

PNB

Empowered by Strength, Driven by Resilience

Integrated Report 2024



We are pleased to present Permodalan Nasional Berhad's ("PNB") Integrated Report 2024, which marks our third integrated report where we provide a balanced and accurate narrative of our financial and non-financial performance for the year. In this report, we have highlighted the risks and opportunities that we navigate in order to create stakeholder value utilising our six capitals. The report is relevant to all stakeholders who would like to understand how we seek to fulfil our Purpose to uplift the financial lives of Malaysians across generations.



About This Report

Materiality

Contents of this report reflect matters that we have identified as being relevant or of material interest to our stakeholders. These material matters have been determined via extensive stakeholder engagements as well as continuous internal evaluations. Together, they reflect existing and emerging risks and opportunities which could affect our ability to create value.

Reporting Framework

In preparing this report, we have been guided by the principles and requirements of the following:

- Integrated Reporting Framework ("IRF") issued by the International Financial Reporting Standards ("IFRS") Foundation
- Corporate Governance Guide (3rd Edition) issued by Bursa Malaysia
- Malaysian Code on Corporate Governance ("MCCG") 2021 issued by Securities Commission Malaysia ("SC")
- Companies Act 2016
- Malaysian Financial Reporting Standards
- Other regulatory requirements as applicable

Our Sustainability Statement, meanwhile, has been guided by:

- Global Reporting Initiative ("GRI") Sustainability Reporting Standards
- United Nations Sustainable Development Goals ("UNSDGs")
- Sustainability Accounting Standards Board ("SASB") standards
- Task Force on Climate-related Financial Disclosures ("TCFD") recommendations
- Principles for Responsible Investment ("PRI")

Scope and Boundary

Disclosures in this report relate primarily to key activities and events concerning PNB and our trust funds covering the year from 1 January 2024 – 31 December 2024, unless stated otherwise.

Forward-Looking Statements

This report contains certain forward-looking statements relating to future performance. Such statements are premised on current assumptions and circumstances which could change, hence they necessarily involve uncertainty. Various factors could cause actual results to differ materially from those expressed or implied by these forward-looking statements.



Feedback

We welcome all inquiries, comments and feedback on our Integrated Report in order to clarify issues and to further improve our reporting. Please communicate with us through info@pnb.com.my

Navigation Icon

The Six Capitals

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

Stakeholders

- | | |
|---|---|
| S1 Employees | S7 Investment Managers |
| S2 Unitholders/Customers | S8 Industry Associations and Peers |
| S3 Agents | S9 Non-Governmental Organisations (NGOs) |
| S4 Intermediaries (including Analysts) | S10 Investee Companies |
| S5 Suppliers | S11 Communities |
| S6 Government and Regulators | S12 Media |

Key Risks

- | | |
|---|---------------------------|
| MR Market Risk | CR Credit Risk |
| LR Liquidity Risk | TR Technology Risk |
| IR Investment Concentration Risk | |

Material Matters

- | | |
|---|--|
| M1 Economic Performance | M9 Labour Rights |
| M2 Data Privacy and Security | M10 Nature and Biodiversity |
| M3 Governance and Ethics | M11 Talent Management |
| M4 Customer Experience and Satisfaction | M12 Sustainable and Responsible Investing |
| M5 Climate Change | M13 Diversity, Equity and Inclusion |
| M6 Social Impact | M14 Supply Chain |
| M7 Transparent Information and Fair Practice | M15 Environmental Impact |
| M8 Technology and Innovation | |



Empowered by Strength, Driven by Resilience

PNB remains committed to sustainable growth and nation-building even amidst global challenges. Empowered by our strong foundation and driven by resilience, we continue to create long-term value for our unitholders aligned with our Purpose to uplift the financial lives of Malaysians across generations.

Our refreshed branding and the LEAP 6 Strategic Plan (2025-2027) set a bold direction for transformation, reinforcing our ability to adapt, innovate, and thrive in a rapidly shifting economic landscape. Through strategic foresight and agility, PNB remains a forward-looking institution, ready to seize emerging opportunities and drive progress.

Our move to Menara Merdeka 118, a symbol of Malaysia's ambition and strength, marks more than just a change in location — it embodies our aspiration for growth, resilience, and sustainability. As we step into this new chapter, we reaffirm our role in shaping an inclusive and prosperous Malaysia, underpinned by a commitment to innovation and long-term impact.

At the heart of our resilience is our dedication to environmental sustainability and net-zero commitments. We are taking decisive steps to address environmental challenges, ensuring that we safeguard investments while contributing to a greener future for generations to come.

Empowered by our strong foundation and driven by resilience, we will continue to rise above challenges and build a future defined by sustainable growth and shared prosperity.

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We are PNB

PNB was established on 17 March 1978 as an instrument of the Government's New Economic Policy ("NEP"). PNB is one of the largest fund management companies in Malaysia with assets under management ("AUM") exceeding RM300 billion. PNB's portfolio covers strategic investments in Malaysia's leading corporates, global equities, private investments and real estate. For over four decades, PNB remains focused in contributing to the wealth of Bumiputeras and all Malaysians and are dedicated to fulfilling our Purpose to uplift the financial lives of Malaysians across generations. PNB is committed to sustainability, responsible practices, and the creation of an inclusive future that benefits both our stakeholders and the communities we serve.



Assets Under
Management

RM 348.3 billion



Income
Distributed

RM 263.7 billion
since inception



Total
Unitholders

13.0 million



Total No. of
Accounts

16.2 million





Our Mandate

To enhance the economic wealth of the Bumiputera community and all Malaysians, for the prosperity of the nation.

Our Purpose

To uplift the financial lives of Malaysians across generations.

Our Manifesto

At PNB, we exist to uplift the financial lives of Malaysians across generations. We are the bridge between where they are today and their hopes and dreams for tomorrow.

We are the connective thread that ties every Malaysian together, guiding us all in our collective journey towards greater financial health, wealth and wisdom.

We Are PNB

Our Values

B

Bold

We strive to push the boundaries of what is possible.

R

Responsible

We take ownership and we do what we say we are going to do.

A

Agile

In a fast-changing world, we never stop moving.

V

Visionary

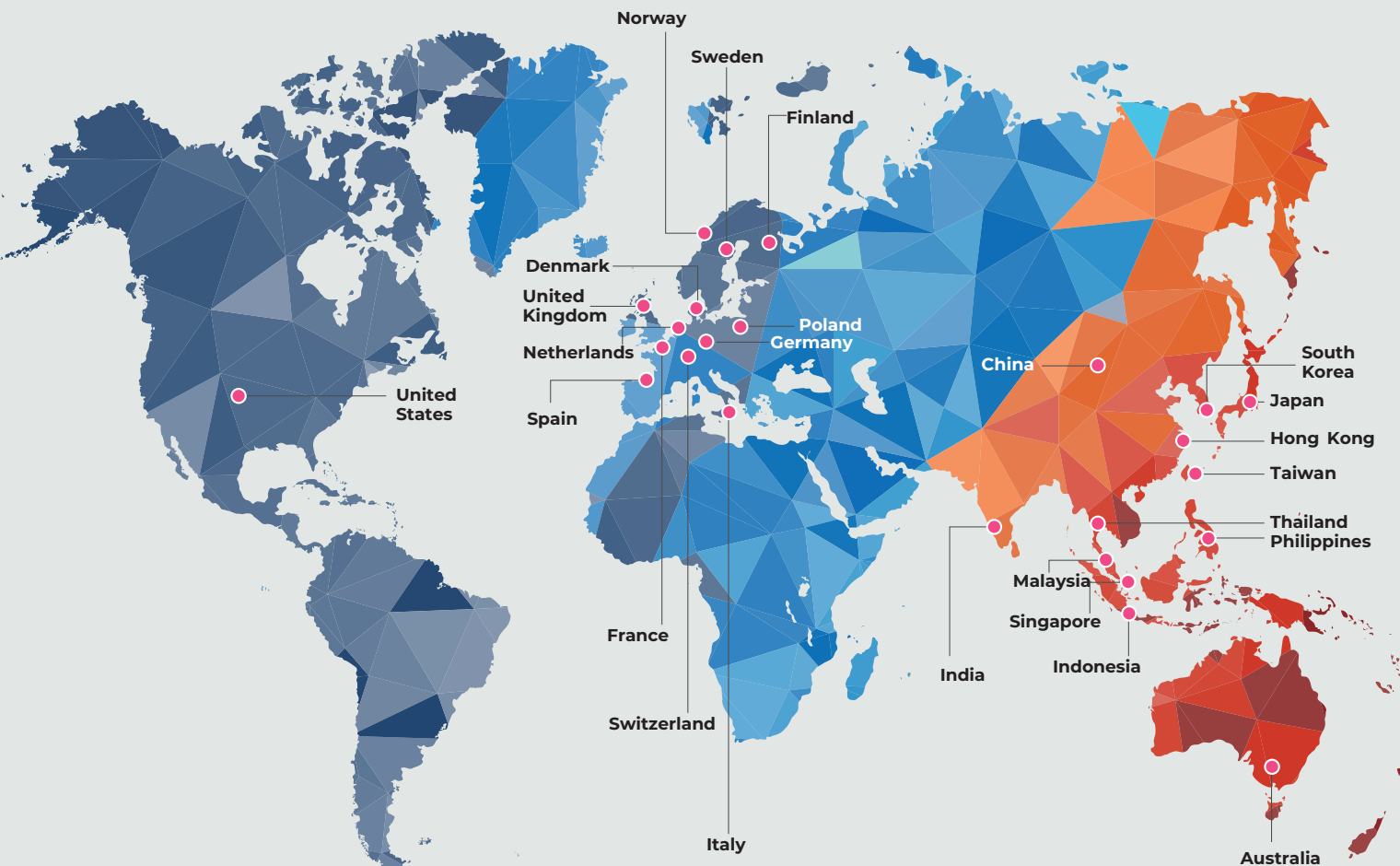
Our foresight and expertise inspire a better future.

E

Empowering

We work together, supporting each other to deliver on our shared goals.

Our Investment Footprint



What We Offer: Our Products and Services

Fixed Price Unit Trust Funds



ASB



ASB 2



ASB 3 Didik



ASM



ASM 2 Wawasan



ASM 3

Variable Price Unit Trust Funds



ASN



ASN Equity 2



ASN Equity 3



ASN Equity 5



ASN Equity Global



ASN Equity Malaysia*



ASN Imbang 1



ASN Imbang 2



ASN Imbang 3 Global



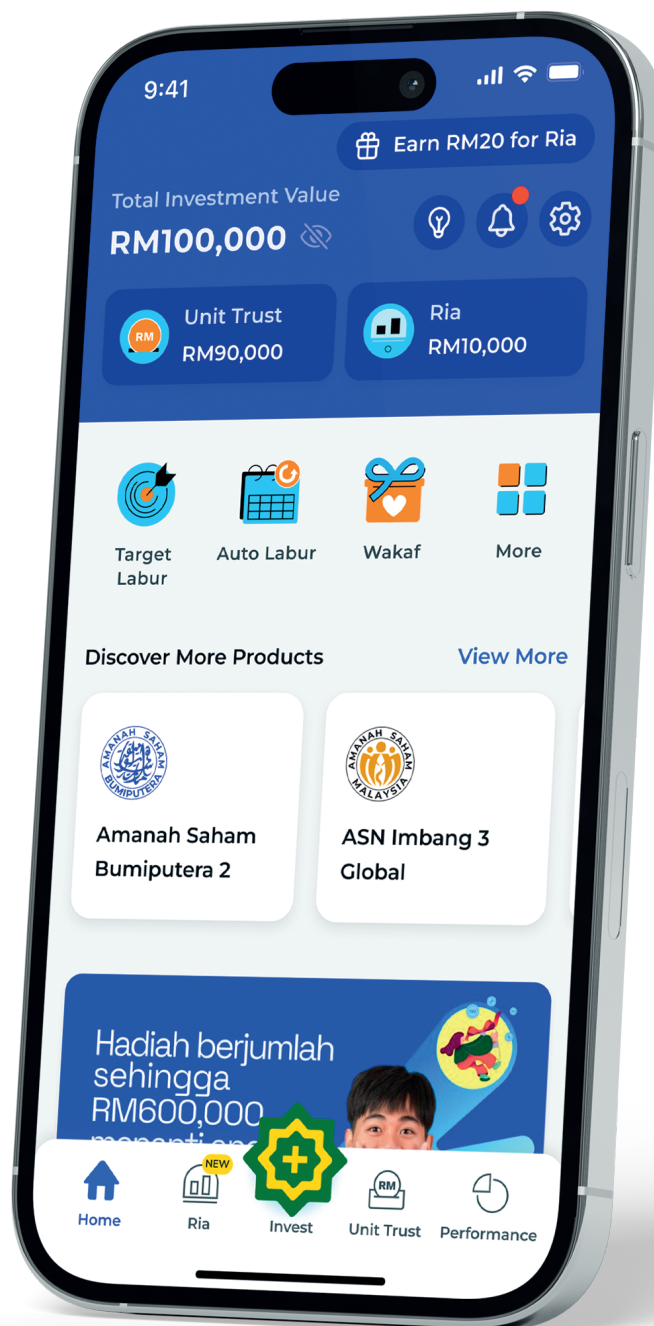
ASN Sara 1



ASN Sara 2



ASN Sukuk



* Accessible via the Robo Investment Advisor ("Ria") offering in the myASN app

What We Offer: Our Products and Services

Fixed Price Unit Trust Funds



ASB

Investment Objective

To generate long-term, consistent and competitive returns to unitholders whilst ensuring the preservation of capital at minimal risk tolerance level.

Launch Date:

2 January 1990

Fund Type:

Income

Fund Category:

Mixed Asset

Asset Allocation

- Up to 90% of its Value of Fund ("VOF") in equities
- Up to 50% of its VOF in other asset classes
- Minimum 5% of its VOF in cash or liquid assets

Performance Benchmark

Maybank 12-Month Fixed Deposit

Maximum Investment

300,000



ASB 2

Investment Objective

To provide a regular income stream whilst preserving unitholders' investment capital through a mixed asset portfolio.

Launch Date:

2 April 2014

Fund Type:

Income

Fund Category:

Mixed Asset

Asset Allocation

- Up to 90% of its VOF in equities
- Up to 50% of its VOF in other asset classes
- Minimum 5% of its VOF in cash or liquid assets

Performance Benchmark

Maybank 12-Month Fixed Deposit

Maximum Investment

300,000, subject to availability of units of the fund



ASB 3 Didik

Investment Objective

To provide an investment opportunity that generates reasonable long-term growth and returns.

Launch Date:

20 April 2001

Fund Type:

Growth

Fund Category:

Mixed Asset

Asset Allocation

- Up to 90% of its VOF in equities
- Up to 50% of its VOF in other asset classes
- Minimum 5% of its VOF in cash or liquid assets

Performance Benchmark

Maybank 12-Month Fixed Deposit

Maximum Investment

Unlimited, subject to availability of units of the fund



ASM

Investment Objective

To provide unitholders with a long-term investment opportunity that generates regular and competitive returns through a diversified portfolio of investments.

Launch Date:

20 April 2000

Fund Type:

Income

Fund Category:

Mixed Asset

Asset Allocation

- Up to 90% of its VOF in equities
- Up to 50% of its VOF in other asset classes
- Minimum 5% of its VOF in cash or liquid assets

Performance Benchmark

Maybank 12-Month Fixed Deposit

Maximum Investment

Unlimited, subject to availability of units of the fund



ASM 2 Wawasan

Investment Objective

To provide a reasonable level of regular distribution income to unitholders from investments in a selected portfolio of authorised investments.

Launch Date:

28 August 1996

Fund Type:

Income

Fund Category:

Mixed Asset

Asset Allocation

- Up to 90% of its VOF in equities
- Up to 50% of its VOF in other asset classes
- Minimum 5% of its VOF in cash or liquid assets

Performance Benchmark

Maybank 12-Month Fixed Deposit

Maximum Investment

Unlimited, subject to availability of units of the fund



ASM 3

Investment Objective

To provide a regular and consistent income stream whilst preserving unitholders' investment capital over a long-term horizon through a diversified portfolio of investments.

Launch Date:

5 August 2009

Fund Type:

Income

Fund Category:

Mixed Asset

Asset Allocation

- Up to 90% of its VOF in equities
- Up to 50% of its VOF in other asset classes
- Minimum 5% of its VOF in cash or liquid assets

Performance Benchmark

Maybank 12-Month Fixed Deposit

Maximum Investment

Unlimited, subject to availability of units of the fund

Variable Price Unit Trust Funds



ASN

Investment Objective

To generate a reasonable level of income distribution and capital appreciation to unitholders through a diversified portfolio of investments.

Launch Date:

20 April 1981

Fund Type:

Growth

Fund Category:

Equity

Asset Allocation

- 70% - 90% of the fund's Net Asset Value ("NAV") in equities.
- The balance of its NAV in fixed income securities, money market instruments and other capital market instruments as permitted by the fund's deed, inclusive of liquid assets.

Performance Benchmark

80% FTSE Bursa Malaysia 100 (FBM100):
20% Maybank 12-Month Fixed Deposit

Maximum Investment

Unlimited



ASN Equity 2

Investment Objective

To provide unitholders with a reasonable dividend yield and capital appreciation at an acceptable level of risk through investments made in accordance with the deed and securities law in a diversified portfolio of securities, principally in Malaysian equity securities.

Launch Date:

9 June 1999

Fund Type:

Growth

Fund Category:

Equity

Asset Allocation

- 70% - 90% of the fund's NAV in equities
- The balance of its NAV in fixed income securities, money market instruments and other capital market instruments as permitted by the fund's deed, inclusive of liquid assets

Performance Benchmark

80% FBM100:
20% Maybank 12-Month Fixed Deposit

Maximum Investment

Unlimited



ASN Equity 3

Investment Objective

To provide an investment opportunity which generates reasonable long-term growth and returns to fulfil part or all of the immediate liquidity requirements to enable the unitholders and/or their children and/or charges to continuously meet their on-going medical requirements in the long-term.

Launch Date:

17 March 2003

Fund Type:

Growth & Income

Fund Category:

Equity

Asset Allocation

- 70% - 90% of the fund's NAV in equities
- The balance of its NAV in fixed income securities, money market instruments and other capital market instruments as permitted by the fund's deed, inclusive of liquid assets

Performance Benchmark

80% FBM100:
20% Maybank 12-Month Fixed Deposit

Maximum Investment

Unlimited

What We Offer: Our Products and Services



ASN Equity 5

Investment Objective

To generate a reasonable level of capital appreciation and income distribution to the unitholders through a diversified portfolio of investments.

Launch Date:
24 September 2018

Fund Type:
Growth

Fund Category:
Equity

Asset Allocation

- 70% - 90% of the fund's NAV in equities
- The balance of its NAV in fixed income securities, money market instruments and other capital market instruments as permitted by the fund's deed, inclusive of liquid assets

Performance Benchmark

80% FBM100:
20% Maybank 12-Month Fixed Deposit

Maximum Investment

Unlimited



ASN Equity Global

Investment Objective

The Fund seek to provide investors with capital growth opportunities through investment in securities primarily in the global equity market.

Launch Date:
1 September 2021

Fund Type:
Growth

Fund Category:
Equity

Asset Allocation

- 75% - 99% of the fund's NAV in global equities and equity-related securities.
- The balance of its NAV in money market and fixed income instruments

Performance Benchmark

90% MSCI ACWI Islamic:
10% Maybank 1-Month Fixed Deposit

Maximum Investment

Unlimited



ASN Equity Malaysia

Investment Objective

To provide unitholders with capital growth opportunities through investment in securities in the Malaysian equity market.

Launch Date:
26 May 2023

Fund Type:
Growth

Fund Category:
Equity

Asset Allocation

- The Fund seeks to achieve its objective by investing 75% to 99% of its NAV in domestic equity and equity related securities, while the remaining NAV may be invested in money market and fixed income instruments

Performance Benchmark

90% FBM100, 10% Maybank 1-Month Fixed Deposit

Maximum Investment

Unlimited



ASN Imbang 1

Investment Objective

To generate capital growth over the medium to long-term period by investing in a balanced portfolio of investments and through re-investment of distribution, if any.

Launch Date:
16 October 2001

Fund Type:
Balanced

Fund Category:
Mixed Asset

Asset Allocation

- 35% - 65% of the fund's NAV in equities
- The balance of its NAV in fixed income securities, money market instruments and other capital market instruments as permitted by the fund's deed, inclusive of liquid assets

Performance Benchmark

50% FBM100:
50% Maybank 12-Month Fixed Deposit

Maximum Investment

Unlimited



ASN Imbang 2

Investment Objective

To provide an investment opportunity which generates reasonable long-term growth and returns to meet part or all of the periodic liquidity requirements of unitholders and enable them to fulfil the financial planning needs for education of the unitholders and/or their children.

Launch Date:
17 March 2003

Fund Type:
Growth & Income

Fund Category:
Mixed Asset Balanced

Asset Allocation

- 35% - 65% of the fund's NAV in equities
- The balance of its NAV in fixed income securities, money market instruments and other capital market instruments as permitted by the fund's deed, inclusive of liquid assets

Performance Benchmark

50% FBM100:
50% Maybank 12-Month Fixed Deposit

Maximum Investment

Unlimited



ASN Imbang 3 Global

Investment Objective

To generate a reasonable level of capital appreciation and income distribution to the unitholders by investing in a balanced portfolio of investments.

Launch Date:
16 September 2020

Fund Type:
Growth & Income

Fund Category:
Mixed Asset Balanced

Asset Allocation

- 35% - 65% of the fund's NAV in equities
- The balance of its NAV in fixed income securities and money market instruments, inclusive of liquid assets

Performance Benchmark

50% MSCI ACWI Islamic:
50% Maybank 12-Month Fixed Deposit

Maximum Investment

Unlimited



ASN Sara 1

Investment Objective

To provide an investment opportunity which generates reasonable long-term growth and returns, and a reliable income stream to enable unitholders and/or their children and/or charges to meet part or all of their retirement needs.

Launch Date:
17 March 2003

Fund Type:
Growth & Income

Fund Category:
Mixed Asset Conservative

Asset Allocation

- 20% - 80% of the fund's NAV in fixed income securities and money market instruments, inclusive of liquid assets
- The balance of its NAV in equities

Performance Benchmark

30% FBM100:
70% Maybank 12-Month Fixed Deposit

Maximum Investment

Unlimited



ASN Sara 2

Investment Objective

To provide investors with liquidity and regular income stream with potential long-term capital growth.

Launch Date:
24 September 2018

Fund Type:
Conservative

Fund Category:
Mixed Asset

Asset Allocation

- 20% - 80% of the fund's NAV in fixed income securities and money market instruments, inclusive of liquid assets
- The balance of its NAV in equities

Performance Benchmark

30% FBM100:
70% Maybank 12-Month Fixed Deposit

Maximum Investment

Unlimited



ASN Sukuk

Investment Objective

Provide unitholders with stable income and capital appreciation opportunities through investment mainly in a portfolio of sukuk and other Islamic liquid assets.

Launch Date:
25 November 2022

Fund Type:
Income

Fund Category:
Sukuk

Asset Allocation

The fund seeks to achieve its objectives by investing in the following:

- Minimum of 80% of its NAV in sukuk inclusive of Government Investment Issue
- Maximum of 20% of its NAV in Islamic money market instruments and other permitted investments
- Maximum of 20% of its NAV in unrated sukuk

Performance Benchmark

Maybank 12-Month Islamic Fixed Deposit-i

Maximum Investment

Unlimited

What We Offer: Our Products and Services

Unit Trust Funds – Fixed Price

Fixed price unit trust funds ("FP funds") provide a stable investment option with a constant price of RM1 per unit, offering unitholders an avenue to support reliable and long-term financial growth as these funds prioritise capital preservation and seek to generate regular income stream.

At present, Amanah Saham Nasional Berhad (ASNB) manages six FP funds under the following series:

	Fund	Eligibility	Launch Date	Financial Year End ("FYE")	Units in Circulation (Bil Units) As of 31 Dec 2024	FYE 2024 Distribution (sen per unit)
ASB Series	ASB	Bumiputera	2 January 1990	31 December	174.7	5.75*
	ASB 2		2 April 2014	31 March	13.7	5.25
	ASB 3 Didik		20 April 2001	30 June	8.1	5.25
ASM Series	ASM	All Malaysians	20 April 2000	31 March	29.4	4.75
	ASM 2 Wawasan		28 August 1996	31 August	25.0	4.75
	ASM 3		5 August 2009	30 September	19.1	4.75

* Comprising income distribution of 5.50 sen per unit and bonus of 0.25 sen per unit



Unit Trust Funds – Variable Price

Variable price unit trust funds ("VP funds") offer unit prices with floating valuations, set using forward pricing based on the next calculated NAV. They fluctuate based on market conditions, ensuring fair and transparent pricing aligned with real time market movements suitable for risk-averse investors seeking potentially higher returns while maintaining a moderate risk profile.

ASNB currently manages 12 VP funds, categorised into four distinct series.

	Fund	Eligibility	Launch Date	Financial Year End ("FYE")	Units in Circulation (Bil Units) As of 31 Dec 2024	FYE 2024 Total Return (%)	FYE 2024 Distribution Yield (%)
Equity	ASN	Bumiputera	20 April 1981	31 December	1.5	25.73	2.92
	ASN Equity 2		9 June 1999	30 June	1.2	30.89	2.87
	ASN Equity 3		17 March 2003	31 March	1.5	20.93	2.78
	ASN Equity 5		24 September 2018	30 September	0.5	27.50	2.94
	ASN Equity Global	All Malaysians	1 September 2021	31 December	0.5	11.11	N/A
	ASN Equity Malaysia* (@ Ria)		26 May 2023	30 June	0.03	34.17**	N/A
Mixed Asset Balanced	ASN Imbang 1		16 October 2001	30 November	0.9	19.98	3.79
	ASN Imbang 2	All Malaysians	17 March 2003	31 March	0.9	18.45	3.83
	ASN Imbang 3 Global		16 September 2020	31 December	0.7	6.67	2.03
Mixed Asset Conservative	ASN Sara 1	All Malaysians	17 March 2003	31 March	2.1	9.35	3.68
	ASN Sara 2		24 September 2018	30 September	1.0	9.76	3.66
Fixed Income	ASN Sukuk	All Malaysians	25 November 2022	30 June	0.8	4.72	3.76

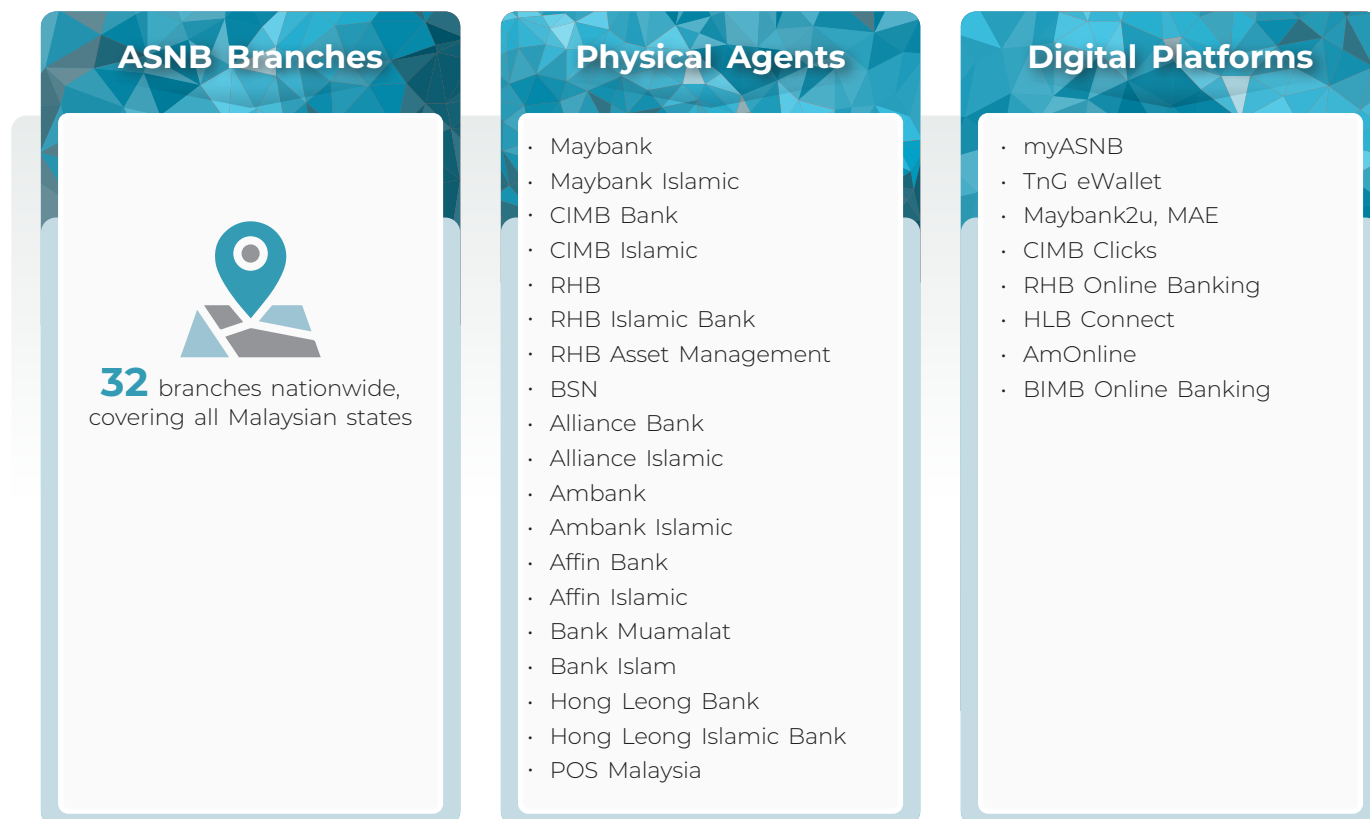
* Launched to public on 11 March 2024 and accessible only via the Ria offering in the myASNB app

** Annualised Total Return for the Financial Period from 26 May 2023 to 30 June 2024

What We Offer: Our Products and Services

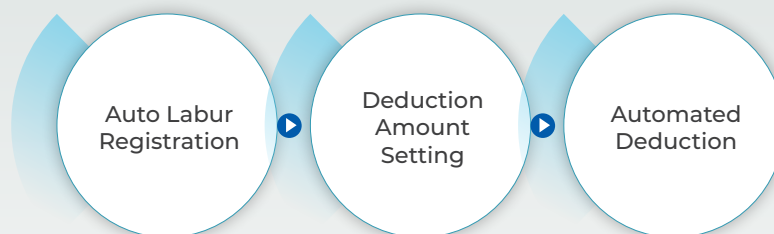
Distribution Channels

Our unit trust funds (UTF) are accessible through a wide distribution network made convenient for all Malaysians. These channels include ASNB branches, agents, and digital platforms like the myASNB portal and app, TOUCH 'N GO (TNG) eWallet, and online banking channels.



Auto Labur

An automated investment service facility available on myASNB, allowing unitholders to effortlessly set up weekly or monthly recurring investments for their UTF. The service provides convenient and secure way for unitholders to grow their ASNB investments.



Available via:

myASNB App

For own and minor (Bijak/Remaja) accounts only

myASNB Portal

For own, minor (Bijak/Remaja), and third-party accounts

Auto Labur Offers:

- ▶ **Automated Investments**
- ▶ **Customisable Amount Setting**
- ▶ **Convenience**
- ▶ **Disciplined, Long-Term and Consistent Investing**

Ria

Ria is ASNB's Robo Investment Advisor, licensed under SC's Digital Investment Management framework. Using algorithms and Modern Portfolio Theory, Ria creates tailored portfolios based on an investor's risk profile and goals. It offers portfolios exclusively with ASNB UTF, focusing on Malaysian and global equities and sukuk, available via myASNB.

What does Ria offer?

- ▶ Personalised Portfolios
- ▶ Automated Rebalancing
- ▶ Diversified ASNB Funds
- ▶ Seamless myASNB Access
- ▶ Competitive Fees
- ▶ Local & Global Investments



Launch Date	11 March 2024
Total Number of Users	221,846
Total AUM under Ria (RM mil) as of 31 December 2024	55.0

Portfolio Returns	Very Conservative	Moderately Conservative	Moderate	Moderately Aggressive	Aggressive	Very Aggressive
Since Ria Launched*	3.14%	4.74%	6.39%	8.19%	9.22%	8.31%

* From 11 March 2024 until 31 December 2024

How Ria Works

1

Risk Assessment

Answer a short questionnaire to determine your risk level.



2

Portfolio Recommendation

Ria recommends an optimised ASNB portfolio.



3

Investment Allocation

Your funds are allocated across ASN Equity Global, ASN Equity Malaysia and ASN Sukuk.



4

Continuous Monitoring and Rebalancing

Ria automatically adjusts your portfolio to stay aligned with your risk tolerance.

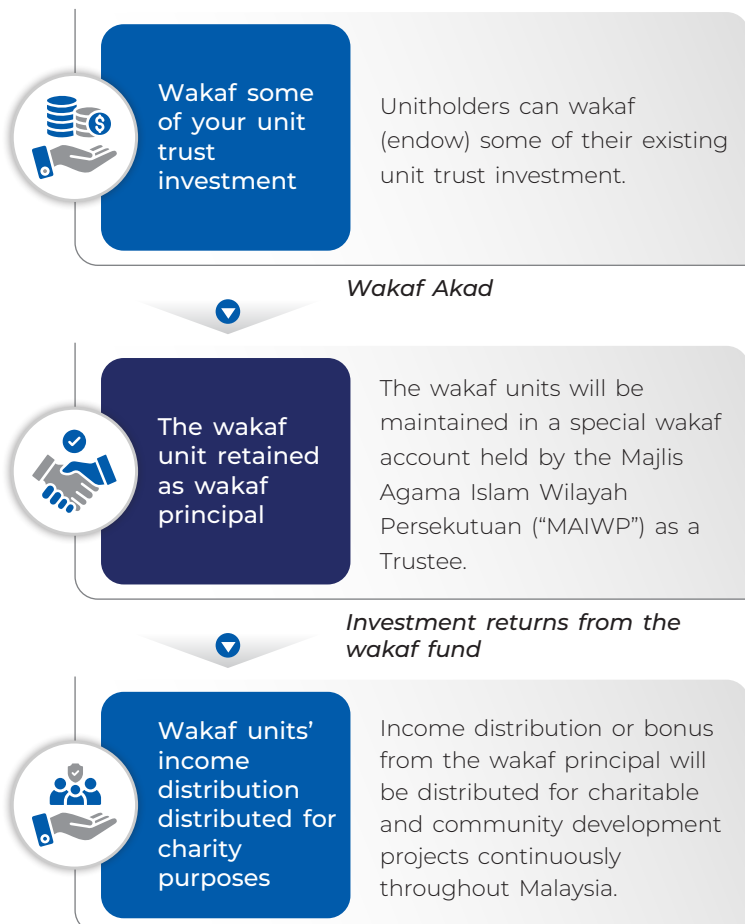
What We Offer: Our Products and Services

Wakaf

Wakaf ASNB is a unique service designed for ASNB unitholders to seamlessly integrate their investment and estate planning while fulfilling their charitable and social responsibilities. Through the concept of investment and wakaf, unitholders can contribute their ASNB unit trust investments, ensuring that their generosity continues to benefit others indefinitely.

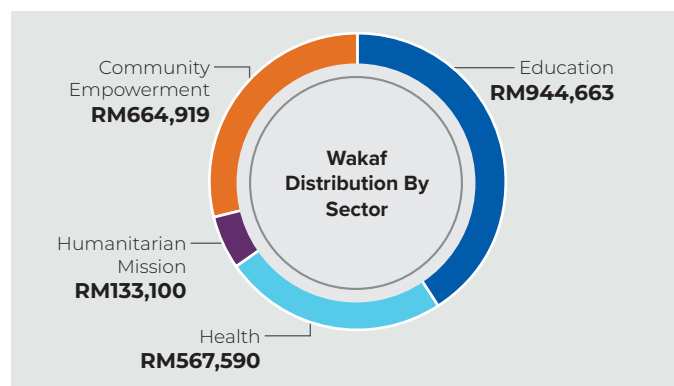
Wakaf is any property to which the endower retains the right to such property from any dealings of sale, inheritance, hibah and will while maintaining its physical resources, for welfare with the intention of bringing the wakaf closer to Allah SWT.

The wakaf fund will be preserved as the principal investment, while only the generated returns will be channelled in perpetuity to wakaf projects. These projects are dedicated to fostering sustainable community and ummah development, creating a lasting and meaningful impact.

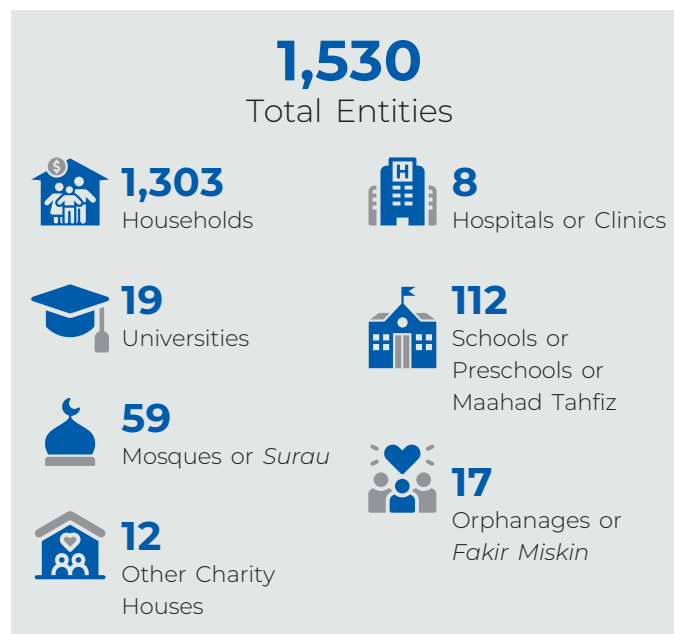


	Data as of 31 December 2024
Pewakaf (Endowers)	23,697
Wakaf Units	76.9 mil unit
Distribution of Dana Manfaat Wakaf since inception	RM2.31 mil
Total Entities and Recipients of Dana Manfaat Wakaf Distribution	1,530

Distribution by Sector



Entities or Recipients that Benefitted from Wakaf ASNB



ASNB Pewarisan

- ▶ **Hibah Amanah:** A Shariah compliant inheritance service by ASNB that implements the concept of Hibah and trust in estate management for Muslim unitholders. The unit trust investments in ASNB will be distributed to the Hibah recipients after the demise of the unitholders.
- ▶ **Pengisytiharan Amanah/Trust Declaration:** An inheritance service which adopts the concept of trust, where non-Muslim unitholders agreed to appoint ASNB as the trustee through the Trust deed to manage the unit trust investment and distribute to beneficiaries after the demise of the unitholders.

Eligibility

Donor

- ▶ ASNB unitholders
- ▶ Aged 18 years old and above
- ▶ Have a minimum investment balance of 1,000 units (excluding units under financing/collateral/EPF Members Investment Scheme)

Beneficiaries (Donees)

- ▶ Individuals
- ▶ Limited up to 10 beneficiaries
- ▶ A legal guardian must be appointed if the beneficiary is below 18 years old

ASNB Pewarisan Journey

Preparation

- ▶ Plan for the estate with ASNB through ASNB Pewarisan
- ▶ Trust deed is established through Aqad or agreement
- ▶ Beneficiaries are classified as absolute recipients
- ▶ ASNB is appointed as substitute Trustee

During Lifetime

Claim

- ▶ Beneficiaries named in the ASNB Pewarisan contract directly claim at ASNB
- ▶ ASNB distributes the investment units to all beneficiaries

After the Death of Unitholders

Advantages of ASNB Pewarisan

- ▶ **Faster claim process:** Claim can be completed in 21 days with minimal documentation required
- ▶ **Stay in charge:** While allocation can be set early, unitholders still maintain full control of the investment
- ▶ **Absolute right to claim:** The distribution is absolute and legally binding, ensuring the estate to be distributed to the named beneficiaries
- ▶ **Competitive service fees:** Reasonably low claim fees allow beneficiaries to benefit the most from the estate

Financial Calendar

Fixed Price Funds

Fund	Announcement Date	Income Distribution Rate (sen per unit)
ASB 2	28 March 2024	5.25
ASM	28 March 2024	4.75
ASB 3 Didik	28 June 2024	5.25
ASM 2 Wawasan	30 August 2024	4.75
ASM 3	30 September 2024	4.75
ASB	24 December 2024	5.75*

* Comprises of an income distribution rate of 5.50 sen per unit and a bonus of 0.25 sen per unit

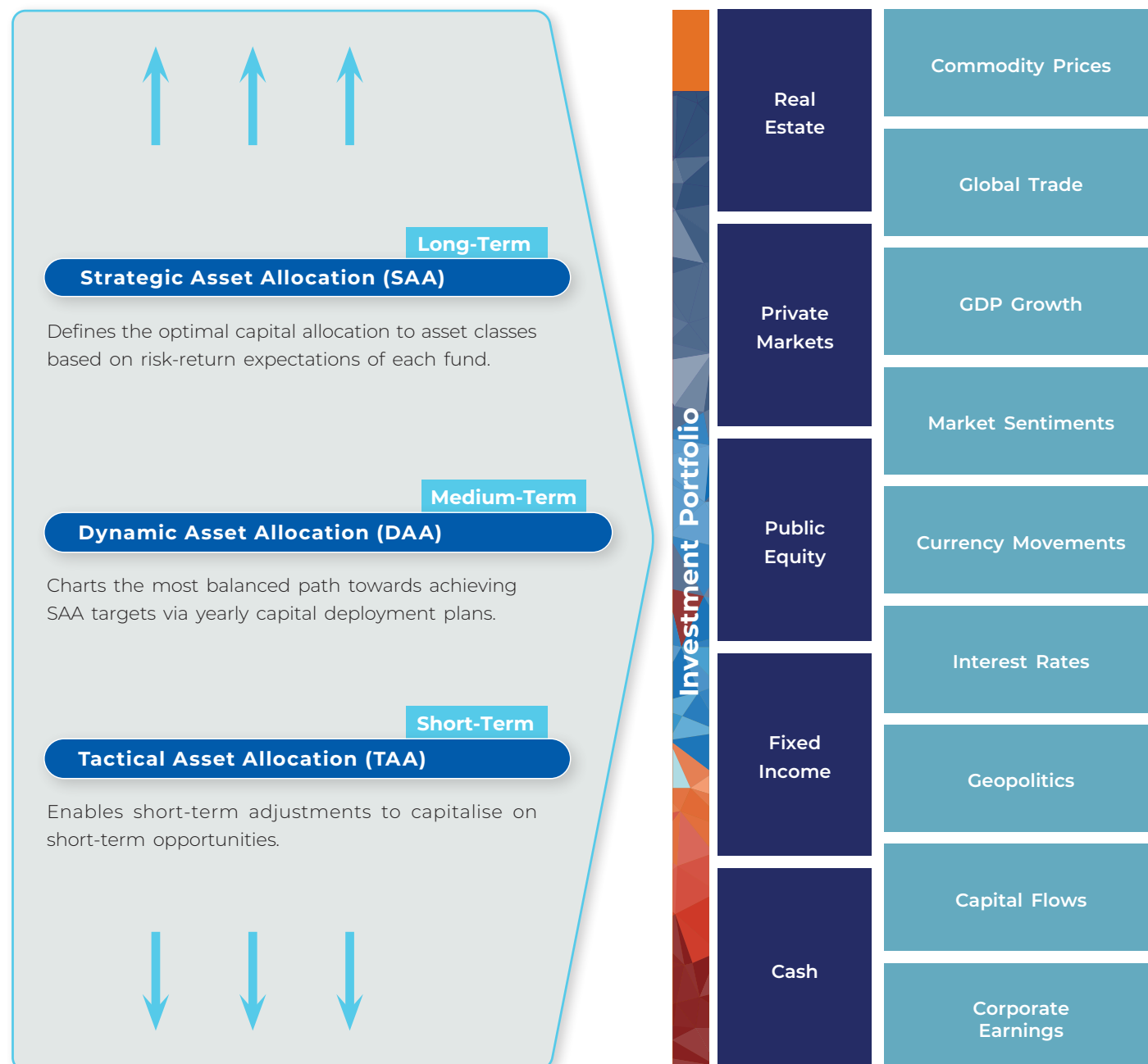
Variable Price Funds

Fund	Announcement Date	Income Distribution Rate (sen per unit)
ASN Equity 3	1 April 2024	2.63
ASN Imbang 2	1 April 2024	3.78
ASN Sara 1	1 April 2024	4.03
ASN Equity 2	1 July 2024	1.40
ASN Sukuk	1 July 2024	2.17
ASN Equity 5	1 October 2024	3.29
ASN Sara 2	1 October 2024	3.59
ASN Imbang 1	1 December 2024	4.08
ASN	1 January 2025	2.16
ASN Imbang 3 Global	1 January 2025	2.15

Our Investment Process

PNB remains dedicated to continuously enhancing shareholders' value and safeguarding the investments of PNB and the UTF under our management. This goal is achieved by striving to secure optimal and sustainable returns for all stakeholders.

Strategic Asset Allocation (SAA) Framework



Our Investment Process

Investment Philosophy

PNB, at its core, employs a value-based investment philosophy that balances various types of investment strategies in different asset classes: from long-term holdings in performing companies with steady recurring yields, to momentum-driven investments with capital gains through trading activities. In achieving our goals, we combine a top-down perspective, which is informed by long-term macro views and optimal asset allocation targets, with a bottom-up fundamental-driven approach in asset selection to create value. Diversification is an integral aspect of our strategy which seeks to further broaden the asset and geographical mix of our portfolios. Altogether, this allows us to construct well-balanced and resilient portfolios with a prudent risk profile in delivering sustainable returns to our unitholders.

PNB Group Asset Allocation by Asset Class (2024)

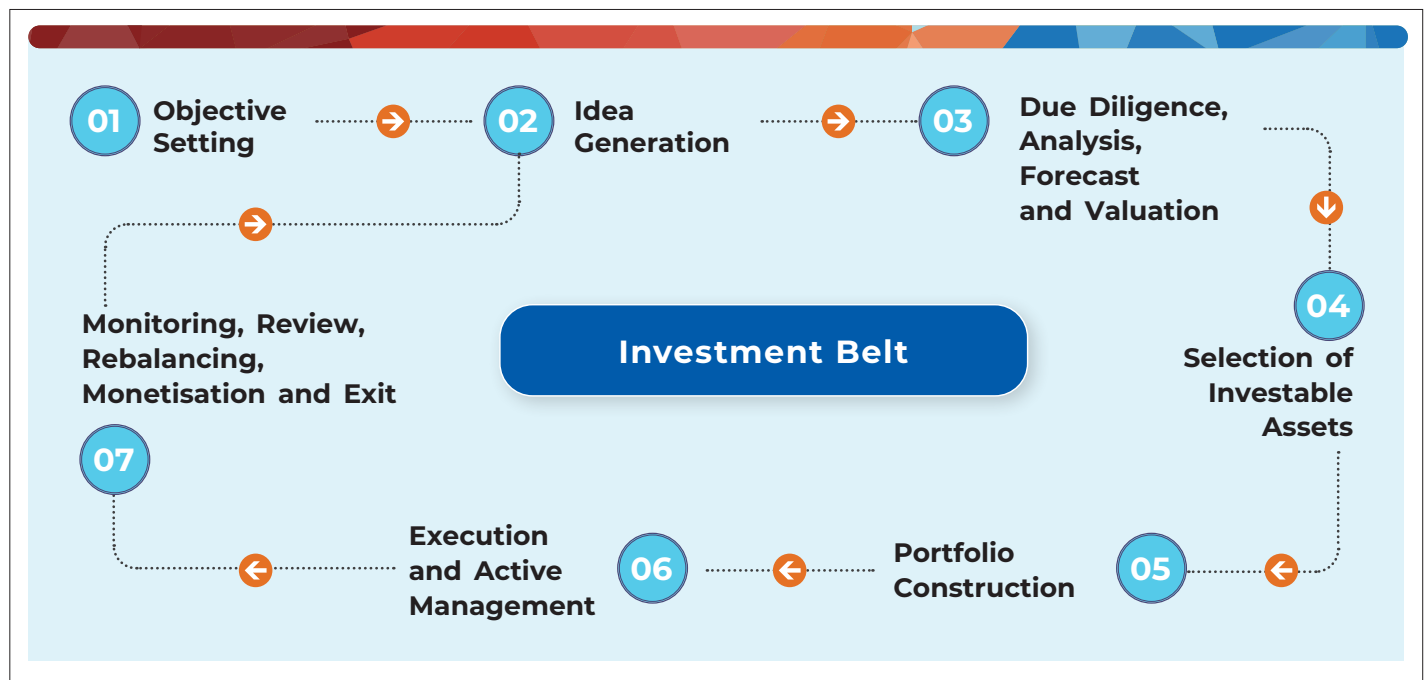
Public Equity	67.3%
Real Estate	7.1%
Private Investments	5.1%
Cash and Money Market	10.4%
Fixed Income	9.8%
Unit Trust and Others	0.3%

Investment Governance



Process For Investment

Robust end-to-end investment process across planning, implementation and monitoring stages



Our Competitive Advantage



Our Sustainable Value Chain

01 Unitholders invest in ASNB products

02 PNB manages the investments of the UTF

ASNB

Fixed Price Funds



Variable Price Funds



* Launched to the public on 11 March 2024 and accessible only via the RIA offering in the myASNB app

PNB Runs A Robust End-To-End Process For Investment Selection

Objective Setting

Idea Generation

Due Diligence, Analysis, Forecast and Valuation

Selection of Investable Assets

With an Effective Governance Operating Model

Business Units

Leadership Team

Investment Committees

President & Group Chief Executive

Fund Management

Proprietary Fund

Fixed Price Funds

Variable Price Funds

Governance

Compliance and Integrity

Internal Audit

Risk Management

Tech and Cyber Risk

Shariah Management

Unit Trust Fund Investment Committee

PNB Investment Committee

Compliance Committee

Audit Committee

Risk Management Committee

Shariah Advisory Committee

Other PNB Board Committees

External Auditor



Regulated by



Enabling the sharing of corporate wealth to unitholders

06

05 Annual income distribution to unitholders is derived from the performance of the portfolio

03

Investments are made across a diversified portfolio of asset classes and geographies to manage risk exposure

Portfolio
Construction

Executive
and Active
Management

Monitoring Review,
Rebalancing,
Monetisation
and Exit

Board

ASNB

Board of
Directors

Trust Deed

AMANAHRAYA
TRUSTEES

Investment Management
Agreement

PNB

Board of
Directors

YPB
Yayasan Pelaburan Bumiputra

Investment Portfolio

Real
Estate

Commodity Prices

Private
Equity

Global Trade

Public
Equity

GDP Growth

Market Sentiments

Fixed
Income

Currency Movements

Interest Rates

Cash

Geopolitics

Capital Flows

Corporate
Earnings

Performance of assets is driven by a
combination of macroeconomic and
market factors

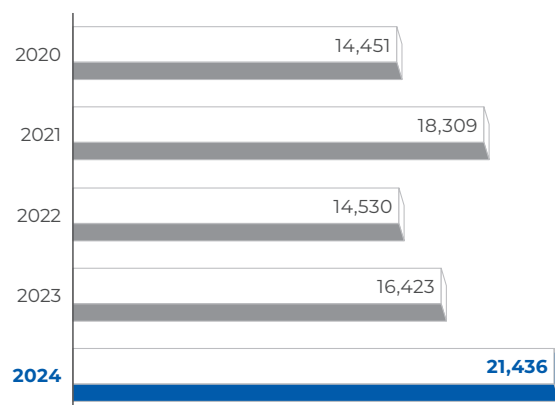
04

The returns of the portfolio are generated from realised capital gains and recurring income from each asset class

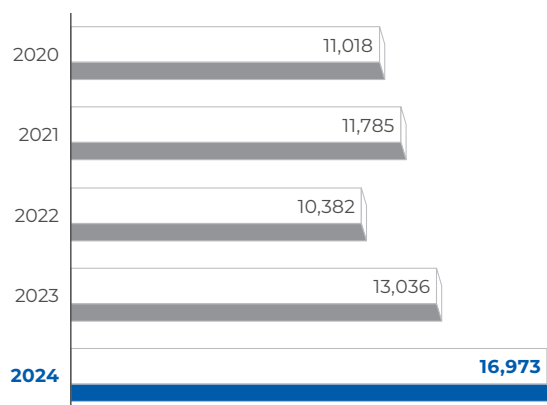
Our Investment Case

Financial Highlights

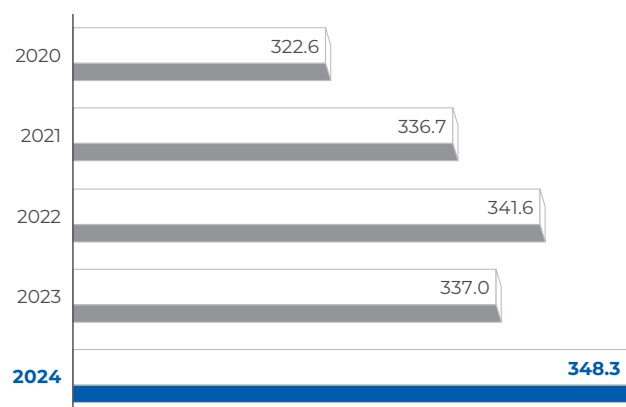
PNB Group 5-Year Consolidated Coterminous Proforma Gross Income (RM Million)



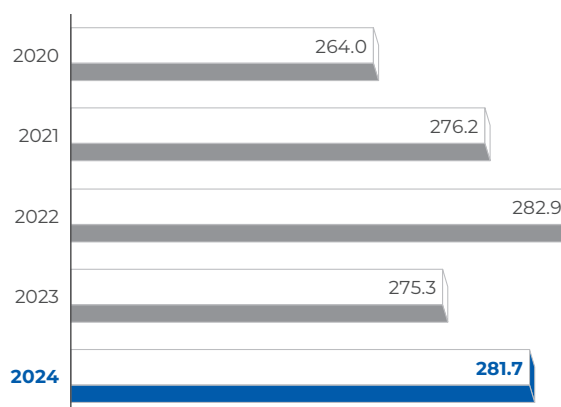
PNB Group's Five-Year Consolidated Coterminous Proforma Net Income (RM Million)



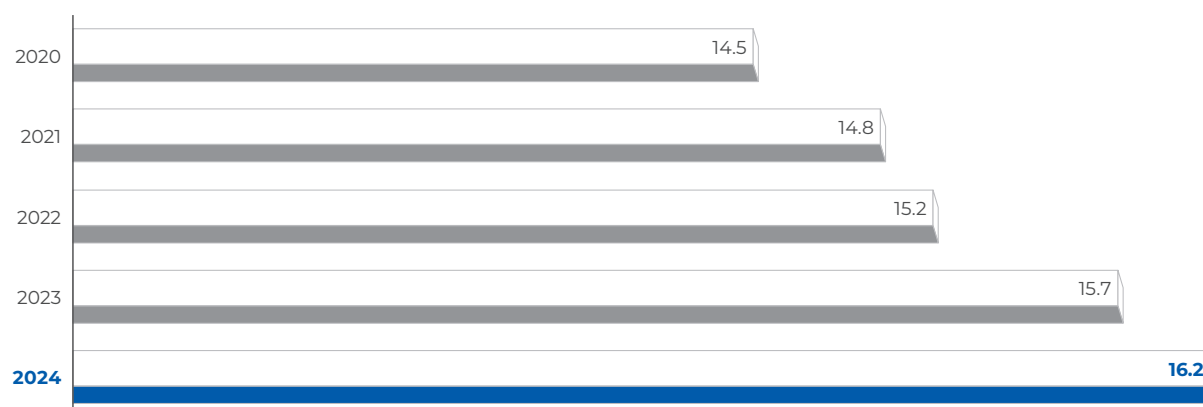
Assets Under Management (RM Billion)



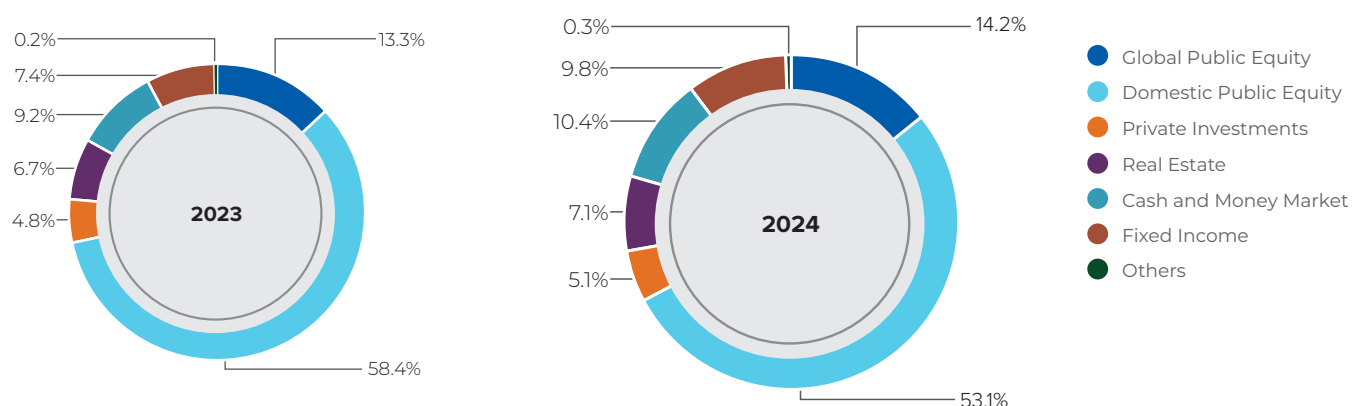
Units In Circulation (Billion)



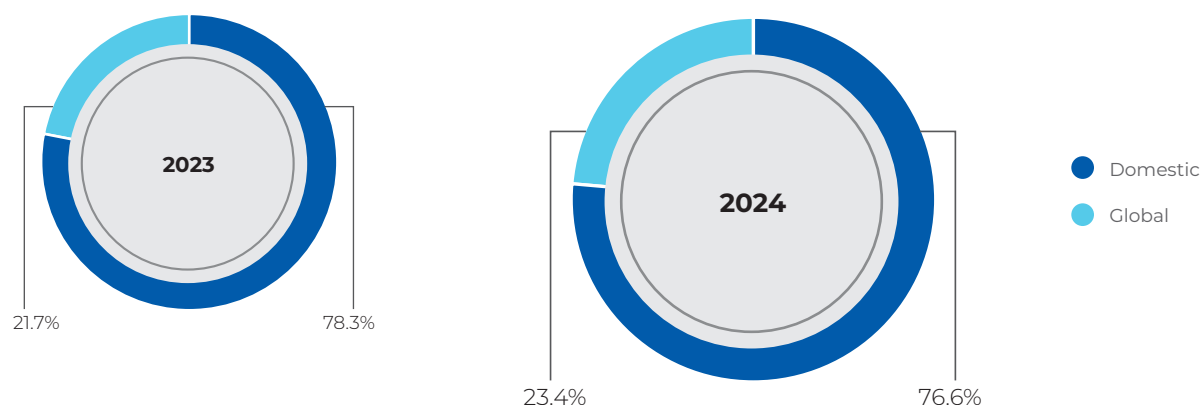
Number Of Accounts (Million)



PNB Group's Asset Allocation By Asset Class (%)

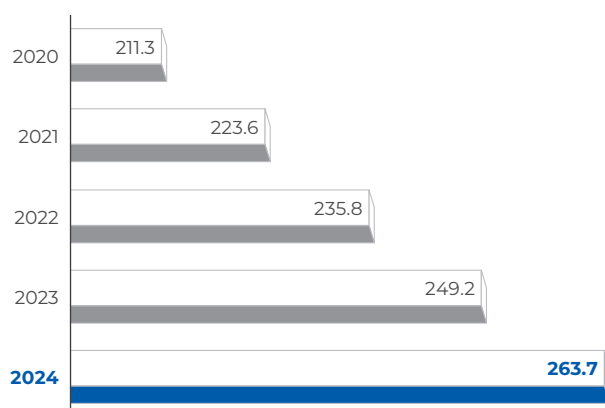


PNB Group's Asset Allocation By Geography (%)

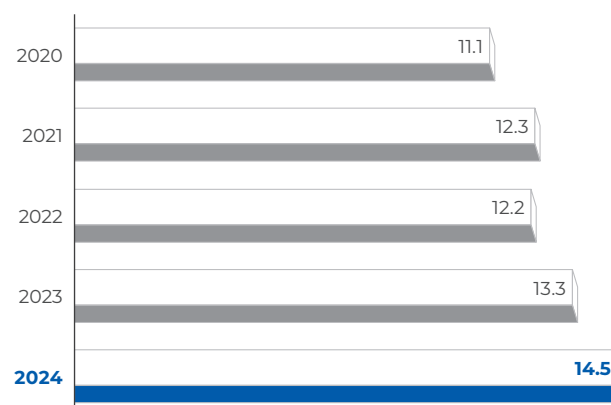


Income Distribution (RM Billion)

Cumulative Income Distribution



Annual Income Distribution Payout



Our Investment Case

Financial Highlights

Performance Of The Unit Trust Funds

	Equity					Mixed Asset Balanced					Fixed Income
	 ASN	 ASN Equity 2	 ASN Equity 3	 ASN Equity 5	 ASN Equity Global	 ASN Imbang 1	 ASN Imbang 2	 ASN Imbang 3 Global	 ASN Sara 1	 ASN Sara 2	 ASN Sukuk
Financial Year End ("FYE")	31-Dec	30-Jun	31-Mar	30-Sep	31-Dec	30-Nov	31-Mar	31-Dec	31-Mar	30-Sep	30-Jun
Distribution yield (%)	2.92	2.87	2.78	2.94	-	3.79	3.83	2.03	3.68	3.66	3.76
Total return (%)	25.7	30.89	20.93	27.5	11.1	19.98	18.45	6.67	9.35	9.76	4.72
Net income* (RM million)	26.6	8.5	31.5	9.8	106.6	25.2	33.5	31.8	88.7	37.7	35.7
Units in circulation FYE (billion units)	1.5	1.2	1.5	0.5	0.5	0.9	0.9	0.7	2.1	1.0	0.9

* Realised portion of total comprehensive income

	 ASB	 ASB 2	 ASB 3 Didik	 ASM	 ASM 2 Wawasan	 ASM 3
Financial Year End ("FYE")	31-Dec	31-Mar	30-Jun	31-Mar	31-Aug	30-Sep
Distribution (sen per unit)	5.75	5.25	5.25	4.75	4.75	4.75
Net income (RM million)	10,190.60	666.3	421.4	1,355.80	1,181.90	826.2
Units in circulation FYE (billion units)	174.7	12.7	7.7	28.0	23.7	17.6

Business Highlights

Minggu Saham Amanah Malaysia ("MSAM") 2024 recorded more than 100,000 visitors in Setia Alam, Shah Alam, Selangor.

