well as broadcasted its first talk show on YouTube, ‘MoneyKu Talk Show – Millennials’ Spending Habits’.

Investors’ Day 2023

Public Mutual organised the ‘Investors’ Day 2023 – Investment Strategies for Long-Term Success’ webinar, where its investment professionals and Certified Financial Planners shared their insights on the current economic issues and market conditions, as well as guidance on how investors and the general public can better manage their investment portfolios and finances.

Attracted 1,449 participants



Stimulating Entrepreneurship Growth

The Public Bank Group focused on enhancing growth opportunities for SMEs across all industries, driven by the following initiatives:

- ① Offer comprehensive financing solutions for the SMEs through the flagship product, SWIFT Plan;
- ② Provide ecosystem to support SME business via PB enterprise, enabling SMEs to adapt to evolving market changes and keep pace with rapid digitalisation;
- ③ Offer the PB enterprise Digital SME Assist, a collaboration programme with SME digital partners to provide businesses with exclusive privileges and rewards for digital business solutions;
- ④ Participate in the Government and BNM’s SME financing schemes. About **RM3.7 billion** in funding assistance approved, benefitting over **19,000** businesses as at the end of 2023;
 - Special Relief Facility
 - PENJANA SME Financing
 - Government Guarantee Scheme
 - BNM SME All Economic Sectors
 - PENJANA Tourism Financing
 - Automation and Digitalisation Facility
 - Agrofood Facility
 - Micro Enterprises Facility
 - Targeted Relief and Recovery Facility
 - High Tech and Green Facility
 - PEMULIH Government Guarantee Scheme
 - Disaster Relief Facility 2022
 - Low Carbon Transition Facility
 - Government Guarantee Scheme MADANI
- ⑤ Conduct virtual SME Financing Roadshows to deliver advisory services in relation to financing opportunities, build financial literacy and provide an avenue for SMEs to address any financial/funding information asymmetry challenges faced. In 2023, four virtual roadshows were held for more than 130 SME participants;
- ⑥ Participate in the imSME online portal managed by Credit Guarantee Corporation Malaysia Berhad;
- ⑦ Establish SME Helpdesk, which is accessible at Head Office via email; and
- ⑧ Appoint designated officers for SME financing at branches to assist SMEs with their queries.

SME Developers Seminar

To promote sustainability and drive the transition of SMEs to a low carbon business model, two full-day green seminars for SME property developers were organised by Public Bank in Malaysia during the year. Industry experts were invited to share their knowledge, tips and guidance to SMEs on ESG and climate risks in relation to the property sector. This includes sharing of key market trends in green property development, benefits of pursuing sustainability, the processes involved in obtaining green certification, related Government regulations and sustainable financing solutions offered by the Bank.

The seminars, held in Kuala Lumpur and Penang, attracted and benefitted over 300 SME delegates from the real estate sector who are based in Kuala Lumpur, Selangor, Perak, Penang, Kedah and Perlis.



Extending Financial Outreach in Cambodia

Campu Bank continues to collaborate with affordable housing developers to support home ownership among the low to medium income segment, with an approved financing for affordable housing amounting to USD10.3 million as at the end of 2023.

In addition, Campu Bank participated in the Business Recovery Guarantee Scheme by the Credit Guarantee Corporation of Cambodia (“CGCC”) to support micro, small and medium enterprises. Under this scheme, CGCC will provide guarantee coverage of 70%-80% of loan principal amount to businesses. As at the end of 2023, Campu Bank has approved more than USD1.2 million of financing under this scheme.

SUSTAINABILITY REPORT

DELIVERING SUSTAINABLE IMPACT

Theme 3: Prosperous Customers and Communities



Customer Satisfaction

The Group's Approach

The Public Bank Group strives to embed a customer-centric approach in all dealings with its customers. The Group's corporate tagline, 'Excellence is Our Commitment', reflects its continuous pursuit to deliver best-in-class customer service.

► Key Highlights

- Achieved a **Net Promoter Score of +61**
- Launched **PB Customer Xperience Survey** via QR code

Maintaining Excellent Customer Service

The Public Bank Customer Service Charter, set up in 2011 was intended to outline the key commitments and service standards for all bankers when providing services to customers.

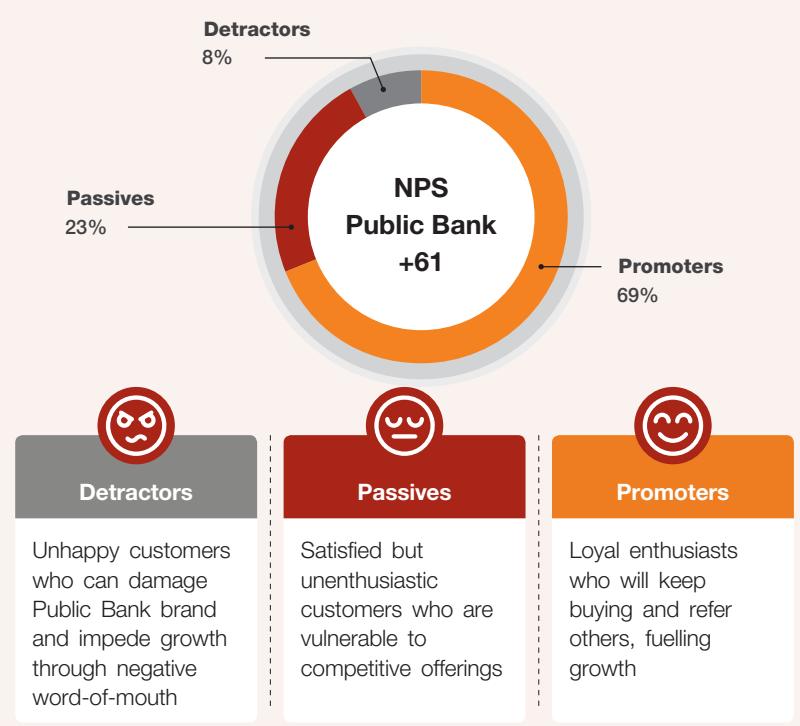


Measuring Customer Satisfaction

Public Bank in Malaysia participated in the Customer Satisfaction Survey 2022/2023 conducted by the Association of Banks in Malaysia. The survey uses Net Promoter Score ("NPS") to measure customers' likelihood to recommend a company or product to others. A total of 19 banks participated in the survey including Islamic banks.

The survey results revealed that Public Bank's NPS has improved from +45 in 2019 to +61 in 2023, and is on par with the overall Malaysian banking industry's NPS of +61 in 2023.

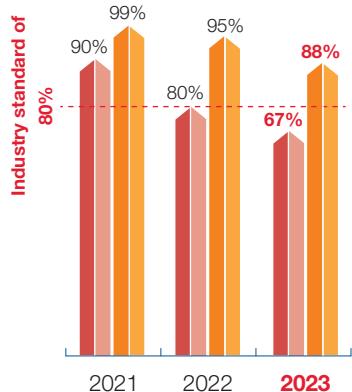
On the overall customer satisfaction, Public Bank scored 90% in 2023 compared to 81% in 2019, surpassing the banking industry level of 88%.



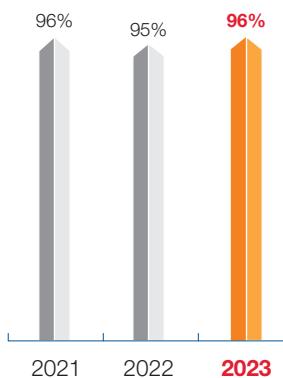
Customer Feedback Surveys

The Public Bank Group continues to measure customer satisfaction to gauge whether its services are meeting the needs and expectations of customers. The majority of banking transactions have been migrated to the e-platform and self-service machines with only complex transactions being transacted over the counter, such as large cash deposits with various denominations, fixed deposits and remittance. As a result, the rate of conformance to the customer waiting time has been declining in the last three years with the shift in customer behaviour. This has affected the conformance rate of the 2 minutes Standard Waiting Time.

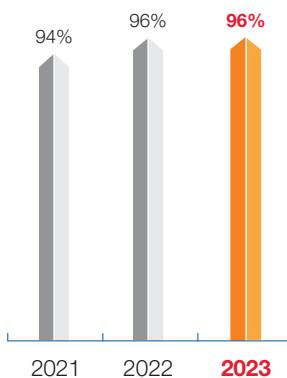
88% conformance rate to the 10 minutes customer waiting time, well above the minimum industry standard of 80%



96% of customers rated Loan Delivery Service ‘Exceeded’ or ‘Within Expectation’



96% of customers rated Public Mutual’s Service as ‘Very Good’ or ‘Good’



- Conformance Rate of 2 Minutes Standard Waiting Time
- Conformance Rate of the Minimum Industry Standard of 10 Minutes Customer Waiting Time

PB Customer Xperience (“PBCX”)

The PBCX is a new customer experience survey with the objective of obtaining valuable insights from customers across six different dimensions such as Net Promoter Score, Account Opening Process, Customer Service, Products, Brand Awareness and Channel. The results from the survey will be used for continuous improvement in customer service, branding and product offerings.

The PBCX adopts dynamic QR code technology, where the customer’s feedback is measured up to the most granular level to understand the needs and expectations of each customer.

Tell us what you think Nyatakan pendapat anda

Thank you for banking with Public Bank. We would like to hear about your account opening experience with us. Sampaikan kritik dan saran mengenai pengalaman perbankan dengan Public Bank. Kumpulkan pengalaman sejauh ini membuat akhir dengan baik.

Please scan the code below to complete a short survey.
atau ambil foto dari maklumat yang ada di sini.



ISO 9001 Certified Frontline Service and Loan Delivery

The Public Bank Group has built a long track record of customer service excellence. The Group obtained a bank-wide ISO 9001:2000 certification for Quality Management System Frontline (“QMSFL”) in 2001 and Quality Management System Loan Delivery (“QMSLD”) in 2003. The QMSFL and QMSLD were subsequently upgraded to ISO 9001:2015 in 2018, a verification of its excellence in service.

SUSTAINABILITY REPORT

DELIVERING SUSTAINABLE IMPACT

Theme 3: Prosperous Customers and Communities

Upholding Customers' Trust

Fair Treatment of Financial Consumers

- The 'Treat Customers Fairly Charter' is the pledge to uphold the highest standards of fairness in all dealings with customers. This charter is available on Public Bank's website at www.pbebank.com

Responsible Marketing Practices

- The Product Disclosure Sheet provides information to facilitate customers in decision-making
- Sales and marketing personnel are also required to attend the half yearly briefing on Prohibited Business Conduct, Code of Ethics and Rules of Professional Conduct, as well as undertake the assessment on Ethics in Selling for Sales and Marketing Executives
- No material non-compliance* concerning marketing communications by the Group was reported in 2023

Complaint Management

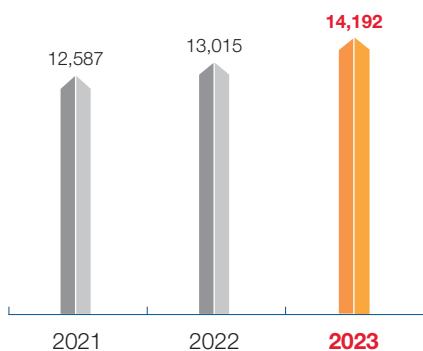
- Public Bank has set an internal requirement to resolve complaints recorded through its online tracking system within 10 days, achieving 100% compliance in 2023
- The Group's overseas operations in Cambodia and Vietnam have set a standard of 14 days to resolve any complaint received, while Hong Kong's operation is committed to resolve complaints in 30 days

* Compliance with regulatory requirements.

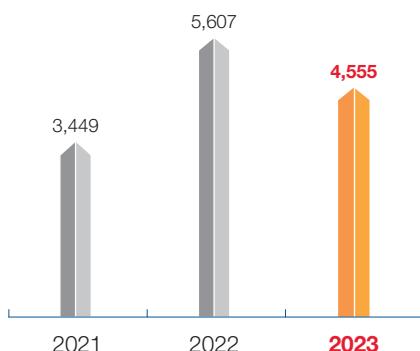
Training to Improve Service Quality

To better serve the customers, the Public Bank Group provides a pipeline of training programmes to constantly upgrade employees' customer service skills.

**Customer Service – Related Training
(Number of participants)**



**Fair Dealing/Responsible Sales Training
(Number of participants)**



Note: Data excludes Public Mutual and Public Investment Bank.



Community Empowerment

The Group's Approach

Empowerment enables members of communities to tap into their full potential, take charge in improving their quality of life and environment they live in. The Public Bank Group, leveraging on the experience and expertise of its people, works towards ensuring that the most vulnerable groups are not left out, etching its values in the community where it operates.

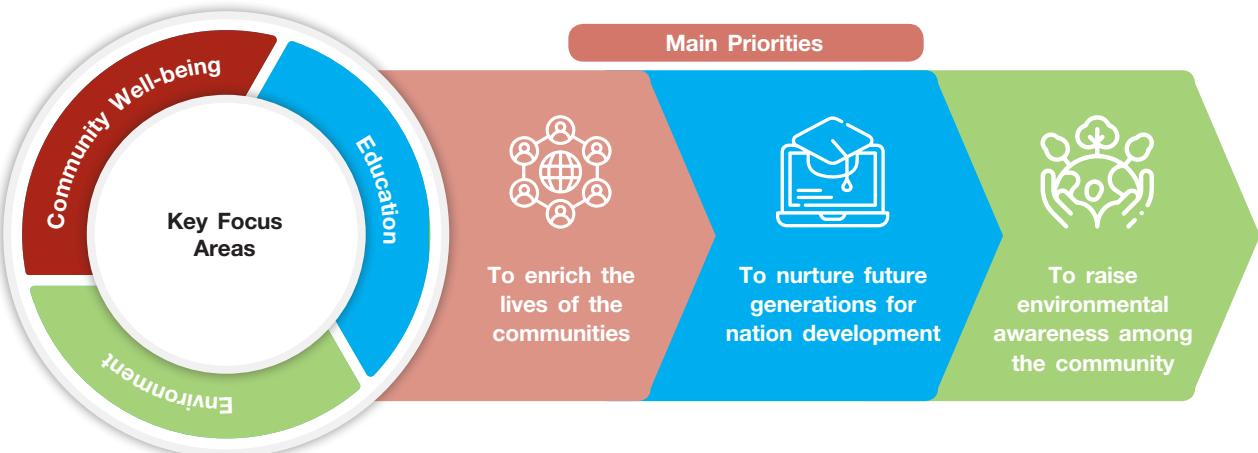
The Public Bank Group focuses its resources on three key areas – Community Well-being, Education and Environment – in which the Group has set its main priorities to create long-lasting impact and value for the community.

► Key Highlights

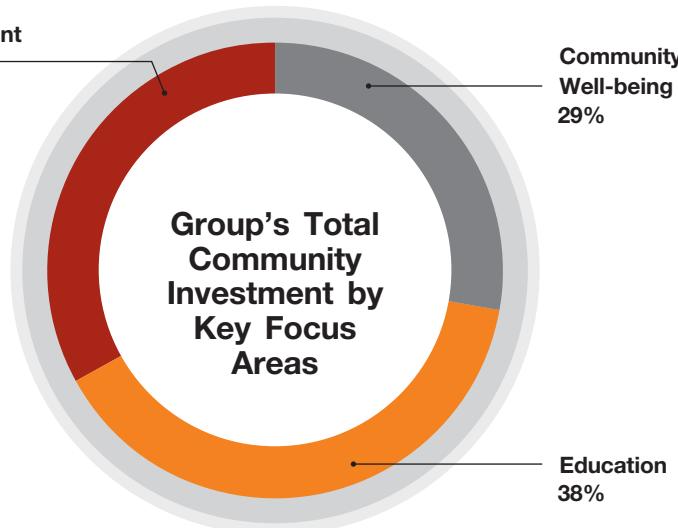
- Over **RM1.2 million** spent on the community
- The **first bank in Malaysia** to support the **Eco-School Programme**

► Targets/Sub-targets

- Achieve a minimum of **50,000 volunteer hours by 2025** and **RM10 million** spent on **communities by 2030**



The Public Bank Group had in 2023, contributed more than RM1.2 million to the communities of the key geographies of operation, Malaysia, Cambodia, Vietnam and Hong Kong.



SUSTAINABILITY REPORT

DELIVERING SUSTAINABLE IMPACT

Theme 3: Prosperous Customers and Communities



Community Well-Being

From providing outright donations for the upkeep of old folks care centres to providing awareness on the importance of healthy lifestyles, the Public Bank Group continues to make a positive impact to various causes to the society at large.

Spreading the Chinese New Year joy with donation of about RM41,000 to four old folk homes



Public Bank Vietnam organised a charity drive for Hanoi Disability Care Center at Lien Minh hamlet Ba Vi District, Hanoi City with donation of essential goods worth VND45 million



Sponsorship of RM150,000 was extended to the National Cancer Society of Malaysia for its Colorectal Cancer Awareness Programme



Contribution: Over RM350,000 donated in cash and in-kind to more than 20 community groups, non governmental organisations (“NGOs”) and healthcare institutions



Education

The Public Bank Group is a strong believer in the importance of the role that education plays to create a better world. The Group has in place the School Adoption Programme to promote financial literacy and to nurture the habit of saving amongst school children. In 2023, the Group continued to support the programme, with more than 800 schools being adopted.

Since 2017, the Public Bank Group has been assisting underprivileged children and youths, with RM1.3 million contributed to FINCO, an initiative set up by Bank Negara Malaysia.

Star Achiever Programme

The Public Bank Group's Star Achiever Programme rewards WISE Savings Account holders who excel in the Sijil Pelajaran Malaysia examinations to motivate school children towards educational excellence while encouraging the habit of saving.

RM65,500 awarded to 252 students

In 2023, the Public Bank Group also continued to make various contributions in support of the press and educational-related initiatives across its regional presence.

Donation of school supplies worth over RM3,000 through the 'Back to School Initiative' to children of Rumah Amal Asnaf Al-Barakh

Contribution: Over RM460,000 invested, benefitting more than 800 educational institutions, NGOs and press community



Sponsorship of RM20,000 to support students and researchers in the development of Tunku Abdul Rahman University of Management and Technology



Sponsorship of RM10,000 to Pertubuhan Berita Nasional Malaysia ("BERNAMA") in honour of the services and contributions of journalists, photographers and cameramen



Theme 3: Prosperous Customers and Communities



Environment

The Public Bank Group aims to raise awareness of environmental issues among the community by pioneering climate education initiatives in schools and organising community outreach activities. In 2023, the Group became the first bank in Malaysia to embark on the Eco-Schools programme, pioneering climate education initiatives using project-based learning method in schools, including implementation of projects to reduce greenhouse gas emissions.

Meanwhile, the Public Bank Group's operation in Hong Kong contributed to the environmental education works of Green Power with a donation of HKD5,000 for participation in a virtual walk.

Eco-School Programme

With a total sponsorship of RM1.2 million, Public Bank Group, together with Green Growth Asia Foundation ("GGAF"), signed a sponsorship agreement to roll out the Eco-Schools programme involving 20 schools in Pahang, Selangor and Kuala Lumpur for a period of three years from 2023 to 2025.



Disbursed **RM396,000** in 2023, the first tranche of total sponsorship of **RM1.2 million** over three years

**Contribution: Over
RM400,000
distributed to
support
environmental-
related
programmes,
involving 20
schools in
Malaysia**



Partnerships

In 2023, Public Islamic Bank launched two social finance initiatives to assist low-income micro-entrepreneurs under Bank Negara Malaysia's iTEKAD umbrella, which incorporates three components namely seed capital, structured training and microfinancing.

iTEKAD 1.0

A collaboration between Public Islamic Bank, Majlis Agama Islam Wilayah Persekutuan ("MAIWP") and Institut Keusahawanan Negara ("INSKEN"), to promote financial literacy and develop business management skills among microentrepreneurs.

Non-monetary contribution: Improved financial literacy and introduced financing opportunities to participants.

Results: **25 participants** from the B40/asnaf category were trained to improve their entrepreneurship knowledge. **Ten participants** received a seed capital grant totalling RM100,000.



iTEKAD 2.0

A collaboration between Public Islamic Bank, Lembaga Zakat Negeri Kedah ("LZNK") and Universiti Utara Malaysia to promote eco-tourism in Sik, Kedah, through the empowerment and upskilling of the local microentrepreneurs.

Non-monetary contribution: Improved financial literacy and introduced financing opportunities to participants.

Results: **30 B40/asnaf micro-entrepreneurs** were trained to improve their entrepreneurship knowledge and received grants to upscale their business.



Volunteerism

Employee Volunteerism

The Public Bank Group encourages volunteerism among employees for social and environmental causes. In conjunction with Malaysia's 66th Independence Day, 100 employees of Public Bank participated in the 2023 Merdeka Parade with patriotic pride on display. On the overseas front, the Group's employees continued to dedicate their time to contribute to the success of the Group's community impact programmes.

Staff Donation Programme

The Group's long-standing staff donation programme, where employees can make voluntary donations to assist fellow colleagues in times of need was established since 2004. During the year, a total of RM32,000 was handed out to employees who needed financial assistance through this programme.



Benefitted more than **268 employees, with cumulative amount of about **RM623,000** since **2004****

For more information on the Public Bank Group's data on Community Empowerment, please refer to **Section Reference: Performance Data (Community)** on page 252.

SUSTAINABILITY REPORT

DELIVERING SUSTAINABLE IMPACT

Theme 3: Prosperous Customers and Communities



Digital Transformation

The Group's Approach

Understanding the importance of digitalisation, the Public Bank Group embraces digital transformation to keep pace with innovation and technology advancement to meet customers' expectations and needs that have shifted with the changes. The Group adopts a strategic stance to drive improvements anchored by efficiency and efficacy, as well as to explore and implement new technologies in the development of its products and services.

► Key Highlights

- Launched new mobile application **MyPB App** in Malaysia
- New info-sites launched for **PB enterprise** and **PBe** in Malaysia
- Launched **Hong Kong's mobile application, PBHK Digi**
- Extended **DuitNow QR Cross Border Payments Services to Singapore**

Key new digitalisation initiatives in 2023:

MyPB App

- A new mobile banking application was launched in November 2023, focuses on embedding lifestyle and complementary services to create more value for customers
- Enables seamless digital application for credit card, home loan/financing and vehicle financing
- Offers a range of lifestyle features such as overview of net worth, loyalty card storage and instalment calculator
- More than 145,000 users have signed up for the application since the launch



Collaboration with PRO-NET

- A collaboration with Proton New Energy Technology Sdn Bhd ("PRO-NET") to provide financing facilities on wholesome financial products and services, and to embark on digitalisation via systems integration with smart Malaysia and its authorised dealers
- Enables Public Bank to interface and facilitate online submission of hire purchase end-financing applications through smart customer app and their authorised dealers



Collaboration with Perodua

- A collaboration with Perodua Sales Sdn Bhd ("Perodua") to provide digital financing facilities to Perodua sales branches and authorised dealers for wholesome financial products and services
- Enables Public Bank to interface and facilitate online submission of hire purchase end-financing applications including uploading of basic application documents and tracking of application status



Retail Loans/Financing Digital Application Repayment Assistance

- Customers can apply for repayment assistance in a hassle-free manner via Public Bank's corporate website
- In 2023, more than 1,500 digital applications were received with an approved repayment assistance amounting to RM0.56 billion

Cross Border QR Payments

- The DuitNow QR Cross Border Payments Services covers Thailand, Indonesia and was extended to Singapore in 2023
- With this function, customers are able to perform instant QR payments through the PB engage and MyPB App mobile applications for retail transactions with merchants in these countries
- More than 39,000 business operators have adopted PB QR in 2023, an increase of over 66% from 2022
- The Group has joined the Alipay Payment Network in November 2023 to offer Alipay+ cross border QR payments on MyPB App
- This allows customers to perform Alipay+ payments using MyPB App across 38 countries globally

The Public Bank Group was awarded with the Special Recognition Award for Outstanding Contribution to Cross Border Payments in the Malaysian e-Payments Excellence Awards 2023 by PayNet

PB enterprise and PBe Info-Sites

- The new PB enterprise and PBe informational-sites ("info-sites") were launched through www.pbenterprise.com in November 2023 and www.pbebank.com in December 2023, respectively, to provide customers with direct access to information about Public Bank's business and retail banking products and services
- Customers can also view important announcements and promotions, transaction limits, service fees and charges, and frequently asked questions
- The PB enterprise info-site is available in English, Bahasa Malaysia and Chinese

Existing digitalisation initiatives continued to be implemented to enhance operational efficiency, providing a seamless and intuitive customer banking experience.

- ▶ Deploy 'Mobile first' strategies to keep up with market trends and consumer preferences
- ▶ Provide seamless digital customer on-boarding and straight-through processing
- ▶ Expand on Application Programming Interfaces collaboration capabilities to increase digital solution offerings through partnerships
- ▶ Intensify usage of Artificial Intelligence and Machine Learning capabilities for greater operational efficiency and productivity
- ▶ Intensify customer intelligence/analytics for greater customer insights and new business opportunities
- ▶ Upskill workforce with digital capabilities and skill sets to facilitate the development of innovative digital services to cater for digital savvy customers

 **Section Reference: Management Discussion and Analysis – Business Operations Review (Information and Communication Technology)** on page 120

SUSTAINABILITY REPORT

DELIVERING SUSTAINABLE IMPACT

Theme 3: Prosperous Customers and Communities

Improving Digital Banking Experience in Overseas Operations



In 2023, Public Bank (Hong Kong) Limited successfully launched its new mobile banking application, PBHK Digi, for individual customers with a more convenient and comprehensive digital banking service.



Campu Bank continued to enhance and introduce new features to PB engage KH (such as Display of Virtual RCB Membership Card, Repeat/Return Transactions, online tax payment to General Department of Taxation ("GDT"), toll payment for Phnom Penh–Sihanoukville ("PPSHV") Expressway) to expand services offered.

In addition, the PB engage KH mobile banking application was made available in Chinese to reach out to a wider customer base.



Public Bank Vietnam continued to introduce new features for its mobile banking application, PB engage VN, such as online ticket booking for movies, flights and trains, online shopping, and card services.

Enhancing Customer Experience at Public Mutual

As a leader in the retail private unit trust industry, Public Mutual continues to move forward in its digital transformation journey. Various electronic tools have been developed to assist more than 30,000 of Public Mutual's unit trust consultants ("UTCs") in their dealings with investors:

Client and Agency Management System 2

- Monitor investors' investment portfolio and agencies' performance

U@Bis\$

- A mobile application to assist UTCs in closing sales

UTC Connect

- A web-based portal to obtain online facilities and services

Fund Analytics

- A web application to view fund information, performance, fund comparisons and prices

UTC@Work

- A business communication application for UTCs

Online Enquiry System

- Provide business functions and analyses pertaining to investors and UTCs

In addition, Public Mutual implemented the following initiatives in 2023 to enhance investors' investment experience:

① Enhanced new investor onboarding on Public Mutual Online ("PMO")

Simplified the enrolment process with QR code scan function

② Biometric recognition on Pocket-PMO

Enabled use of facial recognition or touch ID to activate and log into the application

③ Secure Token Authentication ("SecureSign")

Replaced use of SMS Personal Authentication Code with SecureSign authentication feature to authenticate transactions and service requests

④ Enhanced Login Security

Added layer of security to help detect unusual login activity during the PMO login process

⑤ Register to Pay for Family Members' Investment

Allow investors to easily manage and support their family members' investments on PMO

Theme 4: Principled Conduct

Material Matters



Data Privacy and
Cybersecurity



Governance and
Business Ethics



Transparency and Trust



Risk Management

Related UN SDGs



"The Public Bank Group is committed to maintaining the highest level of professionalism and integrity to safeguard stakeholders' confidence, including customers, shareholders, employees and the society as a whole."

***Ms Chang Siew Yen
Senior Chief Operating Officer***

SUSTAINABILITY REPORT

DELIVERING SUSTAINABLE IMPACT

Theme 4: Principled Conduct



Data Privacy and Cybersecurity

The Group's Approach

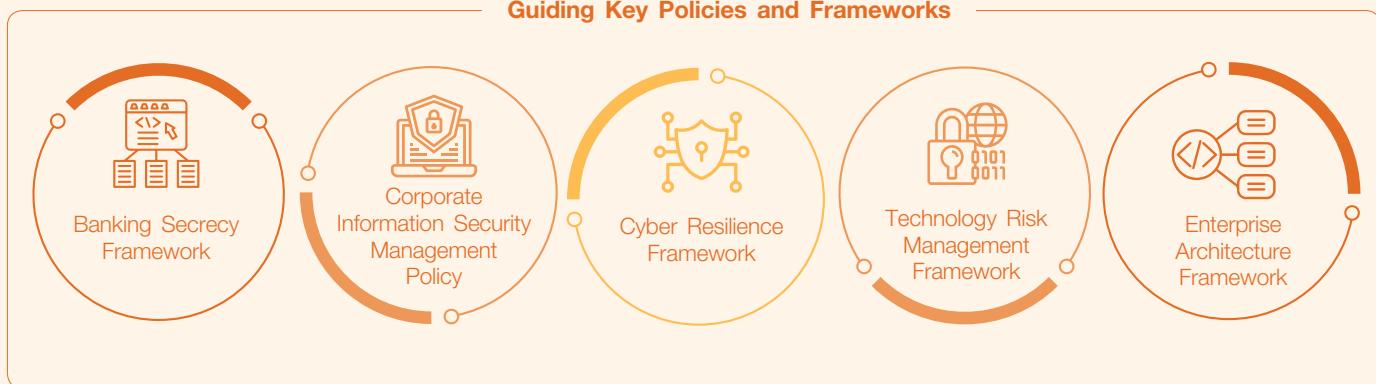
Data privacy and cybersecurity are of utmost importance to the Public Bank Group, forming the cornerstone of the Group's commitment to safeguard customer information. The Group adopts a zero-tolerance policy on data breaches and non-compliance in cybersecurity. The Group employs a holistic approach for data governance and protection as well as to safeguard against cyber threats.

Strengthening Data and Cybersecurity Governance

The Public Bank Group instituted a structured governance, whereby the Board is assisted by the Board Risk Management Committee in overseeing technology and cybersecurity-related matters.

To safeguard information security, the Public Bank Group has developed comprehensive policies and frameworks, and constantly reviews them to ensure they remain relevant with the latest regulations and evolving security landscape. These policies and frameworks, if relevant, are also applicable to the Group's subsidiaries.

Guiding Key Policies and Frameworks



The Public Bank Group's management of technology risk is guided by the Group's Technology Risk Management Framework, which is developed with reference to BNM's Policy Document on Risk Management in Technology ("RMIT").

Public Mutual is guided by the information and security policies and frameworks from Securities Commission Malaysia ("SC") such as:



SC Guidelines on Management of Cyber Risk



SC Guidelines on Online Transactions and Activities in Relation to Unit Trusts

Upgrading IT Infrastructure and Cybersecurity System

The Public Bank Group continues to invest in security infrastructure upgrades and strengthen its internal security controls, which include:

- ▶ Implement safe-to-fail strategies for greater cyber resiliency
- ▶ Deploy multilayered security defence systems and enhance 24x7 Security Operation Centre monitoring to protect against threats
- ▶ Adopt security-by-design principles in developing banking products/services, systems and processes
- ▶ Use machine-learning capabilities for anomaly detection to prevent data breaches, ransomware and other threats
- ▶ Partner with Global Cyber Security Collaboration for global dissemination of threat intelligence and guidelines to mitigate cyberattacks
- ▶ Engage independent security consultants to assess and validate the adequacy of the Group's cybersecurity infrastructure and security posture
- ▶ Information sharing and collaboration with other Financial Institutions via the Financial Sector Cyber Threat Intelligence Platform ("FinTIP") established by BNM

Preventing Against Scams and Frauds

To combat cyber frauds and scams targeted at customers, the Public Bank Group continues to take counter measures against various modus operandi of scams and frauds:

- ▶ Participate in the National Scam Response Centre to combat financial scams
 - ▶ Set up a 24-hour Case Management Digital Support Hotline for customers
 - ▶ Deploy a more secure authentication method known as PB SecureSign to replace Short Message Service one-time password
 - ▶ Implement the "Kill Switch" whereby customers are able to deactivate their online banking access through the PBe internet banking and mobile banking application
 - ▶ Send a prompt to e-banking users when the transactions are deemed high risk or suspicious
 - ▶ Educate customers through various digital touchpoints and physical presence in conferences and seminars
 - ▶ Set a 12-hour cooling-off period for abnormal transfers and transactions
- In 2023, the Public Bank Group has protected **876,000 customers from being scammed and prevented RM1.4 billion** from being fraudulently transferred into scammers' accounts.

 **Section Reference: Management Discussion and Analysis – Business Operations Review (Information and Communication Technology)** on page 120

Every year, the Public Bank Group participates in cyber drill exercises organised by the regulators to test the effectiveness of the Group's Cyber Incident Response Plan towards managing scenarios of current/emerging threat scenarios. The Group has also developed the Information Security Incident Management Policy which specifies the appropriate response for information security breaches. In addition, Business Continuity Management Policy is in place to govern protection, maintenance and recovery process of business-critical systems. In 2023, there were no cyber incidents affecting the Group's systems and business operations.

SUSTAINABILITY REPORT

DELIVERING SUSTAINABLE IMPACT

Theme 4: Principled Conduct

Training and Awareness on Cybersecurity

The Public Bank Group deepens its internal capabilities by establishing a strong cybersecurity culture via the following measures:



Issuance of circulars and periodic reminders on safeguarding customer information



Review of control objectives, efficacy of controls, policies, standards, frameworks, processes and procedures for information security

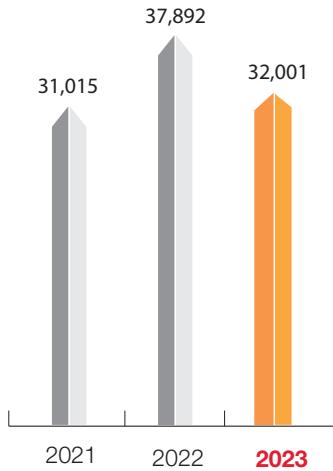


Employee training on the latest digital security skills through advanced security courses, as well as professional certification programmes to keep abreast of the latest developments in cybersecurity



Routine conduct of phishing simulation tests to gauge the level of security awareness among employees

Cyber Awareness Education Initiatives (Number of participants)





Governance and Business Ethics

The Group's Approach

The Public Bank Group has embedded solid fundamentals on governance and compliance in every business and operational process. Anchored by zero tolerance against any legal and regulatory non-compliance, the Group expects all employees to comply with the laws and regulations governing the Group's business, and uphold the highest standards of ethical conduct.

► Key Highlights

- **Zero** incidents of corruption
- **100%** of the Group's banking entities operated in Malaysia have conducted corruption-related risk assessment

► Targets

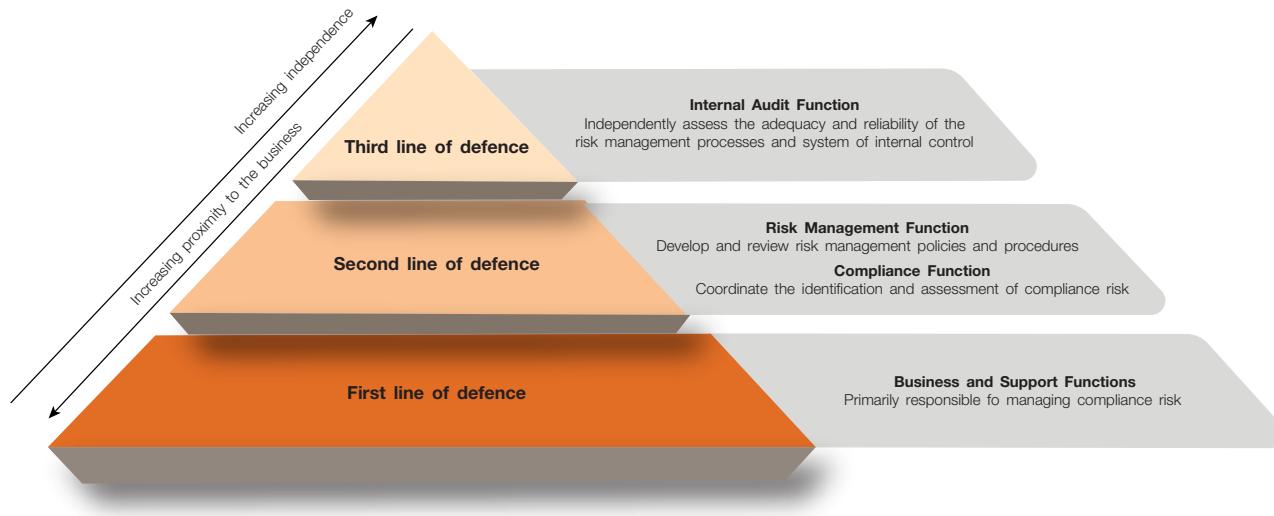
- Develop business underpinned by ethical conduct and compliance

Compliance Governance Structure

The Board has the overall responsibility to oversee the management of compliance risk. The Board Compliance Committee has been established to assist the Board to discharge this responsibility.

The Public Bank Group adopts the three lines of defence approach as the framework for managing compliance risk. The effectiveness of the compliance environment is premised on a collaborative effort from the three lines of defence.

Section Reference: [Corporate Governance Overview Statement](#) on page 276



Guiding Policies and Procedures

Policies and procedures have been established with strict enforcement to promote professionalism and ethical workforce practices. In addition, Public Mutual is also guided by Personal Dealing Policy and Managing Conflicts of Interest Policy.

Other Key Guiding Policies

- Compliance Policy
- Anti-Fraud Policy
- Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions ("AML/CFT and TFS") Policy
- Code of Ethics
- Anti-Bribery and Anti-Corruption Policy
- Whistleblowing Policy and Procedures

SUSTAINABILITY REPORT

DELIVERING SUSTAINABLE IMPACT

Theme 4: Principled Conduct

Compliance Policy

The Policy sets out the following principles for managing compliance risk and in cultivating high standards of integrity and conduct within the Public Bank Group:

- Zero-Tolerance Approach
- Compliance is Everyone's Responsibility
- Risk-based Approach

Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") and Whistleblowing Policy and Procedures

The Public Bank Group adopts a zero-tolerance approach towards any form of bribery and corruption. The ABAC Policy is applicable to all entities within the 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.

While the Board's oversight on anti-bribery and anti-corruption compliance is assisted by the Board Compliance Committee and Board Audit Committee, the Ethics and Integrity Working Group is established at the management level to oversee the management of the ABAC programme.

The Public Bank Group performs bribery and corruption risk assessment at least annually. Appropriate due diligence, evaluations and assessments are conducted on all third parties prior to establishing or continuing business relationships with the Group. In 2023, 100% of the Group's banking entities operated in Malaysia have conducted corruption related risk assessment.

The Public Bank Group has put in place the Whistleblowing Policy and Procedures to serve as a confidential platform for all employees and third parties to report any acts of bribery and/or corruption, as well as any alleged illegal, unethical, questionable practices or improper conduct committed or about to be committed within the Group.

Read more:

<https://www.publicbankgroup.com/about-us/corporate-governance/anti-bribery-anti-corruption-policy/>
<https://www.publicbankgroup.com/about-us/corporate-governance/whistleblowing-policy-procedures/>

E-Learning on ABAC 2023

Mandatory ABAC e-Learning module is published in the Learning Management System to raise awareness and understanding of employees' responsibilities towards the principles and guidelines of ABAC Policy. In 2023, the module covered topics such as Understanding Bribery & Corruption, Transparency International and Corruption Perception Index, Malaysia in Fighting Corruption, Public Bank Group Anti-Bribery and Anti-Corruption Policy, and case studies.

99% of employees completed e-Learning on ABAC 2023

Employees of Public Bank and Public Islamic Bank

Consequence Management Framework

Transparent, fair and appropriate disciplinary actions in accordance with the Public Bank Group's Consequence Management Framework will be applied should there be any contravention by employees.

Building a Robust Compliance Culture

The Public Bank Group is committed to strengthening its robust compliance culture amongst its employees. In 2023, the Group carried out various initiatives and continued to conduct ongoing education and training to keep employees' awareness at the highest level.

<ul style="list-style-type: none"> ● Compliance risk assessment was conducted to identify the Group's compliance risk profile and understand its exposure to the business operations. 	<ul style="list-style-type: none"> ● Due diligence assessments were carried out on customers and suppliers. 	<ul style="list-style-type: none"> ● 562 compliance reviews were carried out at domestic branches, hire purchase centres, hire purchase hubs and securities documentation centres.
<ul style="list-style-type: none"> ● 194 branch visits for compliance checks were carried out at the Group's operations in Hong Kong, Cambodia and Vietnam. 	<ul style="list-style-type: none"> ● 14 regional dialogue sessions on compliance and AML/CFT matters were carried out with 330 participants. 	<ul style="list-style-type: none"> ● Four bulletins and eight newsletters were published to update employees on compliance matters.
<ul style="list-style-type: none"> ● Islamic Banking training and awareness programme was conducted via Islamic Banking Ambassador ("IBA") Programme which consists of 406 IBAs nationwide. Shariah awareness was further strengthened through the issuance of eight editions of Quick Buzz (newsletters) and four Islamic Banking Bulletin. 	<ul style="list-style-type: none"> ● Customer Information Review Department was set up in Public Bank's Head Office in Malaysia to centrally handle the increasing volume of Ongoing Due Diligence ("ODD") alerts to reduce branches' workload on outstanding ODD alerts. 	<ul style="list-style-type: none"> ● Periodic refresher courses were conducted to strengthen knowledge and a compliance communication platform was made available for employees to escalate and raise regulatory compliance issues.

Key Compliance-related Training Programmes (Number of participants)			
By key training programmes	2021	2022	2023
Regulatory Compliance	128,122	162,833	223,106
ABAC	16,871	27,697	21,910
AML/CFT	110,417	130,731	200,651
Anti-Fraud	8,575	6,102	8,926
Total	263,985	327,363	454,593

SUSTAINABILITY REPORT

DELIVERING SUSTAINABLE IMPACT

Theme 4: Principled Conduct



Transparency and Trust

The Group's Approach

The Public Bank Group is committed to conducting its business in a responsible, transparent, ethical and professional manner. The Group provides transparent disclosures to its stakeholders on the Group's management of matters covering ESG, business activities and financial situation.

Responsible Tax Practices

The Public Bank Group manages its tax affairs with integrity and complied with all regulatory requirements in relation to corporate tax payments. In 2023, the Group paid RM2.35 billion to the tax authorities.

In managing its tax responsibilities, the Public Bank Group ensures that the foundations for its practices are in line with the Group's business principles. This is based on the recognition that tax is an essential part of the Group's sustainability agenda, as well as cascaded down to and monitored across the Group.

