

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 1295  
**COMPANY NAME** : Public Bank  
**FINANCIAL YEAR** : December 31, 2025

## OUTLINE:

### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT TO CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is responsible for the long-term success of the Bank and delivering sustainable values to the stakeholders. It plays a pivotal role in formulating and reviewing key policies and charting the Bank's strategic directions. The Board provides effective oversight of the Management's performance, risk assessment and controls over business operations, sustainability management, and compliance with regulatory requirements through the support of the Audit Committee, Risk Management Committee, Compliance Committee, Credit Risk Management Committee and Board Sustainability Management Committee ("Board Committees"). The authority delegated by the Board is underpinned by the respective terms of reference of the various Board Committees to enable them to support the Board in discharging its roles and responsibilities in an effective manner.</p> <p>The Board is also responsible for determining the nature and extent of the principal risks which the Bank is willing to take in achieving its strategic objectives.</p> <p>The key responsibilities of the Board include but are not limited to the following:-</p> <ul style="list-style-type: none"><li>• Approving the Bank's risk appetite, annual business plans, and the medium-term and long-term strategic plans.</li><li>• Approving the Bank's annual budget and carrying out periodic review of the achievements by the various operating divisions against their respective business targets.</li><li>• Prescribing the minimum standards and establishing policies on the management of credit risks and other key areas of the Bank's operations.</li></ul>

	<ul style="list-style-type: none"><li>• Overseeing the Bank’s business operations and financial performance.</li><li>• Overseeing the implementation of the Bank’s governance framework and ensuring that the operating infrastructure, systems of internal control, systems for risk identification and management, financial and operational controls, are in place and properly implemented.</li><li>• Overseeing the selection, performance, remuneration and succession plans of the Chief Executive Officer, control function Heads and other members of Senior Management, such that the Board is satisfied with the collective competence of Senior Management to effectively lead the operations of the Bank.</li><li>• Promoting, together with Senior Management, a sound corporate culture within the Bank which reinforces ethical, prudent and professional behaviour including fostering a strong compliance culture within the Bank.</li><li>• Ensuring that the culture of accountability, transparency, integrity, professionalism and responsible conduct is consistently adhered to in the Bank.</li><li>• Promoting sustainability through appropriate environmental, social and governance considerations in the Bank’s business strategies.</li><li>• Overseeing and approving the recovery and resolution as well as business continuity plans for the Bank to restore its financial strength, and maintain or preserve critical operations and critical services when it comes under stress.</li><li>• Promote timely and effective communication between the Bank and Bank Negara Malaysia (“BNM”) on matters affecting or that may affect the safety and soundness of the Bank.</li><li>• Undertaking various functions and responsibilities as specified in the policy documents and directives issued by BNM or other regulatory authorities from time to time.</li></ul>
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	<p>The Board undertook regular reviews of the Group’s financial performance, giving due consideration to the impact of evolving macro-economic developments and international geopolitics. In 2025, the Board focused on several key areas which included:-</p> <ul style="list-style-type: none"> <li>• Reviewing the Group’s strategic directions and business approach in order to safeguard a more sustainable growth;</li> <li>• Driving digital transformation and innovation to enhance efficiency and support business growth;</li> <li>• Strengthening risk and compliance oversight to ensure sound governance, regulatory alignment and effective risk management;</li> <li>• Ensuring robust governance and regulatory compliance;</li> <li>• Embedding sustainability and environmental, social and governance into business strategies and risk management frameworks; and</li> <li>• Reviewing key leadership positions, including the appointment of two (2) new Deputy Chief Executive Officers.</li> </ul> <p>As part of the ongoing oversight and commitment to understanding key operational areas, the Board undertook a site visit in April 2025 to the Bank’s Data Centre at the IT &amp; Training Centre and the Knowledge &amp; Learning Centre in Bangi. The visit enabled the Board to gain better insights on the Bank’s technology infrastructure, cybersecurity preparedness and staff training facilities. The visit also provided the Board with better experience on the Bank’s training facilities and investments in human capital development and continual upskilling, thereby reinforced the Board’s oversight of talent management and operational resilience.</p>	
<p><b>Explanation for departure</b> :</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b> :</p>		
<p><b>Timeframe</b> :</p>		

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Mr Lai Wan, who is a Non-Independent Non-Executive Director, is currently the Chairman of the Board.</p> <p>The roles and responsibilities of the Non-Executive Chairman include but are not limited to the following:-</p> <ul style="list-style-type: none"><li>• Plays a pivotal role in leading an effective and cohesive Board, guiding strategic decision-making and fostering a collaborative and constructive Board environment.</li><li>• Leads the Board in the adoption and implementation of good corporate governance practices.</li><li>• Ensures the smooth functioning of the Board and inculcates a positive culture in the Board.</li><li>• Ensures that the procedures and processes are in place to facilitate the effective conduct of business of the Board.</li><li>• Acts as the facilitator at Board meetings to ensure that healthy discussions take place by fostering the free expression of opinions of Board Members so as to arrive at optimal decisions.</li><li>• Ensures that decisions are made on a sound and well-informed basis, with all strategic and critical issues considered by the Board, and that Directors receive the relevant information on a timely basis.</li><li>• Encourages robust discussions and in-depth deliberations amongst Directors at every Board meeting to ensure that the Board effectively discharges its roles and responsibilities.</li></ul> <p>The Chairman also plays a key role in overseeing the conduct of general meetings. He ensures the orderly tabling and passage of resolutions as well as encourages active engagement from shareholders, and ensures that sufficient time is allocated for meaningful questions and answers.</p>

<b>Explanation for departure</b> :		
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### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.3

The positions of Chairman and CEO are held by different individuals.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The position of Chairman is held by Mr Lai Wan, a Non-Executive Director, while the position of Chief Executive Officer ("CEO") is held by Tan Sri Dato' Sri (Dr) Tay Ah Lek, the Managing Director &amp; CEO.</p> <p>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 &amp; CEO. This segregation of the roles and responsibilities between the Non-Executive Chairman and the Managing Director &amp; CEO ensures an appropriate balance of role, responsibility and accountability at the Board level.</p> <p>The roles and responsibilities of the Non-Executive Chairman are disclosed in Practice 1.2 of this Corporate Governance Report.</p> <p>The roles and responsibilities of the Managing Director &amp; CEO include but are not limited to the following:-</p> <ul style="list-style-type: none"><li>• 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.</li><li>• Responsible for developing the business direction and strategies of the Bank.</li><li>• Ensures that the Bank's business strategies and policies are effectively implemented.</li><li>• Provides direction for the implementation of short and long-term business plans.</li><li>• Provides strong leadership and effectively communicate the Bank's vision, management philosophy and business strategy to employees.</li><li>• Keeps the Board well informed of salient aspects and issues concerning the Bank's operations and ensuring that adequate management reports are submitted to Board Members.</li></ul>

<b>Explanation for departure</b> :		
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<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Chairman of the Board, Mr Lai Wan, 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 the Nomination and Remuneration Committee represents a position that is aligned with Practice 1.4 of the Malaysian Code on Corporate Governance 2021.  The compositions of the Audit Committee and the Nomination and Remuneration Committee are set out in Section B of this Corporate Governance Report.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

## Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by a qualified and competent Company Secretary who provides advice on matters relating to governance, Board policies and procedures as well as requirements to be observed by the Company and the Directors arising from new statutes and guidelines issued by the regulatory authorities.</p> <p>The roles and responsibilities of the Company Secretary, among others, are as follows:-</p> <ul style="list-style-type: none"><li>• Attends all Board meetings and ensures accurate and proper records of the proceedings and resolutions passed are maintained in the statutory records at the registered office of the Company.</li><li>• Facilitates timely communication of decisions made and policies set by the Board at Board meetings, to the Senior Management for action.</li><li>• Works closely with the Management to ensure that there are timely and appropriate information flows within and to the Board and Board Committees, and between the Non-Executive Directors and Management.</li></ul> <p>The Company Secretary also plays an important role in ensuring that due processes and proper proceedings for general meetings are observed and that the minutes are properly recorded. She keeps herself abreast of the evolving regulatory changes and development in corporate governance by attending relevant conferences and training programmes.</p> <p>The appointment and removal of the Company Secretary must be approved by the Board. An annual assessment of meeting the fit and proper criteria for appointment must be conducted by the Nomination and Remuneration Committee on the Company Secretary. During the year under review, the Board is satisfied with the performance and level of support given by the Company Secretary to the Board in the discharge of the Board's functions.</p>

<b>Explanation for departure</b> :		
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<b>Measure</b> :		
<b>Timeframe</b> :		

## Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>Board meetings for the ensuing financial year are scheduled in advance before the end of the current financial year so that the Directors can plan ahead and ensure their full attendance at Board meetings.</p> <p>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 seven (7) days before the Board meeting. This is to allow time for the Directors to review the Board papers and to enable robust discussion at Board meetings. The meeting papers are uploaded onto a secured portal which is accessible by the Directors from the electronic devices provided by the Bank.</p> <p>There is a process in place for Non-Executive Directors to seek clarifications or obtain details concerning the Board agenda papers from the Management or the Company Secretary or if they deem necessary to take independent professional advice at the Company's expense. Confidential papers or urgent proposals are presented and tabled at the Board meetings under supplemental agenda.</p> <p>The Board meeting papers are prepared and presented in a concise and comprehensive manner so that the Directors have a proper and relevant depiction of the issues at hand, in order that the Board deliberations and decision-making are performed systematically and in a well-informed manner. The Board meeting papers contain information in a form and of a quality appropriate to enable the Board to discharge its duties effectively.</p> <p>Meeting papers tabled to the Board include progress reports on business operations; detailed information on business propositions and corporate proposals including where relevant, supporting documents such as risk evaluations and professional advice from solicitors or advisors. In order to maintain confidentiality, meeting papers on issues or corporate proposals which are deemed highly confidential and top secret, would only be presented to the Directors at the Board meeting itself.</p>

	<p>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.</p> <p>The Chairman with the assistance of the Company Secretary, ensures that clear and accurate minutes of Board meetings are properly recorded and maintained, including key deliberations, the rationale for decisions made, and any significant concerns raised.</p> <p>The minutes of Board meetings are circulated to all Directors for their perusal prior to confirmation of the minutes to be done at the commencement of the following Board meeting. The Directors may request for clarification or raise comments before the minutes are tabled for confirmation and upon receiving confirmation from all the Members at the Board meetings, the minutes will be signed by the Chairman of the meeting as a correct record of the proceedings of the meeting.</p> <p>Matters which require urgent approval may be sought via circular resolutions supported with all the relevant information and explanations required for informed decision-making. All Directors' written circular resolutions passed by the Board are tabled at the next Board meeting for confirmation.</p> <p>The Directors have direct access to the Senior Management and have unrestricted access to any information relating to the Bank's business and affairs in the discharge of their duties. The Directors may request to be furnished with additional information or clarification from the Management in order to make informed and timely decisions.</p>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

**Intended Outcome**

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

**Practice 2.1**

The board has a board charter which is periodically reviewed and published on the company’s website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board Charter serves as the primary guiding reference on the governance and conduct of the Board. It sets out the roles and responsibilities of the Board, Board Committees, individual Directors and Management in upholding sound corporate governance standards and practices. The Board Charter encapsulates the procedures to be followed by the Board and matters reserved for the Board’s consideration and approval. The Board Charter is available on Public Bank’s corporate website at <a href="http://www.publicbankgroup.com">www.publicbankgroup.com</a>.</p> <p>The Board Charter covers the following key areas:-</p> <ul style="list-style-type: none"> <li>• Board Composition</li> <li>• Annual Review of Directors</li> <li>• New Appointment/Re-appointment/Re-election of Directors</li> <li>• Fit and Proper Policy for Directors</li> <li>• Key Responsibilities of the Board</li> <li>• Matters Reserved for Board’s Consideration and Approval</li> <li>• Roles of Chairman, Chief Executive Officer (“CEO”) and Non-Executive Directors</li> <li>• Role of Management</li> <li>• Procedures of Board</li> <li>• Maximum Number of External Professional Commitments</li> <li>• Directors’ Training</li> <li>• Board Committees</li> </ul>

	<p>The Board delegates the day-to-day management of Public Bank’s business to the Management Committee, but reserves for its consideration and approval, significant matters which include the following:-</p> <ul style="list-style-type: none"> <li>• Approval of financial statements</li> <li>• Declaration of dividends</li> <li>• Risk appetite setting</li> <li>• Short-term and medium-term business plans</li> <li>• Annual budget</li> <li>• Governance structure for implementation of Internal Capital Adequacy Assessment Process (“ICAAP”) and Public Bank Group ICAAP Framework</li> <li>• Capital management plan</li> <li>• Issuance of debt instruments</li> <li>• Credit policy</li> <li>• Material acquisitions and disposals of assets not in the ordinary course of business</li> <li>• Appointment of Directors, CEO, Deputy CEO, and other key responsible persons</li> <li>• Appointment of Board Committee Members</li> </ul> <p>The Board delegates and confers some of the Board’s authorities and discretion on the CEO as well as on properly constituted Board Committees comprising Non-Executive Directors.</p> <p>The Board Charter is subject to periodic review to ensure it remains fit for purpose.</p>	
<p><b>Explanation for departure</b></p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	

### Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

### Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Directors and the Company Secretary adopt the Code of Ethics established by the Companies Commission of Malaysia as the principal guide on their professional conduct to act in the best interest of the Company by promoting good governance and upholding high standards of integrity and accountability.</p> <p>The Bank also established the Public Bank Group Code of Ethics which is aligned with the "Code of Ethics for the Financial Services Industry" established by the Financial Services Professional Board ("FSPB"). The Bank's Code of Ethics outlines the behavioural standards required of every employee in their personal and professional interactions. The Board acknowledged and accepted the principles of ethics and standards of professional conduct outlined in the FSPB Professional Code.</p> <p>The Bank's values are entrenched in the following five (5) Fundamental Ethical Principles:-</p> <ul style="list-style-type: none"><li>• Competence</li><li>• Integrity</li><li>• Fairness</li><li>• Confidentiality</li><li>• Objectivity</li></ul> <p>The concise version of the Code of Ethics is published on Public Bank's corporate website at <a href="http://www.publicbankgroup.com">www.publicbankgroup.com</a>.</p>