PNB Knowledge Forum held in July highlighted the importance of economic complexity.

PNB Public Markets Dialogue 2024 gathered over 500 participants from amongst domestic and international intermediaries, external fund managers and custodian.

Launch of Ria in March 2024.

Partnership with TnG as First Digital Agent.

Sustainability Highlights



PNB awards over RM400 million in scholarships to top students since inception.



98% reduction in Enterprise Scope 1 & 2 GHG emissions.



Invested RM5.5 billion in green and transition assets.

Published the PNB Nature and Biodiversity Policy.



Recorded training hours: 297,511 across the Group.



Achieved 38% representation and on target to achieve the 40% Women in Leadership position by 2025.

Our Awards and Recognitions



- 1** Employer of Choice by gradmalaysia (Government-Linked Investment Corporations) in Malaysia's 100 Leading Graduate Employers Awards 2024
- 2** Global Stewardship Disclosure Award by International Corporate Governance Network ("ICGN") for Asset Owners under £60 billion AUM
- 3** UNGCMYB Forward Faster Sustainability Awards 2024 by United Nations Global Compact Network Malaysia and Brunei for Climate Action (Large Company - Investment and Financial Institution) Award, Gender Equality (Large Company) Award and Sustainability Awareness and Employee Engagement Recognition

- 4** Best Adoption of Cloud Native Award by Alibaba Cloud presented at the Alibaba Cloud 10th Anniversary Celebration and Award Ceremony 2024
- 5** The Edge Malaysia Outstanding Property CEO Award by The Edge for Dato' Tengku Ab. Aziz Tengku Mahmud
- 6** Global Icon of Malaysia - The Edge Malaysia Property Development Excellence Award by The Edge for Merdeka 118



7 Silver Award by Australasian Reporting Award ("ARA") for Distinguished Achievement in Reporting

8 The Council on Tall Buildings and Urban Habitat ("CTBUH") named Menara Merdeka 118 as the recipient of the 2024 Structure Award of Excellence

9 Menara Merdeka 118 received the Leadership in Energy & Environmental Design ("LEED") Platinum certification

10 FIABCI Property CEO Award for Dato' Tengku Ab. Aziz Tengku Mahmud

11 Dato' Tengku Ab. Aziz Tengku Mahmud, recipient of the 2024 Malaysia Real Estate Personality of the Year Award presented by PropertyGuru Asia Awards Malaysia

12 PIKOM's CIO of the Year Award for AI Adoption and Technology Ecosystem Enabler presented to PNB's Chief Technology Officer, Ts Izzat Aziz

Rising Together in Overcoming Challenges

▶ **Raja Tan Sri Dato' Seri Arshad**

Raja Tun Uda

Group Chairman





Message from the Group Chairman

Dear Unitholders,

I am delighted to present an account of PNB's performance for the year 2024, a year that by and large was positive for everyone in Malaysia. For the first time in a long while, the country's macroeconomic landscape looked promising. Driven by robust fundamentals, policy stability and the introduction of various national blueprints aimed at sustainable and more equitable development, the country recorded strong growth under the MADANI Economy while attracting greater inflow of foreign direct investment. Although the cost of living remains a concern, we are heartened to see inflation continue to stabilise for the second year running.

Message from the Group Chairman

Along with a favourable macroenvironment, PNB has continued to perform well. In fact, our returns for 2024 have been the highest over the last five years, with our wholly-owned unit trust management company ASNB declaring a total income distribution of 5.75 sen a unit for its flagship fund, Amanah Saham Bumiputra (ASB). This is 9.5% higher than our returns in 2023, and 4.5% higher than it was in 2019. The total payout amounts to RM10.1 billion and has benefitted 11.1 million ASB unitholders.

Once again, these returns have outperformed their benchmarks, further strengthening PNB's 46-year legacy of being one of the largest and most trusted fund management companies in Malaysia. In a broader context, our performance demonstrates the ability of PNB to fulfil our Mandate to enhance the economic wealth of the Bumiputera community and all Malaysians for the prosperity of the nation.

A Manifesto For Change

Upon the completion of our Focus 4 Strategy in 2022, in 2023, we undertook a thorough and honest review of who we are, what we stand for and what we hope to achieve, leading to a renewed Purpose statement. The strategic exercise was timely for another reason: although by this time the pandemic had abated, it had caused a paradigm shift, changing the way we work, live and think. It was also a stark reminder of the need to work together in shaping a more holistic approach to protect people and the planet as we strive to advance economically.

This inspired PNB to amplify our existing ESG agenda in our strategy, LEAP 6, as well as to introduce a new Manifesto for clarity and focus for us all as #teamPNB in delivering our Mandate and Purpose. I would like to share this Manifesto, which reads: "At PNB, we exist to uplift the financial lives of Malaysians across generations. We are the bridge between where they are today and their hopes and dreams for tomorrow. We are the connective thread that ties every Malaysian together, in our collective journey towards a future of greater financial health, wealth, and wisdom."

As a result of this Manifesto, we are more driven than ever to effect inclusive and meaningful change throughout society, with a particular focus on those who are underserved or under-represented. Under our renewed Purpose, we aim to lift lives collectively, leaving no-one out.



At PNB, we exist to uplift the financial lives of Malaysians across generations. We are the bridge between where they are today and their hopes and dreams for tomorrow. We are the connective thread that ties every Malaysian together, in our collective journey towards a future of greater financial health, wealth, and wisdom.

Enhancing Financial Literacy

Due to lack of awareness, low levels of income and various other reasons, most Malaysians – and especially those who need to – do not save. This has been a perennial challenge for PNB, and has led to our championing financial literacy via numerous programmes as well as campaigns, some that have been ongoing for many years. The objective has always been to inspire greater savings and underline the importance of investing.

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This year, we launched a new initiative, Celik MADANI, to inspire youth to start saving even before entering the workforce. Collaborating with the MADANI government, we are setting up tertiary-level students with an initial seed investment of RM50 and providing them the financial know-how to continue investing. The aim is to enroll one million students for the period of five years from public institutions of higher education (IPTAs), including vocational institutions, into the programme which is being co-funded by the government. It was launched during our flagship financial literacy event MSAM 2024.

Since the year 2000, we have also been running activities under Kelab Pelaburan Bijak PNB (KPBPNB) to introduce secondary school students to financial management and investment knowledge. Currently, 329 schools are involved in the programme, and we hope to grow the number to 2,000 schools by 2028.

This is over and above various other financial literacy programmes organised which are tailored to the specific needs of the different segments of society targeted.



Message from the Group Chairman

Creating Social and Environmental Value

As per our Mandate, PNB has always been driven to elevate the standard of living of Malaysians, not only through savings and investments but also through zakat contributions and other community programmes. In recent years, we have deepened our efforts to create greater social value while embracing our ability to influence the country's environmental sustainability and especially the low-carbon agenda.

In light of increasing geopolitical tensions and trade concerns, we remain steadfast in our belief that the ESG agenda is crucial to our fiduciary duty as a responsible fund manager. Integrating ESG considerations into our business activities and investment decision-making allows us to manage risk more holistically and capitalise on value creation opportunities, ensuring resilience across our operations and investment portfolio. Our dual net zero targets across enterprise and investment portfolio continue to shape our decarbonisation priorities and I am pleased with the significant progress we are making on both fronts, positioning PNB as a climate-conscious organisation. Further underlining our commitment to environmental sustainability, we launched a Nature and Biodiversity Policy to better manage our nature-related risks.

Meanwhile, as an extension of our Purpose to uplift the financial lives of Malaysians across generations, we have developed a Social Investments Framework (SIF) aligned with national development and community needs centring on the pillars of education, health, community development and

the environment. I am pleased to share that, in 2024, the Group contributed a total of RM77 million to various initiatives underlining our social citizenry, including RM64 million that was channelled towards zakat.

Education has always been one of our key focus areas because it is a powerful enabler, equipping young Malaysians with the knowledge and capabilities to elevate their lives and the lives of their communities as future leaders. Since 1996, we have been offering the PNB Global Scholarship Programme and YTI Excellence Award Programme to deserving students, enabling them to further their education at foreign and local universities, respectively. We also support underprivileged students to complete their secondary education via the Bantuan Untuk Pendidikan PNB (BUDI PNB) programme.

Within PNB itself, we have in place a Graduate Executive Trainee Programme. Since 2011, we have put 5,539 trainees through their paces to address skill gaps among them by bridging the academic learning with industry requirements.

Integrating ESG considerations into our business activities and investment decision-making allows us to manage risk more holistically and capitalise on value creation opportunities, ensuring resilience across our operations and investment portfolio.



Acknowledgements

PNB is undergoing a period of rapid and intense change to maintain our position as the most trusted investment organisation in the country. In the process, we are increasingly more efficient in managing the investments of over 13 million unitholders, while creating impactful outcomes to shape an equitable and progressive nation.

For this, we have our external and internal stakeholders to thank. I would like to take this opportunity to acknowledge our unitholders for their trust in our ability to deliver; our investee companies for sharing in our vision of a socially, economically and environmentally progressive nation; Ministry of Finance (MOF) for creating a conducive ecosystem for GLICs to flourish; as well as all our external fund managers who have maintained the high standards set at PNB.

Within PNB, I would like to express a heartfelt gratitude to my colleagues on the Board for their steadfast commitment, as well as our senior management for their dedication to the Group. On behalf of the Board, I would like to thank Dato' Rick Ramli for his exemplary service as Acting President & Group Chief Executive (PGCE) during the critical period between Ahmad Zulfarnain Onn's departure in February 2024 and Dato' Abdul Rahman Ahmad taking over of the PGCE role in July 2024.

To reiterate my message last year, we feel indebted to Ahmad Zulfarnain for guiding the Group through many milestones over his three-and-a-half-year tenure. At the same time, we



extend a warm “homecoming” to Dato' Abdul Rahman who is returning to the position he held from 2016-2019, before leaving to helm CIMB as its Group CEO. During his first tenure as PGCE, Dato' Abdul Rahman was instrumental to PNB's strategic transformation. We look forward to his providing continuity in driving LEAP 6 while helping to deliver on our Purpose of uplifting the financial lives of Malaysians across generations.

Finally, terima kasih to our 2,117 employees, without whom we could not have achieved all that we have over the years. Your hard work and

commitment continue to be a source of inspiration, leading us to greater strength and resilience as we chart a better future for everyone.

PNB is undergoing a period of rapid and intense change to maintain our position as the most trusted investment organisation in the country.

Conversation with the President & Group Chief Executive

Q 1 The five years since you left PNB as PGCE in 2019 included the most unprecedented environment for corporations in recent history due to the pandemic. What major changes have you seen in the organisation since returning?

The global and local financial landscapes have definitely changed significantly since my earlier stint at PNB. While the pandemic upended the global economy, its aftermath was no less challenging. Rapid advancements in technology, together with increasingly uncertain geopolitics and trade tensions led to notable inflationary environment with elevated interest rates and a highly volatile capital market.

PNB itself has undergone a period of intense transformation, which began even before Covid-19, and has accelerated since. When I first joined PNB in 2016, our focus was on diversifying our investment portfolio which was 98% in Malaysia, and mostly in equities. Diversification was critical for risk management and sustainability of returns purposes. I am pleased that today PNB have increased global investments to 23.4% of total portfolio.

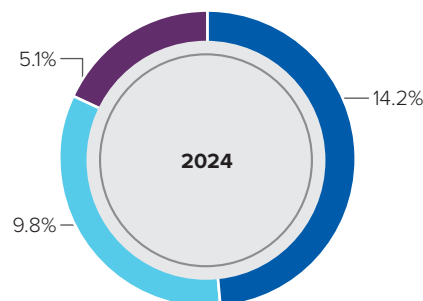
Whilst we need to continue our asset diversification strategy, a more pressing challenge now is to get Malaysians to save more and invest with PNB.

Shifting spending habits, coupled with pressure on net disposable income, have lowered the propensity of Malaysians to save voluntarily compared to five or 10 years ago. This has put pressure on PNB's ability to grow our AUM, which is critical for any fund management institution. Our primary focus today, therefore, is to promote financial literacy and to enhance our service delivery to influence more informed financial decisions and savings.

Q 2 In what ways has the organisation continued to transform, and what are some of its key achievements over this period?

There have been three key shifts in PNB's trajectory over the last few years, each aimed at future-proofing the organisation while delivering long-term sustainable returns for our unitholders. These comprise portfolio diversification, as mentioned; advancing our sustainability and stewardship agenda; and launching our LEAP 6 Strategic Plan.

In terms of diversification, we have not only broadened our portfolio across geographies but also asset classes to be more balanced and better equipped to withstand market volatility.



● International Public Equity
● Fixed Income
● Private Investments



A marked increase from **8.7%** (International Public Equity), **7.2%** (Fixed Income), and **2.8%** (Private Investments) in December 2020.



The Strategic Plan emphasises our focus in growing the savings of Malaysians whilst reinforces our diversification and sustainability agendas, leveraging on innovation and a high-performance culture to drive operational efficiencies, better customer experience and delivering sustained enhanced returns.

► **Dato' Abdul Rahman Ahmad**
President & Group Chief Executive

Conversation with the President & Group Chief Executive

As for sustainability, PNB has always sought to invest responsibly and our actions were formalised with added emphasis in April 2022, when we launched the PNB Sustainability Framework and our 10 ESG Commitments. In line with enhanced focus on sustainability, we are embedding sustainability into our investment philosophy and organisational practices.

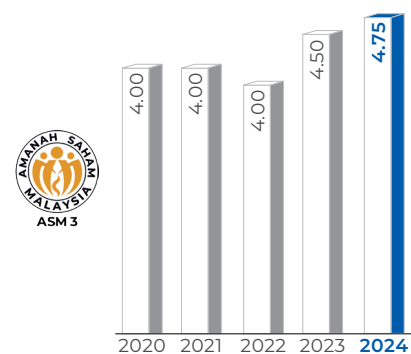
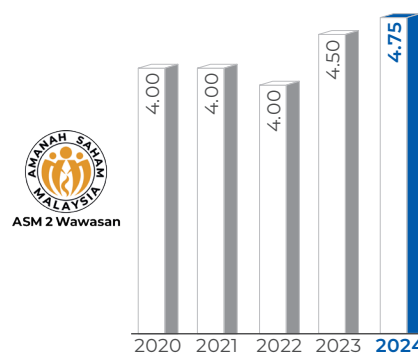
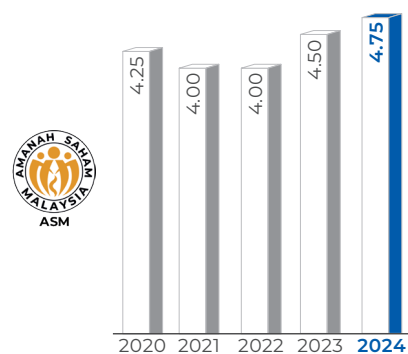
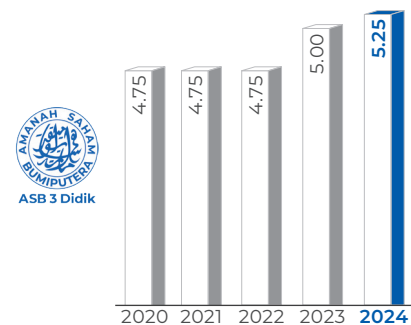
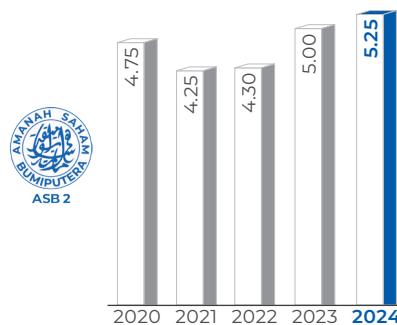
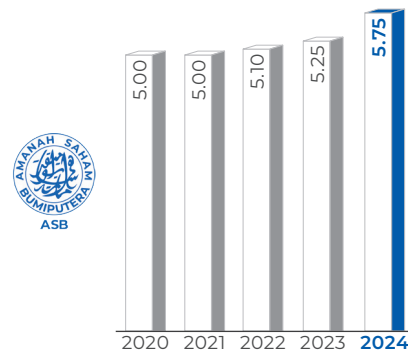
LEAP 6 was launched in 2023 to accelerate PNB's comprehensive transformation via six key pillars, namely Sales and Distribution, Investment, PNB Co Transformation, Knowledge, Innovation and Sustainability. The Strategic Plan emphasises our focus in growing the savings of Malaysians whilst reinforces our diversification and sustainability agendas, leveraging on innovation and a high-performance culture to drive operational efficiencies, better customer experience and delivering sustained enhanced returns.

Q 3 2024 was an exceptional year for PNB in terms of investment performance. Could you guide us through your results, and explain how these were achieved?

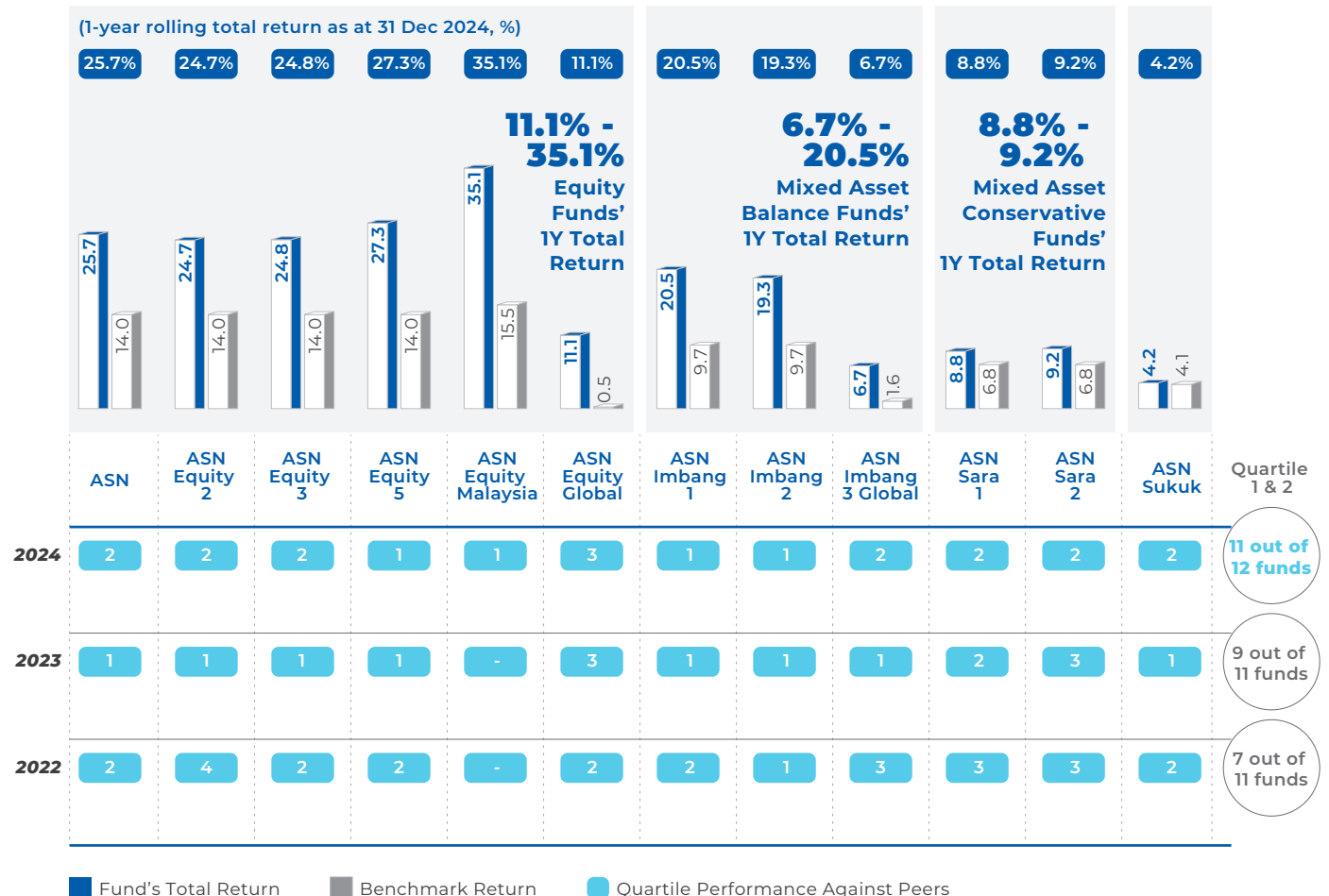
It was, indeed, a very positive year for our investments. ASNB declared a total income distribution of 5.75 sen per ASB unit amounting to RM10.1 billion, a clear reflection of the resilience we have been building in the portfolio over recent years. Performance was equally strong across our other FP funds, with all recording their highest returns in the past five years.

ASB's dividend this year translates into a 5.7% return, more than 300 basis points above the 12-month FD rate. This truly stands PNB apart in the industry; nowhere else in the world can investors earn higher returns while maintaining capital preservation and liquidity.

Strong Fixed Price funds performance in 2024, with highest returns over the last 5 years



Our Variable Price Funds also delivered market-leading returns, outperforming their respective benchmarks



However this year, we wish to highlight in particular that our Variable Price (VP) funds performed exceptionally well, with many ranking in the top quartiles versus peers. In total, 11 out of 12 VP funds ranked in Quartile 1 or 2 among their peer groups. Some of our equity funds have delivered returns exceeding 18%-20%.

The positive macro-economic and capital market environment facilitated by the supportive MADANI policies – such as the New Industrial Master Plan (NIMP), National Energy Transition Roadmap (NETR) and National Semiconductor Strategy (NSS) – played a major part in our performance. At the same time, this was complimented by the disciplined execution of our strategies to grow and diversify our investments sustainably, into global equity, fixed income and alternative investments. Further growth has been provided by the adoption of a long-term perspective with high-quality stocks, bonds and private markets, particularly in tapping into high-growth sectors domestically and abroad.

ASN declared a total income distribution of 5.75 sen per ASB unit, amounting to RM10.1 billion — the highest returns for our FP funds in the past five years, while 11 out of 12 VP funds ranked in Quartile 1 or 2 among their peer groups.

Conversation with the President & Group Chief Executive

Q 4 In terms of strategy, have there been any changes to the LEAP 6 Strategic Plan since you took over as PGCE in July 2024?

All long-term blueprints are reviewed regularly to ensure continued relevance. Together with my leadership team, we assessed LEAP 6 and refined it to focus more on the outcomes we would like to deliver over the next three years. We landed on establishing a clear end goal of LEAP 6 to grow our AUM to RM400 billion by 2027. This represents 15.3% growth in the space of three years, which is ambitious yet attainable if we execute rigorously the strategic initiatives outlined under the Plan. We focus on building our AUM, as this reflects success of our primary objective, namely to encourage Malaysians to save and grow their savings. How do we do this? It's by creating awareness of the critical need to save/invest and persuading Malaysians that PNB is the foremost investment organisation that can be trusted to help grow their savings. That trust is earned by delivering sustained enhanced returns, operating efficiently to build a strong proprietary fund and delivering a better customer experience by having highly capable people, being innovative and sustainable. All of this is captured in our six pillars, as mentioned below.

Sales and Distribution
Connect Emotionally, Serve Perfectly



Investment
Deliver Returns



PNB Co Transformation
Strengthen and Rebalance



Knowledge
Learn and Grow



Innovation
Fail Fast, Learn Faster



Sustainability
Deliver Our 10 Commitments



Q 5 You've mentioned awareness creation and fortifying PNB as a trusted organisation as the foundation of the Sales and Distribution pillar. What key achievements has PNB attained in this regard in 2024?

As mentioned by our Group Chairman, PNB has a long-standing tradition of financial literacy programmes, probably the best known of which is the MSAM, which is held annually throughout the country. Supporting this initiative, we conduct a community outreach programme, targeting school children via the ongoing KPBPBNB, Sembang-sembang ASNB; and the annual PNB Investment Quiz.

Supported by these initiatives, following a contraction in 2023, our AUM once again expanded to reach RM348.3 billion, representing 3.4% growth from RM337 billion at end 2023. This was accompanied by a rebound in the number of account holders to 16.2 million, exceeding 16 million for the first time as the number of unique account holders increased to more than 13 million.

Meanwhile, to position PNB and ASNB more visibly among the public, and to demonstrate a renewed energy and dynamism in achieving our aspirations and goals, we underwent a corporate rebranding. Our logos are now brighter and more optimistic. The new PNB blue reflects a personality that is Confident, Wise, Pioneering and Inspiring. Similarly, the new ASNB logo reflects a fund that is Dynamic, Empathetic, Savvy and Passionate.

PNB ASNB

➤ Big Push for Financial Education

PNB launched Celik MADANI to open 1 million student accounts with RM50 each.

➤ AUM and Accounts Grew

AUM grew to RM348.3 billion, with 16.2 million number of account holders and over 13 million unitholders.

Q 6 In what way is PNB embracing innovation? Could you give examples of innovative changes in 2024?

There are two aspects of innovation – one is internal and to do with improving the way we do things within the organisation; the other is customer-facing and is about using artificial intelligence (AI) and behavioural analytics to deliver products that customers want, in a way they appreciate.

To provide seamless and more efficient service, we have further strengthened our digital infrastructure. Collaborating with Alibaba Cloud, we upgraded our data centre to handle increased traffic during peak periods. Meanwhile, to make disciplined investing simpler, more automated and accessible to a broader segment of Malaysians, we have been enhancing the myASNB superapp to be more user friendly, and to offer more features that encourage savings and investment.

A key launch in 2024 was that of the Ria, which delivers personalised advice to help first-timers venturing into the world of investing. It includes an intuitive risk profiling tool that selects the most appropriate fund for the investor from within ASNB's portfolio, rebalancing the portfolio over time when needed. Response to Ria has been very positive; in under two months following its launch in March, it had attracted more than 60,000 users and total investments exceeding RM6 million. During the year, we also incorporated the Auto Labur feature into the app to allow users to automate regular investments from as low as RM10 per month.

These strategic digital enhancements are delivering impact. In 2024, we gained a total of 550,734 new unitholders who have invested RM3.36 billion while over 2.73 million unitholders increased their investments, generating an additional RM44.2 billion in sales for funds like ASB and ASM. Of our total sales, a third – or RM15.6 billion – was generated via our digital channels.

On the ground, we have continued to upgrade the branch experience, with three digital branches rolled out in 2024 and more to follow. We are also investing in service excellence ensuring that our people are equipped and empowered to deliver the level of service and care that Malaysians expect from a national institution like PNB.

Big Leap in Digital Innovation

PNB launched Ria in 2024, attracting 60,000+ users and over RM6 million in investments within two months.

Strong Growth Through Digital Channels

RM15.6 billion (one-third of total sales) came from digital platforms like the enhanced myASNB app, which now includes Auto Labur starting from just RM10 a month.



Conversation with the President & Group Chief Executive

Q 7 How does sustainability fit into PNB's strategies and ultimate Purpose, namely to uplift the financial lives of Malaysians across generations? And what progress has PNB made in terms of becoming a more sustainable organisation?

It is becoming increasingly evident that social and environmental sustainability are important to people's financial well-being. That is why sustainability has been included as one of our pillars in LEAP 6. Our objective is not just to operate sustainably as an organisation but, as one of the largest investment funds in Malaysia, to influence the same in our investee companies. Our investment decisions are guided significantly by ESG considerations as these allow us to better understand the risks and opportunities linked to investee companies, and to respond accordingly.

We monitor our performance against targets set in our 10 ESG Commitments; and I am pleased to share that we are making good progress in each area. Among our key commitments are to reduce our carbon emissions and to deploy RM10 billion in green and transition assets by 2030. In 2024, we achieved a 98% reduction in enterprise Scope 1 & 2 emissions and strengthened internal investment processes and stewardship activities to decarbonise our investment portfolio toward our 2030 interim climate targets. By year end, we had also invested a total of RM5.5 billion in green and transition assets.

As detailed by our Group Chairman, we continue to build on our contributions to the nation via efforts to help shape a more equitable and just economy. Following the introduction of our Living Wage in 2023, we are encouraging our investee companies to do the same by incorporating it in our Voting Guidelines. We also have incorporated our Labour Rights Policy in our procurement website and tender documents to raise awareness among our suppliers. As a result of our advocacy, in 2024, eight more key investee companies under our monitoring have published their own Labour/Human Rights Policies bringing the total to 11.

Gender equity is another area we are focused on, both for ethical and financial reasons, which ensures diverse leadership, enhancing our decision-making processes with a wider range of perspectives and skills. I am very pleased to share that, today, women make up 38% of our leadership, bringing us very close to our target of 40% by 2025.

Q 8 Could you elaborate on the Living Wage initiative — how have investee companies responded thus far, and in what other ways is PNB advancing its commitment to fostering a more equitable nation?

The Living Wage goes beyond minimum wages to ensure employees can sustain socially acceptable living standards that cover more than just their basic needs. We should highlight we have now fully implemented the Living wage in PNB, where all employees now earn more than the living wage threshold.

Our focus now is to push our Strategy Companies and the wider corporate Malaysia to do the same. Following in our lead, a number of investee companies – such as Sime Darby Property, SD Guthrie and Maybank – have implemented the same concept in their organisations. We are now promoting fair wages and equality more broadly across corporate Malaysia under the MOF's Government-linked Enterprises Activation and Reform Programme (GEAR-up), which forms part of the MADANI Ekonomi.

Our mission is for all corporate organisations in the country to commit to offering employees total compensation packages equivalent to monthly living wages of RM3,100, and aligning wage benchmarks with the Employee Provident Fund's (EPF) annual Belanjawanku report. This report outlines the cost of living in different cities across Malaysia to help Malaysians plan their finances at different stages in life.

In addition to "Raising the Floor" through decent wages with other GLICs under GEAR-up, PNB, together with five other GLICs, has pledged RM120 billion in domestic direct investments over the next five years – supplementing the RM440 billion already allocated for public market investments – to stimulate new economic ecosystems under MOF's programme.

Q 9 How are you able to monitor your investee companies – in terms of their ESG performance or otherwise? And what were the outcomes of PNB's investment stewardship in 2024?

PNB's commitment to investment stewardship is reflected in us having one of the most comprehensive stewardship teams in Asia (ex-Japan). This resourcing is required given the extent to which we monitor the actions and performance of our investee companies. Initially, the emphasis was on governance matters; today, our pre-investment due diligence process encompasses broader ESG assessment

including the companies' net-zero alignment, exposure to physical and transition risks, biodiversity risks, labour risks, industry-specific ESG issues, and ESG controversies.

To ensure clear understanding of our expectations, we have scaled up our engagement with portfolio companies while issuing ESG Shareholder Letters to their Chairpersons. With regard to net-zero, we have developed a methodology to assess the credibility of portfolio companies' net-zero ambitions and plans, in line with a shift from merely requiring disclosure to seeing results based on performance.

In terms of voting transparency, I am pleased to share that we have expanded our proxy voting rights from the top 10 to the top 20 international equities in key markets such as the United States, Europe, Japan, China and Asia Pacific. As a result, in 2024, PNB actively participated in 138 general meetings in its domestic holdings. It voted on 1,095 resolutions for both AGMs and EGMs where 86% of the votes were for the resolution, 11% were against and 3% were abstentions.

For the first time, PNB also voted in 54 meetings in its international holdings on 540 resolutions, with 90% support, 9.8% against, and 0.2% abstentions.

Q 10 What can we expect from PNB in 2025? What will your priorities be and how do you think the organisation will perform?

Like many investment organisations, we were originally optimistic of continued recovery in global economy and capital markets in 2025. However, we are now realistic that the macro economic and capital markets will be highly uncertain and volatile given recent geopolitical tensions and inflationary pressures arising from the shift in the US government position on global trade.

To navigate these challenges, PNB will remain focus on executing the strategies under our LEAP 6 Plan. Sustaining the performance of our funds will remain top priority as we fulfil our commitment of delivering consistent, competitive returns to our unitholders. This will be complemented by continuous strengthening of our sales and distribution capabilities, supported by product innovation, financial literacy programmes, and an expanded outreach.

On the organisational side, we will continue to maintain operational discipline to enhance cost efficiencies and ensure that PNB, as a corporate entity, remains financially sustainable in order to be able to continue supporting our funds. We will step up ongoing efforts to build institutional capability as we invest in our talent and embed a performance culture.

Finally, we remain deeply committed to our ESG agenda. In 2025, we will continue to work towards achieving our ESG commitments while strengthening our stewardship role in driving sustainable practices across Corporate Malaysia. Above all, our actions and decisions will be guided by our north star, namely our Purpose – to uplift the financial lives of Malaysians across generations.

Acknowledgements

The many progress and achievements I have detailed in this statement are the result of the contributions of PNB's large and varied group of stakeholders. Among our external stakeholders, we are indebted to the government and its ministries, agencies and regulatory bodies for their steadfast support and relentless efforts to advance the nation. The group includes our external fund managers who continue to live up to the high standards PNB has set, contributing to our robust returns. We would also like to acknowledge all our unitholders for their trust in the organisation.

Within PNB, I would like to thank our Group Chairman, and the Board of Directors for their confidence and trust as well as their valuable guidance and counsel throughout. A special note of appreciation goes to my predecessor, Saudara Ahmad Zulqarnain Onn, for navigating PNB through the difficult pandemic years and placing it on its current path of transformation. Equally, I would like to express my gratitude to the entire leadership team and #teamPNB for truly internalising PNB's values and our Mandate. Today, driven by our Purpose, let's work together to achieve all the targets we have set for PNB and Malaysians; and, in the process, contribute to a more resilient and progressive nation.

Corporate Information

Registered Office

Level 91, Menara Merdeka 118
Presint Merdeka 118
50118 Kuala Lumpur
Tel : 603-26393118
E-mail : info@pnb.com.my
Web : www.pnb.com.my

Auditors

Ernst and Young PLT

Registration No. 2020060000003
(LLP0022760-LCA) and AF 0039
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur

Form of Legal Entity

Incorporated on 17 March 1978 as a public company limited by shares.

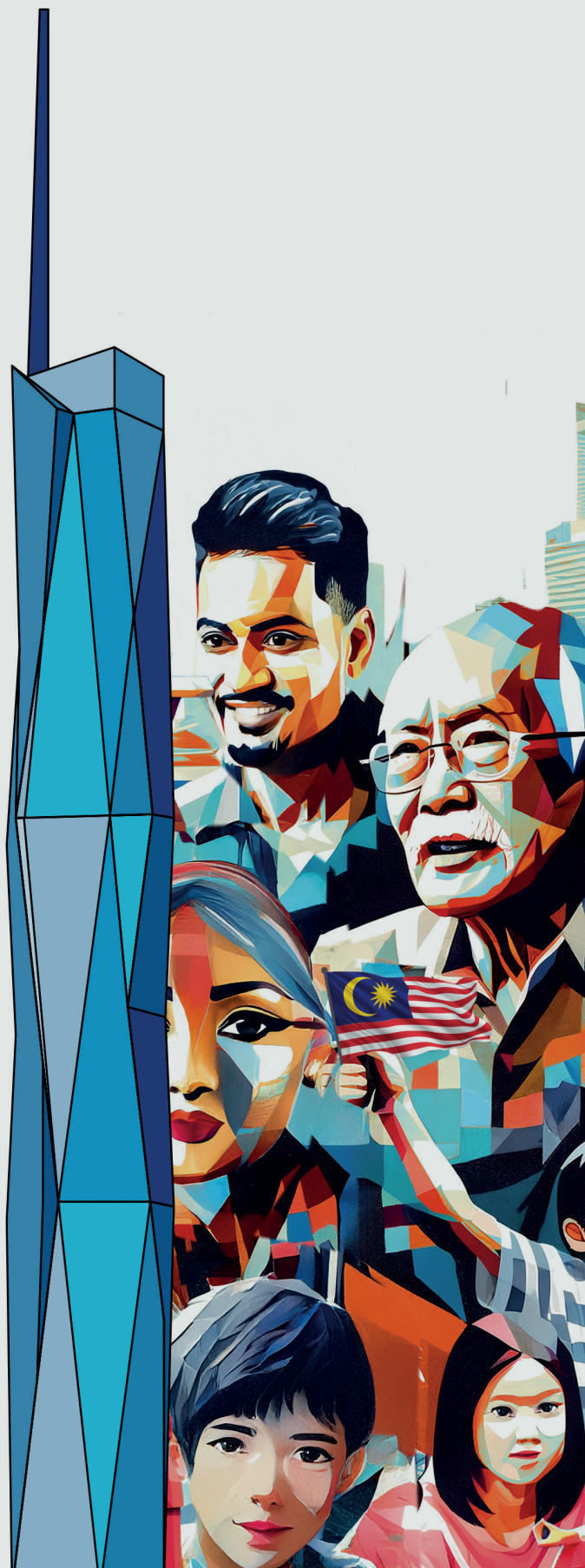
Principal Bankers

Malayan Banking Berhad

Registration No. 196001000142 (3813-K)
Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur

CIMB Bank Berhad

Registration No. 197201001799 (13491-P)
17th Floor, Menara CIMB
No. 1, Jalan Stesen Sentral 2
Kuala Lumpur Sentral, 50470 Kuala Lumpur



Board Composition

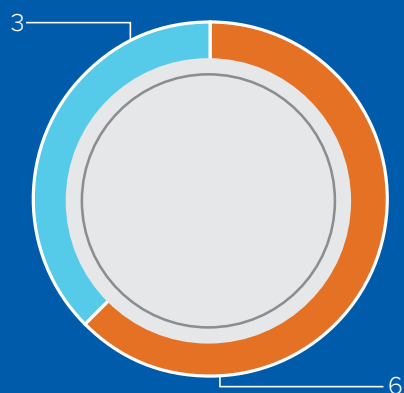
Demographic

Non-Independent Non-Executive Chairman		1
Non-Independent Executive Director		1
Independent Non-Executive Director		7

Tenure

Below 2 years		3
2 years to 5 years		1
More than 5 years		5

Gender

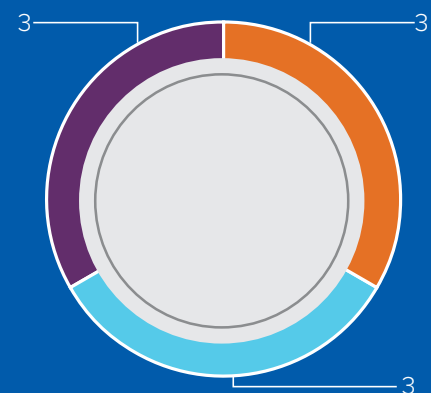


 Male  Female

Nationality



Age Group



 50-59  60-69  70 and above

Board of Trustees: Yayasan Pelaburan Bumiputra



YAB Dato' Seri Anwar Ibrahim

Chairman of YPB/
Prime Minister of Malaysia



YB Datuk Seri Amir Hamzah Azizan



Raja Tan Sri Dato' Seri Arshad Raja Tun Uda

Group Chairman of PNB



Tan Sri Dato' Setia Haji Ambrin Buang

The Strength and Integrity
of Our Guardianship

Board of Directors



Raja Tan Sri Dato' Seri Arshad Raja Tun Uda

Group Chairman,
Non-Independent Non-Executive



Gender
Male



Date of Appointment
1 June 2023



Age
78 years



Board Meeting
10/10



Nationality
Malaysian

Directorship

- Trustee of Yayasan Pelaburan Bumiputra
- Chairman of ASNB
- Chairman of Bumi Armada Berhad
- Chairman of Pelaburan Hartanah Berhad
- Trustee of Yayasan DayaDiri
- Chairman of Yayasan Raja Muda Selangor
- Chairman of Yayasan AMIR
- Chairman of Yayasan Perpustakaan Raja Tun Uda
- Chairman of Yayasan TZA

Chairman. He was formerly a Director of Khazanah Nasional Berhad and Sime Darby Berhad. Raja Arshad has been the Chancellor of Universiti Selangor since 2011. Raja Arshad was formerly the Executive Chairman of PricewaterhouseCoopers Malaysia ("PwC"). He was the Chairman of the Leadership Team of PwC Asia 7 and a member of the PwC Global IFRS Board. During the Asian financial crisis of 1997, Raja Arshad was appointed as the Chairman of the Board of Danamodal Nasional Berhad, one of three special purpose vehicles set up by the Government to manage the financial crisis.

His previous public appointments included being a member of the SC, the Malaysian Communications and Multimedia Commission, the Investment Panel of the EPF and the Board of Trustees of the National Art Gallery.

Qualifications

- Fellow of the Institute of Chartered Accountants in England and Wales
- Member of the Malaysian Institute of Accountants (MIA)
- Member of the Malaysian Institute of Certified Public Accountants

Working Experience

Raja Arshad was appointed as the Group Chairman of PNB on 1 June 2023. Prior to the appointment, Raja Arshad was the Chairman of Ekuiti Nasional Berhad, a government-linked private equity firm and Chairman of Icon Offshore Berhad. Raja Arshad retired from Maxis Berhad after 14 years as a Director, 11 of which as its



Dato' Abdul Rahman Ahmad

President & Group Chief Executive/
Non-Independent Executive



Gender
Male



Date of Appointment
1 July 2024



Age
55 years



Board Meeting
5/5



Nationality
Malaysian

Working Experience

Dato' Abdul Rahman was appointed as the President & Group Chief Executive of PNB on 1 July 2024. He held the same position from 1 October 2016 to 1 October 2019.

His previous leadership roles include serving as the Group Chief Executive Officer of CIMB Group Holdings Berhad, Ekuiti Nasional Berhad, Media Prima Berhad and Malaysian Resources Corporation Berhad.

Qualifications

- MA (Honours) in Economics from Cambridge University, United Kingdom
- Member of the Institute of Chartered Accounts in England & Wales (ICAEW)
- Chartered Accountant (Malaysia) of Malaysian Institute of Accountants (MIA)

Board of Directors

Tan Sri Datuk Zainun Ali

Independent

Non-Executive Director



Gender
Female



Age
73 years



Nationality
Malaysian



Date of Appointment
1 January 2019



Board Meeting
9/10

Qualifications

- Master of Laws (LLM) (Cantab) from University of Cambridge, United Kingdom
- Bachelor of Laws (LLB) (Hons) from University of Malaya

Directorship

- Allianz Malaysia Berhad

Other Information

- Member of the United Nations' Advisory Board of the Global Judiciary Integrity Network
- Appointed as the Pro-Chancellor of Universiti Malaya on 1 March 2023
- Appointed as the Vice Chairman of Suruhanjaya Siasatan Diraja (RCI) on 14 February 2024, Batu Putih
- Judge in the Administrative Tribunal of the Islamic Development Bank (IsDb) Group of Jeddah

- Consultant at Messrs. Zain & Co
- Commission in the Judicial Appointments Commission since 2024
- Arbitrator registered with the Asian International Arbitration Centre, Kuala Lumpur
- Member of the International Association of Women Judges based in Washington D.C.

Working Experience

Tan Sri Datuk Zainun was appointed as a member of the Board of PNB on 1 January 2019, after having served in the Government in various capacities in the Legal and Judicial Services since 1976. After her stint as the Legal Adviser to Ministries, which included her service as the Registrar of Companies and Chief Registrar of the Federal Court, she was elevated to the



Bench in 1996 as a High Court Judge. She was subsequently promoted to the Court of Appeal Bench and later reached the apex court in 2012, as a Federal Court Judge.

Datuk Dr. Mohd. Yaakub Haji Johari

Independent

Non-Executive Director



Gender
Male



Age
70 years



Nationality
Malaysian



Date of Appointment
1 January 2017



Board Meeting
10/10

Qualifications

- PhD in Sociology from University of Salford, United Kingdom
- Master of Science (Liberal Studies) from University of Manchester, United Kingdom
- Bachelor of Science (Honours) from University of Sussex, United Kingdom

Working Experience

Datuk Dr. Mohd. Yaakub was appointed as a member of the Board of PNB on 1 January 2017. He began his career as a part-time lecturer in Political Science at the MARA Institute of Technology and in 1983, he joined the Sabah State Civil Service as an Assistant Director (Research and Consultancy) in the Chief Minister's Department. He was made the Principal Assistant Director (Management Development) in 1984.

He joined the Institute of Development Studies, Sabah (IDS), the state's official think tank as an Associate Director (Social Affairs) in 1985 and later moved up to the post of Deputy Chief Executive/Senior Research Fellow in 1991-1994. He served as the Executive Director/ Chief Executive of the IDS for 15 years from 1994-2009 prior to his appointment as the Chief Executive of the Sabah Economic Development and Investment Authority (SEDIA) from 2009-2020. He was the Chairman of IDS effective from 14 December 2020 and relinquished the position with effect from 30 November 2021. On 1 April 2022, he was appointed as the Chairman of University College Sabah Foundation (UCSF) Board of Governors.





Datu Haji Soedirman Haji Aini

Independent
Non-Executive Director



Gender
Male



Age
69 years



Nationality
Malaysian



Date of Appointment
1 January 2017



Board Meeting
10/10

Directorship

- Amanah Saham Sarawak Berhad
- Sara Worldwide Vacations Berhad
- Damai Golf & Country Club Berhad
- The Sarawak Sovereign Wealth Future Fund

Working Experience

Datu Haji Soedirman Aini was appointed as a member of the Board of PNB on 1 January 2017. He started his career with Petroliaam Nasional Berhad in 1982, and after serving 13 years with the company, he resigned in 1995 to join Sarawak State Government.

Prior to his retirement from the Sarawak State Government on 31 December 2018, Datu Haji Soedirman held the position of General Manager of the Sarawak Economic Development Corporation. His previous

employment in the Sarawak Civil Service included being the Permanent Secretary of the Ministry of Social Development, Director of State Implementation Monitoring Unit, Permanent Secretary of the Ministry of Industrial Development, Deputy State Financial Secretary and State Accountant-General. Between November 2002 and September 2003, he was seconded to Amanah Saham Sarawak Berhad as its Chief Executive Officer. During his tenure of service with the Sarawak State Government, he served on many boards, including Malaysia Liquified Natural Gas Tiga and Malaysian Investment Development Authority. He currently sits on the board of various government-linked companies and non-government organisations.

Qualifications

- Fellow of the Association of Chartered Certified Accountants (UK)
- Chartered Accountant (Malaysia) of MIA
- Attended the Macroeconomic Policy and Management Programme at Harvard University



Dato Dr. Nik Ramlah Nik Mahmood

Independent
Non-Executive Director



Gender
Female



Age
69 years



Nationality
Malaysian



Date of Appointment
1 January 2019



Board Meeting
10/10

Directorship

- United Malacca Berhad, Axiata Group Berhad, Institute for Capital Market Research Malaysia (ICMR), International Centre for Education in Islamic Finance (INCEIF) and Perbadanan Insurans Deposit Malaysia.

Working Experience

Dato Dr. Nik Ramlah was appointed to the Board of Directors of PNB on 1 January 2019, and Amanah Saham Nasional Berhad on 1 January 2017. She retired in March 2016, having worked at the SC for almost 23 years,

holding various positions from Manager for Law Reform to Deputy Chief Executive. Throughout her years in the SC, Dato Dr. Nik Ramlah has been directly involved in most areas of capital market development and regulation, providing strategic and legal guidance in product and market development, bond market, fund management, corporate governance and Islamic finance. Prior to joining the SC, Dato Dr. Nik Ramlah was an Associate Professor at the Faculty of Law, University of Malaya, where she had also served as Deputy Dean.

Qualifications

- PhD in Law from University of London, United Kingdom
- Master of Laws from University of London, United Kingdom
- Bachelor of Laws from University of Malaya

Board of Directors

Dato' Johan Ariffin

Independent

Non-Executive Director



Gender
Male



Date of Appointment
1 January 2019



Age
66 years



Board Meeting
10/10



Nationality
Malaysian

Qualifications

- MBA (Marketing) from University of Miami, Coral Gables, Florida, USA
- Bachelor of Arts Degree in Economics from Indiana University, Bloomington, Indiana, USA

Directorship

- Chairman of Pelaburan Hartanah Nasional Berhad (PHNB), Mitraland Group of Companies and Etiqa Life Insurance Cambodia, and a Director of PNB Merdeka Ventures Sdn. Berhad (PNBMV)

Working Experience

Dato' Johan was appointed to the Board of Directors of PNB on 1 January 2019. He started his career in the real estate division of Citibank. Thereafter, he held various senior positions in several subsidiaries of public listed companies while venturing into his own successful marketing and advertising consultancy and property development business. He then headed Danaharta's Property Division as the Senior General Manager before moving on to head TTDI Development Sdn. Bhd. up to January 2009. He also served on the Board of Directors of Malayan Banking Berhad for nine (9) years up to April 2018, and Sime



Darby Property Berhad until June 2020. He was the Chairman of Battersea Project Holding Company Limited from September 2015 to September 2018.

Datin Norazah Mohamed Razali

Independent

Non-Executive Director



Gender
Female



Date of Appointment
6 May 2021



Age
55 years



Board Meeting
10/10



Nationality
Malaysian

Qualifications

- Master of Business Administration in Management, Imperial College Business School, University of London, United Kingdom
- Bachelor of Laws (LLB) (Hons), International Islamic University Malaysia
- Diploma in Management, Imperial College, United Kingdom

Directorship

- Independent Non-Executive Director of Sime Darby Property Berhad and MISC Berhad

Other Information

- Qualified as an Advocate and Solicitor of the High Court of Malaya, having been called to the Malaysian Bar in 1994

Working Experience

Datin Norazah Mohamed Razali was appointed as a member of the Board of Directors of PNB on 6 May 2021.

She began her career with Messrs. Sidek, Teoh, Wong & Dennis as a solicitor in 1994. After obtaining her MBA in the United Kingdom, she returned to Southeast Asia and joined the management consulting firm of Booz, Allen & Hamilton in Singapore. She then joined the Boston Consulting Group (BCG) in 2000 as a consultant based in Kuala Lumpur. At BCG, Datin Norazah was promoted to Principal in 2007. Just prior to that, she assumed the role of Project Leader as well as alternating as the Asia Pacific Recruiting Head.

She was elected as the Partner and Managing Director of BCG in 2010 and a member of its Executive Leadership team for Southeast Asia. As a Partner, she undertook a range of leadership roles within the firm including leading BCG Malaysia from 2011 to 2014 and the Public Sector Practice in Malaysia from 2012 to 2017.



While no longer a Partner and Managing Director at BCG, Datin Norazah remained as a Senior Advisor (Public Sector Practice, BCG Malaysia), a role she took on from August 2017 until December 2022. She has 25 years of experience advising and working with private and public sector organisations on strategy, growth and transformation, restructuring, sustainability, risk management and talent development.



Datuk Johan Mahmood @ Johan Mahmood Merican

Independent
Non-Executive Director



Gender
Male



Age
51 years



Nationality
Malaysian



Date of Appointment
6 July 2023



Board Meeting
3/10

Directorship

- Chairman of Kumpulan Wang Persaraan (Diperbadankan) (KWAP)
- Chairman of Lembaga Pembiayaan Perumahan Sektor Awam
- Chairman of Lembaga Hasil Dalam Negeri Malaysia
- Digital Nasional Berhad
- 1Malaysia Development Berhad
- Bank Negara Malaysia
- Perbadanan Insurans Deposit Malaysia
- Johor Corporation

Datuk Johan has served in the Government for over 20 years in various roles including Deputy Secretary General (Policy) and the National Budget Director at the Ministry of Finance, Deputy Director General (Human Capital) of the Economic Planning Unit and Chief Executive Officer of Talent Corporation Malaysia Berhad. Before joining the Government in 2004, he had worked for 9 years in corporate finance and accounting roles in the private sector.