- ❶ To keep abreast of developments in tax regulations and ensure full understanding of the relevant regulations;
- ❷ To ensure the conduct of business transactions is always in compliance with the tax requirements;
- ❸ To seek professional advice from tax consultants and/or tax authorities to clear ambiguity on the tax requirements and tax treatments; and
- ❹ To maintain a collaborative professional relationship with tax authorities.

Being a responsible corporate citizen, the Public Bank Group is committed to conducting tax-related matters in a compliant and professional manner with due care to minimise any potential tax risk that may lead to negative financial and impact reputational risk.

The Public Bank Group's Tax Policy has been established with oversight from the Board, which sets the tone from the top. Any material tax issues or new emerging tax risk will be thoroughly deliberated.

► Key Highlights

- Income tax payment of **RM2.35 billion** was made in 2023
- Public Bank Group's **Tax Policy**



Risk Management

The Group's Approach

Effective risk management is integral to the Public Bank Group to ensure the resilience of its business operations. The Group remains committed to actively manage risks to support its business strategy, driven by its robust Risk Management Framework.

► Key Highlights

- Revised the **ESG RAC Policy**

► Targets

- 100%** of credit loans undergone RAC screening by 2025 for Large Corporates
- 100%** client engagement by 2025 for High Risk Large Corporates

Governance Oversight

Risk management is a shared responsibility that involves all levels of the organisation. Holding the highest responsibility is the Board which is assisted primarily by the Risk Management Committee and other dedicated risk committees.

The Public Bank Group adopts the three lines of defence approach consisting of business and support units as the first line of defence, compliance and risk management functions as the second line of defence, and internal audit as the third line of defence.

Section Reference: *Risk Management (under Corporate Governance section)* on page 302

Risk Management Framework

The Public Bank Group is guided by the Risk Management Framework which outlines the overarching risk management approach to enable identification, measurement as well as continuous monitoring and reporting of all risks for all entities within the Group. The key principles and components of the Risk Management Framework include the following:



The growing importance of climate-related risk has evolved the Public Bank Group's approach to managing risk. Over the years, the Group has progressively enhanced risk tools and processes to incorporate climate-related risk considerations to ensure exposures are managed and to safeguard the Group's interest while ensuring business viability. To operationalise the Impact-Based Assessments comprising ESG practices in the customer on-boarding process, it is guided by the ESG RAC Policy.

Section Reference: *Disclosures Aligned with TCFD (Managing the Resultant Risks Manifesting from Climate Change) on page 231, and Risk Management (under Corporate Governance section) on page 302*

SUSTAINABILITY REPORT

DELIVERING SUSTAINABLE IMPACT

Theme 4: Principled Conduct

Risk Focused Organisation Culture

To promote risk awareness across the Public Bank Group, the culture of managing risk is embedded into day-to-day operations and decision-making processes through the following:



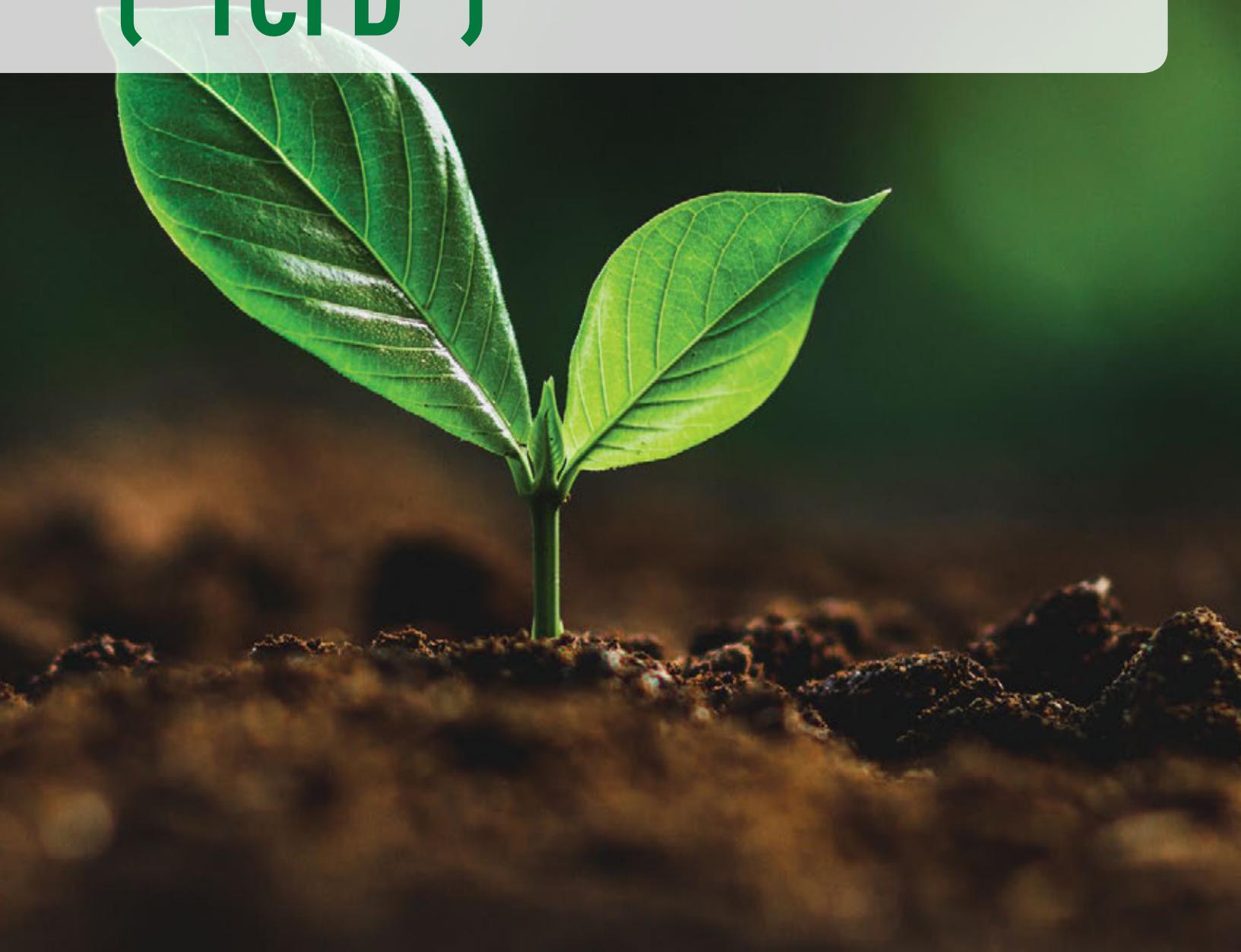
Section Reference: *Risk Management (under Corporate Governance section)* on page 302

Driven by a clear tone from the top, the Public Bank Group continues to engage employees and conduct regular assessments to gauge the level of employees' competency on compliance and risk awareness.

To ensure a professional and ethical workforce, the Public Bank Group has a robust pre-employment screening process to prevent infiltration of undesirable elements into the workforce. 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.

Disclosures Aligned with

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD")



SUSTAINABILITY REPORT
DISCLOSURES ALIGNED WITH TCFD

2023 KEY HIGHLIGHTS

Building on the efforts made in 2022, the Public Bank Group continued to focus on strengthening the Group's climate journey foundation as well as develop internal capabilities and expertise to manage climate-related risks and opportunities. The 2023 key highlights are:



Formalised the
**Climate-Related
Strategic Directions**

via Climate-Related
Strategy Policy



96%
of HERs large corporate
borrowers undergone
ESG due diligence



A signatory of **PCAF**
a Partnership for
Carbon Accounting
Financials



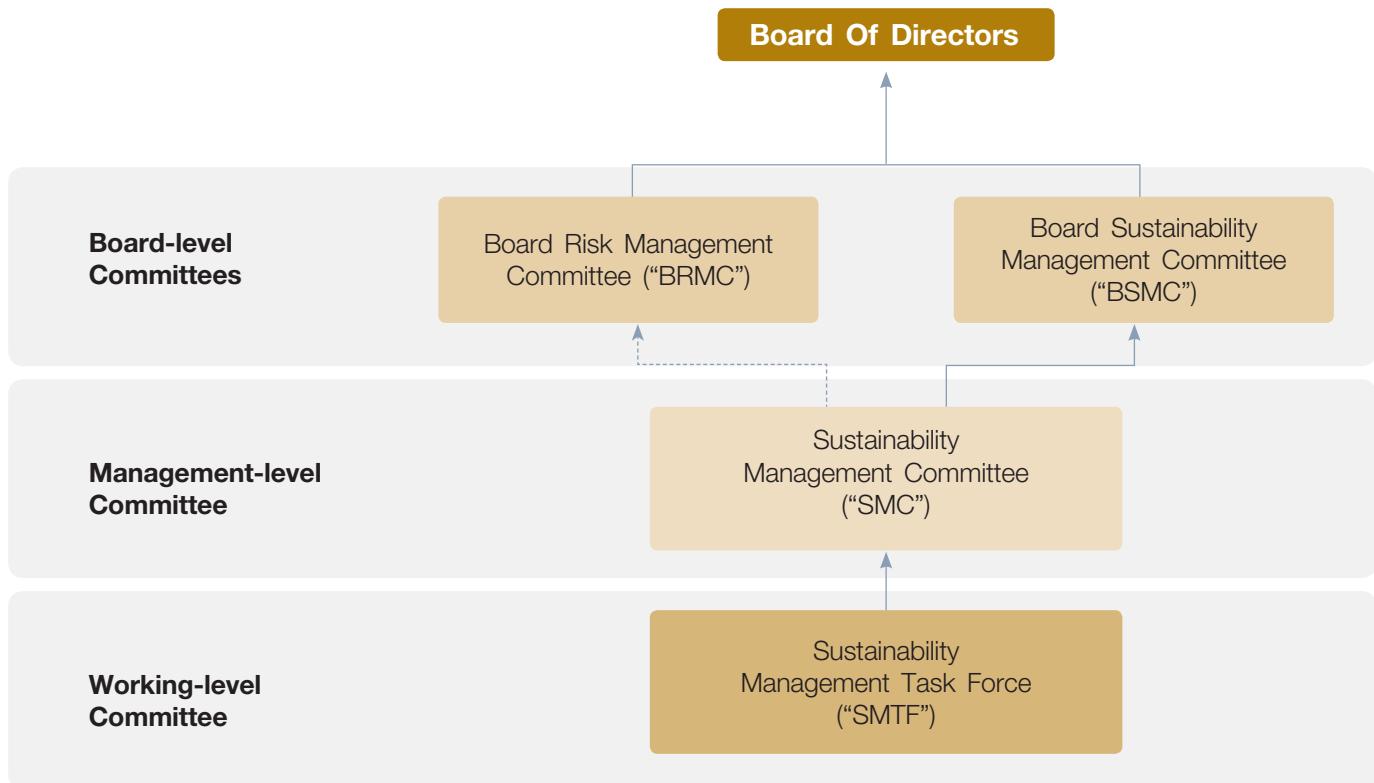
Established the
Group's green
financing eligibility
criteria via the

**Sustainable Finance
Framework**
and
**Sustainable Products
and Services Guideline**

GOVERNANCE

Climate Risk Governance, Roles and Responsibilities

A strong governance structure is important to steer the Public Bank Group's sustainability and climate change efforts, 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 BRMC by SMC/SMTF

The Board of Directors ("the Board") is holding the overall responsibility to oversee all sustainability and climate-related matters. Supporting the Board in driving the climate change agenda is the BSMC and BRMC. The BSMC focuses on the setting of sustainability, including climate-related strategies, goals and commitments, whereas the BRMC is responsible to review the risk appetite, frameworks, policies and internal methodologies applied to manage climate-related risks as part of Enterprise Risk Management.

The SMC and SMTF work hand-in-hand to develop measures, implement and monitor the initiatives to achieve the Group's climate-related commitments and targets.

*For more information, please refer to **Section: Sustainability Governance** on page 163.*

SUSTAINABILITY REPORT

DISCLOSURES ALIGNED WITH TCFD

GOVERNANCE

Climate-Related Agenda in 2023

Climate change has evolved from a peripheral issue to a key consideration in the financial services' business and risk strategy planning. The year saw more discussions and deliberations on climate-related risk agenda at Board-level and Management-level meetings. Some of the key climate-related agenda deliberated during the year were:

- Sustainability Framework, Strategy, Roadmap and the accompanying Overarching Targets and Sub-Targets
- Sustainable Finance Framework ("SFF") and Sustainable Products and Services Guideline ("SPSG")
- Public Bank Group Climate-Related Strategy Policy
- Formulation of the Board-Approved Implementation Plan to meet the requirements of BNM Policy Document on Climate Risk Management and Scenario Analysis ("CRMSA BAIP")
- Progress update on the actions committed in the CRMSA BAIP and challenges
- Progress update on the climate-related regulatory developments
- Proposal for Public Bank to be a signatory to the Partnership for Carbon Accounting Financials ("PCAF")
- Revised the Policy on Risk Acceptance Criteria on Environmental, Social and Governance ("ESG RAC Policy")
- Reviewed and expanded the list of High ESG Risk sectors ("HERs")
- Reviewed the outcome of the classification of the financing assets to meet the requirements of BNM's Climate Change and Principle-based Taxonomy ("CCPT") and the ongoing actions to improve the process
- Established Carbon Emissions Internal Methodology
- Public Bank Group Vendor Code of Conduct to include climate change expectations

Training and Development

To continuously build knowledge and keep informed of the evolving sustainability and climate change landscape, the Board and Senior Management have participated in various conferences and trainings as detailed below:

- Contextualising Net Zero by PwC Malaysia
- Wharton ESG Executive Certificate for Senior Leaders
- Introduction To Climate Risk Management
- Climate Risk for Financial Institutions
- Sustainability Leadership for Islamic Financial Institutions
- Banking Summit on the Future & Role of Financial Institution
- Sustainability Value Creation
- PBB Sustainability Framework
- JC3 Journey to Net Zero Conference

For more information on other ESG-related training and development initiatives, please refer to **Section: Employee Engagement and Development** on page 187.

Sustainability-Linked Remuneration

To drive the strategic management of the Public Bank Group's sustainability strategies and commitments, sustainability-related Key Performance Indicators ("KPIs") are integrated into the performance evaluations of C-Suites, Senior Management, Regional Managers and Branch Management employees to ensure the cascading of the tone from the top and effective implementation of the Group's sustainability strategies.

For more information, please refer to **Section: Progress towards Sustainability Commitments** on page 160 and **Section: Employee Engagement and Development** on page 187.

STRATEGY

The Public Bank Group's Climate Risk Appetite Statement

"The Public Bank Group aims to measure and manage financial and non-financial risks from climate change and reduce emissions from our own activities and those related to the financing of clients in alignment with the Group's commitment to achieve a Carbon Neutral position for Scope 1 and Scope 2 by 2030 and Net Zero Carbon by 2050."

Climate-Related Strategic Directions

The Public Bank Group's Risk Appetite Statement sets the tone for the development of the three (3) climate-related strategic directions guiding the operationalisation of the Group's plans for Theme 1: Protecting the Environment. The Group's strategic directions are institutionalised through the Group's Climate-Related Strategy Policy ("CRSP"), being the internal document to guide all the subsidiaries to align with the Group's climate change strategies and to formulate consistent strategies to achieve the Group's climate-related commitments.

Climate-Related Strategy Policy		
Climate-Related Strategic Directions	Governing Internal Documents	Potential Impact to the Public Bank Group
 Accelerating Sustainable Financing and Investing		
Nurture and support customers in their transition to a low-carbon economy by offering diverse and fit-for-purpose sustainable financing and investing products <i>Refer to Section: Accelerating Sustainable Financing and Investing on page 228 for further details.</i>	<ul style="list-style-type: none"> Sustainable Finance Framework ("SPSG") Sustainable Products Services and Guideline ("SPSG") 	<ul style="list-style-type: none"> Increase revenue through demand for sustainable and climate-friendly financing and products Improve branding and competitive position to adapt to shifting customer preferences Reduce Scope 3 carbon emissions through providing financing to assist customers to transition to more sustainable practices
 Reducing Operational and Financed Footprint		
Meeting climate commitments by reducing emissions from own operations and by assisting customers to transition into a low carbon economy in a just and orderly manner <i>Refer to Section: Reducing Operational and Financed Footprint on page 229 for further details.</i>	<ul style="list-style-type: none"> Carbon Emissions Internal Methodology 	<ul style="list-style-type: none"> In the immediate term, increase expenditure on infrastructure enhancement and technology adoption to reduce carbon emissions Reduce operational cost through energy and electricity savings Reduce Scope 1, Scope 2 and Scope 3 carbon emissions
 Managing the Resultant Risks Manifesting from Climate Change		
Embedding climate-related risk considerations into risk culture, processes and policies to effectively manage risk from physical risk and transition risk <i>Refer to Section: Managing the Resultant Risks Manifesting from Climate Change on page 231 for further details</i>	<ul style="list-style-type: none"> Climate-Related Risk Management Policy Policy on Risk Acceptance Criteria on Environmental, Social and Governance ("ESG RAC Policy") 	<ul style="list-style-type: none"> Reduce climate-related risk exposures which cut across all risk types Ensure compliance to latest regulatory requirements on climate change

SUSTAINABILITY REPORT

DISCLOSURES ALIGNED WITH TCFD

STRATEGY

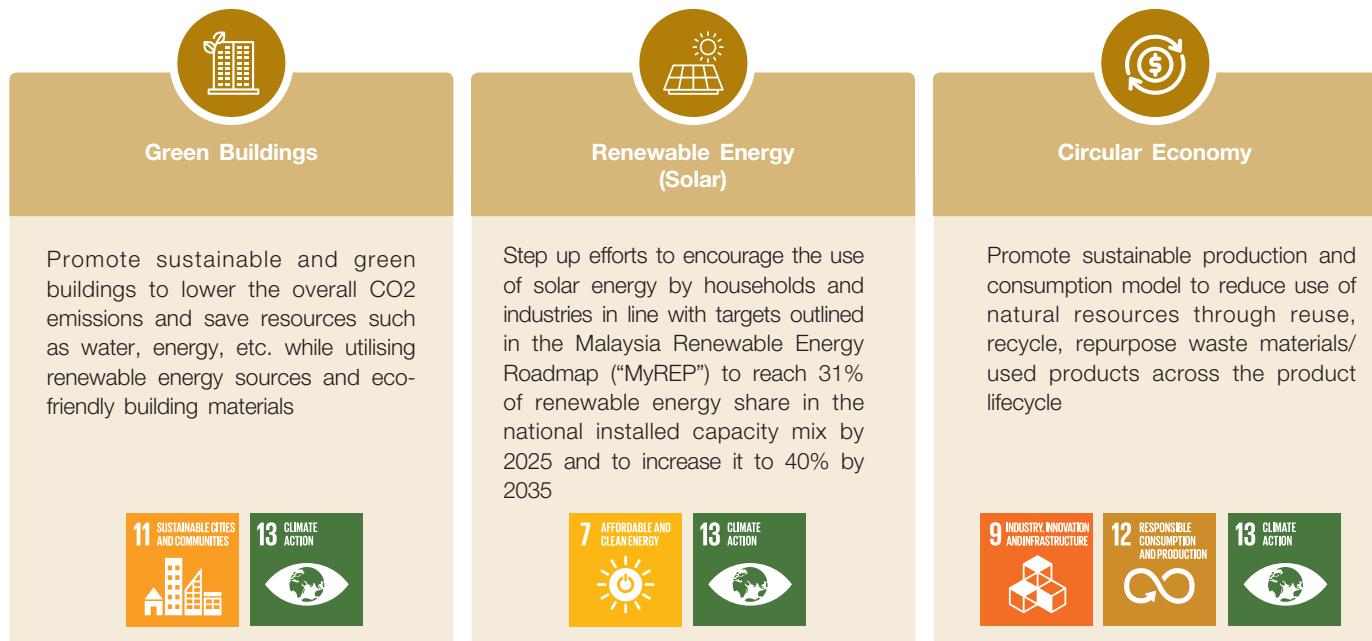
Accelerating Sustainable Financing and Investing

Climate-Related Opportunities in Sustainable Products and Financing

While climate change can pose risk to the business, the transition towards a low-carbon economy has also presented opportunities to the Group to support customers in their transition journey, specifically in the provision of green financing, climate change adaptation and mitigating funding.

Priority Growth Sectors

The Public Bank Group has identified three (3) priority growth sectors to drive the Group's target of mobilising RM100 billion of sustainable financing by 2030. The sectors are as follows:



Climate-Related Opportunities in Sustainable Financing

In line with the three (3) priority growth sectors, the Public Bank Group offers a wide range of green and climate-friendly financing products to facilitate borrowers in their transition to a low-carbon economy.



For more information, please refer to **Section: Sustainable Finance** on page 178.

Climate-Related Opportunities in Sustainable Products

Additionally, the Public Bank Group started to issue the Visa Signature credit cards made from sustainable materials and introduced green points to encourage card members to spend on recognised green products with selected merchants.

For more information, please refer to **Section: Resource Management** on page 175.

Industry Participation and Collaboration

The Joint Committee on Climate Change ("JC3") is a joint regulator industry platform co-chaired by BNM and Securities Commission Malaysia which aims to actively look into resolving the collective climate change challenges faced by the financial sector. To date, the Public Bank Group is a member of the JC3 Sub-Committee 1: Risk Management ("JC3 SC1") and JC3 SME Focus Group as well as the various JC3-related working groups. The Group's participation enabled the Group to gain valuable insights, provide feedback and join in the formulation of the industry best practices and methodologies to address climate change concerns. These are also platforms for the financial institutions to discuss the challenges faced by the borrowers and formulate collective actions to overcome the challenges.

Sustainable Finance Framework and Sustainable Products and Services Guideline

Amid the proliferation of sustainable finance and investments, the need for harmonised definitions has grown. Clear definitions of green activities are crucial to guide relationship managers, product developers and risk managers on eligible financing and product offerings.

The Public Bank Group's financing activities are guided by the Sustainable Finance Framework ("SFF"). Established in 2023, the SFF outlines the methodology and procedures for classification of loans/financing products as "green", as well as the overarching framework on Environmental, Social and Governance ("ESG") risk management process. Supporting the SFF is the Sustainable Products and Services Guideline ("SPSG") which outlines the eligible economic activities and criteria for green financing.

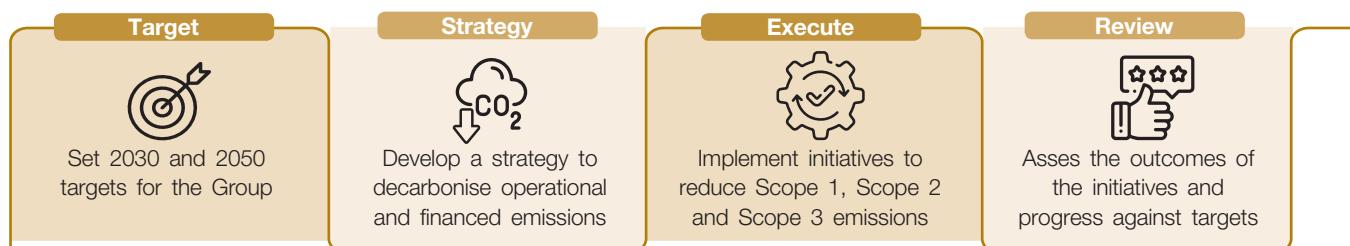
The SFF and SPSG facilitate the identification of green financing opportunities to drive innovation on products and to address financing needs of customers to pursue a more green business model. Coupled with the ESG due diligence process, the identification of ESG risk in the borrowers' profile also provides an avenue for the Public Bank Group to engage with borrowers to assist them in their transition journey towards more sustainable practices.

Moving forward, the SFF and SPSG are key enablers to pursue green financing and to mitigate the risk of greenwashing, as the Public Bank Group builds its efforts towards a low carbon economy.

For more information on the Sustainable Finance Framework, please refer to Public Bank's corporate website at <https://www.publicbankgroup.com/sustainability/sustainability-report/>.

Reducing Operational and Financed Footprint

In line with the target to achieve Carbon Neutral by 2030 for Scope 1 and Scope 2, and Net Zero Carbon by 2050, the Public Bank Group has charted its commitment to progressively reduce the Group's emissions by 2030 and 2050.



The Public Bank Group undertook a Group-wide review of its Scope 1, Scope 2 and Scope 3 boundaries, and reporting scope to have a clear understanding of its carbon emissions sources and to determine the carbon emissions baseline. The Group has also begun to measure additional Scope 3 emissions namely financed emissions. Having clarity enables a strategic approach to achieving impactful reductions in emissions.

SUSTAINABILITY REPORT

DISCLOSURES ALIGNED WITH TCFD

STRATEGY

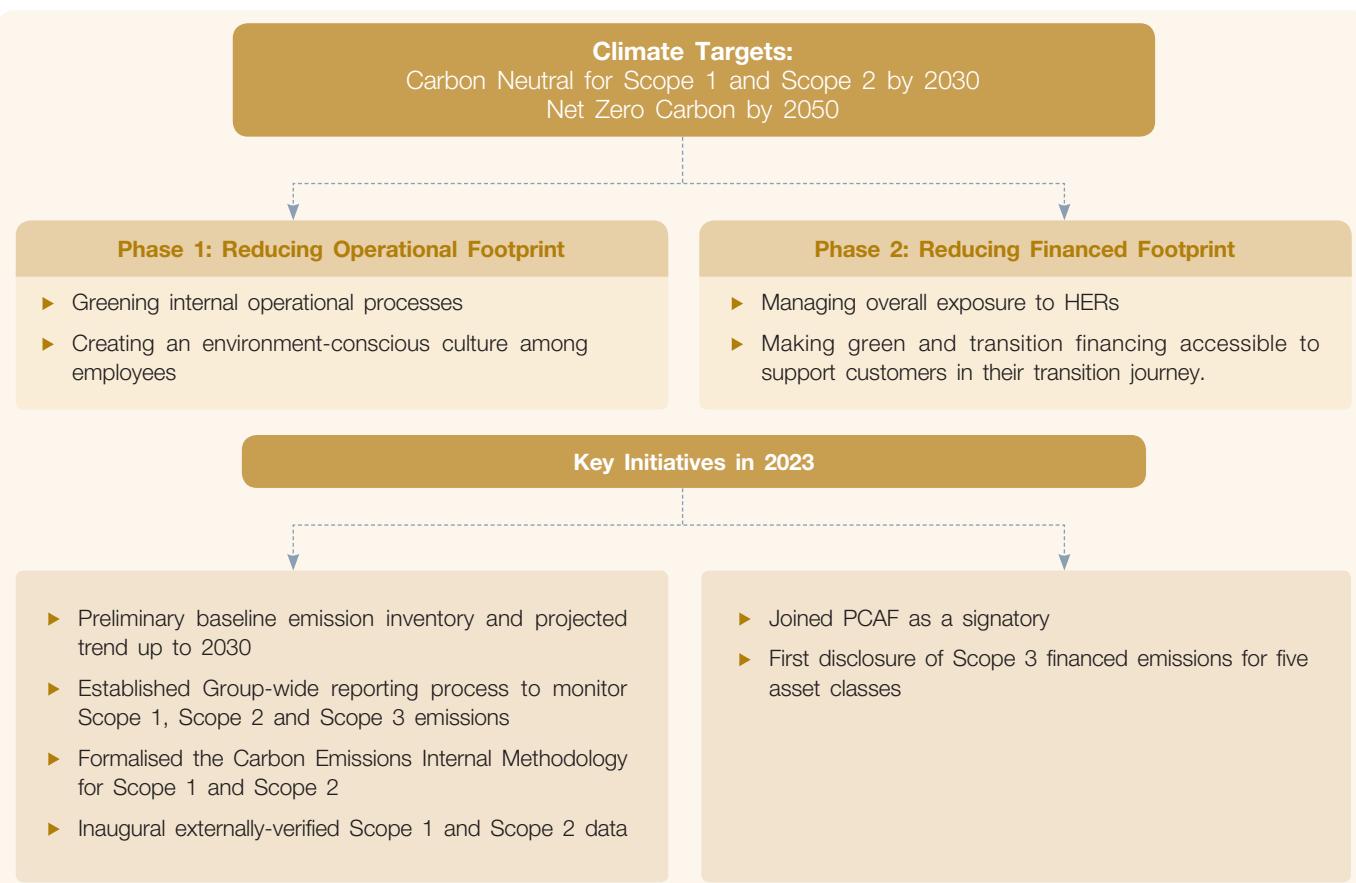
With the aim to publish the Public Bank Group's Decarbonisation Strategy in the near term, priority is placed on Scope 1 and 2 emissions from the Group's main buildings and branches. The Group intends to improve energy efficiency within its operations and increase the use of renewable energy to significantly reduce the emissions. Since 2017, the Group has deployed various energy related programmes such as lighting replacement with LEDs and installation of solar panels at the Group's properties. The Decarbonisation Strategy will accelerate the Group's approach to reduce the carbon emissions by 2030.

In 2023, the Public Bank Group reduced the Scope 1, Scope 2 and Scope 3 carbon emissions by 2,684 tCO₂e from 2022 emissions primarily through the purchase of Renewable Energy Certificates and use of solar energy.

To achieve the Net Zero Carbon by 2050 target means managing the Public Bank Group's Scope 3 emissions, the largest source of carbon emissions. Currently, the Group measures and discloses Scope 3 emissions from business travel and employee commute. To measure the Group's financed emissions, Public Bank became a signatory to the Partnership for Carbon Accounting Financials ("PCAF"), a global carbon accounting standard to assess emissions from financing and investments. Following this, the Group had measured the Scope 3 financed emissions of five financing asset classes; motor vehicles, mortgages, commercial real estate, business loan and project finance. The PCAF estimated Scope 3 financed emissions is approximately 6 million tCO₂e in 2023, covering 86% of the Group's domestic financing portfolio.

The Public Bank Group will continue to track and disclose its Scope 3 emissions from its operations. Recognising that there are limitations to data and evolution of external factors, the Group will regularly assess the reliability and accuracy of its disclosures to better reflect the Group's impact and progress.

The following table summarises the key carbon emissions related initiatives executed in 2023:



For more information, please refer to **Section: Carbon Emissions** on page 172.

MANAGING THE RESULTANT RISKS MANIFESTING FROM CLIMATE CHANGE

Climate-Related Risk Transmission Mapping

A high-level climate-related risk transmission starting with the two inherent climate-related risks, transition risk and physical risk had been mapped and augmented with specific risk types. The mapping is guided by the Joint Committee on Climate Change's Task Force on Climate-Related Financial Disclosures ("JC3 TCFD") Application Guide for Malaysian Financial Institutions issued on 29 June 2022.

CLIMATE-RELATED RISK	TIME HORIZON	TRANSMISSION CHANNELS	IMPACT TO PUBLIC BANK GROUP	RISK TYPE
TRANSITION RISK  Risk from the process and effects of shifting towards a low-carbon economy	TIME HORIZON            	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Increase in operating cost for companies and household spending due to higher electricity tariffs, fuel costs and commodity prices Enhance reporting requirements and compliance costs Higher spending and investment to adapt to low-carbon economy i.e. lower carbon technologies, material, low carbon homes Reduce demand and asset value due to changing market sentiment and consumer preferences 	<ul style="list-style-type: none"> Reduce customer repayment ability Collateral devaluation Increase demand for liquidity Repricing of real estates in investment portfolio
PHYSICAL RISK  Risk from acute and chronic climate-related events	TIME HORIZON     	<ul style="list-style-type: none"> Higher frequencies of flood, storms and droughts Long-term shifts in climate patterns such as higher sea levels and rising temperatures 	<ul style="list-style-type: none"> Increase spending on maintenance and repair for climate-related asset damages Increase capital spending on climate resilience infrastructure Devaluation of properties and collaterals in risk-prone locations Higher deposit withdrawals to finance disaster recovery and meet other cash flow needs 	<ul style="list-style-type: none"> Reduce customer repayment ability Collateral devaluation Increase demand for liquidity

Notes:

1. Time Horizon: S: Short-term – 0 - 5 years; M: Medium-term – 6 - 10 years; L: Long-term – >10 years
2. Joint Committee on Climate Change ("JC3") was established by BNM and the Securities Commission with representatives from financial institutions to pursue collaborative actions for building climate resilience within the Malaysia's financial sector.

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DISCLOSURES ALIGNED WITH TCFD

MANAGING THE RESULTANT RISKS MANIFESTING FROM CLIMATE CHANGE

Identification and Assessment of Climate-Related Risk

In 2023, the Public Bank Group continued with its efforts to integrate climate-related risk management into its Enterprise Risk Management. The insights from the JC3 forums are key enablers to review and to enhance the Group's climate-related risk processes ensuring the risk management process is fit-for-purpose and effective in managing climate-related risks. The Group's climate-related risk management initiatives are planned out in the Climate Risk Management and Scenario Analysis Board-Approved Implementation Plan ("CRMSA BAIP") submitted to BNM in May 2023. The CRMSA BAIP serves as the Group's guiding internal document, outlining specific actions to strengthen internal climate-related risk management and internal capacity building for the next three to five years. The table below summarises the key activities and progress during the year.

Key Risk Types & Impact to Public Bank Group	Risk Tools and Methodology	Progress in 2023	Next Steps	Horizon
Credit Risk from Physical Risk <ul style="list-style-type: none">• Devaluation of collateral values in flood-prone risk locations• Higher default rates from borrowers with key operations residing in flood-prone risk locations 	To develop: <ul style="list-style-type: none">• Internal methodology to identify borrowers susceptible to physical risk	<ul style="list-style-type: none">• Explored various methods to profile borrowers' collateral/operations and own assets susceptibility to flood risk• Explored with external vendors on solutions to identify location-at-risk, beyond borrowers with past flood incidents and to facilitate climate scenario analysis and stress testing	<ul style="list-style-type: none">• Use vendor solutions to identify financing assets susceptibility to physical risk• Tagging and tracking the credit portfolio with heightened physical risk• Perform climate Scenario Analysis and Stress Test to quantify financial impact from climate-related risks guided by BNM requirements	Short-Term
Credit Risk from Transition Risk <ul style="list-style-type: none">• Higher default rates on high ESG Risk Grade borrowers from reduced repayment ability 	Established: <ul style="list-style-type: none">• High ESG Risk sectors ("HERs")• ESG Exclusion List• ESG RAC Policy guiding the establishment of the sectoral specific RAC checklists• Sectoral and General RAC checklists for large corporates	<ul style="list-style-type: none">• Expanded list of HERs to include perennial and non-perennial crops, fishing and aquaculture and construction sectors• Expanded scope of RAC checklist to cover all large corporates	<ul style="list-style-type: none">• Expand the scope of RAC checklist to all Non-SMEs and SMEs in HERs• Monitor the Time-bound Plan ("TBP") of "High" ESG Risk Grade borrowers• ESG due diligence on HERs borrowers• Engagement with large borrowers to monitor progress of the TBP	Short-Term
Operational Risk <ul style="list-style-type: none">• Potential disruption to the Group's operations and third party service providers from physical risk events 	Established: <ul style="list-style-type: none">• Risk and Control Self-Assessment and Key Risk Indicators for assessment and monitoring on areas exposed to physical risk• Business Continuity Plans ("BCP") to manage operational disruption from physical risk on internal operations and critical third party service providers	<ul style="list-style-type: none">• Reviewed and reaffirmed Business Continuity Management ("BCM") preparedness on managing operational disruption from flood events• Undertaken Flood Risk Assessment assessing branch operations susceptibility to flood risk• Key Risk Indicators are enhanced to monitor exposures from climate-related events	<ul style="list-style-type: none">• On-going review of existing operational controls to reaffirm effectiveness in managing physical risk	On-going

Execution Time: Short-term - 1 to 2 years/Medium-term - 3 to 5 years/Long-term - 6 to 10 years



Transaction Risk



Physical Risk

Key Risk Types & Impact to Public Bank Group	Risk Tools and Methodology	Progress in 2023	Next Steps	Horizon
Liquidity Risk <ul style="list-style-type: none">Potential material outflows or reduced liquidity buffers as a result of vulnerabilities experienced by certain sectors or segments of customers from climate change	To develop: <ul style="list-style-type: none">Analysis of customers' behavioural response to climate-related eventsIdentify climate events that may heighten customers' vulnerability	<ul style="list-style-type: none">On-going research and engagement with industry experts to gain deeper understanding on how climate-related events impact customer cash flow profile	<ul style="list-style-type: none">To develop internal methodology to collect and to link customers' behavioural data to climate events as inputs to the liquidity stress scenarios	Medium-Term
  Product Risk <ul style="list-style-type: none">Inadequate consideration of climate-related factors in designing of productsLack of policies, processes and controls to mitigate greenwashing	Established: <ul style="list-style-type: none">Requirement for new products to undergo climate-related risk assessmentSustainable Finance FrameworkSustainable Products and Services Guideline	<ul style="list-style-type: none">Established classification process, parameters and economic activities to guide the development of green financing	<ul style="list-style-type: none">To develop periodic monitoring process to ensure green financing granted are compliant with the parameters set out in the SFF and SPSG	On-going
  Compliance Risk <ul style="list-style-type: none">Failure to comply with legal and regulatory requirements leading to regulatory penalties	<ul style="list-style-type: none">Mapping process on every applicable regulatory requirement against the relevant internal process/proceduresSelf-compliance checklist to identify non-compliance	<ul style="list-style-type: none">Reviewed the mapping process and self-compliance checklists developed/completed by Business Units/Support Units to mitigate non-compliance	<ul style="list-style-type: none">Embedding independent compliance checking in terms of regulatory perspective on the affected business operations	On-going
 Reputation Risk <ul style="list-style-type: none">Negative perception by stakeholders if necessary actions are not taken or not assuming more social responsibilities to manage climate-related risk in the conduct of business	Established: <ul style="list-style-type: none">Climate Risk Appetite StatementESG Exclusion ListNo Deforestation, No New Peat, No Exploitation	<ul style="list-style-type: none">Operationalised all the risk tools and methodologies	<ul style="list-style-type: none">On-going review and refinement to existing controlsEmployee training on operationalising internal climate-related risk policies and processes	On-going

Execution Time: Short-term - 1 to 2 years/Medium-term - 3 to 5 years/Long-term - 6 to 10 years



Transaction Risk



Physical Risk

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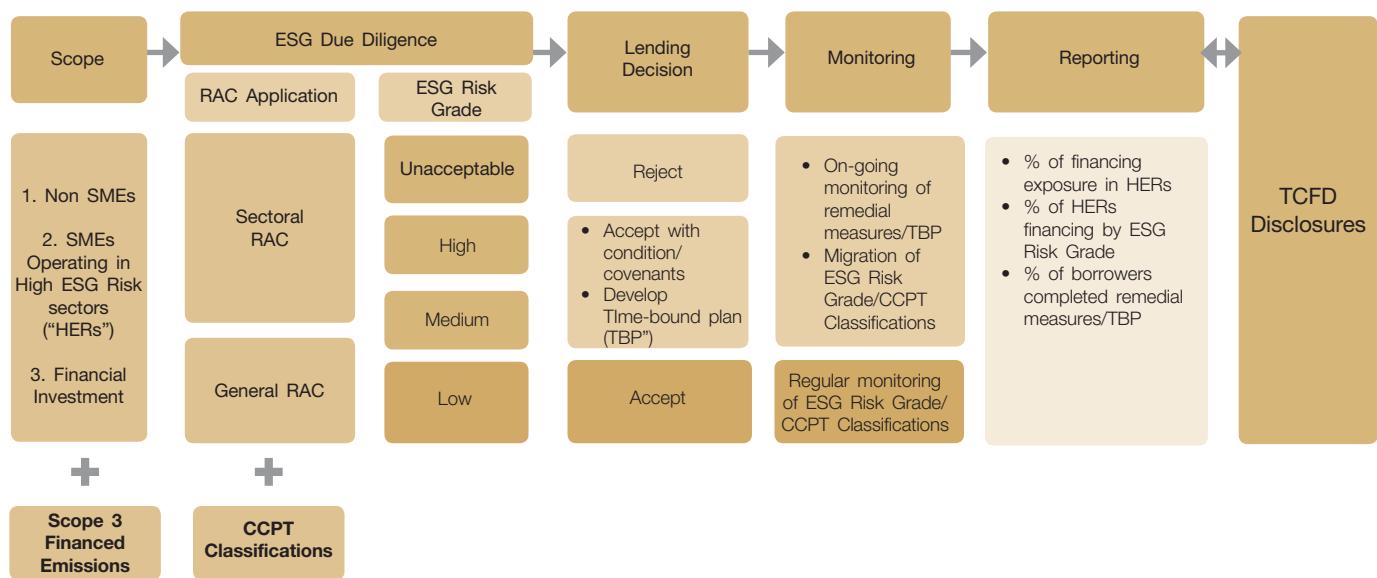
MANAGING THE RESULTANT RISKS MANIFESTING FROM CLIMATE CHANGE

Integration and Management of Climate-Related Risk

To manage the climate change physical and transition risks impacting both the customers and the Public Bank Group, the Group has progressively implemented policies, tools and risk management processes to execute actions to promote and support business borrowers in their transition to more sustainable and climate-resilient practices.

Transition Risk

The diagram below is an overview of the Public Bank Group's risk management on managing borrowers' transition risk.



Notes:

1. The definition of SME and Non-SME applied is as per the SME Corporation Malaysia ("SME Corp. Malaysia").
2. Based on reporting requirements outlined in BNM's Policy Document on CCPT.

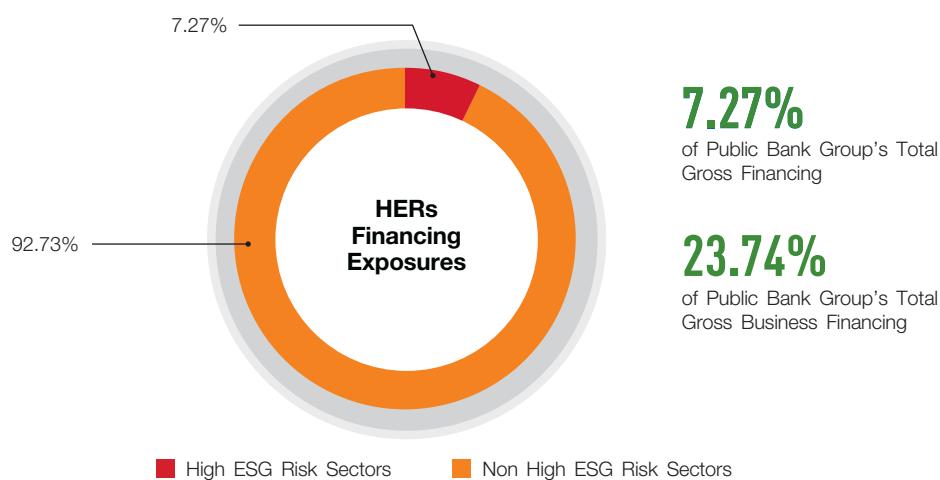
Scope of ESG Due Diligence

Environmental, Social and Governance ("ESG") considerations are embedded in the credit on-boarding process, annual credit review and extension of additional financing to existing borrowers by subjecting borrowers to an ESG Due Diligence ("ESG DD") process. During the year, the ESG DD requirement was expanded from covering only public listed companies and their subsidiaries to all large corporate borrowers under the corporate financing segment (such borrowers are collectively referred to as "Large Corporates"). With this scope, as at the end of 2023, 39% of total domestic gross business financing would be subjected to ESG DD. In 2024, ESG DD will be applied to all Non-SMEs comprising both large corporates and mid-size corporates, as well as the SME borrowers from the High ESG Risk sectors ("HERs"). By this, 78% of total domestic gross business financing is subject to ESG DD.