	<p>In addition to the Code of Ethics, the following policies are in place to set out sound principles and standards of good practices and behaviour to inculcate a culture of ethics, integrity, trust, transparency and accountability in all the Bank's dealings:-</p> <ul style="list-style-type: none"> <li>• Anti-Fraud Policy</li> <li>• Anti-Bribery and Anti-Corruption Policy</li> <li>• Information Security Policy</li> <li>• Social Media Policy</li> <li>• Staff Conduct and Discipline Policy</li> <li>• Whistleblowing Policy and Procedures</li> <li>• Diversity, Equality and Inclusion Policy</li> <li>• Anti-Sexual Harassment Policy</li> <li>• Staff Grievance Policy</li> <li>• Human Rights Policy</li> <li>• Policy on Responsibility Mapping</li> </ul>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

**Intended Outcome**

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

**Practice 3.2**

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Whistleblowing Policy and Procedures cover staff and third parties (e.g. contractors, consultants, interns, suppliers, vendors and/or customers) and have been implemented on a Group basis.</p> <p>The user-friendly whistleblowing channels are accessible via the Public Bank’s corporate website at <a href="http://www.publicbankgroup.com">www.publicbankgroup.com</a> to facilitate the lodgement of complaints. All disclosures are held in strictest confidentiality by the authorised personnel.</p> <p>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 the Whistleblowing Policy and Procedures.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is responsible for overseeing Public Bank's sustainability agenda, including reviewing and approving the Bank's sustainability strategies and plans, and ensuring that business plans align with the Bank's sustainability commitments. The Board's role in promoting sustainability is formalised in the Board Charter, which is publicly available on Public Bank's corporate website at <a href="http://www.publicbankgroup.com.my">www.publicbankgroup.com.my</a>.</p> <p>The Board is supported by the Board Sustainability Management Committee, which oversees the Bank's sustainability strategies, priorities and targets. The Risk Management Committee assists the Board in identifying, assessing, monitoring and mitigating enterprise climate-related risks.</p> <p>At the management level, the Sustainability Management Committee oversees the overall management of Public Bank's sustainability initiatives. The Sustainability Management Unit and the Risk Management Division support the Sustainability Management Committee in the coordination of the implementation and monitoring of sustainability and climate-related initiatives across business units and functional divisions.</p> <p>Further details are provided in the "Sustainability and Climate Governance" section of the Sustainability Report in Public Bank 2025 Integrated Annual Report.</p>
<b>Explanation for departure</b>	:	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.2

The board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board acknowledges the importance of ongoing and meaningful engagement with Public Bank's internal and external stakeholders on its sustainability strategies, priorities and targets, including progress updates.</p> <p>The Bank communicates sustainability information to external stakeholders in a comprehensive, timely and transparent manner through multiple channels, including:-</p> <ul style="list-style-type: none"><li>• Annual Sustainability Report within the Public Bank Integrated Annual Report, detailing the Bank’s sustainability impact, yearly performance and progress against targets;</li><li>• Annual General Meeting, investor meetings, roadshows and conferences to ensure effective dialogue with the investing community;</li><li>• Dedicated sustainability section on Public Bank’s corporate website, providing an overview of the Bank’s approach to sustainability; and</li><li>• Dedicated sustainability email address for stakeholders to submit sustainability-related inquiries, comments or feedback.</li></ul> <p>The Public Bank Group Environmental, Social and Governance (“ESG”) Statement articulates the Bank's commitments, how sustainability risks are managed, and how opportunities are captured. It is published on the Bank’s dedicated sustainability section of its corporate website at <a href="http://www.publicbankgroup.com">www.publicbankgroup.com</a>.</p> <p>Internally, sustainability-related matters are communicated regularly through events, briefing sessions, meetings, emails, surveys, circulars and updates on the Bank’s intranet portal. The Board and Senior Management receive periodic training on sustainability topics, including climate-related issues, while employees participate in sustainability-focused classroom and self-learning training to enhance their knowledge.</p>

	<p>Sustainability strategies and targets are integrated into Public Bank’s short to medium-term business plan, with all business and support services divisions required to incorporate sustainability considerations into their business planning processes.</p> <p>Further details are provided in the “Stakeholder Engagement” section of the Sustainability Report in Public Bank 2025 Integrated Annual Report.</p>	
<p><b>Explanation for departure</b></p>		
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<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board provides an overall oversight of Public Bank's sustainability and climate-related matters. The Board is supported by the Board Sustainability Management Committee, which oversees the Bank's sustainability strategies, priorities and targets.</p> <p>The Board continues to strengthen its oversight by undertaking regular sustainability-related training to stay abreast of emerging standards, regulatory developments and best practices. The Board also ensures that the Bank invests in continuous learning and capacity-building for employees on sustainability and climate-related matters.</p> <p>Recognising the rising expectations of stakeholders across multiple fronts, the Board embeds sustainability and climate-related considerations into its decision-making processes. The Bank maintains regular and meaningful engagement with stakeholders to understand and respond to their sustainability interests and concerns.</p> <p>All the Directors have successfully completed the mandatory training under the Bursa Malaysia Securities Berhad Main Market Listing Requirements - Mandatory Accreditation Programme Part II on sustainability, well ahead of the stipulated deadline of 1 August 2025.</p> <p>The training received by the Directors during the financial year 2025 on sustainability/environmental, social and governance issues are as set out in Section B of this Corporate Governance Report.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.4**

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company’s material sustainability risks and opportunities.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>: <u>Board</u></p> <p>The Board oversees the setting of sustainability strategies, priorities and targets, and ensures that the Public Bank Group’s strategies, goals and principles pertaining to sustainability are aligned with, promote and encourage the Group’s commitment towards sustainability. In the Board Effectiveness Evaluation exercise conducted for 2025, the Board acknowledged that strengthening of Board-level sustainability expertise represents a key area for improvement in light of increasing regulatory expectations, climate-related risk, and the growing importance of environmental, social and governance (“ESG”) considerations in banking strategy. Enhancing this capability would enable more robust strategic oversight, support informed decision-making, and strengthen the Board’s ability to effectively challenge the Management on sustainability-related matters.</p> <p><u>Senior Management</u></p> <p>The subject of sustainability has been integrated into the long-term strategic plans of the Senior Management to uphold sustainability practices across the Bank’s operations, in the pursuit of a more sustainable and responsible society.</p> <p>Sustainability remains a key strategic priority for the Bank as reflected in the integration of ESG key performance indicators (“KPIs”) into the performance of the Senior Management. The sustainability KPIs reinforce the collective accountability of the Chief Executive Officer and Senior Management and ensures that the leaders stay focused on the Group’s sustainability roadmap and long-term ESG objectives.</p>
<b>Explanation for departure</b>	:  

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.5- Step Up**

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

*Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.*

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	Public Bank's sustainability agenda is strategically led by the Board, with support from the Sustainability Management Committee ("SMC"). The Managing Director & Chief Executive Officer chairs the SMC, with members comprising the Deputy Chief Executive Officers and the relevant Heads of Divisions. The SMC oversees Public Bank's sustainability strategies, priorities and targets, ensuring alignment with the Bank's commitments. Implementation and monitoring of sustainability and climate-related initiatives across business units and functional divisions are coordinated by the Sustainability Management Unit and Risk Management Division.

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p><u>Composition of Board</u></p> <p>The Nomination and Remuneration Committee conducts annual review of the composition of the Board 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 Non-Executive Directors.</p> <p>Based on the outcome of the Board Effectiveness Evaluation exercise carried out for financial year 2025, the composition of the Board was well balanced with Members possessing extensive experience, complementing knowledge and skills which are relevant to the financial and banking industry, and applicable to the Bank's business and operating model.</p> <p>The 9 Members of the Board are persons of high calibre and integrity, equipped with deep understanding of the Bank's business and a wealth of experience in the banking industry and financial markets. These competencies help to further strengthen key areas in corporate governance, risk management and internal controls of the Bank and its subsidiaries. The collective capabilities of the Board also bring valuable industry insights, experience and best practices in operations, strategic planning and quality management to further enhance business performance.</p> <p><u>Tenure of Directors</u></p> <p>The Nomination and Remuneration Committee also conducts a review of the tenure of Directors to ensure compliance with the limits outlined in the Policy on Maximum Tenure for Directors. The maximum tenure of an Independent Director is a cumulative term of nine (9) years. During the financial year 2025, none of the Independent Directors had surpassed a tenure of more than nine (9) years from their initial appointment.</p>

	<p><u>Re-election of Directors</u></p> <p>For a Director who is subject to re-election at the Annual General Meeting, the Nomination and Remuneration Committee assesses the fitness and propriety and his/her performance and upon satisfactory evaluation of the Director's fitness and propriety, performance and contribution to the Board, 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 Annual General Meeting.</p> <p>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 5 May 2026 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.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board currently comprises only one (1) Executive Director and a strong presence of eight (8) Non-Executive Directors, of whom five (5) are Independent Non-Executive Directors, thus constituting the majority on the Board. The presence of a majority of Independent Non-Executive Directors provides an effective check and balance in the functioning of the Board to safeguard the interests of the Bank and all stakeholders.</p> <p>The five (5) Independent Non-Executive Directors are not employees and there are no relationships or circumstances which are likely to affect, or could appear to affect, the Independent Non-Executive Directors' judgment. They bring an external perspective, provide constructive feedback and input to the Management in respect of execution and implementation of the Bank's business plans within the Bank's risk appetite and governance framework.</p> <p>The independence of the Directors is reviewed and assessed annually via the annual Board Effectiveness Evaluation exercise, which takes into account the individual Director's ability to exercise independent judgement at all times and contributes to the effective functioning of the Board. Based on the outcome of the Board Effectiveness Evaluation exercise conducted in 2025 and the declarations provided by the Independent Non-Executive Directors, the Board is satisfied that they continue to meet the criteria of an Independent Director as specified in the Bank Negara Malaysia Policy Document on Corporate Governance and the Bursa Malaysia Securities Berhad Main Market Listing Requirements.</p> <p>An Independent Non-Executive Director has an ongoing obligation to inform the Board of any circumstances which could impair his or her independence.</p>
<b>Explanation for departure</b>	:	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.3**

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

<b>Application</b>	:	Not applicable - Step Up 5.4 adopted	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>									
<b>Application</b>	: Adopted								
<b>Explanation on adoption of the practice</b>	: The Board has approved the following policy on maximum tenure for Independent Non-Executive Directors:-  "The maximum tenure of an Independent Non-Executive Director shall be a cumulative term of nine (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 2025, none of the Independent Directors had surpassed a tenure of more than nine (9) years from their initial appointment. The tenure of the Independent Directors as at 31 December 2025 are as follows:- <table border="1" data-bbox="609 1200 1351 1442"><thead><tr><th>Years of Service</th><th>Number of Independent Directors</th></tr></thead><tbody><tr><td>Less than 3 years</td><td>1</td></tr><tr><td>3 years to 5 years</td><td>2</td></tr><tr><td>6 years to 9 years</td><td>2</td></tr></tbody></table>	Years of Service	Number of Independent Directors	Less than 3 years	1	3 years to 5 years	2	6 years to 9 years	2
Years of Service	Number of Independent Directors								
Less than 3 years	1								
3 years to 5 years	2								
6 years to 9 years	2								

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p><u>Appointment of Directors</u></p> <p>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.</p> <p>The demographics of the Board in terms of gender diversity, age, and skills/experience are as set out on page 375 of the Public Bank 2025 Integrated Annual Report.</p> <p>The Nomination and Remuneration Committee takes into consideration the following in conducting the assessment of the fitness and propriety of the person identified for appointment as a Director or for re-appointment/re-election as a Director:-</p> <ul style="list-style-type: none"><li>• 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.</li></ul>

	<ul style="list-style-type: none"> <li>• 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 Bank Negara Malaysia (“BNM”) Policy Document on Fit and Proper Criteria which include the following overarching criteria:- <ul style="list-style-type: none"> <li>- Probity, Personal Integrity and Reputation <p>The person must have personal qualities such as honesty, integrity, diligence, independence of mind and fairness.</p> </li> <li>- Competence and Capability <p>The person must have the necessary skills, ability, experience and commitment to carry out the role.</p> </li> <li>- Financial Integrity <p>The person must manage his or her debts and financial affairs prudently.</p> </li> </ul> <p>A person who has been identified for appointment as a Director or for re-appointment/re-election as a Director shall be required to provide a declaration that he/she complies with the fit and proper criteria as specified in the Bank’s Fit and Proper Policy and the BNM Policy Document on Fit and Proper Criteria.</p> </li> <li>• The person must not be disqualified under Section 59(1) of the Financial Services Act 2013.</li> <li>• The person must not have competing time commitments that impair his/her ability to discharge his/her duties effectively.</li> <li>• 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 Bank which could reasonably be perceived to materially interfere with the exercise of unfettered and independent judgment, and must fulfill 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.</li> <li>• 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.</li> </ul>
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	<p>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.</p> <p>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:-</p> <ul style="list-style-type: none"> <li>• A maximum of 5 directorships held in public listed companies; and</li> <li>• A maximum of 15 directorships/positions held in non-public listed companies and non-profit organisations.</li> </ul> <p>All Directors are in compliance with the Policy on Maximum Number of Directorships. They have demonstrated their commitment to their duties and responsibilities as reflected by their full attendance and active participation at the Board meetings held during the financial year ended 31 December 2025.</p> <p>None of the Members of the Board is an active politician.</p> <p><u>Appointment of Senior Management</u></p> <p>The Bank has implemented the Fit and Proper Policy for Key Responsible Persons in adherence to the guidelines set out by BNM to ensure that key positions in the Public Bank Group are filled by ethical, professional and competent personnel who have been assessed to have met with the following criteria:-</p> <ul style="list-style-type: none"> <li>• Probity, personal integrity and reputation - possesses the personal quality such as honesty, integrity, diligence, independence of mind and fairness;</li> <li>• Competence and capability - have the relevant knowledge, skills, experience, ability and commitment to carry out the person’s role; and</li> <li>• Financial integrity - able to manage his financial affairs properly and prudently.</li> </ul>
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	<p>All Senior Management staff are required to declare that they do not hold an aggregate interest of 5% or more in the shares of Public Bank during their initial fit and proper assessment to preserve an appropriate separation between ownership and management of Public Bank. Thereafter, they are required to inform the Bank as and when there are changes pertaining to their declaration.</p> <p>All Senior Management staff are assessed on a yearly basis. They are also required to immediately disclose to the Board any circumstances that may affect their ability to meet the requirements.</p>	
<b>Explanation for departure</b>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	<p>:</p>	
<b>Timeframe</b>	<p>:</p>	