Qualifications

- Bachelor of Arts (Economics), University of Cambridge, United Kingdom
- Institute of Chartered Accountants in England and Wales

Working Experience

Datuk Johan Mahmood Merican is currently serving as the Secretary General of Treasury, Ministry of Finance since his appointment in March 2023.

Datuk Johan is a qualified Chartered Accountant of Institute of Chartered Accountants in England and Wales (ICAEW) and graduated with an Economics Degree from the University of Cambridge, United Kingdom.



1

← **Dato' Abdul Rahman Ahmad**
President & Group Chief Executive



2

Leadership



4

← **Mohd Irwan Ahmad Mustafa @ Mustafa**
Group Chief Strategy & Financial Officer



5

← **Muzaffar Othman**
Group Chief Operating Officer



6

← **Fadzihan Abbas Mohamed Ramlee**
Chief Executive Officer, ASN



10

← **Norhanifah A. Jalil**
Chief Human Resource Officer



11

← **Mohd Azmir Mohd Jani**
Chief Risk Officer



12

← **Nimmi Kamal**
Chief Corporate Affairs Officer

← **Dato' Rick Ramli**
Deputy President
& Group Chief Executive

3



← **Hanizan Hood**
Group Chief
Investment Officer

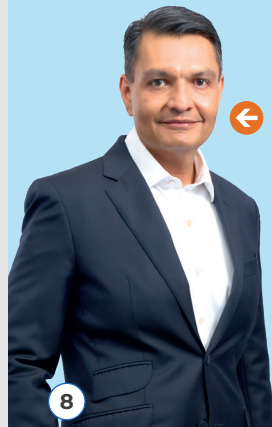
Team

Delivering Our Strategy, Driving Performance



← **Rohani Mustaffa**
Group Chief
Sales &
Distribution
Officer

7



← **Shahin Farouque Jammal Ahmad**
Deputy Group Chief
Investment Officer

8



← **Rose Anita Jalil**
Chief
Investment
Officer, Fund
Management

9



← **Hartini Zainal Abidin**
Group Head,
Company
Secretary &
Legal

13



← **Noramly Bachok @ Abdul Aziz**
Group Head,
Internal
Audit

14



← **Sahlawati Mustafa**
Group Head,
Compliance &
Integrity

15

Leadership Team Profiles

1 Dato' Abdul Rahman Ahmad

President & Group Chief Executive

Leads the overall investment, financial, operational, and strategic direction of PNB to fulfil PNB's Mandate to enhance the economic wealth of the Bumiputera community and all Malaysians, for the prosperity of the nation.

2 Dato' Rick Ramli

Deputy President & Group Chief Executive

Oversees the Group's management and operations across key areas, including Strategy, Investments, Sales, Operations, Corporate Affairs, and Human Capital. Focuses on advancing the Group's key strategic business priorities and providing oversight on critical topics such as sustainability and innovation.

3 Hanizan Hood

Group Chief Investment Officer

Spearheads the overall strategy and investment management across asset classes including Public Equity, Fixed Income, Real Estate, Private and Strategic Investments within the Proprietary and Unit Trust fund portfolios, to ensure alignment with their respective mandates and long-term investment objectives. Oversees the end-to-end investment activities and functions including economic and investment research, asset allocation and portfolio construction, treasury and liquidity management, global multi-asset trading and execution, stakeholder engagement and investment stewardship, risk management and oversight.

4 Mohd Irwan Ahmad Mustafa

Group Chief Strategy & Financial Officer

Leads PNB's overall business operations, including financial reporting, planning, budgeting, and recovery processes, while overseeing procurement and investment activities to ensure the company's financial strength in executing its Strategic Plan. Additionally leads the Corporate Strategy and Finance functions, responsible for strategic planning, strategic review, programme management and aligning key management processes towards ensuring the organisation maintains focus on achieving the company's strategy.

5 Muzzaffar Othman

Group Chief Operating Officer

Assumes a vital role in implementing PNB's strategy by driving digital transformation, modernising IT infrastructure, and aligning initiatives with the company's goals. By fostering a high-performing team and leveraging emerging technologies, it enhances business resilience and maintain a competitive edge while streamlining processes to optimise resources. Comprising the Technology, Retail Business Operations, Compliance, Investment Data Analytics, Transformation, Property and Customer Experience teams, the division ensures operational excellence across key functions. Its goal is delivering exceptional customer experiences, enabling data-driven decision-making, and ensuring compliance with governance, regulatory, and sustainability standards.

6 Fadzihan Abbas Mohamed Ramlee

Chief Executive Officer, ASNB

Responsible for driving AUM growth and expanding market presence for ASNB's products and services by developing and executing PNB's sales and distribution strategies, while ensuring alignment with corporate objectives.

This includes optimising sales efforts, managing distribution channels, and enhancing customer experiences to increase reach and strengthen ASNB's reputation as Malaysia's trusted investment institution.

7 Rohani Mustaffa

Group Chief Sales & Distribution Officer

Leading and driving the company's sales and distribution strategies to significantly grow its retail unit trust business. This role will focus on expanding market reach, developing robust sales channels (both digital and physical), and creating sustainable growth through effective customer acquisition and retention strategies. The role involves leading a high-performing sales organisation while ensuring effective distribution partnerships with financial institutions and other key stakeholders. Assuming a key role in ensuring and enhancing ASNB's market presence while achieving the company's overall AUM and net sales targets.

8 Shahin Farouque Jammal Ahmad

Deputy Group Chief Investment Officer

Leads the Strategic & Private Investments business unit to achieve SAA targets and investment objectives. Key responsibilities include oversees engagement with Strategic & Core companies to align with PNB's Mandate and provides strategic direction for investments in Private Markets and Real Estates to drive sustainable growth and long-term value creation. Strengthens governance and fosters stakeholder engagement through Investment Stewardship, while advancing goals outlined in the PNB Sustainability Policy.

Leadership Team Profiles

9 Rose Anita Jalil

Chief Investment Officer, Fund Management

As the Designated Fund Manager, has the overall responsibility for the fund management function of the UTF under PNB's management. Oversees the management of the investment portfolios of the UTF, comprising multi-asset fixed-price and variable-price funds. Responsible for developing and executing asset allocation plans in order to deliver the funds' objectives and mandates, including overseeing public equity and fixed income external fund managers and working closely with asset class managers, as well as managing the funds' investments within established risk parameters.

10 Norhanifah A. Jalil

Chief Human Resource Officer

Spearheads the development of PNB Human Capital strategies and drives the implementation of Human Capital frameworks aimed at growing talent and delivering competencies. Ensures a continuous flow of talent that supports PNB's leadership agenda through scholarship programmes and talent management frameworks. Leads cultural initiatives to further develop a high-performance workforce in PNB.

11 Mohd Azmir Mohd Jani

Chief Risk Officer

Leads the implementation of a sound Enterprise Risk Management (ERM) across PNB Group. This is accomplished by formulating a coherent risk appetite and infrastructure to support risk management strategies, planning and developing a system of prevention and recovery from potential threats, as well as reporting on Enterprise-wide risk management issues to support effective decision-making and risk oversight.

12 Nimmi Kamal

Chief Corporate Affairs Officer

Leads PNB Group's strategic communications, marketing, sustainability, and social investment initiatives, ensuring alignment with the Purpose and strategic plan. Drives brand transformation for both PNB and ASNB, embedding core values and guiding the Corporate Affairs division and PNB Enterprise in achieving ESG objectives. Develops and implements strategies to enhance marketing and brand visibility, engage customers, and drive business growth through effective marketing communications.

Fosters collaboration as PNB progresses towards becoming a Net Zero Enterprise (NZE). Additionally, oversees the PNB Research Institute in managing research that addresses key socio-economic issues and supports PNB's strategic goals, while leveraging data-driven insights to address business challenges.

13 Hartini Zainal Abidin

Group Head, Company Secretary & Legal

Spearheads and oversees the provision of legal advisory function to address legal issues and risks of the business units within PNB Group. Also, leads PNB Group's corporate secretarial functions in providing support to the Board and its committees in relation to all Board-related governance and administrative matters.

14 Noramly Bachok @ Abdul Aziz

Group Head, Internal Audit

Leads the internal audit function to provide independent, reasonable and objective assurance as well as consulting services by assessing the adequacy, efficiency and effectiveness of governance processes, risk management, internal controls and quality management systems within the PNB Group.

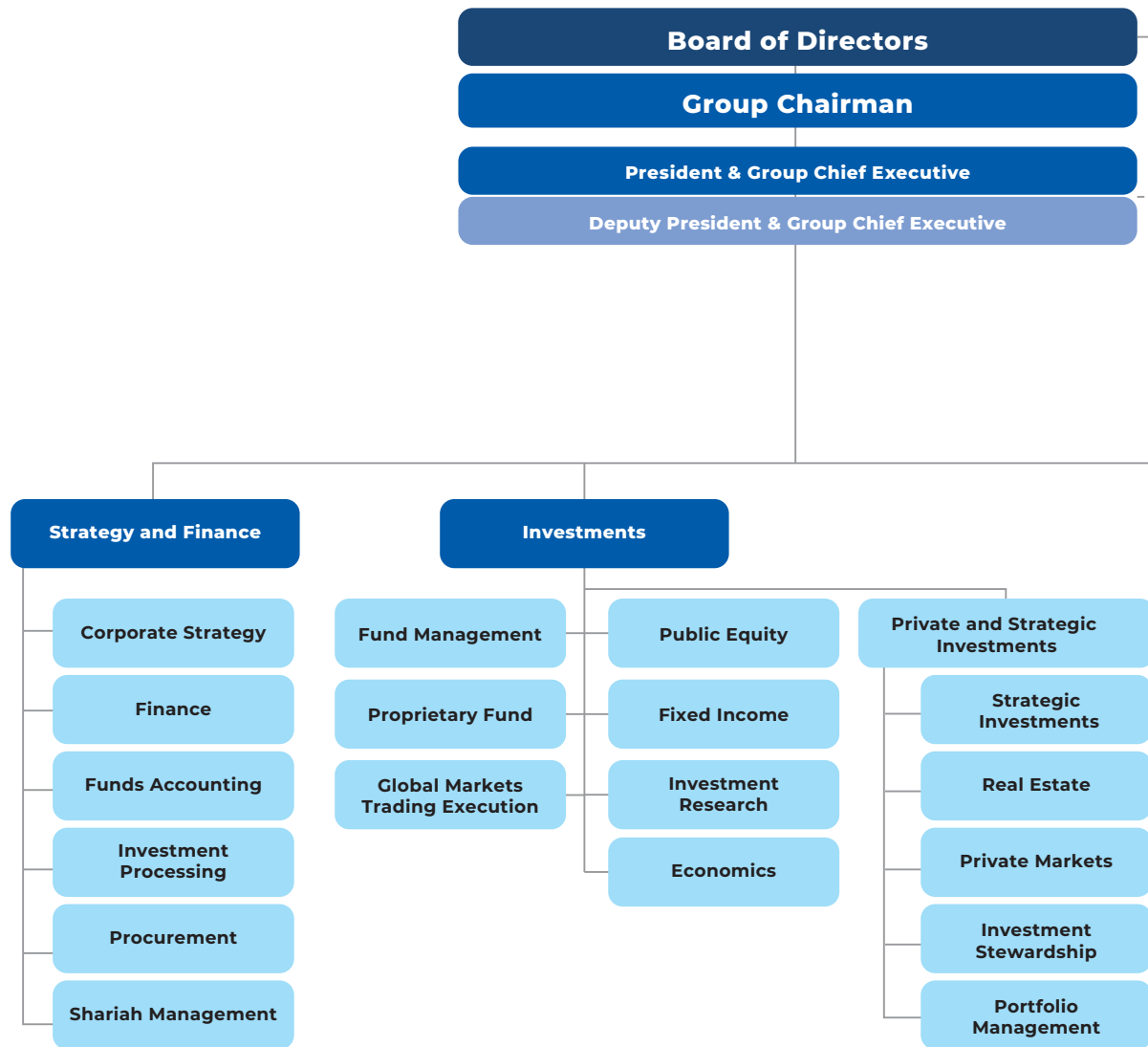
15 Sahlawati Mustafa

Group Head, Compliance & Integrity

Spearhead the Compliance & Integrity Division to ensure the business operations adhere to relevant rules and regulations, based on highest ethical standards. This entails planning, developing and implementing compliance, integrity and governance framework and strategy, including, but not limited to Compliance Programme and Integrity & Governance Policy for PNB Group.

PNB Organisation Structure

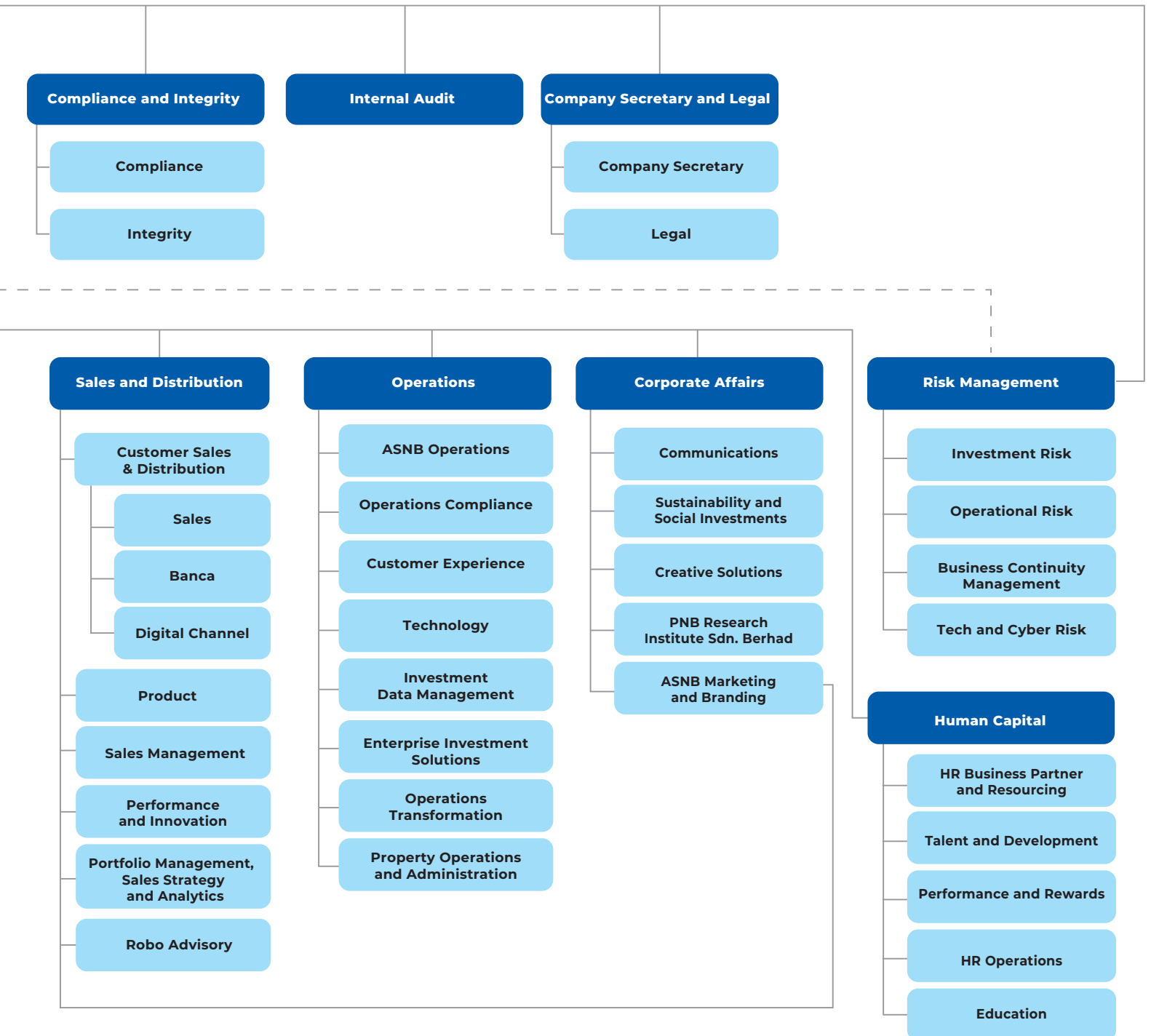
as at 3 February 2025



Legend

Division

Team



Our Approach to Value Creation

1

Assessing Our Context

Assess and Evaluate Our Operating Context

See pages 81-87

Global trends geopolitical events (trade wars/sanctions), socio-economic challenges, supply and demand disruptions arising from the external operating environment (amongst others), and emerging and existing megatrends will affect our ability to create value, impacting our performance and business continuity, risk management and our strategy.

Strengthening Stakeholder Relations

See pages 65-71

Stakeholders' needs are continually evolving. We regularly engage with key stakeholders in order to understand their perspectives and to create transparency of our strategies and objectives, and at the same time, align and balance their expectations with our business priorities.

Stakeholders

S1 Employees	S7 Investment Managers
S2 Unitholders/Customers	S8 Industry Associations and Peers
S3 Agents	S9 Non-Governmental Organisations (NGOs)
S4 Intermediaries (including Analysts)	S10 Investee Companies
S5 Suppliers	S11 Communities
S6 Government and Regulators	S12 Media

Identify Risks and Opportunities

See pages 88

As a fund manager, our ability to deliver long-term value is shaped by how we navigate current and emerging risks and opportunities. We monitor all risks and mitigate them via effective risk management (refer pages 89-91) which we leverage to enhance our operations.

Key Risks

MR Market Risk	CR Credit Risk
LR Liquidity Risk	TR Technology Risk
IR Investment Concentration Risk	

2

Identify and Prioritise Our Material Matters

Identify, Prioritise and Integrate Material Matters

See pages 72-80

Material Matters are those matters with the potential to affect our value creation and the achievement of our strategy in the short-, medium- or long-term i.e. these matters inform our strategy to manage the risks and maximise the opportunities that present themselves. We undertake materiality assessments in order to determine the matters that are important to our stakeholders.

Material Matters

- M1** Economic Performance
- M2** Data Privacy and Security
- M3** Governance and Ethics
- M4** Customer Experience and Satisfaction
- M5** Climate Change
- M6** Social Impact
- M7** Transparent Information and Fair Practice
- M8** Technology and Innovation
- M9** Labour Rights
- M10** Nature and Biodiversity
- M11** Talent Management
- M12** Sustainable and Responsible Investing
- M13** Diversity, Equity and Inclusion
- M14** Supply Chain
- M15** Environmental Impact

See our further discussion on Material Matters on pages 72-80

3

Formulate Our Strategy, Allocate Our Resources and Integrate Into Our Business Model

Formulate Business Strategy

See pages 92-95

Strategy

LEAP 6 Strategic Plan (2025 – 2027)

- Sales and Distribution
 - Connect Emotionally, Serve Perfectly
- Investment
 - Deliver Returns
- PNB Co Transformation
 - Strengthen and Rebalance
- Knowledge
 - Learn and Grow
- Innovation
 - Fail Fast, Learn Faster
- Sustainability
 - Deliver Our 10 Commitments

Key Enablers

- Talent and culture
- Technology
- B.R.A.V.E. values
- Capital allocation and portfolio management
- Robust governance and framework

Allocate Our Key Resources

See page 62

Our performance and growth rely on the disciplined allocation of the following capitals:

The Six Capitals

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

Integrate Into Our Business Model

See pages 62-63

We seek to actively manage our activities and their impacts to ensure we enhance outcomes of our business model, thereby generating and sustaining value for all our stakeholders.



4

Creating Value

The ultimate goal of our business is to create long-term value for all our stakeholders. We track our results and outcomes through our strategies and strategic thrusts.

An employer of choice for employees

A trusted provider of sustainable returns for unitholders

A committed partner in uplifting communities

A catalyst for inclusive and responsible nation-building

Value for us, means achieving our stakeholder goals

Our Value Creating Business Model

Our Purpose

To uplift the financial lives of Malaysians across generations.

Our Mandate

To enhance the economic wealth of the Bumiputera community and all Malaysians, for the prosperity of the nation.

Our Capitals...

...Enable Value-Adding Activities That Create

Input

FC

Financial Capital

Financial Capital refers to the pool of funds that is available to us to enable our business activities. This Capital can be obtained through various means, including financing (such as debt), equity, or generated through operations or investments. We seek to use our financial stocks of value to enhance the outcomes of all our capitals to support our ability to create value over the short-, medium- and long-term.

- Total AUM: **RM348.3 billion**

MC

Manufactured Capital

Our business structure and operational processes, including our fixed assets such as property and equipment, digital assets, including digital products and information technology (IT) systems that provide the framework and mechanics of how we do business and create value.

- ASNB Branches: **32**
- Agent Network: **2,600**

IC

Intellectual Capital

Our intangible assets, including brand, reputation and franchise value, research and development capabilities, innovation capacity, knowledge and expertise, as well as strategic partnerships.

- Digital Platform: myASNB app
- PNB x GOV; Celik MADANI Programme
- Launch of ASNB Ria
- Strategic Plan – LEAP 6
- Launch of Refreshed PNB and ASNB Brand & B.R.A.V.E. values
- Launch of Menara Merdeka 118 and Masjid Al-Sultan Abdullah

HC

Human Capital

Our culture, our people, collective knowledge, experience and employees' competencies and capabilities as well as their motivation to innovate, in order to achieve our Purpose, by aligning with our strategic direction. Our ambition is to create a thriving, future-fit organisation that attracts, develops and retains the best people through a differentiated employee experience that brings their possibilities to life.

- No. of employees: **2,117** (as at 31 December 2024)

SC

Social and Relationship Capital

Our stakeholders are vital to value creation and preservation. We value our relationships with stakeholders, including the communities in which we operate, are important as we recognise the role we play in building a strong and thriving nation.

- Scholarship programmes: **RM41.4 million**
- Hospital equipment and infrastructure programme: **RM3.5 million**
- Community development: **RM5.8 million**
- Environment: **RM0.1 million**

NC

Natural Capital

PNB impacts the natural environment directly in our operations and indirectly through investments.

Reduce, Replace, Offset (R20) decarbonisation strategy.

- Installation of energy-efficient systems (HVAC upgrades, LED lighting)
- Installation of **59 EV chargers**
- Procurement of RECs
- Waste management campaign
- Outlined nature-related requirements in the Voting Guidelines
- Newly published PNB Nature and Biodiversity Policy
- Committed to NDPE since 2022
- Evaluation of assets exposed to Key Biodiversity Areas
- Partnership with externals on environmental programmes

Strategy

LEAP 6: 3-Year Strategic Plan

- Sales and Distribution
- Investment
- PNB Co Transformation
- Knowledge
- Innovation
- Sustainability

Our Products and Services

Fixed Price Funds



ASB
ASB 2
ASB 3 Didik



ASM
ASM 2 Wawasan
ASM 3

Variable Price Funds



ASN
ASN Equity 2
ASN Equity 3
ASN Equity 5
ASN Equity Global
ASN Equity Malaysia*
ASN Imbang 1
ASN Imbang 2
ASN Imbang 3 Global
ASN Sara 1
ASN Sara 2
ASN Sukuk

* Launched to the public on 11 March 2024 and accessible only via the Ria offering in the myASNB app

Material Matters

- M1 Economic Performance
- M2 Data Privacy and Security
- M3 Governance and Ethics
- M4 Customer Experience and Satisfaction
- M5 Climate Change
- M6 Social Impact
- M7 Transparent Information and Fair Practice
- M8 Technology and Innovation
- M9 Labour Rights
- M10 Nature and Biodiversity
- M11 Talent Management
- M12 Sustainable and Responsible Investing
- M13 Diversity, Equity and Inclusion
- M14 Supply Chain
- M15 Environmental Impact

Our Manifesto

At PNB, we exist to uplift the financial lives of Malaysians across generations. We are the bridge between where they are today and their hopes and dreams for tomorrow. We are the connective thread that ties every Malaysian together, guiding us all in our collective journey towards greater financial health, wealth, and wisdom.

Our Values

Bold
Responsible
Agile
Visionary
Empowering

...Value For Our Stakeholders.**Outputs**

Total AUM
348.3 billion

Total AUM from Ria
55 million
(as of 31 December 2024)

AUM
RM400 billion by 2027

UIC
RM281.7 billion

39%* kWh reduction
in electricity consumption
from FY23 recorded for
Menara PNB via increase
in efficiency of M118.

**Based on PNB's floor
consumption between
Menara PNB and M118.*

100% renewable
energy consumption.

41 Social Investments
programmes delivered.

More than **500** rare
species forest trees
planted

Outcomes**FC****Financial Capital**

- Annual Income Distribution FYE2024: **RM14.5 billion**
- Consolidated Revenue FYE2024: **RM21.4 billion**
- Consolidated Net Income FYE2024: **RM16.9 billion**

MC**Manufactured Capital**

- No. of accounts **(2023: 15.7 million vs 2024: 16.2 million)**
- Number of myASNB registered users **3.7 million**

IC**Intellectual Capital**

- Launched ASNB Ria – PNB's first robo-advisory service
- CFA Society Malaysia awarded PNB the 2024 Premium Employer Partner Award
- **276 employees** pursued various professional certifications
- **127 employees** successfully obtained the Capital Markets Services Representative License (CMSRL)
- **836 employees** acquired the Federation of Investment Managers Malaysia (FIMM) license
- No. of onboarded users: **221,846**

HC**Human Capital**

- Achieved 38% women in leadership role
 - Received 13 awards from several reputable organisations
- For list of awards, please refer to pages 28-29.

SC**Social and Relationship Capital**

- No. of beneficiaries – **8,859 beneficiaries**
- No. of volunteers / volunteer hours – **370 staff / 2,000 hours**
- No. of students and IPTAs participated: **20 public universities and 4 selected IPTS under Government Linked Universities -200,000 students per year for 5 years**

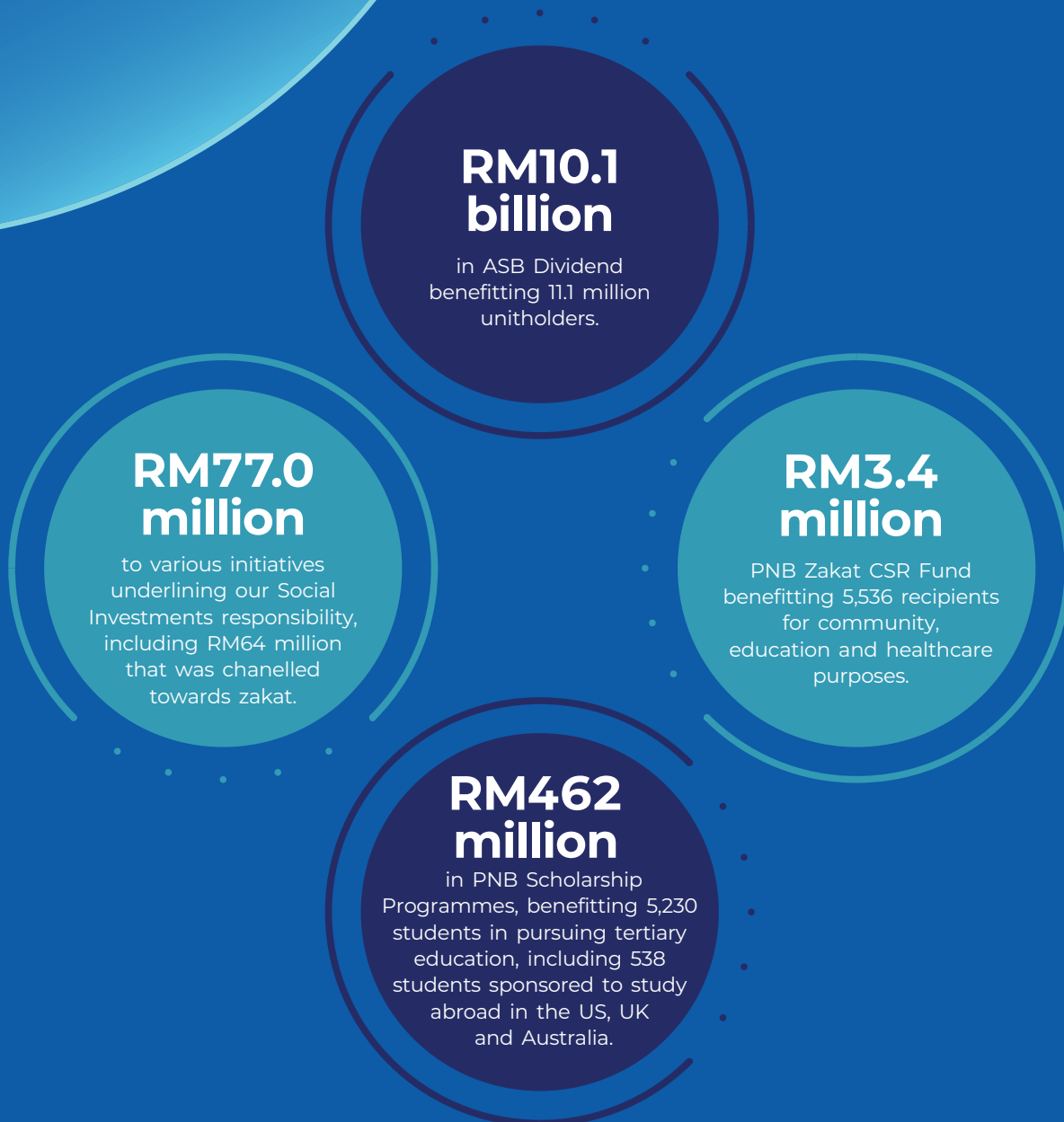
NC**Natural Capital**

- **98%** reduction in Scope 1 & 2 emissions from 2022 baseline, on track to achieving our NZE by 2025
- **131 kg** of waste diverted from landfills
- Conducted nature-focused engagements with investee companies
- Screen investments for deforestation and peat exposure

Stakeholders**S2 S10****S3 S4 S5****S1 S4****S1****S2 S6 S8 S9 S12****S10**

How We Distribute Value Created

In fulfilling our promise to our stakeholders, PNB distributes value created in relevant and meaningful ways – and for some stakeholder groups, beyond financial means. Stakeholders receive intangible benefits ranging from employee upskilling programmes to diverse community initiatives, in our effort to enable a more sustainable future. Value created in 2024 was distributed as follows:



Stakeholder Engagement

Our stakeholders are defined by their respective roles, level of participation and contribution in our value chain as well as their ability to influence and impact our business. Each stakeholder plays a vital and unique role in our value creation story. These relationships are extremely valuable to us, and we strive to strengthen them via regular outreach and engagement. We create value in different ways for our various stakeholders. We also assess the risks and opportunities associated with each stakeholder group to understand all the dimensions of value for them. These risks and opportunities are then taken into account when we consider the Group's wider risks in our Risk Management Policy & Framework which are detailed below.



Stakeholder Engagement

Why We Engage	Engagement Frequency	Key Concerns Raised	Risks	
S1 Employees To build a skilled, future-ready workforce that supports PNB's strategic priorities and sustainable growth.		• Career development and upskilling opportunities • Work-life balance and employee well-being • Fair compensation and living wage implementation • Diversity and inclusion in leadership roles	• Difficulty in attracting and retaining top talent • Misalignment of skills with digital demands, limiting adaptability and competitiveness • Low employee engagement impacting talent retention, efficiency, and innovation • High turnover increasing recruitment costs and reducing workforce stability	
S2 Unitholders/Customers To protect long-term unit holder value and ensure trust in responsible investment strategies. To support inclusive, resilient communities and align with national socio-economic goals.		• Information about our products and services • Accessibility to our products and services	• Inadequate understanding of investment risks • Limited awareness of fund features and limits • Increased operational and transactional risks	
S3 Agents To provide widespread access to PNB's UTF and investment management services.		• Accessibility and availability of services for customers, particularly in remote areas • Demand for ongoing upskilling to keep agents informed on market trends and offerings	• Reliance on agents for service delivery could lead to inconsistencies in customer experience • Limited agent capabilities or lack of training may result in inadequate support for customers	
S4 Intermediaries (including Analysts) To enhance ESG strategy, improve capital market understanding, and reinforce credibility among analysts.		• Access to robust, transparent data and information for investments • Insights on global market trends and opportunities	• Data and service offerings are not aligned with PNB's investment goals as well as evolving standards and regulations	

Frequency of Engagement:

D Daily
 W Weekly
 M Monthly
 Q Quarterly
 A Annually
 P Periodically

	Opportunities	Our Response/Initiatives	Material Matters
	Value Creation for Stakeholder - Build a supportive workplace that encourages creativity, diversity, well-being, and work-life balance through flexible arrangements - Strengthen a learning culture with leading development programmes for career growth and continued relevance Value Creation for PNB - Investing in employee development and fostering DEI boosts productivity and drives innovation - Retaining top talent supports PNB's long-term strategic goals and enhances competitiveness	- Launched the Women of Will Leadership Programme and Internal Coaching Certification to support career growth - Achieved 38% women in leadership (target: 40% by 2025) - Achieved Employer of Choice by gradmalaysia (Government-Linked Investment Corporations) in Malaysia's 100 Leading Graduate Employers Awards 2024 - Implemented a Living Wage Framework for PNB employees in 2023 - Provided 119 average training hours per employee and expanded digital learning via PNB Digital Academy	M9 M11 M13
	Value Creation for Stakeholder - Providing avenues for financial literacy through various initiatives, programmes and online portal, ASNB Academy - Customer care support to enhance customer satisfaction - Utilising technology and innovation to deliver personalised investment solutions Value Creation for PNB - Expanding digital platforms boosts customer engagement and market reach - Stronger returns via sustainable, net zero-aligned investments	- Deliver sustainable income distribution and returns - Customer engagement and education - Innovative investment tools, such as Ria	M4 M8
	Value Creation for Stakeholder - Expanding digital channels presents opportunities to reach more customers and improve service efficiency Value Creation for PNB - Potential to enhance cross-selling opportunities and promote PNB's full range of investment products	- Expanded our agent network and digital channels to enhance customer accessibility nationwide - Ongoing training to keep agents updated on industry trends and products	M4 M8
	Value Creation for Stakeholder - Greater differentiation in a competitive industry - Continuous refinements in data service offerings leading to scalable products - Greater operational efficiency and innovation Value Creation for PNB - Enhanced market confidence in executing investment decisions - Alignment with best-in-class responsible investing practices - Up-to-date assessment frameworks utilising robust data and market information	- Periodic Investments Dialogue to share PNB's performance, outlook and goals for intermediaries - Continuous engagements with intermediaries on PNB's expectations for execution strategies for investments	M1 M2 M8 M12 M14

Stakeholder Engagement

Why We Engage	Engagement Frequency	Key Concerns Raised	Risks	
S5 Suppliers To ensure responsible, high-quality sourcing, foster innovation, and promote sustainable procurement practices.	P	- Compliance with labour and environmental standards - Fair procurement practices	Supply chain disruptions such as non-compliance or quality issues may affect PNB's operations and damage its reputation	
S6 Government and Regulators To support and influence the development of national ESG policies and economic frameworks.	M	- Regulatory compliance - Alignment with national ESG and sustainability priorities (e.g. GEAR uP, NSRF, financial literacy efforts)	Missed opportunity to influence policies and drive collaboration towards mutual benefits	
S7 Investment Managers To equip managers with tools and insights to drive responsible, high-performing investment decisions.	M	- Performance accountability - Risk management frameworks - ESG integration	- Ineffective manager sourcing - Misalignment with PNB's mandate and agreements	
S8 Industry Associations and Peers To collaborate on raising industry standards and shaping collective ESG action.	M	- Collective advocacy and industry influence - Knowledge sharing and best practices	Weak industry advocacy could lead to fragmented policies and investor actions	

Frequency of Engagement:

D Daily
 W Weekly
 M Monthly
 Q Quarterly
 A Annually
 P Periodically

	Opportunities	Our Response/Initiatives	Material Matters
	Value Creation for Stakeholder - Stronger relationships with suppliers can lead to better pricing, quality, and innovation Value Creation for PNB - Integrating sustainability into procurement processes presents opportunities to enhance ESG performance	Enhanced supply chain practices in sustainability, governance, and procurement excellence	M9 M14
	Value Creation for Stakeholder - Better understanding of capital market players and implementation challenges - Enhanced market transparency and investor confidence Value Creation for PNB - Improved effectiveness of policy and regulation to shape the capital market - Greater alignment with regulatory requirements and national agenda	- Proactive engagement on policy development - Active participation in roundtable discussions and collaborative initiatives - Integration of national priorities into investment strategies	M1 M3 M7 M12
	Value Creation for Stakeholder - Greater access to capital and mandate retention - Access to growing regional markets and assets Value Creation for PNB - Better alignment with PNB's mandate and investment goals - Improved oversight and accountability - Enhanced long-term portfolio performance supported by diversified investment strategies and specialised expertise	- Regular monitoring and engagements - Integrate PNB's requirements into investment agreements	M1 M3 M5 M9 M10 M12
	Value Creation for Stakeholder - Opportunity to showcase industry leadership and innovation in new areas such as responsible investing - Promotion of innovative frameworks and guidelines for investors Value Creation for PNB - Access to a network of expertise and shared resources - Co-creation of industry-wide strategies and best practices	- Active participation in platforms such as PRI, UNGC, IICM - Participation in collaborative engagement sessions - Participate in industry-led training programmes	M3 M5 M9 M10 M12

Stakeholder Engagement

Why We Engage	Engagement Frequency	Key Concerns Raised	Risks	
S9 Non-Governmental Organisations (NGOs) To ensure effective collaborations for positive community impact in line with PNB's Social Investment Framework and project deliverables	P	- The role of PNB to assist those in need through targeted initiatives, social impact initiatives are important to contribute towards the livelihood and communities across Malaysia, particularly those who are likely to be impacted by PNB and their operations - Diversification of community outreach, to identify communities in need of assistance in a more diverse manner to elevate all vulnerable communities within the financial system	Misaligned objectives, weak governance, or lack of transparency among NGO partners may lead to ineffective programme delivery, reputational risk, and reduced impact of PNB's social investments	
S10 Investee Companies To influence sustainable business practices and align corporate strategy with PNB's stewardship goals.	D W M Q A P	- Financial performance - Corporate Governance - Net Zero strategies - Labour rights - Nature and Biodiversity impacts	- Misalignment with shareholders' expectations on value creation - Poor ESG practices could result in reputational harm and impacting investment returns	
S11 Communities To understand root causes, community-specific challenges, and past learnings to provide a targeted approach and identify effective outcome measures, ultimately supporting sustainable national development through impactful social initiatives.	P	- Access to education and healthcare - Economic empowerment (e.g., B40 groups)	Poorly targeted community initiatives may lead to limited impact, unmet expectations among beneficiaries or reputational risk, reducing PNB's effectiveness in its nation-building efforts	
S12 Media To share PNB's progress and strengthen public perception and accountability.	A P	- Transparency and accountability in managing public funds and adherence to our Mandate, in maintaining public trust - Disclosure of relevant information in managing issues and reputation	Reputational risk from inadequate information	

Frequency of Engagement:

D Daily
 W Weekly
 M Monthly
 Q Quarterly
 A Annually
 P Periodically

	Opportunities	Our Response/Initiatives	Material Matters
	Value Creation for Stakeholder - Provides access to funding and volunteers for programmes implementation Value Creation for PNB - Strategic partnerships offer insights into community and environmental needs, enabling PNB to align its Social Investments strategies, achieve social investment framework objectives and annual social impact programmes	- Maintain close rapport with delivery partners to ensure clarity on intended impact and issue identification - Leverage partners' community insights to align programmes with actual needs - Form strategic partnerships with credible NGOs and industry players for effective programme implementation under PNB's SIF	M6
	Value Creation for Stakeholder - Improved financial performance - Clearer expectations on ESG performance and reporting - Meaningful engagements with investors Value Creation for PNB - Strengthened portfolio resilience by promoting responsible governance - Enablement of active stewardship to manage risks and unlock growth potential	- Continuous investment analysis and monitoring - Regular thematic engagements and ESG assessments - Shareholder expectations in proxy voting guidelines - Shareholder letters	M1 M3 M5 M9 M10 M12
	Value Creation for Stakeholder - Improved access to education, healthcare, and economic empowerment for underprivileged communities - Support for vulnerable groups through targeted relief initiatives - Meet stakeholder expectations by ensuring responsible investment of the fund with a focus on community welfare - Reinforce PNB's role in supporting government efforts to uplift the "Rakyat", particularly in education and social well-being Value Creation for PNB - Strengthen social license and national impact.	Delivered 41 social investments programmes, contributing RM55.59 million and empowering 8,859 beneficiaries, including 1,710 students and 5,536 Asnaf, under PNB's structured SIF	M6
	Value Creation for Stakeholder - Accurate and timely information sharing - Protection against misinformation - Fostering dialogue and relationship building Value Creation for PNB - Position PNB as a sustainability leader	- Publish Integrated Report with third-party-verified data - Organise targeted media briefings to offer valuable perspectives on current issues	M7

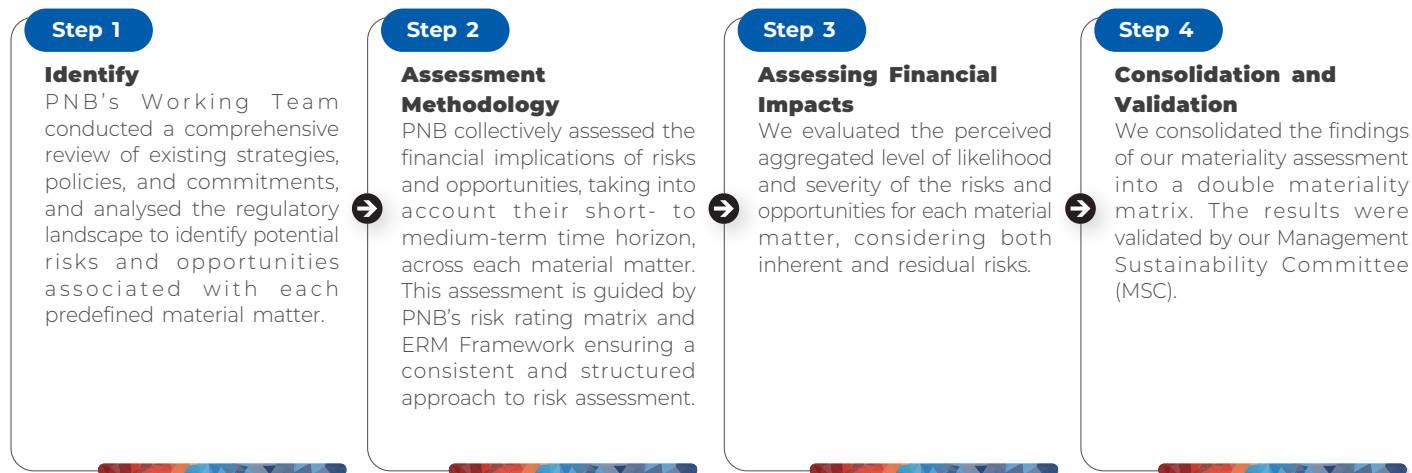
Material Matters

A solid understanding of industry trends, operating challenges and stakeholder expectations is essential to delivering long-term value. With that, we devise our strategies according to the material aspects of business growth and stakeholders' needs. These material matters guide our Board and Leadership Team in building the company towards sustainable growth.

Materiality Methodology

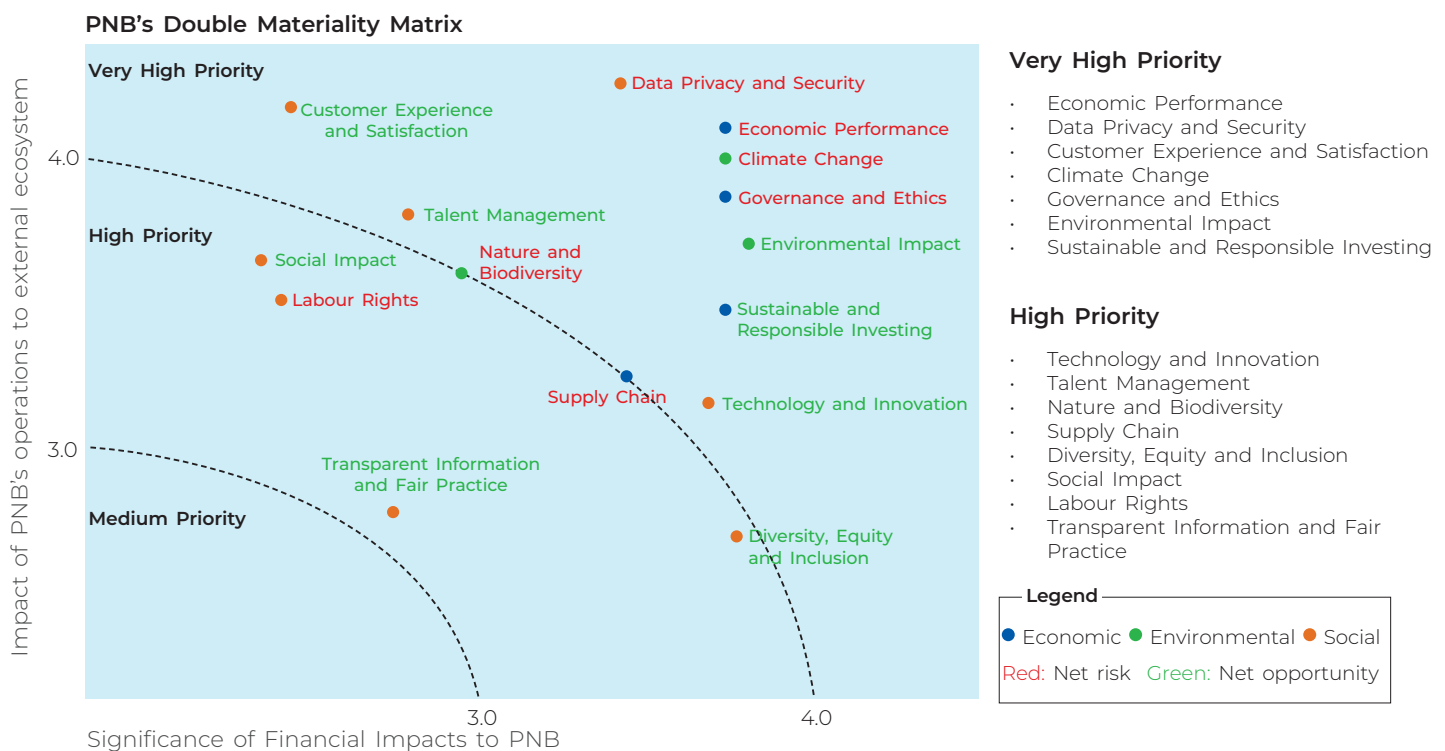
In 2024, PNB conducted a double materiality assessment guided by the GRI Standards. We built upon our existing impact materiality assessment which were developed with reference to GRI Standards, Bursa Malaysia Common Sustainability Matters, SASB Standards and UNSDGs. Double materiality takes into account both impact materiality and financial materiality; which are PNB's impacts on people and the environment, and financial implications on PNB due to sustainability-related risks and opportunities respectively. The results of this double materiality assessment will guide our strategy by clearly prioritising key issues, thus allowing us to proactively mitigate risk and uncover opportunities, aligning with our ongoing commitment to deliver sustainable value to our unitholders.

The Materiality process comprises of four key steps:



Double Materiality

The results of our double materiality assessment are illustrated in the materiality matrix below in order of priority:



M1 Economic Performance

Economic value generated and distributed by PNB during the reporting period.

Why It Is Important

- Generating economic value for our customers is central to our fiduciary duty
- Sustainable economic value creation attracts and retains investors, which are essential for capital formation and economic resilience for us as an asset manager

Risks

- Poor economic and financial performance may impact PNB's capacity to provide returns to unitholders and fulfil its Purpose to uplift the financial lives of Malaysians across generations.

Opportunities

- Consistent economic value generation reinforces trust and confidence with our customers.
- Democratise wealth creation by enabling retail investors participation in the capital market to grow savings and achieve long-term financial goals.

Response / Approach

- Several investment frameworks in place such as SAA to strategically diversify the asset exposure
- Daily portfolio monitoring
- Periodical investment strategy
- Simulation or stress testing
- LEAP 6 Strategy
- PUMA & PSI strategy and initiatives (e.g., OSS & SAA Target Formulation, Portfolio Construction, Monitoring Review Rebalancing Monetisation Exit etc.)

M2 Data Privacy and Security

PNB's management of data privacy and cybersecurity to prevent leaks of customer information and uphold stakeholders' rights to privacy.

Why It Is Important

- Protection of sensitive personal and financial information is critical to protecting investor trust while ensuring business resilience and achieving regulatory compliance, safeguarding our operations from financial and reputational risks.

Risks

- Implementation of new digital technologies and platforms increase the threat of data and privacy breaches, posing risks to PNB in terms of loss of trust from unitholders, damage to its reputation and operational disruptions.

Opportunities

- By upskilling employees and strengthening cybersecurity, PNB safeguards stakeholder data and upholds its reputation as a trusted fund manager for Malaysians.

Response / Approach

- PNB Data Protection Framework
- Information Handling Policy
- Information and Cyber Security Policy
- ASNB Data Management Policy

Material Matters

M3 Governance and Ethics

PNB's commitment to upholding good governance and ethical practices, advocating for principles such as board independence, anti-corruption, transparency and accountability.

Why It Is Important

- Robust governance and ethical standards are fundamental to our role as an asset manager and form a key part of our fiduciary responsibility.

Risks

- Reputational damage resulting from unethical behaviour or conflicts of interest can diminish unitholder trust, leading to adverse effects on PNB's financial performance.
- Poor governance, unethical behaviour, or conflicts of interest could also potentially result in the revocation of PNB's licence.

Opportunities

- Maintaining sound and effective corporate governance policies and procedures to enhance PNB's reputation as a trustworthy organisation among stakeholders.

Response / Approach

- Anti-Bribery and Anti-Corruption Policy
- Code of Business Ethics (CoBE)
- Whistleblowing Policy
- Governance and Anti Bribery and Corruption due diligence conducted for all new investments

M4 Customer Experience and Satisfaction

PNB's practices to enhance relationships with unitholders, aiming to surpass their expectations, build trust, and fulfil their preferences.

Why It Is Important

- Customer experience and satisfaction enables us to grow our brand value and encourage deeper engagements with our unitholders while expanding our customer base.

Risks

- Inability to provide good customer service may result in negative reviews, making it difficult for PNB to retain existing unitholders and attract new ones.

Opportunities

- Utilising technology and innovation to deliver personalised investment solutions, offering educational resources to empower unitholders in financial decision-making, and fostering trust through transparent and timely communication.

Response / Approach

- Procedures for ASNB financial literacy activities e.g., MSAM, ASNB roadshows
- NPS score tracking system
- Complaints tracking system for call centers and office branches

M5 Climate Change

PNB's effort and initiatives to adapt and manage its climate-related impacts through operational and investment strategies.

Why It Is Important

- Physical and transition risks present challenges for our portfolio performance and operational resilience.

Risks

- Inability to address material climate change impacts, including both mitigation and adaptation efforts, which could lead to damaged assets, properties and stranded investments.

Opportunities

- Exploring investment and stewardship opportunities in sectors such as green technology can diversify PNB's investment portfolio and support the transition to a green economy, in line with PNB's sustainability commitments.
- Assessing transition and physical risks will help determine PNB's mitigation and adaptation strategies.

Response / Approach

- R₂O initiative - Reduce, Replace, Offset approach
- Sustainability Policy
- ESG assessment framework applied to all new investments to assess management and performance of key ESG issues related to the company
- RM10 billion allocation for investments into Green and Transition assets
- ESG and sustainability expectations integrated into our Voting Guidelines
- Stakeholder activism (e.g., Board engagements and employee capacity building)
- Commitment to PRI principles
- NZE by 2025
- Net Zero Portfolio (NZP) by 2050 supported by interim climate targets for 2030

M6 Social Impact

PNB actively engages with surrounding communities through direct initiatives aligned with its Mandate, SIF, and national economic agenda, fostering local and regional economic growth in areas where PNB operates.

Why It Is Important

- Community engagement reinforces inclusive growth and builds trust and goodwill among PNB's stakeholders, which is in line with our national Mandate.

Risks

- Inability to fulfil PNB's responsibility to deliver social impact initiatives to underserved communities will potentially impact their financial literacy and PNB's reputation as a trusted organisation.

Opportunities

- Building on PNB's existing SIF initiatives, PNB can further increase its social investments to support the government in elevating the economy while providing aid to those in need.

Response / Approach

- Zakat-CSR Framework
- SIF
- Volunteerism Framework

Material Matters

M7 Transparent Information and Fair Practice

Providing access to credible and fair marketing, business and sustainability information about PNB to our unitholders and other stakeholders.

Why It Is Important

- Empowering our unitholders with credible, accurate and balanced information reinforces our commitment to uphold good governance and accountability.

Risks

- Perceived unethical practices or lack of transparency can lead to reputational damage and loss of trust with stakeholders, including unitholders.

Opportunities

- Empowering unitholders financially by providing transparent access to relevant information regarding PNB's products and services.

Response / Approach

- TCFD-aligned Disclosure
- Publication of Integrated Report, issuance of media releases and updates, and development of strategic content
- Unit Trust Operation Social Media Usage Policy
- Unit Trust Operation Communication Procedure
- Product and services information at PNB and ASNB websites

M8 Technology and Innovation

Advancement of PNB's LEAP 6 Strategy, focused on efficiency and innovation through technology and digital transformation, aiming to meet evolving customer demands and drive business growth.

Why It Is Important

- Increase returns on investments, to improve investment performance, portfolio optimisation and enhance customer experience to achieve better overall results.

Risks

- Rapid advancements in new technologies and innovative solutions may lead to market disruption, regulatory changes and increased competition in the fund management industry.

Opportunities

- Data analytics and predictive modelling may enable PNB to gain valuable insights into market and customer trends and investment opportunities. Data driven decision-making may assist PNB to manage risk and in strategic planning.
- By leveraging technology to develop innovative financial solutions, PNB can strengthen its market position and attract a broader customer base through enhanced, seamless user experiences.

Response / Approach

- Technology Blueprint for 2024-2028
- LEAP 6 Innovation pillar to encourage and amplify innovation initiatives

M9 Labour Rights

PNB is dedicated to upholding labour rights through its Labour Rights Policy, as well as PNB's efforts to ensure a safe work environment for its employees. Ensuring compliance with relevant health and safety regulations across its operations and investee companies.

Why It Is Important

- Upholding labour rights strengthens workforce productivity and well-being, mitigates operational risks, and reinforces sustainable business practices, which may lead to better investment performance, thereby safeguarding long-term shareholder value.

Risks

- Poor management of labour rights practices within PNB and its investee companies pose risks of reputational damage, potential legal liabilities and a decline in shareholder value.
- Supply chain disruption due to labour unrests, which may impact and occur within PNB's investment portfolio.

Opportunities

- Solidifying PNB's stewardship role among its investee companies in promoting strong labour practices and policies, and by supporting or implementing initiatives that promote fair wages and empower workers.

Response / Approach

- Labour Rights Policy
- Engagements with Investee Companies on key material issues related to labour rights
- Employee Handbook (Security and Safety)
- Incorporation of labour-related expectations in Voting Guidelines
- Supplier Labour Rights Questionnaire

M10 Nature and Biodiversity

PNB's proactively mitigates material impacts on nature and biodiversity through its operations and investment activities e.g., pollution, habitat destruction, waste management, etc.

Why It Is Important

- May enhance investment performance, as biodiversity loss can lead to financial and reputational risks, while supply chain disruptions, regulatory pressure, and public perception may affect long-term value.

Risks

- Failure to consider material impacts to nature and biodiversity in both operations and investments may lead to reputational damage. This includes exposure to regulatory changes and their impacts, particularly for industries reliant on natural resources within the investment portfolio.

Opportunities

- Integrating biodiversity and nature-related risks into investment processes improves management of material risks and compliance with evolving regulations.
- Implementation of nature-related initiatives and solutions such as green certifications, conservation efforts and adaptation measures can lead to long-term value creation.

Response / Approach

- Nature and Biodiversity Policy
- NDPE commitment
- Incorporation of nature and biodiversity expectations in Voting Guidelines

Material Matters

MT1 Talent Management

PNB's approach to employee management, spanning from hiring, recruitment, retention, learning and development practices to working conditions, showcasing PNB's dedication to talent management and cultivation.

Why It Is Important

- Higher employee retention rates and operational efficiency may increase productivity, contributing to improved financial performance.

Risks

- Risk of high turnover rates, difficulty attracting and retaining high performing talent in a highly competitive market due to the failure to provide a conducive working environment.

Opportunities

- Effective talent development, availability of growth opportunities and engaging employee management drive a culture of high-performing and upskilled employees, to benefit the overall growth of PNB as an organisation, as well as contributing towards the development of capable leaders for corporate Malaysia.

Response / Approach

- Labour Rights Policy
- Employee Handbook
- SOP Competence, Training and Awareness
- Talent Management Framework

M12 Sustainable and Responsible Investing

PNB's efforts to integrate ESG considerations into our investment decision-making, including PNB's initiatives for investment in green and transition assets.

Why It Is Important

- Integration of sustainability considerations into investment decisions enable us to capitalise on opportunities, and to take a proactive rather than reactive approach to risk management.