High ESG Risk Sector (“HERs”) Exposures

In 2023, the sectors identified as HERs were expanded to include perennial and non-perennial crops, fishing and aquaculture and construction. The inclusion of the new sectors were with reference to global and regional ESG/climate-related risk taxonomies, latest developments of the Value-based Intermediation Financing and Investment Impact Assessment Framework (“VBIAF”) sector guides.

With the expansion, the exposure to HERs had increased to 7.27% (2022: 3.13%)*. As at 31 December 2023, the Public Bank Group’s HERs exposures are as follows:



* Excludes fishing and aquaculture, perennial and non-perennial crops and construction sectors

The composition of the HERs by sectors are as follows:

Sectors	Exposure against Group's Total Gross Financing (%)
Forestry and Logging	0.05
Fishing and Aquaculture	0.03
Livestock	0.06
Perennial and non-Perennial Crops	0.57
Electric Power Generation, Transmission and Distribution	0.01
Mining and Quarrying	0.05
Manufacturing (Selective)	1.21
Water Supply, Sewerage, Waste Management and Remediation Activities	0.08
Construction	4.36
Transport and Storage	0.65
Maintenance and Repair of Motor Vehicles, Motorcycles and related Parts and Accessories	0.20
Total	7.27

Note:

Selected manufacturing sectors include: 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.

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MANAGING THE RESULTANT RISKS MANIFESTING FROM CLIMATE CHANGE

ESG Due Diligence Process

The ESG DD process assesses borrowers on environmental, social and governance factors guided by the Public Bank Group's Policy on ESG Risk Acceptance Criteria ("RAC Policy") implemented since 2021. The RAC Policy outlines the overall approach to managing ESG-related risks, with the objective of nurturing and supporting borrowers' transition towards sustainability by promoting borrowers' commitment towards ESG. These are operationalised into a RAC Checklist, being the risk assessment tool used to execute the ESG DD. The RAC Checklists are identified into Sectoral and General RAC Checklists. To date, the Group has three (3) Sectoral RACs; Palm Oil, Construction & Infrastructure and Real Estate, and one (1) General RAC applicable to all Non-SMEs. The outcome of the ESG DD is the assignment of an ESG Risk Grade of "Low", "Medium", "High" or "Unacceptable" to reflect the borrowers' ESG standing. For SME identified as HERs, it will be facilitated by a Simplified General RAC.

As at the end of 2023, 96% of HERs large corporate borrowers had undergone ESG DD. The outcome is as follows:

HERs Borrowers' By ESG Risk Grade		
Low	<ul style="list-style-type: none">Borrowers with minimal or no adverse ESG impact, and actively applies best ESG management procedures and practices in its own operations	85%
Medium	<ul style="list-style-type: none">Borrowers with some level of ESG impact, and has put in place some ESG management procedures and practices in its operations	11%
High	<ul style="list-style-type: none">Borrowers with significant and adverse ESG impact, and has limited management procedures and practices to mitigate ESG impact	<0.01%
Unacceptable	<ul style="list-style-type: none">Borrowers falls under the ESG Exclusion List with major and irreversible ESG impact, has no ESG management procedures and practices in place and are not willing to improve	Nil
Execution of ESG DD is pending annual review		4%
Total		100%

From the outcome of the ESG DD, the Environmental component is an input to the Climate Change and Principle-based Taxonomy ("CCPT") classification. The assessment of the Environmental component encapsulates the assessment of the borrowers' financing purpose differentiating into climate change mitigation, adaptation or not meeting climate purpose. This is followed by the assessment on the overall business of the borrowers to assess whether the business is causing significant harm to environment and subsequently the assessment of the remedial measures to promote transition or reduce harmful practices. The outcome is the assignment of the six categories of CCPT classification.

In the first quarter of 2024, the respective RAC Checklists to execute the ESG DD will be reviewed and revised to align to the CCPT Implementation Group's Due Diligence Questionnaire ("DD Questionnaire") issued on 12 January 2024. This exercise will synchronise the financial institutions' ESG Due Diligence to achieve consistent CCPT assessment and classification across financial institutions. In addition, amongst others, borrowers will be required to measure their carbon emissions as the committed remedial actions and its progress will be measured against the reduction in the carbon emissions.



Borrower's business activities which fall within the Public Bank Group's ESG Exclusion List are assigned with an ESG Risk Grade of "Unacceptable" and financing application will be rejected. For borrowers with a "High" ESG Risk Grade, approval is conditional with borrowers committing to a Time-bound Plan ("TBP") to transition to sustainable business and to overtime improve their ESG Risk Grade. For "Medium" and "Low" ESG Risk Grade borrowers, the Group will monitor the existing remedial measures or the committed TBP to assess borrowers' transition progress and to ensure no deterioration in the borrowers' ESG Risk Grade. Notwithstanding the ESG Risk Grade, all borrowers are subject to the usual credit assessment process prior to granting financing.

Monitoring

With the Public Bank Group's ESG risk infrastructure better placed as well as a stronger and aligned industry pledge to achieve the national climate target, collectively these will improve borrowers' commitment to the ESG transition agenda. The Group's expanded range of sustainable financing and products will support this cause. In 2024, the Group will move into the next phase of engaging the borrowers on their TBP, to track their progress and to understand borrowers' pain points or challenges. This is also an opportunity for the Group to offer sustainable financing and products to assist borrowers as they navigate the sustainability landscape. To better manage the engagement process, the Group will equip credit officers with the necessary ESG management tools and internal guidelines to achieve standardised ESG assessment and CCPT classification as well as guidelines to identify suitable financing solutions for borrowers to transition.

Physical Risk

Since 2022, the Public Bank Group had formalised as part of the credit assessment process to perform a simple check of the properties received as collateral against information on flood-prone areas as obtained from the National Disaster Management Agency ("NADMA") and to tag the status accordingly.

The BNM's Climate Risk Management and Scenario Analysis ("CRMSA") Policy Document and BNM's Climate Risk Stress Test ("CRST") Methodology Paper issued on 29 February 2024 require the quantification of financial institutions' exposures to climate change and the potential losses arising from both physical and transition risks. The requirements of both documents entail integration of external data to the borrowers' collateral information and business operations as well as the application of robust methodologies to project the borrowers-at-risk to flood under various scenarios and over various time horizons. To execute such complex exercise, in 2023, the Public Bank Group engaged with external solution providers to better understand the requirements and to explore the use of system or a tool to map the borrowers' collateral and business operations against flood-prone locations. This exercise will facilitate assessment of borrowers' susceptibility to physical risk. Such pursuit will be intensified in 2024 to enable the Group to execute the Scenario Analysis and Climate Stress Test as part of BNM requirements expected to be submitted by 30 June 2025. In addition, the Group will also tap on the discussion and sharing of information and methodologies at the JC3 SC1's Physical Risk Working Group of which the Group is a member.

A similar process will also be applied to map the Group's own buildings and key assets to assess the susceptibility of the Group's exposure to flood risk. This is a forward looking view of the Group's assets in addition the current flood risk assessment.

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METRICS AND TARGETS

Scope 1, Scope 2 and Scope 3 Carbon Emissions

Emissions source	Emissions (tCO ₂ e)			
	2021 ¹	2022 ¹	2023	
Scope 1 (Direct emissions)	Stationary fuel, mobile fuel and refrigerants	551	2,460	2,891
Scope 2 (Indirect emissions)	Purchased electricity	61,318	61,211	61,172
Scope 3 (Other indirect emissions)	Business travel (road and air) Employee commuting ²	1,041 NA	1,407 24,829	1,693 21,467
Total		62,910	89,907	87,223

Notes:

1. Data for 2021 and 2022 were restated due to the enhancement of reporting scope and improvement in calculation methodologies.

2. Data collection for employee commute started in 2022.

3. NA: Not Available.

For full carbon emissions performance, reporting scope and methodology, please refer to **Section: Performance Data (Environmental)** on page 252. For Scope 3 Financed Emissions, please refer to **Section: Carbon Emissions** on page 172.

Sustainable and Green Finance

Metrics	Target	Performance
		2023
1 Total sustainable financing (includes social-related financing) mobilised since 2020	RM100 billion by 2030	RM53.91 billion
2 EEV financing mobilised since 2020	–	RM38.36 billion
3 Green financing facilities mobilised since 2020	–	RM1.98 billion

For more information, please refer to **Section: Sustainable Finance** on page 178.

PERFORMANCE DATA

The Performance Data table aims to provide an overview of the Public Bank Group's sustainability performance pertaining to its material matters. The scope of the Performance Data covers the Group's main subsidiaries across its footprint in Asia (collectively, "Group data"), unless stated otherwise. The data reported is as at 31 December 2023. In addition, the table includes performance data in the recent three years and group-wide targets, where applicable. Data for 2021 and 2022 were restated due to the enhancement of reporting scope and improvement in calculation methodologies. The Performance Data table is prepared with reference to the Bursa Malaysia's Sustainability Reporting Guide (3rd Edition) and GRI standards.

Workforce

 Group data

Workforce Profile (GRI 2-7)							
Type of data	2021		2022		2023		Target (where applicable, for Public Bank only)
	Number	% of total	Number	% of total	Number	% of total	
Total all employees	19,129	100.0	18,953	100.0	19,596	100.0	-
By gender:							
Male	7,665	40.1	7,513	39.6	7,798	39.8	> 30.0% female representation
Female	11,464	59.9	11,440	60.4	11,798	60.2	
By age group:							
<30 years old	4,984	26.1	4,821	25.4	5,220	26.6	-
30 – 50 years old	11,465	59.9	11,262	59.4	11,217	57.3	-
>50 years old	2,680	14.0	2,870	15.2	3,159	16.1	-
By country:							
Malaysia	16,027	83.8	15,832	83.5	16,337	83.4	-
Hong Kong	1,267	6.6	1,208	6.4	1,202	6.1	-
Cambodia	945	4.9	949	5.0	936	4.8	-
Vietnam	890	4.7	964	5.1	1,121	5.7	-
By nationality:							
Malaysian	16,046	83.9	15,854	83.6	16,360	83.5	-
Non-Malaysian	3,083	16.1	3,099	16.4	3,236	16.5	-

Employee Category (Bursa C3(a), GRI 405-1)							
Type of data	2021		2022		2023		Target (where applicable)
	Number	% of total	Number	% of total	Number	% of total	
Senior Managerial Level							
Total all Senior Managerial Level	276	100.0	271	100.0	283	100.0	-
By gender:							
Male	142	51.4	140	51.7	145	51.2	> 45.0% female representation
Female	134	48.6	131	48.3	138	48.8	
By age group:							
<30 years old	0	0.0	0	0.0	0	0.0	-
30 – 50 years old	87	31.5	79	29.2	88	31.1	-
>50 years old	189	68.5	192	70.8	195	68.9	-

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APPENDICES

PERFORMANCE DATA

Employee Category (Bursa C3(a), GRI 405-1)							
Type of data	2021		2022		2023		Target (where applicable)
	Number	% of total	Number	% of total	Number	% of total	
By country:							
Malaysia	256	92.8	251	92.6	261	92.2	-
Hong Kong	12	4.4	12	4.4	14	5.0	-
Cambodia	4	1.4	4	1.5	4	1.4	-
Vietnam	4	1.4	4	1.5	4	1.4	-
Managerial Level							
Total all Managerial Level	2,206	100.0	2,271	100.0	2,332	100.0	-
By gender:							
Male	1,205	54.6	1,220	53.7	1,233	52.9	-
Female	1,001	45.4	1,051	46.3	1,099	47.1	-
By age group:							
<30 years old	28	1.3	20	0.9	23	1.0	-
30 – 50 years old	1,440	65.3	1,486	65.4	1,510	64.7	-
>50 years old	738	33.4	765	33.7	799	34.3	-
By country:							
Malaysia	1,755	79.6	1,817	80.0	1,850	79.3	-
Hong Kong	280	12.7	277	12.2	286	12.3	-
Cambodia	87	3.9	88	3.9	89	3.8	-
Vietnam	84	3.8	89	3.9	107	4.6	-
Supervisory Level							
Total all Managerial Level	10,722	100.0	10,708	100.0	11,387	100.0	-
By gender:							
Male	4,197	39.1	4,118	38.5	4,432	38.9	-
Female	6,525	60.9	6,590	61.5	6,955	61.1	-
By age group:							
<30 years old	3,566	33.3	3,561	33.3	4,071	35.8	-
30 – 50 years old	5,978	55.7	5,882	54.9	5,879	51.6	-
>50 years old	1,178	11.0	1,265	11.8	1,437	12.6	-
By country:							
Malaysia	9,697	90.4	9,649	90.1	10,240	89.9	-
Hong Kong	362	3.4	374	3.5	389	3.4	-
Cambodia	306	2.9	306	2.9	317	2.8	-
Vietnam	357	3.3	379	3.5	441	3.9	-
Non-Supervisory Level							
Total all Non-Supervisory Level	5,925	100.0	5,703	100.0	5,594	100.0	-
By gender:							
Male	2,121	35.8	2,036	35.7	1,988	35.5	-
Female	3,804	64.2	3,667	64.3	3,606	64.5	-

Employee Category (Bursa C3(a), GRI 405-1)							
Type of data	2021		2022		2023		Target (where applicable)
	Number	% of total	Number	% of total	Number	% of total	
By age group:							
<30 years old	1,390	23.5	1,239	21.7	1,126	20.1	-
30 – 50 years old	3,960	66.8	3,816	66.9	3,740	66.9	-
>50 years old	575	9.7	648	11.4	728	13.0	-
By country:							
Malaysia	4,319	72.9	4,115	72.1	3,986	71.2	-
Hong Kong	613	10.3	545	9.6	513	9.2	-
Cambodia	548	9.3	551	9.7	526	9.4	-
Vietnam	445	7.5	492	8.6	569	10.2	-
Note: Public Bank has set its bank-wide target of more than 30% female representation at Managerial, Supervisory and Non-supervisory levels, respectively.							
Employment Status (Bursa C6(b), GRI 2-7)							
Type of data	2021		2022		2023		Target (where applicable, for Public Bank only)
	Number	% of total	Number	% of total	Number	% of total	
By status:							
Permanent	18,334	95.8	18,133	95.7	18,529	94.6	<0.5% of contract employees against total employees
Contract	795	4.2	820	4.3	1,067	5.4	
Permanent Employees							
Total all permanent employees	18,334	100.0	18,133	100.0	18,529	100.0	-
By gender:							
Male	7,352	40.1	7,191	39.7	7,367	39.8	-
Female	10,982	59.9	10,942	60.3	11,162	60.2	-
By country:							
Malaysia	15,938	86.9	15,748	86.9	16,174	87.3	-
Hong Kong	1,208	6.6	1,147	6.3	1,119	6.0	-
Cambodia	890	4.9	893	4.9	884	4.8	-
Vietnam	298	1.6	345	1.9	352	1.9	-
Contract Employees							
Total all Contract employees	795	100.0	820	100.0	1,067	100.0	-
By gender:							
Male	313	39.4	322	39.3	431	40.4	-
Female	482	60.6	498	60.7	636	59.6	-

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Employment Status (Bursa C6(b), GRI 2-7)							
Type of data	2021		2022		2023		Target (where applicable, for Public Bank only)
	Number	% of total	Number	% of total	Number	% of total	
By country:							
Malaysia	89	11.2	84	10.3	163	15.3	-
Hong Kong	59	7.4	61	7.4	83	7.8	-
Cambodia	55	6.9	56	6.8	52	4.9	-
Vietnam	592	74.5	619	75.5	769	72.0	-
Employees under Union (GRI 2-30)							
Type of data	2021		2022		2023		Target (where applicable)
	Number	% of total	Number	% of total	Number	% of total	
Total all unionised employees	4,297	100.0	4,237	100.0	4,358	100.0	-
By country:							
Malaysia	3,413	79.4	3,279	77.4	3,243	74.4	-
Hong Kong	0	0.0	0	0.0	0	0.0	-
Cambodia	0	0.0	0	0.0	0	0.0	-
Vietnam	884	20.6	958	22.6	1,115	25.6	-
New Employee Hires (GRI 401-1)							
Type of data	2021		2022		2023		Target (where applicable)
	Number	% of total	Number	% of total	Number	% of total	
Number and Percentage (%) of New Employee Hires							
Total new hires	1,574	100.0	2,028	100.0	2,705	100.0	-
By gender:							
Male	782	49.7	932	46.0	1,249	46.2	-
Female	792	50.3	1,096	54.0	1,456	53.8	-
By age group:							
<30 years old	1,357	86.2	1,709	84.3	2,228	82.4	-
30 – 50 years old	206	13.1	284	14.0	365	13.5	-
>50 years old	11	0.7	35	1.7	112	4.1	-
By country:							
Malaysia	1,081	68.7	1,358	67.0	2,007	74.2	-
Hong Kong	197	12.5	272	13.4	302	11.2	-
Cambodia	54	3.4	98	4.8	57	2.1	-
Vietnam	242	15.4	300	14.8	339	12.5	-

New Employee Hires (GRI 401-1)							
Type of data	2021		2022		2023		Target (where applicable)
New Employee Hire Rate							
New hire rate against total employee (%)	8.2		10.7		13.8		-
By gender:							
Male	10.2		12.4		16.0		-
Female	6.9		9.6		12.3		-
By age group:							
<30 years old	27.2		35.4		42.7		-
30 – 50 years old	1.8		2.5		3.3		-
>50 years old	0.4		1.2		3.5		-
By country:							
Malaysia	6.7		8.6		12.3		-
Hong Kong	15.5		22.5		25.1		-
Cambodia	5.7		10.3		6.1		-
Vietnam	27.2		31.1		30.2		-
Employee Turnover (Bursa C6(c), GRI 401-1)							
Type of data	2021	Number	% of total	2022	Number	% of total	2023
							Target (where applicable)
Number and Percentage (%) of Employee Turnover							
Total employee turnover	1,358	100.0		1,953	100.0		1,852
By gender:							
Male	649	47.8		936	47.9		829
Female	709	52.2		1,017	52.1		1,023
By age group:							
<30 years old	868	63.9		1,265	64.8		1,192
30 – 50 years old	421	31.0		594	30.4		561
>50 years old	69	5.1		94	4.8		99
By employee category:							
Senior managerial	6	0.4		18	0.9		8
Managerial	69	5.1		109	5.6		95
Supervisory	894	65.8		1,340	68.6		1,325
Non-supervisory	389	28.7		486	24.9		424
By country:							
Malaysia	820	60.4		1,311	67.1		1,305
Hong Kong	285	21.0		322	16.5		296
Cambodia	62	4.6		94	4.8		70
Vietnam	191	14.0		226	11.6		181

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Employee Turnover (Bursa C6(c), GRI 401-1)							
Type of data	2021		2022		2023		Target (where applicable, for Public Bank only)
Employee Turnover Rate							
Employee turnover rate against total employee (%)	7.1		10.3		9.5		<10.0%
By gender:							
Male	8.5		12.5		10.6		-
Female	6.2		8.9		8.7		-
By age group:							
<30 years old	17.4		26.2		22.8		-
30 – 50 years old	3.7		5.3		5.0		-
>50 years old	2.6		3.3		3.1		-
By employee category (%):							
Senior managerial	2.2		6.6		2.8		<12.0%
Managerial	3.1		4.8		4.1		<7.6%
Supervisory	8.3		12.5		11.6		<13.0%
Non-supervisory	6.6		8.5		7.6		<3.3%
By country:							
Malaysia	5.1		8.3		8.0		-
Hong Kong	22.5		26.7		24.6		-
Cambodia	6.6		9.9		7.5		-
Vietnam	21.5		23.4		16.1		-
Board Diversity (Bursa C3(b), GRI 405-1)							
Type of data	Number	% of total	Number	% of total	Number	% of total	Target (where applicable)
Board of Directors of Public Bank Berhad	9	100.0	8	100.0	9	100.0	-
By gender:							
Male	6	66.7	5	62.5	5	55.6	Not less than
Female	3	33.3	3	37.5	4	44.4	30.0% for female
By age group:							
<60 years old	1	11.0	1	12.5	2	22.2	-
60 – 70 years old	4	44.5	4	50.0	4	44.5	-
>70 years old	4	44.5	3	37.5	3	33.3	-

Gender Pay Ratio (GRI 405-2)				
Type of data	2021	2022	2023	Target (where applicable)
By country:				
Malaysia:				
Male	1.00	1.00	1.00	-
Female	0.87	0.91	0.92	-
Hong Kong:				
Male	1.00	1.00	1.00	-
Female	0.72	0.70	0.69	-
Cambodia:				
Male	1.00	1.00	1.00	-
Female	0.73	0.71	0.70	-
Vietnam:				
Male	1.00	1.00	1.00	-
Female	0.74	0.84	0.84	-

Note: Gender pay ratio is based on the average salary of male to female, by indexing male to 1.0.

Employee Training and Development Investment				
Type of data	2021	2022	2023	Target (where applicable)
Training and Development Investment				
Total training and development investment (RM'Million)	42.6	53.1	52.7	-
By country:				
Malaysia (RM'Million)	40.8	51.0	49.7	-
Hong Kong (HKD'Million)	0.9	1.2	1.7	-
Cambodia (USD'000)	0.1	0.1	0.2	-
Vietnam (VND'Million)	4,787.2	5,955.9	6,820.0	-
Average Training Budget per Employee				
By country:				
Malaysia (RM)	2,548	3,220	3,039	-
Hong Kong (HKD)	710	993	1,414	-
Cambodia (USD)	71	74	168	-
Vietnam (VND'000)	5,379	6,178	6,084	-
Employee Training Hours (Bursa C6(a), GRI 404-1)				
Type of data	2021	2022	2023	Target (where applicable)
Total Training Hours				
Total training hours for all employees	1,123,998	1,178,688	1,199,590	-
By employee category:				
Supervisory*	909,576	967,468	978,141	-
Non-supervisory	214,422	211,220	221,449	-

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Employee Training Hours (Bursa C6(a), GRI 404-1)				
Type of data	2021	2022	2023	Target (where applicable)
By country:				
Malaysia	1,028,633	1,037,658	1,065,196	-
Hong Kong	19,455	31,777	33,773	-
Cambodia	43,547	59,405	59,421	-
Vietnam	32,363	49,848	41,200	-
Average Training Hours per Employee				
Total training hours for all employees against number of all employees	58.8	62.2	61.2	-
By employee category:				
Supervisory*	68.9	73.0	69.9	-
Non-supervisory	36.2	37.0	39.6	-
By country:				
Malaysia	64.2	65.5	65.2	-
Hong Kong	15.4	26.3	28.1	-
Cambodia	46.1	62.6	63.5	-
Vietnam	36.4	51.7	36.8	-

* Including Senior Managerial and Managerial Levels

Employee Training Participation (Bursa C1(a), GRI 205-2, GRI 404-2)				
Type of data	2021	2022	2023	Target (where applicable)
Total employee training enrolments	341,059	413,902	535,040	-
Number of Employees Trained in Key Training Programmes				
ESG-related training	20,879	20,148	19,550	-
Compliance-related training	128,122	162,833	223,106	-
AML/CFT	110,417	130,731	200,651	-
Anti-Fraud	8,575	6,102	8,926	-
Anti-bribery and anti-corruption	16,871	27,697	21,910	-
Training to enhance credit quality	9,144	9,877	10,149	-
Fair dealing/responsible sales practices	3,449	5,607	4,555	-
Customer service-related training	12,587	13,015	14,192	-
Cyber awareness education initiatives	31,015	37,892	32,001	-
Average ESG Training Hour per Employee				
Total ESG training hours against number of employees	0.5	1.4	1.7	Minimum of two hours ESG-related training from 2024

Employee Training Participation (Bursa C1(a), GRI 205-2, GRI 404-2)							
Type of data	2021		2022		2023		Target (where applicable)
	Person(s)	% of employees trained	Person(s)	% of employees trained	Person(s)	% of employees trained	
Number and percentage (%) of employees received Anti-Bribery and Anti-Corruption training by Employee Category							
Supervisory*	12,562	95.1	13,185	99.5	13,357	95.4	-
Non-supervisory	5,393	91.0	5,624	98.6	5,120	91.5	-

* Including Senior Managerial and Managerial Levels

Occupational Safety and Health (Bursa C5(a), Bursa C5(b), Bursa C5(c), GRI 403-9)				
Type of data	2021	2022	2023	Target (where applicable)
Work-related Injuries				
Number of workplace accident	7	15	20	-
Number of workplace accident with fatality	0	0	0	Zero workplace accidents with fatality
Number of workplace accident with lost workdays	7	14	15	-
Number of workplace accident without lost workdays	0	1	5	-
Number of lost workdays	214	569	399	-
Lost time incident rate (%)	0.036 per 100 employee	0.073 per 100 employee	0.075 per 100 employee	To ensure that lost time incident rate <0.05 per 100 employees
Absenteeism due to workplace accident (%)	0.005	0.012	0.008	-
Fatality rate (%)	0.0	0.0	0.0	-
Number of employees trained on health and safety standards	1,516	13,544	14,740	All employees

Workplace Ethics (Bursa C1(b), Bursa C1(c), Bursa C6(d), GRI 2-27, GRI 205-1, GRI 205-3)				
Type of data	2021	2022	2023	Target (where applicable)
Number of confirmed incidents of corruption	0	0	0	Zero incidents of corruption
Percentage of operations assessed for corruption-related risks (%) (Assessment for corruption risk started in 2023 and covers Malaysian banking entities only)	NA	NA	100.0	100% of operations assessed for corruption related risks
Number of substantiated complaints concerning human rights violation	0	0	0	Zero complaints on human rights violation

NA: Not Available

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Employee Welfare (GRI 401-2)				
Type of data	2021	2022	2023	Target (where applicable)
Staff Loans				
Total amount of staff loans approved (RM'Million)	327.5	307.0	337.1	-
Total outstanding amount of staff loans (RM'Million)	2,201.3	2,221.0	2,230.5	-
Benefits Paid under the Group's Protection Insurance Policies				
Personal accident insurance (RM'Million)	0.5	0.9	0.8	-
Group term life insurance (RM'Million)	7.5	3.9	4.1	-

Parental Leave (GRI 401-3)				
Type of data	2021	2022	2023	Target (where applicable)
Number of Employees that were Entitled to Parental Leave, by Gender:				
Male	7,491	7,354	7,798	-
Female	11,099	11,067	11,798	-
Number of Employees that Took Parental Leave, by Gender:				
Male	287	257	247	-
Female	546	435	445	-
Number of Employees that Returned to Work after Parental Leave Ended, by Gender:				
Male	287	256	247	-
Female	539	434	442	-
Return to Work Rate (%) of Employees that Took Parental Leave, by Gender:				
Male	100.0	99.9	100.0	-
Female	98.7	99.8	99.3	-
Retention Rate (%) of Employees that Took Parental Leave, by Gender:				
Male	85.4	93.6	99.8	-
Female	92.4	93.4	96.8	-

Customers

	Group data		Public Bank and Public Islamic Bank
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Customer Experience (Bursa C8(a), GRI 418-1)				
Type of data	2021	2022	2023	Target (where applicable)
Frontline Counter Queue Management				
Conformance Rate of 2 Minutes Standard Waiting Time (%)	90.0	80.0	67.0	-
Conformance Rate of 10 Minutes Standard Waiting Time (%)	99.0	95.0	88.0	-
Customer satisfaction ratings				
Loan Delivery Service of "Exceeded Expectation" or "Within Expectation" (%)	96.0	95.0	96.0	-
Public Mutual: Customer satisfaction rating of "Very Good" or "Good" (%)	94.0	96.0	96.0	-
Customer complaints				
Number of customer complaints	826	618	494	-
Percentage of complaints resolved within internal turnaround time of 10 days (%)	100.0	100.0	100.0	100.0
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0	Zero customer data breaches

Service Delivery Network (GRI 203-1)				
Type of data	2021	2022	2023	Target (where applicable)
Malaysia				
Number of branches	264	264	264	-
Number of self-service terminals	2,078	2,074	2,070	-
Public Mutual branches/customer service centres	31	31	31	-
Hong Kong				
Number of branches	78	77	73	-
Number of self-service terminals	27	28	27	-
Cambodia				
Number of branches	31	31	32	-
Number of self-service terminals	79	81	84	-
Vietnam				
Number of branches	29	32	40	-
Number of self-service terminals	57	62	66	-

Digital Banking (GRI 203-1)				
Type of data	2021	2022	2023	Target (where applicable)
Malaysia				
PBe Internet Banking:				
Number of subscribers (million)	3.2	3.4	3.5	-
Number of financial transactions (million)	158.0	150.8	105.3	-
Penetration rate (%)	46.8	48.1	48.5	-

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Digital Banking (GRI 203-1)				
Type of data	2021	2022	2023	Target (where applicable)
PB enterprise Internet Banking:				
Number of subscribers (million)	0.2	0.3	0.3	-
Number of financial transactions (million)	30.1	42.2	59.8	-
Penetration rate (%)	28.8	47.5	54.9	-
PB engage Mobile Banking:				
Number of subscribers (million)	1.7	2.2	3.0	-
Number of financial transactions (million)	69.0	83.4	112.2	-
Penetration rate (%)	26.7	34.1	45.3	-
Public Mutual Online:				
Number of subscribers (million)	0.7	0.8	0.8	-
Number of investment transactions (million)	1.1	0.6	0.4	-
Hong Kong¹				
Number of Internet banking subscribers	20,965	22,426	23,756	-
Number of mobile banking subscribers ²	1,235	1,687	5,362	-
Cambodia				
Number of internet banking subscribers	22,687	30,147	36,130	-
Number of mobile banking subscribers	16,674	29,073	35,710	-
Vietnam				
Number of internet banking subscribers	21,540	30,180	42,380	-
Number of mobile banking subscribers	NA	6,103	15,465	-

Notes:

1. Data covers Public Bank (Hong Kong) Limited only.
2. 2021 and 2022 figures were from mobile application Public Bank (Hong Kong) Pay, while 2023 figure was from new mobile application "PBHK Digi".
3. NA: Not Available.

Financial Inclusion (GRI 203-2)				
Type of data	2021	2022	2023	Target (where applicable)
Malaysia				
New affordable home loans approved¹:				
Number of accounts	27,196	31,113	25,312	-
Loan amount (RM'Billion)	7.70	8.85	7.36	-
New home loans approved:				
Number of accounts	47,954	54,536	47,964	-
Loan amount (RM'Billion)	20.86	23.54	21.98	-
New motor vehicles financing approved:				
Number of accounts	184,524	246,384	272,660	-
Loan amount (RM'Billion)	14.31	20.12	22.78	-
New SME financing approved:				
Number of accounts	39,534	46,920	48,615	-
Loan amount (RM'Billion)	9.14	12.44	13.94	-

Financial Inclusion (GRI 203-2)				
Type of data	2021	2022	2023	Target (where applicable)
Hong Kong²				
Number of deposit accounts	134,520	144,687	154,409	-
Number of loan accounts	8,247	8,121	7,809	-
Number of ATM cards	12,467	12,410	13,046	-
Cambodia				
Number of deposit accounts	90,518	89,267	90,459	-
Number of loan accounts	9,956	10,674	12,331	-
Number of debit/credit cards	52,088	47,709	47,126	-
Vietnam				
Number of deposit accounts	41,683	56,049	71,568	-
Number of loan accounts	20,379	24,203	28,660	-
Number of debit/credit cards	12,392	18,708	27,643	-

Notes:

1. Approved housing loan/financing for home costing between RM100,000 - RM500,000.
2. Data covers Public Bank (Hong Kong) Limited only.

Suppliers

	Group data		Public Bank and Public Islamic Bank
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Procurement Practices (Bursa C7(a), GRI 204-1, GRI 308-1, GRI 414-1)				
Type of data	2021	2022	2023	Target (where applicable)
Number of Suppliers				
Total number of all suppliers	1,203	1,326	1,473	-
Number of local suppliers	1,178	1,302	1,446	-
Percentage of local suppliers (%)	97.9	98.2	98.2	-
Procurement Spending				
Total Procurement Spent (RM'Million)	472.9	503.3	744.6	-
Total spending on local suppliers (RM'Million)	457.1	488.1	720.1	-
Percentage of spending on local suppliers (%)	96.7	97.0	96.7	-
Vendor due diligence				
Number of vendor due diligence conducted	367	400	458	-
ESG screening				
Number of ESG screening performed	84	84	90	-
Electronic purchase orders ("e-POs")				
Total number of e-POs issued	6,869	7,310	10,356	-
Percentage of e-POs issued out of total purchase orders issued (%)	92.4	93.2	97.6	-

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Community

 Group data

Procurement Practices (Bursa C7(a), GRI 204-1, GRI 308-1, GRI 414-1)				
Type of data	2021	2022	2023	Target (where applicable)
Community Investments				
Total contribution (RM'Million)	3.6	0.8	1.2	RM10 million spent by 2030
Total individuals benefitted from the community programmes	1,100	1,700	2,300	-
Total contribution, by country:				
Malaysia (RM)	3,400,000	671,000	1,100,000	-
Hong Kong (HKD)	14,800	21,400	22,900	-
Cambodia (USD)	16,000	26,000	17,100	-
Vietnam (VND'000)	273,000	135,000	180,000	-
Employee Volunteerism				
Total employee volunteers	260	93	116	-
Total volunteer hours	658	337	307	50,000 volunteer hours clocked by 2025

Environment

 Group data  Externally Assured

Energy (Bursa C4(a), GRI 302-1, GRI 302-3, GRI 302-4)				
Type of data	2021	2022	2023	Target (where applicable)
Energy Consumption				
Total energy consumption (MWh)	95,388	99,182	96,032	30% reduction in energy consumed from baseline by 2030
Total energy consumption intensity (MWh/FTE)	4.9	5.2	4.8	
Energy consumption (MWh), by type:				
Renewable energy	53	48	746	-
Non-renewable energy	87,191	87,039	86,444	-
Fuel consumption	8,144	12,095	8,842	-
Renewable energy				
On-site solar panels ¹	53	48	96	-
RECs from utility providers ²	NA	NA	650	-
Total renewable energy consumption (MWh)	53	48	746	-
Electricity Consumption				
Total electricity consumption (MWh)	87,244	87,088	87,191	-
Total electricity consumption intensity (MWh/FTE)	4.5	4.5	4.4	-
Electricity consumption (MWh), by country:				
Malaysia	77,284	77,564	76,994	-
Hong Kong ⁵	4,225	3,918	3,885	-
Cambodia	3,819	3,527	4,201	-
Vietnam	1,916	2,079	2,111	-

Energy (Bursa C4(a), GRI 302-1, GRI 302-3, GRI 302-4)				
Type of data	2021	2022	2023	Target (where applicable)
Fuel Consumption³				
Total fuel consumption (litres)	231,258	327,685	326,831	-
Fuel consumption (litres), by type:				
Diesel	33,575	43,464	32,753	-
Petrol	197,683	284,221	294,078	-

Notes:

1. Data for 2021 and 2022 include energy consumption of on-site solar panels from Menara Public Bank 2 in Malaysia. Data for 2023 include energy consumption of on-site solar panels from Menara Public Bank 2, Bangunan Public Bank, Public Bank Ampang branch and Public Bank Petaling Jaya New Town branch in Malaysia.
2. RECs were purchased for Public Bank Tower in Malaysia, with effect from August 2023 to December 2023.
3. Fuel consumption (diesel or petrol) for generator sets and company vehicles.
4. Full-time employee ("FTE") covers group-wide staff strength.
5. Hong Kong electricity consumption figures were calculated based on average of the billed electricity consumption and then multiply it by the number of missing months for each office and branch.
6. NA: Not Available.

Water Consumption (Bursa C9(a), GRI 303-3, GRI 303-5)				
Type of data	2021	2022	2023	Target (where applicable)
Total water consumption (m ³)	404,197	460,193	479,193	30% reduction in water
Total water consumption intensity (m ³ /full time employee)	20.9	24.0	24.2	consumption from baseline by 2030
Water consumption (m³), by country:				
Malaysia	371,976	428,204	441,705	-
Hong Kong ³	4,154	4,723	3,825	-
Cambodia	20,961	19,436	18,856	-
Vietnam	7,106	8,550	14,807	-

Notes:

1. All water consumed were sourced from local municipal water supply.
2. Due to the nature of Public Bank Group's operations, water or effluent discharged are not deemed to be polluting.
3. Hong Kong water consumption figures were calculated based on average of the billed water consumption and then multiply it by the number of missing months for each office and branch.

Waste Management (Bursa C10(a), GRI 306-3, GRI 306-4, GRI 306-5)				
Type of data	2021	2022	2023	Target (where applicable)
Total waste generated (tonnes)	NA	NA	1,578	-
Total waste recycled (tonnes)	NA	NA	602	-
Waste generated (tonnes), by country:				
Malaysia	NA	NA	1,448	-
Hong Kong	NA	NA	14	-
Cambodia	NA	NA	57	-
Vietnam	NA	NA	59	-
Waste recycled (tonnes), by country:				

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Waste Management (Bursa C10(a), GRI 306-3, GRI 306-4, GRI 306-5)				
Type of data	2021	2022	2023	Target (where applicable)
Malaysia	NA	NA	496	-
Hong Kong	NA	NA	86	-
Cambodia	NA	NA	16	-
Vietnam	NA	NA	4	-

Notes:

1. Data collection for waste generated and waste recycled across the Group started in 2023.
2. Waste recycled include items such as paper, cardboard and plastic.
3. Waste generated is estimated based on average waste generated per employee per day in the offices and branches.
4. NA: Not Available.

Paper Consumption				
Type of data	2021	2022	2023	Target (where applicable)
Total paper consumption (kg)	NA	NA	1,112,447	-
Paper consumption (kg), by country:				
Malaysia	NA	NA	957,306	-
Hong Kong	NA	NA	79,570	-
Cambodia	NA	NA	36,391	-
Vietnam	NA	NA	39,180	-

Notes:

1. Data collection for paper consumption across the Group started in 2023.
2. The amount of paper used includes A3 and A4 sized-paper only. Other types of paper are excluded.
3. NA: Not Available.

	Group data		Externally Assured
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Emissions (Bursa C11(a), Bursa C11(b), Bursa C11 (c), GRI 302-1, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5)				
Type of data	2021	2022	2023	Target (where applicable)
Scope 1 (tCO₂e)¹				
Stationary Fuel – generator set fuel	60	90	66	Carbon Neutral
Mobile Fuel - company vehicle fuel	491	689	707	by 2030/
Refrigerants ²	NA	1,681	2,118	Net Zero Carbon by 2050
Total Scope 1	551	2,460	2,891	
Scope 2 (tCO₂e)¹				
Scope 2 (location-based) ³	Malaysia	55,611	55,788	Carbon Neutral
	Hong Kong ⁴	2,315	2,104	by 2030/
	Cambodia	2,237	2,066	Net Zero Carbon
	Vietnam	1,155	1,253	by 2050
Total Scope 2 (location-based)	61,318	61,211	61,172	-
Total Scope 2 (market-based)	61,318	61,211	60,679	-

Emissions (Bursa C11(a), Bursa C11(b), Bursa C11 (c), GRI 302-1, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5)				Target (where applicable)
Type of data	2021	2022	2023	
Scope 3 (tCO₂e)				
Business travel	1,041	1,407	1,693	
Employee commute ⁵	NA	24,829	21,467	Net Zero Carbon by 2050
Total Scope 3	1,041	26,236	23,160	
Total Emissions (tCO₂e)				
Total Scope 1, Scope 2 (location-based) and Scope 3	62,910	89,907	87,223	-
Total emissions intensity by FTE (tCO₂e/FTE)	3.2	4.7	4.4	-
Total emissions intensity by revenue (tCO₂e/Revenue)	3.2	4.2	3.4	-
Financed Emission (ktCO₂e)⁷				
Absolute emissions	5,689	5,912	6,039	-

Notes:

1. This data has been externally assured. Refer to the Limited Assurance Report on page 273.
2. Data for 2022 refrigerants emissions were estimated based on the group's inventory of air-conditioning units. The emissions do not include Hong Kong and Cambodia as they do not have operational control over their air-conditioning units.
3. Scope 2 emissions were calculated based on the respective grid emissions factor for each country.
4. Hong Kong electricity consumption figures were calculated based on average of the billed electricity consumption and then multiply it by the number of missing months for each office and branch.
5. Data collection for employee commute started in 2022.
6. Full-time employee ("FTE") covers group-wide staff strength.
7. Financed emissions include five asset classes. For details of each asset class and data quality, refer to Section: Carbon Emissions.
8. NA: Not Available.