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nomination and Remuneration Committee undertakes the responsibilities of identifying, evaluating and selecting candidates for appointment as Directors, ensuring that they possess the right mix of skills, competencies, experience and qualities which are aligned with the Bank's corporate culture, values and strategic direction.</p> <p>The Nomination and Remuneration Committee sources the curriculum vitae of potential candidates from several channels including recommendations by the current Board Members and/or external sources such as Financial Institutions Directors' Education ("FIDE") Forum Directors' Register, to identify suitable candidates for the proposed appointment as Director based on the prerequisite skill sets identified by the Board during the Board Effectiveness Evaluation exercise.</p> <p>The Board recognises that effective succession planning is a continuous and evolving process that requires ongoing adaptability. The Board therefore adopts a principle-based approach to ensure that its composition maintains an appropriate balance of diversified knowledge, experience and skill sets required to meet the evolving demands and complexities of the financial industry. This approach allows the Board to remain agile and forward-looking in responding to emerging industry trends, regulatory developments and the Bank's strategic direction.</p> <p>There was no new appointment of Director in 2025.</p>
<b>Explanation for departure</b>	:	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>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 three (3) years but shall be eligible for re-election.</p> <p>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.</p> <p>The Nomination and Remuneration Committee had carried out the fit and proper assessment of the following Directors who are retiring by rotation pursuant to the Clause 107 of the Bank's Constitution at the forthcoming Annual General Meeting to be held on 5 May 2026:-</p> <ul style="list-style-type: none"><li>• Mr Lai Wan Non-Independent Non-Executive Chairman</li><li>• Ms Teoh Meow Choo Independent Non-Executive Director</li></ul>

In accordance with the Bank's Fit and Proper Policy for Directors, the Nomination and Remuneration Committee had taken into consideration 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 the Bank's Fit and Proper Policy and the Bank Negara Malaysia ("BNM") Policy Document on Fit and Proper Criteria which include the following overarching criteria:-

- Probity, Personal Integrity and Reputation

The person must have personal qualities such as honesty, integrity, diligence, independence of mind and fairness.

- Competence and Capability

The person must have the necessary skills, ability, experience and commitment to carry out the role.

- Financial Integrity

The person must manage his or her debts and financial affairs prudently.

A person who has been identified for re-election as a Director shall be required to provide a declaration that he/she complies with the fit and proper criteria as specified in 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 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 judgment, and must fulfill 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.

	<ul style="list-style-type: none"> <li>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.</li> </ul> <p>Based on the assessment conducted, the Board was satisfied with the favourable evaluation of the performance and contributions of the Directors who are seeking re-election at the forthcoming Annual General Meeting of Public Bank to be held on 5 May 2026 and they have met the fit and proper criteria as specified in the Bank's Fit and Proper Policy for Directors and the BNM Policy Document on Fit and Proper Criteria. The retiring Independent Director fulfilled the independence criteria set out in BNM Policy Document on Corporate Governance and the Bursa Malaysia Securities Berhad Main Market Listing Requirements.</p> <p>Directors who are also shareholders of the Bank will abstain from voting on the resolution in respect of his/her re-election at the Annual General Meeting.</p> <p>The profiles of the Directors seeking re-election are as set out in the Board of Directors' Profile section of Public Bank 2025 Integrated Annual Report.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.8**

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Nomination and Remuneration Committee is currently chaired by Dato' Mohd Hanif bin Sher Mohamed, who is an Independent Non-Executive Director.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The current Board has exceeded the 30% benchmark with 44% or four (4) out of the nine (9) Members of the Board comprising women Directors. The four (4) women Directors contribute to the Board’s cognitive variety, enriching discussions with diverse perspectives and approaches. Their unique viewpoints enhance the overall value brought to the Board’s deliberation.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p><u>Board</u></p> <p>In line with the best practices of the Malaysian Code on Corporate Governance 2021, the Board has established a Policy on Gender Diversity whereby the Board shall comprise at least 30% women Directors.</p> <p>Notwithstanding the above, the Board maintains that appointments to the Board are made based on merit, with due regard to the candidate's background, skill sets and experience, and whether such appointment would complement or enhance the existing mix of skills and experience of the Board.</p> <p><u>Senior Management</u></p> <p>Public Bank Group recognises diversity, equality and inclusion as essential elements of a strong and progressive workplace. The Group's strength, agility and resilience are woven by a wide range of perspectives, knowledge and experiences from a diverse workforce.</p> <p>The Group's Diversity, Equality and Inclusion Policy sets out the standards and affirmative actions in cultivating a fair, inclusive and respectful environment where all employees feel valued regardless of their background and have equal opportunities to develop and progress.</p> <p>The Group 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 46%. This demonstrates the Group's commitment in promoting gender equality and leveraging on female talent.</p>
<b>Explanation for departure</b>	:	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

## Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

### Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>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.</p> <p>In line with Practice 6.1 of the Malaysian Code on Corporate Governance 2021, an independent expert is engaged at least every three (3) years to facilitate the evaluation of the effectiveness of the Board, its Committees and each individual Director. This provides the Board with an independent perspective of the Board's performance, including benchmarking against peer Boards and industry best practices.</p> <p>The Company had engaged an independent external consultant to facilitate the Board Effectiveness Evaluation exercise in 2023. For the financial year ended 31 December 2025, the Board Effectiveness Evaluation exercise was conducted internally and facilitated by the Company Secretary. The assessment served as guidance for the Nomination and Remuneration Committee and a reference point for the Board to ensure that the Board composition is well balanced, with Board Members possessing wide and diverse range of experience, skills and expertise. It also identified gaps and necessary training needs to further enhance the Board's effectiveness.</p>

The Board Effectiveness Evaluation Form covers the following assessment topics:-	
Assessment Topics	Areas of Assessment
Board of Directors' Assessment	<ul style="list-style-type: none"> <li>• Board mix and composition</li> <li>• Quality of information and decision-making</li> <li>• Boardroom activities</li> <li>• Oversight of subsidiaries</li> </ul>
Board Skills Matrix Assessment	<ul style="list-style-type: none"> <li>• Classification of the Board skills matrix</li> <li>• Assessment of Board's current skills</li> </ul>
Directors' Self and Peer Assessment	<ul style="list-style-type: none"> <li>• Contribution and performance</li> <li>• Calibre and personality</li> </ul>
Fit and Proper Assessment	<ul style="list-style-type: none"> <li>• Not disqualified under Section 59(1) of the Financial Services Act, 2013</li> <li>• Probity, personal integrity and reputation</li> <li>• Financial integrity</li> <li>• Time and commitment</li> </ul>
Independence Assessment of Independent Directors	<ul style="list-style-type: none"> <li>• Compliance with definition of Independent Director as stated in the Bank Negara Malaysia Policy Document on Corporate Governance</li> <li>• Compliance with definition of Independent Director as stated in the Bursa Malaysia Securities Berhad Main Market Listing Requirements</li> <li>• Compliance with Policy on Maximum Tenure for Independent Directors</li> </ul>
Board Committees Assessment	<ul style="list-style-type: none"> <li>• Composition and governance.</li> <li>• Meeting administration and conduct</li> <li>• Duties and responsibilities of each Board Committee</li> </ul>
Audit Committee Members' Self and Peer Assessment	<ul style="list-style-type: none"> <li>• Contribution and performance</li> </ul>

	<p>Based on the Board Effectiveness Evaluation, the results were tabulated and reported to the Nomination and Remuneration Committee. All assessments carried out by the Nomination and Remuneration Committee were properly documented, summarised and reported to the Board. The outcome of the Board Effectiveness Evaluation and recommendations of the Nomination and Remuneration Committee were taken wherever considered necessary with a view to enhancing the effectiveness of the Board.</p> <p>The Board, following its Board Effectiveness Evaluation exercise carried out for financial year 2025, concurred with the Nomination and Remuneration Committee that:-</p> <ul style="list-style-type: none"> <li>• The composition of the Board is well balanced with Members possessing extensive experience, complementing knowledge and skills which are relevant to the financial and banking industry and applicable to the Bank’s business and operating model.</li> </ul> <p>The Directors are able to identify key issues and provide valuable insights into strategy and risk management matters, reflecting their strong analytical skills and engagement during discussions at Board and Board Committee meetings.</p> <ul style="list-style-type: none"> <li>• All the Members of the Board are persons of high calibre and integrity, and they have a sound understanding of the Bank’s business and deep industry expertise. They possess the skills, knowledge, experience and competencies to address the key risks and major issues relating to the Bank’s business and its policies and strategies. All Members of the Board had discharged his/her duties and responsibilities effectively for the financial year 2025.</li> <li>• The Board Committees remained effective and provided strong support to the Board in the financial year 2025. The Board Committees demonstrated strong alignment with the Board’s strategic objectives, providing timely and well-considered recommendations to enhance governance and decision-making processes. Each Audit Committee Member was appraised to have effectively discharged his/her duties and responsibilities.</li> </ul>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

## Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<u>Directors</u>  The Nomination and Remuneration Committee is of the view that the level and structure of remuneration for the Non-Executive Directors should be commensurate with their level of responsibilities undertaken and contributions to the effective functioning of the Board. In making its recommendation, the Nomination and Remuneration Committee considers the responsibilities of the Directors and also by benchmarking against the Directors' fees structure of peer banks, in order to be competitive to retain skills and talent, and achieve diversity, on the Board.  The Nomination and Remuneration Committee conducts an annual review of the Directors' remuneration to ensure that it remains competitive against the market.  The Nomination and Remuneration Committee was of the view that the existing remuneration structure continues to be commensurate with the scope of the Directors' responsibilities and time commitment, as well as remained appropriate and in line with prevailing market practices. The Nomination and Remuneration Committee therefore recommended to the Board to retain the existing Directors' remuneration structure for the financial year ended 31 December 2025.

The Board, upon the recommendation by the Nomination and Remuneration Committee, proposed, subject to shareholders' approval at the forthcoming Public Bank Annual General Meeting to be held on 5 May 2026 that the remuneration of the Directors for the financial year ended 31 December 2025 shall be based on the following fee structure which remained unchanged from financial year ended 31 December 2024:-

Board of Directors' Fees/Allowances (per annum)	Chairman (RM)	Other Director (RM)
<ul style="list-style-type: none"> <li>• Director's Fee</li> <li>• Chairman Allowance</li> <li>• Chairman Transport Allowance</li> </ul>	<p>470,650 196,000 96,000</p>	<p>347,650 - -</p>

Board Committee Fees (per month)	Chairman (RM)	Member (RM)
<ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• Risk Management Committee</li> <li>• Compliance Committee</li> <li>• Credit Risk Management Committee</li> </ul>	<p>16,000 8,000 8,000 8,000</p>	<p>12,500 6,300 6,300 6,300</p>

Meeting Attendance Allowances (per meeting attended)	Chairman (RM)	Member (RM)
<ul style="list-style-type: none"> <li>• Board of Directors</li> <li>• Nomination and Remuneration Committee</li> <li>• Board Sustainability Management Committee</li> </ul>	<p>5,000 4,800 4,800</p>	<p>4,000 4,000 4,000</p>

#### Senior Management Remuneration Policy & Practice

The Public Bank's Remuneration Policy is designed to cultivate a performance driven culture that supports the Bank's business strategies whilst balancing risk, compliance and sustainability agendas effectively.

Sustainability remains a key strategic priority for the Bank as reflected in the integration of environmental, social and governance ("ESG") key performance indicators ("KPIs") into the performance of the Senior Management. The sustainability KPIs reinforce the collective accountability of the Chief Executive Officer ("CEO") and Senior Management and ensures that the leaders stay focused on the Group's sustainability roadmap and long-term ESG objectives.

The Bank's Remuneration Policy is in compliance with the requirements as stipulated in Bank Negara Malaysia ("BNM") Policy Document on Corporate Governance.

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 Key Responsible Persons ("KRPs") as defined in the Bank's Fit and Proper Policy as well as those who are accountable or responsible for the management and oversight of the Bank, comprising the following:-

- Managing Director & CEO
- Deputy CEOs
- Senior Officers, defined as follows:-
  - a) KRPs who are defined under the BNM Policy Document on Fit and Proper Criteria as those who have primary and significant responsibility for the management and performance of significant business activities of the Group.
  - b) Other Senior Management performing group-wide management responsibilities.
  - c) 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 to be assessed independently from the business units. For effective segregation, these employees are appraised principally based on the achievement of their control objectives as set out by the Board Committees of their respective control functions and differentiated from the business units.

The remuneration framework outlines the total compensation packages of fixed remuneration and variable remuneration payable to employees. Fixed remuneration refers to basic salary and other fixed income, commensurate with the role and position of an individual employee, including professional experience, qualifications, responsibilities, job complexity, local market conditions etc.

The variable remuneration refers to the discretionary performance bonus which is cash-based and does not consist of shares or non-cash instruments. The pool for the variable remuneration is determined by financial metrics such as the Bank's overall performance, achievement of selected financial ratios, market trends and economic outlook.