Risks

- Failure to manage sustainable and responsible investing may result in the risk of inadequately addressing material investment risks, and it could prevent the organisation from capitalising on investment opportunities driven by ESG trends.

Opportunities

- Opportunities for long-term financial growth alongside positive environmental and social impacts, aligned with PNB's Mandate, thereby strategically managing PNB's portfolio for both profit and purpose.
- First mover advantages from offering sustainable and responsible products and services by attracting the younger generation, who have an appetite for climate investments.

Response / Approach

- ESG exclusions aligned with Shariah principles
- Sustainability Policy
- 10 ESG Commitments
- ESG evaluations in new investment proposals and portfolio monitoring
- Incorporation of ESG expectations in Voting Guidelines
- Engagement and stewardship with investee companies
- Scaling-up climate aligned investing

M13 Diversity, Equity and Inclusion

PNB fosters diversity, inclusivity and non-discrimination throughout all levels of its workforce.

Why It Is Important

- DEI practices ensure that PNB develops a merit-based talent pool equipped with a varied perspective, fostering a future-ready organisation.

Risks

- Inability to ensure an inclusive and non-discriminatory work environment may cause reputational damage and reduced employee satisfaction.

Opportunities

- Fostering an inclusive and diverse culture within PNB attracts top talent and creates opportunities for generating a wide range of ideas and problem-solving approaches, equipping the workforce to effectively overcome diverse challenges.
- First mover advantages from implementing DEI initiatives.

Response / Approach

- Labour Rights Policy
- Women & Inclusivity Network (W.I.N.)
- Women of Will Leadership Programme

M14 Supply Chain

PNB's capacity to promote fair and ethical ESG practices among its suppliers, in alignment with PNB's procurement practices.

Why It Is Important

- Upholding fair and ethical standards for our suppliers maintains stakeholder trust and supports long-term value creation.

Risks

- Failure to manage ethical resourcing practices exposes PNB to potential operational disruptions arising from supply chain management issues.

Opportunities

- Supporting innovations in supply chain technology to enhance efficiency.
- Engaging with investee companies to improve supply chain resilience to ensure minimal social and environmental impacts through ethical sourcing practices.

Response / Approach

- PNB Group Procurement Policy
- Supplier Labour Rights Questionnaires
- Supplier Integrity Declaration
- Supplier Due Diligence

Material Matters

M15 Environmental Impact

PNB's manages its environmental impacts to minimise harm or have no adverse effects on the environment (e.g., water consumption, release of effluents, management of waste).

Why It Is Important

- Our operations aim to minimise harm to ecosystems, comply with regulatory requirements and align with stakeholder expectations for long-term business resilience.

Risks

- Failure to comply with current and emerging environmental regulations and best practices may lead to reputational damage and penalties for PNB.

Opportunities

- Identification and measurement of PNB's environmental impact for a targeted approach to ensure implementation of relevant strategies to transform PNB into a NZE by 2025.
- First mover advantages from setting sustainability targets, attracting a new customer base of younger generations interested in sustainability.

Response / Approach

- R₂O Initiative - Reduce, Replace, Offset approach
- Sustainability Policy
- Waste Management Guidelines
- Energy Efficiency and Conservation Guidelines

Operating Landscape

Market Overview

Resilience amid global uncertainties

The global economy in 2024 continued to exhibit resilience amid shifting policies and heightened uncertainties. During the year, nearly half the world's population went to the polls to elect their governments while geopolitical tensions in Eastern Europe and the Middle East continued to escalate. Although monetary easing was widespread, it was uneven. Nevertheless, the economy is expected to record 3.2% growth, only minimally less than 3.3% in 2023.

Key Global Economic Factors

A

Interest Rate Policies

The European Central Bank initiated rate cuts in June amid disinflation and subdued economic growth, as Germany grappled with industrial stagnation while France and Italy faced mounting public debt. The US Federal Open Market Committee followed suit with a 50-basis point rate cut in September.

B

Uneven Growth in Major Asian Economies

China continued to battle economic headwinds, weighed down by a property downturn and soft consumer spending despite government stimulus measures. In contrast, Japan and India were buoyed by positive tailwinds. Japan exited its negative interest rate policy in March as inflation trended towards the 2.0% target, while India maintained its momentum of expansion along with robust domestic demand and a thriving services sector.

C

Steady Performance in Southeast Asia

Overall economic growth was steady in the Southeast Asia region, bolstered by resilient domestic demand, policy support and supply chain relocation. Indonesia's growth remained solid, benefitting from strong household spending and infrastructure development, while Malaysia, Singapore and Vietnam capitalised on rising demand for semiconductors and electronics, driven by significant investments in AI.

Domestic Market Overview

Following a lacklustre 2023, Bursa Malaysia grew strongly in the first eight months of 2024 before easing in the last four months to trail Singapore as the best-performing stock market in ASEAN. The index hit a near four-year high of 1,684.7 points on 29 August, one week after Malaysia reported better-than-expected second quarter GDP growth.

Foreign investors were the main buyers, flooding emerging markets on imminent US interest rate cuts. Their average daily trading value on Bursa grew 44% over the previous year, along with upgraded ratings by foreign research houses on the back of corporate earnings, better liquidity and foreign investment commitments. Donald Trump's re-election, however, cast a pall on regional stock exchanges given his views and unpredictability.

1. The Edge, Market Recap: Bursa Malaysia's biggest winners and losers in 2024, 14 January 2025

Operating Landscape

Key Domestic Economic Factors

▶ Strong economic growth

In Malaysia, strong domestic demand, robust private consumption, increased investment activities and steady expansion in key sectors such as services, manufacturing and construction combined to produce commendable GDP growth of 5.1% as compared to 3.7% in 2023.

▶ Investment Growth

In 2023, the government had launched a number of strategic initiatives including the NIMP, NETR, and the NSS. Aimed at accelerating sustainable national growth, these policies and blueprints have been attracting increased local and foreign direct investment.

▶ Decreasing Inflation

For the second consecutive year, inflation in Malaysia continued to decrease driven by a slowdown in price increases for food, transport and selected services, government subsidies, and the easing of global supply chain disruptions. For 2024 as a whole, both headline and core inflation declined to 1.8% (2023 headline inflation: 3.0%/2023 core inflation: 2.5%).

▶ Strengthening of the Ringgit

The ringgit experienced volatility against the US dollar over the course of the year, hitting a high of RM4.12 in September from a low of RM4.80 in February, subsequently stabilising at RM4.47 at year end, a marked improvement from RM4.60 in December 2023. It was the best performing currency in Asia in 2024.

Outlook

In 2025, the interplay of geopolitical tensions and evolving economic uncertainties will continue to shape the macroeconomic and market outlook, underscoring global interconnectedness despite increased risks of fragmentation.

Trump's re-election is likely to reinforce US' protectionist stance with de-sinofication (i.e. decoupling from China) prolonging trade tensions. While this geopolitical shift may create challenges, it also opens strategic opportunities for Southeast Asia to position itself as an alternative manufacturing and innovation hub.

Malaysia is well-positioned to leverage this evolving global landscape. The government's fiscal consolidation strategy remains on course, providing further stability to the local economy. Domestic consumption is poised for support,

with a favourable interest rate environment and rising disposable incomes driven by government measures such as civil servant salary increases and minimum wage hikes.

The proliferation of data centres, supply chain diversification, and large-scale public infrastructure projects are set to sustain strong domestic demand and foreign investments, with Bank Negara Malaysia projecting GDP growth at 4.5%-5.5%. As the country enters its second semiconductor wave, the government has made the sector a national priority, committing significant resources and implementing a structured long-term strategy to drive this transformation. Malaysia's growth story is now in sync with the global narrative; and with approved investments reaching record highs, these forces are set to drive the third investment cycle.

Global Megatrends: Risks and Opportunities

The long-term forces that shape our world have a significant impact on PNB's operations and investment returns. We proactively address the risks and opportunities presented by these global megatrends as we strive to uplift the financial lives of Malaysians across generations.

Digital Acceleration and Technology Transformation

Description

Technology is increasingly transforming our economic landscape and ways of working. This affects the markets we invest in as well as how we operate, with digitalisation and technology unlocking new efficiencies while also posing operational challenges.

Potential Impact

– Negative + Positive

- Potential for obsolescence if we fail to adapt
- Increased regulation in response to disruption
- Increased cybersecurity and data privacy risk
- + New growth markets
- + Productivity and efficiency gains
- + Enhanced customer experience

Our Response

- Unveiling our Technology Blueprint for 2024–2028
- Strengthening our data protection, cybersecurity protocols, and responsible AI practices
- Enhancing the customer journey with technology, including through the improved myASNB app and Ria
- Adopting agile, innovative internal working processes

Outlook

As technology continues to evolve at pace, with continuing breakthroughs in AI and advanced data analytics, new ways of working will emerge, while customer expectations for the ease, functionality and accessibility of their customer journey will continue to grow. Continuing our digitalisation journey, particularly on customer-facing offerings, while optimising costs, will continue to be a key priority.

Risks

Neglecting innovations and technological advancements can lead to reduced competitiveness and efficiency.

Opportunities

Technology will enable richer insights, increased efficiency and automation, and higher-quality outcomes throughout the investment and operational value chain, while providing an enhanced and seamless user journey for our customers, both for digital natives as well as more casual users alike.

Links

Capitals:



Material Matters:



Strategy:

- Investment
- Sales and Distribution
- Knowledge
- PNB Co Transformation
- Innovation

Key Risks:



Operating Landscape

Growing Importance of ESG and Sustainability

Description

The reality of a rapidly changing climate, increasing awareness of the wider social externalities generated by businesses, and the recognition of the value destruction that can ensue from governance lapses, are but some of the key drivers which have made ESG and sustainability considerations a critical and indispensable part of the operating landscape for any enterprise. For PNB, sustainability is simply the right thing to do, for the benefit of our stakeholders, most particularly the millions of Malaysians who have placed their trust in PNB.

Our Response

- Establishing PNB's 10 Sustainability Commitments under our Sustainability Framework, and making delivery of the 10 Commitments one of the key pillars of the LEAP 6 Strategic Plan
- Embedding ESG and sustainability into the end-to-end investment process as well as key enterprise practices, including the reduction of waste and structure support for volunteerism efforts
- Leveraging on PNB's position as a major institutional investor to drive adoption of sustainability practices at investee company level

Potential Impact

– Negative + Positive

- Increased compliance and reporting costs as regulatory requirements on ESG and sustainability increase
- Erosion in shareholder value for companies which fail to adapt in a timely manner to ESG and net zero requirements
- + Supporting the wider green and net zero transition through allocating capital where it is most needed

Outlook

PNB remains fully committed and on track towards achieving net zero enterprise status for our Scope 1 and Scope 2 emissions by 2025, as well as net zero portfolio by 2050, which are part of our 10 Sustainability Commitments. Other Commitments such as the introduction of the Living Wage have now expanded to include the formulation of Living Wage policies by all our strategic investee companies, as well as a wider commitment by all Government-Linked Investment Companies to pay a Living Wage. In this way, PNB's commitment to sustainability not only remains strong but continues to evolve and expand in response to wider developments and needs.

Risks

Financial and operational losses arising from stranded assets (as a result of over-exposure to carbon or climate risk), reputational damage due to negative social externalities, or governance lapses.

Opportunities

Over the longer term, alignment to net zero and adoption of strong ESG practices will create a stronger, more resilient portfolio which has effectively managed its carbon and climate transition risks. An early commitment to ESG and sustainability also proactively anticipates the evolution of regulatory and legal requirements in this space, putting enterprises in a good position to manage any new requirements as they arise.

Links

Capitals:

FC MC SC NC

Material Matters:

M1 M3 M5 M6
M7 M12 M14 M15

Strategy:

- Investment
- PNB Co Transformation
- Sustainability

Key Risks:

MR CR LR IR

Heightened Compliance and Regulatory Demands

Description

The regulatory landscape, both in Malaysia and globally, is continually evolving in response to new market developments, emerging technologies and new risks on the horizon. As a fully regulated asset manager, as well as a Government-Linked Investment Company, it is vital for PNB to ensure that it remains fully compliant with all regulatory requirements, as well as upholds the highest standards of governance, in order to maintain the trust of the public and all our stakeholders.

Our Response

- Governance has been given due emphasis in our refined LEAP 6 Strategic Plan, with clear 3-year blueprints being developed to address continuing evolution and enhancements in the areas of risk management, cybersecurity, compliance and integrity, amongst others.
- Governance matters are fully deliberated upon and monitored at all levels of the organisation, including Board and Management, and forms a critical component of performance assessment at all levels.
- Mandatory training on key regulatory and governance requirements is prescribed for all employees, with both completion and effectiveness tracked.

Potential Impact

➖ Negative ➕ Positive

- ➖ Financial loss in the form of regulatory penalties for breaches
- ➖ Reputational damage and loss of trust from customers and key stakeholders
- ➕ Proactive regulatory and governance approach will improve organisational resilience and sustainability
- ➕ Adoption of regulatory and governance best practices can set leading example for investee companies

Outlook

With forward-looking strategies in place, PNB is well-placed to continue to adapt to new regulatory developments as well as enhance and evolve the maturity of its governance practices across key areas such as cyber maturity and AML maturity.

Risks

Weaknesses in internal controls leading to regulatory or governance lapses or breaches, which may then lead to reprimands, penalties and reputational damage, as well as potential operational losses.

Opportunities

Proactively anticipating changes in regulatory requirements through keeping abreast of global developments and regulatory priorities. Internal controls and processes can also continually be updated and enhanced to ensure robust governance at all times.

Links

Capitals:



Material Matters:



Strategy:

- Investment
- PNB Co Transformation
- Sustainability
- Governance

Key Risks:



Operating Landscape

Demographic and Societal Changes

Description

Malaysia, like many other developed and developing nations, is gradually transitioning towards becoming an aging nation, while the financial behaviour of society has shifted as well, altering the patterns of consumption, savings and leverage amongst households. These shifts must be taken into account and addressed accordingly, if PNB is to continue fulfilling our purpose to uplift the financial lives of Malaysians, across generations.

Our Response

- Clearly targeted marketing efforts, aimed at reconnecting emotionally with the public, and differentiated by segments
- Working together with peer agencies and institutions within the Financial Education Network to turbo-charge wider financial literacy efforts
- Spearheading Celik Madani programme to encourage savings habit amongst university students, as well as further expanding Kelab Pelaburan Bijak programme for schools
- Undertaking research on financial behaviours and the savings habit through our research arm, the PNB Research Institute

Potential Impact

– Negative + Positive

- Savings rate cannot keep pace with the increased needs in retirement and other expenses
- Excessive use of leverage to fund consumption patterns, leading to erosion of household financial resilience
- + Inter-generational transfer of wealth
- + Longer retirement span necessitating larger retirement savings reserves

Outlook

Changes in society will continue to change the financial needs and constraints of individuals, thus necessitating the continual evolution of PNB's approach in uplifting the financial lives of Malaysians, across generations. Understanding and shifting our strategies to respond to these changes in a timely manner will remain key, which is where critical components of our strategy such as the Innovation engine will play a significant role in ensuring that PNB remains alert to the actual lived experience and pain points of its customers, and that we are constantly evolving our product and service offerings to meet these changing needs.

Risks

Failure to adapt to demographic and societal changes will result in PNB gradually losing its relevance and ability to meet the financial needs of both its current and potential customers.

Opportunities

Being able to proactively anticipate changes in the financial behaviour and needs of society will enable PNB to effectively tailor its product and service offerings, as well as its marketing efforts and customer journey, to address these evolving needs and maintain our ability to fulfill our Purpose.

Links

Capitals:



Material Matters:



Strategy:

- Investment
- PNB Co Transformation
- Sustainability
- Sales & Distribution

Key Risks:



The Evolving Work and Talent Landscape

Description

The central challenge of acquiring, retaining and developing talent has only intensified in degree and complexity in recent years. Managing and planning for the workforce of today requires a careful balancing of myriad considerations, including generational changes in career and work expectations; adopting new ways of working; the need for more agile career pathways with continual upskilling and retraining; the shortage of skilled and experienced talent across the industry; and the coming effect of major technological changes, especially Artificial Intelligence (AI).

Our Response

- Making Knowledge one of the key strategic pillars of the LEAP-6 Strategic Plan in order to address the need to upgrade knowledge and expertise at all levels, including the strengthening of succession planning at the leadership level and the enhancement of competencies throughout the organisational ladder
- Pursuing the Living Wage and the 40% Women Leadership target under PNB's Sustainability Commitments, in order to create a more diverse and inclusive talent pool
- Continuing our commitment to invest in talent, from scholarships to sponsoring professional qualifications and training

Potential Impact

– Negative + Positive

- Increased investment in training required for staff to adopt new technologies
- Newer generations may have different needs from their employers, leading to a mismatch between expectation and reality
- + Greater productivity and innovation as a result of employee engagement
- + Steady pipeline of able leaders for succession planning

Outlook

By putting talent and knowledge at the heart of our strategy, PNB will be able to ensure that it can continue to meet the evolving challenges and make the necessary changes and adaptations to maintain a skilled, engaged and energised workforce for years to come.

Risks

If our talent strategy is insufficiently dynamic and fails to effectively engage with the changes in the world of work, employee engagement will deteriorate, productivity will fall, and the ability to acquire and retain talent will be compromised, thereby putting at risk all of our desired organisational outcomes.

Opportunities

Continuing investment in talent and meeting the evolving needs of our workforce will not only result in more engaged and energised staff, but is also crucial for the long-term sustainability of the organisation through the development of future generations of leaders and specialists.

Links

Capitals:



Material Matters:



Strategy:

- Sales and Distribution
- Knowledge
- Innovation

Key Risks:

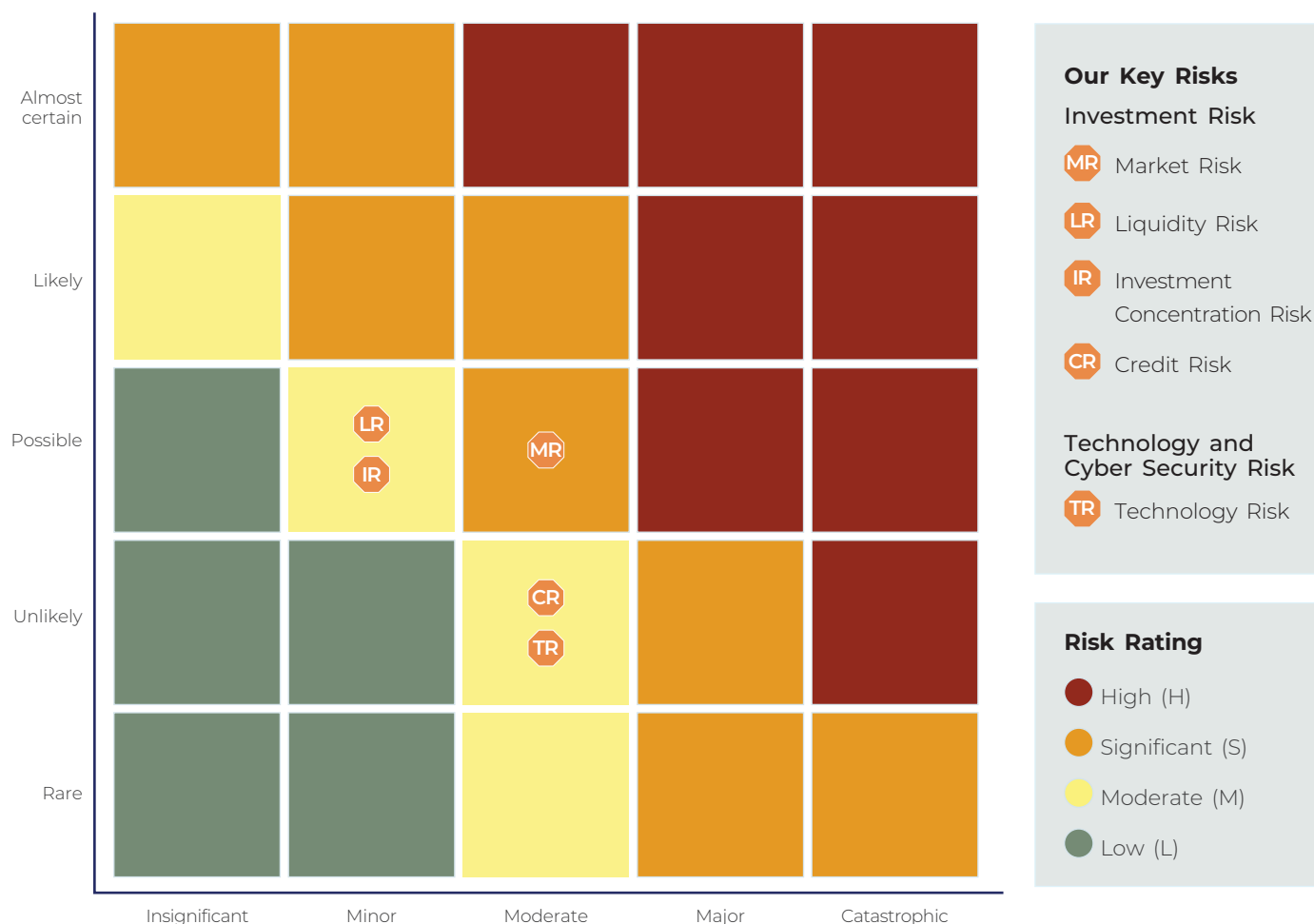


Key Risks and Mitigation

PNB is committed to effective risk management as we embrace the Purpose to uplift the financial lives of Malaysians across generations. In today's dynamic and interconnected financial landscape, we remain agile in adapting to emerging risks as well as visionary in our strategies to optimise value creation and achieve our investment objectives.

The Group adopts a comprehensive approach to risk management across the organisation. Each principal risk is governed by a risk framework operationalised through risk management tools and procedures, which form part of mitigation measures to manage the risk.

Our approach to assessing, monitoring and managing each identified principal risk is outlined below. This list is not exhaustive, and the order in which the risks are presented does not reflect either the likelihood of occurrence or the magnitude of impact.



Risk Rating

● High (H)

● Significant (S)

● Moderate (M)

● Low (L)

- 1 Investment-related risks affecting PNB and the UTFs under management are deemed critical in priority, in terms of both impact (“inside out”) and financial (“outside in”) perspective, categorised as Economic Performance highlighted in the Material Matters section.

MR Market Risk**Risk Rating:** S**Risk Definition**

Risk that arises from adverse movements in market forces such as stock prices, interest rates, exchange rates and commodity prices.

Risk Impact

As highlighted in **Economic Performance** under Material Matters section.

Risk Description

Market risk is the risk of loss from changes in the value of our portfolio and funds under management arising from fluctuations in market price, making risk measurement crucial.

Market downturns may impact our portfolio position, income distribution and liquidity, especially during large redemptions, posing potential capital and liquidity risks.

Mitigation Action

The Market Risk Management Framework, alongside our SAA, Forex Risk Management and other frameworks, is designed to manage a broad spectrum of risks effectively including capital market risk, interest rate risk, sector- and securities-specific risk, country risk and currency risk.

The Framework utilises statistical and non-statistical measures as well as metrics to adequately manage market risks, including:

- Value-at-Risk (VaR)
- Key risk indicators (KRIs)
- Potential impairment lists
- Scenario-based stress testing
- Other sensitivity-based measures
- Other risk limits as set out in the respective first line of defence policies, frameworks, plans or handbooks

LR Liquidity Risk**Risk Rating:** M**Risk Definition**

Risk of the inability to obtain sufficient funding sources to meet financial obligations.

Risk Impact

As highlighted in **Economic Performance** under Material Matters section.

Risk Description

Liquidity risk is critical to PNB Group's operations, encompassing the management of both the UTFs' net redemptions and the NAV of our investments.

Unfavourable market conditions or adverse movements in underlying securities may affect the NAV of the funds while prolonged significant redemptions may heighten and trigger liquidity risk across the Group.

Mitigation Action

The Liquidity Risk Management Framework utilises various measures and controls to withstand potential liquidity shortfalls, including:

- KRIs
- Strategic allocation of liquid assets
- Scenario-based stress testing
- Funding Plan
- Other risk limits as set out in the respective first line of defence policies, frameworks, plans or handbooks

Key Risks and Mitigation

Risk Rating



High (H)



Significant (S)



Moderate (M)



Low (L)

IR Investment Concentration Risk

Risk Rating: **M**

Risk Definition

Risk that PNB and the UTFs under management is exposed to lack of diversification, investing too heavily in one asset class, sector or stock under our management from investing too heavily in one asset class, sector or stock.

Risk Impact

As highlighted in **Economic Performance** under Material Matters section.

Risk Description

While actively steering our strategic companies to fulfil PNB's pursuit of promoting corporate share ownership among the Bumiputera community, there have occasionally been concentrated exposures to non-strategic equity investments and other asset classes.

Mitigation Action

The Investment Concentration Risk Management Framework is designed to minimise any loss that PNB or our UTFs might face in the event of liquidating investments due to:

- systematic (market sell-off) or company specific issues such as defaults, or
- actions to address massive net redemptions

The Framework utilises internal limits embedded with market liquidity.

- Any concentrated exposure to non-strategic investments is monitored from time to time
- Other risk limits as set out in the respective first line of defence policies, frameworks, plans or handbooks

CR Credit Risk

Risk Rating: **M**

Risk Definition

Risk of credit deterioration, encompassing defaults and losses arising from a company's failure to meet payment obligations or restructure effectively.

Risk Impact

As highlighted in **Economic Performance** under Material Matters section.

Risk Description

Amid a volatile interest rate environment, credit risk monitoring is crucial as our fixed-income investments exposure increases.

Mitigation Action

The Credit Risk Management Framework ensures early detection and holistic management of potential credit deterioration.

The Framework utilises several measures to minimise the loss that PNB or our UTFs could face in the event of credit deterioration which includes:

- Management action triggers (MAT) via surveillance of credit spread and credit default swaps (CDS) for corporate and sovereign issuers as early warning indicators
- Other risk limits as set out in the respective first line of defence policies, frameworks, plans or handbooks

Risk Rating

● High (H)

● Significant (S)

● Moderate (M)

● Low (L)

2 Technology and Cyber Security Risk**TR Technology Risk****Risk Rating:** M**Risk Definition**

Risk arising from technology failure or cyber intrusion of IT systems, applications, platforms or infrastructure, which could result in financial loss, disruption to services or operations, or reputation damage.

Risk Impact

As highlighted in Data Privacy and Security, and **Technology and Innovation** under Material Matters section.

Risk Description

PNB's increasing adoption of technology via digitalisation, cloud computing and AI contributes to increasing risk exposures, particularly to system and cyber security risks.

Mitigation Action

The Technology Risk Management Framework (TRMF) aims to manage performance outcomes, minimising risk issues that could impact our technology and cyber resilience.

The Framework is continuously enhanced based on Guidelines on Technology Risk Management (GTRM) by the SC. The Technology Risk Universe, which forms part of TRMF, serves as a foundation for conducting risk assessment in relation to technology and cyber resilience within operations, systems and projects.

PNB has further strengthened our system and cyber security measures, controls and governance via:

- Cyber security maturity upliftment programmes
- KRIs
- Setting up independent first and second lines of defence covering technology and cyber resilience
- Thematic and continuous risk assessment on technology service providers
- Other technical and administrative risk monitoring as set out in internal policies, frameworks, plans and handbooks
- Education, awareness and security testing programmes at all levels including Board, Senior Management, staff, agents and third parties
- Enhancements and simulations for our end-to-end incident management programme
- Strategic alliances with identified government agencies and independent experts to strengthen cyber security defence

Our Strategic Blueprint

LEAP 6: 3-Year Strategic Plan (2025-2027)

Our Mandate

To enhance the economic wealth of the Bumiputera community and all Malaysians, for the prosperity of the nation.

Our Purpose

To uplift the financial lives of Malaysians across generations.

B.R.A.V.E Values

Bold | **R**esponsible | **A**gile | **V**isionary | **E**mpowering



AUM to grow from RM337 billion to RM400 billion



Zero Breaches, Zero Tolerance, Strategic Foresight

Strategic Performance Review

PNB's strategy is based on the three-year LEAP 6 blueprint which comprises six pillars that will shape our transformation into a dynamic, sales-oriented investment company that is able to deliver on our Purpose, namely to "uplift the financial lives of Malaysians across generations". Below, we provide an explanation of these six pillars, describe the key focus areas for each and what our priorities are in 2025. We have also added Governance as a strategy pillar, even though it is not a LEAP 6 pillar, as good governance underpins everything that we do.

Sales and Distribution

The Sales and Distribution pillar focuses on the continuing transformation of PNB's customer-facing distribution business, to ensure the ability to mobilise the savings of Malaysians sustainably.

Key Focus Areas

- **Enhanced Coverage Model** – Reorientating our operating model to centre on customers and net flows, with clear segmentation and realigned targets and incentives.
- **Enhanced Distribution Network** – Comprehensive transformation of distribution network as well as sales and marketing efforts across all channels, with re-imagined customer experience driven by data.
- **Building the Right Enablers** – Strengthening data analytics as well as supporting tools for frontliners, with emphasis on talent development and capacity building.

Key 2025 Priorities:

- Complete clear and specific roadmaps to address transformation initiatives across all channels – branches, digital and banca – as well as key product features, customer experience and analytics; and talent development.
- Embark on clear sales and marketing efforts targeting the needs of specific segments, driven by better understanding of our customers.
- Expand our financial literacy outreach, including the Celik MADANI programme for university students and KPBPB for secondary school students.

Investment

The Investment pillar focuses on enhancing the returns of UTF under PNB's management, in order to ensure the ability to meet targeted return levels within the accepted risk tolerance levels for each.

Key Focus Areas

- **Strategic Asset Allocation** – Establishing the right three-year SAA targets for the UTF under our management, based on the reaffirmed risk and return targets set out in the respective funds' Objective-Setting Statements, and charting the required deployment and rebalancing efforts needed to achieve the SAA.
- **Asset Class Performance** – Rebalancing and optimising each asset class portfolio to deliver the returns required at the funds, within the risk parameters set.

Key 2025 Priorities:

- Set out clear three-year plans for each asset class to determine the deployment and rebalancing initiatives required and the pathway towards the SAA target allocation and returns.
- Implement key value creation and portfolio rebalancing initiatives across all asset classes to improve asset class performance and enhance yields.
- Continue to enhance and strengthen the end-to-end investment process across all asset classes to further strengthen quality of due diligence and decision-making; further increase the robustness of risk assessments, controls and guardrails; and solidify the quality of investment monitoring and oversight.

Strategic Performance Review

PNB Co Transformation

The PNB Co Transformation pillar focuses on strengthening and rebalancing our proprietary portfolio as well as optimising the efficiency of our enterprise operations, to further enhance PNB Co's capacity to play its key role in supporting the operations of our UTF.

Key Focus Areas

- Enhancing the investment yield of our proprietary fund through continued portfolio rebalancing and capital recycling.
- Optimising PNB's operational efficiency across all areas of the enterprise.
- Growing our reserves through continued reinvestment of profits to ensure continued sustainability.



Key 2025 Priorities:

- Execute planned portfolio deployment and rebalancing initiatives.
- Implement workforce rejuvenation initiatives to further improve critical talent metrics including staff engagement.
- Outline technology-related initiatives and spend for the next three years in the Technology blueprint.

Knowledge

The Knowledge pillar focuses on catalysing PNB's continuing evolution as a knowledge-based organisation, with knowledge as a critical source of competitive advantage for PNB as a leading, world-class investment house.

Key Focus Areas

- **Talent Development** – Building capabilities across all levels and developing “coach-like leaders” cultivating a culture of growth and high performance.
- **Succession Planning** - Strengthening the leadership pipeline for mission-critical roles, to ensure continuity and long-term organisational success.



Key 2025 Priorities:

- Complete role-based curricula for key functions across the organisation as part of a comprehensive multi-year competency mapping and assessment exercise to enable clear and targeted development pathways for all talents.
- Organise the PNB Knowledge Forum and launch a major research report, as well as other key knowledge outputs.
- Further strengthen the talent and leadership pipeline through continued succession planning and leadership development initiatives.

Innovation

The Innovation pillar focuses on generating new innovative ideas for the enterprise based on Amazon's Working Backwards methodology, particularly in support of our sales and distribution activities, as well as finding ways to optimise and improve internal processes.

Key Focus Areas

- Introducing and inculcating the customer-focused Working Backwards methodology among PNB employees through intensive Masterclasses, including the end-to-end workshop, customer validation interviews, shark tanks and incubations.
- Supporting the sales and distribution team, particularly sales frontliners, segment and product teams to address customer pain points with new ideas and the Working Backwards methodology.
- Exploring new ways to optimise internal process efficiency and reduce internal pain points.



Key 2025 Priorities:

- Work with frontline teams to support key sales and product initiatives, including integration of key innovation ideas and ventures into broader strategies.
- Continue activation efforts across the enterprise, both at central office and across the branch network.
- Explore ways in which innovation “enzymes” can solve pain points faced by our employees across the daily operations spectrum.

Sustainability

The Sustainability pillar focuses on continued delivery of the 10 ESG Commitments under our Sustainability Framework, originally launched in 2022.

Key Focus Areas

- **Environment:** NZE by 2025 (Scope 1 & 2); NZEP by 2050; RM10 billion investment in green and transition assets by 2030.
- **Social:** Implement Living Wage at PNB; adopt Labour Rights Policy; 40% women in PNB leadership by 2025; Empower communities through Social Investments.
- **Governance:** Triple bottom line stewardship; transparency of voting; TCFD-aligned reporting.



Key 2025 Priorities:

- Achieve NZE status for Scopes 1 & 2 emissions.
- Achieve 40% women in leadership roles.
- Encourage the adoption of a Living Wage policy by more strategic companies.

Governance

Although not a standalone pillar, governance aspirations set out in LEAP 6 – “Zero Breaches. Zero Tolerance. Strategic Foresight.” – reaffirm the critical importance of a robust system of governance and internal controls as the base institutional hygiene for PNB.

Key Focus Areas

- **Anti Money Laundering and Counter-Financing of Terrorism** – Striving to achieve the strategic level of maturity for AML controls.
- **Cybersecurity** – Achieving a higher level of cyber maturity.
- **ESG** – Integrating ESG into governance practices across all lines of defence.
- **Strategic Foresight** – Remaining at the forefront of evolving regulations, as well as leveraging technology and AI for additional insights.
- **Continuous Improvement** – Continually enhancing the quality and robustness of key governance elements, e.g. testing of internal controls.



Key 2025 Priorities:

- Continue to implement our comprehensive cybersecurity programme, Programme Himaya.
- First year of implementation of the Risk Management Strategic Plan.
- Formulate and finalise a Strategic Plan for the Compliance and Integrity functions.

Empowering the Future Through Digital Innovation



Digital Innovation as a Strategic Catalyst

Digital innovation continues to be a cornerstone of PNB's transformation agenda, underpinning our efforts to reimagine how we deliver long-term value to all stakeholders. As we chart our next phase of growth under the LEAP 6 strategic plan, technology plays a pivotal role in enabling greater financial inclusion, personalising the investor experience, and strengthening operational efficiency.

This focus on digitalisation reflects our commitment to become a future-ready investment institution — one that can navigate a rapidly evolving economic and technological environment while staying true to our core Purpose to uplift the financial lives of Malaysians across generations. In 2024, we made meaningful progress across our digital pillars, guided by our ambitions to grow AUM to RM400 billion by 2027 and drive inclusive national financial empowerment.

Expanding Access Through a Seamless Digital Ecosystem

PNB has continued to accelerate digital access by building a more inclusive, intuitive and far-reaching investment ecosystem. At the heart of this is the myASNB app, our all-in-one digital investment platform, which saw its user base grow to 3.7 million in 2024 – a 17% increase from the previous year. App downloads also surged 45%, reaching 7.3 million, reflecting the increasing preference for digital investment channels.

Today, one-third of ASNB's total gross sales – amounting to RM14.4 billion year-to-date – are conducted through digital platforms. This growth is supported by the introduction of simplified investment journeys and features that encourage recurring contributions, such as the Auto Labur function. With a minimum investment of just RM10 per month, Malaysians can now automate their savings and build disciplined long-term habits with ease.

To further extend our reach, Malaysian individuals aged 18 and above can now open an ASNB account directly through the TnG eWallet app. This integration between PNB and TnG eWallet offers a convenient way for Malaysians to manage their investments digitally.

Digital Reach at Scale

myASNB app users grew by 17% YoY to 3.7 million, with app downloads surging 45% to 7.3 million in 2024 – reflecting strong momentum in digital engagement.

Personalising the Investor Journey through Innovation

A major milestone in our digital evolution was the launch of ASNB Ria in March 2024 – PNB's first robo-advisory service embedded within the myASNB app. Designed to simplify and personalise the investing experience, Ria creates tailor-made portfolios based on each investor's goals and risk appetite. The platform uses intelligent algorithms to automatically rebalance portfolios and reinvest dividends, ensuring alignment with evolving financial objectives.

Since its launch, ASNB Ria has onboarded over 220,000 users with a total AUM of RM55.0 million as of 31 December 2025. With a low entry point of RM100, the platform is unlocking access to sophisticated investment solutions once reserved for high-net-worth individuals – delivering on our goal to make wealth-building tools accessible to all.

Strengthening Infrastructure and Cyber Resilience

With digital adoption accelerating, we remain focused on building a resilient and secure digital foundation. Our technology ecosystem is supported by a robust organisational structure, led by a dedicated Chief Technology Officer ("CTO") and Chief Information Security Officer ("CISO"), along with specialised teams in enterprise architecture, infrastructure operations, and cybersecurity.

Robo-Advisory Breakthrough

ASNB Ria, PNB's first robo-advisory platform, onboarded over 220,000 users and secured more than RM55 million in AUM within 10 months of launch, marking a new frontier in personalised digital investing.

These teams play a crucial role in ensuring platform reliability, data protection, and regulatory compliance – upholding the trust of our 16.2 million account holders. Our governance framework ensures proactive risk management and alignment with global best practices in cybersecurity, especially as we scale our digital offerings and introduce new channels for engagement.

Our leadership in digital transformation was acknowledged at the PIKOM Digital Excellence Awards 2024, where PNB was recognised for its innovation and progress. This external validation affirms our commitment to embedding agility, security and technology-led thinking across every aspect of our business.

Shaping the Future of Investment, Today

Our digital advancements in 2024 reflect a broader transformation underway at PNB – one that fuses Purpose with innovation to build a more inclusive and future-ready financial institution. These efforts are not only enhancing how we serve our unitholders today but are also laying the groundwork for tomorrow's growth.

As we pursue our LEAP 6 ambition of reaching RM400 billion AUM by 2027, digitalisation will be a key enabler. It allows us to reach new audiences, deliver more customised experiences, and foster a culture of consistent saving and investing across generations.

Looking ahead, we will continue to evolve our platforms with greater personalisation, deeper analytics, and more intuitive user journeys. We are also exploring opportunities to align our digital strategy with our ESG agenda – leveraging technology to drive sustainable investing, ethical engagement, and impactful outcomes for our stakeholders.

Our digital journey is one of continuous progress – anchored in Purpose, powered by innovation, and designed to uplift the financial lives of across generations, now and into the future.

Message from the Chief Human Resource Officer

Building Capability, Cultivating Culture, Enabling Growth



Norhanifah A. Jalil
Chief Human Resource Officer

The year 2024 marked a pivotal period of transformation for PNB — both organisationally and within Human Capital. From our relocation to Menara Merdeka 118 to the onboarding of a new PGCE, the introduction of our B.R.A.V.E core values, the refinement of our LEAP 6 strategy, and a corporate reorganisation — change was both constant and catalytic.

Throughout this intensity, our Human Capital strategy remained firmly anchored on employee experience and capability building. This is our commitment to unlocking the potential of every employee to elevate performance — individually, within teams, and across the organisation. Rather than a reset, 2024 was a shift in gear that accelerated the delivery of our broader Human Capital strategy. We pressed forward with greater

intensity and sharper focus on strategic priorities — especially in building capabilities, cultivating culture, and enhancing the employee experience.

Capability Building: Raising the Bar

Our talent strategy is built around developing the right capabilities to deliver business outcomes and supporting succession. We introduced Role-Based Learning Pathways to provide clear guardrails for employees, ensuring their development needs are prioritised, focused, and purposeful. This structured approach forms the critical foundation for us to progress towards competency assessments and targeted skills development to address capability gaps.

We also continue to democratise access to learning through our digital platform, positioning LearnHub as the central channel for mandatory and compliance-related programmes, to ensure rapid deployment and organisation-wide reach while making critical learning conveniently accessible on-demand. Our content library expanded through in-house production and partnerships with external providers like LinkedIn Learning. At the same time, we continue to strengthen internal capabilities in designing learning pathways and curating targeted content.

To further expand development opportunities, we tested new programmes using unconventional approaches such as Internal Internships and Talent Exchange with partner organisation. These pilot launches provide employees with exposure across functions and companies, and the opportunity to gain hands-on experience in different environments while expanding their professional networks.

Succession plan remained a top agenda. In 2024, we completed refreshed successors mapping and readiness assessments for top leadership and mission-critical positions, complemented by senior leadership rotations across key roles. These rotations provided broader experience and cultivated a diverse leadership team with expertise across different functions within the organisation.

We continued to refresh and refine our signature leadership pathways — a bespoke leadership development initiative designed to elevate leadership capabilities across all levels. To further support leadership growth, we introduced the Internal Coaching Certification Programme, enabling leaders to become coach-like enablers of performance and engagement. Recognising the need to cultivate a coaching culture, this programme also fosters cross-functional and cross-generational collaboration, enhances communication, and builds a transparent, high-trust workplace.

Our commitment to women in leadership advanced meaningfully, bringing us closer to achieving 40% women in leadership roles. The Women of Will Leadership Programme, launched as part of this commitment, aims to enhance the growth and professional development of our women leaders. With two successful cohorts completed, the programme is building a strong pipeline of future women leaders and strengthening PNB's ESG commitments.

Culture and Inclusion: Embedding Purpose

We embedded our B.R.A.V.E values into our refreshed Performance Management Framework, integrating values as a key component of performance assessments. This applies to all

employees, with a particular emphasis on leaders. This deeper cultural alignment reinforces the behaviours critical for sustainable success.

The launch of the WIN and the Women of Will Leadership Programme further advanced a culture of openness, inclusion, and connection, underscoring our commitment to diversity and inclusivity.

Employee Experience: Enabling Growth

We continued to reimagine the employee experience — curating empathetic, inclusive, and empowering touchpoints across the employee lifecycle. Structured career pathways, internal mobility programmes, and targeted development initiatives created new opportunities for growth and progression.

2024 also saw the rollout of a Volunteerism Framework and the expansion of our Scholarship Programmes covering the Merdeka Scholarship targeted for local undergraduates students and BUDI-TVET Programme with our external partners. This exemplify our belief in playing our role to uplift the community hence amplifying PNB as a Purpose-driven institution committed to nation-building.

Looking Ahead: 2025 and Beyond

In 2025, we will sustain our momentum by:

- Scaling frontline capability development, especially in Sales and Distribution
- Strengthening culture-building efforts across all levels
- Expanding our leadership pipeline and succession plan for mission-critical roles at the senior and tactical leadership levels
- Empowering people managers through performance enablement and leadership tools
- Enhancing analytics for data-driven talent decisions
- Launching Living Wage 2.0 and fulfilling our 40% women-in-leadership target

We continue to benchmark ourselves against industry leaders to remain an employer of choice. While our attrition rates remain low, reflecting strong engagement, we are committed to evolving to meet the needs of a changing workforce.

Ultimately, we aim to create an environment where employees are inspired by Purpose, empowered to grow, and proud to contribute to something greater. Our journey of transformation continues — boldly, responsibly, and with an unwavering focus on building a future-ready PNB, where every employee can thrive and make a lasting impact.

Group Chief Investment Officer Review



Hanizan Hood

Group Chief Investment Officer

It is a pleasure to present an account of PNB's investment performance for the year 2024. Despite market uncertainties, we delivered solid results to our unitholders.

From a portfolio perspective, our FP funds delivered strong results, maintaining healthy spreads against the benchmark 12-month fixed deposit rate in Malaysia and achieving their best returns in five years. Notably, ASB declared a solid income distribution of 5.75 sen per unit, 9.5% higher than 5.25 sen per unit in 2023. This translates into a distribution of RM10.1 billion to 11.1 million unitholders. We were also very pleased with our VP funds, which delivered market-leading total returns, outperforming their respective benchmarks. Of note, 11 out of our 12 VP funds ranked within the top two quartiles among peers within their respective categories.

At the same time, as mentioned, it was very encouraging to see not only our AUM but also our UIC grow – to RM348.3 billion and 281.7 billion units respectively – after both dipped marginally in 2023. Cumulatively, in 2024, we distributed RM14.6 billion in income through our funds to 13.1 million unique unitholders across 16.2 million accounts.

Overall, the global economy once again averted a soft landing with equity markets rallying strongly, driven by resilient earnings and innovation-led growth. Fixed income performance was not as buoyant, subdued on the back of slower-than-expected policy rate normalisation and geopolitical headwinds. Market wise, developed economies outperformed their emerging counterparts.

Global equities, as measured by the MSCI ACWI, fetched returns averaging 17.5%; while the S&P 500 posted a gain of more than 20% for the second consecutive year. Within ASEAN, the FBMKLCI stood out as a top performer, with a total return of 12.9%. In contrast, the Bloomberg Global Aggregate Index delivered a negative total return of -1.7% in US dollar terms for the year, while the local BPAM All Bond Index recorded +4.3%.

In the alternatives space, both real estate and private equity delivered mixed yet resilient performance in 2024. Elevated interest rates and borrowing costs continued to weigh on real estate transactions and valuations globally, as private equity activity remained measured amid a more cautious deal-making environment. Fundraising was selective, with capital favouring established managers and proven strategies, and exit volumes saw a modest decline compared to previous years.

Diversification is an integral part of our strategy which seeks to further broaden the asset and geographical mix of our portfolios. The SAA based on long-term capital market assumptions, anchors our overall strategy with a focus on establishing long-term target allocations for each asset class. Meanwhile, the TAA and DAA allow for short-to-medium term fine-tuning of these target allocations and rebalancing of our portfolios within defined parameters. The aim is to capture gains and opportunities due to market mispricing and dislocations, without losing sight of the ultimate SAA targets.

The current DAA rebalancing is tilted towards increasing our allocation into fixed income, specifically global fixed income, in line with our SAA trajectory. As for our TAA, we recognise that while in the last two years markets have been fuelled by the outsized performance of just a handful of high-growth, US-centric mega-cap tech companies, this trend is not sustainable. Broader diversification into defensive, high-quality companies across markets and sectors, is key to enduring returns, particularly as market volatility increases and earnings momentum moderate. Elevated valuations mean a robust and disciplined investment process is even more essential.

Looking forward, the external environment is increasingly challenging with lingering uncertainties posing risks to both the global economy and financial markets. We expect volatility to remain elevated as markets recalibrate to geopolitical tensions, disrupted supply chains and frequent

ASB declared a solid income distribution of 5.75 sen per unit, 9.5% higher than in 2023.

shifts in trade policies – all of which further underscore the importance of maintaining a well-diversified portfolio.

While we retain a judicious approach to public equities given the near-term risks, we will take advantage of the market volatility to accumulate stocks with solid fundamentals at attractive valuations to build longer-term core exposures. We believe that by staying agile and on course with our objectives, we can navigate uncertainties while seizing opportunities to drive consistent growth.

As a small open economy, the domestic financial markets and Ringgit may not be fully immune to external headwinds. Nevertheless, Malaysian equities will remain the bedrock of our diversified multi-asset portfolio. We are cautiously optimistic of the country's long-term macro fundamentals, underpinned by policy continuity and reforms that will drive the economy and capital markets. Accordingly, we will look out for investment opportunities while continuing to advocate for better total shareholder returns and value creation in domestic companies where we have large shareholdings.

Although there are downside risks, bond yields remain elevated, affirming our push to increase our allocation in global fixed income and credit across public and private markets. We also see compelling value in alternative assets, particularly in private credit and infrastructure, which can complement our traditional asset holdings by enhancing returns and reducing correlations. These strategies – together with our focus on diversification and income – are designed to reinforce portfolio resilience. Even in the face of potential headwinds, including persistent inflation and slower-than-expected global growth, therefore, we expect to continue to fulfil our Mandate and Purpose. Guided by our Leap 6 Strategic Plan and SAA, we have a clear and consistent pathway to drive long-term growth and portfolio performance. We are ever committed to delivering lasting value to our unitholders, growing their investments responsibly and working towards their financial success.

Strategic Asset Allocation

PNB employs a value-based investment philosophy that balances different strategies across asset classes, from long-term holdings in quality companies with steady recurring yields, to momentum-driven investments with capital gains through trading activities. This is combined with a top-down perspective informed by long-term macro views and optimal asset allocation targets, with a bottom-up fundamentals-driven approach in asset selection to create value.

Asset and geographical diversification are integral to our strategy, allowing us to construct balanced and resilient portfolios with a prudent risk profile in delivering sustainable returns to our unitholders.

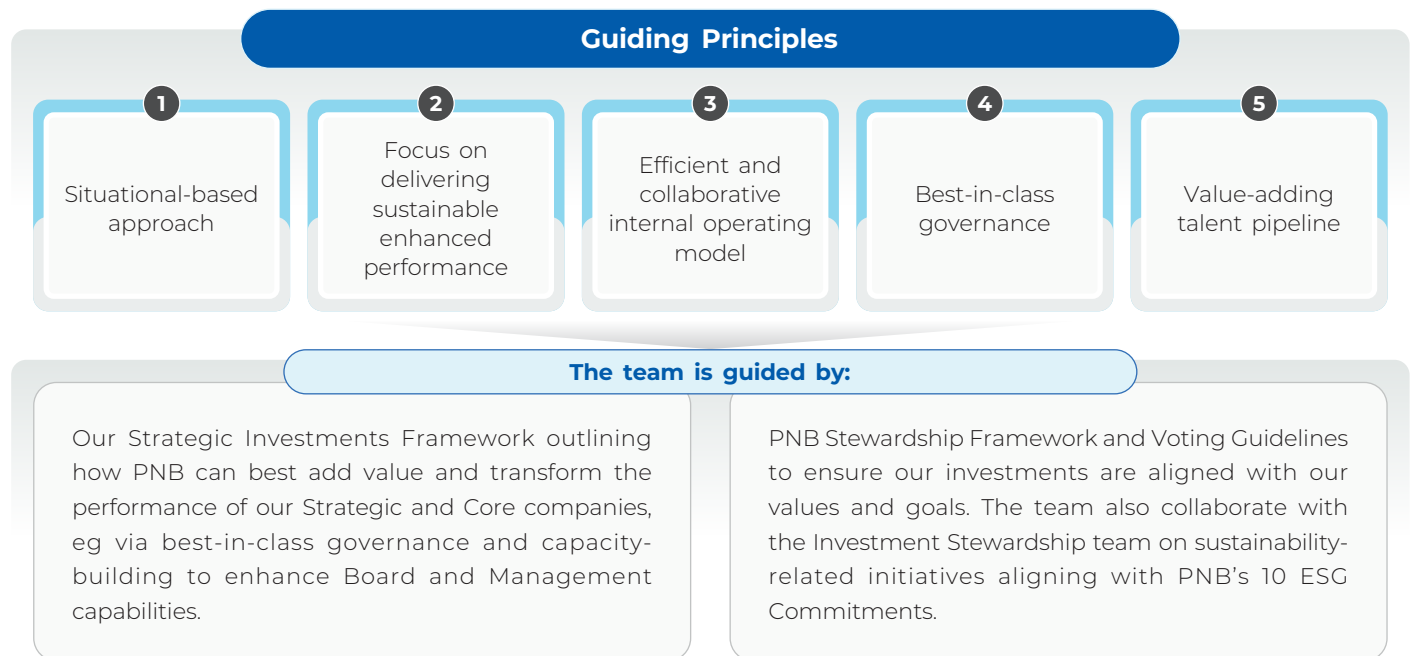
These principles underline our SAA Framework which guides our long-term capital allocation targets across the various asset classes. Customised SAA targets for each fund under PNB's management are developed, taking into account risk appetites, return targets and investment constraints. Short and long-term outlooks, including anticipated risk and return levels for investable asset classes, contribute to the objectives.

A collaborative and accountable SAA process is cultivated across the organisation to align our resources and skills towards achieving fund objectives for the benefit of unitholders. Through this structured and inclusive approach, PNB continuously gains a more informed and current understanding of the underlying factors that impact expected investment risks and returns, leading to more optimal long-term allocation decision. This includes intentional collation of the best insights that have been gathered by each business unit from active engagement with various industry leaders.

Acknowledging that our funds operate within a complex global environment, we supplement our long-term SAA targets with medium-term and short-term tactical tilts, achieved through DAA and TAA, respectively. This allows us the flexibility to make deliberate, temporary shifts within the approved asset allocation ranges. Furthermore, all facets of our investment strategies are founded on robust risk management policies to ensure resilience and adequate liquidity at all times to meet any liabilities while pursuing suitable investment opportunities. We continuously evaluate and assess each fund's deployment path as we prudently navigate our portfolio diversification journey, proactively managing evolving market conditions and immediate liquidity needs.

Strategic Investments

The Strategic Investments team monitors our Strategic and Core Companies ensuring value creation, as this is integral to enhancing shareholder value and protecting our investments as well as those of our managed UTF. Through rigorous analysis and a proactive management approach, we are dedicated to securing optimal and sustainable returns for our unitholders.



Central to our mission is a continuous and systematic process of analysis, evaluation and strategic implementation. Our team identifies, assesses and recommends corporate exercises — including mergers and acquisitions, restructuring and rationalisation — to unlock value and optimise returns. In recognising the cyclical nature of investments, we strategically extract value from mature holdings and actively deploy capital through dividend reinvestment plans, sukuk, perpetual securities and other innovative instruments. This measured approach ensures timely realisation of investments, maximising returns while mitigating risks such as market volatility, economic uncertainty, regulatory changes, geopolitical factors, and industry disruptions.

Beyond investment management, we play a pivotal role in cultivating robust relationships with the Boards, management teams, co-investors, policymakers and other key stakeholders of our investee companies. These close engagements not only safeguard PNB's investments but also drive sustainable value creation across the organisation.

In summary, through a commitment to excellence in governance, stewardship and strategic capital deployment, the Strategic Investments team stands as a cornerstone of PNB's mission to deliver superior, long-term returns for our stakeholders.

Strategic Investments

Initiatives in 2024

In 2024, we continued to support PNB's efforts to rebalance its portfolio and diversify across different asset classes, sectors and geographical markets.

We also extended support to our Strategic and Core Companies in various exercises including business development, new and additional investments, divestments, capital restructuring, turnarounds, and mergers and acquisitions.

The dividend income we generate plays a significant role in enabling the UTF to continue to offer competitive returns.

Going forward, we aim to play a larger role in driving our Strategic Companies to deliver better shareholder value,

starting with the clear articulation to the companies' Boards of our expectations. This is in line with the government's GEAR-uP initiative to improve the performance of Corporate Malaysia.

We will also maintain a strong focus on strategic redeployment of capital to enhance total shareholder returns and unlock value for stakeholders. Towards this end, we are working with the Public Equity team to provide a clear and structured pathway to rebalance the domestic public equity portfolio. This plan outlines key steps and initiatives to optimise asset performance, strengthen financial outcomes, and align with Pillar 2 under PNB's LEAP 6 strategy.

Strategic Companies

Malayan Banking Berhad (Audited FYE 31 December 2024)



Maybank was established in 1960 and today is the largest company by market capitalisation on the Malaysian Stock Exchange (Bursa Malaysia), among the top 500 companies in the Forbes Global 2000 leading companies of the world and listed as one of Time's World Best Companies 2024.

Maybank Group delivers a comprehensive range of financial products and services, including consumer and business banking, corporate and transaction banking, investment banking and advisory services, global markets, asset management, Islamic financial solutions, insurance and takaful, and other digital and mobile financial services.

Maybank's purpose is to be a values-driven platform powered by a bionic workforce. Dedicated to making financial services simple, accessible, and intuitive, in line with our mission of

Revenue	RM68,943 million
Market Capitalisation	RM123,566 million
PATAMI	RM10,089 million
Shareholdings	43.7%

Humanising Financial Services, Maybank focuses on creating seamless digital and physical environments for financial access, forging trusted partnerships for long-term sustainability, and offering services that reflect its strong ethical foundation. Key aspects of this mission include fair pricing, data-driven insights for personalised customer experiences, and always being at the heart of the community.

Note: Shareholdings & Market Capitalisation as at 31 December 2024

Sime Darby Berhad (Audited FYE 30 June 2024)

Sime Darby Berhad (Sime) is a partner of choice for some of the world's most respected brands in the industrial equipment and automotive sectors, delivering sustainable value to its stakeholders through operational excellence, high performance standards and good corporate governance. Founded in 1910, Sime today has a workforce of more than 30,000 employees, with operations in 18 countries and territories across the Asia Pacific region. Headquartered in Malaysia, Sime is one of the country's largest multinationals listed on the Bursa Malaysia stock exchange.