Carbon Emission Organisational Boundary

Country	Assets and Facilities	Scope 1	Scope 2	Scope 3
Malaysia	<ul style="list-style-type: none"> • Public Bank's main office buildings: <ul style="list-style-type: none"> - Menara Public Bank - Bangi Information Technology and Training Centre - Menara Public Bank 2 ("MPB 2") - Bangunan Public Bank - Public Bank Tower • Public Bank and Public Islamic Bank branches • Public Mutual's main office residing in MPB2 and Sri Damansara Office • Public Mutual branches and service centres • Public Investment Bank's main office residing in MPB2 • Public Bank's overseas branches in Laos and Sri Lanka* 	●	●	●
Hong Kong	<ul style="list-style-type: none"> • PFHL's main office buildings • Branches of Public Bank (Hong Kong) Limited, Public Finance Limited and Winton (B.V.I.) Limited 	●	●	●
Cambodia	<ul style="list-style-type: none"> • Campu Bank's main office building and branches 	●	●	●
Vietnam	<ul style="list-style-type: none"> • Public Bank Vietnam's main office building and branches 	●	●	●

* Only cover Scope 1 and Scope 2

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Carbon Emission Reporting Methodology

Source	Emission Type	Methodology and Emission Factor Source
Scope 1 (Direct Emissions)		
Generator set fuel consumption	Stationary fuel	<ul style="list-style-type: none"> Intergovernmental Panel on Climate Change ("IPCC") Guidelines for National Greenhouse Gas Inventories Petronas Safety Data Sheet - Diesel Euro 5 (B10)
Mobile vehicles fuel consumption	Mobile fuel	<ul style="list-style-type: none"> Intergovernmental Panel on Climate Change ("IPCC") Guidelines for National Greenhouse Gas Inventories Petronas Safety Data Sheet - Unleaded Gasoline (Euro 2M RON 95)
Refrigerants gas refills for stationary air-conditioners	Fugitive	<ul style="list-style-type: none"> Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards IPCC 5th Assessment Report
Scope 2 (Indirect Emissions)		
Purchased electricity	Electricity	<ul style="list-style-type: none"> Energy Commission of Malaysia Institute for Global Environment Strategies ("IGES") List of Grid Emissions Factors Hong Kong Exchange ("HKEX"): How to prepare an ESG Report? - Appendix 2 Reporting Guidance on Environmental KPIs
Scope 3 (Other Indirect Emissions)		
Business travel	Land transport (car/motorcycle)	<ul style="list-style-type: none"> The UK Department for Environment, Food & Rural Affairs) UK Government GHG Conversion Factors for Company Reporting 2023
	Air transport	<ul style="list-style-type: none"> International Civil Aviation Organisation's ("ICAO") Carbon emissions Calculator
Employee commute	Land transport (car/motorcycle)	<ul style="list-style-type: none"> The UK Department for Environment, Food & Rural Affairs) UK Government GHG Conversion Factors for Company Reporting 2023
	Land transport (bus)	<ul style="list-style-type: none"> The UK Department for Environment, Food & Rural Affairs) UK Government GHG Conversion Factors for Company Reporting 2023
	Land transport (rail)	<ul style="list-style-type: none"> The UK Department for Environment, Food & Rural Affairs) UK Government GHG Conversion Factors for Company Reporting 2023

BURSA MALAYSIA ESG REPORTING PLATFORM PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2021	2022	2023
Carbon Emissions				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	551.00	2,460.00	2,891.00
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	61,318.00	61,211.00	61,172.00
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	1,041.00	26,236.00	23,160.00
Resource Management				
Bursa C4(a) Total energy consumption	Megawatt	95,388.00	99,182.00	96,032.00
Bursa C9(a) Total volume of water used	Megalitres	0.404197	0.460913	0.479193
Bursa C10(a) Total waste generated	Metric tonnes	-	-	1,578.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	-	602.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	-	976.00
Sustainable Supply Chain				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	96.70	97.00	96.70
Diversity and Inclusion				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Senior Managerial Under 30	Percentage	0.00	0.00	0.00
Senior Managerial Between 30-50	Percentage	31.50	29.20	31.10
Senior Managerial Above 50	Percentage	68.50	70.80	68.90
Managerial Under 30	Percentage	1.30	0.90	1.00
Managerial Between 30-50	Percentage	65.30	65.40	64.70
Managerial Above 50	Percentage	33.40	33.70	34.30
Supervisory Under 30	Percentage	33.30	33.30	35.80

Internal assurance

External assurance

No assurance

(*)Restated

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BURSA MALAYSIA ESG REPORTING PLATFORM PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2021	2022	2023
Supervisory Between 30-50	Percentage	55.70	54.90	51.60
Supervisory Above 50	Percentage	11.00	11.80	12.60
Non-Supervisory Under 30	Percentage	23.50	21.70	20.10
Non-Supervisory Between 30-50	Percentage	66.80	66.90	66.90
Non-Supervisory Above 50	Percentage	9.70	11.40	13.00
Gender Group by Employee Category				
Senior Managerial Male	Percentage	51.40	51.70	51.20
Senior Managerial Female	Percentage	48.60	48.30	48.80
Managerial Male	Percentage	54.60	53.70	52.90
Managerial Female	Percentage	45.40	46.30	47.10
Supervisory Male	Percentage	39.10	38.50	38.90
Supervisory Female	Percentage	60.90	61.50	61.10
Non-Supervisory Male	Percentage	35.80	35.70	35.50
Non-Supervisory Female	Percentage	64.20	64.30	64.50
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	66.70	62.50	55.60
Female	Percentage	33.30	37.50	44.40
Under 60	Percentage	11.00	12.50	22.20
Between 60-70	Percentage	44.50	50.00	44.50
Above 70	Percentage	44.50	37.50	33.30
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	4.20	4.30	5.40
Bursa C6(c) Total number of employee turnover by employee category				

Internal assurance

External assurance

No assurance

(*)Restated

Indicator	Measurement Unit	2021	2022	2023
Senior Managerial	Number	6	18	8
Managerial	Number	69	109	95
Supervisory	Number	894	1,340	1,325
Non-Supervisory	Number	389	486	424
Employee Engagement and Development				
Bursa C6(a) Total hours of training by employee category				
Supervisory	Hours	909,576	967,468	978,141
Non-Supervisory	Hours	214,422	211,220	221,449
Human and Labour Rights				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.04	0.07	0.08
Bursa C5(c) Number of employees trained on health and safety standards	Number	1,516	13,544	14,740
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Community Empowerment				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	3,600,000.00	800,000.00	1,200,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	1,100	1,700	2,300
Data Privacy and Cybersecurity				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Governance and Business Ethics				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category	Percentage	95.10	99.50	95.40
Supervisory	Percentage	95.10	99.50	95.40
Internal assurance	External assurance	No assurance	(*)Restated	

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BURSA MALAYSIA ESG REPORTING PLATFORM PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2021	2022	2023
Non-Supervisory	Percentage	91.00	98.60	91.50
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	-	-	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0

Internal assurance

External assurance

No assurance

(*)Restated

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 2023 to 31 December 2023 with reference to the GRI Standards.
GRI 1 USED	GRI 1: Foundation 2021

GRI 2: GENERAL DISCLOSURE 2021			
Disclosure	Description	References in Annual Report 2023/ Sustainability Report 2023	Page Number
The Organisation and its Reporting Practices			
2-1	Organisational details	Corporate Profile	4
2-2	Entities included in the organisation's sustainability reporting	Sustainability Report – About Public Bank Group's Sustainability Report 2023	154
2-3	Reporting period, frequency and contact point	Sustainability Report – About Public Bank Group's Sustainability Report 2023	154
2-4	Restatement of Information	Sustainability Report – Performance Data	239
2-5	External Assurance	Sustainability Report – Limited Assurance Report	273
Activities and Workers			
2-6	Activities, value chain and other business relationships	Corporate Profile	4
		Sustainability Report – About Public Bank Group's Sustainability Report 2023	154
2-7	Employees	Sustainability Report – Performance Data	239 (Workforce)
Governance			
2-9	Governance structure and composition	Sustainability Report – Sustainability Governance	163
		Corporate Governance Overview Statement	276
		For further details, please refer to Corporate Governance Report 2023 available on Public Bank's corporate website at www.publicbankgroup.com	
2-10	Nomination and selection of the highest governance body	Corporate Governance Overview Statement	282 (New Appointment and Re-Appointment of Director, and Re-Election of Directors)
		For further details, please refer to Corporate Governance Report 2023 available on Public Bank's corporate website at www.publicbankgroup.com	

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GRI CONTENT INDEX

GRI 2: GENERAL DISCLOSURE 2021			
Disclosure	Description	References in Annual Report 2023/ Sustainability Report 2023	Page Number
Governance			
2-11	Chair of the highest governance body	Corporate Governance Overview Statement For further details, please refer to Corporate Governance Report 2023 available on Public Bank's corporate website at www.publicbankgroup.com	278 (Roles of Chairman, Managing Director/CEO and Non-Executive Directors)
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Report – Sustainability Governance	163
2-13	Delegation of responsibility for managing impacts	Sustainability Report – Sustainability Governance	163
2-14	Role of the highest governance body in sustainability reporting	Sustainability Report – Sustainability Governance	163
2-15	Conflicts of interest	Corporate Governance Overview Statement Ethics, Integrity and Trust	276 308
2-16	Communication of critical concerns	Sustainability Report – Sustainability Governance Corporate Governance Overview Statement For further details, please refer to Corporate Governance Report 2023 available on Public Bank's corporate website at www.publicbankgroup.com	163 276 For further details, please refer to Corporate Governance Report 2023 available on Public Bank's corporate website at www.publicbankgroup.com
2-17	Collective knowledge of the highest governance body	Sustainability Report – Theme 2: Proficient Employees Disclosures Aligned with TCFD Corporate Governance Overview Statement For further details, please refer to Corporate Governance Report 2023 available on Public Bank's corporate website at www.publicbankgroup.com	187 (Employee Engagement and Development) 225 (Governance) 283 (Directors' Training) For further details, please refer to Corporate Governance Report 2023 available on Public Bank's corporate website at www.publicbankgroup.com
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Overview Statement For further details, please refer to Corporate Governance Report 2023 available on Public Bank's corporate website at www.publicbankgroup.com	284 (Board Effectiveness Evaluation) For further details, please refer to Corporate Governance Report 2023 available on Public Bank's corporate website at www.publicbankgroup.com

GRI 2: GENERAL DISCLOSURE 2021			
Disclosure	Description	References in Annual Report 2023/ Sustainability Report 2023	Page Number
Governance			
2-19	Remuneration policies	Sustainability Report – Theme 2: Proficient Employees Corporate Governance Overview Statement For further details, please refer to Corporate Governance Report 2023 available on Public Bank's corporate website at www.publicbankgroup.com	187 (Employee Engagement and Development) 287 (Remuneration Policy & Practice)
2-20	Process to determine remuneration	Corporate Governance Overview Statement Notice of Public Bank 58th Annual General Meeting For further details, please refer to Corporate Governance Report 2023 available on Public Bank's corporate website at www.publicbankgroup.com	287 (Remuneration Policy & Practice) 372
Strategy, Policies and Practices			
2-22	Statement on sustainable development strategy	Chairman's Statement Review by Managing Director/Chief Executive Officer	18 22
2-23	Policy commitments	Sustainability Report – Progress towards Sustainability Commitments Sustainability Report – Theme 2: Proficient Employees Sustainability Report – Theme 4: Principled Conduct Ethics, Integrity and Trust	160 184 213 308
2-24	Embedding policy commitments	Sustainability Report – Progress towards Sustainability Commitments Sustainability Report – Theme 2: Proficient Employees Sustainability Report – Theme 4: Principled Conduct Ethics, Integrity and Trust	160 184 213 308

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GRI 2: GENERAL DISCLOSURE 2021			
Disclosure	Description	References in Annual Report 2023/ Sustainability Report 2023	Page Number
Strategy, Policies and Practices			
2-25	Processes to remediate negative impacts	Sustainability Report – Stakeholder Engagement	164
2-26	Mechanisms for seeking advice and raising concerns	Sustainability Report – Theme 2: Proficient Employees Ethics, Integrity and Trust	187 (Employee Engagement and Development) 310 (Whistleblowing Policy and Procedures)
2-27	Compliance with laws and regulations	Sustainability Report – Theme 4: Principled Conduct Sustainability Report – Performance Data	217 (Governance and Business Ethics) 239 (Workforce), 249 (Customers)
2-28	Membership associations	Sustainability Report – Stakeholder Engagement	168 (Contributing to the Industry)
Stakeholder Engagement			
2-29	Approach to stakeholder engagement	Sustainability Report – Stakeholder Engagement Corporate Governance Overview Statement For further details, please refer to Corporate Governance Report 2023 available on Public Bank's corporate website at www.publicbankgroup.com	164 293 (MCCG 2021 Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders)
2-30	Collective bargaining agreements	Sustainability Report – Theme 2: Proficient Employees Sustainability Report – Performance Data	185 (Diversity and Inclusion) 239 (Workforce)

GRI 3: MATERIAL TOPICS 2021				
Disclosure	Description		References in Annual Report 2023/ Sustainability Report 2023	Page Number
3-1	Process to determine material topics		Sustainability Report – Materiality Assessment	169
3-2	List of material topics		Sustainability Report – Materiality Assessment	169
Material Matters: Community Empowerment				
GRI 3: Material Topics 2021	3-3	Management of material topics	Sustainability Report – Theme 3: Prosperous Customers and Communities	205 (Community Empowerment)
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Distribution of Value Added	34
			Financial Highlights	66
			Sustainability Report – Theme 3: Prosperous Customers and Communities	205 (Community Empowerment)
			Sustainability Report – Performance Data	252 (Community)
			For further details, please refer to Annual Report 2023 – Financial Statements available on Public Bank's corporate website at www.publicbankgroup.com	
	201-2	Financial implications and other risks and opportunities due to climate change	Sustainability Report – Disclosures Aligned with TCFD	231 (Managing the Resultant Risks Manifesting from Climate Change)
	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 2023 - Financial Statements available on Public Bank's corporate website at www.publicbankgroup.com	
	201-4	Financial assistance received from Government	The Public Bank Group is unable to disclose the information due to confidentiality constraints	

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GRI 3: MATERIAL TOPICS 2021				
Disclosure	Description	References in Annual Report 2023/ Sustainability Report 2023		Page Number
Material Matters: Carbon Emissions, Climate Change Resilience				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report – Theme 1: Protecting the Environment		171 (Climate Change Resilience), 172 (Carbon Emissions)
GRI 305: Emissions 2016	305-1 Direct (scope 1) GHG emissions	Sustainability Report – Theme 1: Protecting the Environment		172 (Carbon Emissions)
		Sustainability Report – Performance Data		252 (Environment)
		Sustainability Report – Disclosures Aligned with TCFD		238 (Metrics and Targets)
	305-2 Energy indirect (scope 2) GHG emissions	Sustainability Report – Theme 1: Protecting the Environment		172 (Carbon Emissions)
		Sustainability Report – Performance Data		252 (Environment)
		Sustainability Report – Disclosures Aligned with TCFD		238 (Metrics and Targets)
	305-3 Other indirect (scope 3) GHG emissions	Sustainability Report – Theme 1: Protecting the Environment		172 (Carbon Emissions)
		Sustainability Report – Performance Data		252 (Environment)
		Sustainability Report – Disclosures Aligned with TCFD		238 (Metrics and Targets)
	305-4 GHG emissions intensity	Sustainability Report – Theme 1: Protecting the Environment		172 (Carbon Emissions)
		Sustainability Report – Performance Data		252 (Environment)
		Sustainability Report – Disclosures Aligned with TCFD		238 (Metrics and Targets)
	305-5 Reduction of GHG emissions	Sustainability Report – Theme 1: Protecting the Environment		172 (Carbon Emissions)
		Sustainability Report – Performance Data		252 (Environment)
		Sustainability Report – Disclosures Aligned with TCFD		227 (Strategy)

GRI 3: MATERIAL TOPICS 2021				
Disclosure	Description	References in Annual Report 2023/ Sustainability Report 2023		Page Number
Material Matters: Resource Management				
GRI 3: Material Topics 2021	3-3	Management of material topics	Sustainability Report – Theme 1: Protecting the Environment	175 (Resource Management)
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Sustainability Report – Theme 1: Protecting the Environment	175 (Resource Management)
			Sustainability Report – Performance Data	252 (Environment)
	302-3	Energy intensity	Sustainability Report – Theme 1: Protecting the Environment	175 (Resource Management)
			Sustainability Report – Performance Data	252 (Environment)
	302-4	Reduction of energy consumption	Sustainability Report – Theme 1: Protecting the Environment	175 (Resource Management)
			Sustainability Report – Performance Data	252 (Environment)
GRI 303: Water and Effluents 2018	303-3	Water withdrawal	Sustainability Report – Theme 1: Protecting the Environment	175 (Resource Management)
	303-4	Water discharge	Not applicable. Water discharge is managed by municipalities.	
	303-5	Water consumption	Sustainability Report – Theme 1: Protecting the Environment	175 (Resource Management)
			Sustainability Report – Performance Data	252 (Environment)
GRI 306: Waste 2020	306-2	Management of significant waste-related impact	Sustainability Report – Theme 1: Protecting the Environment	175 (Resource Management)
	306-4	Waste diverted from disposal	Sustainability Report – Theme 1: Protecting the Environment	175 (Resource Management)
			Sustainability Report – Performance Data	252 (Environment)

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GRI 3: MATERIAL TOPICS 2021				
Disclosure	Description	References in Annual Report 2023/ Sustainability Report 2023	Page Number	
Material Matter: Sustainable Supply Chain				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report – Theme 1: Protecting the Environment	182 (Sustainable Supply Chain)	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Sustainability Report – Theme 1: Protecting the Environment Sustainability Report – Performance Data	182 (Sustainable Supply Chain) 251 (Suppliers)	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Sustainability Report – Theme 1: Protecting the Environment Sustainability Report – Performance Data	182 (Sustainable Supply Chain) 251 (Suppliers)	
	308-2 Negative environmental impacts in the supply chain and actions	Sustainability Report – Theme 1: Protecting the Environment	182 (Sustainable Supply Chain)	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainability Report – Theme 1: Protecting the Environment Sustainability Report – Performance Data	182 (Sustainable Supply Chain) 251 (Suppliers)	
	414-2 Negative social impacts in the supply chain and actions taken	Sustainability Report – Theme 1: Protecting the Environment	182 (Sustainable Supply Chain)	
Material Matter: Employee Engagement and Development				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report – Theme 2: Proficient Employees	187 (Employee Engagement and Development)	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Sustainability Report – Theme 2: Proficient Employees Sustainability Report – Performance Data	187 (Employee Engagement and Development) 239 (Workforce)	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part time employees	Sustainability Report – Theme 2: Proficient Employees	192 (Human and Labour Rights)	
	401-3 Parental leave	Sustainability Report – Performance Data	239 (Workforce)	

GRI 3: MATERIAL TOPICS 2021				
Disclosure	Description	References in Annual Report 2023/ Sustainability Report 2023		Page Number
Material Matter: Employee Engagement and Development				
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Sustainability Report – Performance Data	239 (Workforce)
	404-2	Programmes for upgrading employee skills and transition assistance programme	Sustainability Report – Theme 2: Proficient Employees	187 (Employee Engagement and Development)
	404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability Report – Performance Data Sustainability Report – Theme 2: Proficient Employees	239 (Workforce) 187 (Employee Engagement and Development)
Material Matter: Diversity and Inclusion				
GRI 3: Material Topics 2021	3-3	Management of material topics	Sustainability Report – Theme 2: Proficient Employees	185 (Diversity and Inclusion)
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Board of Directors' Profile	130
			Group Management Profile	140
			Sustainability Report – Theme 2: Proficient Employees	185 (Diversity and Inclusion)
			Sustainability Report – Performance Data	239 (Workforce)
			Corporate Governance Overview Statement	281 (Gender Diversity)
	405-2	Ratio of basic salary and remuneration of women to men	Sustainability Report – Theme 2: Proficient Employees	185 (Diversity and Inclusion)
	Sustainability Report – Performance Data	239 (Workforce)		
GRI 406: Non- discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	No reported cases of discrimination in 2023.	

SUSTAINABILITY REPORT

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GRI CONTENT INDEX

GRI 3: MATERIAL TOPICS 2021				
Disclosure	Description	References in Annual Report 2023/ Sustainability Report 2023	Page Number	
Material Matter: Human Rights and Labour Rights				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report – Theme 2: Proficient Employees	192 (Human and Labour Rights)	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Sustainability Report – Theme 2: Proficient Employees	192 (Human and Labour Rights)	
	403-2 Hazard identification, risk assessment and incident system	Sustainability Report – Theme 2: Proficient Employees	192 (Human and Labour Rights)	
	403-3 Occupational health services	Sustainability Report – Theme 2: Proficient Employees	192 (Human and Labour Rights)	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Sustainability Report – Theme 2: Proficient Employees	192 (Human and Labour Rights)	
	403-5 Worker training on occupational health and safety	Sustainability Report – Theme 2: Proficient Employees	192 (Human and Labour Rights)	
	403-6 Promotion of worker health	Sustainability Report – Theme 2: Proficient Employees	192 (Human and Labour Rights)	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability Report – Theme 1: Protecting the Environment Sustainability Report – Theme 2: Proficient Employees	182 (Sustainable Supply Chain) 192 (Human and Labour Rights)	
	403-9 Work-related injuries	Sustainability Report – Theme 2: Proficient Employees Sustainability Report – Performance Data	192 (Human and Labour Rights) 239 (Workforce)	
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	Sustainability Report – Theme 1: Protecting the Environment Sustainability Report – Performance Data	182 (Sustainable Supply Chain) 239 (Workforce)	

GRI 3: MATERIAL TOPICS 2021				
Disclosure	Description	References in Annual Report 2023/ Sustainability Report 2023		Page Number
Material Matters: Sustainable Finance, Financial Inclusion and Accessibility, Digital Transformation				
GRI 3: Material Topics 2021	3-3	Management of material topics	Sustainability Report – Theme 1: Protecting the Environment	178 (Sustainable Finance)
		Management of material topics	Sustainability Report – Theme 3: Prosperous Customers and Communities	198 (Financial Inclusion and Accessibility), 210 (Digital Transformation)
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Sustainability Report – Theme 3: Prosperous Customers and Communities	198 (Financial Inclusion and Accessibility), 210 (Digital Transformation)
			Sustainability Report – Performance Data	249 (Customers)
	203-2	Significant indirect economic impacts	Sustainability Report – Theme 1: Protecting the Environment	178 (Sustainable Finance)
			Sustainability Report – Theme 3: Prosperous Customers and Communities	198 (Financial Inclusion and Accessibility), 210 (Digital Transformation)
			Sustainability Report – Performance Data	249 (Customers)
Material Matter: Customer Satisfaction				
GRI 3: Material Topics 2021	3-3	Management of material topics	Sustainability Report – Theme 3: Prosperous Customers and Communities	202 (Customer Satisfaction)
GRI 417: Marketing and Labelling 2016	417-1	Requirements for product and service information and labelling	Sustainability Report – Theme 3: Prosperous Customers and Communities	202 (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 Report – Theme 3: Prosperous Customers and Communities	202 (Customer Satisfaction)
Material Matter: Data Privacy and Cybersecurity				
GRI 3: Material Topics 2021	3-3	Management of material topics	Sustainability Report – Theme 4: Principled Conduct	214 (Data Privacy and Cybersecurity)
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Report – Theme 4: Principled Conduct	214 (Data Privacy and Cybersecurity)
			Sustainability Report – Performance Data	249 (Customers)

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GRI CONTENT INDEX

GRI 3: MATERIAL TOPICS 2021				
Disclosure	Description	References in Annual Report 2023/ Sustainability Report 2023	Page Number	
Material Matter: Governance and Business Ethics				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report – Theme 4: Principled Conduct	217 (Governance and Business Ethics)	
Material Matter: Transparency and Trust				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report – Theme 4: Principled Conduct	220 (Transparency and Trust)	
OTHER MATERIAL TOPICS NOT COVERED BY GRI STANDARDS				
Material Topics	Description	References in Annual Report 2023/ Sustainability Report 2023		
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 Report – Theme 3: Prosperous Customers and Communities, page 196 (Responsible Lending Practices)		
Risk Management	Safeguarding the Public Bank Group from any possible risks through necessary risk management frameworks and risk assessment	Sustainability Report – Theme 4: Principled Conduct, page 221 (Risk Management)		

LIMITED ASSURANCE REPORT



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The Board of Directors
Public Bank Berhad
 27th Floor, Menara Public Bank,
 146, Jalan Ampang,
 50450, Kuala Lumpur

Dear Sirs,

Independent Limited Assurance Report on Selected Sustainability Information of Public Bank Berhad ("PBB") and its subsidiaries (the "Group") for the financial year ended 31 December 2022 ("FYE 2022") and financial year ended 31 December 2023 ("FYE 2023")

We, KPMG PLT ("KPMG"), were engaged to provide limited assurance on the Group's Selected Sustainability Information (the "Subject Matter"), published in PBB's Sustainability Report for the FYE 2023 (the "Sustainability Report"), in the form of an independent limited assurance conclusion as to whether anything has come to our attention that would cause us to believe that the Subject Matter, in all material respects, has not been prepared in accordance with the Group's definition and calculation methodologies, including any significant inherent limitations (the "Applicable Criteria").

Subject Matter

The Selected Sustainability Information covered by our limited assurance engagement are as follows for the FYE 2022 and FYE 2023:

- (i) Total scope 1 greenhouse gas (GHG) emissions (company-owned vehicles, refrigerant in stationary air-conditioning equipment and generator set) (tCO₂e); and
- (ii) Total scope 2 GHG emissions (purchased electricity) (tCO₂e).

The boundary of the limited assurance engagement by KPMG on the Selected Sustainability Information represents the Group's operations in Malaysia, Hong Kong, Vietnam, Cambodia, Laos and Sri Lanka (except for scope 1 (refrigerant in stationary air-conditioning equipment) where the boundary excludes Hong Kong and Vietnam).

Board of Directors and Management's Responsibilities

The Board of Directors (the "Directors") of PBB and the management of PBB (the "Management") are responsible for the preparation and presentation of the Subject Matter in accordance with the Applicable Criteria, and the information and assertions contained within it; for determining that the criteria is appropriate to meet their needs; and for establishing and maintaining appropriate performance management and internal control systems from which the Subject Matter is derived.

The Directors and the Management are responsible for the prevention and detection of fraud and error mainly through the implementation and continued operation of an adequate system of internal control.

KPMG PLT, a limited liability partnership under Malaysian law and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

SUSTAINABILITY REPORT

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LIMITED ASSURANCE REPORT



*Public Bank Berhad ("PBB") and its subsidiaries (the "Group")
Independent Limited Assurance Report on Selected Sustainability
Information of PBB for the FYE 2022 and FYE 2023
28 February 2024*

Board of Directors and Management's Responsibilities (continued)

The Directors and the Management are also responsible for ensuring that staff involved with the preparation and presentation of the description of the Subject Matter in the Sustainability Report are properly trained, ensuring that information systems are properly updated and that any changes in reporting encompass all significant business units.

The Directors and the Management are responsible for disclosing to us their knowledge of: (i) known, actual or possible non-compliance with laws or regulations that have or may have a material effect on the Subject Matter; and (ii) allegations of or suspected fraud or dishonesty committed against PBB.

The Directors and the Management are responsible for making available to us the Subject Matter and any other information timely to facilitate the completion of the engagement within the required time frame.

The Directors and the Management are responsible for disclosing to us facts that may affect the Subject Matter, of which they may become aware up to the date of the independent limited assurance report.

Our Responsibilities

Our responsibility is to carry out a limited assurance engagement and to express a limited assurance opinion based on the work performed and evidence obtained.

We conducted our engagement in accordance with Malaysian Approved Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform procedures to obtain limited assurance that nothing has come to our attention to cause us to believe that the Subject Matter, in all material respects, is not prepared in accordance with the Applicable Criteria.

Procedures Performed

Our limited assurance engagement on the Subject Matter consists of making enquiries, primarily of persons responsible for the preparation of the Subject Matter, and applying analytical and other evidence gathering procedures, as appropriate. These procedures, amongst others, included:

- Enquired Management to gain an understanding of the processes established from which the Subject Matter is derived;
- Interviewed relevant staff responsible for preparing and presenting the Subject Matter in the Sustainability Report;
- Compared the Subject Matter presented in the Sustainability Report to underlying sources on a sample basis to determine whether the relevant information has been appropriately disclosed; and
- Read the Subject Matter presented in the Sustainability Report to determine whether they are in line with our overall knowledge of, and experience with, the sustainability performance of PBB.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



Public Bank Berhad ("PBB") and its subsidiaries (the "Group")
Independent Limited Assurance Report on Selected Sustainability
Information of PBB for the FYE 2022 and FYE 2023
28 February 2024

Our Quality Management and Independence

Our firm applies Malaysian Approved Standard on Quality Management, ISQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Inherent Limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Sustainability Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Sustainability Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the limited assurance procedures performed and evidence obtained, as described above, nothing has come to our attention to cause us to believe that the Subject Matter for the FYE 2022 and FYE 2023 is not prepared, in all material respects, in accordance with the Applicable Criteria.

Restriction on distribution and use of our report

In accordance with the terms of our engagement, this report on the Subject Matter has been prepared for the Directors for the purpose as described in the first paragraph of this report and for no other purpose. Our report should also not be regarded as suitable to be used or relied on by any other party.

We consent to the inclusion of this report in PBB's Sustainability Report in respect of FYE 2023, to assist the Directors in responding to their governance responsibilities by obtaining an independent limited assurance report on the Subject Matter. We will not accept any liability or responsibility to any other party to whom our report is shown or into whose hands it may come.

KPMG PLT
 (LLP0010081-LCA & AF 0758)
 Chartered Accountants

Petaling Jaya

Date: 28 February 2024

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 2023 are disclosed in the Public Bank's Corporate Governance Report for the financial year ended 31 December 2023 which can be downloaded from Public Bank's corporate website at www.publicbankgroup.com.

Public Bank has applied all recommended practices in the MCCG 2021 except for Practice 8.2 and Step-up 8.3 (in respect of disclosure of Senior Management's remuneration).

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 and matters reserved for Board's consideration and approval are set out in the Board Charter and disclosed in the Public Bank's Corporate Governance Report for the financial year ended 31 December 2023, which can be downloaded from Public Bank's corporate website at www.publicbankgroup.com.

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

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

The Non-Executive Chairman plays a pivotal role in leading an effective Board, serving as a guiding force for strategic decision-making and fostering a collaborative and constructive board environment.

In providing leadership to the Board, the Non-Executive Chairman leads the Board in the adoption and implementation of good corporate governance practices in the Bank. He ensures the smooth functioning of the Board and inculcates 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. Based on the outcome of the Board Effectiveness Evaluation exercise conducted by an independent external consultant for financial year 2023, the Chairman executes an effective leadership process and is regarded as an excellent and open facilitator to boardroom discussions.

The Managing Director/CEO assumes a critical role in effective management by overseeing the Bank's day-to-day operations with a focus on strategic direction and organisational objectives. He is responsible for developing the business direction and strategies of the Bank and 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.

Pursuant to Bank Negara Malaysia ("BNM")'s requirement, an Independent Non-Executive Director has been appointed as the Senior Independent Director to support the Board in providing focused oversight over the management of fraud and data breach incidents.

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.

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 communication of decisions made and policies set by the Board at Board meetings, to the Senior Management for action.

Board Meetings, Attendance and Access to Information

Board meetings for the ensuing financial year are scheduled in advance before the end of the current financial year so that the Directors 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 BNM. Special Board meetings may be convened as and when necessary to consider urgent proposals or matters that require the Board's expeditious review or consideration.

Pursuant to the BNM Policy Document on Corporate Governance, the quorum for Board meetings is at least half the number of the Board Members and a Director is required to attend at least 75% of the Board meetings held in each financial year. All Directors had registered full attendance at Board meetings held in 2023 except for one Director who did not attend one Board meeting due to medical reason.

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 with 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 that a corporate proposal is required to be approved by shareholders, interested Directors are required to abstain from voting on their shares held in Public Bank on the shareholders' resolutions pertaining to the corporate proposal, and will further undertake to ensure that persons connected to them similarly abstain from voting on the relevant shareholders' resolutions.

The minutes of Board meetings are circulated to all Directors for their perusal prior to confirmation of the minutes to be done at the commencement of the following Board meeting and thereafter signed by the Chairman of meeting.

The Deputy CEO attends all Board meetings by invitation, while the Senior Chief Operating Officers and Senior Management Officers are invited to attend Board meetings to report on matters pertaining to their respective areas of responsibility, and also to brief and provide details to the Directors on recommendations or reports submitted to the Board. The Chief Financial Officer also attends Board meetings by invitation to update the Board on financial guidelines issued by BNM and new accounting standards, and to brief the Board on matters relating to the finance portfolio, such as guidelines and policies to be implemented by the Bank pursuant to BNM policy documents or new accounting standards.

Some Directors also 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 have 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

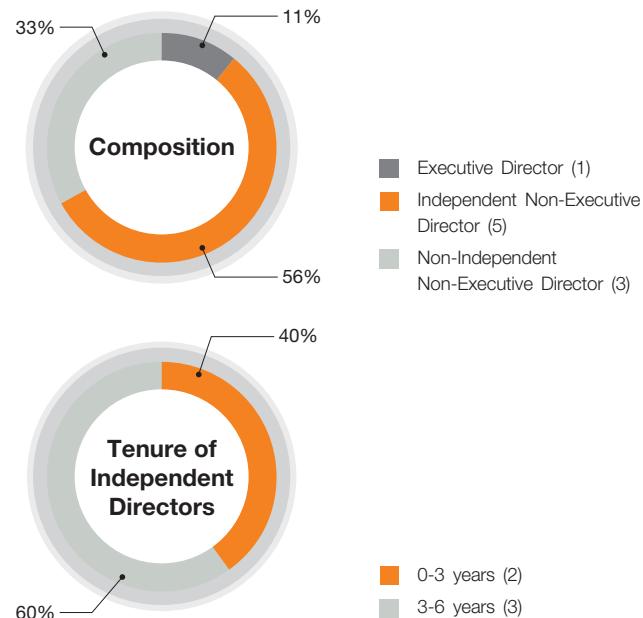
Sustainability Management

The Board remains the ultimate body accountable for Public Bank's sustainability agenda, including climate-related matters. The Board is assisted by 2 Board Committees, being the Board Sustainability Management Committee and the Risk Management Committee. The Board Sustainability Management Committee provides enhanced oversight in relation to Public Bank's sustainability strategies, priorities and targets, while the Risk Management Committee is responsible for identifying, measuring, monitoring and mitigating enterprise climate-related risks.

A management level committee, the Sustainability Management Committee, oversees the overall management of Public Bank's sustainability initiatives. The Sustainability Management Task Force assists the Sustainability Management Committee to drive and execute the implementation of sustainability and climate-related initiatives in the Bank's operations.

Sustainability remains a key focus for the Board in the development of Public Bank's business strategies and action plans. Sustainability considerations, including matters relating to climate strategy, are embedded within the business planning processes.

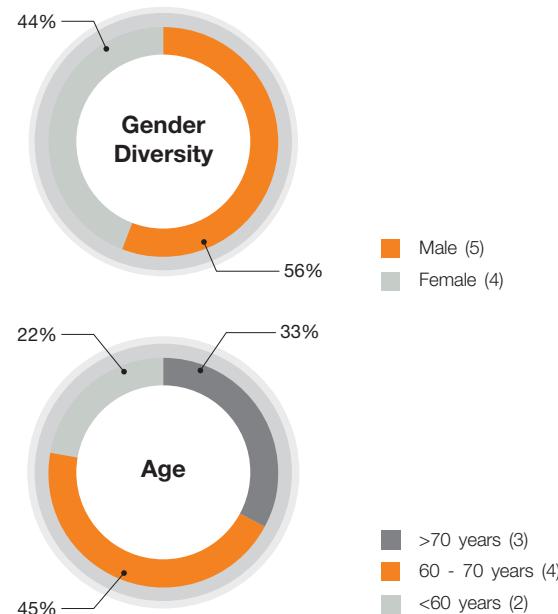
Board Structure, Composition and Diversity



The Board Members regularly attend training to equip themselves with the required knowledge, and to keep abreast of the latest developments in sustainability management. To this end, the Board also ensures the Bank continuously invests in employee development and learning in relation to sustainability.

Mindful of the importance of having a meaningful stakeholder engagement, the Board ensures regular engagements with various stakeholders are carried out to communicate its sustainability initiatives and progress. Among others, sustainability disclosures are communicated via the Sustainability Report in the Public Bank Annual Report.

By leveraging the investor relation platform, the Board and Management communicate with stakeholders on the Bank's sustainability efforts to meet their sustainability expectations. The Bank has established a dedicated sustainability section on its corporate website, and a sustainability email address for stakeholders to direct their sustainability-related inquiries, comments or feedback.



Board Size and Composition

The Board currently comprises 9 Members. During the financial year 2023, Ms Teoh Meow Choo was appointed as an Independent Non-Executive Director with effect from 1 November 2023. The size and composition of the Board are optimum to provide for a diversity of views, facilitate effective decision making, and appropriate balance of Executive, Independent and Non-Independent Directors. The present Board comprises Members who bring experiences from various disciplines, particularly banking and finance, business administration, accountancy, business advisory, information technology and legal sectors.

The 9 Members of the Board are persons of high calibre and integrity, and they have a sound understanding of the Bank's business as well as high level of industry experience and 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 130 to 138 of this 2023 Integrated Annual Report.

Board Balance and Independence

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

Based on the outcome of the Board Effectiveness Evaluation exercise conducted by the independent external consultant for financial year 2023, all the Independent Non-Executive Directors continue to meet the criteria of an Independent Director as specified in the BNM Policy Document on Corporate Governance and the Bursa Malaysia Securities Berhad Main Market Listing Requirements. An Independent Non-Executive Director has an ongoing obligation to inform the Board of any circumstances which could impair his or her independence.

Gender Diversity

In line with the best practices of the MCGC 2021, the Board has in place a gender diversity policy whereby the Board shall comprise at least 30% women Directors. The current Board has exceeded the 30% benchmark with 44% or 4 out of the 9 Members of the Board comprising women Directors. The 4 women Directors contribute to the Board's cognitive variety, enriching discussions with diverse perspectives and approaches. Their unique viewpoints enhance the overall value brought to Board's deliberation.

Tenure of Independent Directors

The maximum tenure of an Independent Non-Executive Director is a cumulative term of 9 years. Upon reaching such maximum tenure, the Independent Non-Executive Director may continue to serve on the Board but shall be redesignated as Non-Independent Non-Executive Director. During the financial year 2023, Ms Cheah Kim Ling was redesignated from Independent Non-Executive Director to Non-Independent Non-Executive Director with effect from 29 April 2023 upon reaching the maximum 9 years tenure as an Independent Non-Executive Director.

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 take into consideration the following in conducting the assessment of the fitness and propriety of the person identified for appointment as a Director or for re-appointment/re-election as a Director:

- The Board's composition and requirements in terms of appropriate size, required mix of skills, experience and core competencies, diversity and adequacy of balance between Executive Director, Non-Executive Directors and Independent Directors.
- The person's ability to supplement the collective skill sets of the Directors and bring different perspectives to the Board, and his/her fitness and propriety to be considered for appointment/re-appointment/re-election based on the factors specified in the Bank's Fit and Proper Policy and the BNM Policy Document on Fit and Proper Criteria which include the following overarching criteria:
 - Probity, Personal Integrity and Reputation
The person must have the personal qualities such as honesty, integrity, diligence, independence of mind and fairness.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

- Competence and Capability
The person must have the necessary skills, ability, experience and commitment to carry out the role.
- Financial Integrity
The person must manage his or her debts and financial affairs prudently.

A person who has been identified for appointment as a Director or for re-appointment/re-election as a Director shall be required to provide a declaration that he/she complies with the fit and proper 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 judgment, and must fulfil the criteria of an Independent Director as defined in the BNM Policy Document on Corporate Governance and Bursa Malaysia Securities Berhad Main Market Listing Requirements.
- The person meets regulatory requirements for appointment/re-appointment/re-election and possesses the qualifications to be able to contribute effectively as a Member of a harmonious Board.

The fit and proper assessment of the person identified for appointment as a Director or for re-appointment/re-election as a Director shall be conducted prior to the initial appointment or proposed re-appointment/re-election as a Director. The fit and proper assessment of a Director shall also be conducted at regular intervals of at least annually or whenever the Bank becomes aware of information that may materially compromise a Director's fitness and propriety.

New Appointment and Re-Appointment of Director

Suitable candidates will be identified to fill vacancies on the Board as and when they arise. The Nomination and Remuneration Committee will source the curriculum vitae of potential candidates from diverse channels including recommendations from Board Members and/or may leverage on external sources such as Financial Institutions Directors' Education (FIDE) Forum Directors' Register to identify candidates for proposed appointment as Director. The Board's succession planning is adaptable, aligning with evolving needs to ensure that the collective knowledge, experience and skill set of its Members remain well-suited to meet the dynamic demands of the ever-evolving financial industry.

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.

Stage-1

Identification of candidate

Stage-2

Engagement with candidate

Stage-3

Deliberation by Nomination and Remuneration Committee on the fitness and propriety of candidate and recommendation to Board for decision

Stage-4

Application to BNM

The proposed re-appointment of a Director, upon expiry of his/her current term of appointment as approved by BNM, is also subject to the approval of BNM. The Nomination and Remuneration Committee is responsible for assessing the performance and the fitness and propriety of Directors whose current term of appointment as approved by BNM is due to expire, and for submitting their recommendation to the Board for decision on the submission of the application to BNM for the proposed re-appointment of the Director concerned.

Re-Election of Directors

The Constitution of Public Bank provides that at every Annual General Meeting of Public Bank, one-third of the Directors for the time being or the number nearest to one-third, and those Directors newly appointed subsequent to the preceding Annual General Meeting, shall retire from office and shall be eligible for re-election. The Constitution further provides that all Directors shall retire from office once at least in each 3 years but shall be eligible for re-election.

The performance and the fitness and propriety of those Directors who are subject to re-election at the Annual General Meeting of Public Bank will be assessed by the Nomination and Remuneration Committee whereupon recommendation will be submitted to the Board for decision to table the resolution on the re-election of the Director concerned for shareholders' approval at the next Annual General Meeting.

The Nomination and Remuneration Committee had carried out the fit and proper assessment of the Directors who are retiring by rotation at the forthcoming Annual General Meeting to be held on 8 May 2024 and the Board was satisfied with the favourable evaluation of the performance and contributions of the Directors to the Board as well as their fitness and propriety.

Time Commitment

To ensure that Directors do not have competing time commitments that will impair their ability to discharge their duties effectively, the Board has established a policy on the maximum number of directorships in public listed companies, non-public listed companies and positions in non-profit organisations that a Director can hold in Malaysia and offshore/overseas, which is as follows:

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

All Directors are in compliance with the Policy on Maximum Number of Directorships and they remain fully committed in carrying out their duties and responsibilities. The Directors are able to give adequate time commitment to their duties and responsibilities as reflected by their full attendance at the Board meetings held during the financial year ended 31 December 2023 except for one Director who did not attend one Board meeting due to medical reason.

The Directors demonstrate virtuous commitment and high level of accountability, and are steadfast in devoting time and providing crucial support in steering Public Bank to greater heights.