	<p>The variable performance bonus for the Senior Management is separated into two (2) main components with different payout criteria. The first component of the performance bonus is linked to the individual performance of Senior Management and the payout above a set threshold is subject to a deferment of three (3) years. The proportion of the deferred amount corresponds to the level of risks assumed by the respective job positions.</p> <p>The prescribed deferred amount of performance bonus is further subject to a multi-year framework, minimally a three (3)-year graded vesting with a proportionate rate of 35%/35%/30% and payable annually at the end of each vested period.</p> <p>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 three (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 three (3) years and further subject to the TSR achievement and good individual performance.</p> <p>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 three (3) years from the date of payment to the employee.</p> <p>Members of Senior Management have further committed not to undertake activities (such as personal hedging strategies and liability-related insurance) that will undermine the risk alignment effects embedded in their remuneration.</p> <p>The Bank practises a thorough and agile methodology in the performance assessment of its employees incorporating quantitative and qualitative criteria. The KPIs which include Compliance and Sustainability targets are carefully calibrated to drive a high performance culture within the work force. The KPIs are reviewed regularly to align with the business strategies and prudent risk management. All employees are evaluated and rewarded fairly corresponding to their performance.</p> <p>The performance assessment for employees is conducted annually via a systematic performance appraisal exercise where both qualitative (e.g. work and behavioural competencies) and quantitative (e.g. financial and sustainability targets) metrics are used to assess the performance of the employees.</p>
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	The performance of the Managing Director & CEO of the Bank is assessed in a comprehensive and holistic way based on the assessment criteria comprising the Bank's overall financial achievement against the approved KPIs, compliance rating, ESG initiatives, succession planning and behavioural competencies.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established a Nomination and Remuneration Committee which is made up of majority Independent Non-Executive Directors and is currently chaired by Dato' Mohd Hanif bin Sher Mohamed, an Independent Non-Executive Director.</p> <p>The Non-Executive Chairman is not a Member of the Nomination and Remuneration Committee.</p> <p>The Nomination and Remuneration Committee reviews periodically and recommends to the Board the remuneration system for Directors, Chief Executive Officer ("CEO"), Deputy CEO and other Key Responsible Persons ("KRPs") as defined in the Bank Negara Malaysia ("BNM") Policy Document on Fit and Proper Criteria to ensure that rewards are in line with the business risk strategy, corporate values and long term interest of the Bank.</p> <p>The Nomination and Remuneration Committee also oversees the performance evaluation of the CEO, Deputy CEO and other KRPs as defined in the BNM Policy Document on Fit and Proper Criteria and recommend to the Board their promotions, specific adjustments in remuneration and/or reward payments if any, reflecting their contributions for the year; and which are competitive and consistent with the Bank's objectives, culture and strategy.</p> <p>In reviewing the remuneration for the Non-Executive Directors, the Nomination and Remuneration Committee takes into consideration, amongst others, 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; and recommends changes to the Board whenever necessary.</p>

	The terms of reference of the Nomination and Remuneration Committee are made available on Public Bank's corporate website at <a href="http://www.publicbankgroup.com">www.publicbankgroup.com</a> .	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 8.1**

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The details of the Directors' remuneration (including benefits-in-kind) of each Director for the financial year 2025 are as set out below:-

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Mr Lai Wan	Non-Executive Non-Independent Director	471	-	-	-	-	666	1,137	767	-	-	-	-	666	1,433
2	Tan Sri Dato' Sri (Dr) Tay Ah Lek	Executive Director	348	-	22,118	28,825	28	11,725	63,044	1,156	-	22,118	28,825	28	12,630	64,757
3	Ms Cheah Kim Ling	Non-Executive Non-Independent Director	348	-	-	-	-	272	620	348	-	-	-	-	443	791
4	Mr Lee Chin Guan	Non-Executive Non-Independent Director	348	-	-	-	-	253	601	641	-	-	-	-	524	1,165
5	Dato' Mohd Hanif bin Sher Mohamed	Independent Director	348	-	-	-	-	574	922	648	-	-	-	-	855	1,503
6	Ms Tham Chai Fhong	Independent Director	348	-	-	-	-	439	787	348	-	-	-	-	439	787
7	Mr Lim Chao Li	Independent Director	348	-	-	-	-	444	792	628	-	-	-	-	444	1,072
8	Ms Gladys Leong	Independent Director	348	-	-	-	-	439	787	648	-	-	-	-	700	1,348
9	Ms Teoh Meow Choo	Independent Director	348	-	-	-	-	469	817	348	-	-	-	-	469	817

### Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

### Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board is of the opinion that it is not to the Bank's advantage or best business interest for such disclosure considering the highly competitive market for talent in the banking industry.</p> <p>As an alternative to Practice 8.2, please refer to Practice 7.1 on the qualitative aspect of the remuneration policy and section B of this Corporate Governance Report on the disclosure of the remuneration of Senior Management.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	The Board will monitor the market practice in respect of such disclosure for future consideration.
<b>Timeframe</b>	:	Others

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	-	-	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	-	-	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	-	-	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	-	-	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	-	-	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 8.3 - Step Up**

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

No	Name	Position	Company ('000)					Total
			Salary	Allowance	Bonus	Benefits	Other emoluments	
1	-	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-	-
5	-	-	-	-	-	-	-	-

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

**Practice 9.1**

The Chairman of the Audit Committee is not the Chairman of the board.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Chairman of the Audit Committee is Dato' Mohd Hanif bin Sher Mohamed, an Independent Non-Executive Director. The Chairman of the Audit Committee is not the Chairman of the Board.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations. The company’s financial statement is a reliable source of information.

**Practice 9.2**

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The composition, quorum, frequency of meetings as well as the specific duties, responsibilities and authority of the Audit Committee are as set out in its terms of reference. The terms of reference which are approved by the Board are published on Public Bank’s corporate website at <a href="http://www.publicbankgroup.com">www.publicbankgroup.com</a>.</p> <p>The terms of reference of the Audit Committee stipulate that, among others, a former partner of the Bank’s external audit firm shall observe a cooling-off period of at least three (3) years before being appointed as a Member of the Audit Committee.</p> <p>The current Members of the Audit Committee are not associated with and had not been a former partner of the external audit firm appointed by the Bank in the past three (3) years.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

### Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The Audit Committee assesses the suitability, objectivity and independence as well as the performance of the external auditors. These policies and procedures, which were drawn up with reference to the requirements as set out in the Bank Negara Malaysia's Policy Document on External Auditors, are documented in the Public Bank Group's Policy for Appointment/Re-appointment of External Auditors for Audit and Non-Audit Services ("Group Policy").</p> <p>Annually, the Audit Committee reviews and assesses the appointment or re-appointment of external auditors to ascertain that the independence and objectivity of the external auditors as statutory auditors are not compromised. Such reviews are carried out via an assessment checklist in accordance with the criteria as set out in the Group Policy. This assessment checklist covers regulatory requirements, the competency, audit quality and resources capacity of the external auditors pertaining to the audit and non-audit services rendered as well as the independence and objectivity of the external auditors.</p> <p>In the evaluation of the external auditors' independence, the Audit Committee obtained assurance from the external auditors that they have in place robust and comprehensive processes and systems to confirm the independence of its partners and staff of the audits they are engaged in. Detailed programmes are in place to assess such independence on a periodic basis and a monitoring system is in place to ensure their compliance.</p> <p>In addition, the Audit Committee also obtained annual confirmation from the external auditors on its independence in accordance with the By-laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code).</p>

Pursuant to the terms of reference, the Audit Committee will meet with the external auditors to discuss their audit plan, audit findings and their views in respect of the true and fair view of the financial statements of Public Bank and Public Bank Group. Meetings between the Audit Committee and the external auditors without the presence of the Management and Internal Audit Division staff are held at least twice a year. The Audit Committee also meets with the external auditors whenever it deems necessary to discuss key changes to regulatory requirements and the latest developments in the accounting and auditing standards. Such meetings/engagement with the external auditors would also enable the Audit Committee to evaluate suitability, competency, objectivity and independence of the external auditors.

In terms of provision of non-audit services, whilst the external auditors are not precluded from consideration for the provision of advisory, consultancy or other types of non-audit services, due care is taken in the selection process in order to satisfy that the appointment does not impede the independence, quality and conduct of the statutory audit.

On the engagement of external auditors to perform non-audit services, the Audit Committee has to be satisfied that the external auditors are suitable, independent and objective in the provision of such services, no element of conflict of interest and the proposed fees are within the allowable threshold set before recommending the proposed engagement of the external auditors to the Board for consideration and approval. In the event that the allowable threshold is exceeded, special deliberation by the Audit Committee is required to consider the justification and rationale as to why only the particular audit firm or its affiliated consultancy services firm should be appointed to perform the said non-audit services.

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 2025 are set out below:-

	Bank RM'000	Group RM'000
<u>Fees paid/payable to Messrs Ernst &amp; Young PLT</u>		
o Statutory Audit	3,018	6,976
o Regulatory Related	412	926
- <i>Half-Year Limited Review</i>	335	498
- <i>Statement of Risk Management and Internal Control/Statement of Internal Control</i>	28	92
- <i>Review of Banking Return</i>	-	287
- <i>Information System Security Review</i>	42	42
- <i>Corporate Governance</i>	7	7
o Non-Audit	9	225
- <i>Tax</i>	9	71
- <i>Swift Customer Programme Independent Assessment</i>	-	154
	<u>3,439</u>	<u>8,127</u>
<u>Fees paid/payable to other auditors</u>		
o Statutory Audit	-	1,723
o Regulatory Related	-	237
- <i>Half Year Limited Review</i>	-	113
- <i>Statement of Internal Control</i>	-	5
- <i>Verification of Gross Premium Income</i>	-	2
- <i>Limited Assurance</i>	-	117
o Non-Audit	-	81
- <i>Tax</i>	-	80
- <i>Malaysian Business Reporting System Service Fee</i>	-	1
	<u>-</u>	<u>2,041</u>
Grand Total	<u>3,439</u>	<u>10,168</u>

<b>Explanation :</b> <b>for</b> <b>departure</b>		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure :</b>		
<b>Timeframe :</b>		

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted												
<b>Explanation on adoption of the practice</b>	:	<p>The current composition of the Audit Committee comprises five (5) Independent Non-Executive Directors, namely:-</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Name of Audit Committee Members</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Dato' Mohd Hanif bin Sher Mohamed Chairman/Independent Non-Executive Director</td> </tr> <tr> <td>2.</td> <td>Ms Tham Chai Fhong Member/Independent Non-Executive Director</td> </tr> <tr> <td>3.</td> <td>Mr Lim Chao Li Member/Independent Non-Executive Director</td> </tr> <tr> <td>4.</td> <td>Ms Gladys Leong Member/Independent Non-Executive Director</td> </tr> <tr> <td>5.</td> <td>Ms Teoh Meow Choo Member/Independent Non-Executive Director</td> </tr> </tbody> </table>	No.	Name of Audit Committee Members	1.	Dato' Mohd Hanif bin Sher Mohamed Chairman/Independent Non-Executive Director	2.	Ms Tham Chai Fhong Member/Independent Non-Executive Director	3.	Mr Lim Chao Li Member/Independent Non-Executive Director	4.	Ms Gladys Leong Member/Independent Non-Executive Director	5.	Ms Teoh Meow Choo Member/Independent Non-Executive Director
No.	Name of Audit Committee Members													
1.	Dato' Mohd Hanif bin Sher Mohamed Chairman/Independent Non-Executive Director													
2.	Ms Tham Chai Fhong Member/Independent Non-Executive Director													
3.	Mr Lim Chao Li Member/Independent Non-Executive Director													
4.	Ms Gladys Leong Member/Independent Non-Executive Director													
5.	Ms Teoh Meow Choo Member/Independent Non-Executive Director													

### Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

### Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The Audit Committee is established by the Board of Directors and currently comprises five (5) Members, all of whom are Independent Non-Executive Directors.</p> <p>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 the Malaysian Institute of Accountants.</p> <p>The profile of each of the Members of the Audit Committee is set out on pages 176 to 178 of Public Bank 2025 Integrated Annual Report.</p> <p>With the relevant skill sets, knowledge and experience, the Audit Committee Members are financially literate and are able to understand, analyse critically and objectively review, challenge and made recommendations on matters under the purview of the Audit Committee, including the financial reporting process.</p> <p>In discharging the duties and responsibilities over its oversight of the financial reporting process and assessment of the reliability of the financial reporting of Public Bank and Public Bank Group, the Audit Committee also seeks explanations and additional information from the Senior Management team, including from the Chief Financial Officer and the Group Chief Internal Auditor in regard to the financial performance and preparation of the financial statements.</p>

The Audit Committee also reviews and discusses with the external auditors, the outcome of the unaudited quarterly, half yearly and annual audited financial results of Public Bank and Public Bank Group with particular focus on:-

- a) The appropriateness and consistency of the accounting policies applied, their changes and impact, as well as the significant judgements and assumptions made by the Management, including significant unusual events or transactions and how these matters are addressed; and
- b) Conformance with the applicable approved accounting and auditing standards in Malaysia and compliance with other legal and regulatory requirements in terms of disclosures.

During the financial year 2025, the Audit Committee Members have attended/participated in various training courses, conferences, seminars and topical talks on areas relevant to their duties and responsibilities to keep themselves abreast of the relevant and latest developments in banking industry including accounting and auditing standards, environmental, social and governance/climate risk, relevant regulatory requirements as well as effective governance practices.

The details of the continuous professional development undertaken by the Members of the Audit Committee are set out below:-

Organised/ Arranged by	Seminars/Courses/Programmes
Knowledge & Learning, Public Bank	Talk on How and Why Will the Next American Administration Change Globalisation and Global Finance? How Will that Be Felt in Asia? (conducted by Mr David Rennie, Duke CE)
	Talk on Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions: Balancing Risk & Business in Protecting Compliance Standards (conducted by Dr. Vijayaraj R. Kanniah, Visioon Business Solutions)
	Talk on Cybersecurity and AI Friends and Foes (conducted by Professor Öykü Işık, IMD)
	Talk on Beyond Compliance – Strategic ABC Governance in a Risk Intensified Environment (conducted by Mr Chionh Chye Kit, Cynopsis Solutions Pte Ltd)
	Talk on Nature & Biodiversity for Financial Institutions (conducted by Ms Perpetua George, PwC Malaysia)
Bank Negara Malaysia	BNM Sasana Symposium 2025
Public Mutual Bhd	Smarter Oversight - AI & Machine Learning for Fund Management Directors

	Organised/ Arranged by	Seminars/Courses/Programmes
	Asia School of Business	Talk on Climate First....or Last? by Professor Mak Yuen Teen and Tina Thomas
		AI - Powered Leadership Conference
	FIDE FORUM	Special Lecture on How Global Events will Affect the Outlook for the Financial Industry in 2025
		E-Invoice & Service Tax Impact on Independent Directors
		Engagement Session with FIDE FORUM Members on Bank Negara Malaysia Annual Report 2024, Economic and Monetary Review 2024 and Financial Stability Review for Second Half 2024
		Masterclass - Navigating High-Tech Financial Crime: Key Risks and Board Responsibilities
<b>Explanation :</b> <b>for departure</b>		
	<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure :</b>		
<b>Timeframe :</b>		

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company’s objectives is mitigated and managed.