Sime Industrial is involved in the sale of new and used heavy equipment, power systems, product support, equipment rental, rental services and industrial solutions, and maintains long-term partnerships with premium industrial brands. It is recognised as one of the world's largest Caterpillar dealers and is also a distributor of many other industrial solutions brands. With operations across 14 countries and territories in the Asia Pacific region, Sime Industrial serves a customer base spanning a range of sectors.

Sime Motors operates in ten markets and is actively involved in all facets of the automotive business including importation and assembly, distribution, retail of new and used cars, after-sales care and rental services. Sime Motors has built an extensive

Revenue	RM67,132 million
Market Capitalisation	RM16,085 million
PATAMI	RM3,306 million
Shareholdings	44.5%

network of dealerships and long-standing partnerships with many of the world's top automotive and commercial truck brands, ranging from luxury marques such as BMW, Porsche, Rolls-Royce, Jaguar, Land Rover and Volvo to electric vehicles (EV) specialists such as BYD, Li Auto and Polestar, as well as household names such as Hyundai and Ford.

Sime UMW is a leading player across the automotive, equipment, manufacturing & engineering and aerospace industries with a legacy spanning over 100 years and a strong presence in five key Asia Pacific markets. It is the largest automotive player in Malaysia, with over 50% market share, leading the automotive, equipment, manufacturing, engineering and aerospace industries. Through Sime UMW, Sime is now a strategic partner to Toyota and also holds an important stake in Perodua, Malaysia's best-selling national car.

Note: Shareholdings & Market Capitalisation as at 31 December 2024

Strategic Investments

SD Guthrie Berhad (Unaudited FYE 31 December 2024)



With a legacy spanning over two centuries, SD Guthrie Berhad has evolved into a global leader in sustainable palm oil production, renowned for its significant contribution to the global market for Certified Sustainable Palm Oil (CSPO). Guided by innovation and an unwavering commitment to sustainability, SD Guthrie operates across the entire palm oil value chain, from upstream plantation operations to downstream manufacturing of high-value derivatives such as oleochemicals, biodiesel, and nutraceuticals.

The company's extensive operations are anchored by a global footprint across key markets, supported by a dedicated workforce and world-class R&D and innovation hubs. These centres pioneer cutting-edge solutions in robotics, agri-tech, and data-driven sustainability practices. By leveraging advanced technologies, SD Guthrie has enhanced productivity, operational efficiency, and product quality.

At the heart of its sustainability journey is the Beyond Zero initiative, which aims to achieve net-positive impacts, going beyond carbon neutrality to drive long-lasting environmental and social progress. This initiative reflects SD Guthrie's leadership in addressing critical global challenges, including climate change mitigation, biodiversity conservation, and sustainable land management.

SD Guthrie's strong segmental performance underscores its resilience and adaptability amid dynamic market conditions. Its upstream business continues to thrive due to optimised plantation

Revenue	RM19,831 million
Market Capitalisation	RM34,233 million
PATAMI	RM2,164 million
Shareholdings	54.9%

management and sustainable fresh fruit bunch (FFB) yields, while its downstream segment benefits from diversified products and expanded global market reach.

In addition to its core palm oil operations, SD Guthrie is strategically expanding into new business verticals, such as renewable energy and industrial parks, to future-proof its growth. The company's development of green industrial parks, featuring dedicated solar energy projects, showcases its commitment to creating integrated, sustainable solutions that align with global ESG priorities.

As the first palm oil company to have its net-zero greenhouse gas (GHG) reduction targets validated by the Science Based Targets initiative (SBTi), SD Guthrie sets the standard for sustainability leadership. The company's long-term vision focuses on value creation, innovation, and stakeholder engagement, reinforcing its position as a trusted partner in sustainable growth across global markets.

Note: Shareholdings & Market Capitalisation as at 31 December 2024

S P Setia Berhad (Audited FYE 31 December 2024)



S P Setia is a leading property developer in Malaysia with an established presence in seven countries globally.

Since its inception in 1974, the Group's core business segment of property development portfolio encompasses townships, eco-themed developments, integrated mixed developments, niche developments as well as expansion into industrial parks across the region. Its investment property portfolio spans a broad range of property types, including offices, retail, education, hotels and convention centres.

Revenue	RM5,294 million
Market Capitalisation	RM7,304 million
PATAMI	RM576 million
Shareholdings	50.2%

S P Setia has won the coveted No. 1 ranking in The Edge Property Developer Awards 14 times and is a 17-time winner of the FIABCI World Prix d'Excellence World Gold Award.

Note: Shareholdings & Market Capitalisation as at 31 December 2024

Sime Darby Property Berhad (Unaudited FYE 31 December 2024)

Sime Darby Property is Malaysia's pioneering property developer with over 50 years of excellence in creating sustainable, master-planned communities. As a constituent of the FTSE Bursa Malaysia Mid 70 Index, FTSE4Good Bursa Malaysia Index, and the FTSE4Good Shariah Bursa Malaysia Index, the Group has delivered more than 100,000 homes across 25 townships and developments, spanning residential, commercial, industrial, and logistics projects.

With a diversified portfolio, Sime Darby Property is transitioning into becoming a real estate company by 2025, focusing on its Investment & Asset Management and Leisure segments. The Group wholly owns and operates KL East Mall and the newly launched Elmina Lakeside Mall, in addition to the regionally renowned Kuala Lumpur Golf & Country Club. Internationally, Sime Darby Property is part of the consortium that successfully rejuvenated the iconic Battersea Power Station in Central London. Sime Darby Property is also making strategic inroads into new asset classes, including the ongoing development of hyperscale data centres, underscoring its commitment to diversifying income streams and capitalising on the growing demand for digital infrastructure and AI.

The Group currently manages greater than seven million sq. ft. of net lettable area across commercial, retail, hospitality, education, and industrial segments, further establishing its position in the Investment & Asset Management space. For its RM4.5 billion Islamic Medium-Term Notes (IMTN) Programme, Sime Darby Property has maintained an AA+IS rating with a stable outlook from MARC for the fourth consecutive year, reflecting its financial stability and resilience.

Revenue	RM4,251 million
Market Capitalisation	RM11,493 million
PATAMI	RM502 million
Shareholdings	50.6%

Sime Darby Property is committed to achieving its 2030 Sustainability Goals and Net Zero carbon emissions by 2050 by continuing to uphold its role as a "Force for Good. It has pledged a 40% reduction in Scope 1 and Scope 2 emissions by 2030. A consistent champion in Urban Biodiversity, Sime Darby Property is a constituent of the MSCI ACWI Small Cap Index with an MSCI ESG Rating of BBB and is rated by the Carbon Disclosure Project (CDP).

The Group's dedication to excellence has been recognised with numerous industry accolades. In 2024, Sime Darby Property secured 51 awards, including being named Malaysia's number one property developer at The Edge Malaysia's Top Property Developers Awards 2024. Other notable achievements include Gold and Silver wins at the FIABCI World Prix d'Excellence Awards 2023, All-Stars recognition at the StarProperty Awards 2024, and a Top 10 Developers (Malaysia) Award at the BCI Asia Awards 2024. Sime Darby Property is also featured on the inaugural Fortune Southeast Asia 500 list, as one of only 89 Malaysian companies to achieve this distinction.

Sime Darby Property continues to shape Malaysia's real estate landscape with innovative developments and a commitment to sustainable growth.

Note: Shareholdings & Market Capitalisation as at 31 December 2024

Sapura Energy Berhad (Unaudited FYE 31 January 2025)

Sapura Energy is a global integrated oil and gas services and solutions provider operating across the entire upstream value chain, including renewables. The Group's spectrum of capabilities covers exploration, development, production, rejuvenation, as well as decommissioning and abandonment.

With a highly skilled and technically capable workforce, versatile strategic assets, and strong project management capabilities, the Group today delivers its integrated solutions and expertise in over 20 countries.

Revenue	RM4,703 million
Market Capitalisation	RM551 million
PATAMI	RM190 million
Shareholdings	40.7%

Note: Shareholdings & Market Capitalisation as at 31 December 2024

Strategic Investments

Velesto Energy Berhad (Unaudited FYE 31 December 2024)

Velesto Energy Berhad is a Malaysia-based multinational provider of services for the upstream oil and gas sector.

The Group owns and operates six jack-up drilling rigs, which are capable of operating in water depths of up to 400 feet — ideal for the shallow waters of Southeast Asia. Velesto also provides workover services through its hydraulic workover units.

Through Velesto Drilling Academy (VDA), the Group actively supports the development of skilled drilling professionals, playing a significant role in Malaysia's human capital growth. Notably, Velesto's onshore rig within INSTEP is utilised by Universiti Teknologi PETRONAS students, providing practical training that complements academic learning.

Revenue	RM1,360 million
Market Capitalisation	RM1,273 million
PATAMI	RM208 million
Shareholdings	51.6%

Listed on the Main Board of Bursa Malaysia, it is a constituent of the FTSE4Good Bursa Malaysia Index, a testament to its sustainability performance and ESG practices.

VELESTO
energy

Note: Shareholdings & Market Capitalisation as at 31 December 2024



Duopharma Biotech Berhad (Audited FYE 31 December 2024)

Duopharma Biotech began with the establishment of Duopharma (M) Sdn Bhd in 1978. Duopharma Biotech was incorporated in 2000 and is today the leading pharmaceutical company listed on the Main Market of Bursa Malaysia Berhad.

Duopharma Biotech has core competencies in the pharmaceutical industry inclusive of manufacturing, research and development, and, commercialisation and marketing of over 300 generic drugs such as Crystorvas, Prelica and Omesec as well as consumer healthcare products including CHAMPS®, FLAVETTES®, PROVITON® and Uphamol, which are well-recognised and accepted by consumers in Malaysia, regionally and globally. The company has also diversified into the biosimilars space with technology and commercialisation collaborations with credible and strong international partners. ERYSAA®, Basalog One, and Zuhera are a few commercialised biosimilar brands.

Revenue	RM814 million
Market Capitalisation	RM1,202 million
PATAMI	RM63 million
Shareholdings	50.9%

Headquartered in Kuala Lumpur, Malaysia, Duopharma Biotech owns and operates three manufacturing plants in Klang, Bangi and Glenmarie, Selangor. Duopharma Biotech also has subsidiary companies in the Philippines, Singapore and Indonesia.

Note: Shareholdings & Market Capitalisation as at 31 December 2024


MNRB Holdings Berhad (Audited FYE 31 March 2024)

MNRB Holdings Berhad (MNRB) is an investment holding company, which provides reinsurance, takaful and retakaful products and services through its wholly owned subsidiaries. Amongst MNRB's wholly owned subsidiaries are Malaysian Reinsurance Berhad (Malaysian Re), Takaful Ikhlas Family Berhad (Takaful IKHLAS Family) and Takaful Ikhlas General Berhad (Takaful IKHLAS General).

Takaful IKHLAS Family and Takaful IKHLAS General collectively cater to almost two million participants, reflecting the commitment to providing accessible and reliable takaful solutions.

Revenue	RM3,098 million
Market Capitalisation	RM1,762 million
PATAMI	RM434 million
Shareholdings	53.9%

Malaysian Re stands as the largest national reinsurer in the Southeast Asia region, bolstered by substantial assets and a strong industry presence.

Note: Shareholdings & Market Capitalisation as at 31 December 2024

Selected Core Companies¹

No.	Company	Logo	Current Shareholdings ²
1.	Axiata Group Berhad		18.3%
2.	Tenaga Nasional Berhad		15.4%
3.	IJM Corporation Berhad		15.2%
4.	MBSB Berhad		12.8%
5.	Bank Islam Malaysia Berhad		11.9%
6.	Telekom Malaysia Berhad		11.0%
7.	Gamuda Berhad		10.8%

Note: ¹ Selected based on >10% PNB Group aggregate shareholdings

² Shareholdings as at 31 December 2024

Public Equity

Domestic Public Equity

Malaysia emerged as one of the top-performing markets in Southeast Asia in 2024, with the FBM KLCI rising 12.9%, marking its best performance in over a decade. Various transformative policies announced by the government in 2023, such as the NETR and NIMP, as well as establishment of the Johor-Singapore Special Economic Zone (JSSEZ), set the stage for higher direct and foreign investments in 2024, especially in data centres and the renewable energy space.

Foreign investors drove significant inflows into emerging markets throughout the year, spurred by expectations of an imminent US interest rate cut, with their average daily trading value on Bursa Malaysia surging by 44% YoY. However, the momentum was disrupted in the final quarter with Trump's re-election casting a shadow across emerging markets. In Malaysia, dampened investor sentiment culminated in foreign outflows amounting to RM4.2 billion by year end. Meanwhile, local companies enjoyed improved profitability, reversing the decline in core earnings observed from 2014 to 2023. This rebound also witnessed sectors such as construction and utilities roaring back to life due to a surge in data centre investments. Large cap stocks such as Sime Darby Property Berhad, Gamuda Berhad and S P Setia Berhad enjoyed a strong share price rally over the course of the year. YTL Corporation Berhad and YTL Power International Berhad were stand-out performers and became constituents of the FBM KLCI.

In parallel with the strong domestic public equity performance, the Ringgit also experienced notable strength, rising more than 12% against the greenback in the first nine months of the year, with the third quarter marking its best performance in 50 years. By 31 December 2024, the Ringgit had strengthened 2.7% to RM4.47 against the US dollar, emerging as the best-performing currency in Asia.

Malaysian equities will remain the bedrock of our portfolio. Guided by fundamentals, we invest in market leaders across different sectors and market capitalisations. In addition, we remain committed to advocating good governance, enhancing total shareholder returns and driving value creation, particularly in companies where we hold substantial shareholding.

▶ **Malaysia's Market Surge:** The FBM KLCI rose 12.9% in 2024, its best performance in over a decade, driven by government policies like NETR, NIMP, and the Johor-Singapore Special Economic Zone.

▶ **Foreign Investment Trends:** Strong inflows into Bursa Malaysia surged trading activity by 44% YoY, but Trump's re-election triggered RM4.2 billion in outflows by year-end.

▶ **Corporate Profit Rebound:** Local companies saw a profitability turnaround, with construction and utilities booming and stocks like Sime Darby Property, Gamuda, and YTL performing strongly.

▶ **Ringgit's Strength:** The currency surged 12% against the USD in Q3 2024, marking its best quarter in 50 years, and ended the year up 2.7% at RM4.47/USD.

▶ **Investment Strategy:** Malaysian equities remain a core focus, with an emphasis on market leaders, good governance, shareholder returns, and value creation.

Global Public Equity

Despite heightened volatility, most global equity markets performed well in 2024. Public equities continued their positive momentum, with the MSCI All Country World Index (ACWI) recording a total return of 17.5%. The S&P 500 Index (SPX) recorded a total return of 25.0% as the Magnificent Seven technology companies – Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla – led the global equity market higher. Rate cuts across most major economies fed through into a broadening of earnings expectations, further boosting market confidence.

Volatilities were contributed by significant geopolitical shifts, with over half the world's population voting in elections. Trump's victory was viewed as positive for US equities given market optimism surrounding proposed tax cuts and deregulation. However, concerns lingered over the more contentious policies on tariffs, immigration and trade which rattled market confidence, prompting a cautious shift in December.

In Europe, the economic and political backdrop remained challenging. Nevertheless, markets in the region surpassed expectations as the equity rally extended beyond US technology stocks to regions with a more cyclical tilt, driving the EuroStoxx 50 to an 11.8% gain.

In Japan, equities hit a record high, ending the year with a 20.5% return to rank among the top five best performing major equity markets. This was fuelled by sustained optimism over the end of deflation, coupled with a weak yen, and ongoing corporate governance reforms which continued to attract investor interest.

Emerging markets experienced a volatile yet strong performance. Driven by an AI-fuelled tech rally, Taiwan's stock market surged by 31.7% to top the charts in Asia. In China, while economic activity remained sluggish, a series of coordinated policy measures provided some much-needed relief, reversing a three-year market downturn and closing the year with a 18.2% gain. India's stock market demonstrated resilience to deliver a 10.1% return, supported by robust growth and central bank policies.

We capitalised on the strengthening market to grab opportunities across global equities. Our active management approach enabled us to adapt swiftly to regional developments and leverage key market themes, ensuring our global portfolio remains robust and resilient across varying business cycles.

Our strategic market calls were largely rewarded, with global public equity emerging as a significant contributor to both realised and total returns in 2024. Despite a challenging outlook ahead, we remain committed to staying the course while carefully balancing our risks and returns. We will continue to bolster our investment strategies, strengthen our portfolio resilience, and seek sustainable long-term value creation for our stakeholders.



▶ **Global Market Gains:** Equity markets performed well in 2024, with the MSCI ACWI up 17.5% and the S&P 500 rising 25%, led by major tech stocks and rate cuts boosting investor confidence.

▶ **Regional Highlights:** Japan hit record highs with a 20.5% gain, Taiwan led Asia with a 31.7% surge, and India showed resilience with a 10.1% return, while China rebounded with a 18.2% gain after policy support.

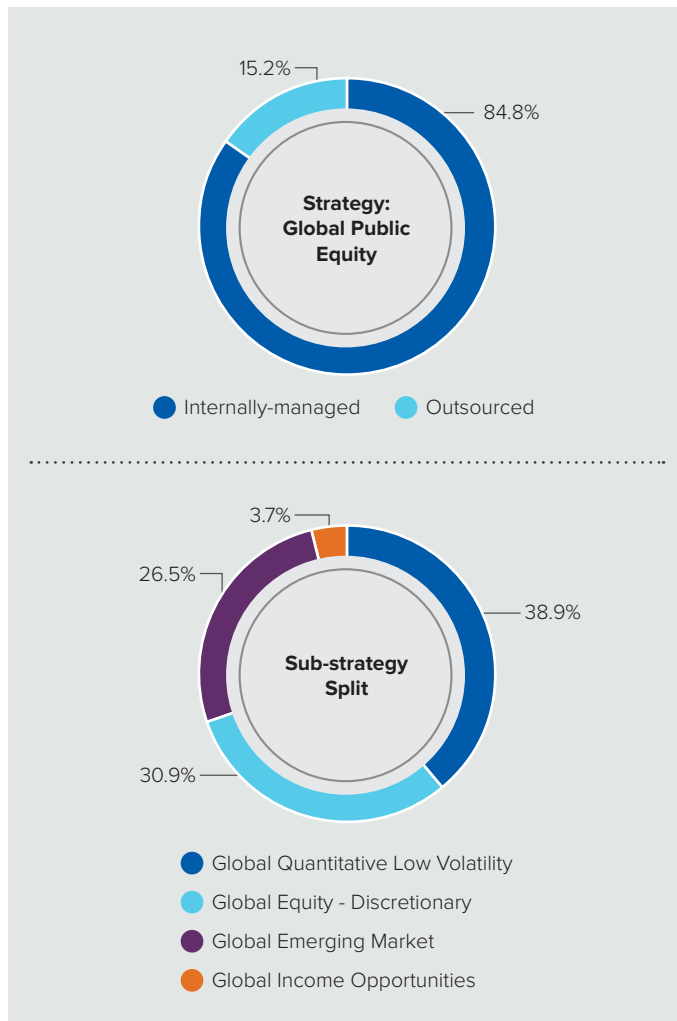
▶ **Strategic Investing:** Active management helped capitalise on market trends, ensuring portfolio resilience and strong returns despite geopolitical uncertainties and economic challenges.

Public Equity

Outsourced Public Equity Mandate

PNB's outsourced Mandate represents approximately 15% of our global public equity exposure, with portfolios designed to offer diversification and enhanced returns. Currently, 10 external fund managers oversee four distinct global public equity strategies, each dedicated to delivering sustainable returns and income for UTF. The latest addition is Global Income Opportunities which aims to enhance returns and sustain income through a dividend-focused equity approach. This strategy underscores the continuous evolution and our active portfolio management approach to capitalise on market opportunities aligned with our long-term objectives.

Allocation Split



Fixed Income

Domestic Fixed Income

Amid volatilities observed globally, Malaysia's bond market exhibited remarkable resilience in 2024. This was driven primarily by the government's fiscal prudence, ongoing structural reforms, and the maintenance of a stable Overnight Policy Rate (OPR) at 3.00% by BNM.

Concerted efforts by the government to reduce the fiscal deficit and stabilise the economy, notably through the implementation of the Fiscal Responsibility Act (FRA), significantly enhanced investor confidence. A reduction in net government debt issuance contributed to tighter domestic bond supply, effectively bolstering prices amid strong demand from both domestic and foreign investors. Against this supportive backdrop, the Bond Pricing Agency Malaysia (BPAM)'s All Bond Index recorded a positive total return of 4.2% for the year, in direct contrast to the unhedged global bond index which contracted by 4.3% in Ringgit terms. Trading volumes and demand for government bonds in secondary markets witnessed significant year-on-year improvements, increasing 8.1% in 2024.

Demand-supply dynamics for corporate bonds rated AA3 and above also remained robust, with supply trailing behind demand. This imbalance resulted in notable oversubscriptions in the primary market, underscoring strong investor appetite for high-quality corporate issuances. The tightening of credit spreads led to the outperformance of BPAM's Corporates All Bond Index, which achieved a positive total return of 4.8% in 2024.

PNB and our UTF actively participated in Malaysian Government Securities (MGS), Government Investment Issues (GII), and Ringgit-denominated corporate bonds across key sectors. Transaction volumes in domestic fixed income for PNB and the UTF grew by 64% in 2024, in line with efforts to diversify into high-quality fixed income instruments to deliver stable and sustainable returns.

Global Fixed Income

In the first half of 2024, the global fixed income market rallied strongly as central banks in major economies signalled aggressive rate cuts following signs of easing inflation. This pivot from the aggressive tightening of 2022–2023 provided much-needed relief to bond markets, particularly in developed economies. Optimism fuelled by stabilising global growth led to strong demand across sovereign and corporate bond markets.

However, the global fixed income market rally came to an abrupt halt and reversed in the second half of 2024 as inflation concerns resurfaced, driven by expansionary fiscal policies under the newly elected Trump administration. Global central banks, particularly the Federal Reserve, trimmed their rate cuts forecast, signalling a more cautious approach. The shift in monetary policy outlook triggered a sharp reversal in bond yields and led to a stronger US dollar with the Bloomberg Global Aggregate Index delivering a negative total return of -1.7% in US dollar terms, while the US Dollar Index (DXY) rose by 7.1% in 2024.

Investment-grade and high-yield corporate bonds tightened to their lowest spreads since the onset of the pandemic, supported by US economic resilience and the expectation of pro-growth expansionary policies under Trump. Market anticipation of corporate tax cuts to enhance profitability and credit quality, along with expected financial deregulation to boost lending and financial activity, contributed to credit spread tightening across sectors. This supportive macroeconomic backdrop contributed to a positive total return for the Bloomberg Global Aggregate Corporate Index of 1.1% in 2024, despite the sell-off in global fixed income.

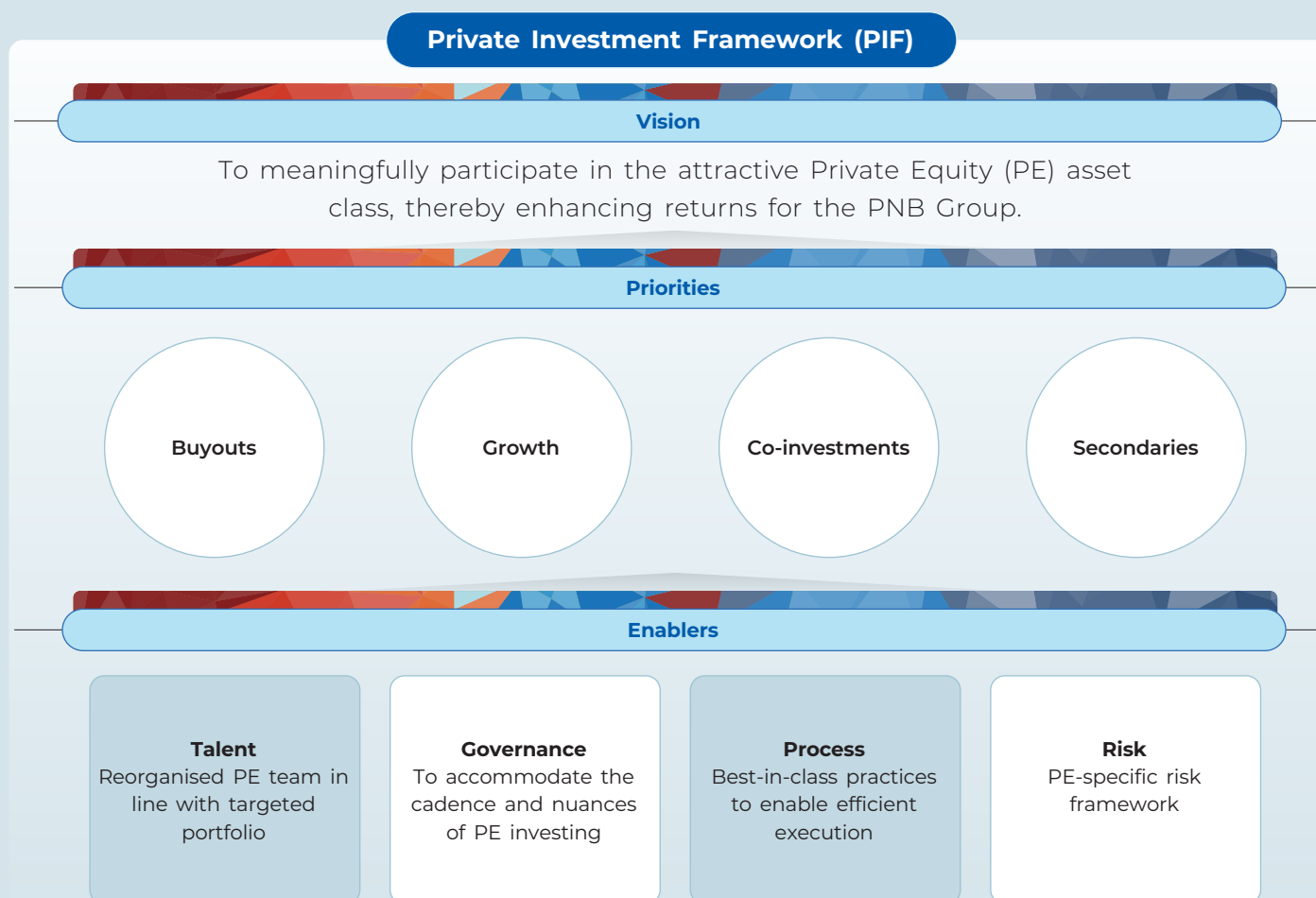
As part of our refined Fixed Income Plan, we capitalised on the opportunities presented for higher all-in entry yield through a tactical reallocation into global fixed income assets. Our investment focus was expanded to include high-quality corporate bonds from the US and selected emerging markets, leveraging the attractive yield differentials that these asset classes provided. This led to an increase in PNB and our UTF global fixed income holdings in 2024.



Private Markets

Private Markets

The Private Markets comprise three key components – Direct Investments (Private Equity), Global Fund Investments (Private Equity), and Infrastructure Investments. In 2024, we continued with capital deployment into private equity and infrastructure asset classes, in line with our SAA approach of enhancing portfolio diversification and strengthening returns. We remain committed to refining our investment focus and adopting best-in-class processes tailored to these asset classes.



Since our initial deployment under PIF in 2019, we have reached a significant milestone with investment commitments in over 40 primary funds and Separately Managed Accounts (SMAs) as well as nearly 20 direct and co-investments. This enhanced deployment strategy has enabled effective diversification across geographies and vintages within various private equity strategies, including buyouts, growth, secondaries and co-investments.

Direct Investments

The Direct Investments team is responsible for identifying and pursuing investments that offer strong value-growth potential, mainly through co-investments alongside established private equity fund managers, both domestically and internationally. In addition, the team is responsible for monitoring and driving value creation across various controlled and minority investments in companies such as:

Selected Controlled Investments

- Projek Lintasan Kota Sdn Bhd (PROLINTAS)

Selected Minority Investments

- Goodyear Malaysia Berhad
- Perusahaan Otomobil Kedua Sdn Bhd (PERODUA)
- BOH Plantations Sdn Bhd
- Carsem (M) Sdn Bhd
- Ansell N. P. Sdn Bhd
- Lam Soon (M) Berhad
- Aspac Lubricants (Malaysia) Sdn Bhd

In 2024, we continued to optimise and unlock value from our portfolio by monetising as well as undertaking value creation initiatives across our investee companies.

Global Fund Investments

We also focus on outsourcing capital to renowned global private equity fund managers, selected through a rigorous and thorough evaluation process. Investing in these funds provides access to a diversified underlying portfolio, global markets, specialised skills and professional management. This approach enhances investment decision-making and opens doors to opportunities that might otherwise be challenging to access.

Private Equity Fund Selection Criteria

Fit with PNB's Strategy

- Fund type
- Geography
- Sector

Track Record

Excellent track record with emphasis on:

- Prior fund's top quartile performances
- Outsized net returns and distributions
- Relatively low loss rates

Team Capabilities

Stable team with strong capabilities, including:

- Deal sourcing
- Value creation
- Realisation and track record

Governance and Alignment of Interest

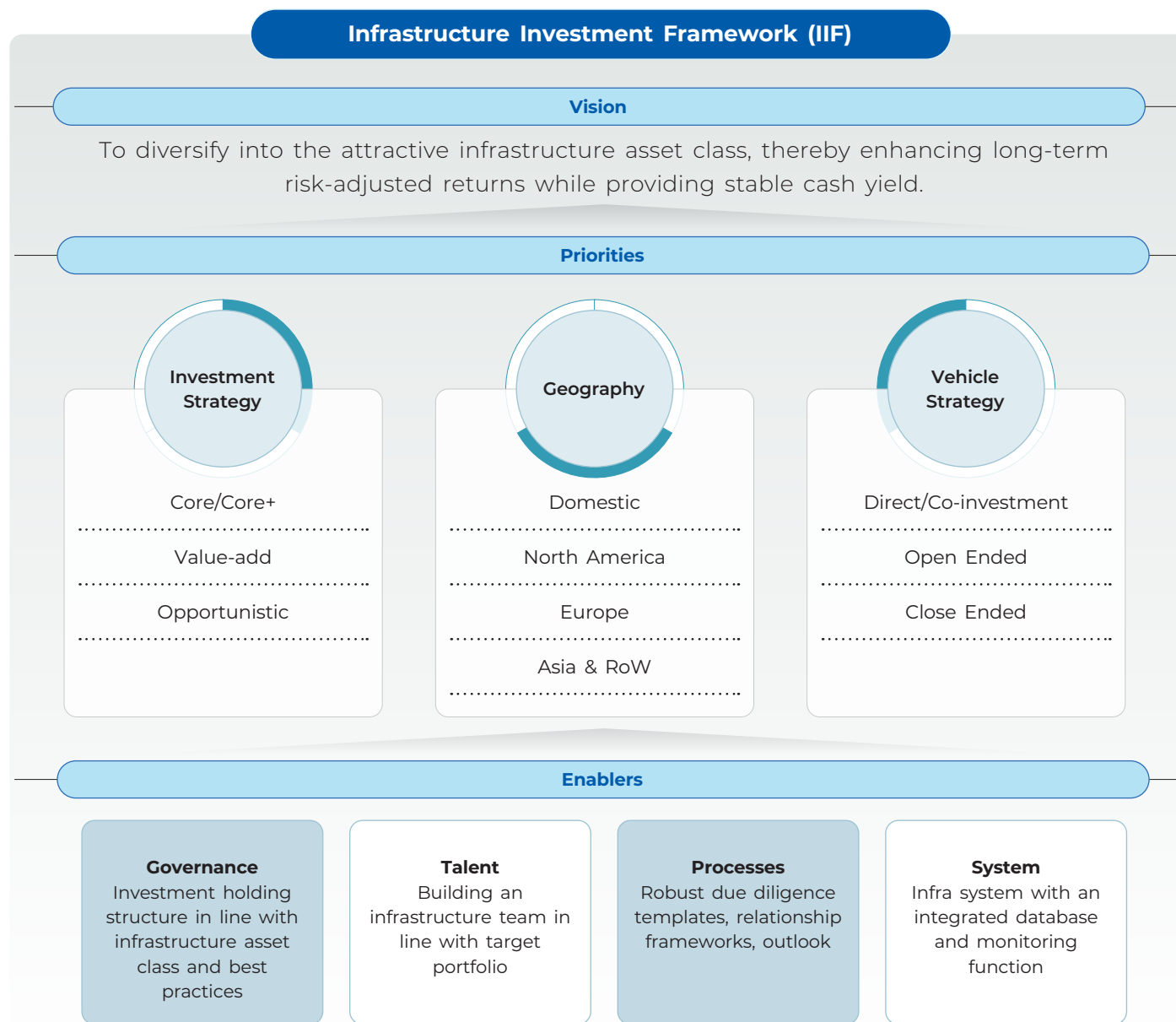
Strong alignment of interest in terms of:

- Meaningful capital commitment by the manager
- Robust governance
- Competitive fee structures

Private Markets

Infrastructure Investments

2024 marks the first anniversary of our Infrastructure Investment Framework (IIF), which sets out PNB Group's strategic blueprint and capital allocation methodology within the global infrastructure asset class.



With the primary objective of delivering attractive risk-adjusted returns by securing early, consistent and predictable cash yield distribution, deployment of capital under IIF commenced in Q4 2023, initially in Separately Managed Accounts (SMA) with diversified strategies. This is to leverage the expertise and networks of established partners and enable knowledge transfer as we continue to build internal capabilities in infrastructure investment.

Real Estate

In 2024, the global real estate sector experienced a bifurcation in performance. Sectors with strong fundamentals, such as industrial property and data centres, saw steady growth, supported by robust demand outweighing supply. In contrast, the office and retail sectors faced pressure from widespread adoption of hybrid work models and evolving consumer preferences. The main challenges affecting the global real estate sector included elevated interest rates and borrowing costs, resulting in subdued transaction activities and lower valuations. Despite these headwinds, the Malaysian real estate market demonstrated notable resilience, along with a strengthening of the Ringgit mid-year due to strong economic growth and increased foreign investment.

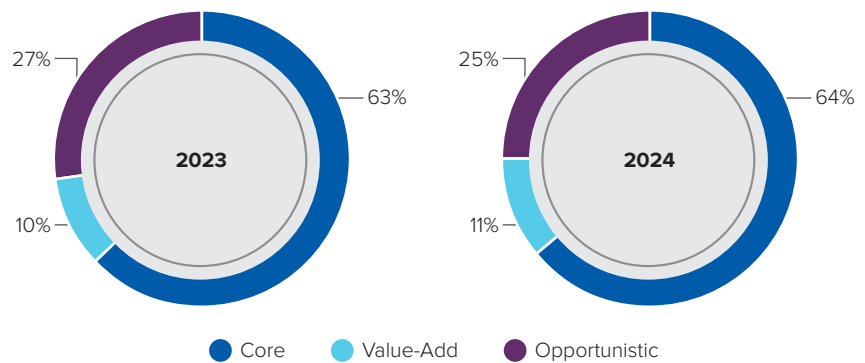
Guided by our Real Estate Investment Framework, we remain committed to enhancing our diverse portfolio with high-quality assets across various sectors and geographies. Our primary focus in 2024 was on monetising low-yielding assets to optimise resource allocation. Our 2024 SAA reflects our confidence in the sustained value and resilience of the real estate market.

Real Estate Investment Framework

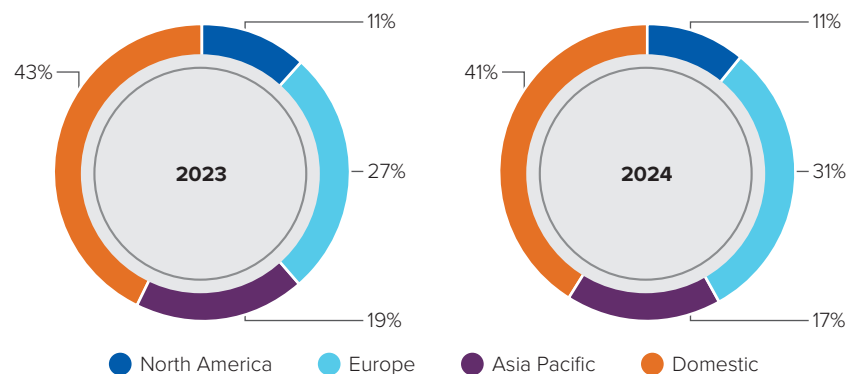
Objectives

Achieve attractive risk-adjusted returns and diversification without compromising cash yields.

Risk Strategy



Geographies



Real Estate

International



20
Investment
Properties



27
Real Estate
Funds

Domestic



29
Investment
Properties



2
Real Estate
Funds



>5,000
Acres of Land
Across Malaysia



6
Hotels &
Resorts



2
Golf
Courses

Key Achievements

On the international front, we successfully completed the acquisition of Battersea Power Station Phase 3B, a Grade A Office building in London's Battersea Estate. This strategic acquisition will guarantee stable recurring income for the next five years, reinforcing our commitment to sustainable growth and long-term value creation. Additionally, as part of our diversification strategy, we have onboarded a new data centre in Japan valued at USD290 million. Once completed, the data centre shall strengthen our portfolio and is expected to deliver steady cash flow, driven by a stable occupancy rate and resilience to economic cycles.

Further optimising our portfolio and to enhance capital efficiency, we completed the sale of commercial land in Cyberjaya to YTLDC South Sdn Bhd. Concurrently, through our land banking arm, we managed to secure commercial divestments totalling RM178 million to support our focus on improving investment returns and strengthening the value of our holdings.

Navigating Global Challenges and Strategic Focus

In 2024, our international investments were influenced by declining global real estate valuations and a high interest rate environment. To navigate these challenges, we leveraged key insights to keep our investments resilient. Our strategy focuses on refining our portfolio composition, with a particular emphasis on expansion within the industrial and data centre sectors globally. We also remain committed to deepening our diversification efforts to ensure long-term and sustainable growth.

In addition, we remain focused on our capital recycling strategy to optimise our real estate portfolio. This involves monetising underperforming assets and reinvesting in high-potential sectors. Through these efforts, we continue to strengthen the portfolio's foundation, positioning it for sustained growth and long-term success.

PNB Merdeka Ventures Sdn Berhad

Through wholly-owned subsidiary PNBMV, we have developed the Merdeka 118 precinct into a thriving destination in the city surrounding Malaysia's latest architectural icon and the second tallest building in the world, the Merdeka 118 tower. The tower comprises premium Grade A office space, an observation deck, Park Hyatt KL, and is surrounded by three residential towers. A seven-storey retail destination, 118 Mall is seamlessly connected to the tower. Integrated within the precinct is also a new four-acre linear park with landscaped greenery, known as Merdeka Boulevard at 118, Masjid Al-Sultan Abdullah, Look at 118, Merdeka Textile Museum and Little M, a PNB Childcare Centre.

PNBMV is also the owner and sole custodian of Stadium Merdeka and Stadium Negara, both listed as National Heritage sites.

Merdeka 118

The year 2024 marked a historic occasion when Merdeka 118 tower was officially inaugurated on 10 January by KDYMM Seri Paduka Baginda Yang Dipertuan Agong Al-Sultan Abdullah Ri'ayatuddin Al-Mustafa Billah Shah. All PNB employees have since relocated to the tower, where the company occupies 17 floors, fostering a more dynamic and collaborative work environment. Meanwhile, Maybank is set to move its corporate head office from Menara Maybank to Merdeka 118 in the first half of 2026, occupying approximately 650,000 square metres across 33 floors. This transition marks a significant shift for both organisations, further cementing Merdeka 118's status as a landmark address in Kuala Lumpur.

Building on its community platform, PNBMV launched Phase 2 of Cycle 2 of the Merdeka 118 Community Grants Programme aimed at bolstering social, cultural and economic resilience of surrounding communities. Meanwhile, projects undertaken in Phase 1 of Cycle 2 are progressing well, with some already yielding positive outcomes.



For more information on the Merdeka 118 Community Grants Programme, please read our Sustainability Report.

Stadium Merdeka

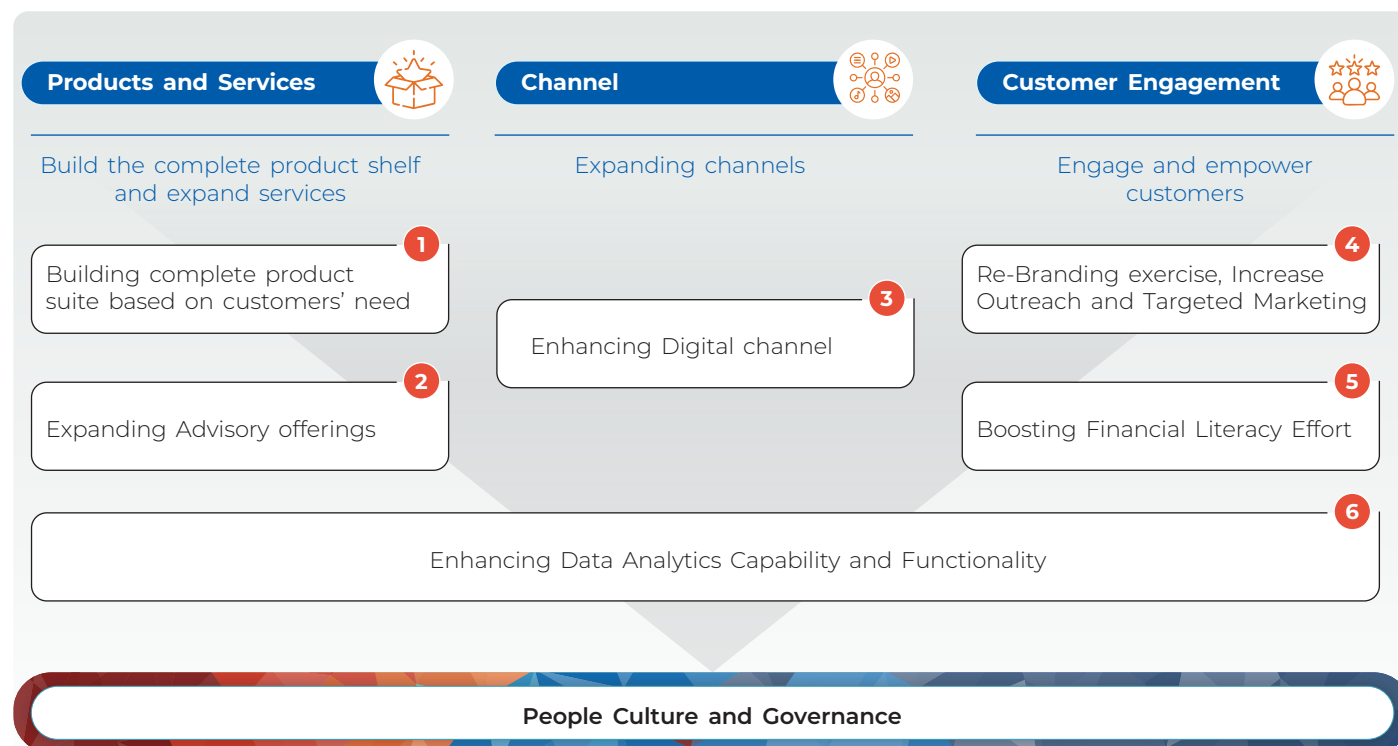
Upon completion of restorative works, Stadium Merdeka was opened to the public on 17 August 2024. Since its re-opening, Stadium Merdeka has become a vibrant hub of activity for the community, hosting a total of 209 cultural, arts, heritage, educational and sporting events. Stadium Merdeka has also become the venue for community markets which serve as a platform for local entrepreneurs and artisans to showcase their products, while creating a sense of connection and support among visitors. Participants of the Merdeka 118 Community Grants Programme have been actively involved in these markets fostering community engagement and connection.

Over the Merdeka weekend, from 30 August – 1 September, more than 35 vendors took part in the community market. Alongside an exciting programme of activities, the event attracted approximately 5,000 visitors. On average, F&B vendors each earned RM2,500 per day, while other vendors - offering fashion, craft and more - earned between RM700-RM800 daily. Among them were six Merdeka 118 Community Grantees who generated sales totaling RM5,526.

ASNB Unit Trust

ASNB Unit Trust plays a vital role in facilitating investment and enhancing financial literacy to support PNB's Purpose and contribute to the nation's aspiration for sustainable and inclusive growth. This is achieved through various strategic initiatives and a commitment to excellence in investments as well as in engaging with customers.

With “Connect Emotionally, Serve Perfectly” as its theme, ASNB focuses on customers as its true north, providing the right products and best customer experience whilst delivering its Mandate. ASNB's operations centre on three segments with six focus areas in rebuilding its customer base and market share:



Product and Services

On 11 March 2024, ASNB launched Ria, an automated investment feature within the myASNB mobile application. Licensed under the SC's Digital Investment Management (DIM) framework, Ria utilises algorithms to assess investors' risk profiles and financial goals, recommending tailored investment portfolios. The portfolios consist of ASNB UTF, including ASN Equity Global, ASN Equity Malaysia and ASN Sukuk. Ria periodically rebalances investors' portfolios to maintain alignment with their risk tolerance and investment objectives. With an initial investment as low as RM100, Ria is accessible to a wide range of investors. Investments through Ria are Shariah compliant, as confirmed by the Fatwa Committee of the National Council for Islamic Religious Affairs Malaysia and all State Fatwa Committees.



Channel

ASNB leverages digital channels to offer an improved customer experience via easy, simple and intuitive transactions, accessible information and value-adding tools. An ongoing initiative is the transformation of transactional and operational branches into digitally-driven Sales, Advisory and Services branches. In 2024, three ASNB branches – in Putrajaya, Lahad Datu and Tawau – completed their transformation.

ASNB also offers a comprehensive digital platform through the myASNB portal and mobile app. These platforms allow users to:

- Open new accounts via electronic Know Your Customer (e-KYC)
- Monitor and manage investment portfolios
- Perform transactions such as additional investments and withdrawals
- Access financial reports and statements

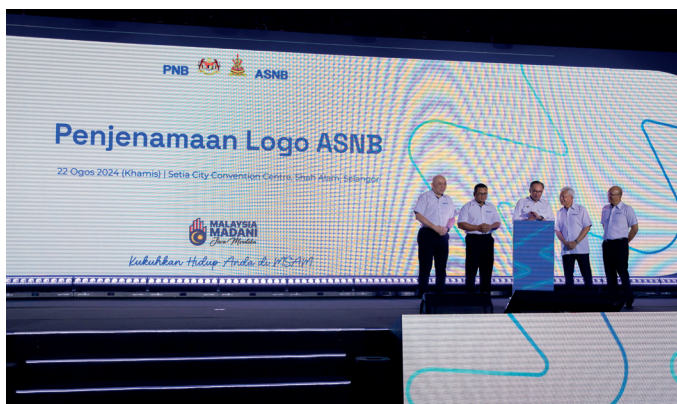
The number of myASNB registered users has grown by 19% from 3.2 million in 2023 to 3.8 million in 2024.

Customer Engagement

In 2024, ASNB introduced several initiatives aimed at enhancing financial inclusion and encouraging a consistent saving habit among Malaysians.

1. Rebranding

As part of ASNB's rebranding initiative, a new logo was introduced in August 2024. This logo embodies ASNB's aspiration to remain progressive and become one of the vibrant brands that resonate with today's younger audience. Aligned with ASNB's new brand persona—Dynamic, Empathetic, Savvy, and Passionate—the “S” connector in the logo symbolises the bridge connecting our unitholders to their financial freedom goals. It represents the pathway guiding Malaysians onward and upward towards a future of greater financial empowerment.



2. Celik MADANI

In collaboration with the government, ASNB introduced the Celik MADANI initiative to enhance financial literacy among university students. The programme targets one million Public Higher Education Institution (IPTA) and vocational students in Malaysia, providing them with the tools and knowledge to make informed financial decisions and fostering a culture of saving. The initiative was launched by Prime Minister Dato' Seri Anwar Ibrahim on 22 August 2024 with an initial fund of RM50 million contributed equally by the government and PNB. Every new student who enrolls in selected IPTA or vocational institutions will receive an initial investment of RM50 credited to their ASB or ASM account. This investment will be locked in for five years and cannot be withdrawn during that period.



While decarbonising our investment portfolio, we are also identifying opportunities to reduce, replace and avoid high-emission generating business activities to ensure a credible net zero claim by 2025.



DATO' RICK RAMLI

Deputy President & Group Chief Executive

Sustainability Statement by the Deputy PGCE

It gives me pleasure to present the Sustainability Statement for PNB and add to conversations across Corporate Malaysia on ESG. There are two aspects to sustainability at PNB – one that is outward looking (at our investee companies) and the other that is concerned with what we as an organisation do internally. Given the size of PNB's investments, the external component of our efforts is much larger in scope and impact, and fell under my purview previously as Chief Investment Officer, Private and Strategic Investments – hence my overseeing sustainability at PNB.

As sustainability issues such as climate change become more urgent at the global and local levels, it has become part of the government's agenda. And PNB fully embraces the opportunity to contribute in this regard – because we believe in creating positive social and environmental value and, perhaps more importantly, because it makes investment sense.

The days when CSR was something “nice to do” are long gone. Today, if companies do not pay attention to their social and environmental impacts, they risk losing value in the long run. As an investor, it is in our interest to ensure the companies we invest in adhere to ESG principles. This is a key reason for PNB introducing our 10 ESG Commitments in 2022 which includes targets for us to achieve as an organisation as well as through our investee companies.

In setting our targets, we decided not to be complacent but to push ourselves thereby demonstrate a genuine commitment to getting out of our comfort zone to drive positive change. Among others, we set the goal of becoming a NZE by 2025 and having a NZP by 2050. In truth, we were not sure if we would be able to achieve the enterprise goal, but decided to go for it in the belief that it was better to

strive and perhaps miss an ambitious target than to set the bar low enough that it does not stretch us. While decarbonising our investment portfolio, we are also identifying opportunities to avoid, reduce and replace high-emission generating business activities to ensure a credible net zero claim by 2025.

It is necessarily much harder to manage the performance of our investee companies, yet even here we have seen very positive outcomes. Underlining our commitment to net zero in our portfolio, we have included elements of sustainability in our Voting Guidelines. These guidelines require our companies to commit to a net zero target by 2025; and to have a credible strategy towards achieving their net zero ambition by 2026. If not, we will vote against the chairperson or chair of the board sustainability committee.

Given that it is not a level playing field for all our investee companies, however, we are not dogmatic about these guidelines. We have identified eight companies that account for about 90% of our portfolio emissions because of the nature of their operations. It is harder for these companies to manage and reduce their carbon footprint, as they face trade-offs in terms of economics and sustainability. We acknowledge these and encourage open dialogue with them to discuss what they can do, and when. Essentially, we need the assurance that they are or will make a genuine attempt to decarbonise.

Beyond climate change, we are looking at other critical areas in sustainability that are relevant within the Malaysian context. In the environmental sphere, this includes biodiversity, physical climate resilience as well as preservation of nature and biodiversity. Malaysia is one of the world's most megadiverse countries and it is important that we protect this natural asset. PNB introduced our own Nature and Biodiversity Policy which has been guided by the Taskforce on Nature-related Financial Disclosures ("TNFD"), a market-led, science-based and government-supported global initiative. Once again, we would like to see our portfolio companies – especially those with a significant biodiversity impact such as property and agricultural companies – to follow suit.

Under the social pillar, we launched the Living Wage internally in 2023 and are already seeing a number of our investee companies do the same. As with carbon reduction, it is more challenging for some companies than others to implement this policy, especially those with significant manual labour. Even so, these companies are making the necessary preparations to increase their wages, which is very encouraging to see. Gender diversity is yet another area that we have focused on, and have achieved significant success internally. We had set the target of having 40% women in leadership by 2025, and have already hit 38% as at 31 December 2024.

In terms of governance, we are trying to set more quantitative and qualitative criteria to ensure board diversity and strong representation of independent directors. This would be beneficial not only to the companies concerned but also to the capital market more generally as good corporate governance would inspire more confidence among local and foreign investors.

Through our sustainability programmes such as the Living Wage we are also contributing towards the government's MADANI Economy, and especially the GEAR-uP programme. The Living Wage has a direct bearing on Raising the Floor which seeks to improve the quality of life of the rakyat. In terms of Raising the Ceiling, or elevating the economy as a whole, we are contributing to the development of industrial parks, smart agriculture and green energy assets to promote the country's energy transition.

We have achieved the targeted progress under our 10 ESG Commitments, as detailed in our sustainability report, which is incredibly heartening for the team. Nevertheless, it means we have to start thinking about our next steps – on how we can further improve our own sustainability performance and how we can support our investee companies to do the same. Some of the targets we have set – especially net zero for our portfolio – will require multistakeholder cooperation and collaboration. Our fervent wish going forward is to get more people on board – not just our companies and shareholders, but government agencies, other corporations, associations and society at large. Much has been achieved, yet much more remains to be done. I believe that we can achieve the government's and our own aspirations with the support of everyone.

Chapter 1

Sustainability at PNB

– Our Commitment and Vision

Sustainability in Our Investment and Operations

As one of Malaysia's leading fund management companies, we at PNB recognise our vital role in driving sustainability and promoting responsible investment practices. We acknowledge the growing impact of sustainability considerations on long-term value creation, fiduciary responsibilities, and stakeholder expectations.

Guided by our Sustainability Framework and aligned with international standards and guidelines such as TCFD, PRI, UN Global Compact Principles, and the UNSDGs, we are committed to embedding sustainability across all aspects of our business and investment activities.

PNB's decarbonisation efforts are driven by our dual net zero commitments - NZE by 2025 and NZP by 2050. Our phased approach to net zero enables us to take bold, credible steps to reduce our operational GHG emissions footprint from business activities within our control as early as possible. This enables us to lead by example, build internal capabilities to engage meaningfully with our stakeholders whilst accelerating the adoption of sustainable practices across the local ecosystem.

At the same time, our commitment to decarbonise our investment portfolio is also aligned with Malaysia's net zero aspirations and the global climate goal of achieving net zero by 2050. As we transition towards a carbon conscious investment behaviour, we strive to ensure our portfolio is resilient to climate transition risks in a low carbon global economy.

Sustainable Investment

At PNB, integrating ESG factors into our investment decisions is fundamental to our long-term strategy. Guided by our Sustainability Policy, we ensure ESG criteria are systematically incorporated into our investment evaluation, portfolio monitoring, and stewardship activities, allowing us to identify emerging risks, unlock new growth opportunities, and manoeuvre the ever-evolving business landscape. Our objective is clear: effectively manage our sustainability risks and opportunities to support our fiduciary duty - delivering long-term risk-adjusted returns to our unit trust holders.

In 2024, we continued to leverage engagement strategies, advocacy, and our RM10 billion commitment towards green and transition assets, driving real-world sustainability outcomes across sectors including clean transport, renewable energy, and sustainable agriculture.

Our Two-Pronged Approach

Sustainable Operations

Our environmental and social commitments extend deeply into our own operations. Our NZE commitment aims to achieve net zero emissions for Scopes 1 & 2 across our operations by 2025 through our R:O strategy, which entails adoption of renewable energy, and strategic offsetting. Key milestones in 2024 included significant reductions in our energy footprint by relocating to Merdeka 118 – a triple-certified green building – as well as installation of 59 new EV chargers and solar panels at selected PNB real estate properties. We are also exploring opportunities to install solar panels at our operating offices, and transitioning our vehicle fleet to hybrid and electric alternatives. We remain focused on continuous improvement, ensuring sustainability is deeply embedded in PNB's organisational culture and operational practices.

PNB's Sustainability Strategy and 10 ESG Commitments

Overview of PNB's Sustainability Framework

PNB's Sustainability Framework encapsulates our comprehensive approach to addressing ESG considerations, anchored by our 10 ESG Commitments. Our commitments, which address key sustainability aspects across ESG pillars, are anchored in clear, outcome-based targets. Sustainability continues to be a core pillar of our LEAP 6 Strategic Plan, reinforcing our dedication to delivering sustainable long-term value to our stakeholders.

10 ESG Commitments

1	▶ Net Zero Enterprise by 2025	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION
2	▶ Net Zero Portfolio by 2050	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION
3	▶ RM10 billion in New Green and Transition Assets by 2030	7 AFFORDABLE AND CLEAN ENERGY	9 INDUSTRY INNOVATION AND INFRASTRUCTURE
4	▶ Living Wage in PNB	11 SUSTAINABLE CITIES AND COMMUNITIES	13 CLIMATE ACTION
5	▶ Labour Rights Policy	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES
6	▶ 40% Women in PNB Leadership by 2025	5 GENDER EQUALITY	10 REDUCED INEQUALITIES
7	▶ Balancing Profitability and Social Investments	1 NO POVERTY	2 ZERO HUNGER
8	▶ Triple Bottom Line Stewardship Model	4 QUALITY EDUCATION	8 DECENT WORK AND ECONOMIC GROWTH
9	▶ Transparency in Voting	10 REDUCED INEQUALITIES	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
10	▶ TCFD-aligned Disclosure	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION

Chapter 1: Sustainability at PNB - Our Commitment and Vision

Sustainable Investment

► **Net Zero Portfolio by 2050**

Enhanced our net-zero credibility assessment approach, scaled-up climate engagements to drive greater ambition-setting and climate-aligned initiatives among key investee companies.