Directors' Training

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

During the financial year 2023, 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 FIDE Forum, an initiative of the alumni members of the FIDE Programme, which is set up to enhance corporate governance practices adopted by 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 at 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-ordinators to manage and co-ordinate the Directors' training requirements, which include the following:

- **Mandatory Training Programmes**
 - Bursa Malaysia Securities Berhad
As prescribed by Bursa Malaysia Securities Berhad, a Director who is appointed for the first time as a director of a listed issuer must complete the Mandatory Accreditation Programme (MAP) which comprises the following:
 - i. MAP Part I in relation to a Director's roles, duties and liabilities ("MAP Part I") - within 4 months from the date of appointment.
 - ii. MAP Part II in relation to sustainability and the related roles of a Director ("MAP Part II") - within 18 months from the date of appointment.
- As for existing Directors, they are required to complete MAP Part II on or before 1 August 2025.
- FIDE Programme
FIDE Core Programme shall be the core training for Directors. All newly appointed Directors are required to complete the FIDE Core Programme within 1 year of their respective appointments.
- Islamic Finance for Board Programme
All newly appointed Directors are required to attend the Islamic Finance for Board Programme within 2 years of his/her appointment.
- Induction Programmes
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.
- **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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Company Secretary and Secretaries of Audit Committee, Compliance Committee, Risk Management Committee and Board Sustainability 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.

During the financial year 2023, the Directors had participated in various talks, seminars and training programmes which are relevant to the Bank and their roles as Board Members. The development programmes attended by the Directors, including but not limited to programmes addressing the following areas:

- Board leadership and corporate governance
- Environmental, social and governance
- Sustainability
- Risk, compliance and regulatory
- Banking, finance and economy
- Digital banking and cyber security

Considering the growing emphasis placed on adhering to ESG considerations by regulators and stakeholders, the Directors are committed to upskill themselves on this front by attending ESG/sustainability related trainings or professional development programmes on a regular basis.

The list of the training programmes participated by the Directors during the financial year 2023 is disclosed in the Public Bank's Corporate Governance Report for the financial year ended 31 December 2023 which can be downloaded from Public Bank's corporate website at www.publicbankgroup.com.

Board Effectiveness Evaluation

The Board has established an annual performance evaluation process to assess the performance and effectiveness of the Board and Board Committees, as well as the performance of each Director and each Audit Committee Member. The Board evaluation exercise assists the Board to address any gaps and improvement required for the Board.

Practice 6.1 of the MCCG 2021 stipulates that the Board should undertake a formal and objective annual evaluation to determine the effectiveness of the Board, its Committees and each individual Director. For large companies, the Board should engage an independent expert at least every 3 years, to facilitate objective and candid board evaluation.

In line with Practice 6.1 of the MCCG 2021, the Board has, upon the recommendation of the Nomination and Remuneration Committee, engaged an independent external consultant to conduct the assessment of the Board, Board Committees and individual Directors for the financial year ended 31 December 2023.

The objective of the Board Effectiveness Evaluation exercise is to assist the Board in identifying areas of strength and improvement opportunities so as to enable the Board to take steps that will positively impact their performance.

The approach undertaken by the independent external consultant in conducting the Board Effectiveness Evaluation exercise was segregated into four phases as follows:

Phase 1 - Questionnaires

Questionnaires were circulated to the Directors for the evaluation of the Board, Board Committees and individual Directors.

Phase 2 - Interview

Interview sessions were conducted with all Board Members, Chief Executive Officer and 3 centralised Senior Management personnel who have a close nexus to the Board/Board Committees proceedings.

Phase 3 - Minutes Review

Reviewed the relevant Board and Board Committees meeting minutes to corroborate responses from questionnaires and interview insights.

Phase 4 - Reports and Presentation

Consolidated and assessed the responses from the questionnaires and insights gleaned from the interview sessions as well as review of pertinent documents.

Briefing was conducted with the Chairman of the Nomination and Remuneration Committee and Board prior to presentation to the Nomination and Remuneration Committee and Board. Individual Directors' results are only availed to the Board Chairman and Nomination and Remuneration Committee Chairman.

Following the Board Effectiveness Evaluation exercise conducted by the independent external consultant for financial year ended 31 December 2023, several notable positive highlights were observed. The Board Chairman's leadership skills are noteworthy, as he effectively guides the Board and serves as an open facilitator during discussions. The overall dynamics and commitment within the Board are commendable, marked by a culture of professionalism, respect and collegiality. The Board benefits from the diverse industry experience brought by seasoned Directors, contributing to a Board governance characterised by virtuous commitment and high standard of accountability.

Moving forward, there is an opportunity for enhancing the Boardroom configuration, particularly by reinforcing digital expertise and upskilling on the ESG front at the Board level.

Directors' Remuneration

The Nomination and Remuneration Committee recommends the level and structure of Directors' remuneration and ensures that the level of remuneration for Non-Executive Directors is linked to their level of responsibilities undertaken and contributions to the effective functioning of the Board. In making its recommendation, the Nomination and Remuneration Committee considers the responsibilities of the Directors and also by benchmarking against the Directors' fees structure of peer banks, in order to be competitive to retain skills and talent, and achieve diversity, on the Board.

In 2023, the Board had upon the recommendation of the Nomination and Remuneration Committee, engaged an external consultant to conduct an independent review of the Non-Executive Directors' remuneration structure ("Board Remuneration Review") to assist the Board in establishing a transparent and robust remuneration framework for Non-Executive Directors that takes into account the demands and complexities of the Public Bank Group as well as the skills and experience required of the Non-Executive Directors. The Board Remuneration Review also serves to ascertain whether the Non-Executive Directors' quantum and composition of remuneration are competitive and align with peer banks.

Based on the outcome of the analyses of Public Bank Non-Executive Directors' remuneration vis-à-vis market, sectorial and comparator benchmarks for Public Bank's Board and Board Committees, the remuneration of the Non-Executive Directors are generally aligned with the market. However, in the case of the Chairman's remuneration, it was highlighted that the remuneration accorded to the Chairman was not aligned with the market norms where Board Chairmen are typically compensated with a special allowance vis-à-vis Non-Executive Directors, given the heightened responsibility assumed. Arising from the outcome of the review, and in order to be in line with the market norms, the Board, upon the recommendation of the Nomination and Remuneration Committee, proposed, subject to approval at the forthcoming Annual General Meeting to be held on 8 May 2024 that the remuneration of the Non-Executive Directors for the financial year ended 31 December 2023 shall be based on the following fee structure:

Board of Directors' Fees/Allowances (per annum)	Chairman (RM)	Other Directors (RM)
• Director's Fee	427,870	316,050
• Chairman Allowance	196,000	–
• Chairman Transport Allowance	96,000	–
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 (per meeting attended)	Chairman (RM)	Member (RM)
• Board of Directors	5,000	4,000
• Nomination and Remuneration Committee	4,800	4,000
• Board Sustainability Management Committee	4,800	4,000

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Details of the total remuneration (including benefits-in-kind) of each Director for the financial year 2023 are as follows:

2023	Remuneration Received from the Bank						Remuneration Received from Subsidiary Companies		Group Total RM'000
	Salary RM'000	Fees RM'000	Bonus RM'000	Other Emoluments RM'000	Benefits-in-kind RM'000	Bank Total RM'000	Fees RM'000	Other Emoluments RM'000	
Executive Director									
Tan Sri Dato' Sri Dr. Tay Ah Lek	16,589	316	24,658	9,512	45	51,120	782	876	52,778
Non-Executive Directors									
Lai Wan	-	428	-	630	-	1,058	313	-	1,371
Cheah Kim Ling	-	316	-	364	-	680	297	68	1,045
Lee Chin Guan	-	316	-	235	-	551	297	127	975
Dato' Mohd Hanif bin Sher Mohamed	-	316	-	518	-	834	300	254	1,388
Tham Chai Phong	-	316	-	399	-	715	-	-	715
Lim Chao Li	-	316	-	402	-	718	296	-	1,014
Gladys Leong	-	316	-	405	-	721	300	243	1,264
Teoh Meow Choo (Appointed on 1 November 2023)	-	53	-	68	-	121	-	-	121
	-	2,377	-	3,021	-	5,398	1,803	692	7,893
Total Directors' remuneration	16,589	2,693	24,658	12,533	45	56,518	2,585	1,568	60,671

Senior Management

Strong and deep-rooted corporate governance and professional business ethics are fundamental to an organisation's continued success and sustainable financial strength. These pillars enable the Bank to remain strong and resilient despite the evolving business landscapes and challenges.

The CEO together with a competent team of Senior Management are entrusted with the stewardship of perpetuating sound corporate governance across the full spectrum of business and operations and all levels of employees.

The CEO and the Senior Management collectively play a pivotal role in the development and implementation of the corporate goals and strategic business plans in accordance with the directions as set out by the Board of Directors.

There is a clear segregation of responsibilities among the Senior Management to ensure an appropriate balance of roles, responsibilities and accountabilities in support of a strong control environment. It also serves as an embedded check and balance mechanism for the day-to-day business and operations.

The Bank's control functions namely, Risk Management Division, Compliance Division and Internal Audit Division are independent and report directly to their respective Board Committees. The control functions are responsible to inculcate a compliance and risk awareness culture through robust internal control mechanism including compliance with regulatory requirements and conduct periodic review to ensure these policies and procedures are well implemented and complied with.

Senior Management Appointment and Removal

The Bank's Fit and Proper Policy outlines the structured process and procedure relating to the appointment and removal of Key Responsible Persons ("KRPs") and the stringent assessment of candidates against the requirements. All KRPs are assessed to have met all the fit and proper criteria based on the following factors:

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

Succession Planning

Human capital is the catalyst towards sustainable business growth and succession management is essential to leadership continuity and business sustainability in meeting the Group's long term goals and objectives.

The Group has put in place a robust succession planning process which covers multi-pronged talent identification and development approaches to identify and build a pool of talents with the right skill sets, experience and leadership qualities to prepare them for succession to all the Key Leadership Positions within the Bank.

A 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.

In addition, the talents are subject to periodic assessment on their competencies which serves as a 'health check' of the talent pool to enable early interventions to ensure a seamless succession plan.

The career path for the identified talents is specially curated to harness their potential as well as leadership skills. Customised individual developmental plans which include accelerated and customised learning opportunities are developed to nurture the talents thus closing the identified gaps and fast-tracking their development to address critical positions.

The Bank continues to adopt a 'Look Within' policy to empower identified talents to assume higher responsibilities whilst retaining the invaluable corporate knowledge and ensure that corporate values are embedded at Senior Management level.

The Bank regularly refines its succession management approaches and democratises the talent experience through differentiated, fit-for-purpose career paths and customised development plans. In 2023, the structured succession planning framework has also been cascaded to include middle management employees to further strengthen the leadership pipeline and talent supply chain.

The Bank's succession planning policy and programme is subject to review and approval of the Board, 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 established to put in place a framework which drives performance with appropriate risk-taking behaviour and reinforces the Bank's corporate and risk culture.

The subject of sustainability has been integrated into the long-term strategic plans as well as performance assessment of the C-Suites and Senior Management to uphold sustainability practices across the Bank's operations, whilst contributing to a more sustainable and responsible society.

The quantitative ESG key performance indicator ("KPI") on "Achievement of Sustainability Targets in respect of ESG Initiatives" was introduced for Heads of Divisions since financial year 2022. In 2023, the same ESG KPI has been included in the performance assessment of the C-Suites to be consistent with the collective responsibility in driving and implementing the sustainability roadmap of the Group.

The Bank's Remuneration Policy is reviewed by the Nomination and Remuneration Committee and approved by the Board of Directors for implementation across all levels of employees including Senior Management and other employees not governed by any collective agreement in the Bank.

Senior Management in this context refers to management employees who are KRPs as defined in the Bank's Fit and Proper Policy as well as persons who are accountable or responsible for the management and oversight of the Bank, comprising the following:

- CEO
- Deputy CEO
- 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 performing group-wide management responsibilities.
 - iii. Other Senior Management who are Heads of Divisions.

The remuneration framework is designed to ensure that reward is measurably linked to the achievement of business and performance objectives. However, to prevent any conflict of interest, the framework stipulates that employees of the control functions are to be assessed independently from the business units. For effective segregation, these employees 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 the business units.

The remuneration framework outlines the total compensation packages of fixed remuneration and variable remuneration payable to employees. Fixed remuneration refers to basic salary and other fixed income, commensurate with the role and position of an individual employee, including professional experience, qualifications, responsibilities, job complexity 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.

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The second component of the variable performance bonus is cash-based and linked to the Total Shareholder's Return ("TSR") of the Bank. However, it is cliff-vested over a period of 3 years. The quantum is calculated as a percentage of the individual eligible performance bonus for the prevailing financial year but payable at the end of the cliff-vested period of 3 years and further subject to the TSR achievement and good individual performance.

The variable performance bonus, whether it is vested or unvested, is subject to adjustments (e.g. malus, clawback and other reversals or downward revaluation of awards) in the event of poor performance of the business unit or the Bank, attributable to the individual or if he/she commits serious legal, regulatory or internal policy breaches. The awards may be clawed back within 3 years from the date of payment to the employee.

Members of Senior Management have 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 depicts the total value of cash-based remuneration paid out to Senior Management employees of Public Bank for financial year 2023:

Remuneration	Non-Deferred		Deferred			
	No.	Amount (RM)	Paid in the Financial Year		Outstanding	
			No.	Amount (RM)	No.	Amount (RM)
Fixed	28	32,015,180	-	-	-	-
Variable	28	4,617,136	28	20,884,431	28	8,198,143

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

Strengthening Corporate Governance Culture

The Public Bank Group embraces governance culture as business essentials for the Group. The Group has therefore, emplaced the following policies to further internalise governance and compliance culture in the Group:

• Public Bank Group Code of Ethics

The Public Bank Group Code of Ethics has been drawn up in line with the "Code of Ethics for the Financial Services Industry" established by the Financial Services Professional Board. The Group's Code of Ethics defines the behavioural standards required of each employee in their personal and professional interactions. The Group's values are entrenched in the following 5 Fundamental Ethical Principles:

- Competence
- Integrity
- Fairness
- Confidentiality
- Objectivity

Further details of the Public Bank Group Code of Ethics are set out on page 308 of this 2023 Integrated Annual Report.

• Diversity, Equality and Inclusion Policy

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.

The Diversity, Equality and Inclusion Policy upholds a diverse workforce and promotes diversity, equality, and inclusiveness 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 Bank regularly monitors the employee demographics with emphasis on diversity through women representation. There is a strong and active women representation in the Senior Management with a participation of 53.6%. This demonstrates the Bank's commitment in promoting gender equality and leveraging on women's talent.

Further details of the Diversity, Equality and Inclusion Policy are set out on page 309 of this 2023 Integrated Annual Report.

• Whistleblowing Policy and Procedures

Public Bank Group's Whistleblowing Policy and Procedures provide an avenue for its employees and third parties to communicate any malpractice, impropriety, non-compliance or improper conduct in a responsible and transparent manner without the fear of reprisals. The Group's Whistleblowing Policy and Procedures are aligned with the Standards on Whistleblowing for Financial Institutions established by the Financial Services Professional Board.

The Whistleblowing Policy and Procedures are accessible via the Group's corporate website at www.publicbankgroup.com. The platform, accessibility and channels of reporting are user-friendly to facilitate the submission of disclosure. All disclosures are further managed by an authorised personnel with strictest confidentiality.

A Board Member who is also the Chairman of the Audit Committee has been appointed and designated as the Non-Executive Director responsible for the effective implementation of this Policy.

Further details of the Whistleblowing Policy and Procedures are set out on page 310 of this 2023 Integrated Annual Report.

• Anti-Sexual Harassment Policy

The Public Bank Group is committed to providing all employees with a safe and respectful work environment. The Group does not tolerate any detrimental, abusive behaviour nor any form of harassment, humiliation and/or intimidation.

The Anti-Sexual Harassment Policy has been formulated to uphold the Group's zero tolerance towards any form of sexual harassment and to raise awareness on the definition of sexual harassment including the avenues for seeking help or to lodge a report.

Further details of the Anti-Sexual Harassment Policy are set out on page 310 of this 2023 Integrated Annual Report.

• 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.

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

Further details of the Anti-Fraud Policy are set out on page 309 of this 2023 Integrated Annual Report.

• Compliance Policy

The Public Bank Group has in place a Compliance Policy which sets out the fundamentals of the Group's compliance framework. The Group's Compliance Policy has been developed to support the following objectives:

- To set out the roles and responsibilities of the Board of Directors, Senior Management and employees of the Public Bank Group in managing compliance risk.
- To set out the mandate of the Compliance Function for the Public Bank Group.
- To set out the compliance requirements and standards for the Public Bank Group.
- To set out the operating model for compliance function with regards to the identification, management and reporting of compliance risk.
- To promote a corporate culture that upholds high standards of zero tolerance for legal and regulatory non-compliance, integrity and ethics in the conduct of the Public Bank Group's business.

Further details of the Compliance Policy are set out on page 309 of this 2023 Integrated Annual Report.

• Anti-Bribery and Anti-Corruption Policy

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.

The Anti-Bribery and Anti-Corruption Policy (hereinafter referred to as "ABAC Policy") demonstrates the Group's zero tolerance approach towards any acts of bribery and corruption. All employees are further guided on what is permissible and non-permissible conduct in the discharge of their duties.

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 objectives of the ABAC Policy are as follows:

- To build and foster a business environment which is free of bribes and corruption and which enhances integrity, transparency and accountability.
 - To inculcate in all Members of the Board of Directors and employees the commitment of the Bank against corruption in all its forms, including bribery.
 - To define what constitutes bribery and corruption and other prohibited practices.
-
- **Staff Grievance Policy**

The Public Bank Group recognises that effective grievance handling is essential to the development and maintenance of an amicable, positive and harmonious working environment. Hence, the Staff Grievance Policy has been established for Management to engage and understand employees' grievances in order to resolve issues raised in a prompt and amicable manner.

A digital platform "Staff Grievance Portal" has also been established to facilitate employees in channelling their concerns for resolution at the lowest possible level.

Further details of the Staff Grievance Policy are set out on page 311 of this 2023 Integrated Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 MCGC 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 2023 which can be downloaded from Public Bank's corporate website at www.publicbankgroup.com.

The main activities of the Nomination and Remuneration Committee in 2023 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 candidate for proposed appointment as Director of Public Bank.
- 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 KRPAs.
- Recommendation to the Board on promotion and renewal of contracts of employment of Senior Management staff.
- Review of Public Bank's succession planning for key leadership positions.
- Review of new and revised key performance indicators for C-Suite and Heads of Divisions.
- Recommendation to the Board on engagement of independent expert for Board Effectiveness Evaluation and Board Remuneration Review.
- 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 KRPAs.
- Recommendation to the Board on salary revision for staff.

MCCG 2021 PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The Audit Committee is established by the Board and currently comprises 5 Members, all of whom are Independent Non-Executive Directors. The Chairman of the Board is not a Member of the Audit Committee.

The composition, authority as well as the roles and responsibilities of the Audit Committee are set out in its terms of reference which are approved by the Board and published on Public Bank's corporate website at www.publicbankgroup.com.

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

The Members of the Audit Committee collectively have a wide range of skills, knowledge and experience necessary to discharge their duties. These include accounting, assurance and advisory services, information technology and banking related expertise and experience, ranging from finance/corporate finance and consumer/investment banking. In addition, 1 Member of the Audit Committee is a Chartered Accountant of the Malaysian Institute of Accountants.

With the relevant skill sets, knowledge and experience, the Audit Committee Members are financially literate and are able to understand, analyse and challenge matters under the purview of the Audit Committee, including the financial reporting process.

In 2023, the Audit Committee Members have attended various training courses, conferences, seminars and topical talks arranged by the Bank's Knowledge & Learning to keep themselves abreast of the relevant and latest developments in the banking industry, including accounting and auditing standards, 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 with the Bank's external auditors to discuss their audit plan, audit findings and observations on the annual and interim financial results of Public Bank and the Public Bank Group.

The details of the duties and responsibilities of the Audit Committee are set out under the Audit Committee Report on pages 312 to 317 of this 2023 Integrated Annual Report.

Relationship with External Auditors

The Audit Committee assesses the suitability, objectivity and independence as well as the performance of the external auditors. In performing this role, the Audit Committee reviews and conducts assessment, on an annual basis, the appointment or re-appointment of external auditors in accordance with the criteria as set out in the Public Bank Group's Policies and Procedures for Appointment/Re-appointment of External Auditors for Audit and Non-Audit Services (Group Policies and Procedures) to ascertain 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 relating to the audit and non-audit services as well as the independence and objectivity of the external auditors.

Before Management can engage the external auditors to provide any non-audit services to Public Bank and/or the Public Bank Group, the Audit Committee has to be satisfied that the external auditors are suitable, independent and objective in the provision of such services. The Audit Committee must also be satisfied with the nature and extent of the non-audit services, there is no element of conflicts of interest, and the proposed fees are within the allowable threshold set before recommending the proposed engagement to the Board for consideration and approval.

The details of the fees paid/payable to the external auditors for their provision of statutory audit, audit related and non-audit related services in 2023 are set out in Practice 9.3 of the Public Bank's Corporate Governance Report for the financial year ended 31 December 2023 which can be downloaded from Public Bank's corporate website at www.publicbankgroup.com.

Internal Audit Function

Public Bank has an in-house Internal Audit function which is carried out by the Internal Audit Division ("IAD"). The Audit Committee oversees the performance and effectiveness of the Internal Audit function based on the approved key performance indicators, assesses the competency and experience of the IAD staff as well as the adequacy of resources in order for the Internal Audit function to carry out its work effectively. The Audit Committee also reviews the adequacy of the Internal Audit function's authority and resources to carry out their work objectively and independently, free from any relationships or conflicts of interest.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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, and a Certified Bank Auditor. Mr Lim has a total of 44 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 has been drawn up with reference to the relevant guidelines and policy documents issued by BNM and the Basel Committee on Banking Supervision, is reviewed annually to ensure that it remains relevant and is updated with the latest developments in the applicable regulatory requirements. The 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, IAD staff report directly to the GCIA, who in turn reports functionally to the Board through the Audit Committee. The Audit Committee approves the appointment, replacement and dismissal of the GCIA, evaluates the GCIA's performance and reviews the remuneration and/or bonus, if any, payable to the GCIA and the Senior Management staff of IAD.

The Internal Audit function performs ongoing periodic reviews and assessments on the Bank's risk management systems, internal controls, anti-corruption, whistleblowing and governance processes in accordance with and conforming to the requirements set out in the BNM's Guidelines on Internal Audit Function of Licensed Institutions as well as MCCG 2021.

As part of the measures to ascertain that IAD staff are free from any relationship or conflicts of interest situations which could impair their objectivity and independence, IAD staff who are transferred from other divisions or branches within the Bank are not allowed to conduct audit on areas where they were previously engaged, until the "cooling off" period is over or after an independent audit has been conducted, whichever is earlier. For this purpose, the "cooling off" period shall not be less than 6 months from the date they joined IAD or such longer period as may be determined by the GCIA. Staff upon joining IAD are required to declare to the GCIA that they are free from any relationships or conflicts of interest that could impair their objectivity.

The details of the Audit Committee's oversight over the activities carried out by the Internal Audit function are set out under the Audit Committee Report on pages 312 to 317 of this 2023 Integrated Annual Report.

Risk Management and Internal Control Framework

The Bank has established a risk management and internal control system that enables the identification, measurement, mitigation, continuous monitoring and reporting of all relevant and material risks on a group and entity-wide basis, including new and emerging risks. The Board ensures that the risk management and internal control system manages the Public Bank Group's relevant and material risks within its risk appetite in the Public Bank Group's pursuit of its strategies and business objectives.

The establishment of the risk management and internal control system is driven by the Public Bank Group's Risk Management Framework which is approved by the Board and developed based on the BNM Policy Document on Risk Governance. The key elements of the Public Bank Group's Risk Management Framework set out the requirements for effective risk management covering risk governance, risk appetite, risk management processes and risk culture.

The adequacy and effectiveness of the risk management and internal control system as well as the level of compliance with the relevant laws, regulations, policies and procedures are subject to ongoing assessment by the Risk Management Function, Compliance Function and Internal Audit Function. The Board in discharging its risk and internal control oversight responsibilities is assisted by the independent control functions, the Risk Management Committee, the Credit Risk Management Committee, the Compliance Committee and the Audit Committee.

The Board receives assurance from the Managing Director/CEO and the Chief Financial Officer on the adequacy and effectiveness of the Public Bank Group's risk management and internal control system on an annual basis.

For further information, please refer to the Statement on Risk Management and Internal Control as set out on pages 295 to 301 of this 2023 Integrated Annual Report.

Risk Management Committee

The Risk Management Committee is established by the Board and supports the Board in carrying out its risk management roles and responsibilities as delegated and authorised by the Board. Currently, it comprises 8 Members of whom 5 Members including the Chair of the Risk Management Committee are Independent Directors. All Members are Non-Executive Directors. The Chair of the Risk Management Committee is appointed by the Board and is not the Chair of the Board. The Risk Management Committee assists the Board in discharging its risk and internal control oversight responsibilities.

MCCG 2021 PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Stakeholder Engagement

The Board recognises the importance to cultivate a meaningful and transparent stakeholder engagement with its stakeholders. The stakeholder engagement process facilitates adequate, accurate and timely disclosure of the Bank's latest developments in relation to its strategic directions, business activities, financial performance, governance practices as well as sustainability efforts.

To facilitate effective communication with the investing community, Public Bank maintains an extensive investor relation channels across multiple platforms, including the annual report, quarterly results briefings, investors' meetings, roadshows and conferences, Annual General Meeting, and corporate website. In particular, Public Bank frequently updates and maintains its corporate website at www.publicbankgroup.com, which incorporates dedicated sections for investor relations, corporate governance and sustainability, to ensure the accurate and effective communication of information to stakeholders.

With increasing focus on ESG, Public Bank publishes a dedicated sustainability statement, within its annual report, to engage with its stakeholders on the management of sustainability matters, including the initiatives, objectives and achievements. Effective engagement through investor relation channels of the Bank ensures that the Board and Management are up-to-date with the stakeholders' ESG expectations, and being able to promptly respond to their enquiries on ESG matters.

The investment community can engage with Public Bank through its dedicated investor relations team as outlined below:

PUBLIC BANK

Tan Sri Dato' Sri Dr. Tay Ah Lek

Managing Director/Chief Executive Officer
Telephone number: +603-2176 6000
E-mail: ir@publicbank.com.my

Chang Siew Yen

Senior Chief Operating Officer
Telephone number: +603-2176 7461
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Yik Sook Ling

Chief Financial Officer
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Chong Soo Loong

Director, Corporate Planning, Economics & Sustainability Management
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PUBLIC FINANCIAL HOLDINGS LIMITED

Chong Yam Kiang

Chief Executive
Telephone number: +852-2853 4768
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INVESTOR RELATIONS UNIT

Denise Fong Po Yen

Corporate Planning, Economics & Sustainability Management
Telephone number: +603-2176 6293
E-mail: ir@publicbank.com.my

General Meetings

The Annual General Meeting serves as an avenue for shareholders to interact with the Board and Senior Management, vote on issues at hand, express concerns, and seek clarifications regarding the Bank's strategic directions, operations and business performance.

On 15 May 2023, Public Bank's 57th Annual General Meeting was held remotely, as it has been for the past three years. This approach provides shareholders the convenience of global accessibility, while streamlining the meeting process and improving operational efficiency.

In his opening remarks, the Managing Director/CEO delivered a comprehensive review of the Public Bank Group's financial performance, prospects, and strategic direction. Shareholders could submit their enquiries about the Bank's agenda in advance of or during the live stream of the Annual General Meeting, all of which were addressed in the meeting. In regards to the valuable feedbacks and insightful suggestions from shareholders, they were duly acknowledged and taken into careful consideration by both the Board and Senior Management.

The minutes of the general meeting proceedings are available on Public Bank's corporate website at www.publicbankgroup.com.

This Corporate Governance Overview Statement is made in accordance with the resolution of the Board of Directors dated 31 January 2024.

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

On 25 October 2023, Public Bank issued the first tranche of RM1,000 million under its new RM20.0 billion Subordinated Medium Term Notes Programme which was set up during the year.

Aside from this, there was no other issuance of debt and equity securities by Public Bank and its subsidiary companies for the financial year ended 31 December 2023.

The proceeds raised from the corporate proposal above has 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 2023 amounted to RM6,680,000 and RM2,702,000 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 2023 amounted to RM1,858,000 and RM898,000 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 2023 or, if not then subsisting, entered into since the end of the previous financial year.

Disclosed in accordance with Appendix 9C, Part A, item 21 of the Listing Requirements of Bursa Malaysia.

IV) RECURRENT RELATED PARTY TRANSACTION OF REVENUE OR TRADING NATURE

Public Bank did not seek any mandate from its shareholders as required under Paragraph 10.09(2)(b), Part E of Chapter 10 of the Listing Requirements of Bursa Malaysia as the recurrent related party transactions of a revenue or trading nature entered into by the Public Bank Group qualified as exempted transactions as defined under Paragraph 10.08(11)(e), Part E of Chapter 10 of the Listing Requirements of Bursa Malaysia.

Disclosed in accordance with Paragraph 10.09(2)(b) of the Listing Requirements of Bursa Malaysia.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This Statement on Risk Management and Internal Control has been prepared in accordance with paragraph 15.26(b) of Bursa Malaysia Main Market Listing Requirements which requires the Board of Directors (“the Board”) to include in its annual report a statement about the state of the listed issuer’s risk management and internal control. Accordingly, the Board is pleased to provide the statement outlining key features of the Public Bank Group’s risk management and internal control system during the year under review and up to the date of approval of this statement.

BOARD'S RESPONSIBILITIES

The Board is overall responsible for establishing a sound risk management and internal control system, as well as subjecting it to review for its adequacy and effectiveness in identifying, assessing and responding to risks surfaced during the course of the Public Bank Group's business operations.

The Board is responsible to set the tone and culture of effective risk management and internal controls and this is through the establishment of the Public Bank Group's risk appetite, risk strategies and risk policies, articulating the risk types and levels of risk the Group is willing to accept in the pursuit of its business and strategic objectives. In this respect, the Board actively participates in the Group's strategic directions and plans, ensuring formulation of business plans and risk taking activities are within the risk appetite. In view of the inherent limitations in any risk management and internal control system, the risk management and internal control system can therefore only provide reasonable and not absolute assurance against the occurrence of any material financial misstatement, fraud or losses.

To ensure the effective oversight of a sound risk management and internal control system, the Board is assisted by the Risk Management Committee, the Compliance Committee and the Audit Committee with delegated authorities to oversee matters relating to risk, compliance and controls respectively.

The Board has received assurance from the Managing Director/ Chief Executive Officer and the Chief Financial Officer that the Public Bank Group's risk management and internal control system is operating adequately and effectively.

MANAGEMENT'S RESPONSIBILITIES

The Management is overall responsible for effective implementation of the risk and controls framework and policies approved by the Board in the day-to-day management of the Public Bank Group's business operations. To this end, the Management's key responsibilities on risk management and internal control system include:

- Formulating processes and internal practices to operationalise the risk policies and risk limits
- Ensuring all relevant and material risks including emerging risks associated with the Public Bank Group's business operations are identified, assessed and mitigated to the levels within the risk appetite or risk limits
- Designing monitoring and reporting procedures to ensure risks identified are surfaced for deliberation and actions
- Implementing remedial actions to address any new or emerging risks or any deficiencies as identified or as directed by the Board

RISK MANAGEMENT

• Group Risk Management

The Board-approved Public Bank Group's Risk Management Framework ("GRMF"), developed based on the Bank Negara Malaysia ("BNM") Policy Document on Risk Governance, sets out the key principles of risk governance, and the risk management practices and tools to enable the continuous identification, measurement, mitigation and monitoring of all relevant and material risks of the Group including emerging risks.

The key elements are as follows:

- Risk Governance

The risk governance sets out the roles and responsibilities of the Board, the board risk committees, management committees and the three lines of defence.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Risk Management Committee ("RMC") assists the Board to oversee the management of all identified risks and that the risk-taking activities are operating within the risk appetite. In addition, the Credit Risk Management Committee ("CRMC"), a board risk committee, assists the Board to oversee the management of all matters relating to credit risks. The management risk committees and working groups to manage specific risk areas are 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.

Business and support functions, the first line of defence are primarily responsible for risk management on a day-to-day basis by taking actions to mitigate risks. Risk Management Function ("RMF"), the second line of defence provides oversight and performs independent monitoring and reporting to Management, RMC and CRMC. Internal Audit Function, the third line of defence provides independent assurance on the effectiveness of the internal controls and risk management processes.

RMF is responsible to develop and maintain related group risk management policies and procedures, subjecting them to periodic review to ensure its continued applicability and effectiveness. All Group related risk management policies are extended to the subsidiaries for adoption and where necessary, are customised to incorporate the local regulatory requirements.

- Risk Appetite

The risk appetite defines the amount and types of risk that the Public Bank Group is able and willing to accept in pursuit of its business objectives. It also reflects the level of risk tolerance and limits to govern the Group's risk-taking activities. The Group risk appetite is articulated via a set of risk indicators, risk limits and risk guiding principles. All entities within the Group are required to develop risk indicators and risk limits having considered the Group's risk guiding principles and the respective entities' strategic business directions, risk taking capacity, risk profile and the operating environment.

- Risk Management Process

The four broad risk management processes to achieve a balanced risk-return framework are as follows:



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

- Risk Culture

The culture of managing risk is embedded in the day-to-day operations and decision-making process through the following:

- Strong corporate governance
- Organisational structure with clearly defined roles and responsibilities
- Effective communication
- Commitment to compliance with laws, regulations and internal controls
- Integrity in fiduciary responsibilities
- Clear policies, procedures and guidelines
- Continuous training

- **Group Compliance**

The Public Bank Group's Compliance Policy, developed based on BNM Policy Document on Compliance, sets out the following principles for managing compliance risk and in cultivating high standards of integrity and conduct within the Group:

- Zero Tolerance Approach

The Public Bank Group adopts a zero tolerance approach towards legal and regulatory non-compliance and all staff are expected to comply with the laws and regulations governing the Group's business

- Compliance is Everyone's Responsibility

Compliance is the responsibility of all staff, regardless of their position within the Public Bank Group

- Risk-based Approach

The Compliance Function undertakes a periodic Compliance Risk Assessment to identify and prioritise the legal and regulatory requirements applicable to the Public Bank Group

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

The Compliance Function of Public Bank and its major subsidiaries are responsible for the management of statutory and regulatory compliance risk of the Public Bank Group across all jurisdictions in which the Group operates. The Compliance Function's overall responsibility of coordinating the management of the Group's compliance risk is guided by the Group's Compliance Policy, which sets out the mandate of the Compliance Function for the Group and the compliance expectations for its entities to adopt and implement.

Reports on compliance matters covering compliance findings, corrective measures, the latest regulatory environment and any discernible areas of regulatory focus such as anti-money laundering, counter financing of terrorism and counter proliferation financing are tabled to the CC for review and deliberations at the monthly meetings.

- **Shariah Governance, Risk and Compliance**

The Shariah Governance Policy of Public Islamic Bank ("SGP"), developed based on BNM Policy Document on Shariah Governance, sets out the key principles to ensure the Islamic operations, business, affairs and activities are conducted in accordance with Shariah rules and principles. The SGP also sets out the responsibilities of the Board, 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 and are articulated in the Shariah Risk Management Policy of Public Islamic Bank. The Shariah risk management processes similarly encompass the three lines of defence approach as follows:

- First line of defence

Shariah Division, business and support functions including entities and parties under Resource Sharing Arrangement

- Second line of defence

Shariah Risk Management and Shariah Review & Compliance

- Third line of defence

Shariah Audit

The Shariah Advisory Function of Public Mutual and Public Investment Bank is carried out by their respective independent Shariah Advisers. On an ongoing basis, the respective entities' Compliance and Internal Audit Functions provide independent assessment on the state of Shariah compliance. This will include assessment on the adequacy and effectiveness of the internal controls, risk management systems and the governance process.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

• Technology and Cyber Risk Management

The Public Bank Group's Technology Risk Management Framework ("TRMF"), developed based on BNM Policy Document on Risk Management in Technology ("RMIT"), sets out the key principles of risk governance and risk management processes to enable the Group to manage technology and cyber risks in a robust and consistent manner. The Group's Cyber Resilience Framework ("CRF") sets out the risk management processes to manage cybersecurity risk and to strengthen cyber resilience on a continuous basis. Both frameworks ensure the Group's risk management practices and controls are aligned with regulatory requirements and financial services industry standards, supporting the effective management of technology and cyber risks to minimise adverse impact on customers and to the Group.

The outcome of the systematic reviews on technology control measures by respective entities' Information Technology Function are subject to independent review by Technology Risk Management, Compliance and Internal Audit Functions. External consultants are engaged periodically to conduct security assessments or penetration tests on the internal and external network infrastructure, critical systems and all internet-facing systems.

Given the rapid evolving cyber threat landscape, the Public Bank Group continues to invest in cyber defence capabilities to protect its information assets against cyber threats and to strengthen its ability to detect and to respond to these threats. In addition, cyber security programme, cyber risk awareness, training and testing programme, cybersecurity incident response and crisis management and cyber insurance are in place to manage cyber risk.

• Sustainability Management

The Public Bank Group's 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 Sustainability Framework articulating the four overarching sustainability themes, being Protecting the Environment, Proficient Employees, Prosperous Customers and Communities, and Principled Conduct.

The Board is assisted by the Board Sustainability Management Committee responsible to oversee the setting of the sustainability strategies, priorities and targets, in alignment with the Public Bank Group's sustainability commitments and goals.

At the management level, the Sustainability Management Committee oversees the implementation of the sustainability initiatives to progressively achieve the Public Bank Group's sustainability commitments and goals.

• Reputation Risk Management

The reputation of the Public Bank Group is founded on trust from its customers, shareholders, employees, regulators and from the public in general. Isolated events can undermine that trust and negatively impact the Group's reputation and it is therefore of utmost importance that it is protected. The Group's Policy on Managing Reputation Risk is established to ensure factors giving rise to reputation risk are identified, assessed, controlled/mitigated, monitored and reported. Procedures on the escalation and management of potential or current reputation events are in place to ensure any reputation events are managed timely and appropriately. With the wide use of social media, the social media views on the Group are also monitored as part of the overall reputation risk management processes.

INTERNAL CONTROL SYSTEM

Control Environment and Monitoring

• Board Committees

To discharge its stewardship and fiduciary obligations more effectively, the Board has delegated authority to various Board committees being the Nomination and Remuneration Committee, the Board Sustainability Management Committee, the Risk Management Committee, the Credit Risk Management Committee, the Compliance Committee and the Audit Committee to oversee specific responsibilities based on the approved terms of reference. Any change to the terms of reference of the Board committees requires the Board's approval.

• Management Committees and Management Working Committees

Management committees and the management working committees of Public Bank and its major subsidiaries are established to ensure the execution of the day-to-day business operations are consistent with the corporate objectives, strategies, risk appetite and business plans approved by the respective Boards.

The management working committees are the Human Resource Committee, the Credit Committee, the Operational Risk Management Committee, the Assets & Liabilities Management Committee, the Share Investment Committee, the Business Continuity Management Committee, the IT Steering Committee and the Sustainability Management Committee.

- **Internal Audit Function**

The Internal Audit Function of Public Bank and its major subsidiaries independently assesses the adequacy and effectiveness of risk management and internal control system as well as compliance with applicable laws, regulations and guidelines through the performance of regular audits of the operations and activities in accordance with the approved Annual Audit Plan.

The Internal Audit Function applies a risk-based approach to draw up the Annual Audit Plan and to determine the audit cycle of each auditable area. The Annual Audit Plan is approved by the respective entities' Audit Committee, Board Committee or the Board.

Outcome of the audit is tabled to the respective entities' Audit Committee or Board and the minutes of the Audit Committee meetings are tabled to their respective Boards. Audit issues on Shariah matters are escalated to the Shariah Committee or Shariah Adviser of the respective entities.

The Internal Audit Function follows up on the remedial actions to ensure the actions are executed timely and effectively to address and resolve the audit issues surfaced. The authority and independence of the Internal Audit Function are governed by the Internal Audit Charter approved by the respective Boards.

The Internal Audit Function also provides an annual assurance statement to the respective entities' Audit Committee and Board on the state, soundness and effectiveness of the risk management and internal control system put in place to manage and mitigate the associated risks arising from the business operations.

Control Activities

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

Annual business plans and budgets of Public Bank and its major subsidiaries, developed in line with the Public Bank Group's strategic directions and risk appetite, are reviewed and approved by the respective Boards. Performance achievements are assessed against the approved budgets and actions are taken to address variances identified and are periodically escalated to the respective Boards. In addition, the respective Boards receive and review reports from the Management on a regular basis. These reports cover business propositions, proposals on introduction of new products or services and management reports highlighting the key financial

and performance indicators, as well as developments and compliance requirements on legal and regulatory matters. The Boards deliberate on the reports to ensure appropriate actions are taken to resolve issues identified and where applicable, provide directions to the Management.

- **Internal Controls, Policies and Procedures**

A system of internal controls based on segregation of duties, independent checks, segmented system access control and multi-tier authorisation processes is in place to ensure control procedures and limits are implemented and complied with. Authority limits are in place to govern the day-to-day risk-taking activities such as extension of credits, treasury operations, investments, acquisitions and disposals of assets. Policies and procedures to govern the business and operations of the Public Bank Group are formulated to ensure compliance with internal controls and relevant laws and regulations. These policies and procedures are subject to periodic review to ensure continuing relevance having considered the changes in the operational needs, business environment or regulatory requirements and are approved by the approving authorities prior to implementation.

The adequacy and effectiveness of the internal controls, policies and procedures as well as the level of compliance with the relevant laws, regulations, policies and procedures are subject to ongoing assessment by the Risk Management 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. Both the BCP and DRP are tested regularly to ensure the response plan encompassing the preparedness of staff, the readiness of alternate worksites, the reliability of backup IT systems, and the effectiveness of communication, escalation and recovery procedures are working as intended. The BCP is reviewed annually for its continued relevance. The DRP is updated for any changes in systems, applications and procedures.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

• Information Asset Security and Data Privacy

The Public Bank Group holds and processes confidential and personal information of customers, employees, business partners and suppliers as well as information relating to its own operations. To safeguard data privacy and prevent the misuse of confidential information, the Group has established principles and standards expected of staff when accessing and processing information in the course of their duties. In addition, policies, systems and control measures are put in place to ensure the information assets are properly managed, controlled and protected including but not limited to the collection, storage, use, transmission, sharing, disclosure and disposal of confidential and personal information in compliance with relevant laws.

• Human Capital Management

The Public Bank Group manages its human capital according to a framework 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.

• 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 contrary to its ethics and integrity. The Group adopts a zero tolerance approach towards any form of bribery and corruption. The Group Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") sets out the expectations and requirements for all staff and third parties working for, associated with or acting on behalf of the Group to understand their responsibilities, and uphold the highest standard of integrity and accountability in discharging their duties. Any breach of the ABAC Policy will result in disciplinary actions including staff dismissal and the right to terminate any relationships with third parties.