### Practice 10.1

The board should establish an effective risk management and internal control framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is responsible for setting the risk and compliance culture and imperatives for the effective risk management and internal controls of the Public Bank Group by framing the risk appetite, risk strategies, risk and compliance policies and defining the risk levels which the Group is willing to take to achieve its corporate strategies and business objectives. Accordingly, the Board participates actively in the formulation of the Group’s strategic planning and governance framework to oversee that the risk-taking activities are undertaken within the risk boundaries and in accordance with the governance structure.</p> <p>Invariably, as there may be inherent limitations in any risk management and internal control system, the Public Bank Group’s risk management and internal control system can therefore provide only reasonable but not absolute assurance on the occurrence of any material financial misstatement, fraud or losses.</p> <p>In discharging its fiduciary duties, the Board is assisted by dedicated Board Committees with delegated authorities and appropriate terms of reference approved by the Board to oversee all relevant and material risk types, compliance and control effectiveness. The Board Committees are Nomination and Remuneration Committee, Audit Committee, Risk Management Committee, Compliance Committee, Credit Risk Management Committee, Board Sustainability Management Committee and Shariah Committee.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p><u>Management Responsibilities</u></p> <p>The Management is overall responsible for the effective implementation of the risk framework and operationalisation of control systems within the Public Bank Group's daily business operations in accordance with the policies approved by the Board.</p> <p>The undertaking of the Management responsibilities is supported by Management Committee, Group Human Resource Committee, Credit Committee, Operational Risk Management Committee, Assets &amp; Liabilities Management Committee, Business Continuity Management Committee, IT Steering Committee and Sustainability Management Committee.</p> <p>The Managing Director &amp; Chief Executive Officer and the Chief Financial Officer have provided assurance to the Board that the Public Bank Group's risk management and internal control system is operating adequately and effectively.</p>

Risk Accountabilities

The Public Bank Group adopts the three lines of defence risk framework which clearly separates the business origination and risk undertaking roles from risk reviews and management oversight. Overview of this risk framework is depicted below:-

Lines of Defence	First Line	Second Line	Third Line
	Business and Support Functions	Risk Management Function, Compliance Function	Internal Audit Function
Roles	<ul style="list-style-type: none"> <li>Owns the risks by identifying, assessing and managing risks in day-to-day activities including designing and implementing controls.</li> <li>Accountable for operating within the approved risk appetite and limits, in accordance with established frameworks, policies and procedures.</li> <li>Ensures that business decisions and activities are aligned with the strategic objectives.</li> </ul>	<ul style="list-style-type: none"> <li>Provides oversight and support by establishing the frameworks, policies and monitoring mechanism to measure and detect risk.</li> <li>Monitors all risk-related matters to ensure risks are managed within the approved risk boundaries and risk management objectives are met.</li> <li>Monitors to ensure compliance with all relevant laws, regulations, ethical standards of behaviour and internal controls.</li> </ul>	<ul style="list-style-type: none"> <li>Conducts independent reviews and audits to assess the overall effectiveness of risk management governance, controls and processes.</li> <li>Provides independent review and assurance on the state of risk management and internal controls.</li> <li>Presents findings on risk management and internal control issues and recommendations for improvements to Management.</li> <li>Reports findings and actions taken or recommendation to Audit Committee.</li> </ul>

Key Internal Control System

(i) Organisation Structure

The Public Bank Group has a formal organisation structure with clear and defined accountability, responsibility and reporting lines. During the year, it was strengthened by the Public Bank Responsibility Mapping Framework providing greater clarity, transparency and accountability on the specific roles of each Senior Management responsible for planning, directing or controlling the activities of the Group. This process ensures execution of actions that are consistent with good governance and sound risk management to support the long-term financial soundness of the Group.

	<p>(ii) Internal Controls, Policies and Procedures</p> <p>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 are formulated to ensure compliance with internal controls and relevant laws and regulations. The policies and procedures are subject to periodic review to ensure continuing relevance having considered the changes in the operational requirements, business environment or regulatory requirements and are approved by the approving authorities prior to implementation.</p> <p>The adequacy and effectiveness of the internal controls, policies and procedures as well as the level of compliance with the relevant laws, regulations, policies and procedures are subject to ongoing assessment by the Risk Management, Compliance and Internal Audit Functions.</p> <p>For further information, please refer to the Statement on Risk Management and Internal Control as set out on pages 400 to 408 of the Public Bank 2025 Integrated Annual Report.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

**Intended Outcome**

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

**Practice 10.3 - Step Up**

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The Risk Management Committee ("RMC") is established by the Board and comprises eight (8) members, five (5) of whom including the Chair are Independent Non-Executive Directors. The Chair of the RMC is not the Chair of the Board.</p> <p>The RMC is responsible to assist the Board in overseeing the enterprise risk management and internal control systems for all relevant and material risk types. The RMC reviews the soundness and the effectiveness of the risk management frameworks, policies and limits to ascertain their appropriateness to the nature, size and complexity of the Public Bank Group's activities. The RMC also reviews risk appetite, risk positions, portfolio compositions, challenges the risk practices and assesses the adequacy of the infrastructure, resources and systems to support an effective risk management for the Group.</p>

## Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Public Bank has an in-house Internal Audit function which is carried out by the Internal Audit Division (“IAD”). IAD is governed by the Internal Audit Charter (“IAC”) approved by the Board which sets out the purpose, objectives, authority, scope of work and responsibilities of the Internal Audit function. The IAC which was drawn up with reference to the relevant guidelines and policy document issued by Bank Negara Malaysia and the Basel Committee on Banking Supervision, is reviewed annually to ensure that it remains relevant and is updated with the latest developments in the applicable regulatory requirements. The latest IAC is published in the Bank’s intranet for all the staff of Public Bank and Public Bank Group to access.</p> <p>The Audit Committee reviews the performance and effectiveness of the Internal Audit function based on the approved key performance indicators as well as assesses the competency and experience of the IAD staff. The Audit Committee also reviews the adequacy of the Internal Audit function’s authority and resources to carry out its work objectively, independently and effectively, and that the staff of IAD 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.</p> <p>To reflect the independence of the Internal Audit function, IAD staff report directly to the Group Chief Internal Auditor (“GCIA”), who in turn reports functionally to the Board through the Audit Committee. The Audit Committee is responsible for approving the appointment, replacement and dismissal of the GCIA, as well as evaluating the GCIA’s performance and reviewing the remuneration and any bonuses payable to the GCIA. In addition, the Audit Committee has sole authority to approve the recruitment, confirmation of services and dismissal of IAD Senior Management staff, evaluate their annual performance, approve salary increments, performance bonuses and upgrading as well as approve the transfers to or from IAD for this category of staff.</p> <p>The details of the Audit Committee’s oversight over the Internal Audit function are set out under the Audit Committee Report on pages 417 to 420 of the Public Bank 2025 Integrated Annual Report.</p>

<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

## Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board had, through the established Audit Committee, disclosed in the Audit Committee Report in Public Bank 2025 Integrated Annual Report the relevant information as follows:-</p> <p>Internal Audit Division (“IAD”) of the Bank comprises ten (10) sections specialising in auditing the various business areas of the Bank and has a staff strength of 205 individuals, majority of whom are equipped with the relevant experience and qualifications.</p> <p>The Group Chief Internal Auditor (“GCI”), Mr Lim Then Fui oversees the Internal Audit functions of Public Bank and Public Bank Group. He is a Chartered Accountant of the Malaysian Institute of Accountants, a Member of the Malaysian Institute of Certified Public Accountants, and a Certified Bank Auditor. The GCI has a total of 46 years of working experience in auditing, risk management, compliance and commercial banking. He is also a member of the Chief Internal Auditors Networking Group.</p> <p>The Internal Audit function performs ongoing periodic reviews and assessments of the Bank’s risk management systems, internal controls, anti-corruption measures, whistleblowing mechanisms and governance processes. These activities are carried out in accordance with the requirements as set out in the Bank Negara Malaysia’s Guidelines on Internal Audit Function of Licensed Institutions as well as the Malaysian Code on Corporate Governance 2021. The Internal Audit function also adheres to the relevant standards outlined in the Institute of Internal Auditors’ International Standards for Professional Practice of Internal Auditing.</p> <p>IAD had, at the end of third quarter 2023 engaged an external consultant to conduct a Quality Assurance Review (“QAR”) to assess its effectiveness. IAD had implemented all enhancement initiatives recommended in the QAR report to further improve the effectiveness of Internal Audit function.</p>

	<p>IAD has established several frameworks with specific purposes, such as Risk Assessment and Audit Planning and Audit Grading to ensure consistency, objectivity and effectiveness in how audits are planned, executed and reported. These frameworks were approved by the Audit Committee and are subject to review on an annual or biennial basis.</p> <p>As part of the measures to ascertain that IAD staff are free from any relationships or conflicts of interest situation, which could impair their objectivity and independence, IAD staff who were transferred from other divisions or branches within Public Bank are not allowed to conduct audit on areas in which they were previously engaged until the “cooling off” period is over after an independent audit has been conducted, whichever is earlier. For this purpose, the “cooling off” period shall not be less than six (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.</p> <p>In order to internalise objectivity and independence, Internal Audit function does not have responsibility or authority over any audit area nor is involved in any activity that may impair the judgement of the Internal Audit function. For this purpose, when providing consulting and advisory services to Management, such as review of the risk exposures of new systems, business products and services to assess the controls that should be put in place to mitigate the associated risks identified prior to implementation, Internal Audit is not involved in the system selection or implementation process in order to maintain its objectivity and independence.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

### Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p><u>Communication with Stakeholders</u></p> <p>Public Bank places strong emphasis on meaningful and transparent engagement with its stakeholders. The Board remains committed to ensuring that disclosure of the Bank's latest developments is adequate and accurate, with timely updates on the Bank's strategic directions, business activities, financial performance, governance practices and sustainability initiatives.</p> <p>Public Bank adopts comprehensive investor relations strategy that combines digital engagement and in-person interactions. The Integrated Annual Report, quarterly results briefings, investor meetings, roadshows, conferences, Annual General Meeting, press conferences and the corporate website continue to serve as key communication channels, ensuring the investment community stays well informed of Public Bank's developments and performance.</p> <p>Public Bank's corporate website, <a href="http://www.publicbankgroup.com">www.publicbankgroup.com</a> which features dedicated sections on investor relations, corporate governance and sustainability, is regularly updated to ensure timely and effective dissemination of information to stakeholders. To further strengthen communication on sustainability matters, Public Bank also issues a comprehensive Sustainability Report within its Integrated Annual Report, outlining the Bank's management approach, key initiatives, objectives and achievements in addressing material sustainability matters.</p> <p>Public Bank continues to enhance its engagement efforts across various investor relations channels and ensure that the Board and Management remain attuned to stakeholders' evolving expectations. These ongoing engagements support timely, meaningful and responsive communication, as part of Public Bank's commitment to transparency and accountability in creating sustainable long-term value for all stakeholders.</p> <p>The Bank adheres to industry best practices in terms of stakeholder engagement, and complies with Bursa Malaysia Securities Berhad ("Bursa Malaysia") Main Market Listing Requirements relating to compulsory disclosures, as well as other recommended practices as set forth in the Malaysian Code on Corporate Governance 2021.</p>

The Bank utilises the following communication channels:-

#### General Meetings

The Annual General Meeting remains a key platform for shareholders to engage directly with the Board and Senior Management. It provides an opportunity for shareholders to vote on proposed matters, voice views and concerns, and seek clarification on the Bank's strategic direction, operations and overall performance. On 8 May 2025, Public Bank convened its 59th Annual General Meeting in a hybrid format, enabling both physical and virtual participation by shareholders. This approach enhances greater accessibility and transparency for all shareholders.

At the Annual General Meeting, the Managing Director & Chief Executive Officer delivered a comprehensive review of the Public Bank Group's financial performance, future prospects and strategic priorities. Shareholders submitted questions before and during the live streaming session of the Annual General Meeting, as well as during the physical question and answer session, and all enquiries related to the meeting agenda were duly addressed. The Board and Senior Management also took note of the valuable feedback and constructive suggestions shared by shareholders. The minutes of the general meeting proceedings are available on Public Bank's corporate website at [www.publicbankgroup.com](http://www.publicbankgroup.com).

#### Integrated Annual Report

The Bank's Integrated Annual Report for 2025 adopts a holistic reporting approach aligned with the internationally recognised Integrated Reporting Framework. The Integrated Annual Report provides a comprehensive view of the Group, including its leadership, achievements, value creation model, financial performance, business review, overview statement on corporate governance and other areas of shareholders' interests.

Within the Integrated Annual Report, Public Bank's Sustainability Report updates the Bank's approach and progress on sustainability, including material sustainability risks and opportunities pertinent to the Bank's operations, its governance structure, sustainability risk management policies, initiatives as well as performance metrics related to sustainability.

#### Dates of Issuance of Integrated Annual Report

	Date of Issue	Number of Days after end of Year	Bursa Malaysia Deadline
2025 Integrated Annual Report	6 April 2026	96	30 April 2026
2024 Integrated Annual Report	9 April 2025	99	30 April 2025

### Quarterly Financial Result Announcements

The quarterly financial performance of the Bank, accessible via Public Bank's corporate website and the Bursa Malaysia website, is announced in compliance with the Bursa Malaysia Main Market Listing Requirements. To keep analysts abreast of the Bank's latest performance and strategy, the Bank conducts virtual analyst briefings following each quarterly financial results announcement.