► **Triple Bottom Line Stewardship Model**

Enhanced stewardship by assessing the Board and leadership effectiveness of 13 selected investee companies.

► **RM10 Billion in New Green and Transition Assets by 2030**

Invested RM5.5 billion in green and transition assets, with exposures across focussed sectors including Clean Transport, Green Buildings, Clean Power, Agriculture, Forestry and Other Land-Use.

► **Labour Rights Policy**

Continuous engagements with key portfolio companies and supported eight investee companies in publishing new labour/human rights policies.

► **Transparency in Voting**

Maintained transparency through active voting across 192 domestic and international companies (138 domestic market listed companies and 54 international listed companies), demonstrating strong accountability to stakeholders.

Sustainable Operations

► **Net Zero Enterprise by 2025**

Achieved a 98% reduction in Scope 1 & 2 emissions in FY2024 compared to our FY2022 baseline and reached 100% renewable energy consumption in FY24.

► **40% Women in PNB Leadership by 2025**

Achieved 38% representation of women in leadership positions in 2024, supported by targeted leadership programmes and initiatives.

► **Balancing Profitability and Social Investments**

Delivered 41 social investment programmes, contributing RM55.59 million and positively impacting 8,859 beneficiaries, 1,710 students, and 5,536 Asnaf community members.

► **Living Wage in PNB**

PNB implemented its living wage framework as early as 2023 for its own employees.

► **Labour Rights Policy**

Embedded labour rights principles in our own procurement and tender processes.

► **TCFD-aligned Disclosure**

Aligned our sustainability disclosures with TCFD guidelines, and actively developing our reports to align with IFRS Sustainability Disclosures.

UNSDG Contributions

PNB's sustainability initiatives are broadly aligned with the UNSDGs, reflecting our long-term commitment to create positive impact for the planet and society. In 2024, this alignment has enabled us to meaningfully contribute towards 11 key SDGs.

Partnerships for the Goals

Actively engaged in collaborative initiatives such as GEAR-uP, and a signatory of global initiatives such as PRI, Partnership and Carbon Accounting Financials ("PCAF"), ESG Data Convergence Initiative ("EDCI"), and UNGC, leveraging partnerships to amplify our sustainability impact.

Life on Land

Tree planting initiatives support sustainable land use and broader biodiversity goals through ongoing environmental programmes.

Climate Action

Through emissions reductions, green investments, and active engagement with investees on climate goals.

Responsible Consumption and Production

Promoted responsible resource use through internal recycling campaigns, launched waste management guidelines, and embedded sustainability into procurement practices.

Reduced Inequalities

Uplifted the economic status of B40 women through programmes like Kiosk KASIH Wanita Bangkit, reducing income disparities and promoting equal opportunities.

Zero Hunger

Supported social initiatives like community feeding and humanitarian aid, ensuring nutritious food reached vulnerable groups including low-income families, schoolchildren, and disaster victims.

Good Health and Well-Being

Supplied Ear, Nose, and Throat ("ENT") medical equipment to hospitals in nine states and improved access to healthcare, clear vision, and quality education for 500 students through the distribution of spectacles.

Quality Education

Supported Technical & Vocational Education Training ("TVET") and higher education through the PNB Scholarship Programmes, fostering accessible and inclusive education, and nurturing talent for national development.

Gender Equality

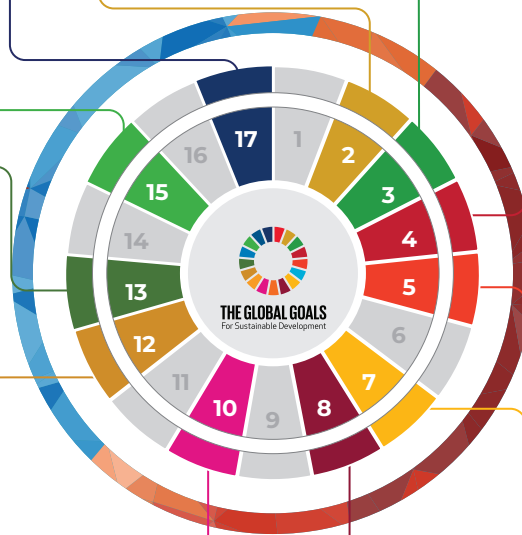
Advanced gender equity initiatives, reaching 38% women in leadership roles.

Affordable and Clean Energy

Expanded renewable energy uptake, driving clean energy consumption internally and through green investments.

Decent Work and Economic Growth

Enhanced labour rights and living wage standards across operations and investments.



Moving forward, PNB remains committed to ongoing progress in our sustainability journey, further deepening ESG integration to ensure resilient growth and sustainable value creation for our stakeholders.

Chapter 2

ESG Integration into Investment and Operations

– From Commitment to Impact

PNB's Approach to Sustainable Investing

Alignment with Global and National Sustainability Frameworks

We recognise that addressing the challenges of climate change and an evolving macroeconomic landscape requires collaborative action beyond PNB alone. Therefore, we are committed to continue aligning with global and national sustainability agendas to drive collective efforts and amplify impact.

PNB's climate ambitions are supportive of Malaysia's Net Zero by 2050 commitments and its corresponding interim targets. To support this national agenda, the Malaysian government has introduced a Green Investment Strategy ("GIS") and outlined key focus areas to accelerate the energy transition agenda and scale up green investments. Our internal investment strategy is designed to align with these priorities, reinforcing our role in advancing sustainable economic growth. As a Government-Linked Investment Company ("GLIC") supporting the MOF's GEAR-uP initiative, PNB has pledged to leverage on our expertise to improve Malaysia's economic stature and better the people's quality of life. To this end, we are working towards supporting modernisation in Malaysian industries and corporates towards higher value-added activities and sustainability management; ensuring equal opportunities through fairer gender representation at the board; advocating for implementations of a living wage amongst investee companies; and enhancing financial security and literacy for young Malaysians.

Over time, we aim to align with other GLICs to standardise the definitions of a living wage and guide credible living wage expectations in Malaysia. Another key focus under the GEAR-uP initiative is to modernise Malaysian industries and corporates, specifically focusing on investments in new industrial parks, supporting automation and smart farming in palm oil, as well as green and energy transition assets.

We are also aligned to global sustainability standards and frameworks, including:

- **PRI** – As signatories to PRI, PNB is committed to align our ESG integration efforts with the following principles:

Principle 1:

We will incorporate ESG issues into investment analysis and decision-making processes.

- Pre-investment ESG assessment and due diligence
- Monitoring ESG performance of our portfolio

Principle 2:

We will be active owners and incorporate ESG issues into our ownership policies and practices.

- Sustainability Policy
- Labour Rights Policy
- Nature & Biodiversity Policy
- Integration of sustainability expectations in Voting Guidelines

Principle 3:

We will seek appropriate disclosure on ESG issues by the entities in which we invest.

- Active engagement with investee companies to drive enhancement of disclosures and adoption of best practices for Climate, Labour, as well as Nature and Biodiversity

Principle 4:

We will promote acceptance and implementation of the Principles within the investment industry.

- PNB actively supports government and industry-led initiatives, including consultations on the National Sustainability Reporting Framework ("NSRF"), Bursa Malaysia's enhanced reporting requirements, and the MOF's GEAR-uP initiative. These engagements allow us to contribute to shaping policies and frameworks that advance responsible investment in Malaysia

Principle 5:

We will work together to enhance our effectiveness in implementing the Principles.

- In addition to direct company engagements, PNB took part in collaborative ESG-focused engagements led by the Institutional Investors Council Malaysia ("IICM")

Principle 6:

We will each report on our activities and progress towards implementing the Principles.

- In 2024, PNB began disclosing its ESG integration efforts through the PRI Reporting Framework and will continue annual monitoring to strengthen responsible investment practices and identify areas for improvement

Our financed emissions approach is guided by PCAF guidelines that provide a standardised methodology for carbon accounting in the financial sector.

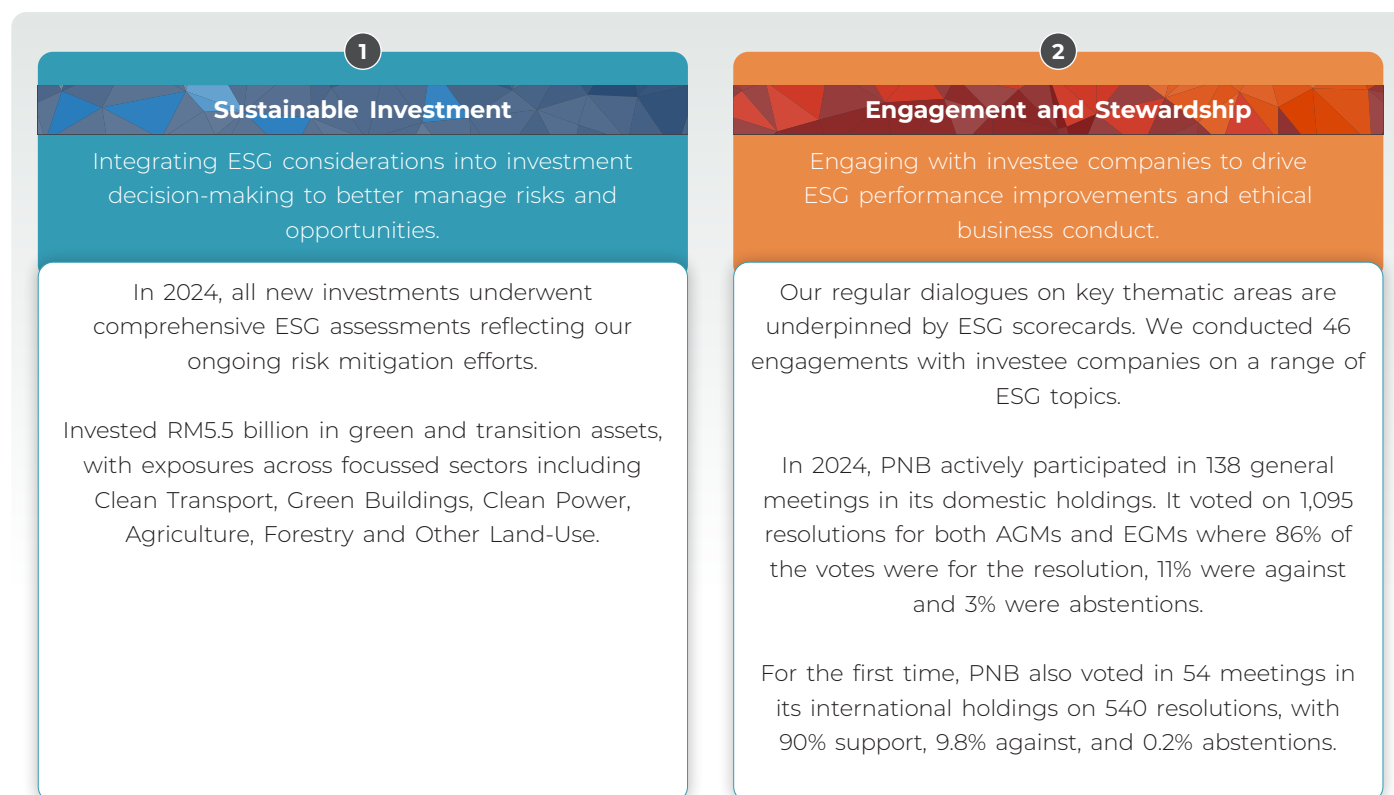
Principles for Carbon Accounting Financials ("PCAF")

TCFD Recommendations

Strengthening climate risk analysis in investment processes and ensuring transparency in climate-related financial risks.

Chapter 2: ESG Integration into Investment and Operations – From Commitment to Impact

PNB remains steadfast in its commitment to integrating ESG considerations across all facets of its investment belt and processes. This allows us to better manage material and emerging risks and opportunities and thus strengthening portfolio resilience. Furthermore, our belief is that long-term sustainable returns are driven by the stability, effectiveness, and strength of our economic, social, and environmental systems. Hence, we recognise the importance of responsible stewardship to drive progress in our portfolio and ensure alignment with long-term sustainability considerations while driving financial value. Our two-pronged approach to sustainability in investments consists of:



Integration of ESG Factors into Investment Decision-Making

PNB embeds ESG factors into its investment processes across public equity, private equity, fixed income, and real estate portfolios from the pre-investment due diligence stage to post-investment monitoring. The integration of ESG considerations is driven by a risk-based assessment framework, ensuring that the investment decisions we make strengthen long-term portfolio resilience while mitigating exposure to climate-related and social risks.

▶ ESG Assessments in Pre-Investment Due Diligence

All potential new investments undergo comprehensive ESG assessments to analyse their exposure and mitigation strategies against material ESG risks as well as relative positioning to capitalise on emerging opportunities. Our ESG Assessments framework consists of the following key components:

ESG Gauge

Risk-based assessment that evaluates net zero alignment, exposure to physical and transition climate risks, biodiversity risks, labour risks, as well as industry-specific ESG issues.

ESG Negative Screening

Avoiding investments in specific industries and controversial business activities due to ethical violations and high-risk impact.

Carbon Screening

Evaluate potential greenhouse gas ("GHG") emissions impact against our current baseline and 2030 carbon intensity target.

Controversy Scan

Assessing severity and impact of any recent ESG controversies in the public domain.

Outcomes and insights from ESG assessments are compiled into an "ESG Tearsheet," a key element of our investment analysis. Each tearsheet is reviewed and approved by the investment committees to ensure alignment with our investment standards and objectives. In 2024, we enhanced this process by conducting sector-specific deep dives — beginning with the Power sector — to evaluate the likelihood and impact of key ESG factors and strengthen industry-specific insights for our analysts and fund managers. ESG integration was further reinforced through in-house roadshows focused on assessment tools and methodologies, upskilling investment analysts, and embedding ESG more deeply into decision-making.

▶ **Monitoring ESG Performance of the Portfolio**

Proactive ESG monitoring is critical to managing risks, identifying opportunities, and executing key investment strategies effectively. To enhance our approach, we are introducing sector-specific ESG Scorecards to systematically assess and track company performance. These scorecards focus on the most material ESG factors impacting financial performance, ensuring a more targeted and relevant evaluation across industries.

By adopting a sector-specific lens, we recognise that ESG risks and opportunities vary significantly across industries. This approach allows us to differentiate leaders from laggards, refine our fundamental analysis, and integrate ESG considerations more effectively into our investment decision-making. Ultimately, we believe that companies with strong ESG risk management and strategic positioning are better equipped to create sustainable long-term value.

Beyond financial materiality, we acknowledge that physical climate risks — such as extreme weather events — remain an urgent concern, particularly given the lock-in effects of existing GHG emissions. We will continuously assess our portfolio's exposure to these risks, ensuring we account for vulnerabilities and build resilience across our investments.

▶ **Application of Internal Carbon Pricing**

The Malaysian government is anticipated to introduce a carbon tax scheme in 2026 based on the latest Budget 2025 announcement. This is to enable more competitive access to the global market in light of new developments in cross-border carbon tariff such as the Carbon Border Adjustment Mechanism ("CBAM") being implemented by the European Union. Internally at PNB, we are developing an Internal Carbon Pricing ("ICP") framework as a tool for our investment teams to simulate impact of carbon-related risks that may impact emission intensive sectors. By assigning a shadow price to carbon emissions, we aim to assess the potential impact of carbon-related regulations, climate transition risks and identify companies and assets that could be resilient in a low carbon economy. Thereby supporting more informed, future-proof investment decisions in the long-term.

Chapter 2: ESG Integration into Investment and Operations – From Commitment to Impact

Net Zero Investment Portfolio

PNB's 2050 Net Zero Portfolio Commitment and Targets



PNB's portfolio decarbonisation efforts are guided by our 2030 interim climate targets. By reducing emission intensity across our investments, we aim to consistently pivot our portfolio towards lower-emitting assets while growing our AUM. This ensures we are able to build a climate-resilient investment portfolio that can withstand key transition risks as we move towards a low carbon economy while supporting long-term value preservation and competitiveness of our investments.

Further, our ability to achieve NZP by 2050 is also inherently linked to the progress of our investee companies. By targeting 70% of our portfolio emissions to be covered by credible net zero commitments, we aim to focus on material sources of emissions from our investment activities. Targeting these emissions enables us to prioritise high-emitting investee companies in our stewardship activities which enhances our transition readiness and resilience. Over time, we aim to ensure that our portfolio emissions

are progressively made up of companies with credible decarbonisation plans as we progress towards our 2050 net zero commitment.

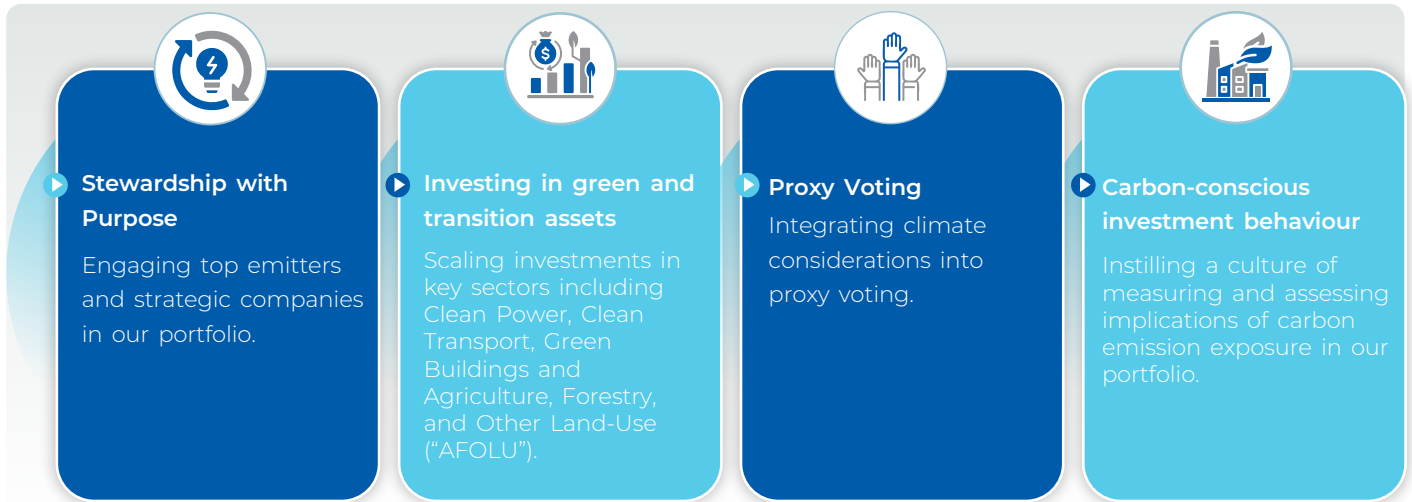
We are committed to transparently disclose our portfolio emissions to demonstrate credible progress towards achieving a NZP. However, our ability to accurately measure portfolio emissions is largely dependent on the availability and quality of climate-related data from our investee companies.

We aim to publish a dedicated report on our portfolio emissions once we have achieved a sufficient coverage of reported GHG data from investee companies. This approach will enable us to provide a more reliable and accurate view of our decarbonisation progress and portfolio emissions, while maintaining comparability with our past reported portfolio emissions.

► Stewardship with Purpose to Drive Portfolio Decarbonisation

The Plantation, Power and Oil & Gas sectors make up 79% of our portfolio emissions, warranting a sector-focused decarbonisation strategy. PNB's portfolio decarbonisation strategies can be explained via the following:

Decarbonisation Roadmap for Investments



► Decarbonisation Levers

Our stewardship strategy for portfolio decarbonisation prioritises the power, oil and gas, and plantations sectors — key sources of emissions in our portfolio — as well as our strategic companies operating across various industries.

Sector	Decarbonisation Levers and Focus
 Power	- Engage directly and collaboratively with companies and regulators to drive the energy transition agenda. - Accelerate solar adoption and integrate storage solutions - Explore options to phase out coal, where feasible while addressing impact to energy security and affordability - Assess the feasibility of retrofitting fossil fuel plants with carbon capture and storage solutions to address hard-to-abate emissions - Reallocate capital towards strategic renewable energy projects
 Oil & Gas	- Advocate for diversification into green electrification wherever viable - Support the expansion of low-emissions fuel transport solutions - Evaluate the feasibility of scaling up carbon capture and storage opportunities to tackle hard-to-abate emissions where there are no alternative low carbon solutions while addressing material environmental impacts - Encourage implementation of Leak Detection and Repair ("LDAR") and Zero Routine Flaring
 Plantations	- Enhance transparency in Scope 3 and land-use change ("LUC") emissions reporting while accelerating mitigation efforts - Monitor the progress of palm oil companies in meeting their emissions reduction commitments - Advocate for regenerative agricultural practices where feasible

Chapter 2: ESG Integration into Investment and Operations – From Commitment to Impact

► Engagement with High-Emission Investee Companies

In 2024 we continued to closely monitor the decarbonisation strategies and performance of our nine Strategic Companies and Top 10 emitters, ensuring alignment with our climate ambitions. As part of our stewardship efforts, we actively engage with investee companies to share assessment findings, advocate for stronger decarbonisation efforts, and gain deeper insights into sector-specific challenges.

Scaling Up Climate-Themed Engagements with Key Investee Companies on Climate-related Issues

Held management and working-level discussions on Net Zero ambitions and pathway setting, disclosure transparency, nature and biodiversity impacts and dependencies.

Developing more comprehensive and systematic approaches to monitor companies' climate progress and hold them accountable to their commitments.

Net Zero Credibility Assessment

Guided by methodologies from Climate Action 100+ and the Net Zero Investment Framework to assess the credibility of portfolio companies' Net Zero ambitions and transition plans.

Climate in Proxy Voting

Required investee companies to have a clearly defined Net Zero Ambition since 2025, and Net Zero Strategy by 2026.

Required companies to report in accordance with the NSRF.

Encouraged companies to incorporate sustainability considerations when assessing Board composition.

Automation of Emissions Calculation

The automation tool will incorporate updates to the Partnership for Carbon Accounting Financials ("PCAF") methodology directly into the calculation logic.

Enables PNB to capture the most updated emissions data from investee companies, empowering our asset class teams to monitor and track the contribution of their planned emissions while providing more time to focus on driving analytics to support portfolio decarbonisation strategies.

Carbon Screening in Pre-Investment Due Diligence

Evaluate carbon emissions exposure for all investment proposals against our current baseline and 2030 carbon intensity target.

Case Study

Assessing Net Zero Credibility in Our Portfolio

We remain committed to independently measuring and evaluating the Net Zero credibility of our investee companies, with a target of ensuring that 70% of our portfolio emissions are covered by credible Net Zero targets by 2030. Our internal assessment framework provides a clear foundation for consistent and structured engagement, aligning our dialogue with evolving best practices and broader investor expectations.

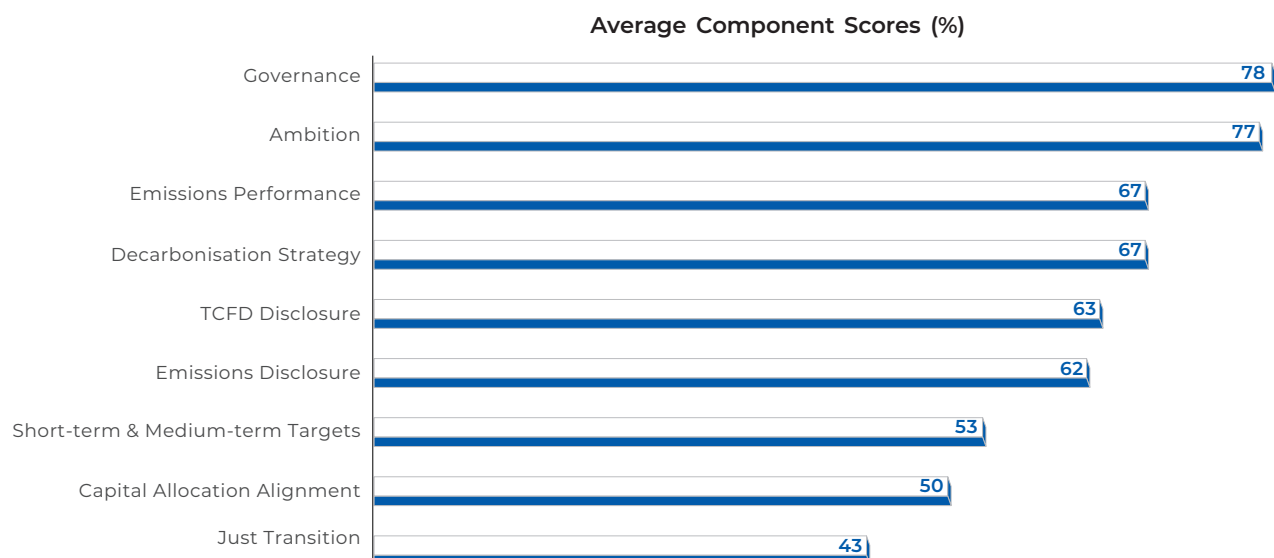
This evaluation approach is continuously refined, reflecting the dynamic nature of the energy transition and shifting market standards for decarbonisation. As we move closer to 2030, what constitutes a “credible” Net Zero target will inevitably evolve, and so will our threshold for assessment.

Our latest assessment of Strategic Companies and our Top 10 emitters, based on their 2024 disclosures, yielded an average Net Zero credibility score of 62%. To be considered credible, companies are expected to achieve a score of at least 80%. As such, we will continue to adapt our methodology to reflect best practices and ensure the integrity of our portfolio's Net Zero alignment.

Encouraging progress has been observed among our investee companies, including formal Net Zero commitments, enhanced GHG disclosures, measurable reductions in emissions intensity, and the development of more comprehensive climate strategies.

While many companies are strong in setting ambitious climate goals and establishing governance structures, gaps remain in areas such as emissions reduction targets, capital allocation, and planning for a just transition. Moderate performance has been observed in emissions outcomes and decarbonisation strategies. These insights guide and shape our engagement efforts to support continuous improvement.

The average component scores from the Net Zero Credibility assessment across our Strategic Companies and Top 10 emitters are as follows:



Chapter 2: ESG Integration into Investment and Operations – From Commitment to Impact

Scaling Up Investments into Green and Transition Assets

Market Trends in Green and Transition Investing

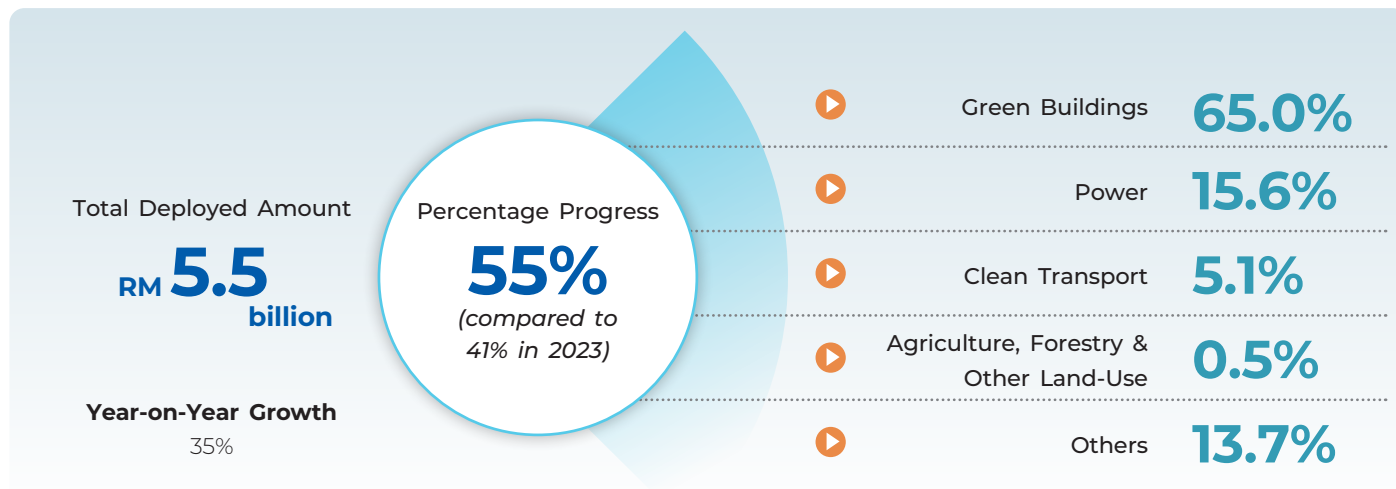
COP29 highlighted key climate finance and mitigation priorities, notably the adoption of the New Collective Quantified Goal (“NCQG”), which sets a target of USD300 billion annually for developing countries by 2035. On energy transition, the need for supportive policy intervention was emphasised to accelerate commercialisation, potentially unlocking new investment opportunities. In carbon markets, the adoption of the Paris Agreement Crediting Mechanism (“PACM”) enables countries to trade emissions reductions and allows corporations to directly transact via a central registry. According to BloombergNEF, global electricity demand is set to rise by over 70% from 2023, with renewables projected to supply 51% of electricity by 2030 and at least 70% by 2050, driven by solar and wind. CCS is gaining traction as a critical tool to reduce hard-to-abate emissions, expected to contribute 35% of energy-related emissions abatement between 2024 and 2050. Meanwhile, to achieve the Net Zero Scenario (“NZS”), the global EV fleet must grow to 1.5 billion units, with a complete phase-out of new internal combustion engine vehicles after 2034.

Investment in Green and Transition Assets

As of 2023, PNB had deployed RM4.1 billion (41% of the target) toward green and transition assets. In response to the 2024 market trends, we invested an additional RM1.4 billion, expanding investments in:



2024 Progress Update:



Spotlight

ESG Leadership among Investee Companies

As part of our commitment to sustainable investment and national economic growth, PNB has partnered with SD Guthrie Berhad to develop the Kerian Integrated Green Industrial Park ("KIGIP") in Perak. Located on a 1,000-acre site within SD Guthrie's Tali Ayer Estate, KIGIP is designed as a premier green industrial hub, focusing on attracting investments in the electrical and electronics ("E&E") sector, particularly semiconductor manufacturing.

A cornerstone of KIGIP's sustainability strategy is the development of 660 acres of solar farms with a capacity between 157 and 178 MW, serving as the primary green energy source for industries operating within the park. Additionally, the industrial park will incorporate cutting-edge energy efficiency measures, smart grid technology, and sustainable water management systems to ensure responsible resource utilisation.

The development of KIGIP reflects PNB's commitment to long-term, sustainable value creation through responsible investment. By integrating green energy, innovative infrastructure, and environmental stewardship, KIGIP is set to attract global corporations seeking sustainable manufacturing solutions while generating significant employment and advancing Malaysia's industrial and technological landscape. This strategic collaboration with SD Guthrie also strengthens its role in the renewable energy sector and supports national climate goals. As a model for future green industrial parks, KIGIP exemplifies how sustainability can drive economic growth and national resilience.

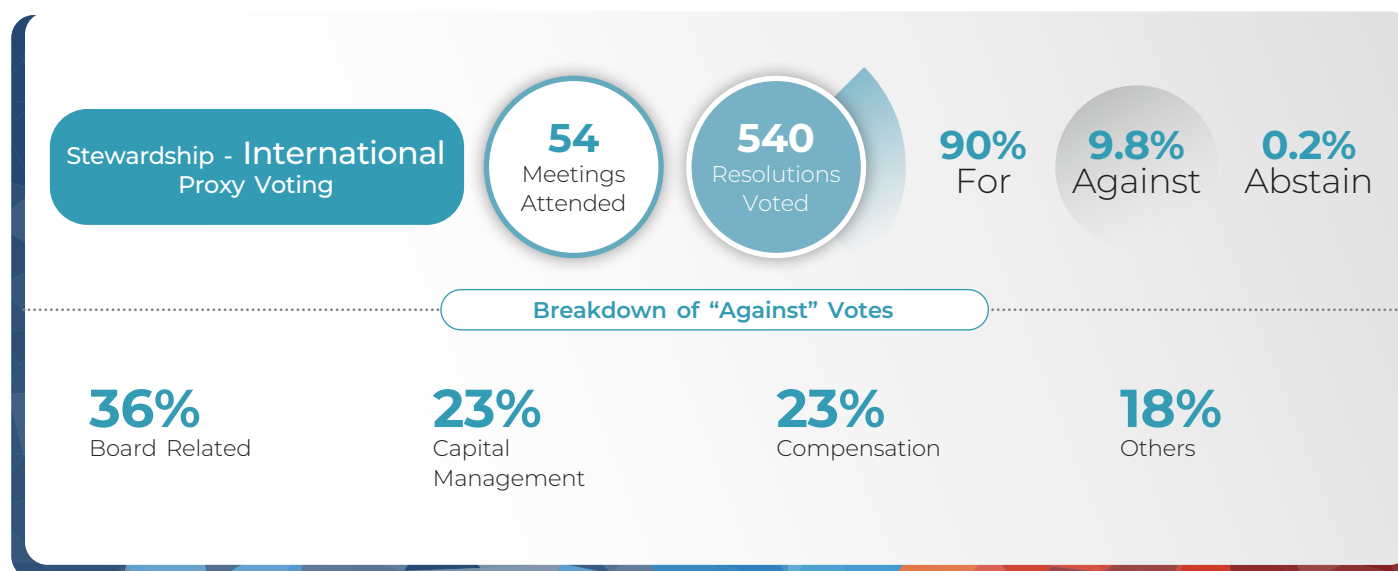
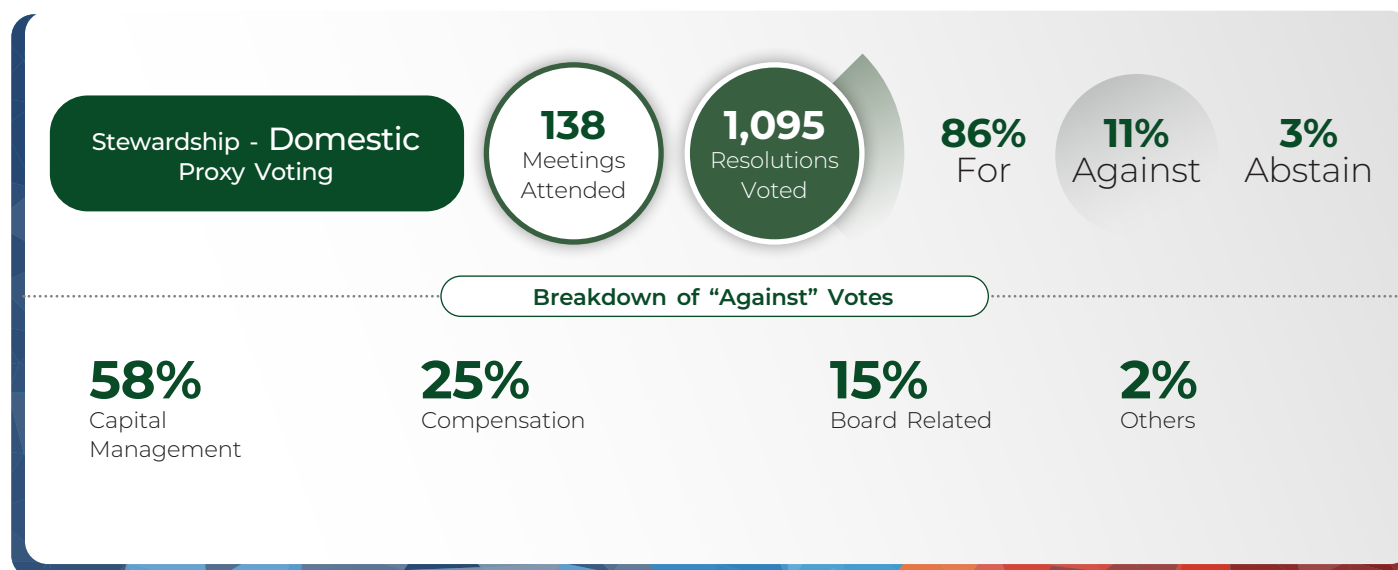


Chapter 2: ESG Integration into Investment and Operations – From Commitment to Impact

Responsible Stewardship and Shareholder Engagement

Active Ownership and Proxy Voting on ESG Issues

In 2024, PNB actively took part in 138 general meetings across its domestic holdings, voting on a total of 1,095 resolutions at both AGMs and EGMs. Of these, 86% were in favour, 11% against, and 3% were abstentions. For the first time, PNB also exercised its voting rights in 54 international meetings, covering 540 resolutions. The voting outcomes showed 90% support, 9.8% against, and 0.2% abstentions.



We also strengthened our Voting Guidelines domestically and internationally, emphasising board involvement in sustainability and climate-related matters, as well as Net Zero targets. Both the Domestic and International Voting Guidelines are effective as of 1 January 2025.



Co-signing the ICGN statement to the Financial Conduct Authority ("FCA") of the United Kingdom on 7 February 2024 marked PNB's first foray into international governance advocacy. Having recently joined the ICGN, PNB has gained international recognition and has been commended for the ICGN Global Stewardship Disclosure Award in September 2024.

On that note, PNB's newly-established International Voting Guidelines are anchored in global best practices, including ICGN Principles. These guidelines address critical areas such as board composition, executive compensation, shareholder rights and corporate governance structures, safeguarding the interests of stakeholders while promoting sustainable value creation.

Chapter 2: ESG Integration into Investment and Operations – From Commitment to Impact

Key Items Covered Under International Voting Guidelines of PNB

1

Principles at work

- Based on ICGN Global Principles & reference from Glass Lewis
- Ensure PNB's overseas investments are managed responsibly, focusing on corporate governance, sustainability, and protecting shareholders' value
- In line with PNB's local voting guidelines and global practices

2

Guiding principles that covers Ordinary Resolution tabled at the General Meetings

Board Composition

Policies regarding board diversity, independence, and expertise

Executive Compensation

Guidelines for supporting fair and performance-based remuneration

Shareholder Rights

Policies to protect the rights of shareholders, including minority interests

Audit Matters

Voting on the appointment, remuneration, and independence of external auditors

Corporate Governance Structures

Guidelines on voting for issues related to corporate governance practices and policies



For more information on our Domestic and International Voting Guidelines, please visit our website.

Board Effectiveness

Institutional Governance plays a vital role in PNB's Domestic Investments. With more than half of our AUM invested in Strategic and Controlled Companies, this function ensures PNB's interests are protected by carefully recommending Board and leadership candidates. The goal is to equip our strategic investments with capable, effective, and competent leaders who can deliver sustainable returns, support workforce development, and promote responsible practices that benefit both society and the environment. In 2024, we had six focus areas:

Leadership Effectiveness Assessments

We regularly evaluate the leadership of our investee companies — including the Chairman, Board, CEO, and Mission Critical Positions ("MCP") — throughout the year to ensure alignment with PNB's strategic objectives. These assessments draw on collective insights from direct engagements and senior management input. Board and CEO tenure is also monitored to inform our assessments on reappointments or renewals.

Directors' Empowerment and Engagement

We remain committed to equipping our Nominee Directors with the tools and insights needed for effective, informed leadership. To support this, we facilitate opportunities for them to engage with key leaders in Corporate Malaysia and have prioritised stronger, more responsive engagement to ensure their needs are promptly addressed.

Best Practices and Company Analysis

We benchmark against global best practices in board composition and leadership traits to uncover insights applicable to our investee companies. In parallel, we profiled these companies by lifecycle stage and mapped their unique challenges to provide a holistic view, enabling us to identify the right leadership skillsets for effective succession planning and strategic execution.

Sustainable Talent Strategy

We maintain a talent database to support succession planning within our Investee Companies, enabling the recommendation of qualified candidates aligned with evolving leadership needs. This ensures continuity while introducing fresh perspectives to promote diversity and innovation. The database also facilitates the cross-pollination of top-tier talent, enhancing leadership strength across our portfolio.

Remuneration Review

We regularly conduct a comprehensive remuneration review for the Boards and CEOs of our investee companies to ensure alignment with PNB's investment objectives and to maintain competitive compensation structures that attract and retain top-performing talent.

PNB's Board Representation

PNB's Board Representation is pivotal in safeguarding PNB's interests and ensuring strategic alignment of its investee companies. Board representation selection is primarily guided by key expertise, experience, influence and relevance of the candidates to ensure we build and encourage the right dynamic in the Boards of the companies we invest in.

Chapter 2: ESG Integration into Investment and Operations – From Commitment to Impact

Thematic ESG Engagements Carried Out in 2024

PNB actively engages with investee companies to encourage sustainable practices and address material ESG risks and opportunities. Our stewardship approach emphasises meaningful dialogue with company management and boards to strengthen ESG governance, enhance transparency, and align with global standards.

Total number of engagements with investee companies on ESG topics

46

Number of companies engaged

26

Methods of engagement

- Engage directly with Board of Directors
- Conduct meetings with management and operational teams
- Issue shareholder letters to communicate key priorities
- Participate in group discussions through the Sustainability Sub-Committee
- Distribution of tailored ESG assessment reports

Topics of engagement

- Assessment of climate transition strategies
- Communication of findings from Net Zero Credibility Assessment
- Alignment with PNB's Labour Rights Policy and identification of implementation gaps
- Living wage commitments and practices
- Dissemination of key components of PNB's Nature and Biodiversity Policy
- Evaluation of nature and biodiversity initiatives

Key Outcomes

- Public declarations of Net Zero targets by investee companies
- Formal publication of labour and human rights policies
- Enhanced disclosure of GHG emissions and adoption of more comprehensive climate strategies

Looking ahead, we will focus on key ESG priorities including nature and biodiversity loss, physical climate risk, and the promotion of a living wage — supporting stronger ESG integration and responsible business practices across our portfolio.

Living Wage

In support of the Malaysian MOF's GEAR-uP initiative, PNB has strengthened its commitment to promoting the adoption of a living wage across its investment ecosystem. Living wage emerged as a key stewardship priority in 2024, with active engagements underway to encourage key portfolio companies to adopt living wage practices. Through the GEAR-uP Programme, PNB is also working with other GLICs to align expectations and move toward a standardised definition of a credible living wage. Additionally, our enhanced voting guidelines encourage all companies to progressively adopt a living wage, reinforcing our aim to foster a broader culture of fair compensation in Malaysia.

Labour Rights

PNB has actively pursued enhancing labour practices among its investee companies through the implementation of its Labour Rights Policy, introduced in 2022. This policy emphasises six Key Material Issues, namely forced & child labour, fair wages & benefits, diversity & inclusion, freedom of association, safety & health, and upskilling & education. We require investee companies to align with both national and international labour standards, along with our four core expectations:

PNB's four Core Expectations for Labour Rights in Investee Companies

Strategy to highlight and address labour rights issues

Assessments on Key Material Issues with action plans

A formal grievance mechanism with whistleblower protection

Clear Labour Rights Policy

Significant milestones achieved include:

- Conducting the 2023 Labour Rights Survey among 23 investee companies, alongside engagement with 53 PNB nominee directors, to establish a performance baseline
- Identification of leaders and laggards in labour practices through detailed gap analyses and continuous engagement to promote alignment with national and international labour and human rights standards
- Continuous engagement throughout 2023-2024 has resulted in substantial progress, with more than ten companies publishing standalone labour or human rights policies
- Comprehensive groundwork research conducted in 2023-2024 to align PNB's policies with Malaysia's National Action Plan on Business and Human Rights
- Expanding human rights due diligence procedures, transitioning the Labour Rights Policy towards a broader, holistic, people-centric human rights framework
- Engagement in strategic advocacy initiatives, such as the MOF's GEAR-uP programme, reinforcing the adoption of living wage principles by investee companies

Chapter 2: ESG Integration into Investment and Operations – From Commitment to Impact

In 2024, we assessed our Investee Companies in two phases:

Phase 1 Participants of the 2023 Labour Rights Survey

Rebaseline the Labour Rights Scoring Dashboard by:

- ▶ Reviewing companies' responses from the 2023 Labour Rights Survey with the latest disclosures
- ▶ Evaluating companies' Labour and Human Rights Policies and social initiatives against our six Key Material Issues

Engage with investee companies to discuss their progress by:

- ▶ Addressing identified gaps and key questions
- ▶ Activating stewardship through Nominee Directors

Phase 2 Group of Remaining Core Companies and Subsidiaries

Conduct a preliminary assessment by evaluating the alignment of companies' policies and social initiatives with PNB Labour Rights Policy Expectations.

Engage with subsidiary companies to review their progress by:

- ▶ Addressing identified gaps and key areas of concern
- ▶ Providing guidance on developing their respective Labour Rights Policies

Since 2023, we have seen notable progress in labour and human rights practices among our investee companies, with over ten firms publishing or committing to publish standalone policies following our engagements. Many companies previously identified as laggards have since developed clear strategies or begun implementing best practices. In 2024 alone, eight investee companies — comprising four Strategic Companies, two wholly owned subsidiaries, one Core Company, and one Minority Investment — have published Labour or Human Rights Policies aligned with PNB's expectations.

Nature and Biodiversity Considerations

Our approach to nature and biodiversity is built upon standards, guidelines and frameworks including, but not limited to the Global Biodiversity Framework ("GBF"), the Science Based Targets Network ("SBTN"), the TNFD, the Roundtable on Sustainable Palm Oil ("RSPO"), the High Carbon Stock Approach ("HCSA"), the High Conservation Value Network ("HCVN") and the National Policy on Biological Diversity (2022-2030).

The overarching principles of our approach are as follows:

1

Strengthening our nature and biodiversity risk assessments in our overall investment analyses using practical approaches.

2

Continuously enhancing our own disclosures on nature and biodiversity related risks and opportunities while pushing for greater transparency among our companies.



3

Actively using our voting rights to ensure companies integrate responsible practices to minimise impact on nature and biodiversity, where material.

4

Engaging policymakers, regulatory bodies and other stakeholders on nature and biodiversity issues, where necessary.

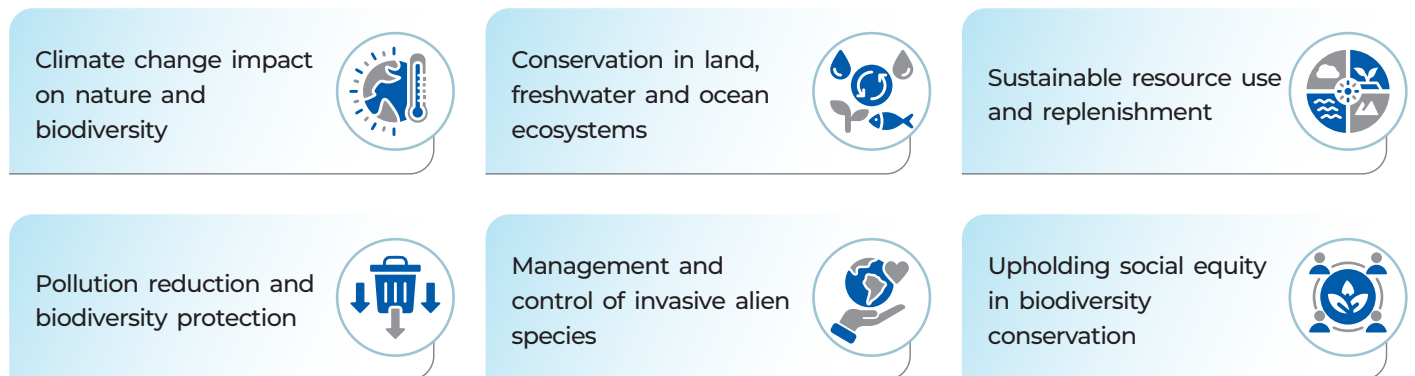
5

Driving specific engagement strategies with high priority companies that are exposed to nature and biodiversity loss and encourage them to manage and assess their nature and biodiversity risks and impacts.

6

Participating in collaborative engagement efforts and investor statements related to nature and biodiversity.

Derived from the five drivers of nature change described by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (“IPBES”) and the TNFD, as well as the rights of Indigenous Peoples and local communities, our approach is anchored in six Key Material Issues:



In 2024, PNB made significant strides in advancing its nature and biodiversity agenda. We conducted a preliminary materiality assessment to identify high-priority assets and companies exposed to nature-related risks, and established a performance baseline for our strategic and core companies, benchmarking our position against leading international asset managers. To deepen our insights, we engaged with investee companies, GLICs, NGOs, data providers, and global peers.

We also developed a Location Due Diligence process for high-priority investments, piloted with Villea Port Dickson, using the LEAP approach of the TNFD framework to assess nature-related dependencies, impacts, risks, and opportunities. Complementing these efforts, we finalised PNB’s Nature and Biodiversity Policy — shaped by research and engagements with both internal stakeholders and investee companies with high nature exposure. The Policy outlines our approach, scope, core expectations, and best practices, and applies to all PNB investee companies prioritising nature-related themes, as well as to PNB and its group of companies. The Policy, approved by the PNB Board, was published on the official website in Q1 2025. To support implementation, we also introduced an annual NDPE assessment to monitor investee company commitments.

Exclusion and Divestment Policies for High-Risk Sectors

Sustainability principles seamlessly align with Shariah principles, both of which guide us in making ethical investment decisions. The combination of these principles has led to a defined exclusion list for sectors that do not align with our sustainability principles and risk management practices, which is reviewed and updated annually to ensure continued relevance and rigour. As outlined in our Sustainability Policy, we maintain strict exclusion policies on alcohol, gambling, greenfield coal investment, tobacco, marijuana and recreational drugs, weapons, and adult entertainment.

Our “No Direct Greenfield Thermal Coal Commitment” applies across fixed income, public equities, and private equities, reflecting our direct sphere of influence. This commitment prohibits direct investments in greenfield thermal coal power plant and mining activities, regardless of any associated transition strategies or sustainability efforts. It serves as a key measure to prevent the expansion of thermal coal power generation, reduce the risk of stranded assets as the financial sector shifts away from coal, and support economy-wide decarbonisation by redirecting capital toward lower-emission alternatives. Based on our coal due diligence process conducted in 2024, there were no companies in our portfolio that directly invalidate our “No Direct Greenfield Thermal Coal” commitment.

Chapter 2: ESG Integration into Investment and Operations – From Commitment to Impact

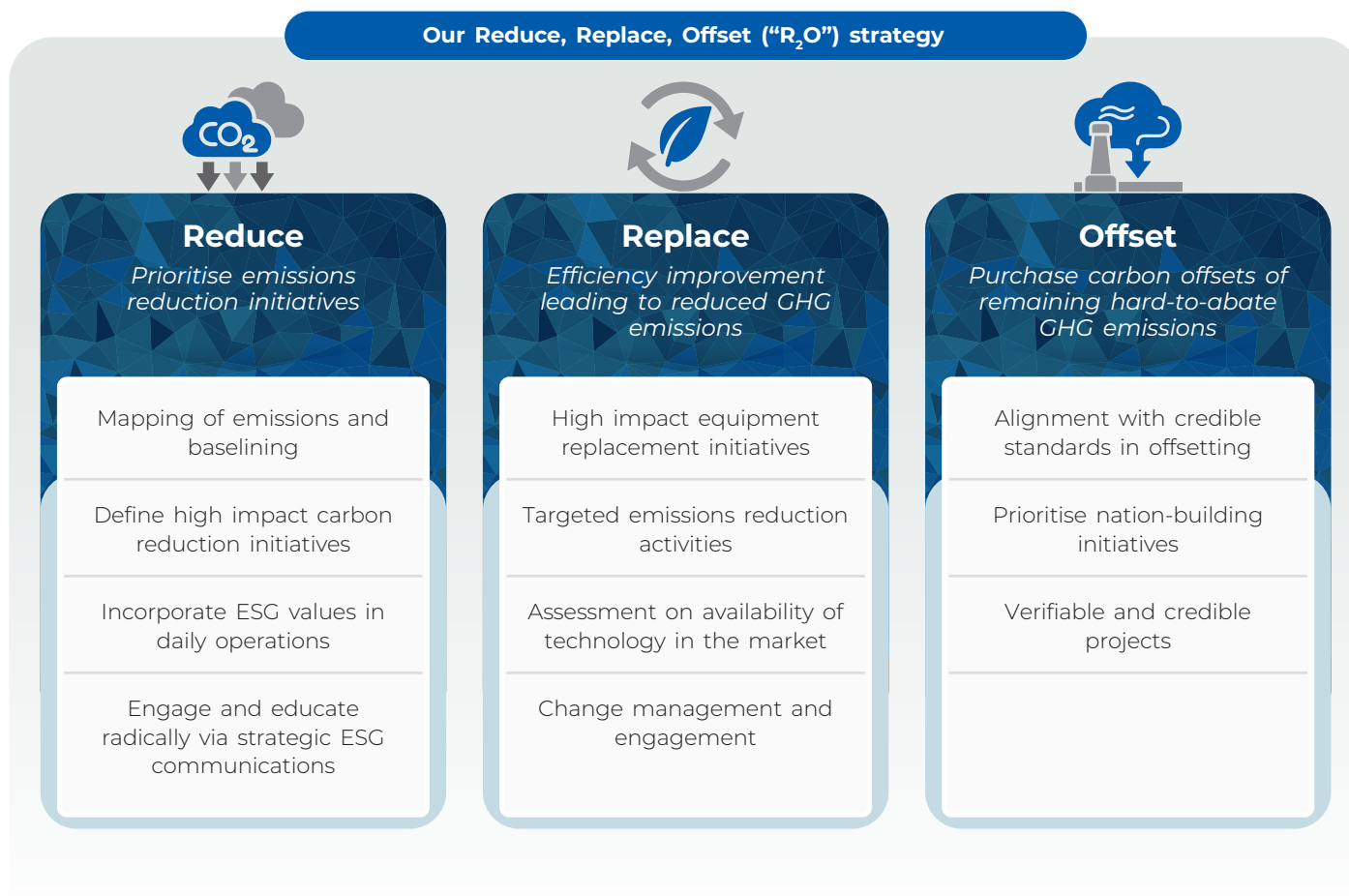
PNB committed to NDPE in 2022, and this commitment is detailed in our recently published Nature and Biodiversity Policy. The policy outlines our expectation for companies — particularly in forest-risk and land-intensive sectors — to adopt NDPE or equivalent standards. In 2024, we developed and implemented an NDPE assessment to evaluate alignment across our investee companies. The assessment found that all our key investee companies in the Palm Oil, Timber, Forestry, and Paper sectors have adopted NDPE or related pledges such as “No Deforestation” or “No Planting on Peat.” We aim to continuously monitor controversies and engage relevant companies to promote greater transparency and accountability on avoiding deforestation, development on peatland and potential exploitation of human rights of communities that they serve. Encouragingly, we have observed more companies are committing to sustainable palm oil and responsible land practices, signalling growing alignment with global ESG standards.

Climate Action and Environmental Management

PNB's NZE Commitment (by 2025)

PNB remains resolutely committed to achieving its target of becoming a NZE by 2025. Significant progress has been made, with the Group successfully attaining a substantial 98% reduction in Scope 1 & 2 emissions from the baseline year 2022 to 2024. This reduction underscores PNB's dedicated approach to integrating climate-conscious strategies within its operations.

PNB's structured R₂O strategy continues to be pivotal in driving emissions reductions. This approach includes systematic energy efficiency improvements, strategic renewable energy integration, and comprehensive GHG emissions monitoring and reporting systems.



Corporate Carbon Footprint and Energy Efficiency Measures

PNB developed our internal Energy Efficiency and Conservation Guideline in 2024 to help employees across the PNB Group reduce energy consumption and comply with the Energy Efficiency and Conservation Act ("EECA") 2024, contributing to enterprise emissions reduction. The guidelines categorise employees into two groups: non-energy controlling and energy controlling personnel, with tailored actions for each. Energy conservation measures are grouped by cost:

1

No-cost measures involve minimal effort and no disruption, such as switching off lights, computers, and appliances when not in use. These apply to all employees.

2

Low-cost measures, intended mainly for energy controlling staff, include minor system upgrades like replacing fluorescent lights with LEDs.

3

High-cost measures involve major investments and operational disruptions, such as engaging consultants to assess energy usage or installing advanced energy-efficient equipment.

Establishing 2022 as our baseline year has provided a robust foundation for achieving net zero across our operational emissions by 2025. This involved comprehensive identification of key sources of GHG emissions and targeted decarbonisation initiatives. To this end, in 2024, we carried out the following initiatives:

Implementation of advanced energy-efficient retrofitting measures across corporate facilities, significantly enhancing operational energy performance compared to 2023.

Upgrades to efficient motor of systems and replacement of fluorescent lighting to LED in old building have delivered measurable reductions in electricity consumption year-on-year.

Exploration and preliminary adoption of carbon offsets and renewable energy certificates to further reduce operational carbon emissions.

Climate awareness has also been systematically embedded into employee training programmes, internal newsletters, and dedicated events, notably Sustainability Day, to foster an environmentally conscious corporate culture.

We have expanded partnerships with strategic stakeholders to install EV chargers across assets managed by our team, Malaysia Real Estate ("MRE"). This collaboration supports our sustainable transport objectives, with 59 EV chargers installed in 2024 and the remaining 6 chargers planned for completion by 2025. Additionally, we plan to install 40 EV charging points in Merdeka 118, with 10 points scheduled for installation by 2025.

Additionally, we are developing the PNB Waste Management Guideline to improve the management of general, recyclable, and electronic waste across the organisation. This initiative aims to promote recycling and foster a "Zero Waste" culture within PNB.