The Ethics and Integrity Working Group is responsible to oversee the implementation of anti-bribery and anti-corruption programme and to promote culture of integrity within the Public Bank Group.

• Whistleblowing Policy and Procedures

The Public Bank Group is committed to conduct its business and operations in an ethical, moral and legal manner. By this, the Group Whistleblowing Policy and Procedures is in place to provide an avenue for all employees, interns, consultants, contractors, vendors, suppliers and/or customers to report any illegal, unethical, questionable practices or improper conduct committed or about to be committed within the Group and such are treated in strict confidence without any risk of reprisal.

CONCLUSION

From the updates received from the Board Committees and assurance from the Management, the Board is of the view the Public Bank Group's risk management and internal control system is generally adequate and effective to safeguard the interests of shareholders, customers, employees and the Group's assets for the financial year under review and up to the date of approval of this Statement.

On the areas with heightened regulatory emphasis and heightened risks, particularly in the areas of cyber threat and information technology, Shariah compliance, anti-money laundering, counter financing of terrorism and counter proliferation financing, the Board continued to intensify its focus on these areas. All actions taken to manage the risks were reviewed to ensure effective and timely resolution. The Board will continue to review and enhance the internal controls, policies and procedures in response to developments in the operating and regulatory environment.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants for inclusion in the annual report of the Public Bank Group for the year ended 31 December 2023, and reported to the Board that nothing has come to their attention that causes them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

- a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers; or
- b) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Public Bank Group's risk management and internal control system including the assessment and opinion by the Board and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

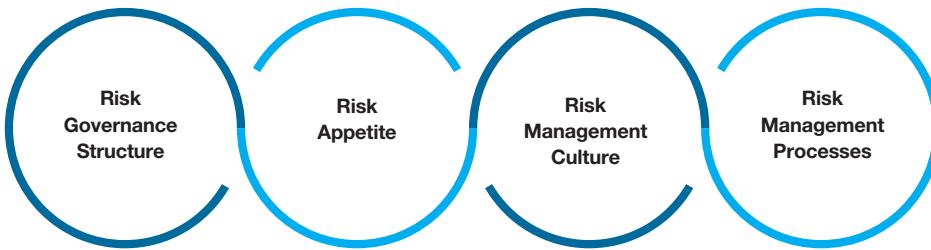
RISK MANAGEMENT

RISK MANAGEMENT OVERVIEW

The Public Bank Group's foundation to create value to its shareholders, customers, counterparties, employees, investors and the community it serves is premised on an effective risk management system across all lines of defence. This is supported by the Group's Risk Management Framework embedded into the day-to-day operations and decision making process.

RISK MANAGEMENT FRAMEWORK

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



RISK GOVERNANCE STRUCTURE

The Public Bank Group's risk governance structure is as follows:



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 credit risk appetite and credit risk strategy.

Compliance Committee

The Compliance Committee is responsible for the oversight of compliance management system which encompasses assessment of compliance profile and evaluation of compliance risks. The Compliance Committee deliberates on identified compliance issues regularly to ensure they are resolved effectively, and adequate infrastructure, resources, processes and systems are in place to effectively manage compliance risks.

Audit Committee

The Audit Committee assists the Board to review and evaluate the adequacy, soundness and effectiveness of the risk management systems, internal controls, anti-bribery and anti-corruption measures, whistleblowing policy and procedures, 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 audits as well as the assessment outcome conducted by the regulators. The Audit

Committee also reviews the appropriateness, adequacy and timeliness of the remedial actions 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, ascertains 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 conducted in accordance with Shariah principles. This includes advising the Board and Management on the application of any Shariah Advisory Council's ("SAC") rulings or standards on Shariah matters, endorsing Shariah related policies, products and services and the relevant documentation in relation to Islamic banking operations. The SC is also responsible to deliberate and affirm the status of any potential Shariah Non-Compliance ("SNC") event confirmed by Potential SNC Committee and endorse rectification measures to address the actual SNC events prior to the approval by the Board.

Dedicated Risk Committees

The dedicated risk committees assist the RMC in the management of all material risks. The committees are responsible for the effective implementation of the risk management strategies and policies as approved by the Board or RMC. The key responsibilities of the dedicated risk committees are as follows:

- Formulating processes and internal practices to operationalise the risk policies and risk limits
- Ensuring all relevant and material risks including emerging risks associated with the Public Bank Group's business operations are identified, assessed and mitigated to the levels within the risk appetite or risk limits
- Designing monitoring and reporting procedures to ensure risks identified are surfaced for deliberation and actions

RISK MANAGEMENT

RISK APPETITE

The Public Bank Group's risk appetite defines the amount and the types of risk that the Group is able and willing to accept in pursuit of its business objectives. It also reflects the level of risk tolerance and limits to govern, manage and control the Group's risk taking activities. The strategic objectives, business plans, desired risk profile and capital plans are aligned to the risk appetite.

RISK MANAGEMENT CULTURE

The culture of managing risk is embedded into the day-to-day operations and decision-making process through the following:

- Strong corporate governance
- Organisational structure with clearly defined roles and responsibilities
- Effective communication
- Commitment to compliance with laws, regulations and internal controls
- Integrity in fiduciary responsibilities
- Clear policies, procedures and guidelines
- Continuous training

RISK MANAGEMENT PROCESSES - PRINCIPAL RISKS

The principal risks of the Public Bank Group together with the implications to the Group and key risk management processes are outlined below.

Principal Risks	Definition & Impact	Key Risk Management Processes & Internal Controls
Credit Risk (including counterparty credit risk and country risk)	<p>Risk of defaults by the borrowers/customers or counterparties through lending/financing, hedging, trading and investing activities</p> <p>Impact on:</p> <ul style="list-style-type: none">(FC) Financial Capital(SC) Social Capital(IC) Intellectual Capital	<ul style="list-style-type: none">Credit policy incorporating prudent and responsible lending criteria and guidelines to manage credit riskDefined 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 creditsMonitoring mechanisms to identify potential distress for early intervention and/or to take prompt recovery actionsIndependent credit review on large loan application, credit request and review
Market Risk	<p>Risk of movements in market variables, including interest/profit rates, foreign exchange rates, credit spreads, commodity prices and equity prices</p> <p>Impact on:</p> <ul style="list-style-type: none">(FC) Financial Capital(IC) Intellectual Capital	<ul style="list-style-type: none">Regular review of the market and economic conditions to identify areas giving rise to market riskMarket risk policies, procedures and internal controls are in placeDerivative activities for trading are strictly prohibited. Approval from the Board is requiredHedging interest rate/rate of return risk and foreign exchange risk in the event the exposures exceed the risk appetite
Liquidity and Funding Risk	<p>Risk of insufficient financial resources to meet obligations due and/or inefficient funding structure resulting in high funding cost</p> <p>Impact on:</p> <ul style="list-style-type: none">(FC) Financial Capital(IC) Intellectual Capital	<ul style="list-style-type: none">Funding strategy is to pursue growth in stable customer depositsMaintain a diversified and balanced funding portfolioSubsidiaries are to attain self-funding positionLiquidity stress test to assess the adequacy of liquidity to withstand stress scenarios and the identification of areas of vulnerabilities for further actionsContingency funding plan and early warning indicators to manage a liquidity crisis including the identification of alternative funding

Principal Risks	Definition & Impact	Key Risk Management Processes & Internal Controls
Operational Risk	<p>Risk of loss resulting from inadequate or failed internal processes, people and systems or from external events</p> <p>Impact on:</p> <ul style="list-style-type: none">  Financial Capital  Manufactured Capital  Human Capital  Intellectual Capital 	<ul style="list-style-type: none"> • Day-to-day management of operational risk through system of internal controls and risk management processes • Operational risk management tools such as loss incident management, Risk and Control Self-Assessment, Key Risk Indicators and Scenario Analysis • Introduction of new products or services and variations are subject to a systematic evaluation process to ensure all related risks are identified and mitigated • Disaster recovery and business continuity plans covering all critical business operations to ensure continued provision of essential services
Technology and Cyber Risk	<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>Impact on:</p> <ul style="list-style-type: none">  Financial Capital  Manufactured Capital  Intellectual Capital 	<ul style="list-style-type: none"> • Technology Risk Management Framework and Cyber Resilience Framework are established to govern the effective management of technology and cyber risk • Regular IT risk assessment to assess the resilience of the IT infrastructure and adequacy of cybersecurity preparedness and to identify areas for enhancement • Risk assessment is conducted prior to implementing new e-banking services or material enhancement to the e-banking services • Systems development life cycle procedures to govern the development, testing, implementation and maintenance of information systems • Conduct continuous cyber security awareness programs/trainings such as phishing email attack tests and e-learning modules on information security
Capital Risk	<p>Risk of insufficient capital to meet the capital required to support the business growth strategies, risk profile and regulatory capital</p> <p>Impact on:</p> <ul style="list-style-type: none">  Financial Capital  Intellectual Capital 	<ul style="list-style-type: none"> • Internal Capital Targets established under the Internal Capital Adequacy Assessment Process ("ICAAP") and are subject to annual review • Monitoring of capital positions against Internal Capital Targets • Enterprise stress test to assess the adequacy of capital to withstand stress scenarios • Capital deficiency plan to identify early warning signals of capital deficiency and the accompanying capital restoration strategies
Reputation Risk	<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>Impact on:</p> <ul style="list-style-type: none">  Financial Capital  Social Capital  Intellectual Capital 	<ul style="list-style-type: none"> • Identify risk drivers and emerging risk that may have an impact on reputation and assessment of the controls in place to manage the risks • Establish procedures on the escalation and management of any potential or current reputation events

RISK MANAGEMENT

Principal Risks	Definition & Impact	Key Risk Management Processes & Internal Controls
Strategic Risk	<p>Risk of the internal and external events that challenges the ability of the Group to achieve its strategic goals or objectives</p> <p>Impact on:</p> <ul style="list-style-type: none">  Financial Capital  Manufactured Capital  Human Capital  Social Capital  Intellectual Capital 	<ul style="list-style-type: none"> • Regular review of business plans and targets taking into account the market conditions and developments • 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 • Strategy Management Policy sets out the governance and strategy management process to oversee the implementation of strategic directions
Shariah Non-Compliance (“SNC”) Risk	<p>Risk of legal or regulatory sanctions, financial loss or non-financial implications including reputational damage, which the entities may suffer arising from failure to comply with the rulings of the SAC of BNM and/or the SAC of Securities Commission 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>Impact on:</p> <ul style="list-style-type: none">  Financial Capital  Social Capital  Intellectual Capital 	<ul style="list-style-type: none"> • Shariah Governance Policy, Shariah Risk Management Policy, SNC Event Reporting and Escalation Guidelines and other relevant Shariah policies and procedures to manage the compliance with Shariah principles of the Islamic banking operations • Shariah risk management tools such as Risk and Control Self-Assessment, Key Risk Indicators and SNC incident reporting and Scenario Analysis • New Islamic products or services introduced and variations are subject to a systematic evaluation process • Continuous enforcement of Shariah compliance culture, awareness and upgrading staff knowledge • 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 • Independent review program to assess Shariah Compliance at Islamic Banking Units
Compliance risk	<p>Risk of failure to comply with legal and regulatory requirements applicable to its activities resulting in regulatory sanctions</p> <p>Impact on:</p> <ul style="list-style-type: none">  Financial Capital  Manufactured Capital  Human Capital  Social Capital  Intellectual Capital 	<ul style="list-style-type: none"> • Policies and procedures to ensure compliance with internal controls and the relevant laws and regulations are set out in operations manuals, guidelines and directives which are updated periodically • Compliance Function undertakes Compliance Risk Assessment (“CRA”) to identify and prioritise the legal and regulatory requirements and develops appropriate testing and resource plans based on the results of the CRA, to assess, monitor and report on compliance risk • Resident/Mobile Compliance Officers are deployed to perform compliance checks at branches, Hire Purchase (“HP”) Centres, HP Hubs and Securities Documentation Centres • Dedicated Compliance Officers are appointed to support the business/support units to establish and execute their compliance risk mitigation strategies and processes • Compliance Checklists are the core tools to monitor the compliance status of the compliance risk areas at each business/support unit within the Group

Principal Risks	Definition & Impact	Key Risk Management Processes & Internal Controls
Climate Risk	<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>Impact on:</p> <ul style="list-style-type: none">  Financial Capital  Manufactured Capital  Human Capital  Social Capital  Intellectual Capital  Natural Capital 	<ul style="list-style-type: none"> • 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 • <i>For more information, please refer to 'Disclosures Aligned with Task Force on Climate-Related Financial Disclosures' of the Sustainability Report on pages 224 to 238</i>

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 strong fundamentals of prudent banking practices, efficient customer service, high operational productivity, professional management, sound corporate governance and strong ethical culture enabled the Public Bank Group to progress, which also anchored the Group through many challenging business cycles".

The late Tan Sri Dato' Sri Dr. Teh Hong Piow

ETHICAL LEADERSHIP

The Public Bank Group is committed to uphold and embed strong corporate governance and positive work ethics across business and decision making activities to shape sound corporate stewardship across the Group. This culture and work ethics are key pillars in steering the Group to achieve banking excellence.

It is the unequivocal commitment of the Board of Directors together with the Management to enforce ethical, prudent and professional behaviour across all levels of employees. In this regard, robust policies and frameworks have been established with the focus to reinforce a strong compliance culture of ethics, integrity and transparency throughout the Public Bank Group.

PUBLIC BANK GROUP'S CODE OF ETHICS

The Public Bank Group's Code of Ethics is in line with the Financial Services Professional Board's Professional Code for the Financial Services Industry. It serves as a basis and benchmark for all employees to conduct themselves in accordance with the five fundamental ethical principles:

Fundamental Ethical Principles	Concise Definition
1. Competence	To develop and maintain the relevant knowledge, skills and behaviour to ensure that activities are conducted professionally and proficiently.
2. Integrity	To be honest and open in all business dealings or relationships. Behaving in an accountable and trustworthy manner.
3. Fairness	To be responsible and take actions that are fair and transparent towards all stakeholders.
4. Confidentiality	To protect the confidentiality and sensitivity of information, including customer's relationship with Public Bank.
5. Objectivity	To not allow bias, conflict of interest or undue influence of others to override business and professional judgement.

FIT AND PROPER POLICY FOR KEY RESPONSIBLE PERSONS

The Public Bank Group has implemented the Fit and Proper Policy for Key Responsible Persons in accordance with the Fit and Proper Criteria set out under Bank Negara Malaysia's ("BNM") policy document to ensure that key positions of the Group are assumed by competent personnel 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; and
- **Financial Integrity** - able to manage his financial affairs properly and prudently.

It is also a requirement for all members of Senior Management to declare whether they hold an aggregate interest of 5% or more in the shares of Public Bank during their initial Fit & 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(s).

INVESTOR PROTECTION POLICY

The Public Bank Group continues to review and enhance its policies, systems and internal controls to comply with the prevailing provisions of the Capital Market and Services Act 2007, particularly the following:

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

DIVERSITY, EQUALITY AND INCLUSION POLICY

The Public Bank Group recognises that skilled and agile human capital is critical to drive business innovation and creativity as well as cultivate a future-ready workforce. The Group has implemented the Diversity, Equality and Inclusion (“DEI”) Policy to harness the intellectual capital residing in a diverse and inclusive workforce.

The DEI Policy focuses on best practices to actively nurture talents from a diverse background and practises equality, inclusiveness and transparency in all its human capital strategies and activities. This is implemented to maintain a harmonious and conducive working environment and to augment human and labour rights.

The DEI Policy is also published at the Public Bank Group’s corporate website to further strengthen awareness, promote the objectives and establish a common understanding among stakeholders.

COMPLIANCE POLICY

The Public Bank Group’s governance framework is anchored on competent leadership, effective internal controls and a strong compliance culture. As such, the Group’s Compliance Policy has been formulated to support the following objectives:

- To set out the roles and responsibilities of the Board of Directors, Senior Management and employees of the Public Bank Group in managing compliance risk;
- To set out the mandate of the Compliance Function for the Public Bank Group;
- To set out the compliance requirements and standards for the Public Bank Group;
- To set out the operating model for Compliance Function with regards to the identification, management and reporting of compliance risk; and
- To promote a corporate culture that upholds high standards of zero tolerance for legal and regulatory non-compliance, integrity and ethics in the conduct of the Public Bank Group’s business.

The Public Bank Group’s Compliance Policy is established in accordance with 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’
All employees, regardless of their positions 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

Legal and regulatory non-compliances stemming from fraud will give rise to severe consequences and impact the PB Brand as well as the Public Bank Group’s reputation. It may further lead to erosion of trust in the community which the Group serves.

The Public Bank Group strictly adopts a zero-tolerance stance which requires all employees to adhere to the Anti-Fraud Policy in combating potential fraudulent activities. As such, the Group’s Anti-Fraud Policy has been developed with the following core objectives:

- To ensure the Public Bank Group’s business is conducted in accordance with the law;
- To nurture an environment of honesty and integrity;
- To promote awareness of the Public Bank Group’s stand on improper, illegal and dishonest acts and the consequences of such acts; and
- To create employee awareness of their roles, rights and responsibilities in relation to improper, illegal and dishonest acts.

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

The Public Bank Group’s ABAC Policy demonstrates the Group’s commitment to continuously practise high standards of corporate governance, ethics and accountability in its business and operations. The Group’s ABAC Policy is in compliance with all the applicable laws and regulations, including but not limited to the Malaysian Anti-Corruption Commission Act 2009 and its amendments which are applicable to the Group’s business. The ABAC Policy sets out the following objectives:

- 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; and
- To define what constitutes bribery and corruption and other prohibited practices.

ETHICS, INTEGRITY AND TRUST

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

As a custodian of public funds, the Public Bank Group acknowledges the importance to identify, manage and mitigate the risks associated with AML/CFT and TFS to preserve integrity and stability of the financial industry.

The Public Bank Group has a robust AML/CFT and TFS policy to articulate the stringent risk-based approach and procedures involving ongoing due diligence, screening and monitoring of all business transactions to counteract potential illicit activities or malicious endeavours associated with money laundering, terrorism financing or financial sanctions.

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; and
- 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”)

An effective and transparent whistleblowing regime is an integral part of the Public Bank Group’s corporate governance. The Group’s WBP provides a safe and confidential avenue for employees and any third party to speak up and raise legitimate concerns about the wrongdoing at the workplace without any fear of reprisals.

The Public Bank Group’s WBP is aligned 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.

The objectives of the WBP are:

- To provide an avenue or channel(s) for employees and third parties (e.g. interns, consultants, contractors, vendors, suppliers, customers etc.) to disclose any alleged illegal, unethical, questionable practices or improper conduct within the Public Bank Group; and
- To set out the protection accorded to the whistleblowers who disclose such allegations in good faith.

A Non-Executive Director who is also the Chairman of the Audit Committee is responsible for the effective implementation of the WBP.

ANTI-SEXUAL HARASSMENT POLICY

Placing people first in everything it does, the Public Bank Group is committed to providing all employees with a safe and respectful work environment. The Group does not tolerate any detrimental, abusive behaviour nor any form of harassment, humiliation and/or intimidation.

The Public Bank Group’s Anti-Sexual Harassment Policy has been formulated to uphold the Group’s zero tolerance towards any form of sexual harassment and further sets out the following key objectives:

- To prevent and eradicate sexual harassment in the workplace;
- To provide a safe and healthy working environment in every place of employment where individual employees irrespective of status or position are treated with dignity and free from any form of harassment, humiliation and intimidation of a sexual nature;
- To educate and create awareness among employees on what constitutes sexual harassment in the workplace;
- To educate and create awareness among employees on the available channels for reporting sexual harassment at the workplace; and
- To set out the consequences of policy violations by employees.

SOCIAL MEDIA POLICY

Social media – if used intelligently and responsibly can be a force for good to facilitate our lives and communication in this digital age. Nonetheless, users must be mindful of the legal and security risks associated with the use of social media.

The Public Bank Group’s Social Media Policy has been implemented to set out the guidelines, behavioural standards and decorum required of every employee when engaging in social media activities both in their personal or professional capacity.

The Public Bank Group’s Social Media Policy has the following objectives:

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

INFORMATION SECURITY POLICY

In building an encompassing culture of ‘security’, an information security policy is indispensable, forming part of the Public Bank Group’s commitment to protect and preserve the information assets entrusted by all stakeholders, particularly its customers.

The Public Bank Group’s Information Security Policy is aligned with the principles of confidentiality, integrity and availability. It forms the backbone of information technology system by clearly outlining the principles, conduct and action required in protecting data and intellectual property from any security threats as well as procedures for mitigating IT security risks.

The Information Security Policy outlines 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; and
- To comply with applicable laws and regulations such as Financial Services Act 2013, Personal Data Protection Act 2010 etc.

STAFF GRIEVANCE POLICY

The Public Bank Group strives to cultivate an open and honest culture to create a sustainable, positive and harmonious working environment. As such, the Group has put in place a Staff Grievance Policy for Management to engage and understand employees’ grievances in order to resolve issues raised in a prompt and amicable manner to preserve employee morale and productivity. A digital platform ‘Staff Grievance Portal’ has also been established to facilitate employees in channelling their concerns for resolution at the lowest possible level of the grievances handling process.

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

The Public Bank Group aspires to act with the highest level of integrity in all it does and never compromise on its ethical standards. To this end, the Group continues to reinforce its strong ethical culture by promoting responsible behaviour through a series of initiatives and measures:

- 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;
- Comprehensive training on the standards of ethical conduct expected of employees in the Public Bank Group with emphasis on:
 - Enhancing employees’ knowledge on regulatory requirements;
 - Enabling employees to understand and internalise the ethical standards set by the Public Bank Group;
 - Equipping employees with knowledge and skills to handle ethical dilemmas with integrity;
 - Equipping employees with knowledge and skills to detect early warning signs of fraud and malpractices; and
 - Enabling employees to comply with the Public Bank Group’s Codes of Ethics and Conduct, Group’s Compliance Policy and the Group’s Anti-Bribery and Anti-Corruption Policy.
- Extensive supervisory control and procedures in the Public Bank Group’s daily operations to ensure scrupulous dealings 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; and
- Adopts strategic risk governance on employee remuneration through malus, reversal or downward revaluation of rewards in the event of fraud and/or misconduct.

PRUDENTIAL FRAMEWORK AGAINST UNETHICAL PRACTICES

The Public Bank Group’s culture of governance, compliance and integrity is spearheaded by the Board of Directors which sets the ‘tone from the top’ and this is cascaded across every level within the Group. The commitment to ethical excellence is in the Group’s DNA and entrenched in the Group’s business activities and professional dealings with all stakeholders.

The Public Bank Group has a transparent consequence management framework to mete out the corresponding disciplinary actions in respect of employees who contravened the Group’s policies, rules and regulations and the required standards of conduct.

The Board of Directors maintains oversight of governance and compliance climate of the Public Bank Group. Hence, any integrity related violations such as the Group’s Code of Ethics and Conduct, Compliance Policy and ABAC Policy are reported to the Board to facilitate effective discharge of their oversight responsibilities.

AUDIT COMMITTEE REPORT



COMPOSITION

The Audit Committee is a Board-delegated Committee established by the Board of Directors. The Audit Committee comprises five (5) Members, all of whom are Independent Non-Executive Directors and the Chairman of the Board of Directors is not a Member of the Audit Committee.

The Members of the Audit Committee collectively have a wide range of skills, knowledge and experience necessary to discharge their duties. These include accounting, assurance and advisory services, information technology and banking related expertise and experience, ranging from finance/corporate finance and consumer/investment banking. In addition, one (1) Member of the Audit Committee is a Chartered Accountant of Malaysian Institute of Accountants.

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

- Policy Document on Corporate Governance issued by Bank Negara Malaysia on 3 August 2016;
- 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 amended and updated on 26 May 2023.

ATTENDANCE OF MEETINGS

Pursuant to the Terms of Reference of the Audit Committee which stipulates that meetings shall be held not less than 12 times a year, the Audit Committee had met 17 times in year 2023. 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
1. Dato' Mohd Hanif bin Sher Mohamed Chairman/Independent Non-Executive Director	17/17
2. Cheah Kim Ling * Member/Independent Non-Executive Director	6/6
3. Tham Chai Phong Member/Independent Non-Executive Director	17/17
4. Lim Chao Li Member/Independent Non-Executive Director	17/17
5. Gladys Leong Member/Independent Non-Executive Director	17/17
6. Teoh Meow Choo ** Member/Independent Non-Executive Director	2/2

* Ms Cheah Kim Ling had ceased to be a Member of the Audit Committee following her redesignation to a Non-Independent Non-Executive Director ("NINED") of Public Bank with effect from 29 April 2023 upon reaching a maximum tenure of 9 years as Independent Non-Executive Director. During her tenure as Member of Audit Committee from 1 January 2023 to 29 April 2023, she had attended six (6) meetings.

** Ms Teoh Meow Choo was appointed as a Member of the Audit Committee with effect from 1 November 2023.

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. The Audit Committee has full and unrestricted access to any information and documents pertaining to Public Bank and the Public Bank Group provided that such access and/or the disclosure of the information and documents by Public Bank and/or Public Bank Group is permitted, not restricted and/or prohibited under all applicable laws in the relevant jurisdiction, whether in or outside of Malaysia including but not limited to Financial Services Act 2013 and Islamic Financial Services Act 2013.

The Audit Committee is supported by an independent Internal Audit function established by the Board of Directors in accordance with the Bank Negara Malaysia's Guidelines on Internal Audit Function of Licensed Institutions. The Internal Audit function performs ongoing periodic reviews and assessments on the adequacy and effectiveness of the established risk management systems, internal controls, anti-corruption measures, whistleblowing policy and governance processes and reports the outcome of such reviews and assessments 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 Division's ("Internal Audit") staff and any new/ proposed revisions to the Internal Audit frameworks.
- Assesses and approves the appointment, replacement and dismissal of the Group Chief Internal Auditor ("GCIA"). On an annual basis, the Audit Committee assesses the suitability of the GCIA in assuming his position in accordance with the fit and proper criteria as approved by the Board of Directors. The Audit Committee also approves the recruitment and dismissal

of Senior Management staff of Internal Audit as well as evaluates the annual performance appraisals of the GCIA and the Senior Management staff of the Internal Audit and approves their remunerations as proposed by Human Capital Management.

- Reviews the internal audit activities and evaluates the performance and effectiveness of the Internal Audit against the approved key performance indicators as well as assesses the competency and knowledge of the Senior Management staff of Internal Audit. The Audit Committee also reviews the adequacy of the Internal Audit's authority and resources to carry out its work effectively, objectively and independently and that the Internal Audit staff are free from any conflict of interest arising, either from their professional or personal relationships or from other interest in the Bank or activity which is subject to audit.
- Reviews the external and internal audit reports to ascertain that appropriate remedial actions are taken timely by Management to address and resolve identified key issues/significant lapses in controls and procedures. The Audit Committee also notes any significant disagreements over audit issues between the GCIA and the Bank's Senior Management team, irrespective of whether these issues/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, ascertains that the Bank's financial reporting process is reliable and transparent.
- Reviews and assesses the performance of the external auditors pursuant to the requirements as set out in Bank Negara Malaysia's Policy Document on External Auditor and based on the set of criteria stipulate 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 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 has to be satisfied that the proposed fees are within the allowable threshold set before recommending the proposed engagement to the Board of Directors for consideration and approval.

AUDIT COMMITTEE REPORT

- Reviews and concurs the proposed provision of non-audit services by the external auditor of Public Bank (i.e. the Parent Bank Auditor) and/or a firm or corporation affiliated with the Parent Bank Auditor, to Public Bank's subsidiary companies and overseas branches.

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

SUMMARY OF ACTIVITIES

For the financial year ended 31 December 2023, the Audit Committee had carried out the following activities in the discharge of its roles and responsibilities:

Financial Reporting

The Audit Committee had reviewed the unaudited quarterly and half-yearly financial results as well as the annual audited financial statements of Public Bank and the Public Bank Group prior to its recommendation to the Board of Directors for approval, submission to Bank Negara Malaysia and thereafter release to Bursa Malaysia Securities Berhad pursuant to its Main Market Listing Requirements. The review focused on, amongst others, an assessment on the appropriateness of the accounting standards applied and its treatments as well as financial reporting and disclosures are in compliance with the relevant regulatory requirements and applicable accounting standards.

In carrying out such a review, the Audit Committee had sought explanations and additional information from the Senior Management team including the Chief Financial Officer on the reasons for any significant variances/fluctuations in the financial performance of Public Bank and the Public Bank Group, including the key income components and operating expenses.

In reviewing the unaudited quarterly, half yearly and annual audited financial results of Public Bank and the Public Bank Group, the Audit Committee met with the Bank's external auditors, Messrs. Ernst & Young PLT ("EY") to discuss the outcome of EY's audit on Public Bank and the Public Bank Group with particular focus on:

- Key audit matters, significant accounting and auditing issues, the relevancy and appropriateness of the accounting principles applied and judgement exercised that may have material impact to the financial statements as well as the pertinent audit issues raised in its Memorandum of Recommendations and how these matters 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 carrying out its oversight role over the Malaysian Financial Reporting Standards 9: Financial Instruments ("MFRS 9"), had reviewed the adequacy of processes and procedures established in the management of/developments with regard to the MFRS 9 stage classification, stage transfer criteria and provision of macro economic adjustments, management overlay for corporate and retail loans. In addition, the Audit Committee also reviewed the adequacy and effectiveness of the Bank's processes, procedures and internal controls put in place with respect to the allowance for expected credit loss ("ECL") to conform 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 2023.

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 2023.

External Audit

The Audit Committee met three (3) times with Public Bank's external auditors, EY, to apprise on matters under review pertaining to the financial statements for the financial year ended 31 December 2023. In so doing, the Audit Committee had:

- Reviewed and deliberated the audit plan for the financial year ending 31 December 2023;
- 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 2023;

- 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 2023 as presented by EY.

In discharging its duties, the Audit Committee had reviewed the key audit matters raised by EY arising from its annual audit. The Audit Committee, through the Internal Audit function, also followed up on the Management's responses/actions taken on the resolution of issues raised in EY's Memorandum of Recommendations.

The Audit Committee is satisfied that EY has put in place adequate policies and procedures to uphold its independence, demonstrated professionalism and objectivity in interpreting accounting standards and policies adopted by Public Bank and the Public Bank Group. The Audit Committee had also assessed and is satisfied with the performance and effectiveness of EY based on the criteria as set out in the Group Policies and Procedures, and recommended to the Board of Directors to approve the re-appointment of EY as the external auditors for Public Bank and the Public Bank Group and the proposed remuneration for its services.

Pursuant to the Terms of Reference of the Audit Committee, meetings with the external auditors without the presence of the Bank's Senior Management team or Internal Audit staff shall be held at least twice a year. In 2023, 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.

Internal Audit Matters

In its oversight over the Internal Audit function, the Audit Committee approved the Internal Audit frameworks and its subsequent revisions. These frameworks were developed with reference to the standards outlined in the International Professional Practices Framework and the Conceptual Framework, an organised authoritative guidance promulgated by The Institute of Internal Auditors ("IIA"). The Audit Committee also reviewed and approved the annual audit plan, including the adequacy of audit scope and comprehensiveness of coverage over the activities of Public Bank and the Public Bank Group and that all high risk areas are audited at least annually.

In addition, the Audit Committee also reviewed and monitored the Internal Audit's performance, progress of its achievement against the approved annual audit plan and key audit activities on a quarterly basis, including Internal Audit's response to the emerging risks emanating from the rapid changes in the business, operations and regulatory environment.

The Audit Committee had reviewed and deliberated the revisions of the Internal Audit Charter and recommended the same to the Board of Directors for approval. The Audit Committee also reviewed and approved the revised Internal Audit frameworks and

the action plans to address the competency gaps of the Internal Audit function.

The Executive Summary of each Internal Audit report as well as a status report on the progress of actions taken/to be taken to address and resolve the outstanding 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 the Bank's Senior Management to rectify and improve control procedures based on the internal auditors' recommendations. For the financial year under review, the Audit Committee is not aware of any significant disagreement between the GCIA and the Bank's Senior Management.

As for the reports issued by regulatory authorities, the Audit Committee reviewed the Management's responses to the supervisory concerns and areas for improvement as well as 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 ascertain that appropriate and adequate remedial actions are taken on a timely basis to address and resolve the key issues/significant lapses in controls and procedures that are 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 the Bank's level of commitment to Business Continuity Management and overall preparedness to comply with the Bank Negara Malaysia's Guidelines on Business Continuity Management. The Audit Committee also reviewed the Internal Audit report on related party transactions entered into by Public Bank on a quarterly basis for assurance that these transactions are conducted at arm's length.

The Audit Committee and/or its Chairman, had met with the GCIA and Senior Management staff of the Internal Audit three (3) times in 2023. During the meetings, the Audit Committee sought more in-depth understanding on the challenges faced by the Internal Audit function in the light of changes to the banking industry landscape consequent to the developments in the financial technology and digital revolution.

The Chairman also advised Internal Audit on the need to provide adequate training and certification courses to its staff in order to further enhance their competency level and skill sets so that they are prepared and ready to meet the challenges ahead.

AUDIT COMMITTEE REPORT

Follow-up on Resolution of Issues Raised at the Audit Committee Meetings

The Audit Committee reviewed and deliberated at length critical issues and expressed concerns over the following areas which required Management's actions:

- Contributory causes to incidents of staff misconduct/ shortcomings and actions taken to address and resolve the control weaknesses highlighted; and
- Key audit findings and significant matters highlighted in the internal/external audit reports and the adequacy and timeliness of Management's action plans to address and resolve the issues.

All comments/issues raised during the Audit Committee meetings are monitored and followed up by the Internal Audit function and the Audit Committee is updated in its monthly meeting on the progress of the actions taken until resolution of the comments/issues.

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

The Audit Committee oversees the implementation of Public Bank's whistleblowing policies and procedures that set out the avenues or channels for Public Bank's staff and other relevant stakeholders such as vendors, suppliers, contractors, consultants and interns to report, in confidence and without the risk of reprisal, instances of any illegal, unethical or questionable practices.

Public Bank had further strengthened its whistleblowing policies and procedures taking into consideration the requirements set out in Bank Negara Malaysia's Policy Document on Corporate Governance as well as the requirements under the Public Bank Group's Anti-Bribery and Anti-Corruption Policy, which was last reviewed and approved by Board of Director on 27 April 2023.

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.

INTERNAL AUDIT FUNCTION

Internal Audit function, being the third line of defence, is responsible to provide independent assessment of the Bank's state of compliance with statutory/regulatory requirements and adherence to internal policies and procedures. The assessment also covers the adequacy and effectiveness of the risk management systems, internal controls, anti-corruption, whistleblowing and governance processes put in place by Public Bank and the Public Bank Group to manage and mitigate the key areas of risk.

The Internal Audit Charter ("IAC") sets out the purpose, objectives, authority, scope of work and responsibilities of the Internal Audit function in Public Bank and the Public Bank Group. The IAC, which has been 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 on 28 June 2023, is published at the Public Banks's electronic publication homepage on 6 July 2023 and a copy of which was extended to the Internal Audit function of subsidiary companies for their adoption.

The Public Bank's Internal Audit 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 the Bank's Senior Management, as well as the authority to seek information and explanations, for the purpose of conducting its audit.

Internal Audit function provides independent assurance to the Audit Committee and the Bank's Senior Management based on its report on the adequacy and effectiveness of the internal control environment of the areas audited upon the completion of each audit. Internal Audit adopts a risk-based approach to prioritise the audit work and to scope the audits on high risk auditable areas. Internal Audit's assurance which covers a broad spectrum of business activities, support, control and operations audited including the Outsourced Service Providers, is to provide a reasonable assurance on the adequacy and effectiveness of the internal controls in place to safeguard the assets and its quality, accuracy of records and transactions, compliance with relevant laws and regulations as well as adherence to established policies and procedures.

Internal Audit's assurance covers a comprehensive review of the established controls to determine if they are appropriate, effectively applied and consistent with Public Bank and the Public Bank Group's risk management policies. Internal Audit's recommendations for improvement to the existing system of internal controls and work processes are highlighted to the Management for resolutions where necessary.

Internal Audit function also carried out the following:

- Audits on the information systems of Public Bank and the Public Bank Group to ascertain that the computing resources are adequately secured to protect the data integrity and confidentiality, and there are adequate measures to safeguard and provide for the continued availability of the systems to support business operational needs;
- Reviews the risk exposures of new systems, business products and services to establish that adequate controls are in place to mitigate the risks identified prior to implementation. When performing such review, Internal Audit function is not involved in the system selection or implementation process in order to maintain its objectivity and independence;

- Conducts investigation audits into improper, illegal or dishonest acts reported. The outcome of the investigation is tabled to the Audit Committee for review;
- Conducts ad-hoc reviews/audits requested by regulators such as Bank Negara Malaysia, Securities Commission Malaysia and Payments Network Malaysia Sdn Bhd;
- Reviews the unaudited quarterly and half-yearly financial results and annual audited financial statements focusing on Public Bank's conformity with applicable approved accounting and financial reporting standards as well as compliance with the relevant regulatory requirements;
- Reviews the level of commitment to Business Continuity Management and overall preparedness, against the Bank's Business Continuity Management policies and regulatory requirements as well as to participate as an independent observer in the various business continuity plan, crisis management plan and disaster recovery plan testing exercises (under live or simulation scenarios and live split operations) to ascertain that all the relevant critical business functions and critical application systems are able to resume operations/recover within the established timeline;
- Escalates the audit findings to relevant parties such as Banking Operations Division, Compliance Division and Knowledge & Learning for them to take necessary actions to beef up the branches' internal controls and to reinforce the Bank's compliance culture vide issuance of circulars to remind branches on the Bank's established processes and procedures, ongoing publishing of compliance bulletins to create staff's awareness on compliance issues and focus training to elevate the staff's knowledge and skill sets;
- Conducts periodic audits/reviews on the key audit risk areas, frameworks, audit methodologies, scope and extent of audit coverage of the subsidiaries' Internal Audit function as well as to provide guidance and support to the subsidiaries' Head of Internal Audit in managing an effective Internal Audit function;
- Arranges for in-house trainings 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 Banker, Islamic Banking and Finance Institute Malaysia as well as the Information Systems Audit and Control Association to equip themselves with the necessary knowledge and understanding of the subject matter relevant to their job functions.

Internal Audit function works collaboratively with Compliance function and Risk Management function to review and assess the risk governance framework and risk management processes of Public Bank and the Public Bank Group in respect of their adequacy and effectiveness in managing the identified key risks of Public Bank and the Public Bank Group.

Towards the end of third quarter 2023, Public Bank had engaged an external consultant, PricewaterhouseCoopers Risk Services Sdn. Bhd. to conduct a Quality Assurance Review ("QAR") on the Internal Audit function to assess its effectiveness. Internal Audit will implement the enhancement initiatives to further elevate the effectiveness and quality of audit services based on the outcome of the QAR.

The total costs incurred for the Internal Audit function of Public Bank and the Public Bank Group for 2023 are as follows:

	RM'000
Public Bank	33,722
Public Bank Group	54,607

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





Elevating Your Experience Every Day

Our employees embody our commitment as a Bank for the People; upholding high standards of integrity, ethics, and customer service. Their dedication sets an industry benchmark for excellence, fostering trust and loyalty. Every interaction is a testament to our commitment to excellence, ensuring your experience is nothing short of exceptional.

2023 AWARDS & ACHIEVEMENTS



1 FINANCEASIA

FinanceAsia Country Awards 2023:

- **Best Bank in Malaysia**
2023, 2022, 2021, 2020, 2019, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, 2006, 2005, 2004, 2003, 2002, 2001, 2000, 1999
- **Best Sustainable Bank in Malaysia**
2023, 2021
- **Best ESG Impact in Malaysia**
2023

2 ALPHA SOUTHEAST ASIA

17th Annual Alpha Southeast Asia Best Financial Institution Awards 2023:

- **Best Bank in Malaysia**
2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007
- **Best Retail Bank in Malaysia**
2023, 2022, 2021, 2020, 2018

3 GLOBAL FINANCE

- **Best Bank in Malaysia**
2023, 2022, 2021, 2019, 2017, 2015, 2014, 2010, 2009, 2004, 2003, 2002, 2000

4 THE ASSET

- **The Asset ESG Corporate Awards 2023 - Gold Award**
2023, 2022, 2020, 2019

The Asset Triple A Country Awards for Sustainable Finance 2022:

- **Best Bank for Sustainable Finance in Malaysia**
2022



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5 THE EDGE BILLION RINGGIT CLUB

The Edge Billion Ringgit Club Corporate Awards 2023:

- **Highest Return on Equity Over Three Years Award under the Financial Services - RM10 Billion and Above Market Capitalisation category**
2023, 2022, 2021, 2020, 2019, 2018

6 ASIAMONEY

Asiamoney Awards 2023:

- **Best Bank for CSR in Malaysia**

7 CORPORATE GOVERNANCE ASIA

13th Asian Excellence Awards 2023:

- **Asia's Best CSR**
2023, 2016, 2015, 2014, 2013, 2012, 2011
- **Best Investor Relations Company for Malaysia**
2023, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2011
- **Best Corporate Communications**
2023, 2015, 2014

8 PAYMENTS NETWORK MALAYSIA SDN BHD (PAYNET)

Malaysian e-Payments Excellence Awards 2023:

- Special Recognition Award for Outstanding Contribution to Cross Border Payments

9 CREDIT GUARANTEE CORPORATION MALAYSIA BERHAD (CGC)

CGC 28th FI/DFI and SME Awards 2022:

- **Top FI Partner (Commercial Financial Institution category)**
2022, 2021

10 DEWAN BANDARAYA KUALA LUMPUR

Anugerah Pencahayaan Bangunan:

- **Kategori Berinisiatif (Building Illuminating Awards – Initiative Category) for Menara Public Bank**

MEDIA HIGHLIGHTS 2023

The image shows the exterior of a building with a large sign. The sign features the Public Bank logo, which consists of a red stylized 'P' inside a circle, followed by the word 'PUBLIC BANK' in red capital letters, and '大众银行' (Dazhong Bank) in Chinese characters below it. The building has a modern design with a mix of dark and light-colored panels.

A photograph showing the Public Bank logo, which consists of a stylized red 'P' inside a circle, followed by the words 'PUBLIC BANK' in red capital letters, with '大众银行' written below it in Chinese characters. The sign is mounted on a building with large green trees in the background.

A photograph of a Public Bank branch in Singapore. The building is made of light-colored stone or concrete blocks. A large arched glass window is the central feature, with the words "PUBLIC BANK" written in capital letters below it. Above the arched window is a circular emblem containing a stylized letter 'P'. There are several smaller windows and doors along the facade. The sky is overcast.