#### Dates of Announcement of Quarterly Financial Results

2025	Date of Announcement	Number of Days After End of Quarter	Bursa Malaysia Deadline
1st Quarter	21 May 2025	51	31 May 2025
2nd Quarter	26 August 2025	57	31 August 2025
3rd Quarter	17 November 2025	48	30 November 2025
4th Quarter	25 February 2026	56	28 February 2026

### Public Bank's Corporate Website

Stakeholders can access historical and current information on the Bank via Public Bank's corporate website at [www.publicbankgroup.com](http://www.publicbankgroup.com), which is updated on a regular basis. The information featured on the corporate website covers:-

- Board Charter
- Composition and Terms of Reference of the Board Committees
- Constitution
- Corporate Policies (Whistleblowing Policy and Procedures & Anti Bribery and Anti-Corruption Policy)
- Investor Relations
- Financial information (Financial Reports & Investor Presentations)
- Sustainability reports and ESG documents
- Documentation of past General Meetings
- News and announcements

### Investor Relations

The Investor Relations ("IR") team of the Bank encourages open, and active communication with its stakeholders. The Senior Management of the Bank actively engages in IR activities, including analysts' briefing, IR meetings and telepresence, and investor roadshows and conferences to keep domestic and international investing communities informed of the Bank's performance and prospects.

Investor Relations Meetings	Number of Meetings	Number of Investors / Analysts
Analysts' Briefing	4	292
IR Meeting / Telepresence	37	151
Investors Roadshow / Conference	6	72

	<p>The investment community can engage with Public Bank through its dedicated investor relations team as follows:-</p> <p><b>PUBLIC BANK BERHAD</b></p> <table border="0"> <tr> <td data-bbox="427 405 911 546"> <p>Tan Sri Dato' Sri (Dr) Tay Ah Lek <i>Managing Director &amp; Chief Executive Officer</i> Telephone number: +603-2176 6000 E-mail: <a href="mailto:ir@publicbank.com.my">ir@publicbank.com.my</a></p> </td> <td data-bbox="970 405 1445 546"> <p>Chang Siew Yen <i>Deputy Chief Executive Officer</i> Telephone number: +603-2176 7461 E-mail: <a href="mailto:changsiwyyen@publicbank.com.my">changsiwyyen@publicbank.com.my</a></p> </td> </tr> <tr> <td data-bbox="427 591 871 732"> <p>Yik Sook Ling <i>Chief Financial Officer</i> Telephone number: +603-2177 3310 E-mail: <a href="mailto:yiksookling@publicbank.com.my">yiksookling@publicbank.com.my</a></p> </td> <td data-bbox="970 591 1509 808"> <p>Chong Soo Loong <i>General Manager</i> <i>Corporate Planning, Economics &amp; Sustainability Management</i> Telephone number: +603-2177 3152 E-mail: <a href="mailto:chongsooloong@publicbank.com.my">chongsooloong@publicbank.com.my</a></p> </td> </tr> </table> <p>Investor Relations Unit</p> <p>Denise Fong Po Yen <i>Manager</i> <i>Corporate Planning, Economics &amp; Sustainability Management</i> Telephone number: +603-2176 6293 E-mail: <a href="mailto:ir@publicbank.com.my">ir@publicbank.com.my</a></p> <table border="0"> <tr> <td data-bbox="427 1205 858 1422"> <p><b>PUBLIC FINANCIAL HOLDINGS LIMITED</b></p> <p>Chong Yam Kiang <i>Executive Director</i> Telephone number: +852-2541 9222 E-mail: <a href="mailto:chongyk@publicbank.com.hk">chongyk@publicbank.com.hk</a></p> </td> <td data-bbox="970 1205 1509 1422"> <p><b>LPI CAPITAL BHD GROUP</b></p> <p>Tan Kok Guan <i>Executive Director / Group Chief Executive Officer</i> Telephone number: +603-2034 2670 E-mail: <a href="mailto:kgtan@lonpac.com">kgtan@lonpac.com</a></p> </td> </tr> </table>	<p>Tan Sri Dato' Sri (Dr) Tay Ah Lek <i>Managing Director &amp; Chief Executive Officer</i> Telephone number: +603-2176 6000 E-mail: <a href="mailto:ir@publicbank.com.my">ir@publicbank.com.my</a></p>	<p>Chang Siew Yen <i>Deputy Chief Executive Officer</i> Telephone number: +603-2176 7461 E-mail: <a href="mailto:changsiwyyen@publicbank.com.my">changsiwyyen@publicbank.com.my</a></p>	<p>Yik Sook Ling <i>Chief Financial Officer</i> Telephone number: +603-2177 3310 E-mail: <a href="mailto:yiksookling@publicbank.com.my">yiksookling@publicbank.com.my</a></p>	<p>Chong Soo Loong <i>General Manager</i> <i>Corporate Planning, Economics &amp; Sustainability Management</i> Telephone number: +603-2177 3152 E-mail: <a href="mailto:chongsooloong@publicbank.com.my">chongsooloong@publicbank.com.my</a></p>	<p><b>PUBLIC FINANCIAL HOLDINGS LIMITED</b></p> <p>Chong Yam Kiang <i>Executive Director</i> Telephone number: +852-2541 9222 E-mail: <a href="mailto:chongyk@publicbank.com.hk">chongyk@publicbank.com.hk</a></p>	<p><b>LPI CAPITAL BHD GROUP</b></p> <p>Tan Kok Guan <i>Executive Director / Group Chief Executive Officer</i> Telephone number: +603-2034 2670 E-mail: <a href="mailto:kgtan@lonpac.com">kgtan@lonpac.com</a></p>
<p>Tan Sri Dato' Sri (Dr) Tay Ah Lek <i>Managing Director &amp; Chief Executive Officer</i> Telephone number: +603-2176 6000 E-mail: <a href="mailto:ir@publicbank.com.my">ir@publicbank.com.my</a></p>	<p>Chang Siew Yen <i>Deputy Chief Executive Officer</i> Telephone number: +603-2176 7461 E-mail: <a href="mailto:changsiwyyen@publicbank.com.my">changsiwyyen@publicbank.com.my</a></p>						
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<p><b>PUBLIC FINANCIAL HOLDINGS LIMITED</b></p> <p>Chong Yam Kiang <i>Executive Director</i> Telephone number: +852-2541 9222 E-mail: <a href="mailto:chongyk@publicbank.com.hk">chongyk@publicbank.com.hk</a></p>	<p><b>LPI CAPITAL BHD GROUP</b></p> <p>Tan Kok Guan <i>Executive Director / Group Chief Executive Officer</i> Telephone number: +603-2034 2670 E-mail: <a href="mailto:kgtan@lonpac.com">kgtan@lonpac.com</a></p>						
<p><b>Explanation</b> :</p> <p><b>for departure</b></p>							
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>							
<p><b>Measure</b> :</p>							
<p><b>Timeframe</b> :</p>							

**Intended Outcome**

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

**Practice 12.2**

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Public Bank 2025 Integrated Annual Report adopts practices in line with the globally recognised Integrated Reporting Framework. The 2025 Integrated Annual Report covers relevant and material matters to the Public Bank Group, including its approach towards value creation. The enhancement of the Bank's Integrated Annual Report will be an ongoing process, as the Bank continues in its integrated reporting journey.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Shareholders are given sufficient notice and time to consider the resolutions that will be discussed and decided at the Annual General Meeting. In line with the recommendation of Practice 13.1 of the Malaysian Code on Corporate Governance 2021, the Notice of Public Bank's Annual General Meetings were given to shareholders at least 28 days prior to the meetings.</p> <p>The Notice of Public Bank's 60th Annual General Meeting ("AGM") to be held on 5 May 2026 was given to the shareholders on 6 April 2026, which is 28 days prior to the date of the AGM. Explanatory notes on the resolutions proposed are provided in the Notice of Public Bank's 60th AGM to enable shareholders to make informed decision when exercising their voting rights.</p> <p>The Notice of Public Bank's 60th AGM, the Administrative Details and Proxy Form were made available on Public Bank's corporate website at <a href="http://www.publicbankgroup.com">www.publicbankgroup.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.2**

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Public Bank’s 59th Annual General Meeting (“AGM”) was held on 8 May 2025 at the Grand Ballroom, Shangri-La Hotel Kuala Lumpur (Main Venue) and broadcasted live via TIIH Online platform at <a href="https://tiih.online">https://tiih.online</a>. All the nine (9) Directors including the Chairs of the respective Board Committees were present in person at the Main Venue.</p> <p>During the questions and answers session, the Board first addressed the questions raised by the Minority Shareholders Watch Group followed by questions submitted by shareholders/proxies prior to the AGM. Thereafter, the Board addressed questions submitted online via the Query Box facility during the AGM followed by questions from the shareholders, proxies and corporate representatives present in person at the Main Venue.</p> <p>For efficiency purpose, similar questions raised pertaining to the same matter were grouped together and the Board provided a single response to them.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders’ participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Since the Public Bank’s 54th Annual General Meeting (“AGM”) held on 29 June 2020, the Bank has leveraged on technology to facilitate remote shareholders’ participation and conduct of poll via e-voting.</p> <p>Public Bank’s 59th AGM held on 8 May 2025 was conducted in a hybrid mode in line with Paragraph 8.27A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, whereby shareholders were able to attend the AGM in person at the Main Venue or participate virtually through live streaming and online remote voting via Remote Participation and Voting (RPV) facilities provided by the Company’s Share Registrar, Tricor Investor &amp; Issuing House Services Sdn Bhd (“Tricor”) via its TIIH Online website at <a href="https://tiih.online">https://tiih.online</a>.</p> <p>Tricor had confirmed that it has implemented an Information Technology Policy and Information Security Policy, endpoint controls and data classification for cyber hygiene practices of the staff. Stress test and penetration testing had been performed on TIIH Online to test its resiliency. To provide further assurance to the public, Tricor Malaysia is ISO27001 certified and in addition to this, the TIIH Online is hosted on a secure cloud platform and the data centre is ISO27001 certified.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.4**

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company’s financial and non-financial performance as well as the company’s long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>The Public Bank’s 59th Annual General Meeting (“AGM”) held on 8 May 2025 was conducted in a hybrid mode whereby the shareholders were able to attend the meeting in person or participate virtually through live streaming and online remote voting. Shareholders were provided adequate opportunity to submit questions to the Board prior to the AGM through the online platform provided by the Share Registrar, Tricor Investor &amp; Issuing House Services Sdn Bhd via its TIIH Online website at <a href="https://tiih.online">https://tiih.online</a> or used the Query Box to transmit questions via the Remote Participation and Voting facilities during live streaming of the AGM.</p> <p>Questions from the Minority Shareholders Watch Group and shareholders/proxies which were raised prior to and during the AGM were shared with the meeting participants and all relevant questions from the floor or received through the Query Box were addressed by the Chairman or the Managing Director &amp; Chief Executive Officer during the questions and answers session of the AGM.</p> <p>The minutes of the 59th AGM (including all the relevant questions raised prior to and during the AGM) were made available on Public Bank’s corporate website at <a href="http://www.publicbankgroup.com">www.publicbankgroup.com</a>. Questions which were received after the close of the questions and answers session were responded directly to the shareholders via e-mails.</p>
<b>Explanation for departure</b>	:  

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The Public Bank’s 59th Annual General Meeting (“AGM”) held on 8 May 2025 was conducted in a hybrid mode whereby shareholders were given the option, either to attend in person or to participate virtually through live streaming and online remote voting.</p> <p>Shareholders were able to submit questions to the Board prior to the AGM via the Share Registrar, Tricor Investor &amp; Issuing House Services Sdn Bhd’s TIH Online website at <a href="https://tiah.online">https://tiah.online</a> or they used the Query Box to transmit questions to the Board via the Remote Participation and Voting facilities during the live streaming of the AGM. The shareholders were allowed to submit their questions at any time from the date of issuance of the notice of AGM up to the time when the AGM was in progress.</p> <p>Questions from the Minority Shareholders Watch Group and shareholders/proxies which were raised prior to and during the AGM were shared with the meeting participants and all relevant questions from the floor or received through the Query Box were addressed by the Chairman or the Managing Director &amp; Chief Executive Officer during the questions and answers session of the AGM.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.6**

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The minutes of Public Bank’s 59th Annual General Meeting (“AGM”) held on 8 May 2025 including the relevant questions raised by shareholders and the responses provided were made available on Public Bank’s corporate website at <a href="http://www.publicbankgroup.com">www.publicbankgroup.com</a> within 30 business days after the AGM.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

## SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT TO CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

### BOARD OF DIRECTORS

#### Board Composition

The Board currently comprises the following nine (9) Members:-

<u>Name of Director</u>	<u>Designation</u>
1. Mr Lai Wan	Non-Independent Non-Executive Chairman
2. Tan Sri Dato' Sri (Dr) Tay Ah Lek	Managing Director & Chief Executive Officer
3. Ms Cheah Kim Ling	Non-Independent Non-Executive Director
4. Mr Lee Chin Guan	Non-Independent Non-Executive Director
5. Dato' Mohd Hanif bin Sher Mohamed	Independent Non-Executive Director
6. Ms Tham Chai Fhong	Independent Non-Executive Director
7. Mr Lim Chao Li	Independent Non-Executive Director
8. Ms Gladys Leong	Independent Non-Executive Director
9. Ms Teoh Meow Choo	Independent Non-Executive Director

#### Key Personal Details and Background

The key personal details and background of each Director are as set out on pages 174 to 178 of the Public Bank 2025 Integrated Annual Report and also available on Public Bank's corporate website at [www.publicbankgroup.com](http://www.publicbankgroup.com).

#### Directors' Interests in Shares of Public Bank

The Directors' direct and deemed interests in shares of Public Bank are as set out on page 422 of the Public Bank 2025 Integrated Annual Report.

#### Roles and Responsibilities of Board

The roles and responsibilities of the Board are as disclosed under Section A, Practice 1.1 of this Corporate Governance Report.