PNB's focused and strategic approach to climate action and environmental management underscores its commitment to sustainable development, ensuring it contributes positively to environmental stewardship, not just for the immediate future, but for generations to come.

Chapter 2: ESG Integration into Investment and Operations – From Commitment to Impact

PNB's Enterprise Emissions Performance (tCO₂e)

tCO ₂ e	FY22	FY23		FY24	
Emission Scope	Location-based	Location-based	Market-based	Location-based	Market-based
Scope 1	203	155		283	
1.1 Stationary combustion	3	6		8	
1.2 Mobile combustion	200	149		133	
1.3 Fugitive emission	NA	NA		142	
Scope 2	6,028	6,140	4,045	5,057	1
Purchased electricity	6,028	6,140	4,045	5,057	1
Scope 3	22,811	26,813		26,200	
3.1 Purchased goods and services	9,274	11,933		18,453	
3.2 Capital goods	7,067	9,654		1,892	
3.3 Fuel and energy related	709	864		117	
3.5 Waste generated in operations	61	55		89	
3.6 Business travel	1,314	1,848		2,661	
3.7 Employee commuting	4,387	2,459		2,988	
Grand Total	29,042	33,108	31,013	31,540	26,484

Note: Market-based Scope 2 disclosure takes into account the use of market-based instruments (REC), with residual (1 tCO₂e) emission from biogas REC.

1. Starting FY24, we have measured, where available, fugitive emissions generated from refrigerants.

2. 98% reduction in Scope 1 & 2 from 2022 emission baseline year, excluding newly measured fugitive emissions.

3. Selected 2023 emissions scopes have obtained limited assurance and disclosed in PNB IAR 2023.

Emphasis on Data Quality

PNB is committed to enhancing the quality, accuracy, and consistency of emissions data across all business entities, ensuring it meets the highest standards of reliability and integrity.

Enhancing Scope 3 reporting

We are enhancing the granularity of our Scope 3 emissions data and expanding our GHG boundary to more accurately reflect the nature of our business operations and diverse asset classes.

Alignment to evolving standards

We are refining our NZE 2025 commitment for Scope 1 & 2 emission boundary and calculation methodologies to ensure robustness and alignment to global standards including the GHG Protocol, IFRS, and PCAF.

Automation of emission data collection and calculation

We are transitioning from manual processes to greater automation by integrating directly with internal systems, reducing the risk of human error and enhancing data integrity. These advancements are critical to supporting the accuracy of our reporting and achieving our NZE commitment by 2025.

Green Buildings and Renewable Energy Adoption

Merdeka 118: PNB's Flagship Green Building Initiative

PNB continues to demonstrate leadership in sustainable development through its landmark project, Merdeka 118. As Malaysia's tallest building, Menara Merdeka 118 incorporates state-of-the-art sustainability features, contributing significantly to PNB's broader environmental objectives. The building is the first in Malaysia to receive triple platinum ratings, namely LEED, Green Building Index ("GBI") and GreenRE.

Notable sustainability features include:

- Deployment of high-performance, energy-efficient façades, optimising natural daylight and significantly reducing cooling energy requirements compared to conventional buildings
- Integration of smart building technologies that enable real-time monitoring, analytics, and optimisation of energy use, further reducing the building's environmental footprint
- Comprehensive sustainable waste management systems and rainwater harvesting initiatives aimed at conserving resources and enhancing building efficiency

Key achievements by LEED certification @ Menara Merdeka 118:



56.6% reduction

in water use



94% diversion

of construction waste from landfills



100%

onsite Rainwater Capture and Reuse



41%* of building materials

are made from recycled content

* cost-based

Further detailed information on Merdeka 118's sustainable design elements can be accessed through the dedicated resource provided by PNB's project partner, Terrapin Bright Green.

Chapter 2: ESG Integration into Investment and Operations – From Commitment to Impact

Green Initiatives at other PNB-owned Properties

PNB also owns and operates several hospitality assets under our real estate portfolio. In strengthening our ESG drive, we are continuously engaging our hospitality arm to understand the potential options to reduce their GHG emissions and reduce our impact on the environment.

As part of this initiative, PNB has assessed the viability of installation of solar panels for our hospitality arm and has identified three properties – Villea Port Dickson, Villea Morib, and Kota Seriemas Golf & Country Club. These installations are expected to reduce electricity consumption and emissions by 15.9%, 15.4%, and 14.9% respectively at each site. Part of our future initiative is we have started and is in the process to obtain the Green Hotel Certification under the Ministry of Tourism, Arts and Culture.

Furthermore to advance our commitment to sustainable energy initiatives at other PNB-owned properties, rooftop solar panel installations have been completed at One Cempaka in Kota Seriemas, Negeri Sembilan. At Plaza Pelangi, Johor Bahru, preparations are underway, with applications submitted to the Sustainable Energy Development Authority (“SEDA”) and the Energy Commission, and installation targeted to commence in 2025. Additionally, we are engaging with the tenant at International Islamic College (“IIC”) in Kuala Lumpur to secure agreement for a future rooftop solar installation at the premises. Going forward, PNB is exploring more avenues to enhance our commitment to the environment.



Villea Port Dickson



Villea Morib

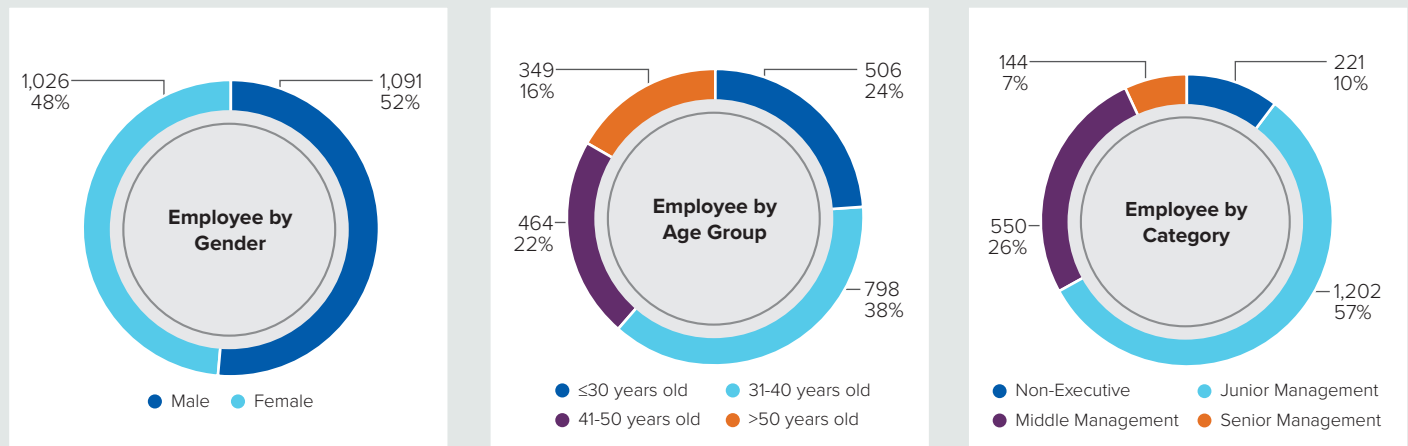


Kota Seriemas Golf & Country Club

Chapter 3 Empowering Our People

At PNB, we are dedicated to creating a positive and inclusive work environment that values every individual. This is to promote a progressive workplace for all in our quest to be the employer of choice. There is equal opportunity and empowerment for all employees regardless of their gender. We believe that everyone has unique skill sets and capabilities to offer, and we are committed to creating a culture of respect and collaboration.

Employee Demographic

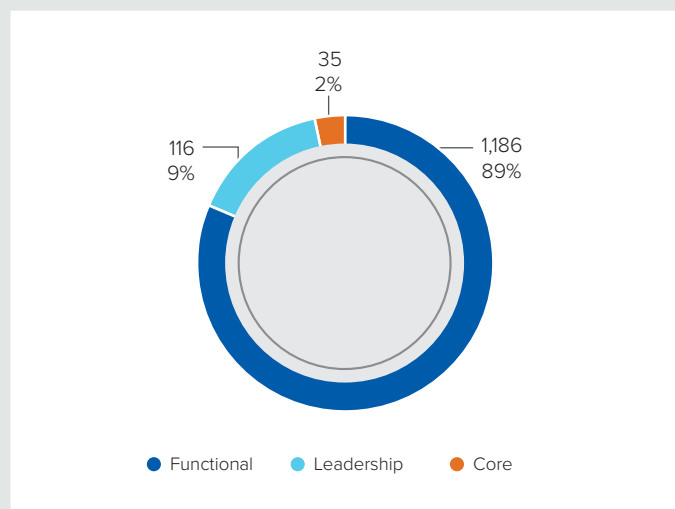


PNB's Commitment to Capability Building and Talent Development

At PNB, we recognise that investing in our people is paramount to securing our future success. As we navigate an era marked by rapid change, our goal is to cultivate an agile and future-ready workforce, proficient in the skills necessary to sustain long-term growth. Our holistic talent development strategy includes tailored programmes aimed at fostering agility, enhancing capabilities, and empowering individuals to advance professionally within our organisation.

Our investment in learning and development remains significant, with close to RM16 million allocated in 2024, supporting over 250,000 training hours at an average of 119 training hours per employee.

No. of programmes by Category



Average Training Hours by Employee Category



Chapter 3: Empowering Our People

Signature Leadership Pathways

Launched in 2023, the Signature Leadership Pathways is a bespoke leadership development initiative designed to elevate leadership capabilities across all levels. To remain aligned with evolving business needs, the Pathways are under review for continuous refinement based on participant feedback.

In 2024, we introduced “Leading Me: Agile Mindset & Ways of Working for Executives” for junior management, developed in collaboration with Human Inc. This programme focuses on cultivating leadership skills, self-awareness, a growth mindset, and effective communication. Participants align personal goals with PNB’s core values, driving impactful results and fostering a culture of agility and empowerment.

We also partnered with global leaders Melbourne Business School and INSEAD to offer cutting-edge programmes for mid- and senior-level leaders.

Selected leaders further enriched their leadership journey through the Asia Young Leaders Programme (“AYLP”), organised by the Global Institute for Tomorrow (“GIFT”). This immersive experience sharpened strategic vision, expanded global networks, and enhanced their ability to drive systemic impact and innovation.

To complement these initiatives, we boosted digital literacy and corporate governance skills, empowering our leaders to navigate complexity and make informed decisions, building a resilient, future-ready leadership pipeline for PNB’s sustained success.

Advancing Digital Learning and Personalised Development Journeys

To drive continuous learning and future-ready capabilities, we have significantly expanded our digital learning ecosystem. Our core platform, LearnHub, hosts internally developed e-learning modules and integrates with LinkedIn Learning, providing employees with on-demand access to over 20,000 courses covering business, leadership, technology, and core professional skills. This ecosystem supports self-directed learning through interactive content, Massive Open Online Courses (“MOOCs”), and tailored development pathways.

In 2024, we strengthened our focus on customised content development to meet specific organisational needs. This led

to the creation of 18 new internal e-learning modules, with a strong emphasis on risk and governance. Notably, eight modules were developed by our iGET fresh graduate trainees, who were upskilled in instructional design and content authoring tools — building internal capability in digital learning production.

Looking ahead to 2025, we will activate advanced Learning Experience Platform (“LXP”) capabilities on LearnHub, including competency-based assessments and hyper-personalised e-Individual Development Plans (“e-IDPs”) powered by AI. Through role-based competency mapping and smart course recommendations, employees will experience a more personalised, data-driven learning journey — enhancing professional development outcomes and strengthening alignment with the Group’s strategic talent priorities.

Role-Based Learning

To future-proof our workforce and build critical capabilities, we first developed a comprehensive functional competency model across key business areas. This model outlines the technical and professional skills required within each function, establishing a strong foundation for performance, talent development, and workforce planning.

In 2024, these functional competencies were then mapped to critical roles across Investment, Sales and Distribution, Operations, and Corporate Functions. This mapping enabled the launch of a role-based curriculum, designed to provide targeted learning aligned with role expectations and business needs — ensuring employees acquire the specific skills essential for their positions.

These frameworks now inform the creation of Individual Development Plans (“IDPs”), which offer structured and personalised learning pathways. By linking functional and role-based competencies to individual growth plans, we continue to strengthen internal capability pipelines and enable meaningful career development across the Group.

PNB launched the Digital Academy with LinkedIn Learning, giving staff access to **20,000+ online courses** anytime, anywhere



Strengthening Talent Management and Leadership Development

Building a Coaching Culture: Internal Coaching Certification for Senior Leaders

Acknowledging that effective leadership extends beyond decision-making to empowering and developing others, we launched the Internal Coaching Certification programme for senior leaders in 2024. This programme offers senior leaders a valuable opportunity to develop practical coaching skills, experience the coaching process first-hand, and apply their learning through coaching practice. This immediate return on investment is evident as participants from the inaugural cohort have already begun coaching their assigned coachees, creating a tangible impact within the organisation.

The programme includes in-person workshops, one-on-one coaching sessions with an external coach, group coaching sessions, where leaders can share experiences and learn from each other, and practice coaching sessions with a coachee from a different team. To support their learning, participants receive helpful toolkits and materials.

The positive feedback from the first cohort underscores the programme's effectiveness. Participants valued learning coaching concepts, practicing in a supportive environment, and collaborating with peers who understand the distinct challenges and opportunities of senior leadership roles. This hands-on approach has been instrumental in fostering a culture of growth and high performance across PNB.

By empowering senior leaders to support their teams effectively, this programme promotes a culture of growth and high performance. It directly aligns with the LEAP 6 Strategy by building a knowledge-based organisation and equipping leaders to drive PNB's culture, strategic initiatives, and talent development.

Empowering Women Leaders: Women of Will Leadership Programme

In 2024, PNB launched the Women of Will Leadership Programme, a new initiative aimed at enhancing the growth and professional development of our women leaders. With two successful cohorts completed, this programme is proving to be a key step in developing a strong pipeline of future women leaders and to support PNB's ESG commitment to achieve 40% women representation in senior leadership positions by 2025. This demonstrates our commitment to building a better future for everyone.

The programme offers a complete leadership experience to support women's growth. Through interactive in-person workshops, personalised one-on-one coaching, and opportunities to connect with senior leaders from other organisations in speed mentoring sessions, our women leaders gained crucial skills, learned to think strategically, and built the confidence they need to excel. By investing in our women leaders, PNB is building a diverse leadership team, ensuring our long-term success and creating a workplace where everyone can thrive.

Internal Internship: Broadening Skills, Expanding Opportunities

As part of our commitment to fostering continuous learning and professional development, PNB introduced the Internal Internship initiative in 2024. This programme was designed to provide employees with practical experience across various departments, enabling them to develop new skills, gain industry insights, and enhance their cross-functional expertise to support career advancement.

The pilot intake offered placements in five key areas — ESG Investments, Education, Compliance, Corporate Strategy, and SAA — providing participants with the opportunity to gain hands-on experience, expand their professional networks, and explore diverse career pathways within the organisation.

Chapter 3: Empowering Our People

Through this initiative, we aim to cultivate a culture of internal mobility, promote knowledge-sharing, and support employees in broadening their expertise. Ultimately, this strengthens our talent pipeline and enhances organisational adaptability.

Expanding Our Leadership Insights

To build a strong and future-ready leadership pipeline, we introduced the PNB Leadership Development Assessment in April 2022. Initially rolled out to our Leadership Team, the initiative has since been extended to include senior and emerging leaders across the organisation. This initiative reflects our continued commitment to nurturing future-ready leaders who will play a key role in delivering PNB's long-term goals and sustainable growth.

As part of our ongoing efforts, we are now widening the scope to include newly hired and recently promoted leaders. This ensures continuity in leadership development and supports smooth transitions into leadership roles.

The leadership profiling exercise provides valuable insights into each leader's strengths, development areas, and growth potential. These insights form the basis for tailored development plans that help our leaders build the capabilities needed to drive business success.

Looking ahead to 2025, we plan to expand this initiative to include managers. This will establish a more structured and holistic approach to leadership development at all levels. By leveraging on data-driven insights, we can better identify high-potential talent, support their development journeys, and prepare them to meet future challenges.

Strengthening Our Leadership Pipeline

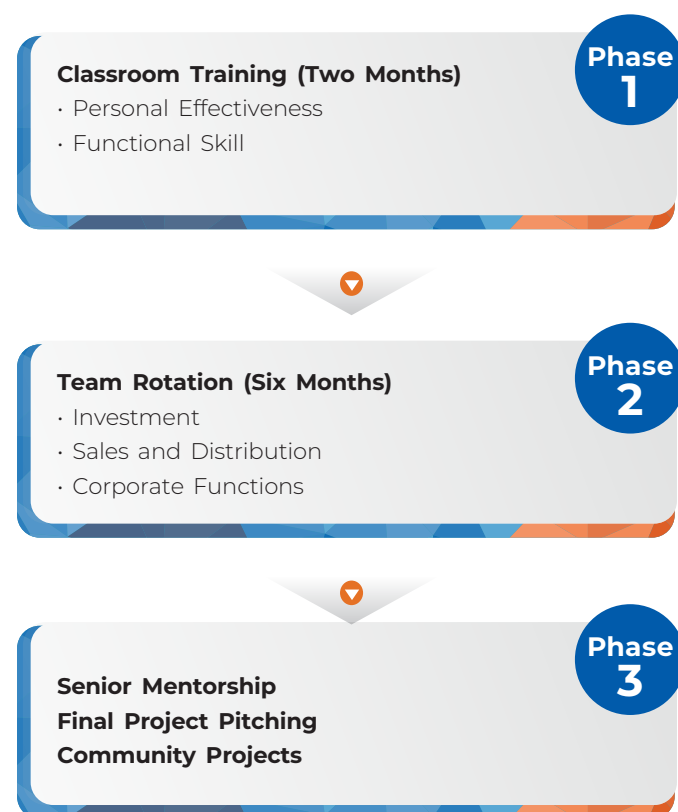
A smooth leadership transition requires strategic and forward-thinking succession planning to cultivate a strong pipeline of future leaders. In 2024, we successfully concluded a comprehensive succession planning exercise and identified potential successors for our Leadership Team positions, prepared to step into those roles within the next two to five years.

A key element in building strong leadership bench strength is the rotation of our senior leaders to various roles. This provides them with broader experience and cultivates a

diverse leadership team with expertise across the organisation. This proactive approach ensures we have capable leaders ready to advance, maintaining stability and supporting PNB's continued growth.

Management Trainee ("MT") Programme

Since its inception in 2000, the PNB Management Trainee ("MT") Programme has nurtured 546 graduates, including 29 PNB scholars in 2024. This structured three-phase development journey is tailored for returning PNB scholars, equipping them with strong investment acumen, cross-functional capabilities, and an innovation-driven mindset. Through a comprehensive curriculum, leadership engagement, and hands-on industry exposure, trainees enhance their business knowledge, personal effectiveness, and ability to contribute to both corporate and community initiatives. This reinforces PNB's ongoing commitment to talent excellence and sustainable leadership development.



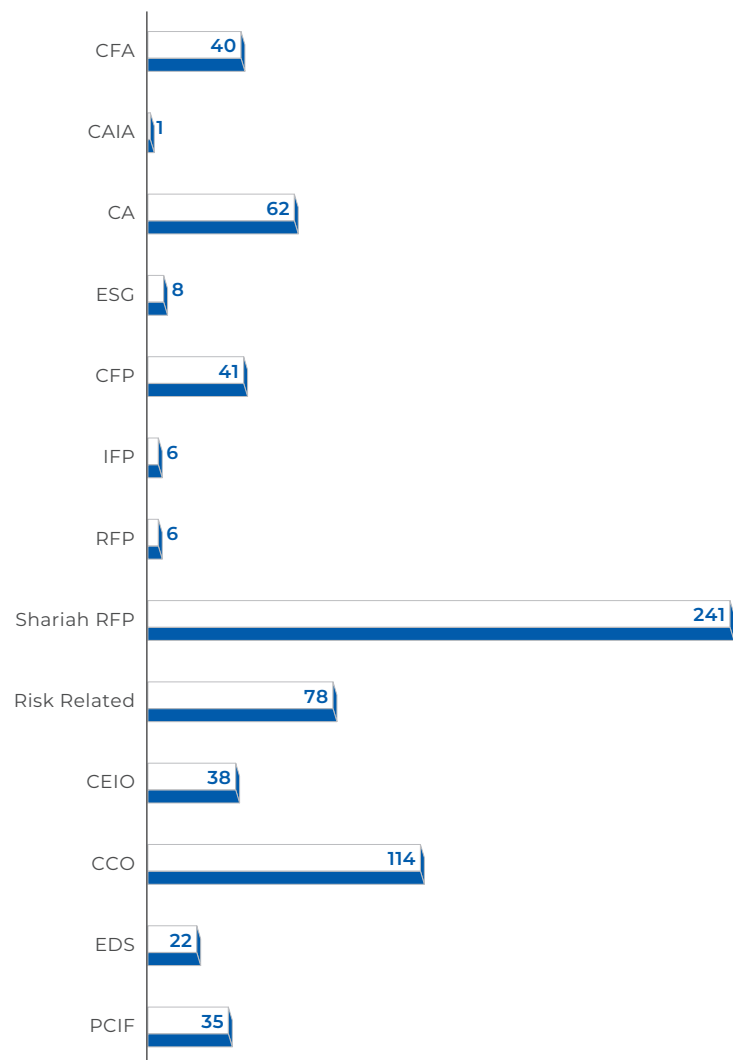
Beyond the MT Programme, our dedication to talent development remains steadfast, ensuring alignment with the evolving needs of both employees and stakeholders. Regular evaluations are conducted to optimise programme effectiveness, equipping participants with the skills and expertise required to excel in an ever-changing business landscape.

Supporting Continuous Learning Through Further Education and Professional Certifications

At PNB, we are dedicated to supporting our employees in advancing their careers by facilitating opportunities for further education and professional certifications. We recognise that continuous learning is crucial in developing well-rounded, future-ready professionals equipped with industry-recognised credentials and specialised expertise to thrive in a dynamic business environment.

To achieve this, we offer employees access to professional certification programmes, enabling them to expand their knowledge, refine their skills, and maintain a competitive edge in their respective fields. In 2024, 276 employees pursued various professional certifications, reaffirming our commitment to fostering a highly skilled and knowledgeable workforce.

Our dedication to professional development was further recognised by CFA Society Malaysia, which awarded PNB the 2024 Premium Employer Partner award for our steadfast support in helping employees attain the Chartered Financial Analyst ("CFA") certification. This recognition highlights our ongoing investment in talent development, ensuring our people are equipped with the right qualifications and expertise to drive the organisation's continued success.





Chapter 3: Empowering Our People

Empowering Employees Through Licensing and Professional Development

At PNB, we place strong emphasis on employee development by ensuring they obtain the necessary industry licenses to uphold professional excellence. As a fund management and unit trust distribution organisation, regulatory licensing is fundamental to maintaining high standards of competence and compliance.

In 2024, 127 employees successfully obtained the CMSRL, while 836 employees acquired the FIMM license. Beyond obtaining these credentials, we actively support employees in fulfilling their Continuous Professional Development (“CPD”) hours, ensuring their expertise remains current and aligned with evolving industry standards.

Licensing	Target group	Number of staff that have obtained licenses
CMSRL	Fund Managers	127
FIMM	Unit Trust Consultants	836



Empowering Career Growth and Transitions

Upward Mobility Scheme (“UMS”)

The UMS provides non-executive employees with a structured pathway to transition into executive roles. This initiative enhances both technical expertise and leadership skills, preparing participants for career progression.

We collaborate with Universiti Malaya (“UM”), Universiti Teknologi Malaysia (“UTM”), and Universiti Tun Abdul Razak (“UNIRAZAK”) to deliver targeted professional development programmes.

15

Employees completed the Professional Diploma in Business Administration in 2024.

31

Employees completed the Professional Certificate in Business Administration in 2024.

379

Employees have successfully completed the programme since 2001.



Pre-Retirement Programme: Empowering a Confident Transition

At PNB, we are committed to supporting employees as they prepare for one of life’s most significant milestones — retirement. The Pre-Retirement Programme is designed to equip participants with the essential knowledge, skills, and tools needed to make this transition smooth, fulfilling, and purpose driven.

In 2024, a comprehensive review of the programme content was conducted to ensure its continued relevance and impact. Based on this review, new content modules were introduced to further strengthen the programme offering. Two key additions include:

Financial Management

This module helps participants assess their financial readiness, set retirement goals, and create a practical retirement plan. It also offers guidance on savings, investments, and managing retirement income.

Well-being and Relationships

This module focuses on physical and mental health, stress and time management, hobbies, social connections, and building stronger relationships with family. It also supports digital literacy and maintaining independence during retirement.

A total of 54 employees participated in the programme, with many opting for customised skills training aligned with their interests and retirement aspirations — from culinary arts to business and language courses.

By promoting financial independence, lifelong learning, and personal well-being, PNB continues to uplift the lives of its employees beyond the workplace — in line with our Purpose to uplift the financial lives of Malaysians across generations.

Chapter 3: Empowering Our People

Building the Nation's Human Capital

At PNB, our dedication to human capital development extends beyond our own workforce. We actively contribute to Malaysia's long-term economic and social progress by equipping young graduates and undergraduates with the skills and expertise needed to succeed in an ever-evolving economy. Through structured development programmes, we nurture future leaders, preparing them to make meaningful contributions to the nation's growth.

PNB Internship Programme

The PNB Internship Programme is designed to attract high-potential graduates from diverse academic backgrounds relevant to the financial industry. Through hands-on experience, interns collaborate with experienced professionals across various departments, gaining exposure to industry best practices while developing essential skills that enhance their career readiness.

This immersive experience offers a comprehensive understanding of PNB's business functions, equipping interns with valuable insights and practical knowledge that serve as a foundation for future careers in finance and related fields. By investing in young talent, PNB remains committed to shaping a strong, future-ready workforce capable of driving sustainable progress.

384

placed in various teams across PNB in 2024.

5,773

received internship training since its inception in 2005

PNB Graduate Executive Trainee-MySTEP ("PNB GET-MySTEP")

The PNB GET-MySTEP Programme is a vital initiative aimed at addressing skill gaps among unemployed Malaysian graduates by bridging the gap between academic learning and industry requirements. This eight-month structured development enhances employability by integrating theoretical learning with hands-on industry experience within PNB and its Group of Companies.

Since its launch in 2022, the programme has expanded to offer two specialised tracks:

The General Track, which focuses on broad-based skills development across various business functions

The i-GET Digital Track, designed to equip graduates with expertise in digital and technology-driven fields

Through immersive on-the-job training, participants gain valuable industry exposure and essential competencies that significantly boost their career prospects. Many graduates have successfully transitioned into full-time employment, either within PNB or other organisations, underscoring the programme's effectiveness in preparing young talent for the workforce.

660

participated in the programme in 2023.

5,539

graduates since the inception of the programme in 2011.

PNB Group companies actively contribute to this initiative by offering structured training, mentorship, and hands-on projects, ensuring participants develop both technical and soft skills essential for career advancement. By investing in young professionals, PNB continues to play a key role in developing Malaysia's next generation of industry-ready talent, equipping them with the knowledge and experience required to thrive in an evolving job market.

A Future-Ready Workforce

As PNB continues to evolve, we remain unwavering in our commitment to nurturing talent, strengthening leadership capabilities, and fostering a culture of continuous learning. Moving forward, we will expand the Signature Leadership Pathways, creating a more comprehensive and impactful leadership development framework. In parallel, we will enhance the Internal Coaching Programme, cultivating high-performance teams and embedding a strong coaching culture across the organisation.

To accelerate skills development, we plan to enhance the PNB Digital Academy and introduce specialised role-based learning programmes, equipping employees with the expertise needed to thrive in an increasingly dynamic business landscape.

Additionally, we will refine our talent management strategies by reinforcing succession planning and leadership profiling initiatives, providing greater visibility into our leadership pipeline. A key component of this effort is the launch of Leaders+, a customised leadership development initiative designed to support high-potential talent and identified successors, further strengthening our leadership bench.

By equipping our people with the right skills, knowledge, and growth opportunities, we are building a resilient, high-performing workforce poised to drive PNB's long-term success.



Chapter 4

Beyond Investments: PNB's Commitment to Social and Environmental Well-being

Social Investments and CSR

At PNB, our approach to social investments and CSR is anchored on our comprehensive SIF. The framework focuses on four strategic pillars — Education, Health, Community Development, and Environment — reflecting both national development priorities and our organisational objectives. These pillars form a structured and impactful approach to addressing community needs, strengthening national development, and advancing sustainable growth.

As a national institution, our strategies address both national development with high relevance to PNB while also addressing the needs of communities within our operations.



Supported by

Financial Literacy

Embedding Financial Literacy modules in SIF programmes conducted within the community Programmes.

Internal Volunteerism

Instilling the spirit of volunteerism within #teamPNB in supporting the SIF programmes.

► Pillar #1: Education

PNB's commitment to education is foundational, driven by the understanding that educational empowerment directly contributes to sustainable economic and social advancement. Since our maiden educational programme in 1996, we have impacted over 21,600 individuals and disbursed more than RM560 million through scholarship programmes, fostering accessible education and nurturing talent for nation development. Our initiatives align with the United Nations' Sustainable Development Goal 4 (Quality Education), reinforcing PNB's broader social sustainability goals.

Our education initiatives are categorised into three overarching areas:

Initiatives	Objectives	Total Beneficiaries
PNB Scholarship Programmes	Develop a pipeline of future leaders by investing in high-potential talents through sponsorships for studies at local public universities, selected private institutions, and top international universities in the United Kingdom ("UK"), the United States of America ("USA"), and Australia – focusing on fields aligned with PNB's business priorities.	5,230 students
BUDI PNB	Uplift underprivileged students from the Asnaf B40 group by enabling access to quality education. This includes sponsorships for placement in selected local boarding schools (MRSB, SBP, and Permata@Pintar Negara, UKM), a Degree in Accounting with CPA Australia at UNIRAZAK, and TVET programmes offered by MARA and Selangor Technical Skills Development Centre ("STDC").	874 students
Yayasan Tun Ismail Mohamed Ali ("YTI")	Promote academic excellence and thought leadership through strategic education investments, such as scholarship funding, endowment of Professorial Chairs, heritage preservation efforts, and other impactful initiatives that nurture future leaders. Key initiatives include postgraduate scholarships locally and internationally, global collaborative projects, and the Heritage for Tomorrow programme.	15,500*

* Comprising attendees (excluding YTI Premier Scholarship Programme) from YTI educational activities such as Professorial Chairs at UM & UKM, Research Grants, Lecture Series, Workshops, YTI Graduate Knowledge Forum, and Training & Development

Chapter 4: Beyond Investments: PNB's Commitment to Social and Environmental Well-being

PNB Scholarship Programmes

PNB remains steadfast in its commitment to education, recognising its power to create lasting impact within communities and across generations. Through our scholarship programmes, we continue to build a strong pipeline of future leaders by investing in high-potential talents. By sponsoring students at premier local and international higher learning institutions, we are nurturing expertise in fields critical to PNB's business growth, ensuring a sustainable and future-ready workforce.

During the year 2024, we have sponsored 5,230 students in pursuing tertiary education, including 538 students sponsored to study abroad in the UK, US and Australia. These efforts have involved a total investment of RM462 million.



Total scholarship programmes
10



Total students since inception
5,230

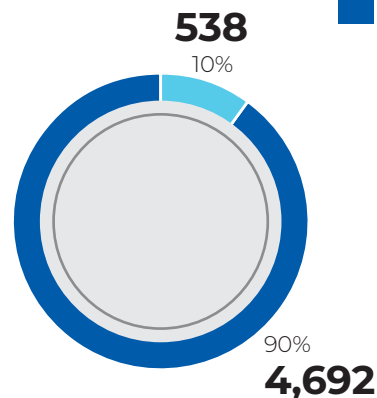
Overseas

- PNB Global Scholarship Award (1996)
- YTI Premier Scholarship Award (2000)
- PNB Co-funding (2024)

Local

- PNB Merdeka Scholarship Award (2004)
- PNB Employee's Children Scholarship Award (1998)
- PNB Kolej Ilmu Scholarship Programme (2005)
- PNB Chartered Accountant Initiative (2016)
- PNB Staff Sponsorship Programme (2022)
- Insentif Dermasiswa Anak Bangsa (2014-2020)
- Kolej Ilmu PNB (1998-2017)

Overseas
Local

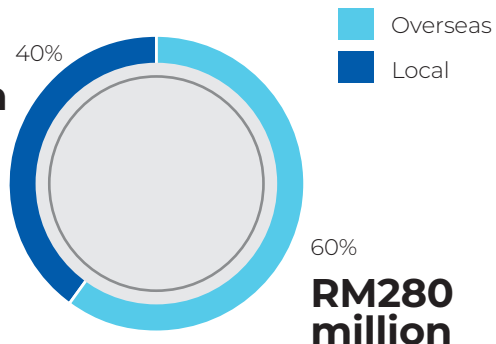


Total expenditure since inception
RM462 million

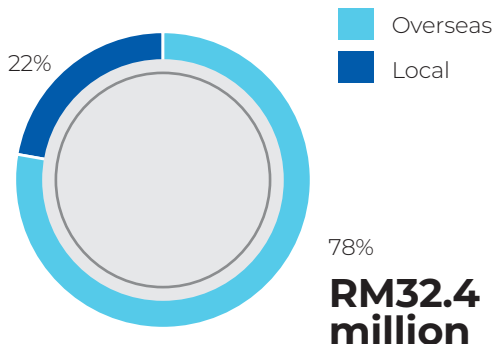


Total expenditure in 2024
RM41.4 million

RM182 million



RM9 million



BUDI PNB Programmes

Launched in 2019, BUDI PNB is designed to empower students from the Asnaf B40 group by providing access to quality education through secondary school placements, Bachelor's Degree in Accountancy with CPA Australia accreditation, and TVET pathways. Funded through PNB's CSR Zakat allocation, the programme is a purposeful initiative aimed at reducing poverty, nurturing future professionals, and fostering a more inclusive and skilled workforce. As of year-to-date, BUDI PNB has supported 874 students, with a cumulative allocation of RM30 million across six dedicated programmes.



Total BUDI PNB programmes
6

- BUDI PNB – MRSM (since 2019)
- BUDI PNB – UNIRAZAK (since 2019)
- BUDI PNB – SBP KPM (since 2022)
- BUDI PNB – PERMATA@Pintar, UKM (since 2023)
- BUDI PNB – TVET STDC (2024)
- BUDI PNB – TVET MARA (2024)

Total expenditure since inception

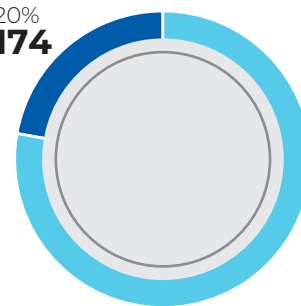


RM30 million



Total students since inception
874

20%
174

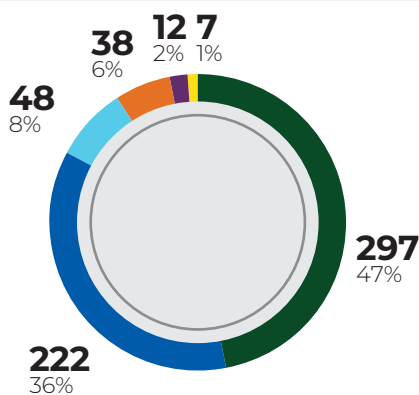


Secondary Education
Degree and TVET programme

700
80%



Total active students in 2024
624



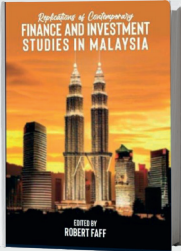
MRSM
SBP KPM
UNIRAZAK
PERMATA@Pintar, UKM
TVET STDC
TVET MARA

Yayasan Tun Ismail Mohamed Ali ("YTI")

Yayasan Tun Ismail Mohamed Ali ("YTI") was established in 1999 to honour the legacy of PNB's first chairman, the late Tun Ismail Mohamed Ali. The foundation is committed to advancing education and research in Malaysia, supporting outstanding students in their pursuit of tertiary education and fostering academic collaboration with leading international institutions in the fields of Investment, Finance, Corporate Law and Securities.

YTI's core initiatives include postgraduate scholarships, international research collaborations and heritage preservation – demonstrating a strong commitment to both intellectual development and cultural legacy. Since its inception, YTI has awarded 115 scholars through the prestigious YTI Premier Scholarship Award, endowed Professorial Chairs at six universities (UM, UKM, USIM, UCSI, UNIRAZAK and University of Nottingham (Malaysia Campus), and carried out numerous impactful educational programmes.

Chapter 4: Beyond Investments: PNB's Commitment to Social and Environmental Well-being

YTI Premier Scholarship Award	YTI Professorial Chairs Programme	Other educational activities
Since inception 115 scholars 7 Active scholars at the following universities in UK & US  UNIVERSITY OF CAMBRIDGE Imperial College London  UCL  THE LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE  Berkeley UNIVERSITY OF CALIFORNIA  Penn UNIVERSITY OF PENNSYLVANIA	2 Endowments  UNIVERSITY OF MALAYA RM3.5 million Fund available for RM2.7 million  UNIVERSITI KEBANGSAAN MALAYSIA National University of Malaysia RM3.7 million Fund available for activities: RM600K 2 Grants based on MOA (completed)  UNIRAZAK UNIVERSITI TUN ABDUL RAZAK 2012 - 2020 RM2.44 million  UNIVERSITI SAINS ISLAM MALAYSIA ISLAMIC SCIENCE UNIVERSITY OF MALAYSIA 2012 - 2020 RM1.74 million	3 Research Grants (2021 -2023)  UNIVERSITI SAINS ISLAM MALAYSIA ISLAMIC SCIENCE UNIVERSITY OF MALAYSIA RM300,000  UCSI University RM300,000  University of Nottingham UK CHINA MALAYSIA RM265,700 17 Books published for the Chairs  2 Latest publications  2 Contributions to Teach For Malaysia 2013-2020 RM800,000 17 Lectures & Workshops organised between 2009 and 2020 2 YTI Graduate Knowledge Programmes
18 Chairholders 1 Visiting Professor		

Key Initiatives and 2024 Achievements

PNB Scholarship Programmes

In 2024:

1

PNB awarded 113 scholarships amounting RM41.4 million, primarily benefitting students from low- to middle-income households. This brings the total number of active scholars to 1,086.

2

30% of PNB scholars have graduated with **First Class Honours**, reflecting their strong academic performance and commitment to excellence.

3

All PNB scholars are currently enrolled at **Top 20 universities** in the UK and USA, according to the Times Higher Education ("THE") 2025 rankings. Notably, **45% are attending Tier-1 universities** in the UK and Ivy League universities in the US.

In the United Kingdom



In the United States



4

All pre-university scholars at Kolej Yayasan UEM ("KYUEM") achieved exceptional A-Level results, securing placements at top global universities. This further underscores the strength and effectiveness of our scholarship pipeline.

5

As part of our continuous PNB Global Scholarship Programmes for FY2024, we have actively promoted engagement and alignment between scholars and PNB leadership. These initiatives are focused on enhancing scholars' personal and professional growth, ensuring smooth integration into the organisation, and reinforcing their long-term contributions to PNB's strategic goals.

Chapter 4: Beyond Investments: PNB's Commitment to Social and Environmental Well-being



Engagement Programme with YM Raja Tan Sri Dato' Seri Arshad Raja Tun Uda, Group Chairman of PNB

16 February 2024

PNB House

77 Queen Victoria Street, UK



Greater Engagement Programme with Norhanifah A. Jalil, Chief Human Resource Officer of PNB

17 February 2024

PNB House

77 Queen Victoria Street, UK



Pre-departure Ceremony PNB Global Scholarship Award Intake 2022 and Co-funding Programme Intake 2024

6 September 2024

Merdeka 118



Scholars' Returning Programme

21-30 October 2024

Outward Bound Malaysia

Lumut, Perak

BUDI PNB

In 2024, BUDI PNB awarded a full scholarship to 109 students, with a total disbursement of RM4.9 million, bringing the number of active scholars to 624.

Programmes	Academic level	Intake 2024	Total active students
BUDI PNB – MRSM	Secondary school (F1 – F5)	40	297
BUDI PNB – UNIRAZAK	Bsc. Acc & CPA	–	48
BUDI PNB – SBP KPM	Secondary school (F1 – F5)	40	222
BUDI PNB – PERMATA@Pintar, UKM	Secondary school (Basic 1 – Level 2)	10	38
BUDI PNB – TVET MARA	TVET – Diploma	7	7
BUDI PNB – TVET STDC	TVET – Certification	12	12
Total students		109	624

We successfully held our annual Jalinan BUDI PNB event, designed to equip secondary school BUDI PNB students with essential leadership and interpersonal skills, benefitting a total of 371 students.

We launched the BUDI PNB-TVET programme in partnership with MARA and STDC, offering scholarships to eligible Asnaf B40 students to pursue certificate and diploma programmes in high-demand technical fields such as automotive, electric, electronic, computer/IT and mechanical services. The programme also includes professional certification to enhance employability. For the 2024 intake, 19 students have been selected, supporting PNB's commitment to inclusive education and preparing a future-ready workforce.



Jalinan BUDI PNB 2024 | 13 – 15 September 2024 | MRSM Kuala Kubu Bharu, Selangor

Chapter 4: Beyond Investments: PNB's Commitment to Social and Environmental Well-being

Yayasan Tun Ismail Mohamed Ali ("YTI")

In 2024, Yayasan Tun Ismail Mohamed Ali ("YTI"), in collaboration with Universiti Kebangsaan Malaysia ("UKM"), celebrated a key milestone with the launch of two academic publications. Funded through YTI's endowment at UKM, these publications reflect YTI's enduring commitment to promoting thought leadership and fostering academic excellence in fields aligned with PNB's strategic direction.



YTI also hosted UKM's inaugural public lecture, "Decoding Retail Investor Behaviour in the Stock Market," attended by 150 participants. The session featured Professor Dr. Allaudeen Hameed, Professor of Finance at the National University of Singapore ("NUS") Business School, as the keynote speaker. The lecture served as a platform in promoting financial literacy and industry academia collaboration.



Decoding Retail Investor Behavior in the Stock Market | 8 February 2024 | Auditorium Technology Multimedia Fusion, Institute of Visual Informatics ("IVI"), UKM Bangi

PNB's education initiatives reflect our commitment to nurturing future-ready talent and uplifting communities. Through our scholarship programmes, we support high-achieving students in disciplines critical to our business growth. BUDI PNB provides underprivileged Asnaf B40 students with access to quality education, while YTI promotes academic excellence through postgraduate scholarships, endowed professorial chairs, and cultural enrichment initiatives. Collectively, these efforts are designed to reduce poverty, cultivate leadership, and develop a skilled and inclusive workforce.

▶ Pillar #2: Health

Recognising health as integral to social progress, PNB actively engages in initiatives aimed at strengthening healthcare services and preventive health education in communities.

Key Initiatives and Impact:

- Hospital Equipment and Infrastructure Programme: Contributed RM3.5 million to upgrade healthcare infrastructure in underserved communities, improving the quality of local medical services and community health resilience

▶ Pillar #3: Community Development

Our community development initiatives aim to improve economic opportunities and enhance social mobility, driving inclusive growth and resilience across our operational areas.

Key Initiatives and Outcomes:

- Entrepreneurship Programme: Conducted training and capacity-building programmes supporting up to 30 entrepreneurs in developing sustainable businesses, enhancing local economic opportunities and empowering community independence
- Job Placements Programme: Facilitated job placements for up to 15 individuals, creating sustainable employment opportunities and enhancing local economic participation
- Flood Relief Mission (2024): Collaborated with humanitarian partners including Yayasan Ikhlas, YaPEIM, Yayasan Sejahtera, Malaysian Relief Agency, Mercy Malaysia and GDRN, to provide timely disaster relief and humanitarian aid to flood-affected communities. These coordinated relief missions supported 5,000 beneficiaries, demonstrating PNB's rapid response capability and commitment to social responsibility
- Programmes in Schools: Organised the Provision of Spectacles for School Children, benefitting 500 students from Sabah, and donated 250 used personal computers to 20 schools in Penang.

▶ Pillar #4: Environment

Environmental stewardship is a critical component of PNB's broader sustainability agenda, driving initiatives that protect ecosystems, mitigate climate impacts, and foster a greener future.

Key Environmental Initiatives:

- Tree Planting Initiatives: Executed two tree-planting programmes, planting more than 500 trees, directly contributing to carbon sequestration, enhancing biodiversity, and improving air quality

Supporting Mechanisms

These four pillars are underpinned by complementary support mechanisms that amplify our overall impact:

- Financial Literacy Integration: Financial literacy modules are systematically embedded within all SIF programmes, empowering community stakeholders with financial knowledge essential for long-term economic sustainability
- Internal Volunteerism: Volunteerism is deeply embedded within PNB's organisational culture. In 2024, 370 PNB employees actively contributed approximately 2,000 volunteering hours to social development and outreach programmes, amplifying the reach and effectiveness of our CSR activities while fostering a culture of giving and social responsibility within PNB

Chapter 5

Responsible Leadership

PNB's Sustainability Governance and Oversight



Board's Role in ESG and Sustainability Oversight

PNB's Board of Directors takes a leading role in ESG and sustainability oversight, ensuring alignment of sustainability initiatives with the company's strategic objectives and broader organisational Mandate. The Board proactively sets the sustainability agenda, regularly reviews sustainability strategies, and monitors performance against ESG commitments. Throughout 2024, the Board convened quarterly to review sustainability matters, with a particular emphasis on tracking the progress of our 10 ESG Commitments, underscoring our unwavering dedication to strong ESG oversight.

Guided by industry best practices, the Board at PNB also provides overall direction on matters such as net zero implementation, stakeholder engagement, and disclosure requirements. This ensures PNB's governance structure remains up-to-date and ready to adapt to new regulatory expectations and sustainability frameworks such as the IFRS S1 and S2 standards integrated into Malaysia's NSRF.

Sustainability Committees and Decision-Making

PNB's sustainability governance is enhanced by dedicated committees such as the MSC, which provide essential oversight and strategic direction. These committees ensure effective integration of ESG considerations into decision-making across all operational and investment activities.

Sustainability Governance Structure

PNB Board of Directors

- Ultimately responsible for setting sustainability commitments and targets
- Has oversight of PNB's sustainable investment strategy, sets down the guiding beliefs and principles
- Reviews sustainability-related progress reports including carbon footprint and commitments progress

Board Investment Committee

- Ensures that ESG and climate change is integrated in analysis and investment decision-making

Management Sustainability Committee

- Develops, recommends and implements sustainability policies across investments and enterprise level, including new pledges and targets
- Provides centralised oversight and strategic guidance across business units and functions
- Monitors the implementation of PNB's 10 ESG Commitments

Management Investment Committee

- Responsible for management of ESG and climate-related risks and opportunities in the portfolio

Investment Departments

- Integrates ESG and climate change as part of investment analysis

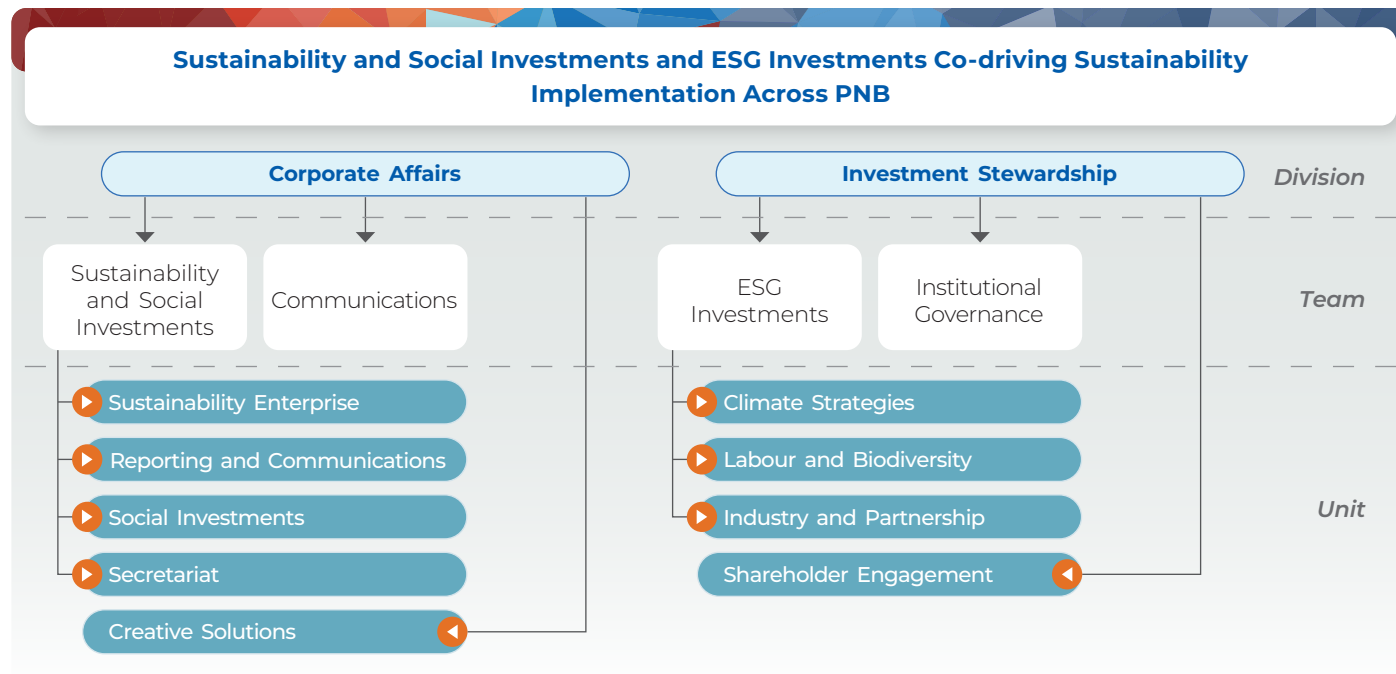
Objectives

- Oversees the overall implementation of PNB Sustainability Framework and achievements of the 10 ESG Commitments
- Serves as a formal platform for the discussion, review and recommendation of sustainability-related pledges and targets as well as portfolio and enterprise sustainability integration

Composition

- Chairman: Deputy President & Group Chief Executive
- Deputy Chairman:
 - Chief Corporate Affairs Officer
- Permanent Members:
 - Group Chief Strategy & Finance Officer
 - Chief Human Resource Officer
 - Deputy Group Chief Investment Officer
 - Vice President, Strategic Investment
 - Head, Product & Sales Development
 - Head, Investment Research
- Permanent Invitees
 - Representatives from Sustainability and Social Investments, Investment Stewardship and other invitees that may be invited by Secretariat

Chapter 5: Responsible Leadership



PNB has established a cross-functional approach to sustainability, which includes regular oversight by the MSC and defined working groups focused on ESG risk assessments, data management, and stakeholder engagement. These working groups are tasked with:

Monitoring ESG target progress across multiple business units.

Coordinating relevant initiatives, such as decarbonisation roadmaps, labour rights advocacy, and community and shareholder engagement.

Liaising with the Board and Executive Committees to promptly escalate ESG risks and opportunities.

Key Policies and Frameworks

In 2024, PNB continued to implement key sustainability policies including its Sustainability Policy and Net Zero Strategy. These policies provide comprehensive guidelines to integrate ESG considerations across all operational and investment activities, driving alignment with international best practices and long-term sustainability targets.

Sustainability Policy

Endorsed by the Board of Directors, PNB's Sustainability Policy provides a clear framework for integrating ESG principles across its operations and investment activities. Anchored by its 10 ESG Commitments, the policy sets out accountability structures, stewardship expectations, and strategic targets - including NZE by 2025 and NZP by 2050. It reflects PNB's core beliefs in responsible leadership, collective action, and progress over perfection, and is aligned with global standards such as the UN PRI and TCFD. The policy is regularly reviewed to ensure effective implementation and continuous improvement.

Labour Rights Policy

PNB's Labour Rights Policy outlines core expectations and best practices for promoting fair wages, safe working conditions, and inclusive workplaces. Aligned with global standards, it guides investee companies in embedding responsible labour practices, supporting long-term value creation and reinforcing PNB's commitment to social sustainability.

Living Wage Framework

PNB's Living Wage Framework, introduced in 2023, ensures all employees receive fair compensation that meets basic living needs. Regularly benchmarked against national standards, it reinforces PNB's commitment to social equity and supports broader adoption of living wage practices.

Nature and Biodiversity Policy

PNB's Nature and Biodiversity Policy underscores its commitment to preserving natural ecosystems and promoting sustainable practices across its operations and investments. The policy focuses on mitigating nature-related risks, addressing issues like deforestation and pollution, and fostering biodiversity conservation to ensure long-term environmental resilience.

These robust policies help ensure that ESG criteria are embedded at every level of the organisation, promoting transparency, and accountability in meeting both internal targets and regulatory obligations.

Chapter 5: Responsible Leadership

ESG Risk and Compliance Management in PNB's Operations

PNB is strongly committed to managing ESG and sustainability risks with the same other business risks identified. These are assessed through the five-step risk assessment process, reflecting their importance to long-term organisational resilience and success.

Supported by comprehensive frameworks and regular reviews, PNB proactively identify and address emerging risks across the organisation. This integrated approach demonstrates PNB's dedication to proactive risk management in alignment with PNB's sustainability commitments.

Our TCFD-Aligned Climate Disclosures

We align with the TCFD Recommendations and are progressively enhancing our disclosures in preparation for compliance with the NSRF by 2027. To this end, we refer to SASB disclosure standards for Asset Management & Custody Activities which will support our transition towards full IFRS Sustainability Disclosure Standards.

Governance

PNB's Board of Directors holds ultimate accountability for our climate-related objectives, ensuring that climate considerations are integrated into the Group's overarching Purpose and strategic plans. Specifically:

- The Board oversees the implementation of our NZE by 2025 and NZP by 2050 commitments as well as other ESG commitments, reviewing progress on key decarbonisation initiatives and green investment strategies
- The Board convenes on at least a quarterly basis to discuss climate-related matters, including the status of our carbon footprint mitigation, adaptation plans, and environmental disclosures
- Board members actively engage in ESG-related training and workshops. In 2024, they attended various forums to stay abreast of the latest developments, ensuring robust oversight and strategic direction for climate matters

To facilitate oversight, the Board is supported by the MSC:

- **MSC Responsibilities:** Implements PNB's Sustainability Framework, recommends climate- and ESG-related initiatives, and provides centralised oversight of net zero progress
- **Meeting Frequency:** Conducts monthly meetings, ensuring timely monitoring of PNB's sustainability roadmap and 10 ESG Commitments
- **Internal Control Functions:** Sustainability & Social Investments ("SSI") and ESG Investments ("ESGI") teams support the MSC by executing sustainability projects and monitoring compliance. They also oversee internal controls and adherence to applicable standards

Strategy

A transition to a lower-carbon economy presents both risks and opportunities for PNB. Building on our initial climate actions, we continually refine our approach to enhance resilience, address market shifts, and create long-term value.

Enterprise-Level Strategy

- **NZE by 2025:** PNB's NZE goal focuses on Scope 1 & 2 emissions, which fall directly within our control and offer the clearest path for establishing internal guidelines, controls, and accountability. While Scope 3 emissions are not currently included in our Net Zero boundary, we actively monitor and manage them where feasible. Ongoing efforts to improve data quality and measurement will enable more precise profiling and support the development of targeted interventions to decarbonise our value chain over time.

Reduce

We focus on lowering direct and indirect emissions across our core operations, optimising energy use, retrofitting buildings (e.g., Merdeka 118), and deploying efficiency measures or new technologies to shrink our carbon footprint.

Replace

In transitioning to cleaner alternatives, we prioritise replacing carbon-intensive activities with low or zero-carbon solutions, such as migrating to a fleet of hybrid/electric vehicles and introducing renewable energy sources like solar panels.

Offset

For the remaining emissions that are difficult to abate in the near term, we invest in high-quality carbon credits or nature-based solutions. This ensures residual emissions are addressed responsibly, in line with transparency and credibility standards for offsets.

- **Capability Building and Awareness:** Throughout 2024, PNB strengthened climate literacy and internal collaboration by:
 - Holding quarterly Sustainability Day events, featuring experts and ESG advocates.
 - Expanding our PNB Sustainability Taskforces, established in November 2023, to oversee net zero initiatives and drive cultural change.
 - Launching monthly ESG newsletters and initiating an ESG Competency Matrix pilot to ensure employees are equipped with the necessary climate-related skills.
- **Forward-Looking Plans:** Looking ahead, we will expand our decarbonisation efforts by reducing emissions from business travel, strengthening waste management practices, adopting green procurement, and introducing a sustainable branch model. These initiatives reflect our ongoing commitment to operational excellence and environmental responsibility for the long-term benefit of our unitholders.

Carbon Offsetting Strategy

- **Carbon credits:** PNB participated in the inaugural BCX auction in 2023 to show our support and spur more participation from local carbon credit producers.

Since then, PNB has kept abreast with the development surrounding carbon credits and has developed an enhanced internal carbon offsetting guideline aligned to developments in VCMi, ICVCM.

While remaining committed to our emission reduction goals, we may utilise high quality carbon credits to offset our hard-to-abate emissions, aligning to relevant carbon offsetting standards.