Diona Teh (centre, left) and Public Bank Bhd chief executive officer and managing director Tan Sri Datuk Seri Dr Tay Ah Lek (next to Diona; front, left), with all beneficiaries of the donation at the late Tan Sri Dr Teh Hong Piow's memorial anniversary. (Photos credit: Public Bank Bhd)

KUALA LUMPUR (Dec 14): Tung Shin Hospital received a hefty RM143 million donation from Diana Teh Li Shian, the youngest daughter of the late Tan Sri Dr Teh Hong Piow, in conjunction with his first memorial anniversary.

Besides the donation to Tung Shin, Diana also contributed RM200,000 each to Hospital Sultan Idris Shah in Serdang and ten other charities, in continuation of her father's philanthropic legacy, according to a statement released by Public Bank Bhd, which was founded by Hong Płow.

"During his lifetime, my dad had touched countless lives. I hope that these contributions will create ripples of positivity and kindness, further spreading my

Public Bank terima Anugerah Impak ESG Terbaik

Public Bank menerima Anugerah Impak ESG Terbaik di Malaysia dalam FinanceAsia Country Awards 2023.

Bank berkenaan turut menerima dua lagi anugerah negara, iaitu Bank Terbaik dan Bank Kestarian Terbaik.

Pengarah Urusan dan Ketua Pegawai Eksekutifnya, Tan Sri Dr Tay Ah Lek, berkata Public Bank amat mementingkan kelestarian dalam setiap tindakannya.

"Objektif perniagaan Public Bank seiring kepentingan masyarakat. Dari perspektif alam sekitar, sosial dan tadbir urus (ESG), kami berbincang dengan teliti bagaimana menjadikan dunia tempat lebih baik, terutama untuk generasi akan datang dan menggabungkan perincian itu dalam strategi perniagaan kami."

"Kami juga sasar untuk memperuntukkan RM48 billion dalam pembiayaan mesra ESG menjelang 2025."

大众信托3基金派息逾7700万

◎ 陈晓玲/记者



《南洋邮报》日报》大众银行(Public Bank)旗下子公司大众信托(Public Mutual Bhd)的三个基金在截至今年10月的财年里派息逾7700万令吉。

根据大马公共伊斯兰债券基金(每单位1仙),公共伊斯兰股息基金(每单位0.4仙)。

大众信托是马来西亚最大的私人单位信托公司,管理资产超过120个基金,大众信托也是一家批准的私人退休计划(PRP)提供商。管理资产约950亿令吉。

(编译:魏秉伟)

Public Bank Raises Awareness On Sustainable Development For Property Developers

◎ 陈晓玲/记者 · 日期 21.12.2022



benefits of green buildings from the environmental and social perspectives, to the processes involved in applying for green building certification.

Real-life case studies were also presented, as part of Public Bank's capacity building initiatives to encourage property developers to transition to a low carbon economy and embark on sustainable property developments.

Public Bank's Managing Director and CEO, Tan Sri Dato' Sri Dr. Tay Ah Lek said, "Public Bank is looking forward to work closely with property developers to fulfil their environmental, social, and corporate governance (ESG) initiatives."

Public Bank, Perodua collaborate to offer financing facilities



PETALING JAYA: Public Bank Bhd and Perodua Sdn Bhd (Perodua) signed a memorandum of collaboration (MoC) for financing facilities to Perodua authorized dealers to provide financial products and services.

The collaboration with Perodua will enable Public Bank to interface and facilitate digitization via online submission of hire purchase and financing applications to the bank including uploading of basic application documents and tracking of application status.

Public Bank empowers customers to protect themselves against fraud, scams

BANKING

Friday, 23 Dec 2022 8:16 PM MYT



KUALA LUMPUR: Public Bank Bhd has taken steps to empower and educate customers on ways to protect themselves against fraud and scams through a Scam Awareness initiative at Pavillion Kuala Lumpur.

Public Bank peruntuk RM48 billion untuk pembiayaan ESG



TAY Ah Lek berbahagia bersama dengan sebahagian peserta seminar pembangunan lestari untuk bermaju perusahaan kecii dan sejernih (PKS) anggota Public Bank, berdua-dua ini.

Shutterstock/Malaysia · 30 Jun 2023 7:30 pm

PETALING JAYA: Public Bank memperuntukan RM48 billion dalam pembiayaan mesra Alam Sekitar, Sosial dan Tadbir Urus (ESG) menjelang 2026. Pengarah Urusan dan Ketua Pegawai Eksekutif Public Bank, Tan Sri Dr. Tay Ah Lek berkata, Bank sentiasa mengambil pendekatan holistik dalam inisiatif ESGnya. Beliau berkata, Public Bank secara proaktif telah menandatangani beberapa memorandum dengan pemaju yang disenaraikan di Bursa Malaysia bagi...

Banking on students with RM1.2mil for Eco-Schools initiative

PUBLIC Bank Berhad is the first bank in Malaysia to embark on the Eco-Schools programme, a pioneering climate education initiative that promotes a green learning method in schools. It includes the implementation of projects to reduce greenhouse gas emissions.

As part of its environmental, social and governance (ESG) initiatives, Public Bank, together with Green Building Asia Foundation (GGAF), signed an agreement to roll out the Eco-Schools programme involving 20 schools in Pahang, Selangor and Kuala Lumpur for three years until 2025, with a sponsorship of RM1.2mil.

Public Bank's managing director and chief executive officer, Tan Sri Dr. Tay Ah Lek said, "As financiers, we believe that financing for sustainability will drive future value creation for the bank and its stakeholders."

"As Benjamin Franklin once said, 'It is investment in knowledge that pays the best interest.' This sponsored programme was signed by Tan Sri Dr. Tay Ah Lek and GGAF executive director Tan Sri Dr. Mahadi Mohamad and witnessed by Public Bank's deputy chief executive officer Daren Chang Kiat Kiam and GGAF's chief executive Dr Balamurugan Ratha

"We also have committed to mobilise RM48bil in ESG-friendly financing by 2025."

Tan Sri Dr. Tay Ah Lek

Krishnan at Menara Public Bank, Kuala Lumpur.

Tay said, "We had made significant commitments towards sustainability, balancing our mandate of financial inclusion while embracing environmental, social and governance (ESG) factors."

"On top of our commitment towards achieving carbon neutrality by 2030, and net zero carbon by 2050, we also have committed to mobilise RM48bil in ESG-friendly financing by 2025."

Educating the future generation on climate and environmental matters, the collaboration with GGAF will also support other quantitative initiatives,



such as data collection and research relating to greenhouse gases to facilitate further initiatives in achieving the global goal of net zero carbon.

GGAF is a non-profit organization incorporated in Malaysia that aims to spearhead initiatives to promote new green growth strategy that strikes a balance between economic development, social inclusivity and environmental sustainability.

As a full member of the Foundation for Environmental Education, GGAF makes an important contribution to the implementation of the Eco-Schools programme.

To date, there are 206 schools from Melaka, Penang and Kedah participating in the programme, with more than 15 schools achieving the International Green Flag Award.

This remarkable partnership between Public Bank and GGAF makes a significant milestone in our collective efforts towards environmental sustainability and social responsibility," said Mahadi.

He said Public Bank's sponsorship had opened doors to endless possibilities and paved the way for a brighter and greener future.

CALENDAR OF SIGNIFICANT EVENTS 2023

CORPORATE



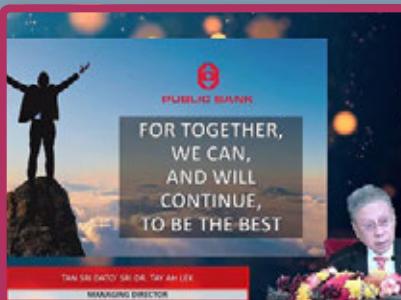
6 JANUARY

Public Investment Bank successfully listed its client, DS Sigma Holdings Berhad on the ACE Market of Bursa Malaysia Securities Berhad.



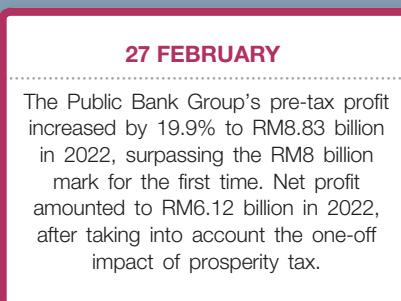
9 JANUARY

Pekan Nanas Branch, Johor was relocated to bigger premises to better serve its customers.



12 JANUARY

The virtual Public Bank Sales Conference 2023 with the theme 'Mobilising Synergies Towards Sustainability' was digitally transmitted from Head Office to approximately 1,700 attendees across Malaysia, Vietnam, Cambodia, Sri Lanka, Laos People's Democratic Republic ("PDR") and Hong Kong. This was the first time since the pandemic that staff from outside Malaysia joined the conference.



27 FEBRUARY

The Public Bank Group's pre-tax profit increased by 19.9% to RM8.83 billion in 2022, surpassing the RM8 billion mark for the first time. Net profit amounted to RM6.12 billion in 2022, after taking into account the one-off impact of prosperity tax.



28 FEBRUARY

Public Bank launched 'For a Greener Tomorrow' Staff Environmental, Social and Governance ("ESG") Logo Design and Tagline Creation Campaign in line with the Bank's effort to promote sustainability and ESG awareness amongst staff.



8 MARCH

Public Bank Management Seminar 2023 with the theme 'Mobilising Synergies Towards Sustainability' was held virtually with over 1,000 attendees from Malaysia, Hong Kong, Cambodia, Vietnam, Laos PDR and Sri Lanka. Cash prizes worth close to RM1 million were awarded to the winners of the Branch Performance Awards.



22 MARCH

Public Bank Vietnam participated in the Roundtable Discussion with the Malaysian Business Community in Vietnam, which was organised by the Malaysian of Investment, Trade and Industry, Hanoi.



24 MARCH

Chaired by Mr. Lai Wan, the Non-Executive Chairman, the 32nd Annual General Meeting of Public Financial Holdings Limited was held at Kowloon Shangri-La Hotel, Hong Kong.



6 APRIL

The Red Carpet Banking ("RCB") Centre opened its Muar Branch, Johor marking Public Bank's 19th RCB centre nationwide.



13 MAY

Public Mutual organised its 34th National Sales Convention 2023, attended by more than 1,300 Unit Trust Consultants.



18 MAY

Public Islamic Bank in collaboration with Institut Keusahawanan Negara and Majlis Agama Islam Wilayah Persekutuan signed a Memorandum of Understanding on a social finance initiative, pioneered by Bank Negara Malaysia.



19 APRIL

15 delegates from the NMB Bank of Nepal paid a study tour visit to Menara Public Bank organised by the Malaysian Institute of Management as part of their short overseas study programme on 'Banking Leaders Programme and Study'.



14 MAY

More than 1,600 Unit Trust Consultants attended the Public Mutual Annual Awards Nite 2023.



25 MAY

Public Bank signed a Memorandum of Collaboration with Perodua Sales Sdn Bhd to provide financing facilities to Perodua's authorised dealers.



21 APRIL

Public Bank Vietnam organised a Business Working Session 2023 with 49 participants to provide a review of the Bank's business performance for the second quarter of 2023.



15 MAY

The 57th Annual General Meeting of Public Bank was conducted through a virtual set up to present the Public Bank Group's performance review in 2022 and the Group's strategic direction.



9-18 JUNE

Public Bank Vietnam participated as corporate exhibitor and sponsor in the exhibition of 'MALAYSIA MADANI Week' in conjunction with the 50th anniversary of bilateral relations between Malaysia and Vietnam.

CALENDAR OF SIGNIFICANT EVENTS 2023

CORPORATE



14 JUNE

A seminar with the theme '*Embracing Sustainable Development: The Way Forward for SME Developers*' was held to exchange valuable knowledge and insights on areas of sustainability with the small and medium enterprise ("SME") delegates.



26 JUNE

Cambodian Public Bank has expanded its total network to 32 branches across the country with the opening of Russey Keo Branch in Phnom Penh City.



12-14 JULY

The annual business meetings between Senior Management, Regional Managers and Branch Managers were held virtually to review the business performance and business direction of Public Bank.



26 JULY

Public Bank had the honour of hosting the official visit of 46 students and two lecturers from Seremban MARA College, on a study tour of banking experience at Public Bank.



28 JULY

A new branch, Long An Branch located in Tay An City, Long An Province was officially opened by Public Bank Vietnam.



10 AUGUST

Red Carpet Banking ("RCB") Centre opened its Bandar Setia Alam Branch, Selangor marking the 20th RCB Centre across the nation.



15 AUGUST

Mr. Shoichi Iwanaga, the appointed President and Representative Director of Resona Bank. Ltd., Tokyo and Executive Officer of Resona Holdings Inc., Tokyo, paid a courtesy visit to Public Bank. This visit underscored the growing collaboration between the two banks, affirming the commitment to strengthen ties within the Japanese business community in Malaysia.



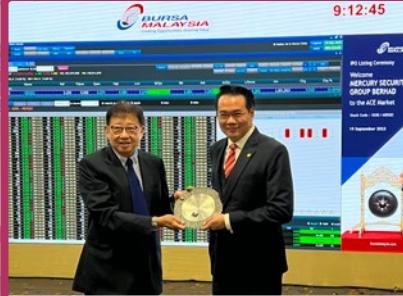
9 AUGUST

Public Bank and Proton New Energy Technology Sdn Bhd signed a Memorandum of Collaboration to provide financing facilities on broad range of financial products and services and to embark on digitalisation via systems integration with smart Malaysia and its authorised dealers.



15 AUGUST

Tan Sri Dato' Sri Dr. Tay Ah Lek, Managing Director/Chief Executive Officer of Public Bank Berhad hosted a courtesy visit by Mr. Daniel Schaffer, Chief Executive Officer of the Foundation of Environmental Education to Menara Public Bank for a discussion and exchange of ideas on environmental matters.



19 SEPTEMBER

Public Investment Bank ("PIVB") successfully listed Mercury Securities Group Berhad on the ACE Market of Bursa Malaysia Securities Berhad, which marks PIVB 2nd ACE Market initial public offering for 2023.



18 OCTOBER

Public Bank organised a seminar aimed at raising sustainability awareness among Northern Region SME property developers. The event featured experts from PwC Malaysia, Knight Frank, GreenRE and EcoWorld discussing sustainability best practices, climate change and ESG related issues.



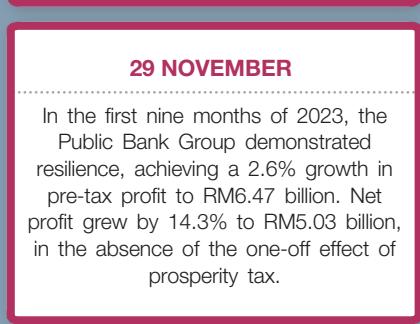
29 AUGUST

For the first half of 2023, the Public Bank Group recorded pre-tax profit of RM4.30 billion and net profit of RM3.33 billion, representing a growth of 7.0% and 18.4% respectively.



21 SEPTEMBER

The strategic collaboration between Public Bank and Syarikat Jaminan Pembiayaan Perniagaan Berhad aimed to extend RM1 billion in financing to SMEs.



29 NOVEMBER

In the first nine months of 2023, the Public Bank Group demonstrated resilience, achieving a 2.6% growth in pre-tax profit to RM6.47 billion. Net profit grew by 14.3% to RM5.03 billion, in the absence of the one-off effect of prosperity tax.



31 AUGUST

A dedicated contingent of 100 passionate staff members represented Public Bank and participated in the Merdeka Parade held at Dataran Putrajaya.



13 OCTOBER

Tan Sri Dato' Sri Dr. Tay Ah Lek in his commentary on Budget 2024 applauded the Government's adept handling of global challenges and the strategic initiatives outlined in the Budget.



12 DECEMBER

Public Bank marked the first memorial anniversary of its revered Founder, the late Tan Sri Dato' Sri Dr. Teh Hong Piow, at Menara Public Bank. Continuing Tan Sri Teh's philanthropic legacy, his daughter, Ms. Diana Teh Li Shian donated RM145.2 million to two hospitals and ten charities.



15 SEPTEMBER

Public Bank Vietnam opened the Di An Transaction Bureau, the first of its kind under the Binh Duong Branch, marking the establishment of its 34th branch across the country.

CALENDAR OF SIGNIFICANT EVENTS 2023

CORPORATE SOCIAL RESPONSIBILITY



10 JANUARY

Hanoi Disability Care Center at Lien Minh, Ba Vi District received donation from Public Bank Vietnam in the form of essential goods amounting to VND45,000,000.



22 FEBRUARY

Persatuan Pendidikan Perubatan Hospital Serdang received RM12,000 from Public Bank for their State Level World Kidney Day 2023 event with the theme 'Kidney Health for All – Preparing for the Unexpected, Supporting the Vulnerable'.



25 MARCH

Public Bank took part in the global Earth Hour 2023 by switching off non-essential lights for an hour from 8.30 p.m. at Menara Public Bank, Jalan Ampang and Menara Public Bank 2, Jalan Raja Chulan, Kuala Lumpur.



10-11 JANUARY

Four old folks homes namely, Pertubuhan Kebajikan Warga Emas Kenang Budi Kuala Lumpur, Pertubuhan Kebajikan Orang Tua Yi Xing, Pusat Jagaan Orang Tua Wan Hing and Pertubuhan Kebajikan Amal Warga Emas Sejati Kuala Lumpur dan Selangor received a total contribution of RM41,460 plus an additional of RM6,888 per home in conjunction with the Chinese New Year celebration.



21 MARCH

The Cancer Society of Malaysia received RM150,000 from Public Bank for its Colorectal Cancer awareness programme which aims to increase awareness of colorectal cancer and education of healthy eating habits to combat the disease.



13 APRIL

Public Islamic Bank distributed a total of RM50,000 in Wakalah Zakat to 31 trainees and teaching staff to purchase the Dar-Assa'adah dormitory essentials and appliances as well as contributions of Duit Raya and Iftar in conjunction with Ziarah Ramadhan 2023.

**18 APRIL**

Public Bank sponsored RM20,000 for the International Researcher and Student Conference 2023 in support of students and researchers' development at Tunku Abdul Rahman University of Management and Technology.

**18-19 APRIL**

Public Islamic Bank contributed 40 boxes of food and hygiene supplies for two charity homes namely Akademi Tahfiz Al-Hidayah and Rumah Penyayang Nur Iman.

**9 MAY**

Hanoi Nurturing Disabled Children Center in Chuong My District, Hanoi City received essential goods such as washing machine, diapers and milk as well as VND45,000,000 from Public Bank Vietnam to assist the center.

**18 MAY**

Two care centres for seniors and disabled residents, namely Pusat Jagaan Nur Hasanah and Pusat Kebajikan Al-Fikrah located in Beranang and Kajang respectively, received a total donation amounting to RM26,000 from Public Bank in conjunction with the Hari Raya Aidilfitri celebration.

**16 MAY**

A sponsorship of RM10,000 was extended to the Malaysian Press Institute for its Malaysian Journalism Awards Nite 2023.

**26 MAY**

Angkor Hospital for Children received medical essential aid from Cambodian Public Bank through its charity drive in conjunction with its religious observance 10th Bon Phka Prak in Siem Reap.

**9 MAY**

Public Bank contributed RM10,000 to Pertubuhan Berita Nasional Malaysia ("BERNAMA") in support of the Hari Wartawan Nasional ("HAWANA") 2023.

CALENDAR OF SIGNIFICANT EVENTS 2023

CORPORATE SOCIAL RESPONSIBILITY



25 JUNE

Cambodian Public Bank Plc sponsored USD1,500 for the 'Nodojiman Japanese Song Contest 2023' held in Phnom Penh, a collaboration by the Embassy of Japan, the Cambodia-Japanese Corporation Centre and Japan Foundation.



11 JULY

Public Bank became the first bank in Malaysia to embark on the Eco-Schools programme, pioneering climate education initiatives using project based learning method in schools, including implementation of projects to reduce greenhouse gas emission. Public Bank, together with Green Growth Asia Foundation ("GGAF") signed a sponsorship agreement to roll out the Eco-Schools programme involving 20 schools in Pahang, Selangor and Kuala Lumpur for a period of 3 years from 2023 to 2025, with a total sponsorship of RM1.2 million.

14 JULY

Public Bank sponsored RM18,000 in support of the BURSA BULL fund raising activity to raise awareness on climate change.



18 SEPTEMBER

Public Bank and GGAF achieved another significant milestone in their dynamic partnership of Public Bank Eco-Schools involving five schools in Kuala Lumpur and five schools in Selangor. The event took place at SMK Seafield and was attended by representatives from Public Bank, GGAF, school principals and the Parents-Teachers Association of the School.

14 AUGUST

Tunku Abdul Rahman University College received a Silver sponsorship of RM10,000 from Public Bank for its Tarcian Run 2023.

16 AUGUST

Public Bank provided sponsorship for the first time amounting to RM396,000 towards the Public Bank Eco Schools Programme.



8 NOVEMBER

Public Islamic Bank handed over approximately 40 boxes of essential items donated by the Public Bank Group staff to Rumah Kanak-Kanak Mini Cheras and Rumah Seri Kenangan Cheras.



21 AUGUST

Public Bank forged a dynamic partnership of Public Bank Eco-Schools programme with 10 prominent schools in Pahang where a Note of Collaboration was formally signed at SMK (P) Methodist, Kuantan on behalf of the schools' headmasters and the Parents-Teachers Association of School.



13 & 18 DECEMBER

Public Bank donated a total of RM66,000 to four care centres namely, Persatuan Kebajikan Vinashini, Negeri Sembilan, Persatuan Orang Tua dan Anak Yatim Sri Satguru Raghavendra, Negeri Sembilan, Pusat Jagaan Sivananda Home, Selangor and Pertubuhan Kebajikan Ephratha Rawang, Selangor.

PRODUCTS AND SERVICES



7 JANUARY

A financial literacy webinar entitled 'Manage Your Wealth Wisely and Say No to Money Scams' was held by Public Mutual, which was attended by about 300 participants.



11 JANUARY

Public Mutual organised the 'Rise and Race Ahead 2023 – Investment Update for Quarter 1-Opportunity Amidst Peaking Inflation?' webinar for its unit trust consultants to aid them in their efforts to achieve sales goals for the year. More than 1,700 participants took part in the webinar.



14 JANUARY

The Mutual Gold Webinar conducted by Public Mutual which featured a series of investment talks attracted more than 500 attendees.

4 FEBRUARY & 2 MARCH

Two sessions of technical briefings were hosted by Public Bank on Payments Network Malaysia ("PayNet")'s DuitNow Online Banking/Wallets, a secured online payment platform for both new and existing merchants.



25 FEBRUARY

16 Branch Managers from Cambodian Public Bank engaged in a fruitful discussion on bancassurance business with AIA (Cambodia) Life Insurance Plc in Cambodia during the jointly organised 'CPB-AIA Branch Manager Strategies Meeting'.



15 FEBRUARY

Public Islamic Bank partnered with Itramas Technology Sdn Bhd for installation and financing of Solar Photovoltaic Systems for renowned local brand Jeruk Madu Pak Ali at its parent Company, Pak Ali Food Industries Sdn Bhd main factory in Simpang Ampat, Pulau Pinang.



7 MARCH

Public Bank and Public Islamic Bank offered loans and financing repayment relief to customers who have been affected by the floods across several states in Malaysia in December 2022.



27 MARCH

Public Bank (Hong Kong) launched a mobile banking application, 'PBHK Digi' in line with the Bank's 3-year Fintech 2025 plan.

CALENDAR OF SIGNIFICANT EVENTS 2023

PRODUCTS AND SERVICES



20 APRIL

Proven effective in countering Android Application Package ("APK") fraud, PB engage MY mobile application users can now enjoy further security enhancement with the PB SecureSign after the discontinuation of the Short Message Service ("SMS") PBe Authentication Code ("PAC") for transactions.

28 JUNE

Public Bank introduced the transaction cooling-off period via PBe internet banking and PB engage MY mobile application for transactions which are deemed abnormal. This is one of Bank Negara Malaysia's five key measures for combating financial scams and Public Bank has implemented all five of them.



8 NOVEMBER

Public Bank introduces its eco-conscious PB Visa Signature Credit Card, giving customers the opportunity to win a Tesla Model 3 and five electric scooters whilst promoting sustainable mobility.

16 MAY

QR payments are now available on PB engage mobile application for retail transactions with Singapore merchants and vice versa.

22-24 JULY

Public Mutual hosted the Investors' Day 2023 with the theme '*Investment Strategies for Long-Term Success*', a three-day webinar that delved into pertinent economic matters and market dynamics. More than 1,400 attendees participated in the webinar.



16-17 JUNE

Public Bank, jointly with Public Islamic Bank, took part in 'Karnival Celik Kewangan Kelantan 2023' to promote products and services, particularly Islamic products and to promote scam awareness to students from more than 50 schools, colleges and universities in Kota Bharu.



5 SEPTEMBER

PB Sustainable Growth Fund, one of the PB Series of Unit Trust Funds managed by Public Mutual, was introduced to capitalise on the long-term growth prospects of companies primarily in the domestic market that incorporate sustainability and Environmental, Social & Governance ("ESG") considerations in their business practices.

AWARDS AND ACCOLADES

3 JANUARY

Public Mutual won four awards of the Best of the Best Awards 2023 by the Asia Asset Management, namely 'Best ASEAN Equity (3 years)', 'Best Retail House-Malaysia', 'Islamic Retail House of the Year-Malaysia' and 'Best Member Communications-Malaysia'.



3 FEBRUARY

The Visa International presented Cambodian Public Bank with the 'Leadership in Spend Per Active Card for VISA Credit in Affluent Segment 2021'.

3 FEBRUARY

Asiamoney awarded Cambodian Public Bank with 'Best Bank for Environmental, Social and Governance ("ESG") in Cambodia' and 'Best Bank for Diversity & Inclusion in Cambodia' awards for 2023.

23 FEBRUARY

Public Bank won the 'Best Bank for Sustainable Finance, Domestic-Malaysia' in The Asset Triple A Country Awards for Sustainable Finance 2022 and 'The Asset ESG Corporate Awards 2022-Gold Award' held at Four Season Hotel, Hong Kong.



8 MARCH

The Bond Pricing Agency Malaysia Sdn Bhd ("BPAM") awarded PB Trustee Services Berhad with the Top Trustee for Conventional Bond Issuance at the prestigious BPAM Bond Market Awards 2023.

14 MARCH

Public Mutual emerged as the biggest winner at Refinitiv Lipper Fund Awards 2023 with 19 awards.

28 MARCH

The Bank of America Merrill Lynch awarded Cambodian Public Bank with the 'USD 2022 Straight-Through Processing Excellence Award' for the sixth consecutive year.

2 MAY

Global Banking & Finance Review accorded Cambodian Public Bank with 'The Next 100 Global Awards 2023 for Retail Banking'.



11 MAY

Public Bank received three prestigious awards in the FinanceAsia Country Awards 2023: Best ESG Impact, Best Bank and Best Sustainable Bank.

15 MAY

Cambodian Public Bank Plc received the 'Domestic Categories – Best Bank in Cambodia for 2023' award by FinanceAsia.

17 MAY

Public Mutual's Islamic funds namely Public Islamic ASEAN Growth, Public Islamic Dividend, PB Islamic Smallcap and Public Islamic Opportunities achieved prestigious recognition for their exceptional performance at the Refinitiv Lipper Fund Awards 2023 – Global Islamic.

20 MAY

Asian Banking & Finance honoured Cambodian Public Bank with the 'SME Bank of the Year – Cambodia for 2023'.

7 JUNE

Public Mutual received the esteemed 'Reader's Digest Trusted Brand Platinum Award' in the Investment Fund Company category for the 14th consecutive year in Malaysia.

26 JUNE

Public Bank was awarded with 'Asia's Best CSR', 'Best Investor Relations Company for Malaysia' and 'Best Corporate Communications' at the 13th Asian Excellence Awards 2023.

28 JUNE

The FinanceAsia presented Public Bank with 'Best Bank in Malaysia', 'Best ESG Impact in Malaysia' and 'Best Sustainable Bank in Malaysia' at the FinanceAsia Country Awards 2023.

CALENDAR OF SIGNIFICANT EVENTS 2023

AWARDS AND ACCOLADES



7 JULY

Credit Guarantee Corporation Malaysia Berhad ("CGC") named Public Bank the 'Top FI Partner 2022 (Commercial Financial Institution Category)' at the CGC 28th FI/DFI and SME Awards 2023.



26 SEPTEMBER

Asiamoney has awarded the 'Best Bank for CSR in Malaysia' to Public Bank during the Asiamoney Awards 2023.



16 AUGUST

The Payments Network Malaysia ("PayNet") bestowed Public Bank with 'Outstanding Contribution to Cross Border Payments' at the Malaysian e-Payments Excellence Awards 2023.



14 OCTOBER

Public Bank won the 'Best Bank in Malaysia 2023' award by Global Finance.



16 AUGUST

Public Mutual was awarded as the 'Islamic Asset Manager of the Year, Malaysia (Retail)' at The Asset Triple A Islamic Finance Awards 2023 for the 13th consecutive year.



23 OCTOBER

Public Bank won the 'Highest Return on Equity Over Three Years Award under the Financial Services – RM10 Billion and Above Market Capitalisation category' at The Edge Billion Ringgit Club Corporate Awards 2023.



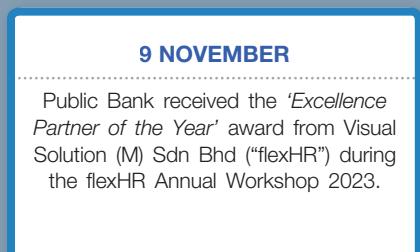
22 AUGUST

Public Bank won the 'Best Bank in Malaysia' and 'Best Retail Bank in Malaysia' at the 17th Annual Alpha Southeast Asia Best Financial Institution Awards 2023 awarded by Alpha Southeast Asia.



6 NOVEMBER

Public Mutual's Public e-Carbon Efficient Fund received two awards in the Fund Awards Category, namely 'Best in E, S & G (Environment)-Silver' and 'Best Low Carbon-Gold' at The Edge Malaysia ESG Awards 2023.



9 NOVEMBER

Public Bank received the 'Excellence Partner of the Year' award from Visual Solution (M) Sdn Bhd ("flexHR") during the flexHR Annual Workshop 2023.



10 NOVEMBER

The Asset granted Public Bank 'Gold Award' for The Asset ESG Corporate Awards 2023.



1 DECEMBER

Asian Institute of Chartered Banker awarded Public Bank with two inaugural awards namely, the Platinum award for 'Leading Bank for Professional Development' and 'Leading Bank for Chartered Banker' during its Gala Dinner held at Mandarin Oriental Hotel, Kuala Lumpur.

MALAYSIAN ECONOMY: REVIEW AND OUTLOOK

I. GLOBAL PERSPECTIVE

Global economic activities expanded in 2023, supported by global demand and stable labour market. Global headline inflation edged higher in the first half of the year partly due to elevated commodity prices, while core inflation continued to moderate. Major central banks maintained their monetary policy settings amid moderate inflationary pressures. Domestic financial markets continued to be driven by evolving financial market expectations over the global monetary policy path.

In the United States of America ("US"), the Federal Reserve raised its federal funds rate to between 5.25% and 5.50% by the end of 2023 (2022: 4.25-4.50%). Against this backdrop, the US dollar appreciated in 2023 amid the repatriation of funds to the US.

In Europe, the European Central Bank raised its main refinancing rate to 4.50% in 2023 (2022: 2.50%). Meanwhile, the Bank of England raised its key interest rate to 5.25% in 2023 (2022: 3.50%).

Similarly, most central banks in Asia raised their key interest rates in 2023 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 3.45% as at the end of 2023, following rate cuts during the year (2022: 3.65%).

II. MALAYSIAN ECONOMY: REVIEW

The Malaysian economy grew by 3.7% in 2023 (2022: 8.7%) (Table 1). Growth was mainly supported by domestic economic activities, albeit at a moderate pace.

Aggregate domestic demand grew at a slower pace owing to softer private consumption spending and private investment. Public sector investment grew partly attributable to the ongoing fiscal support.

Table 1

Malaysia: Gross Domestic Product ("GDP") by Expenditure Components, 2022-2023 (at constant 2015 prices)

	% Annual Change					
	2022	2023	1Q	2Q	3Q	4Q
Aggregate						
Domestic Demand	9.2	4.8	4.6	4.5	4.8	5.2
Private Sector	10.3	4.7	5.6	4.5	4.5	4.2
Consumption	11.2	4.7	5.9	4.3	4.6	4.2
Investment	7.2	4.6	4.7	5.1	4.5	4.0
Public Sector	4.7	5.1	-0.3	4.6	6.2	8.4
Consumption	4.5	3.9	-2.2	3.8	5.8	7.3
Investment	5.3	8.6	5.7	7.9	7.5	11.3
Net Exports	-1.0	-11.3	54.4	-3.7	-22.7	-35.6
Exports of Goods and Services	14.5	-7.9	-3.3	-9.4	-12.0	-6.3
Imports of Goods and Services	15.9	-7.6	-6.5	-9.7	-11.1	-2.9
GDP	8.7	3.7	5.6	2.9	3.3	3.0

Source: Department of Statistics, Malaysia, Gross Domestic Product.

On the supply side, most segments recorded an improvement in 2023 (Table 2), except for manufacturing and mining sectors. Economic activities improved in 2023, including the services sector growth which was largely supported by consumer-related subsectors and tourism activities. The construction sector has also gathered pace amid progress of large infrastructure, commercial and industrial projects. As for the agriculture sector, oil palm output grew supported by the favourable weather conditions. Manufacturing sector was adversely affected, due to weakness in demand for electrical and electronic products. In the mining sector, production was hampered owing to lower production of refined petroleum products.

Table 2

Malaysia: GDP by Economic Activity, 2022-2023 (at constant 2015 prices)

	% Annual Change					
	2022	2023	1Q	2Q	3Q	4Q
Services	10.9	5.3	7.3	4.7	5.0	4.2
Manufacturing	8.1	0.7	3.2	0.1	-0.1	-0.3
Agriculture	0.1	0.7	1.0	-1.0	0.9	1.9
Mining	2.6	1.0	2.4	-2.3	-0.1	3.8
Construction	5.0	6.1	7.4	6.2	7.2	3.6
GDP	8.7	3.7	5.6	2.9	3.3	3.0

Source: Department of Statistics, Malaysia, Gross Domestic Product.

MALAYSIAN ECONOMY: REVIEW AND OUTLOOK

Malaysia's inflation tapered to 1.5% in December 2023 (Dec'22: 3.8%), primarily due to moderation in global oil prices (Graph 1).

Labour market has improved and the unemployment rate fell to 3.3% in December 2023 (Dec'22: 3.6%) (Graph 2).

Graph 1

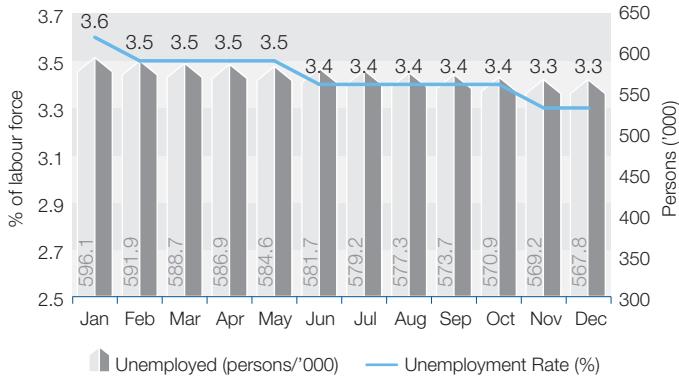
Malaysia: Inflation Rate, 2023



Source: Department of Statistics, Malaysia, Consumer Price Index.

Graph 2

Malaysia: Unemployment Rate and Unemployed Persons, 2023



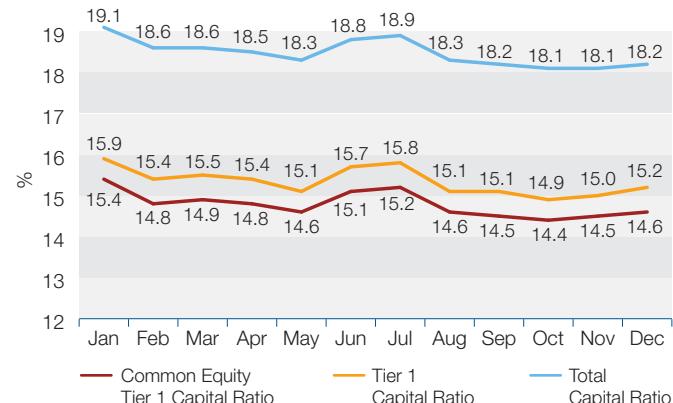
Source: Department of Statistics, Malaysia, Labour Force Statistics.

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 14.6%, 15.2% and 18.2%, respectively as at the end of 2023 (2022: 15.2%, 15.8% and 19.0%, respectively) (Graph 3), which remained well above the minimum regulatory requirements under Basel III. The gross impaired loans ratio was 1.65% as at the end of 2023 (2022: 1.72%) (Graph 4). The loan to fund ratio stood at 81.8% as at the end of 2023 (2022: 82.5%) (Graph 5).

Graph 3

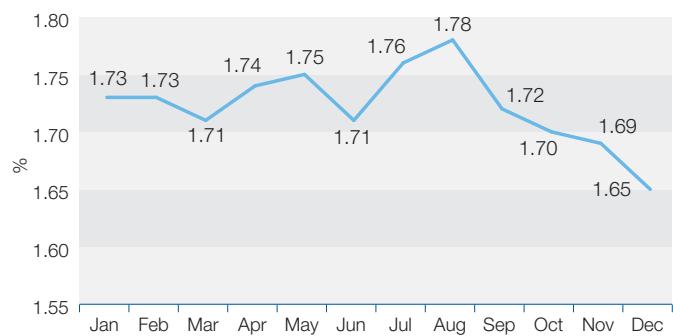
Banking System: Capital Strength, 2023



Source: Bank Negara Malaysia, Monthly Highlights and Statistics.

Graph 4

Banking System: Gross Impaired Loans Ratio, 2023



Source: Bank Negara Malaysia, Monthly Highlights and Statistics.

Graph 5

Banking System: Loan to Fund Ratio, 2023



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 5.3% in December 2023 (2022: 5.7%) (Graph 6). Also, total deposits grew by 5.6% (2022: 5.9%), supported by deposits placements by most holders (Graph 7).

Graph 6

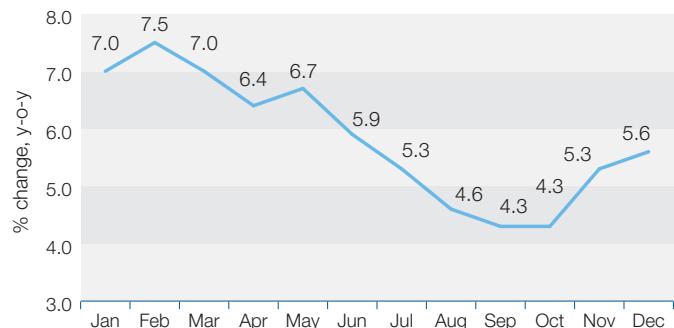
Banking System: Loans Growth, 2023



Source: Bank Negara Malaysia, *Monthly Highlights and Statistics*.

Graph 7

Banking System: Deposits Growth, 2023



Source: Bank Negara Malaysia, *Monthly Highlights and Statistics*.

Monetary Aggregates

Monetary aggregates grew in 2023. Narrow money supply ("M1") grew 5.9% in December 2023 (2022: 4.3%), mainly due to the decline in demand deposits. Meanwhile, broad money supply ("M3") rose by 6.0% (2022: 4.3%), supported by several segments including fixed deposits and foreign currency deposits (Graph 8).

Graph 8

Malaysia: Monetary Aggregates, 2023



Source: Bank Negara Malaysia, *Monthly Highlights and Statistics*.

Monetary Policy

BNM raised the Overnight Policy Rate ("OPR") to 3.00% in 2023, from 2.75% in 2022 (Table 3). The Statutory Reserve Requirement ("SRR") Ratio was retained at 2.00% in 2023, to ensure ample liquidity to support financial intermediation activities (Graph 9).

Interest rates for banks were adjusted higher in line with the increase in OPR in 2023. The base lending rate, average lending rate and weighted base rate rose to 6.68%, 5.45% and 3.67%, respectively as at the end of 2023 (2022: 6.42%, 4.87% and 3.42%, respectively) (Graph 10). The average interest rate of savings deposits ("SD") for commercial banks was 0.94% (2022: 0.85%), while the 3-month fixed deposits ("FD") rate stood at 2.72% as at the end of 2023 (2022: 2.55%) (Graph 11).

MALAYSIAN ECONOMY: REVIEW AND OUTLOOK

Table 3

Malaysia: Monetary Policy Committee Meetings, 2023

	Dates	Policy Decisions
1 st	18 and 19 January 2023	2.75% (Unchanged)
2 nd	8 and 9 March 2023	2.75% (Unchanged)
3 rd	2 and 3 May 2023	3.00% (+25 bps)
4 th	5 and 6 July 2023	3.00% (Unchanged)
5 th	6 and 7 September 2023	3.00% (Unchanged)
6 th	1 and 2 November 2023	3.00% (Unchanged)

Sources: Bank Negara Malaysia.

Graph 9

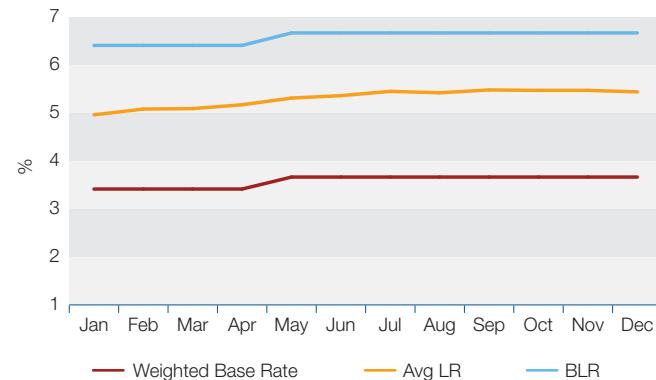
Malaysia: Overnight Policy Rate and Statutory Reserve Requirement Ratio, 2023



Sources: Bank Negara Malaysia, Press Statements on Overnight Policy Rate and Statutory Reserve Requirement Ratio.