### Number of Meetings Convened by the Board and Attendance of Each Director

The Directors' record of attendance at Board meetings held in the financial year ended 31 December 2025 is as reflected below:-

Name of Director	Number of Board Meetings Attended/Held
<u>Non-Independent</u>	
Mr Lai Wan <i>Non-Executive Chairman</i>	18/18
Tan Sri Dato' Sri (Dr) Tay Ah Lek <i>Managing Director &amp; Chief Executive Officer</i>	18/18
Mr Lee Chin Guan <i>Non-Executive Director</i>	18/18
Ms Cheah Kim Ling <i>Non-Executive Director</i>	18/18
<u>Independent</u>	
Dato' Mohd Hanif bin Sher Mohamed <i>Non-Executive Director</i>	18/18
Ms Tham Chai Fhong <i>Non-Executive Director</i>	18/18
Mr Lim Chao Li <i>Non-Executive Director</i>	18/18
Ms Gladys Leong <i>Non-Executive Director</i>	18/18
Ms Teoh Meow Choo <i>Non-Executive Director</i>	18/18

## **Directors' Training and Development**

In recognition of the increasingly complex and multi-dimensional responsibilities of a Director, the Board places significant emphasis on continuous training and professional development to keep abreast of emerging trends, regulations and operating environments.

The Board is guided by the training policy for the Directors as outlined in the Board Charter which sets out the Mandatory Training Programmes required to be completed by all Directors, Elective Programmes that focus on Board Committees, technical and advanced governance issues, as well as Enrichment Programmes for Directors to keep abreast with the developments in the market place.

The Board actively fosters a culture of continuous learning by encouraging Directors to participate in training programmes and seminars. Directors are supported in identifying their training needs by the Company Secretary and the Bank's Knowledge and Learning who facilitate and coordinate the relevant programmes which are applicable to their development requirements.

To keep everyone abreast on key market trends and developments, the Bank's Knowledge & Learning plays a vital role in organising in-house tailored programmes for both the Directors and Management of the Bank. These programmes frequently feature external subject-matter experts who provide insights on topics relating to current market issues or trends. Such training sessions have proven to keep the Directors and Management abreast and in tune with market developments so that they are well equipped to identify emerging risks and opportunities in their respective role within the Bank.

Talks, seminars and training programmes attended by Directors in 2025 included the following:-

### **Governance, Risk, Compliance and Regulatory**

- Masterclass - Navigating High-Tech Financial Crime: Key Risks and Board Responsibilities
- E-Invoice & Service Tax Impact on Independent Directors
- Talk on Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions: Balancing Risk & Business in Protecting Compliance Standards
- Talk on Beyond Compliance - Strategic ABC Governance in a Risk Intensified Environment
- Dialogue Session with Securities Commission Malaysia
- 2025 Director Training Series: Dialogue with Regulators (Session 2: Learn from Pitfalls in Corporate Transactions)
- 2025 Director Training Series: Dialogue with Regulators (Session 3: Board Governance: Driving Audit Quality and Credible Disclosure)

### **Banking, Finance, Insurance and Economy**

- Talk on How and Why Will the Next American Administration Change Globalisation and Global Finance? How Will that Be Felt in Asia?
- Special Lecture on How Global Events will Affect the Outlook for the Financial Industry in 2025
- Engagement Session with FIDE FORUM Members on BNM Annual Report 2024, Economic and Monetary Review 2024 and Financial Stability Review for Second Half 2024
- BNM Sasana Symposium 2025

### **Sustainability/Environmental, Social and Governance (“ESG”)**

- Talk on Climate First...or Last?
- Talk on Nature & Biodiversity for Financial Institutions

### **Artificial Intelligence and Cybersecurity**

- Talk on Cybersecurity and AI Friends and Foes
- AI - Powered Leadership Conference
- Smarter Oversight - AI & Machine Learning for Fund Management Directors

### **Board Committees**

While the Board has ultimate responsibility for the affairs of the Bank, the following dedicated Board Committees have been established with delegated authority to support the Board in carrying out its functions:-

- Nomination and Remuneration Committee
- Audit Committee
- Risk Management Committee
- Compliance Committee
- Credit Risk Management Committee
- Board Sustainability Management Committee

Common memberships in Board Committees such as the Audit Committee, Risk Management Committee and Compliance Committee, facilitate a holistic overview of the risk and control functions under the oversight of these 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. Any changes to the terms of reference of the Board Committees require the approval by the Board.

## ■ Nomination and Remuneration Committee

Public Bank's Nomination and Remuneration Committee comprises majority Independent Non-Executive Directors. Dato' Mohd Hanif bin Sher Mohamed, an Independent Non-Executive Director, is the Chair of the Nomination and Remuneration Committee.

The roles and responsibilities of the Nomination and Remuneration Committee are as follows:-

- To establish the minimum requirements on the skills, knowledge, expertise, experience, qualifications and other core competencies of a Director and of the Chief Executive Officer ("CEO") and Deputy CEO.
- To assess and recommend to the Board suitable persons for appointment as Directors, Board Committee Members, CEO, Deputy CEO and other key responsible persons ("KRPs") as defined in the Bank Negara Malaysia ("BNM") Policy Document on Fit and Proper Criteria.
- In the case of persons for appointment as Independent Non-Executive Director, to assess that the person meets the criteria of Independent Director as may be defined in the BNM Policy Document on Corporate Governance and in the Bursa Malaysia Securities Berhad Main Market Listing Requirements. This includes to assess annually that the Independent Director meets the criteria of an Independent Director as may be defined in the BNM Policy Document on Corporate Governance and in the Bursa Malaysia Securities Berhad Main Market Listing Requirements.
- To assess and recommend to the Board, the Directors/CEO for re-appointment before the application for approval is submitted to BNM.
- To oversee the Board succession plan and overall composition of the Board in terms of appropriate size, required mix of skills, experience and core competencies, and adequacy of balance between Executive Directors, Non-Executive Directors and Independent Directors through annual review.
- To establish the mechanisms for the formal assessment of the effectiveness of the Board as a whole; the Board Committees; the effectiveness of each Director; and the performance evaluation of the CEO, Deputy CEO and other KRPs as defined in the BNM Policy Document on Fit and Proper Criteria. The annual assessment to be conducted would be based on objective performance criteria as approved by the Board.
- To assess, on an annual basis, that the Directors, the CEO, the Deputy CEO, the Company Secretary and other KRPs as defined in the BNM Policy Document on Fit and Proper Criteria are not disqualified under Section 59 of the Financial Services Act 2013 and that the Directors, the CEO, the Deputy CEO, the Company Secretary and other KRPs as defined in the BNM Policy Document on Fit and Proper Criteria continue to meet the fit and proper criteria as stated in the Financial Services Act 2013; BNM Policy Document on Fit and Proper Criteria and the Company's Fit and Proper Policy as approved by the Board.

- To review periodically that all Directors receive appropriate continuous training programmes in order to broaden their perspectives and to keep abreast with developments in the market place and with changes in new statutory and regulatory requirements.
- To recommend to the Board the removal of a Director, the CEO, the Deputy CEO if he/she is ineffective, errant or negligent in discharging his/her responsibilities, or if he/she fails to meet the fit and proper criteria as defined in the Financial Services Act 2013, the BNM Policy Document on Fit and Proper Criteria and the Company's Fit and Proper Policy.
- To recommend to the Board the removal of KRPs as defined in the BNM Policy Document on Fit and Proper Criteria if they are ineffective, errant or negligent in discharging their responsibilities.
- To review periodically and recommend to the Board the remuneration system for Directors, CEO, Deputy CEO and other KRPs as defined in the BNM Policy Document on Fit and Proper Criteria to ensure that rewards are in line with the business risk strategy, corporate values and long term interest of the Bank.
- To oversee the performance evaluation of the CEO, Deputy CEO and other KRPs as defined in the BNM Policy Document on Fit and Proper Criteria and recommend to the Board their promotions, specific adjustments in remuneration and/or reward payments if any, reflecting their contributions for the year; and which are competitive and consistent with the Bank's objectives, culture and strategy.
- To oversee 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, and reviews and recommends changes to the Board whenever necessary.
- To keep abreast of the terms and conditions of service of the CEO, the Deputy CEO and other KRPs as defined in the BNM Policy Document on Fit and Proper Criteria including their total remuneration package for market comparability; and reviews and recommends changes to the Board whenever necessary.
- To keep abreast of the remuneration packages for Members of Board Committees to ensure that they commensurate with the scope of responsibilities held, and reviews and recommends changes to the Board whenever necessary.
- To carry out such other responsibilities as may be specified by BNM or other regulatory authorities or delegated by the Board from time to time.

The Nomination and Remuneration Committee meets at least twice a year or as and when required.

The attendance of Members at the Nomination and Remuneration Committee meetings held in 2025 is as reflected below:-

Name of Committee Members	Number of Nomination and Remuneration Committee Meetings Attended/Held
Dato' Mohd Hanif bin Sher Mohamed ( <i>Chairman</i> ) <i>Independent Non-Executive</i>	7/7
Ms Cheah Kim Ling <i>Non-Independent Non-Executive</i>	7/7
Mr Lee Chin Guan <i>Non-Independent Non-Executive</i>	7/7
Mr Lim Chao Li <i>Independent Non-Executive</i>	7/7
Ms Tham Chai Fhong <i>Independent Non-Executive</i>	7/7
Ms Gladys Leong <i>Independent Non-Executive</i>	7/7

■ Audit Committee

Public Bank's Audit Committee comprises exclusively of Independent Non-Executive Directors. Dato' Mohd Hanif bin Sher Mohamed, an Independent Non-Executive Director, is the Chair of Audit Committee.

The responsibilities and duties of the Audit Committee are as follows:-

a. Risk Management Systems, Internal Controls and Governance Processes

To review the adequacy, soundness and effectiveness of the risk management systems, internal controls, anti-corruption measures, whistleblowing policy and governance processes implemented in Public Bank.

b. Internal Audit

- To assess and approve the appointment, replacement and dismissal of the Group Chief Internal Auditor ("GCIA"). On an annual basis, to review and assess the suitability of the GCIA, being a key responsible officer, in accordance with the fit and proper criteria as approved by the Board of Directors. The assessments shall be escalated to the Board of Directors for noting.
- To evaluate the performance and approve the remuneration of the GCIA as proposed by Human Capital Management and escalate the outcome to the Board of Directors for noting.
- To approve the recruitment and dismissal of the Senior Management staff (Senior Manager and above) of Internal Audit Division.
- To evaluate and approve the performance and remuneration of the Senior Management staff of the Internal Audit Division as proposed by Human Capital Management.
- To review the adequacy of the scope, competency and resources of Internal Audit Division and that it has the necessary authority to carry out its work.
- To approve the annual audit plan, training plan and internal audit framework.
- To review the internal audit charter for recommendation to the Board of Directors for approval.
- To establish a mechanism to review and assess the performance and effectiveness of the Internal Audit function.
- To exercise oversight over the Internal Audit function of the Bank's subsidiary companies through the Audit Committee of the respective subsidiary companies.

c. External Audit

- To review the External Auditor's audit plans, scope of its audits and their audit reports, including the External Auditor's evaluation of the system of internal controls.
- To assess the performance of the External Auditor and make recommendations to the Board of Directors on their appointment/re-appointment, remuneration, resignation and removal.
- To review the suitability, independence and objectivity of the External Auditor and their services, including non-audit services.
- To review the provision of non-audit services by the External Auditor for recommendation to the Board of Directors for approval.
- To review and concur the proposed provision of non-audit services by the External Auditor of Public Bank (ie. 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.

d. Audit Reports

- To review the investigation, internal and external audit reports to ensure that appropriate remedial actions are taken timely by Management to address and resolve the identified key issues/significant lapses in controls and procedures.
- To note 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.

e. Financial Reporting

To review the quarterly and annual financial statements of Public Bank and the Public Bank Group for recommendation to the Board of Directors for approval, with particular focus on:-

- changes in or implementation of new accounting policies and practices.
- significant matters highlighted including financial reporting issues, significant judgments made by Management, significant and unusual events or transactions, and how these matters are addressed.
- compliance with the applicable approved accounting/auditing standards in Malaysia and other legal and regulatory requirements.

f. Related Party Transactions

To review the audit report on the related party transactions that may arise between Public Bank and its related parties on a quarterly basis.

g. Other Matters

- To review the accuracy and adequacy of the Chairman's Statement in the Annual Report, corporate governance disclosures, interim financial reports and preliminary announcements in relation to the preparation of financial statements.
- To monitor compliance with the Board of Directors' conflicts of interest policy.
- To review third-party's opinions on the design and effectiveness of the Bank's internal control framework.
- To consider such other matters as the Audit Committee considers appropriate or as authorised by the Board of Directors.

The Audit Committee meets at least once a month.

The attendance of Members at the Audit Committee meetings held in 2025 is as reflected below:-

Name of Committee Members	Number of Audit Committee Meetings Attended/Held
Dato' Mohd Hanif bin Sher Mohamed ( <i>Chairman</i> ) <i>Independent Non-Executive</i>	16/16
Ms Tham Chai Fhong <i>Independent Non-Executive</i>	16/16
Mr Lim Chao Li <i>Independent Non-Executive</i>	16/16
Ms Gladys Leong <i>Independent Non-Executive</i>	16/16
Ms Teoh Meow Choo <i>Independent Non-Executive</i>	16/16

## ■ Risk Management Committee

The Risk Management Committee is made up of majority Independent Non-Executive Directors. Ms Gladys Leong, an Independent Non-Executive Director, is the Chair of the Risk Management Committee.

The roles and responsibilities of the Risk Management Committee are as follows:-

- To support the Board in meeting the expectation on risk management in the following areas:-
  - To oversee that Public Bank's corporate objectives are supported by a sound risk strategy and an effective risk management framework that is appropriate to the nature, size and complexity of its activities.
  - To provide effective oversight on Senior Management's actions having considered the Board approved risk appetite, risk strategy and policies.
  - To provide effective oversight on the ability of the risk management framework to identify, measure and monitor all relevant and material risks including climate-related risks on a group and firm-wide basis, supported by robust management information systems that facilitate the timely and reliable reporting of risks and the integration of information across the institution.
  - To provide effective oversight on the integration of the risk management practices throughout the organisation and embedded into the culture and business operations of Public Bank.
  - To assist the Board in overseeing the recovery and resolution and business continuity plans to restore Public Bank Group financial strength, and maintain or preserve critical operations and critical services when it comes under stress.
  - To provide effective oversight that Public Bank have put in place the appropriate mechanisms for communicating risks across the organisation and for reporting risk developments to the Board and Senior Management.
  - To be responsible for supporting the Board in providing oversight over technology-related matters, including assessing the adequacy and effectiveness of risk management framework and policies relating to the management of technology risks and cyber risk.
  - To understand Public Bank's operational and organisational structure and the risks it poses and is satisfied that it is not overly complex or opaque such that it hampers effective risk management.
  - To provide effective oversight on the Public Bank's subsidiaries' risk management and be satisfied that appropriate processes are established to monitor the subsidiaries' compliance with the Group's risk management policies.

- To support the Board in its implementation of a sound remuneration system by examining whether the incentives provided by the remuneration system takes into consideration risks, capital, liquidity and the likelihood of earnings without prejudice to the tasks of the Nomination and Remuneration Committee.
- To collaborate with Audit and Compliance Committees to understand how the internal audit work plan and compliance work plan are aligned with the risks that have been identified so as to obtain assurance that the identified risks are managed in an integrated manner.
- To review and approve the appointment, replacement and dismissal of the Chief Risk Officer.
- To evaluate and approve the performance and remuneration of the Chief Risk Officer and Senior Management staff of Risk Management Division.

The Risk Management Committee holds monthly meetings.

The attendance of Members at the Risk Management Committee meetings held in 2025 is as reflected below:-

Name of Committee Members	Number of Risk Management Committee Meetings Attended/Held
Ms Gladys Leong ( <i>Chairperson</i> ) <i>Independent Non-Executive</i>	12/12
Mr Lai Wan <i>Non-Independent Non-Executive</i>	12/12
Ms Cheah Kim Ling <i>Non-Independent Non-Executive</i>	12/12
Mr Lee Chin Guan <i>Non-Independent Non-Executive</i>	12/12
Dato' Mohd Hanif bin Sher Mohamed <i>Independent Non-Executive</i>	12/12
Ms Tham Chai Fhong <i>Independent Non-Executive</i>	12/12
Mr Lim Chao Li <i>Independent Non-Executive</i>	12/12
Ms Teoh Meow Choo <i>Independent Non-Executive</i>	12/12

## ■ Compliance Committee

The Compliance Committee is made up of majority Independent Non-Executive Directors. Ms Tham Chai Fhong, an Independent Non-Executive Director, is the Chair of the Compliance Committee.

The roles and responsibilities of the Compliance Committee are as follows:-

- To approve policies and methodologies in assessing the compliance profile and to evaluate the effectiveness of overall management of compliance risks.
- To review and concur with the revision of the Public Bank Group's compliance policy and to oversee its implementation.
- To review and approve the Public Bank's compliance plan.
- To assess and review the compliance risk profile for effective management of the overall compliance risk.
- To put in place appropriate infrastructure, resources, processes and systems for compliance assessment and to support initiatives that are directed at improving and contributing to the effectiveness of the compliance function. This includes granting Compliance Division staff the access to any records or files for the purpose of discharging their responsibilities.
- To provide adequate oversight on the overall compliance function of the Bank's subsidiaries.
- To review the periodic reports presented on the assessment of compliance status of the Bank and the Public Bank Group, and to update regulatory trends and requirements.
- To deliberate compliance issues such that the issues are resolved effectively and expeditiously.
- To establish appropriate lines of reporting for timely escalation of compliance issues to the Operational Risk Management Committee, Compliance Committee and the Board of Directors.
- To oversee that training is provided to the compliance staff to upgrade their knowledge and to keep abreast with the laws and regulations, standards and guidelines on compliance-related issues.
- To assess and approve, prior to the appointment and on an annual basis, the suitability of the Chief Compliance Officer, being a key responsible officer, in accordance with the fit and proper criteria as approved by the Board of Directors.

- To evaluate and approve the appointment, replacement, dismissal, performance and remuneration of the Chief Compliance Officer and to escalate to the Board of Directors for noting.
- To evaluate and approve the performance and remuneration of the Senior Management staff of the Compliance Division.

The Compliance Committee holds monthly meetings.

The attendance of Members at the Compliance Committee meetings held in 2025 is as reflected below:-

Name of Committee Members	Number of Compliance Committee Meetings Attended/Held
Ms Tham Chai Fhong ( <i>Chairperson</i> ) <i>Independent Non-Executive</i>	12/12
Mr Lai Wan <i>Non-Independent Non-Executive</i>	12/12
Ms Cheah Kim Ling <i>Non-Independent Non-Executive</i>	12/12
Mr Lee Chin Guan <i>Non-Independent Non-Executive</i>	12/12
Dato' Mohd Hanif bin Sher Mohamed <i>Independent Non-Executive</i>	12/12
Mr Lim Chao Li <i>Independent Non-Executive</i>	12/12
Ms Gladys Leong <i>Independent Non-Executive</i>	12/12
Ms Teoh Meow Choo <i>Independent Non-Executive</i>	12/12

■ Credit Risk Management Committee

The Credit Risk Management Committee is made up of majority Independent Non-Executive Directors. Ms Teoh Meow Choo, an Independent Non-Executive Director, is the Chair of the Credit Risk Management Committee.

The roles and responsibilities of the Credit Risk Management Committee are as follows:-

- To assist the Boards of Public Bank and Public Islamic Bank in their oversight roles on the management of credit risks. In respect of Public Bank, the management of credit risk includes oversight of the Public Bank's subsidiaries asset quality performance.
- To assist the Board in overseeing the integration of climate-related risk management into the credit risk management process.
- To evaluate and assess the adequacy of the credit risk strategies in managing the overall credit risk associated with Public Bank and Public Islamic Bank.
- To oversee the development of credit risk strategies, framework, policies, internal methodologies for all credit products and credit related businesses.
- To review and assess the composition of the credit portfolio.
- To review the sensitivity analysis conducted on the credit portfolios and its impact on the earning/capital.
- To review the risk-return trade-off of each of the respective credit portfolios.
- To provide effective oversight that the processes and procedures are in place to meet the regulatory requirements on credit risk management.
- To review reports of the credit review process, asset quality and be satisfied that corrective action is taken.
- To review and evaluate the respective credit portfolios of Public Bank and Public Islamic Bank and be satisfied that the respective credit risk management is conducted in accordance with the standards and policies set.

The Credit Risk Management Committee holds monthly meetings.

The attendance of Members at the Credit Risk Management Committee meetings held in 2025 is as reflected below:-

Name of Committee Members	Number of Credit Risk Management Committee Meetings Attended/Held
Ms Teoh Meow Choo ( <i>Chairperson</i> ) <i>Independent Non-Executive</i>	12/12
Mr Lai Wan <i>Non-Independent Non-Executive</i>	12/12
Dato' Mohd Hanif bin Sher Mohamed <i>Independent Non-Executive</i>	12/12
Datin Dr. Rusnah binti Muhamad <i>Independent Non-Executive</i> <i>(Representative from Public Islamic Bank)</i>	12/12
Mr Lam Song Shen <i>Independent Non-Executive</i> <i>(Representative from Public Islamic Bank)</i>	12/12

■ Board Sustainability Management Committee

The Board Sustainability Management Committee is made up of majority Independent Non-Executive Directors and is chaired by Mr Lim Chao Li, an Independent Non-Executive Director.

The roles and responsibilities of the Board Sustainability Management Committee are as follows:-

- To assist the Board to oversee the setting of sustainability strategies, priorities and targets, and ensuring that the Public Bank Group's strategies, goals and principles pertaining to sustainability are aligned with, promote and encourage the Group's commitment towards sustainability.
- To review and recommend to the Board for approval, sustainability strategies, priorities and targets proposed by Management.
- To provide oversight and input to Management on the Group's strategies, goals and principles pertaining to sustainability.
- To review issues relating to sustainability arising from independent audits and assurance reports as well as any matters pertaining to sustainability highlighted by regulators or consultants.
- To review and recommend to the Board for approval both the sustainability report for annual report and other public documents related to the Group's reporting on sustainability to ensure that the Group's sustainability agenda is effectively communicated to investors and other stakeholders.
- To receive quarterly updates from Management on the progress towards achieving the Group's sustainability targets.
- To review and be assured that the sustainability considerations are effectively integrated in the operations of the Group.
- To perform any other functions and exercise such other powers as may be delegated to it from time to time by the Board.

The Board Sustainability Management Committee holds quarterly meetings.

The attendance of Members at the Board Sustainability Management Committee meetings held in 2025 is as reflected below:-

Name of Committee Members	Number of Board Sustainability Management Committee Meetings Attended/Held
Mr Lim Chao Li ( <i>Chairman</i> ) <i>Independent Non-Executive</i>	4/4
Mr Lai Wan <i>Non-Independent Non-Executive</i>	4/4
Ms Tham Chai Fhong <i>Independent Non-Executive</i>	4/4
Ms Gladys Leong <i>Independent Non-Executive</i>	4/4
Dato' Haji Kamil Khalid bin Dato' Mushir Ariff <i>Independent Non-Executive</i> <i>(Representative from Public Islamic Bank)</i>	4/4

## INTERNAL CONTROL FRAMEWORK

Main features of the internal control framework, and the nature and frequency of any review and assessment conducted on the internal control framework

### Management Responsibilities

The Management is overall responsible for the effective implementation of the risk framework and operationalisation of control systems within the Public Bank Group's daily business operations in accordance with the policies approved by the Board.

The undertaking of the Management responsibilities is supported by Management Committee, Group Human Resource Committee, Credit Committee, Operational Risk Management Committee, Assets & Liabilities Management Committee, Business Continuity Management Committee, IT Steering Committee and Sustainability Management Committee.

The Managing Director & Chief Executive Officer and the Chief Financial Officer have provided assurance to the Board that the Public Bank Group's risk management and internal control system is operating adequately and effectively.

### Risk Accountabilities

The Public Bank Group adopts the three lines of defence risk framework which clearly separates the business origination and risk undertaking roles from risk reviews and management oversight. Overview of this risk framework is depicted below:-

Lines of Defence	First Line	Second Line	Third Line
	Business and Support Functions	Risk Management Function, Compliance Function	Internal Audit Function
Roles	<ul style="list-style-type: none"> <li>Owns the risks by identifying, assessing and managing risks in day-to-day activities including designing and implementing controls.</li> <li>Accountable for operating within the approved risk appetite and limits, in accordance with established frameworks, policies and procedures.</li> <li>Ensures that business decisions and activities are aligned with the strategic objectives.</li> </ul>	<ul style="list-style-type: none"> <li>Provides oversight and support by establishing the frameworks, policies and monitoring mechanism to measure and detect risk.</li> <li>Monitors all risk-related matters to ensure risks are managed within the approved risk boundaries and risk management objectives are met.</li> <li>Monitors to ensure compliance with all relevant laws, regulations, ethical standards of behaviour and internal controls.</li> </ul>	<ul style="list-style-type: none"> <li>Conducts independent reviews and audits to assess the overall effectiveness of risk management governance, controls and processes.</li> <li>Provides independent review and assurance on the state of risk management and internal controls.</li> <li>Presents findings on risk management and internal control issues and recommendations for improvements to Management.</li> <li>Reports findings and actions taken or recommendation to Audit Committee.</li> </ul>

## Key Internal Control System

### (i) Organisation Structure

The Public Bank Group has a formal organisation structure with clear and defined accountability, responsibility and reporting lines. During the year, it was strengthened by the Public Bank Responsibility Mapping Framework providing greater clarity, transparency and accountability on the specific roles of each Senior Management responsible for planning, directing or controlling the activities of the Group. This process ensures execution of actions that are consistent with good governance and sound risk management to support the long-term financial soundness of the Group.

### (ii) 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 are formulated to ensure compliance with internal controls and relevant laws and regulations. The policies and procedures are subject to periodic review to ensure continuing relevance having considered the changes in the operational requirements, business environment or regulatory requirements and are approved by the approving authorities prior to implementation.

The adequacy and effectiveness of the internal controls, policies and procedures as well as the level of compliance with the relevant laws, regulations, policies and procedures are subject to ongoing assessment by the Risk Management, Compliance and Internal Audit Functions.

For further information, please refer to the Statement on Risk Management and Internal Control as set out on pages 400 to 408 of the Public Bank 2025 Integrated Annual Report.

### Key policies and procedures of the internal control framework, including any changes made to these policies and procedures during the financial year

Key policies and procedures on internal controls to govern the business and operations are the Group Risk Management Framework, the Group Compliance Policy, the Public Bank Responsibility Mapping Framework, the Group Technology Risk Management Framework, the Group Cyber Resilience Framework, the Group Data Governance Framework, the Shariah Governance Policy, the Group Anti-Bribery and Anti-Corruption Policy and the Group Whistleblowing Policy and Procedures.

The policies and procedures are subject to periodic review to ensure continuing relevance having considered the changes in the operational requirements, business environment or regulatory requirements and are approved by the approving authorities prior to implementation. During the financial year, there has been no major changes to the policies and procedures except for the establishment of the Public Bank Responsibility Mapping Framework and the Group Data Governance Framework.

For further information, please refer to the Statement on Risk Management and Internal Control as set out on pages 400 to 408 of the Public Bank 2025 Integrated Annual Report.

## REMUNERATION

The information on the Bank's Remuneration Policy and Practices is as disclosed under Section A, Practice 7.1 of this Corporate Governance Report.

The details of the Directors' remuneration (including benefits-in-kind) of each Director during the financial year 2025 are disclosed under Practice 8.1 of this Corporate Governance Report.

The total value of cash-based remuneration paid out to Senior Management staff of Public Bank for financial year 2025 are as per the below table:-

Remuneration	Non-Deferred		Deferred			
			Paid in the Financial Year		Outstanding	
	No.	Amount (RM)	No.	Amount (RM)	No.	Amount (RM)
Fixed	28	37,062,234	-	-	-	-
Variable	27	5,561,060	27	30,510,620	27	11,332,961

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