Graph 10

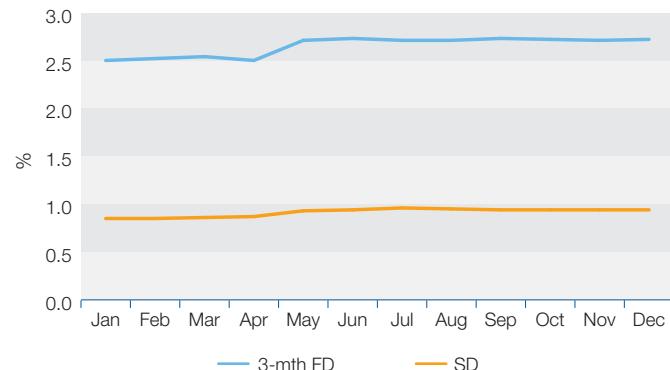
Banking System: Lending Rates of Commercial Banks, 2023



Source: Bank Negara Malaysia, Monthly Statistical Bulletin.

Graph 11

Banking System: Deposit Rates of Commercial Banks, 2023



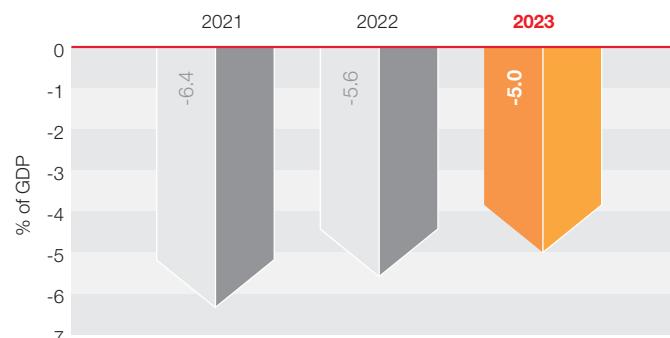
Source: Bank Negara Malaysia, Monthly Statistical Bulletin.

Fiscal Policy

The much needed policy support through the Government's funding of various initiatives has resulted in budget deficit of 5.0% of GDP in 2023 (2022: -5.6% of GDP) (Graph 12). Meanwhile, the Federal Government debt stood at 64.3% of GDP in 2023 (2022: 60.3% of GDP).

Graph 12

Malaysia: Federal Government Fiscal Balance, 2021-2023



Sources: Bank Negara Malaysia, Quarterly Bulletin.

External Position

Malaysia's current account surplus narrowed in 2023, mainly due to higher deficits in the income accounts. Current account surplus amounted to RM22.78 billion or 1.3% of gross national income ("GNI") (2022: RM55.10 billion or 3.2% of GNI) (Table 4).

Malaysia's international reserves stood at USD113.48 billion as at the end of 2023 (2022: USD114.65 billion) (Graph 13), which is sufficient to finance 5.4 months of retained imports and 1.0 times the total short term external debt.

Table 4

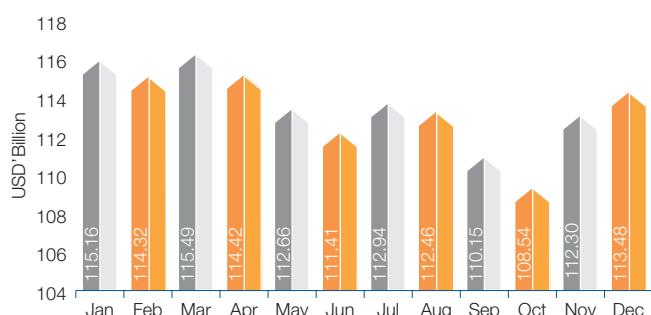
Malaysia: Current Account Balance, 2022-2023

	2022	2023	2023			
			1Q	2Q	3Q	4Q
Current Account Balance (RM'Billion)	55.10	22.78	4.28	9.11	9.13	0.25
% of Gross National Income	3.2	1.3	1.0	2.1	2.0	0.1

Sources: Bank Negara Malaysia, Quarterly Bulletin, various issues and Department of Statistics, Malaysia, Gross Domestic Product.

Graph 13

Malaysia: International Reserves, 2023



Source: Bank Negara Malaysia, Press Statements on International Reserves.

Malaysia's external debt increased as total external debt amounted to RM1,242.54 billion or 68.2% of GDP in 2023 (2022: RM1,144.66 billion or 63.9% of GDP).

Ringgit Exchange Rate

The Ringgit appreciated by 2.7% against JPY to close at RM3.244 per 100 JPY as at the end of 2023 (2022: RM3.333 per 100 JPY) (Table 5).

On the contrary, the Ringgit depreciated against most regional currencies, including the depreciation of 4.6% against the USD to close at RM4.590 per USD as at the end of 2023 (2022: RM4.390 per USD).

Table 5

Malaysia: Performance of Ringgit, 2023

Currencies	RM/Foreign Currency (end-period)		% change*
	Dec 2022	Dec 2023	
100 JPY	3.3327	3.2435	2.7
100 KRW	0.3489	0.3531	-1.2
CNY	0.6322	0.6458	-2.2
100 HKD	56.2976	58.7599	-4.4
USD	4.3900	4.5900	-4.6
AUD	2.9843	3.1311	-4.9
100 PHP	7.8872	8.2882	-5.1
100 THB	12.7200	13.4309	-5.6
100 IDR	0.0282	0.0298	-5.7
SGD	3.2740	3.4787	-6.3
EUR	4.6846	5.0768	-8.4
GBP	5.2926	5.8474	-10.5

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 2024

Headwinds in Global Trades

The global economy is expected to grow in 2024, albeit at a moderate pace. China's economic activities are expected to grow, although growth would be slower-than-expected. The slower-than-expected global growth is expected to be weighed by the anticipated downturn in external trades, slower momentum in major economies, protracted geopolitical tension(s) and sharp tightening in financial market conditions.

While global growth outlook is subjected to downside risks mainly stemming from weaker-than-expected external demand, upside risks to global growth could potentially emanate from tourism activities and recovery in the electrical and electronics down cycle.

In the US, consumer demand is expected to be adversely impacted as consumers have largely depleted excess savings accumulated during the pandemic. The euro area economy is also expected to face challenges amid global uncertainties.

Malaysia: Stable Fundamentals and Steady Domestic Demand

The economic growth in Malaysia is expected to be backed by firm fundamentals, stable labour market conditions and its diversified economic structure. Steady domestic demand, services sector growth including tourism activities as well as further progress of investment and infrastructure projects will remain supportive of growth. National pursuits of sustainability encompassing a wide area of environmental, social and governance are expected to augur well for economic growth.

Domestic financial conditions remain conducive as the overall banking system remains resilient, underpinned by ample liquidity and healthy capital buffers. On the policy front, Malaysia's macro landscape is supported by appropriate policies and reform initiatives which enhance business resilience, encourage domestic investments and strengthen the economy to withstand external shocks. Other supportive measures include providing financial and fiscal impetus to businesses in need, especially the small and medium enterprises.

Continued policy support will also help to cushion the impact of downside risks stemming from the global slowdown, geopolitical tension(s) and tight global financial conditions.

INVESTOR INFORMATION

STOCK MARKET PERFORMANCE IN 2023

Globally, financial-related turmoil in the first quarter of 2023 was partly due to the rapid global rate hikes in 2022. In the United States of America ("US"), two banks failed during the quarter (followed by another three bank failures during the year). In Europe, two banking giants in Switzerland, UBS and Credit Suisse announced a merger. Trading activity on Bursa Malaysia recovered with improved investor sentiment partly supported by the Government's measures, including initiatives announced during the re-tabling of Budget 2023 in February 2023. Nonetheless, the benchmark FTSE Bursa Malaysia Composite Index ("FBM KLCI") fell by 72.90 points or -4.9% quarter-on-quarter ("q-o-q") to close at 1,422.59 points. Meanwhile, the Malaysian economy recorded Gross Domestic Product ("GDP") growth of 7.1% year-on-year ("y-o-y") in the fourth quarter of 2022, following a 14.1% expansion in the preceding quarter.

Economic and financial market uncertainties were prevalent in the second quarter of the year, amid divergent paths taken by global central banks. The lacklustre domestic trading activity during the quarter amid weak investor sentiment were likely due to the perception of limited improvement in economic prospects amid the increasingly challenging external operating environment. The FBM KLCI slipped further by 45.91 points or -3.2% q-o-q to close at 1,376.68 points. Growth of the Malaysian economy eased to 5.6% y-o-y in the first quarter of 2023.

Domestic trading activity improved in the third quarter of 2023. Investors were encouraged with the release of the country's New Industrial Master Plan 2030 and Mid-Term Review of the Twelfth Malaysia Plan, which provided details on Malaysia's medium- and longer-term growth plans. The FBM KLCI rose by 47.49 points or 3.4% q-o-q to close at 1,424.17 points during the quarter, despite recording an initial increase to 1,465.93 points. This is despite the announcement of Malaysia's GDP growth slowing notably to 2.9% y-o-y in the second quarter of 2023.

In the final quarter of the year, the FBM KLCI improved further by 30.49 points or 2.1% q-o-q. The economy grew by 3.3% y-o-y in the third quarter of 2023 amid sustained positive sentiment and steady domestic demand, which mitigated external weaknesses. The US Federal Reserve signalled an end to its tightening cycle and guided that there will be three rate cuts in 2024 – which boosted the US equity markets as US Treasury yields fell. For the full year, the benchmark FBM KLCI fell by 40.83 points or -2.7% to close at 1,454.66 points as at the end of 2023.

PUBLIC BANK'S SHARE PRICE PERFORMANCE IN 2023

Public Bank remained as the second largest company listed on Bursa Malaysia with market capitalisation of RM83.27 billion as at the end of 2023. The Bank's shares traded in line with the movement of the FBM KLCI in 2023 but marginally lower compared to 2022. On average, the daily trading volume and value of the Bank's shares recorded 15.2 million shares (2022: 19.3 million shares) and RM62.5 million (2022: RM86.3 million) respectively in 2023.

Share Price	Market Capitalisation	Earnings Per Share	Dividend Per Share
RM4.29 2022: RM4.32	RM83.27 billion 2022: RM83.85 billion	34.3 sen 2022: 31.5 sen	19.0 sen 2022: 17.0 sen

INVESTOR INFORMATION

Relative Performance of Public Bank's Share Price vs Benchmark Indices in 2023

Relative Performance, % of change



Public Bank's share price fell by 32 sen or -7.4% q-o-q in the first quarter of 2023, compared to a decline in the FBM KLCI by 4.9% q-o-q. A third interim dividend of 5.0 sen per share in respect of financial year 2022 was declared during the period.

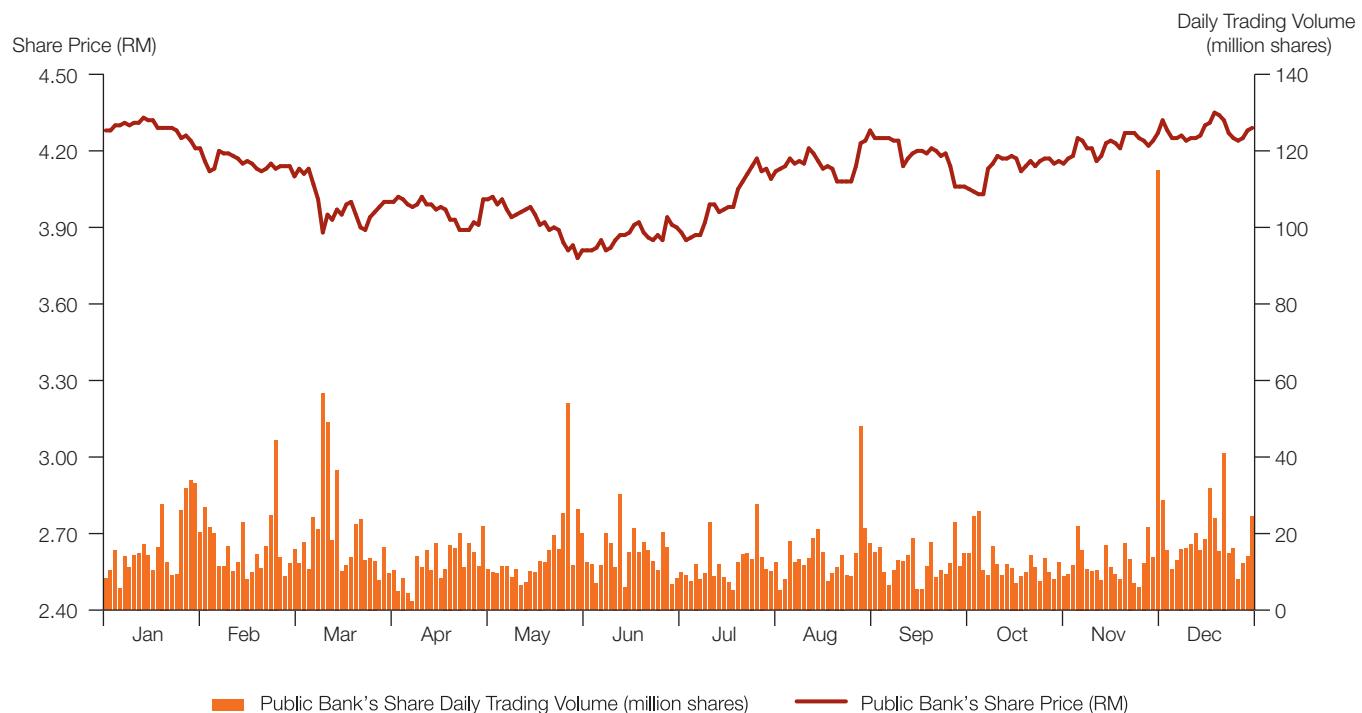
Amidst market weakness, Public Bank's share price fell by 15 sen or -3.8% q-o-q in the second quarter of 2023, compared to FBM KLCI which fell by 3.2% q-o-q. The Bank's net profit gained 22.6% year-on-year ("y-o-y") to RM1.71 billion in the first quarter of 2023.

Public Bank's share price turned around in the third quarter of 2023 with an increase of 21 sen or 5.5% q-o-q, which outperformed the increase in FBM KLCI by 3.4%. The cumulative net profit increased by 18.4% y-o-y to RM3.33 billion in the first half of 2023. An interim dividend of 9.0 sen per share was declared during the period.

Public Bank's share price gained by a notable 23 sen or 5.7% q-o-q in the fourth quarter of 2023. The cumulative nine-month net profit increased by 14.3% y-o-y to RM5.03 billion.

As at the end of 2023, Public Bank's share price fell by 3 sen or 0.7% y-o-y to close at RM4.29 compared to RM4.32 as at the end of 2022. The FBM KLCI fell by 40.83 points or 2.7% for the full year of 2023, in comparison. Backed by strong business fundamentals, investments in the shares of the Bank remain a safe haven amid uncertain market conditions.

Public Bank's Share Price and Transactions in 2023



Public Bank	1Q		2Q		3Q		4Q		FY2023	
Share Price (RM):										
High	4.34	9 Jan	4.04	3 Apr 12 Apr	4.29	4 Sep 5 Sep	4.37	20 Dec	4.37	20 Dec
Low	3.88	14 Mar 27 Mar	3.78	2 Jun, 6 Jun 7 Jun, 8 Jun	3.84	11 Jul	4.01	4 Oct	3.78	2 Jun, 6 Jun 7 Jun, 8 Jun
Close	4.00	31 Mar	3.85	30 Jun	4.06	29 Sep	4.29	29 Dec	4.29	29 Dec
Average Daily Trading Volume (million shares)	18.01		14.12		12.91		15.96		15.25	

FINANCIAL CALENDAR

FINANCIAL YEAR 2023

ANNOUNCEMENT OF CONSOLIDATED RESULTS

25 May 2023 (Thursday)

Unaudited results for 1st quarter ended 31 March 2023

29 August 2023 (Tuesday)

Unaudited results for 2nd quarter and half-year ended 30 June 2023

29 November 2023 (Wednesday)

Unaudited results for 3rd quarter ended 30 September 2023

28 February 2024 (Wednesday)

Audited results for 4th quarter and financial year ended 31 December 2023

DIVIDEND

FIRST INTERIM DIVIDEND OF 9 SEN PER SHARE

29 August 2023 (Tuesday)

Notice

14 September 2023 (Thursday)

Entitlement

22 September 2023 (Friday)

Payment

SECOND INTERIM DIVIDEND OF 10 SEN PER SHARE

28 February 2024 (Wednesday)

Notice

14 March 2024 (Thursday)

Entitlement

22 March 2024 (Friday)

Payment

8 April 2024 (Monday)

NOTICE OF PUBLIC BANK 58TH ANNUAL GENERAL MEETING

8 May 2024 (Wednesday)

PUBLIC BANK 58TH ANNUAL GENERAL MEETING

ANALYSIS OF SHAREHOLDINGS

As at 29 February 2024

Others

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	3,949	2.13	99	0.05	152,058	*	3,180	*
100 – 1,000 shares	42,109	22.72	375	0.20	28,153,595	0.14	221,220	*
1,001 – 10,000 shares	88,480	47.73	1,148	0.62	397,629,825	2.05	5,984,261	0.03
10,001 – 100,000 shares	40,544	21.87	1,980	1.07	1,190,592,166	6.13	74,814,043	0.39
100,001 – 970,534,585 (less than 5% of issued shares)	5,329	2.87	1,368	0.74	5,915,850,496	30.48	4,973,058,841	25.62
970,534,586 (5% of issued shares) and above	2	*	–	–	6,824,232,050	35.16	–	–
Total	180,413	97.32	4,970	2.68	14,356,610,190	73.96	5,054,081,545	26.04
Grand Total	185,383				19,410,691,735			

Note:

* Less than 0.01%.

DIRECTORS' DIRECT AND DEEMED INTERESTS IN SHARES IN THE COMPANY AND IN SUBSIDIARY COMPANY BASED ON REGISTER OF DIRECTORS' SHAREHOLDINGS

Shares Held in the Company

Name	Direct Interests		Deemed Interests		Total Interests	
	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
Lai Wan	–	–	93,270 ¹	³	93,270	³
Tan Sri Dato' Sri Dr. Tay Ah Lek	27,944,225	0.14	3,448,725 ²	0.02	31,392,950	0.16
Cheah Kim Ling	–	–	51,960 ¹	³	51,960	³
Lee Chin Guan	1,000,150	³	–	–	1,000,150	³
Tham Chai Phong	73,500	³	–	–	73,500	³
Lim Chao Li	151,710	³	–	–	151,710	³
Gladys Leong	20,000	³	–	–	20,000	³
Teoh Meow Choo	46,000	³	–	–	46,000	³

Notes:

¹ These shares are held by his/her spouse.

² Deemed to have interests in PBB shares held by his spouse and child and held by other corporations by virtue of Section 8(4) of the Companies Act, 2016.

³ Less than 0.01%.

ANALYSIS OF SHAREHOLDINGS

As at 29 February 2024

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	2,900,939,900	14.95	–	–	2,900,939,900	14.95

Note:

* Deemed to have interests in PBB shares held by other corporations by virtue of Section 8(4) of the Companies Act, 2016.

TOP THIRTY SECURITIES ACCOUNT HOLDERS BASED ON RECORD OF DEPOSITORS

(Without aggregating the securities from different securities accounts belonging to the same Depositor)

Name	No. of Shares Held	% of Issued Shares
1. Consolidated Teh Holdings Sdn Berhad	4,200,680,375	21.64
2. Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board</i>	2,623,551,675	13.52
3. Kumpulan Wang Persaraan (Diperbadankan)	789,383,900	4.07
4. Cartaban Nominees (Asing) Sdn Bhd <i>Exempt An for State Street Bank & Trust Company (West CLT OD67)</i>	297,948,800	1.53
5. Amanahraya Trustees Berhad <i>Amanah Saham Bumiputera</i>	259,215,800	1.34
6. LPI Capital Bhd	212,603,520	1.10
7. Amanahraya Trustees Berhad <i>Amanah Saham Malaysia</i>	202,085,400	1.04
8. Citigroup Nominees (Tempatan) Sdn Bhd <i>Exempt An for AIA Bhd</i>	200,861,405	1.03
9. Citigroup Nominees (Asing) Sdn Bhd <i>CB Spore GW for Government of Singapore (GIC C)</i>	198,583,950	1.02
10. HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA for Vanguard Total International Stock Index Fund</i>	195,081,415	1.01

Name	No. of Shares Held	% of Issued Shares
11. HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA for Vanguard Emerging Markets Stock Index Fund</i>	194,118,390	1.00
12. Citigroup Nominees (Tempatan) Sdn Bhd <i>Great Eastern Life Assurance (Malaysia) Berhad (Par 1)</i>	151,945,605	0.78
13. Cartaban Nominees (Tempatan) Sdn Bhd <i>PAMB for Prulink Equity Fund</i>	150,846,225	0.78
14. Public Invest Nominees (Tempatan) Sdn Bhd <i>Public Bank Group Officers' Retirement Benefits Fund</i>	144,581,910	0.74
15. UOB Kay Hian Nominees (Asing) Sdn Bhd <i>Exempt An for UOB Kay Hian Pte Ltd (A/c Clients)</i>	129,919,980	0.67
16. The Estate of the late Tan Sri Dato' Sri Dr. Teh Hong Piow	123,556,410	0.64
17. Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board (Nomura)</i>	118,685,300	0.61
18. Cartaban Nominees (Asing) Sdn Bhd <i>BNYM SA/NV for People's Bank of China (SICL Asia EM)</i>	108,161,300	0.56
19. HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA for Blackrock Institutional Trust Company, N.A. Investment Funds for Employee Benefit Trusts</i>	107,250,776	0.55
20. Cartaban Nominees (Tempatan) Sdn Bhd <i>Prudential Assurance Malaysia Berhad for Prulink Strategic Fund</i>	102,006,300	0.52
21. HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA for Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II</i>	94,273,100	0.49
22. Citigroup Nominees (Asing) Sdn Bhd <i>Exempt an for Citibank New York (Norges Bank 19)</i>	90,510,000	0.47
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. Cartaban Nominees (Asing) Sdn Bhd <i>State Street London Fund OQ78 for iShares IV Public Limited Company</i>	77,823,600	0.40
26. Amanahraya Trustees Berhad <i>Amanah Saham Malaysia 2 - Wawasan</i>	75,000,000	0.39
27. Citigroup Nominees (Tempatan) Sdn Bhd <i>Great Eastern Life Assurance (Malaysia) Berhad (Par 3)</i>	69,713,980	0.36
28. Citigroup Nominees (Asing) Sdn Bhd <i>UBS AG</i>	66,226,601	0.34
29. Cartaban Nominees (Asing) Sdn Bhd <i>SSBT Fund SWV4 for California Public Employees Retirement System</i>	63,630,950	0.33
30. Cartaban Nominees (Asing) Sdn Bhd <i>State Street London Fund 2H26 for St. James's Place Emergingmarkets Equity Unit Trust (NW TDS LTD TST)</i>	61,008,200	0.31
	11,273,634,432	58.08

SHARE CAPITAL

As at 29 February 2024

The total number of issued shares as at 29 February 2024 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
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

Date of Allotment	No. of Shares Allotted	Consideration	Total Number of Issued Shares
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
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

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Date of Allotment	No. of Shares Allotted	Consideration	Total Number of Issued Shares
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

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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

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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

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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

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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 29 February 2024

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 2023

Others

Area	No. of Properties		Net Book Value RM'000	
	Freehold	Leasehold		
DOMESTIC				
PUBLIC BANK BERHAD				
Kuala Lumpur	2	–	195,845	
Perak	1	–	198	
Sarawak	–	1	112	
PUBLIC MUTUAL BERHAD				
Kuala Lumpur	1	3	7,131	
Johor	–	1	624	
Pahang	1	–	1,415	
Pulau Pinang	1	–	1,509	
Sarawak	–	2	2,009	
Selangor	1	1	4,724	
PUBLIC HOLDINGS SDN BHD				
Kuala Lumpur	5	4	687,718	
Johor	4	–	67,871	
Kedah	1	–	1,361	
Melaka	–	2	794	
Pahang	1	–	72	
Perak	3	1	3,944	
Pulau Pinang	7	1	3,639	
Sabah	–	1	950	
Sarawak	1	2	2,704	
Selangor	1	2	30,401	
OVERSEAS				
CAMBODIAN PUBLIC BANK PLC				
Phnom Penh	1	–	32,566	
PUBLIC FINANCIAL HOLDINGS GROUP				
Hong Kong	–	34	717,692	

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 2023

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	-	7 Years CCC issued on 1-1-2017	58,865 (gross) Net lettable 42,816	16-11-2023 (R)	598,778
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	195,685
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	819 Years (26-6-2842)	46 Years	5,451	30-5-2006**	142,772
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	37 Years (18-2-2060)	41 Years	1,465	31-12-2023 (R)	126,673
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	-	29 Years	36,222	16-11-2023 (R)	65,188
Unit A, Ground Floor Wing On House 71 Des Voeux Road Central Central Hong Kong	Ground floor of a 31-storey office building built on a 2-storey podium	Public Bank (Hong Kong) Ltd.'s Central Branch	Leasehold 999 Years	879 Years (14-8-2902)	56 Years	113	31-12-2023 (R)	57,183

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
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	-	46 Years	18,277	16-11-2023 (R)	55,670
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	27 Years (27-5-2050)	36 Years	2,215	31-12-2023 (R)	51,933
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	879 Years (14-8-2902)	56 Years	1,464	11-6-1993	50,815
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	24 Years (30-6-2047)	50 Years	93	31-12-2023 (R)	39,363

Notes:

(L/B) Land and building

(R) Revaluation was performed as at 31 December 2023

** 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



2,070
Self Service
Terminals



450
Total Branches



>19,000
Staff Force

1

MALAYSIA
Branches

293

2

SRI LANKA
Branches

3

3

LAOS
Branches

4

4

VIETNAM
Branches

40

5

CHINA
Branches

5

6

HONG KONG
Branches

73

7

CAMBODIA
Branches

32



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Email: ktnbm@publicbank.com.my

Mentakab

Tel : 09-277 5800
09-277 5801
Email: mtkbm@publicbank.com.my

Raub

Tel : 09-355 1850
09-355 1935
Email: raubm@publicbank.com.my

Temerloh

Tel : 09-296 5652
09-296 5653
Email: tmlbm@publicbank.com.my

Triang

Tel : 09-255 3480
09-255 3481
Email: tribm@publicbank.com.my

Perak

Ayer Tawar

Tel : 05-672 6399
05-672 6400
Email: atrbm@publicbank.com.my

Bagan Serai

Tel : 05-721 2842
05-721 2843
Email: bsibm@publicbank.com.my

Bercham

Tel : 05-540 5100
05-540 5106
Email: bcbmbm@publicbank.com.my

Bidor

Tel : 05-434 1252
05-434 1253
Email: bdrbm@publicbank.com.my

Chemor

Tel : 05-201 1124
05-201 1125
Email: cmrbm@publicbank.com.my

Gunung Rapat

Tel : 05-311 3144
05-311 3191
Email: grtmbm@publicbank.com.my

Ipoh Garden

Tel : 05-548 0951
05-548 0952
Email: ignbm@publicbank.com.my

Ipoh Main Office

Tel : 05-245 6615
05-245 6688
Email: imobm@publicbank.com.my

Jalan Pasir Putih

Tel : 05-321 9892
05-322 1658
Email: jppbm@publicbank.com.my

Jalan Sultan Idris Shah

Tel : 05-255 1068
05-255 1069
Email: jsibm@publicbank.com.my

Jalan Yang Kalsom

Tel : 05-245 6816
05-245 6888
Email: jykbm@publicbank.com.my

Jelapang

Tel : 05-526 4014
05-526 4015
Email: jipbm@publicbank.com.my

Kampar

Tel : 05-465 1044
05-465 2160
Email: kprbm@publicbank.com.my

Kamunting

Tel : 05-808 1110
05-808 1112
Email: kmtbm@publicbank.com.my

Kuala Kangsar

Tel : 05-776 9894
05-776 9895
Email: kkrbm@publicbank.com.my

Menglembu

Tel : 05-281 1014
05-281 2037
Email: mlbbm@publicbank.com.my

Pantai Remis

Tel : 05-677 1251
05-677 1252
Email: prsbm@publicbank.com.my

Parit Buntar

Tel : 05-716 0078
05-716 0079
Email: pbrbm@publicbank.com.my

Pusing

Tel : 05-288 1664
05-288 3942
Email: psgbm@publicbank.com.my

Seri Manjung

Tel : 05-688 2927
05-688 2987
Email: smgbm@publicbank.com.my

Simpang Pulai

Tel : 05-357 5360
05-357 5361
Email: splbm@publicbank.com.my

Sitiawan

Tel : 05-691 3526
05-691 3527
Email: stwbm@publicbank.com.my

Sungai Siput

Tel : 05-598 4114
05-598 6116
Email: sstbm@publicbank.com.my

Taiping

Tel : 05-807 2551
05-807 5527
Email: taibm@publicbank.com.my

Tanjong Malim

Tel : 05-459 7602
05-459 7603
Email: tmrbm@publicbank.com.my

Tanjong Piandang

Tel : 05-725 5327
05-725 7941
Email: tpdbm@publicbank.com.my

Teluk Intan

Tel : 05-621 2325
05-622 3282
Email: tinbm@publicbank.com.my

Perlis

Kangar

Tel : 04-976 3311
04-976 3413
Email: kgrbm@publicbank.com.my

Pulau Pinang

Bagan Ajam

Tel : 04-331 7822
04-331 7823
Email: bambm@publicbank.com.my

Bandar Baru Air Itam

Tel : 04-828 4088
04-828 6088
Email: bbabm@publicbank.com.my

Bandar Bayan Baru

Tel : 04-643 8200
04-643 8390
Email: bbbbm@publicbank.com.my

Bandar Seberang Jaya

Tel : 04-390 4513
04-390 4592
Email: bsjbm@publicbank.com.my

Bukit Mertajam

Tel : 04-539 2205
04-539 2207
Email: bmmbm@publicbank.com.my

Butterworth
Tel : 04-332 9837
04-332 9839
Email: btwrbm@publicbank.com.my

Jalan Air Itam
Tel : 04-828 8591
04-828 8595
Email: jaibm@publicbank.com.my

Jalan Datuk Keramat
Tel : 04-226 4571
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: pppgbm@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 : 04-658 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

Donggongon
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
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: kbdbm@publicbank.com.my

Kota Kinabalu
Tel : 088-536 188
Email: kkubm@publicbank.com.my

Lahad Datu
Tel : 089-884 020
089-884 021
Email: ldumb@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: pttgbm@publicbank.com.my

Sandakan
Tel : 089-245 588
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
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Bintulu
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Email: jcblm@publicbank.com.my

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Email: jpnbm@publicbank.com.my

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082-245 271
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Kapit
Tel : 084-797 652
084-797 677
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084-216 996
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085-212 933
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084-652 491
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Tel : 082-428 800
082-428 801
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Selangor

Ampang
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03-4256 2636
Email: apgbm@publicbank.com.my

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03-3323 6006
Email: bbtbm@publicbank.com.my

Bandar Kinrara
Tel : 03-8082 9821
03-8082 9822
Email: bkrbm@publicbank.com.my

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03-9019 8788
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GROUP CORPORATE DIRECTORY

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03-6272 5741
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03-3187 8387
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03-6057 2401
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Bukit Beruntung
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03-7729 8588
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03-3342 4048
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03-3289 4194
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03-3167 2831
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03-6099 6388
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Sabak Bernam
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03-3216 2612
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03-7958 2586
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03-3241 0093
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Semenyih
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03-8723 8811
Email: smybم@publicbank.com.my

Seri Gombak
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03-6188 6316
Email: sgkbm@publicbank.com.my

Seri Kembangan
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03-8939 2001
Email: sknbm@publicbank.com.my

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03-7874 1966
Email: ssabm@publicbank.com.my

Shah Alam
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03-5510 1313
Email: sambm@publicbank.com.my

SS2
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Email: ss2bm@publicbank.com.my

Subang Jaya
Tel : 03-5629 3588
Email: sjabm@publicbank.com.my

Sungai Buloh
Tel : 03-6156 1983
03-6156 2056
Email: sbhbm@publicbank.com.my

Sungai Chua
Tel : 03-8737 0228
Email: scabm@publicbank.com.my

Sungai Jarom
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03-3191 2032
Email: sjmbm@publicbank.com.my

Sungai Pelek
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03-3141 1237
Email: spkbm@publicbank.com.my

Taman Chi Liung
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03-3371 8433
Email: tclbm@publicbank.com.my

Taman Equine
Tel : 03-8938 1829
03-8938 1988
Email: teebm@publicbank.com.my

Taman Indah
Tel : 03-9075 5200
03-9075 5202
Email: tihbm@publicbank.com.my

Taman Melawati
Tel : 03-4105 2003
03-4105 2004
Email: tmwbm@publicbank.com.my

Taman Mayang
Tel : 03-7803 0124
03-7803 0151
Email: tmgbm@publicbank.com.my

Taman Muda
Tel : 03-4296 1806
03-4296 1935
Email: tmabm@publicbank.com.my

Taman Sentosa Klang
Tel : 03-5161 3369
03-5161 3414
Email: tskbm@publicbank.com.my

Taman Seri Muda
Tel : 03-5121 6394
03-5121 6395
Email: tsmbm@publicbank.com.my

Taman Taming Jaya
Tel : 03-8961 2460
03-8961 4980
Email: ttjm@publicbank.com.my

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03-5635 0760
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Email: ckibm@publicbank.com.my

Kuala Dungun
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09-848 2507
Email: kdnbm@publicbank.com.my

Kuala Terengganu
Tel : 09-622 6016
09-622 6122
Email: ktumb@publicbank.com.my

Overseas Branches

SRI LANKA

Colombo Branch

Tel : 94-11-257 6289, 94-11-257 6290
 Fax : 94-11-237 5128
 Swift : PBBELKLX
 Email : pbbslk@publicbank.com.lk

Nawala Branch

Tel : 94-11-282 9751, 94-11-282 9752
 Fax : 94-11-282 9755

Galle Branch

Tel : 94-91-223 1741, 94-91-223 1742
 Fax : 94-91-223 1743

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@publicislamicbank.com.my

Islamic Putrajaya Branch

Tel : 03-8888 7878
 Fax : 03-8881 1366
 Email : ipjbm@publicislamicbank.com.my

Islamic Jalan Kota Branch

Tel : 04-731 1384
 Fax : 04-731 7716
 Email : ijkbm@publicislamicbank.com.my

Islamic Wakaf Siku Branch

Tel : 09-747 0111
 Fax : 09-746 1177
 Email : iwsbm@publicislamicbank.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 : customerservice@publicfinance.com.hk
 Web : www.publicfinance.com.hk
 (40 branches in Hong Kong)

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
 (32 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
 (40 branches)

Public Bank Lao Limited

Tel : 856-21-223 394, 856-21-216 614
 Fax : 856-21-222 743
 Swift : PBBELALA
 Email : pbbte@publicbank.com.la
 Web : www.publicbank.com.la
 (4 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

NOTICE OF PUBLIC BANK

58TH ANNUAL GENERAL MEETING



PUBLIC BANK

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

NOTICE IS HEREBY GIVEN THAT the 58th Annual General Meeting (AGM) of Public Bank Berhad (PBB or Company) will be held on Wednesday, 8 May 2024 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 2023 and the Reports of the Directors and Auditors thereon. | |
| 2. To re-elect Ms Teoh Meow Choo who retires pursuant to Clause 105 of the Company's Constitution and who being eligible, offers herself for re-election. | Ordinary Resolution 1 |
| 3. To re-elect the following Directors who retire by rotation pursuant to Clause 107 of the Company's Constitution and who being eligible, offer themselves for re-election: | |
| i. Dato' Mohd Hanif bin Sher Mohamed | Ordinary Resolution 2 |
| ii. Mr Lim Chao Li | Ordinary Resolution 3 |
| iii. Ms Gladys Leong | Ordinary Resolution 4 |
| 4. To approve the payment of Directors' fees, Board Committees Members' fees, and allowances to Directors amounting to RM5,774,355 for the financial year ended 31 December 2023. | Ordinary Resolution 5 |
| 5. To re-appoint Messrs Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Directors to fix the Auditors' remuneration. | Ordinary Resolution 6 |

By Order of the Board

Wan Marhanim binti Wan Muhammad

LS0009365

SSM Practising Certificate No. 202008003885

Company Secretary

Kuala Lumpur

8 April 2024

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

- The 58th 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 58th AGM in order to register, participate and vote remotely via the RPV facilities.
- The Broadcast Venue of the 58th 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 58th AGM in person at the Broadcast Venue on the day of the 58th AGM.

2. Mode of Communication

Members may submit questions to the Board of Directors prior to the 58th 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 6 May 2024 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 58th AGM.

3. Entitlement to Participate and Vote

In respect of deposited securities, only Members whose names appear in the Record of Depositors on 2 May 2024 (General Meeting Record of Depositors) shall be entitled to participate and vote at the 58th AGM.

4. Appointment of Proxy

- Since the 58th 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 58th 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 58th AGM or no later than 6 May 2024 at 11.00 a.m.:
 - By electronic means via online
The proxy appointment must be made via Tricor's TIIH Online website at <https://tiih.online>.
 - By electronic means via email
The form of proxy must be received via email at Tricor's email address at is.enquiry@my.tricorglobal.com.
 - By electronic means via facsimile
The form of proxy must be received via facsimile at Tricor's fax no. 03-2783 9222.
 - In hard copy form
The form of proxy must be deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

5. Poll Voting

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.

NOTICE OF PUBLIC BANK 58TH ANNUAL GENERAL MEETING

Explanatory Notes on Ordinary Businesses:

1. Audited Financial Statements for the financial year ended 31 December 2023

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

2. Ordinary Resolutions 1, 2, 3 and 4 - Re-election of Directors

The Nomination and Remuneration Committee had carried out the fit and proper assessment of the Directors who are retiring at this AGM and the Board was satisfied with the favourable 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 retiring Directors have met the fit and proper factors specified in the PBB Fit and Proper Policy and the BNM Policy Document on Fit and Proper Criteria as well as fulfilled the independence criteria set out in the BNM Policy Document on Corporate Governance and Bursa Malaysia Main Market Listing Requirements.

The profiles of Directors seeking re-election are set out in the Board of Directors' Profiles section of the Company's 2023 Integrated Annual Report.

Directors referred to in Ordinary Resolutions 1, 3 and 4 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 5 - Proposed payment of Directors' fees, Board Committees Members' fees, and allowances to Directors for the financial year ended 31 December 2023

In 2023, the Company had engaged an external consultant to conduct an independent review of the Non-Executive Directors' (NEDs) remuneration structure (Board Remuneration Review) to assist the Board in establishing a transparent and robust remuneration framework for NEDs that takes into account the demands and complexities of the PBB Group as well as the skills and experience required of the NEDs. The Board Remuneration Review also serves to ascertain whether the NEDs' quantum and composition of remuneration are competitive and align with peer banks.

The Board, upon the recommendation of the Nomination and Remuneration Committee, proposed that the remuneration of the NEDs for the financial year ended 31 December 2023 be based on the following fee structure:

Board of Directors' Fees/Allowances (per annum)	Chairman (RM)	Other Directors (RM)
<ul style="list-style-type: none"> • Director's Fee • Chairman Allowance • Chairman Transport Allowance 	427,870 196,000 96,000	316,050 – –
Board Committee Fees (per month)	Chairman (RM)	Member (RM)
<ul style="list-style-type: none"> • Audit Committee • Risk Management Committee • Compliance Committee • Credit Risk Management Committee 	14,550 7,280 7,280 7,280	11,360 5,730 5,730 5,730
Meeting Attendance Allowances (per meeting attended)	Chairman (RM)	Member (RM)
<ul style="list-style-type: none"> • Board of Directors • Nomination and Remuneration Committee • Board Sustainability Management Committee 	5,000 4,800 4,800	4,000 4,000 4,000

4. Ordinary Resolution 6 - Re-appointment of Auditors

The Audit Committee (AC) had at its meeting held on 28 November 2023 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 30 November 2023 approved as recommended by the AC, that shareholders' approval be sought at the 58th AGM on the re-appointment of E&Y as external auditors of the Company for the financial year ending 31 December 2024 and to authorise the Directors to fix the remuneration of the external auditors.

BNM has on 7 February 2024 granted approval for the proposed re-appointment of E&Y as external auditors of the Company for the financial year ending 31 December 2024.

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Form of Proxy



PUBLIC BANK

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

Number of shares held	CDS Account No.									
	-	-	-	-	-	-	-	-	-	-

I/We _____ NRIC No./Co. Registration No. _____
(FULL NAME IN BLOCK LETTERS AS PER NRIC/CERTIFICATE OF INCORPORATION)

of _____
(FULL ADDRESS)

Tel No. _____ being a Member of PUBLIC BANK BERHAD, hereby appoint

NRIC No. _____
(FULL NAME IN BLOCK LETTERS AS PER NRIC)

of _____
(FULL ADDRESS)

and/or failing him/her, _____ NRIC No. _____
(FULL NAME IN BLOCK LETTERS AS PER NRIC)

of _____
(FULL ADDRESS)

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to participate and vote for me/us on my/our behalf at the 58th 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 Wednesday, 8 May 2024 at 11.00 a.m. or any adjournment thereof.

The proportions of my/our holding to be represented by my/our proxy are as follows:

First Proxy	%
Second Proxy	%
	100%

My/our proxy shall vote as follows:

(Please indicate with an "X" in the space provided below how you wish your votes to be cast on the resolutions specified in the notice of meeting. If you do not do so, the proxy will vote, or abstain from voting on the resolutions as he/she may think fit.)

NO.	ORDINARY RESOLUTIONS:	FIRST PROXY		SECOND PROXY	
		FOR	AGAINST	FOR	AGAINST
1.	Re-election of Ms Teoh Meow Choo as Director.				
2.	Re-election of Dato' Mohd Hanif bin Sher Mohamed as Director.				
3.	Re-election of Mr Lim Chao Li as Director.				
4.	Re-election of Ms Gladys Leong as Director.				
5.	Approval of payment of Directors' fees, Board Committees Members' fees, and allowances to Directors for financial year ended 31 December 2023.				
6.	Re-appointment of Messrs Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2024 and authority to the Directors to fix the Auditors' remuneration.				

Signed this _____ day of _____ 2024.

Signature of Member/Common Seal

Notes:

1. The 58th 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 58th 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 58th 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 6 May 2024 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 58th AGM.
 3. In respect of deposited securities, only Members whose names appear in the Record of Depositors on 2 May 2024 (General Meeting Record of Depositors) shall be entitled to participate and vote at the 58th AGM.
 4. Since the 58th 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 58th 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 58th AGM or no later than 6 May 2024 at 11.00 a.m.:
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The proxy appointment must be made via Tricor's TIIH Online website at <https://tiih.online>.
 - By electronic means via email
The form of proxy must be received via email at 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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PUBLIC BANK BERHAD

196501000672 (6463-H)

Menara Public Bank, 146 Jalan Ampang, 50450 Kuala Lumpur
Tel: 603 2163 8888 / 2163 8899 Fax: 603 2163 9917

www.publicbankgroup.com