We are also working closely with industry partners to potentially develop our own source of carbon credits.

Chapter 5: Responsible Leadership

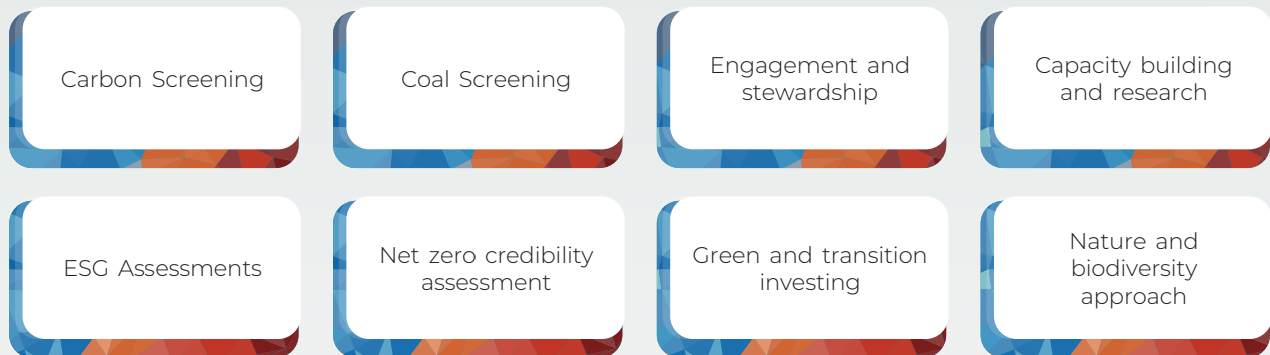
Portfolio Strategy

- **NZP by 2050:** PNB continues to decarbonise its investment portfolio. We have set short- and medium-term climate targets, including:
 - 70% of portfolio emissions to have credible net zero targets by 2030; and
 - 30% reduction in portfolio emissions intensity (vs. 2022) by 2030

Portfolio emissions can be a useful proxy to ascertain climate transition risks for several reasons:

1. **Understanding exposure to carbon intensive assets** – This enables us to gauge exposure to industries and companies that are particularly vulnerable to the shift towards a low carbon economy. Quantitative measurements provide a tangible way to identify assets and companies that are likely to face transition-related risks.
2. **Alignment with global Net Zero goals** – Tracking financed emissions allows us to assess how well our investment portfolio aligns with global and national climate targets and pathways.
3. **Strategic insights to realign investments** – Carbon tracking helps us to make strategic decisions to potentially realign investments towards lower carbon assets, mitigating long-term financial risks. Companies that do not transition towards lower carbon business models could potentially see lower profitability or devaluation in the long run.

- **Eight Decarbonisation Levers:** We calibrate strategies across different asset classes and geographies covering:



- **ESG Assessment Framework:** During pre-investment due diligence, we apply negative screening guided by our exclusion criteria, evaluate key ESG issues (e.g., climate, biodiversity, labour), and deploy our Carbon Barometer tool for emissions monitoring.
- **Investment Stewardship and Engagement:** In 2024, we scaled up climate-themed engagements with strategic and core investee companies, advocating for net zero target-setting, robust emission reductions, and improved climate disclosures. We regularly review their progress, holding them accountable to strengthen overall portfolio resilience.
- **Forward-Looking Resilience:** We plan to conduct scenario analyses and stress testing to better understand how various climate pathways might contribute towards material financial risks that we need to consider.

Risk Management

PNB recognises that climate risks can materially impact our long-term performance. As part of our ESG commitments, we have begun integrating climate considerations into our risk appetite. In addition, we have established KRIs to enable more comprehensive monitoring and management going forward. We adopt a risk-based approach, utilising a five-step risk assessment process to assess and manage climate risks, with a focus on the areas most material to PNB.



Three Lines of Defence

By defining clear roles and responsibilities for day-to-day risk owners, oversight functions, and independent assurance, the Three Lines of Defence functions to effectively identify, mitigate, and monitor climate-related threats within a common risk management system. This integrated approach ensures that every level of the organisation collaborates to safeguard PNB's sustainability objectives and long-term resilience.

First Line

Sustainability and Social Investments, ESG Investments, and relevant business units manage day-to-day climate and ESG risks, implementing controls and processes.

Second Line

Risk Management provides oversight for ESG and climate-related risk exposures, ensuring appropriate risk frameworks are in place to mitigate material ESG risks affecting PNB's risk profile.

Third Line

Internal Audit provides independent evaluations, ensuring governance structures and controls remain robust.

Managing Our Risks

At the enterprise level, physical climate hazards — such as floods, heatwaves, and storms — can disrupt operations, inflate costs, and pose safety challenges for PNB's workforce and assets. Meanwhile, as the economy transitions toward decarbonisation, evolving regulations (e.g., carbon pricing) and shifts in market sentiment may affect both our enterprise activities and our investment portfolio. These transition risks can increase compliance costs, undermine the viability of carbon-intensive assets, or accelerate demand for low-carbon alternatives.

To address these challenges, PNB integrates rigorous risk assessments into pre-investment screening, engages closely with investee companies on their Net Zero pathways, and proactively channels capital into green opportunities. To minimise operational disruptions and build capability to swiftly navigate uncertainties, we deployed an Incident Management Policy, which is closely linked to PNB's Business Continuity Management. By maintaining strong oversight and adapting our strategies, we minimise exposure to high-emission sectors while safeguarding PNB's operational continuity and portfolio resilience.

Chapter 5: Responsible Leadership

Having completed our double materiality exercise in 2024, PNB systematically evaluates both the financial materiality of climate change on our organisation (outside-in) and our wider environmental and social impacts (inside-out). Through this process, we identify how each of the material matters, along with their associated risks and opportunities, could qualitatively affect revenues, assets, and cost structures. Concurrently, the inside-out perspective helps identify how PNB's operations and investments influence broader sustainability outcomes. By integrating both dimensions, PNB can better prioritise actions, guide stakeholder engagement, and strengthen resilience, ultimately safeguarding value for the enterprise and the communities we serve.

By integrating climate factors into pre-investment due diligence covering areas including negative screening, ESG performance assessment and Carbon Barometer analysis, and actively engaging investee companies on climate objectives, we aim to mitigate PNB's exposure to high-emission assets while capitalising on emerging low-carbon opportunities.

Metrics and Targets

Aligned with TCFD, IFRS S2, and other guidelines — and in support of our NZE and NZP ambitions — PNB tracks and discloses key climate metrics that monitor our progress toward net zero targets:

GHG Emissions

We track Scope 1, 2, and selected Scope 3 emissions at enterprise level (purchased goods and services, capital goods, fuel and energy related activity, waste generated in operations, business travel, employee commuting) and financed emissions. These figures are disclosed alongside methodologies and assumptions.

Reduction Trajectories

We target a 30% reduction in portfolio emissions intensity by 2030 (relative to a 2022 baseline) and expect at least 70% of investee companies to set net zero targets by 2030.

Enterprise Assets Aligned with Climate-Related Opportunities

We report on the number of Enterprise assets aligned with climate-related opportunities, such as solar panels installed, EV chargers set-up, and the disclosure of our triple green platinum-rated building.

Capital Deployed to Climate-Aligned Assets

We report on our RM10 billion commitment towards green and transition assets by 2030, highlighting progress annually.

Additional Disclosures

We publish interim milestones, sector-level decarbonisation pathways, and high-level financial impacts of climate strategies, where feasible. We also plan to conduct scenario testing across multiple asset classes to improve the resilience of our investment decision-making.

PNB remains committed to enhancing transparency in its climate disclosures, ensuring stakeholders can evaluate our strategy, performance, and future preparedness in the face of climate change. By continuously refining our data quality, measurement approaches, and sector-level analysis, we seek to stay agile and proactive in addressing climate-related challenges and capturing opportunities.

Anti-Corruption and Whistleblower Protection

PNB reaffirms its unwavering commitment to integrity and ethical conduct, with ongoing efforts to strengthen its anti-corruption initiatives and whistleblower protection framework. In 2024, the organisation successfully retained its ISO 37001:2016 Anti-Bribery Management System certification, reflecting continued adherence to globally recognised standards in anti-bribery management.

All complaints and concerns were managed in line with established policies and procedures, ensuring a consistent, fair, and transparent resolution process.

This ongoing vigilance encompasses regular internal audits, training programmes on whistleblowing channels, and newly introduced compliance e-learning modules, aiming to uphold corporate integrity and a strong speak-up culture.

Data Protection, Cybersecurity and Responsible AI

PNB places strong emphasis on data protection, cybersecurity protocols, and responsible AI practices to safeguard sensitive information and ensure operational resilience. In 2024, significant investments were made in enhancing cybersecurity infrastructure and implementing responsible AI principles, resulting in cybersecurity incidents appropriately managed without critical impact to business operations.

This approach includes advanced monitoring tools, ongoing staff training in data security, and scenario-testing for potential cyber threats. PNB is also exploring AI-driven solutions for portfolio analysis, applying strict ethical guidelines to prevent bias and maintain trust.

As part of our efforts to strengthen PNB's cybersecurity posture, we launched a Security Orchestration, Automation, and Response project to standardise and automate incident response. We also subscribed to threat intelligence services to monitor cyber threats targeting our brand and assets, and partnered with CyberSecurity Malaysia for intelligence sharing. To ensure effectiveness, we track KRIs related to incident response and vulnerability management, with performance updates regularly shared with top management. Additionally, under Programme Himaya — our organisation-wide cybersecurity transformation initiative — we have introduced several key measures to align our practices with evolving industry standards and threat landscapes.

Chapter 5: Responsible Leadership

Sustainable Supply Chain Practices

PNB actively promotes sustainability across its supply chain by integrating ESG criteria into procurement processes and supplier evaluations. In 2024, our ESG efforts in the supply chain focused on assessing suppliers' exposure to social risks, particularly labour rights. Building on our 2023 progress — when we introduced our Labour Rights Policy to suppliers — we conducted a targeted survey of labour-intensive suppliers to establish a performance baseline. Aligned with international standards, the survey covers six key issues outlined in our policy to understand how suppliers manage these risks in their operations. This initiative supports PNB in identifying potential labour rights concerns and developing effective mitigation and due diligence measures moving forward. Following the survey, we incorporated the Labour Rights Policy into our tender documents to ensure all potential suppliers are informed of and committed to these standards. This also serves to raise awareness and promote a culture of compliance and accountability among suppliers — key steps in maintaining a sustainable supply chain and safeguarding workers' rights across our operations.

We strengthen community resilience, reduce supply chain carbon footprints, and enhance socio-economic value within our operational geographies. Moving forward, we will continue supporting sustainable economic development aligned with our broader ESG objectives.

Through structured assessments and stakeholder feedback, PNB encourages suppliers to align with national and global best practices. Future plans include targeted workshops and incentive mechanisms to encourage greater supplier compliance, boosting resilience and integrity throughout the entire value chain.

Corporate Governance Overview Statement

Corporate Governance At PNB

PNB recognises the critical importance of fostering a culture characterised by transparency, accountability, and integrity. In light of the current dynamic market landscape, adhering to the highest standards of corporate governance is imperative. Despite not being publicly listed, PNB remains committed to aligning with the key principles outlined in the MCCG ("the Code") (2021).



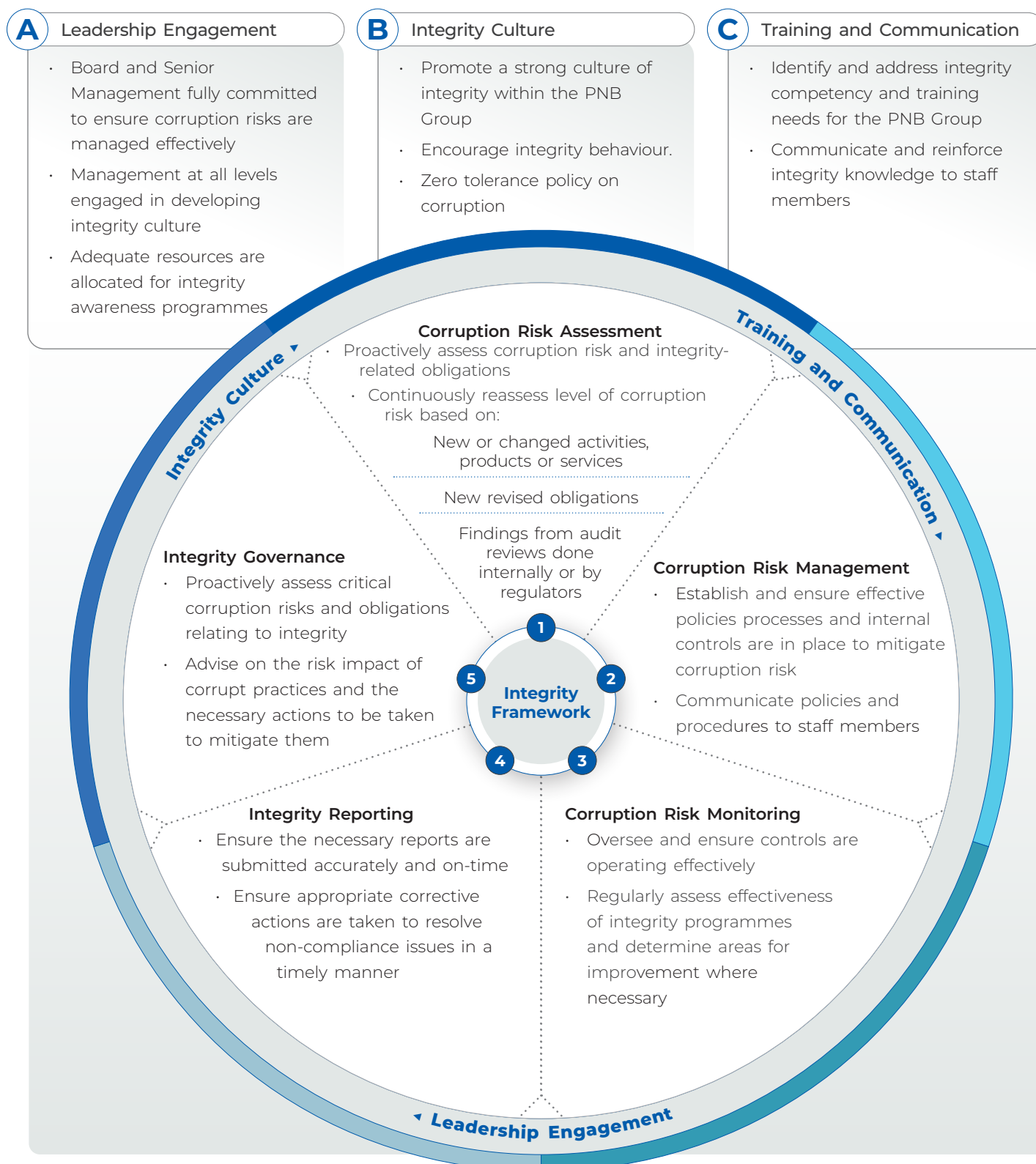
The sustainability and growth of PNB are intricately tied to the diligent execution of the Board of Directors' essential roles. These encompass setting and monitoring strategic business objectives for the PNB Group, alongside reviewing policies and procedures to ensure alignment with principles of integrity and accountability. The Board oversees the adequacy of internal control systems, management information systems, and compliance with applicable laws, ensuring a robust foundation for operations. Additionally, the Board plays a critical role in monitoring Management's performance and reviewing succession planning to maintain leadership continuity. It assesses the implementation of risk management systems to safeguard the interest of the organisation and shoulders the responsibility of setting sustainability commitments and targets, overseeing PNB's sustainable investment strategy, and defining guiding beliefs and principles. This oversight extends to reviewing progress reports on sustainability, including commitments to reducing carbon footprint.

Additionally, the Board takes cognisance of the enforcement of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act") which came into force on 1 June 2020. PNB, being one of the largest fund management companies, is at the forefront in ensuring that all the adequate procedures in corruption prevention are in place.

Various initiatives have been undertaken in creating awareness of this new provision by organising talks and seminars featuring local and international speakers for the Board, Senior Management, and staff members. PNB has also established the Whistleblowing Policy, and the Integrity Charter and Framework. As part of its continuous efforts in ensuring full compliance with this provision under the MACC Act, PNB is strengthening its policies and procedures involving Anti-Bribery Management System, Corruption Risk Management and CoBE, amongst others.

Corporate Governance Overview Statement

Integrity Charter and Framework of the PNB Group



Board Charter

The Board Charter sets out the Board's strategic intent, authority and Terms of Reference ("ToR") and serves as a primary source of reference and induction literature.

The Board Charter identifies clearly, the issues and decisions reserved for the Board.

For individual Directors, the Board Charter also outlines what is expected of them in terms of commitment, roles and responsibilities as Directors.

While appropriately delegating its authority to Board Committees or Management, the Board does not abdicate its responsibility and exercises at all times, collective oversight of them. The Board further ensures that it does not leave the affairs of Management to the Board Committees and that the Directors remain responsible for the exercise of such powers.

Board Governance and Structure or Framework

PNB is helmed by a Board whose Directors are collectively responsible for creating and delivering long-term sustainable value for its stakeholders and who ensure that the Mandate from the Government is upheld and protected. It is important for the Board to have a clear understanding of their roles and responsibilities. The Board is led by the Group Chairman and is supported by the PGCE together with other Board members with a wide range of expertise. The Chairman of the Board is responsible for instilling good governance practices, leadership and effectiveness of the Board. The respective responsibilities of the Group Chairman and PGCE, as well as the Board, its Committees and Management are clearly demarcated in the Board Charter.

Corporate governance plays a critical role in promoting sustainability and value-creation by providing the necessary framework for accountability, transparency and integrity within the PNB Group.

Our governance structure ensures clarity of role by demarcating tasks and areas of accountability, while recognising at the same time, the independent roles and duties required to govern effectively, the Group's business. Our structure illustrates the oversight role of the Board and the various components of governance which facilitate the interaction between the Board and Management. It further aims to promote alignment across the Group whilst facilitating efficient decision-making at all levels.

PNB prioritises good governance as fundamental to our long-term success, driven by our responsibility to our stakeholders, including unitholders.

The governance structure and its processes, are built upon the ToR of the Board Committees which are complemented by Authority Limits and supported by the various management committees, policies and procedures.

Corporate Governance Overview Statement



Board Leadership and Effectiveness

The Role of The Board

The Board exercises collective oversight of PNB at all times. The Board provides effective stewardship and is responsible for the strategic direction and control of PNB. The Board exercises this control by way of a governance framework, effective delegation, risk management and a system of internal controls.

The Board has primary responsibility for the governance and risk management of PNB as well as fiduciary responsibility for its financial and organisational health.

Each Director has a duty to act in good faith and in the best interest of the company with reasonable care, skills, and diligence in discharging its roles and duties effectively, the Board is guided by the Board Charter.

Amidst an increasingly challenging global business environment, where an organisation's sustainability practices are typically analysed to reduce adverse environmental and social impacts, the Board strives to strengthen PNB Group's corporate governance practices and processes to meet increasingly operating challenges.

The Board continuously assesses and manages emerging risks and opportunities through effective controls to ensure long-term sustainability development and growth.

The Board is cognisant of the critical role it plays in upholding high ethical standards, ensuring legal compliance and protecting the organisation from actual wrongful loss. The Board exercises diligent oversight, establishes robust internal controls and imbues a culture of integrity at all levels of the organisation.

The Board sets, oversees and approves the overall strategic objectives, direction and performance of PNB, with some strategic oversight delegated to Board Committees. Accordingly, the Board is responsible for formulating PNB Group's strategy, making policy and plans and providing accountability. This involves the execution of the approved strategies by Management and ensuring alignment with PNB's vision and mission.

The differing roles of the Group Chairman and the PGCE as well as the Board, its Committees and Management are clearly demarcated and provided for in the Board Charter.

Together with Management, the Board upholds good corporate governance culture within the Company by ensuring ethical leadership, prudent and professional behaviour in the conduct of its business and in all aspects of its operations.

Board Key Focus Areas and Priorities

Key Focus Areas in 2024

In September 2023, the Board had approved the initial LEAP 6 Strategic Plan 2024 to 2026. LEAP 6 focused on six key pillars in driving the next phase of the continuing transformation of PNB, namely: Unit Trust, Investment, Efficiency, Knowledge, Innovation, and Sustainability.

LEAP 6 was anchored on the following Mandate, renewed Purpose, and refreshed values:

- (i) Mandate: To enhance the economic wealth of the Bumiputera community and all Malaysians for the prosperity of the nation.
- (ii) Purpose: To uplift the financial lives of Malaysians, across generations.
- (iii) Values: B.R.A.V.E.: Bold-Responsible-Agile-Visionary-Empowering.

In view of LEAP 6, the key focus area for the Board in 2024 was to exercise effective oversight over Management's implementation of LEAP 6. The implementation of LEAP 6 was built around the six (6) key pillars, with each pillar forming its own programme, and each programme having its own set of key benefits and milestones to be achieved over the three-year period. The progress of each of the six (6) programmes would then be reported to the Board, which took place in the first half of 2024.

With the transition in the leadership of PNB, Management had undertaken a strategic review of LEAP 6, involving detailed diagnostics of the key issues faced by PNB, particularly around its sales and distribution business, its investment portfolio, and PNB's own sustainability as an

Board Key Focus Areas and Priorities (continued)

Key Focus Areas in 2024 (continued)

enterprise. This strategic review led to the introduction of a refined LEAP 6 Strategic Plan 2025 to 2027 ("Refined LEAP 6"), which was deliberated upon and approved by the Board in October 2024. Under the Refined LEAP 6, the first three (3) LEAP 6 pillars particularly were further refined, with the first pillar being renamed as the Sales and Distribution pillar and the third pillar renamed as the PNB Co Transformation pillar, while the strategy with regards to the Innovation pillar was pivoted to focus efforts more on internal innovation, particularly surrounding Sales and Distribution activities. The Knowledge and Sustainability pillars remained intact, continuing with the good progress already being made on both fronts. The Refined LEAP 6 remains anchored on the same Mandate, Purpose and values, with an explicit focus as well on good governance and robust internal controls as the base institutional hygiene for PNB, which should be upheld at all times.

As part of the development of the Refined LEAP 6, the Board also deliberated upon and approved detailed strategic plans for the Sales and Distribution Pillar, a review of the SAA for PNB and its UTF, as well as a strategic plan for PNB at enterprise level.

With the Refined LEAP 6, the focus of the Board at the end of 2024 therefore shifted to the first phase of its implementation, starting with the Budget and Business Plan in November 2024, as well as detailed Sales plans, and detailed plans for the respective asset classes under PNB's portfolio.

Key Focus Areas in 2025

For 2025 therefore, the Board's key focus shall be on the implementation of the Refined LEAP 6. The implementation of the Refined LEAP 6 has also been further enhanced, with a total of 22 programmes being identified for implementation across the six (6) pillars of Refined LEAP 6, as well as an additional four (4) governance-related programmes, making up a total of 26 programmes which are being tracked and monitored closely.

Each of the 26 programmes will involve specific plans that will be tabled to the Board for its deliberation and guidance. Furthermore, the progress of the 26 programmes will be updated on a quarterly basis to the Board, and will form part of the Board's overall assessment of the performance of the organisation at year-end. In addition, the Board has set aside time for specific focused offsite sessions to deliberate on key strategic issues arising from the Refined LEAP 6, as well as to deliberate at year end on the Budget and Business Plan for the upcoming financial year 2026.

Corporate Governance Overview Statement



Board Leadership and Effectiveness *(continued)*

Board Commitment to Sustainability

1 Board Oversight and Governance

- ESG oversight ultimately starts with the Board and Senior Management, being the apex of corporate leadership. The Board, as the highest authority in sustainability governance has oversight in the establishment of PNB Group's sustainability approach, strategy and targets.
- PNB's sustainability journey is shaped by five (5) key guiding beliefs to ensure the approach undertaken is consistent, robust and transparent, as well as 10 ESG Commitments, following the launch of our sustainability framework two (2) years ago.
- PNB's Sustainability Policy is anchored on its Mandate to enhance the economic wealth of the Bumiputera community and all Malaysians for the prosperity of the nation.
- PNB's Sustainability Policy was formalised to ensure the effective implementation of ESG initiatives across the PNB Group and investment portfolio. We have also enhanced transparency pertaining to ESG performance and initiatives and aligned our sustainability reporting with the recommendations of the TCFD.
- PNB Group's business and sustainable goals are aligned through our sustainability framework to ensure we create value for each of our priority material issues. The sustainability goals will drive our sustainability performance throughout the PNB Group's business and strengthen our commitment to creating long-term value for all stakeholders.
- ESG issues are business imperatives as we commit to become more resilient, agile and sustainable. The Board ensures that embedding ESG is not undertaken in isolation and is at the core of how we identify challenges, risks, and opportunities. The Board's actions and decisions reflect a commitment to the highest standards of ESG proactivity.
- Accordingly, ESG considerations are embedded into all parts of the organisation. Embedding ESG into all decision-making allows us to augment our efforts in identifying opportunities for value-creation and managing ESG risks.
- Robust processes, controls and governance are in place to ensure transparent disclosures. The Board is responsible for overseeing the effectiveness of policies, procedures and systems in place for ESG monitoring and reporting.

For more information on PNB's Sustainability Governance Structure and PNB's Sustainability Framework, please refer to pages 125-127.

For more information on PNB's Sustainability Policy, please visit our website at www.pnb.com.my

2 Frequency

- The Board convenes on a quarterly basis to discuss matters related to sustainability and climate risks and opportunities. Throughout 2024, key sustainability issues, including the progress of our 10 ESG Commitments, were extensively discussed and periodically updated at every Board meeting through an ESG dashboard. These meetings emphasised the implementation of sustainability project and initiatives that contribute to the PNB Group progress towards these targets.

3 Board Skills and Competencies

- The Board actively participate in ESG-related trainings to ensure their expertise and strategic initiatives remain aligned with current developments and emerging challenges. In 2024, the Board attended various workshops, forums, and conferences, allowing them to stay abreast of the latest developments in sustainability. These engagements provide valuable insights, enabling the Board to align its strategies with current best practices and navigate the complex challenges associated with climate change and environmental responsibility.

For more information of the list of ESG-related trainings attended by the Board, please refer to Training and Development of Directors section on pages 197-206.

4

Board Sustainability Strategy

- The Board take cognisance all aspects of climate change that can affect the Group and strives to manage the full spectrum of climate-related risks by integrating them into our corporate strategies. We are committed to managing our climate-related risks and environmental impact that could be a consequence from our operations. PNB intends to become a NZE by 2025 and a NZP by 2050. We have to date, successfully reduced our Enterprise Scope 1 & 2 greenhouse gas emissions by 98% and enhancing tracking and reduction of our Enterprise Scope 3 emissions.
 - To ensure a climate-resilient investment portfolio, PNB is also exploring the use of internal carbon pricing mechanism to support our investment decision-making process.
 - PNB will continue its efforts to achieve our ESG commitments by enhancing engagements with investee companies and collaborating with other investors.
 - Going forward, there will be more great focus on nature and biodiversity considerations, as we acknowledge that nature-related risks have become a critical concern alongside climate change.
 - Labour rights continue to be a focus area in our stewardship engagements with investee companies. The well-being of our employees and various other stakeholders is crucial to sustaining our long-term performance. The Board considers social capital as one of the most important assets that we have which enables us to work towards the sustainable growth of the capital market. We deem their integration as component of the Board's fiduciary responsibility.
- For more information on PNB's 10 ESG Commitments, please refer to our Sustainability Statement on pages 125-127.

Board Balance and Composition

As at the date of this report, the Board consists of nine (9) members, comprising one (1) Non-Independent Non-Executive Director, one (1) Non-Independent Executive Director and seven (7) Independent Non-Executive Directors ("INED"). The profiles of the Directors are set out on pages 47 to 51 of this Integrated Report.

During the year under review, Dato' Abdul Rahman Ahmad was appointed as the PGCE with effect from 1 July 2024.

The size and composition of the Board is imperative to its success in providing strong and effective leadership. The Board composition has a blend of skills, experience, and knowledge which enables them to provide effective oversight, strategic guidance and constructive challenge, review and deliberation on Management's proposals.

The Nomination and Remuneration Committee ("NRC") is responsible for reviewing the composition of the Board and assessing whether the balance of skills, experience, knowledge, and independence is appropriate to enable the Board to perform effectively as a high performing Board.

The strong presence of a majority of INEDs provides effective checks and balances in the decision-making of the Board. It also ensures that no individual or small group of Directors can dominate the decision-making process and that the interests of unit holders and stakeholders are protected. The Board members are able to carry out their duties and provide an unfettered and unbiased independent judgement to promote good corporate governance.

Appointment of Directors

The NRC plays a pivotal role in the screening and selection of high-quality candidates for Board directorships. The responsibility to develop and deliberate on the selection criteria based on competencies and attributes necessary for the position lies with the NRC. The selection of individuals with the required mix of skills and experience, be it industry, operations, or sustainability is paramount in order for the Board to be able to provide clear and effective leadership whilst inculcating healthy governance practices. Potential candidates are selected from diverse backgrounds in order to ensure only those with the right mix of capabilities, expertise, and experience are chosen. The composition of the Board is also reviewed regularly to ensure effective contribution to the Board's deliberation.

Corporate Governance Overview Statement



Board Leadership and Effectiveness *(continued)*

Board Committees

The Board has established a structured schedule that exclusively reserves certain matters for its approval. Concurrently, it has delegated specific responsibilities to its Committees, each with well-defined functions that are clearly outlined in their respective ToR.

The Board has established eight (8) Board Committees to support the Board in discharging its oversight function and to ensure appropriate checks and balances are in place when dealing with specific functions or areas.

Each Committee operates under distinctly defined ToR delineating its scope and obligations. Each Committee is authorised by the Board to deal with and deliberate on matters delegated to them as defined within their ToR. The Chairman of each Committee reports on the items discussed and actions taken at their meetings to the Board following each meeting. Each Committee reviews its own ToR and works with the Board to make necessary adjustments, as required. The Board may, from time to time, establish and maintain additional committees as

required. Notwithstanding the above, the ultimate responsibility for decision-making still lies with the Board.

The Committees under the purview of the Board are as follows:

- ▶ Nomination and Remuneration Committee of the Board of Directors of PNB
- ▶ Investment Committee of the Board of Directors of PNB
- ▶ Audit Committee of the Board of Directors of PNB
- ▶ Risk Management Committee of the Board of Directors of PNB
- ▶ Compliance Committee of the PNB Group of the Board of Directors of PNB
- ▶ Tender Committee of the Board of Directors of PNB
- ▶ Technology Committee of the Board of Directors of PNB
- ▶ Shariah Advisory Committee of PNB

Board Independence

Board decisions are made taking into account the views of the INEDs which carry substantial weight. INEDs fulfil their roles in ensuring that strategies proposed by Management are deliberated and examined taking into account the interests of unitholders and the broad group of stakeholders. Their role is also particularly critical for related party transactions as these require independence of judgement and objective impartiality.

The Board also believes that each INED has retained his or her independence throughout his or her tenure and had not under any circumstances formed any association that might compromise his or her ability to exercise independent judgement that could ultimately affect the interest of the stakeholders.

Board Assessment

PNB adopts Board assessments as part of our ongoing commitment to upholding the highest standards of corporate governance in line with the recommendation of the Code.

Conflict of Interest

In ensuring transparency and integrity of the decision-making process and preventing any conflict of interest, an integrity declaration would need to be declared by the Directors prior to every Board meeting. A Director who has direct or indirect interest in a transaction shall recuse himself or herself when required and abstain from participating in deliberations and voting to allow unbiased and free discussions and decision-making. Disclosure of the nature and extent of the Directors' interest and abstention from decision-making proceedings are recorded in the minutes of the Board or Board Committee meetings.

Group Company Secretary

The Group Company Secretary is suitably qualified to act as company secretary by virtue of Section 235 of the Companies Act 2016 and competent to support the Board in providing sound governance advice, ensuring adherence to rules and procedures, and advocating adoption of corporate governance best practices.

The Group Company Secretary acts as an important link between the Board and the business of PNB Group. Through effective communication the Group Company Secretary provides Management with an understanding of the expectations and value brought by the Board.

The Group Company Secretary also keeps herself abreast of evolving statutory changes and developments in corporate governance through continuous training.

Access to Information and Advice

The Board and its Committees have unrestricted access to the advice and services of the officers and employees of PNB and may engage independent third parties as deemed necessary, in discharging their duties and fulfilling their obligations, at the expense of the Company.

Board Meetings

The Board meets on a quarterly basis and additional meetings are held when circumstances dictate, such as; to approve corporate proposals, strategic business plans and direction, or any other matters that require the Board's decision. For any matters requiring urgent Board decision and approvals during the intervals between Board meetings, circular resolutions are submitted to the Directors together with all relevant information and explanation required for an informed decision to be made. All circular resolutions by the Board are tabled to the next Board meeting for notation.

Each Director has full access to the Group Company Secretary who plays an advisory role to the Board.

Each meeting is conducted in accordance with a formal and structured agenda and Board papers are circulated in time to ensure that Directors are well-informed and that debates and decisions are robust and constructive.

Access to Board papers is provided online through a collaborative software, BoardPac System, with the aim of enhancing the efficiency of the Board process. Going digital allows the Directors to access, read, and review the Board papers and be instantly updated of any revision to papers that would be tabled to the meeting.

During the year under review, the Board met ten (10) times, all of which were conducted physically. The Board is pleased with the level of commitment by all the Directors in discharging their responsibilities.

The Board practices open and robust discussions at its meetings to ensure that opportunities are given to all Directors to participate and contribute to the decision-making process.

The Chairs of the Audit Committee (AC), NRC, Technology Committee, Compliance Committee (CC), and Risk Management Committee (RMC) provide regular updates to the Board after the proceedings of their respective Committee meetings.

The Board deliberates on matters tabled before it, and in the process, assesses the viability of corporate proposals and the principal risks that may have a significant impact on PNB's business or on its financial position as well as the mitigating factors.

All proceedings of Board meetings are duly minuted, confirmed and signed. Minutes of each Board meeting accurately reflect the deliberations and decisions of the Board, including any dissenting views and if any Directors had abstained from voting or deliberating on a particular matter. Minutes of Board meetings are properly kept by the Group Company Secretary.

Corporate Governance Overview Statement



Board Leadership and Effectiveness *(continued)*

Board Attendance

Particulars of the Board Meetings held during the year under review are set forth below:

Date	Total Board Members	Attendance by Board Members
16 February 2024	9	8/9
7 March 2024	8	8/8
13 March 2024	8	7/8
20 March 2024	8	7/8
4 June 2024	8	8/8
22 July 2024	8	8/8
25 September 2024	9	8/9
21 October 2024	9	8/9
28 November to 29 November 2024	9	7/9
3 December 2024	9	8/9

Details of Attendance

A record of the Directors' attendance at the meetings of the Board during the year under review is set out below:

Members of the Board	Status	Attendance
Raja Tan Sri Dato' Seri Arshad Raja Tun Uda	Group Chairman/ Non-Independent Non-Executive	10/10
Dato' Abdul Rahman Ahmad <i>(Appointed with effect from 1 July 2024)</i>	President & Group Chief Executive/ Non-Independent Executive	5/5
Tan Sri Datuk Zainun Ali	Independent Non-Executive	9/10
Datuk Dr. Mohd. Yaakub Haji Johari	Independent Non-Executive	10/10
Datu Haji Soedirman Haji Aini	Independent Non-Executive	10/10
Dato Dr. Nik Ramlah Nik Mahmood	Independent Non-Executive	10/10
Dato' Johan Ariffin	Independent Non-Executive	10/10
Datin Norazah Mohamed Razali	Independent Non-Executive	10/10
Datuk Johan Mahmood @ Johan Mahmood Merican	Independent Non-Executive	3/10

With the changes to the composition of the Board, effective thereon the composition of the Board as at the date of this report is as follows:

Members of the Board	Status
Raja Tan Sri Dato' Seri Arshad Raja Tun Uda	Group Chairman/ Non-Independent Non-Executive
Dato' Abdul Rahman Ahmad (Appointed with effect from 1 July 2024)	President & Group Chief Executive/ Non-Independent Executive
Tan Sri Datuk Zainun Ali	Independent Non-Executive
Datuk Dr. Mohd. Yaakub Haji Johari	Independent Non-Executive
Datu Haji Soedirman Haji Aini	Independent Non-Executive
Dato Dr. Nik Ramlah Nik Mahmood	Independent Non-Executive
Dato' Johan Ariffin	Independent Non-Executive
Datin Norazah Mohamed Razali	Independent Non-Executive
Datuk Johan Mahmood @ Johan Mahmood Merican	Independent Non-Executive

The key functions of each Board Committee as well as the membership and attendance at meetings during the year under review are set out below:

Nomination and Remuneration Committee

The NRC assists the Board in fulfilling its oversight responsibilities by identifying and recommending suitable candidates for appointment to the Board and operating subsidiary companies, as well as strategic, core, controlled, and minority Investee Companies. This Committee also identifies and recommends suitable candidates for the appointment of Presidents/Managing Directors/Chief Executive Officers of PNB, operating subsidiary companies, strategic, core, controlled, and minority Investee Companies, as well as key management of PNB. In selecting candidates, the NRC follows an established policy and process, whereby it considers, among other factors, the integrity, skills, knowledge, and experience of the candidate.

The NRC also assists the Board in ensuring the remuneration of Directors and management of PNB and its operating subsidiary companies is fair and competitive whilst giving due regard to the interests of all stakeholders. The NRC further ensures that the necessary

policies on appointment and remuneration for the Directors and staff members of PNB and its operating subsidiary companies are in place.

The NRC comprises the following four (4) Non-Executive Directors, all of whom are INEDs:

Members	Status	Attendance
Datu Haji Soedirman Haji Aini (Chairman)	Independent Non-Executive	5/5
Datuk Dr. Mohd. Yaakub Johari	Independent Non-Executive	5/5
Datin Norazah Mohamed Razali	Independent Non-Executive	5/5
Datuk Mohd. Anwar Yahya	Independent Non-Executive	5/5

Directors' Remuneration

The remuneration payable to the Non-Executive Directors of PNB for the financial year ended 31 December 2024 was RM1,869,110.00, comprising fees and other emoluments.

Corporate Governance Overview Statement



Board Leadership and Effectiveness (continued)

Investment Committee

The IC assists the Board in formulating plans and strategies, and approving the selection of investments for the investment portfolio of PNB and the UTF under the management of PNB, subject to the limits of authority given by the Board.

The Committee also considers any proposal for mergers and acquisitions.

Members	Status	Attendance
Raja Tan Sri Dato' Seri Arshad Raja Tun Uda (Chairman)	Non-Independent Non-Executive	12/12
Tan Sri Dr. Nik Norzrul Thani N. Hassan Thani	Independent Non-Executive	12/12
Dato' Johan Ariffin	Independent Non-Executive	12/12
Datin Norazah Mohamed Razali	Independent Non-Executive	7/7
Dato' Abdul Rahman Ahmad (Appointed with effect from 1 July 2024)	Non-Independent Executive	6/6

With the changes to the composition of the IC, effective thereon its composition as at the date of this report is as follows:

Members	Status
Raja Tan Sri Dato' Seri Arshad Raja Tun Uda (Chairman)	Non-Independent Non-Executive
Tan Sri Dr. Nik Norzrul Thani N. Hassan Thani	Independent Non-Executive
Dato' Johan Ariffin	Independent Non-Executive
Datin Norazah Mohamed Razali	Independent Non-Executive
Dato' Abdul Rahman Ahmad	Non-Independent Executive

Audit Committee

The primary function of the AC is to assist the Board in its independent oversight of the adequacy and effectiveness of the internal control environment and oversee the compliance with the relevant rules and regulations. The AC reviews the adequacy and integrity of the audit engagement undertaken by both external and internal auditors for every financial year. The accounting policies to be adopted by Management are reviewed periodically to ensure conformance to the applicable Accounting Standards.

Further details on the composition and activities of the AC are set out in the Audit Committee Report on page 217 of this Integrated Report.

Members	Status	Attendance
Datuk Mohd Anwar Yahya (Chairman)	Independent Non-Executive	11/11
Datu Haji Soedirman Aini	Independent Non-Executive	8/11
Tan Sri Dr. Nik Norzrul Thani N. Hassan Thani	Independent Non-Executive	10/11
Datin Norazah Mohamed Razali	Independent Non-Executive	4/4

Risk Management Committee

The RMC reviews and recommends to the Board the risk management philosophies, policies, and mitigation strategies as proposed by Management to manage the principal risks of the PNB Group, and to oversee and approve the development and maintenance of the integrated risk management framework of PNB Group. Further details on the composition and attendance of members of the RMC are set out in the Statement of Risk Management and Internal Control on pages 240 to 255 of this Integrated Report.

The RMC comprises the following four (4) members, all of whom are INEDs:

Members	Status	Attendance
Dato Dr. Nik Ramlah Nik Mahmood (Chairman)	Independent Non-Executive	6/6
Tan Sri Dr. Nik Norzrul Thani N. Hassan Thani	Independent Non-Executive	6/6
Datuk Mohd. Anwar Yahya	Independent Non-Executive	5/6
Datin Norazah Mohamed Razali	Independent Non-Executive	6/6

Compliance Committee

The CC was set up to determine, approve, review, and monitor the Compliance and Integrity Work Plans of the Compliance Team and Integrity Team of PNB. The CC convenes quarterly to evaluate and review the findings of the compliance report and to make recommendations in respect thereof. The structure of the overall compliance function of the PNB Group will be reviewed as and when it is deemed necessary.

Further details of the composition and attendance of members of the CC and PNB's Compliance Programmes are set out in the Statement on Corporate Compliance and Integrity on pages 225 to 226 of this Integrated Report.

With the changes to the composition of the CC, effective thereon its composition as at the date of this report is as follows:

Members	Status	Attendance
Tan Sri Datuk Zainun Ali (Chairman)	Independent Non-Executive	5/6
Dato' Abdul Rahman Ahmad (Appointed with effect from 1 July 2024)	Non-Independent Executive	2/3
Dato Dr. Nik Ramlah Nik Mahmood	Independent Non-Executive	6/6
Datuk Dr. Mohd. Yaakub Haji Johari	Independent Non-Executive	6/6

Members	Status
Tan Sri Datuk Zainun Ali (Chairman)	Independent Non-Executive
Dato' Abdul Rahman Ahmad	Non-Independent Executive
Dato' Dr. Nik Ramlah Nik Mahmood	Independent Non-Executive
Datuk Dr. Mohd. Yaakub Haji Johari	Independent Non-Executive

Corporate Governance Overview Statement



Board Leadership and Effectiveness (continued)

Tender Committee ("TC")

The TC assists the Board in considering tenders and quotations for all assets, supplies, and services for the PNB Group valued above RM2 million.

Members	Status	Attendance
Tan Sri Dr. Nik Norzrul Thani N. Hassan Thani (Chairman)	Independent Non-Executive	5/5
Dato Dr. Nik Ramlah Nik Mahmood	Independent Non-Executive	5/5
Dato' Abdul Rahman Ahmad (Appointed with effect from 1 July 2024)	Non-Independent Executive	2/2

With the changes to the composition of the TC, effective thereon its composition as at the date of this report is as follows:

Members	Status
Tan Sri Dr. Nik Norzrul Thani N. Hassan Thani (Chairman)	Independent Non-Executive
Dato Dr. Nik Ramlah Nik Mahmood	Independent Non-Executive
Dato' Abdul Rahman Ahmad	Non-Independent Executive

Technology Committee ("TeC")

The TeC assists the Board in overseeing the governance and implementation of technology related matters of the PNB Group. The TeC shall meet at least once in every quarter or as frequently as circumstances dictate. The TeC shall have the authority to deliberate and approve on matters within its powers, duties and responsibilities as set out in its ToR or such other authority as may be determined by the Board from time to time.

Members	Status	Attendance
Datin Norazah Mohamed Razali (Chairman)	Independent Non-Executive	2/2
Encik Faisal Ariff Rozali Wathooth	Independent Non-Executive	2/2
Dato' Abdul Rahman Ahmad (Appointed with effect from 1 July 2024)	Non-Independent Executive	2/2
Encik Redza Goh Abdullah @ Goh Aik Meng (Appointed with effect from 23 August 2024)	Independent Non-Executive	2/2

With the changes to the composition of the TeC, effective thereon its composition as at the date of this report is as follows:

Members	Status
Datin Norazah Mohamed Razali (Chairman)	Independent Non-Executive
Encik Faisal Ariff Rozali Wathooth	Independent Non-Executive
Dato' Abdul Rahman Ahmad	Non-Independent Executive
Encik Redza Goh Abdullah @ Goh Aik Meng	Independent Non-Executive

Shariah Advisory Committee (“SAC”)

The SAC was set up in order to give advice as well as opinions and guidance on matters pertaining to Shariah compliance issues for the investments made by PNB, and to assist PNB to always comply with Shariah principles. The SAC convenes every quarter to review the Shariah compliance status of the investment of PNB and the UTF under the management of PNB and to discuss and approve the proposals according to the Shariah requirements matters. Further details on the composition and attendance of members of the SAC are set out in the Shariah Advisory Committee Report on page 225 of this Integrated Report.

Members	Status	Attendance
Datuk Professor Dr. Mohamad Akram Laldin (Chairman)	Independent Non-Executive	4/4
SS Dato’ Haji Mohamad Shukri Mohamad (Dato’ Kaya Perba)	Independent Non-Executive	4/4
Dato’ (Dr.) Haji Nooh Gadot	Independent Non-Executive	4/4
Dr. Aida Othman	Independent Non-Executive	4/4
Professor Dr. Ashraf Md Hashim (Appointed with effect from 13 March 2024)	Independent Non-Executive	3/3
Encik Wan Abdul Rahim Kamil Wan Mohamed Ali (Deceased on 5 August 2024)	Independent Non-Executive	3/3

With the changes to the composition of the SAC, effective thereon its composition as at the date of this report is as follows:

Members	Status
Datuk Professor Dr. Mohamad Akram Laldin (Chairman)	Independent Non-Executive
SS Dato’ Haji Mohamad Shukri Mohamad (Dato’ Kaya Perba)	Independent Non-Executive
Dato’ (Dr.) Haji Nooh Gadot	Independent Non-Executive
Dr. Aida Othman	Independent Non-Executive
Professor Dr. Ashraf Md Hashim	Independent Non-Executive

Corporate Governance Overview Statement



Board Leadership and Effectiveness *(continued)*

Communication with Stakeholders

The Board recognises the importance of ensuring that its stakeholders are well informed and updated on the PNB Group's developments. PNB discloses regular updates on its investment activities, including its overall asset allocation, AUM, consolidated coterminous proforma income, and developments pertaining to the execution of its Strategic Plan. Through its official website at www.pnb.com.my, members of the public may also access up-to-date information on PNB. In recent years, PNB has also begun sharing news and updates via social media channels namely, Instagram, Facebook and LinkedIn to reach different segments of society.

The Board is committed to providing a fair, objective, and meaningful assessment of the financial position and prospects of the PNB Group in the quarterly financial results, annual financial statements, integrated report, and all other reports to the shareholder, employees, unitholders, investee companies, regulatory authorities, and other key stakeholders.

Risk Management and Internal Control

The Board maintains a reliable system of risk management and internal control to safeguard the interest of PNB and the unitholders.

In discharging of its responsibility to effectively manage risks across the PNB Group, determining its risk appetite, and ensuring the implementation of adequate and appropriate controls, the Board reviews its risk management processes and internal control procedures to ensure a sound system of risk management and internal control to safeguard the PNB Group's investments and assets.

Apart from having oversight of the PNB Group's risk management, internal control and financial reporting, the RMC also ensures the required in-depth review into specific financial, operational and regulatory areas of the PNB Group's business.

The Statement on Risk Management and Internal Control is set out on pages 240 to 255 of this Integrated Report.

Whistleblowing and Chinese Wall Policy

In line with the Whistleblower Protection Act 2010, and good corporate governance practices, PNB encourages all concerned parties to highlight any improper conduct without fear of detrimental action, victimisation, or discriminatory treatment to promote a greater level of transparency and accountability. PNB's Whistleblowing Policy facilitates disclosures of improper conduct relating to wrongdoings, malpractices, misdemeanours, illicit dealings, offensive behaviour, indiscipline, violation of established practices or procedures, or any action harmful to the reputation and interest of PNB.

The Chinese Wall Policy is intended, inter alia, to shield and protect the PNB Group against committing an insider trading offence. It is therefore imperative that secrecy arrangements be implemented through the Chinese Wall. Directors, IC members and all staff of the PNB Group are required to sign a Declaration of Interest with respect to acquisition/purchase/sale of Securities of Companies in a prescribed Declaration of Interest form.

Training and Development of Directors

The Board acknowledges the importance of continuing education for its Directors to ensure they are equipped with the necessary skills and knowledge to perform their functions and meet specific industry challenges. The Board therefore continually assesses the training needs of each Director. During the financial year, all the Board members attended numerous training programmes and workshops on various current issues relevant to PNB, to update themselves on new legal and regulatory developments.

Training programmes, conferences and forums attended by the Directors during the year under review are as follows:

Tan Sri Dato' Seri Raja Arshad Raja Tun Uda

Training Programmes Attended	Category	Organiser/Speaker	Date
1. Permodalan Nasional Berhad ("PNB") – Cybersecurity	Information and Technology	KPMG/CISCO	1 January 2024
2. PNB Tea Talk Series #1 2024: Up Close & Personal with Datuk Johan Mahmood Merican	Leadership Management	PNB Research Institute Sdn. Berhad ("PNB RI")/ Datuk Johan Mahmood Merican	30 January 2024
3. 2024 PNB Board and Leadership Compliance Training	Leadership Management	PNB	29 April 2024
4. PNB - Global Outlook for Anti-Money Laundering and Combating the Financing of Terrorism ("AMLCFT") and Targeted Financial Sanctions ("TFS") in 2024	Compliance	Securities Commission of Malaysia	29 April 2024
5. PNB – Market Ambiguities and Risks: Insights and Opportunities in the Current Economic Climate	Environment, Social and Governance	PNB	4 June 2024
6. Bursa Malaysia Mandatory Accreditation Programme Part II: Leading For Impact	Leadership Management	Bursa Malaysia Berhad	5 June 2024 to 6 June 2024
7. PNB - Knowledge Forum 2024 – Navigating the Threads of Economic Relatedness	Environment, Social and Governance	PNB	4 July 2024
8. PNB Knowledge Forum I 2024: Economic Complexity (Navigating the Threads of Economic Complexity)	Environment, Social and Governance	PNB	4 July 2024
9. PwC & Asia School of Business – Leading the Leap – Trust-driven strategies to shape reinvention	Leadership Management	PwC & Asia School of Business	18 July 2024
10. PNB – Navigating the Evolving Landscape of Integrity Governance: Current Realities and Future Scenarios	Corporate Governance	Jabatan Perlindungan Data Peribadi	22 July 2024

Corporate Governance Overview Statement



Board Leadership and Effectiveness *(continued)*

Training Programmes Attended	Category	Organiser/Speaker	Date
11. Project Converse: Fireside Chat with Nominee Directors of PNB	Leadership Management	PNB	14 August 2024
12. PNB Tea Talk Series #9 2024: Tea Talk Session on Digitalisation And Cyber Resilience	Information and Technology	PNB	19 August 2024
13. PwC 2025 Budget Seminar	Corporate Finance	PwC Consulting Associates (M) Sdn. Bhd.	5 November 2024
14. Purposeful Leadership & Sustainability	Leadership Management/ Environment, Social and Governance	PNB	6 November 2024
15. PNB – Project Converse : Nominee Directors Fireside Chat	Leadership Management	Bursa Malaysia Berhad	6 November 2024
16. Bumi Armada – Artificial Intelligence (“AI”) Training	Information and Technology	Maxis Berhad	22 November 2024
17. PNB – Gen AI	Information and Technology	McKinsey & Company, Inc. (Malaysia)	28 November 2024

Dato’ Abdul Rahman Ahmad

Training Programmes Attended	Category	Organiser/Speaker	Date
1. Bank Negara Integrated Report 2023 by Bank Negara Malaysia (“BNM”)	Corporate Governance	BNM	21 March 2024
2. Microsoft Build: AI Day by Microsoft	Information and Technology	PNB	2 May 2024
3. E-Learning: Compliance Policies Declaration	Legal/Compliance/Risk	PNB	28 June 2024
4. PE-Learning: New Hires Introduction to Financial Crime and Anti-Money Laundering	Legal/Compliance/Risk	PNB	28 June 2024
5. PNB Knowledge Forum I 2024: Economic Complexity (Navigating the Threads of Economic Complexity)	Economy	PNB	4 July 2024
6. PNB Knowledge Forum 2024 by PNB	Environment, Social and Governance	PNB	4 July 2024
7. A Special Evening with The Honourable Lee Hsien Loong, Senior Minister of Singapore	Environment, Social and Governance	PNB	21 July 2024

Training Programmes Attended	Category	Organiser/Speaker	Date
8. PNB Compliance & Integrity Board and Leadership Training by PNB	Legal/Compliance/Risk	PNB	22 July 2024
9. E-Learning: Information & Cyber Security Policies Declaration & Attestation	Information and Technology	PNB	23 July 2024
10. KWAP Inspire Conference 2024 by Kumpulan Wang Persaraan (Diperbadankan) ("KWAP")	Investment	KWAP	6 August 2024
11. Semiconductor Study Tour Penang/ Kulim by Khazanah Nasional Berhad ("Khazanah")	Investment	Khazanah	12 August 2024 to 13 August 2024
12. Project Converse: Fireside Chat with Nominee Directors of PNB	Leadership Management	PNB	14 August 2024
13. Sustainability Day by PNB	Environment, Social and Governance	PNB	4 September 2024
14. Khazanah Megatrends Forum 2024 by Khazanah	Investment	Khazanah	7 October 2024 to 8 October 2024
15. PNB Cyber Day by PNB	Information and Technology	PNB	10 October 2024
16. Purposeful Leadership & Sustainability	Leadership Management/ Environment, Social and Governance	PNB	6 November 2024
17. Building a Great Asset Management Distribution Business by AHAM Asset Management Berhad ("AHAM")	Investment	AHAM	28 November 2024
18. AI by McKinsey	Information and Technology	McKinsey & Company, Inc.	28 November 2024
19. E-Learning: PNB Group Conflicts of Interest Policy	Legal/Compliance/Risk	PNB	28 November 2024

Corporate Governance Overview Statement



Board Leadership and Effectiveness (continued)

Tan Sri Datuk Zainun Ali			
Training Programmes Attended	Category	Organiser/Speaker	Date
1. Cyber Security Awareness & Insights	Information and Technology	PNB	11 January 2024
2. Mandatory Accreditation Programme Part II: Leading for Impact	Leadership Management	Institute of Corporate Directors Malaysia	22 January 2024 to 23 January 2024
3. Kuching International Airport Operations Walkabout and Familiarisation	Leadership Management	Malaysia Airports Holdings Berhad ("MAHB")	30 January 2024
4. Directors' Duties and Update: De Facto/ Nominee/Shadow Directors with discussion of Liabilities in Group Enterprise	Leadership Management	MAHB	30 January 2024
5. Global Outlook for AMLCFT & TFS	Legal/Compliance/Risk	PNB	29 April 2024
6. Compliance & Integrity Board and Leadership Training	Legal/Compliance/Risk	PNB	22 July 2024
7. Tea Talk Session on Cyber Security	Information and Technology	PNB	19 August 2024
8. Governance, Risk, Integrity and Control Conference 2024: Governance and Leadership Towards Sustainable Success	Legal/Compliance/Risk	MAHB	10 September 2024
9. PNB Cyber Day 2024	Information and Technology	PNB	10 October 2024
10. Tea Talk Session and Cyber Security	Information Technology	Information & Cyber Security, PNB	19 August 2024
11. Anti Money Laundering – Risks & Vulnerabilities in Capital Markets	Legal, Compliance, Risk	Nature of Life	26 August 2024

Datuk Dr. Mohd. Yaakub Haji Johari

Training Programmes Attended		Category	Organiser/Speaker	Date
1.	Cyber Security Awareness & Insights in PNB	Information Technology	Information & Cyber Security, PNB	11 January 2024
2.	Malaysian Association of Tour & Travel Agents Convention & Expo 2024	Environment, Social and Governance	Malaysia International Trade and Exhibition Centre (MiTEC) and Tourism Malaysia	23 March 2024
3.	Global Outlook for AMLCFT & TFS in 2024	Legal/Compliance/Risk	Compliance & Integrity Division, PNB	29 April 2024
4.	International Maritime Conference, Kuala Lumpur	Environment, Social and Governance	Maritime Strategic Associations ("MASTRA")	7 May 2024
5.	PNB Knowledge Forum	Environment, Social and Governance	PNB	4 July 2024
6.	Training & Engagement Program 2024 with PNB Group BOD and Leadership Team	Leadership Management	Compliance & Integrity Division, PNB	22 July 2024
7.	Tea Talk Session and Cyber Security	Information Technology	Information & Cyber Security, PNB	19 August 2024
8.	Naval Ship Construction – Issues & Strategies	Leadership Management	MASTRA and Centre for Development Studies, UCSF	13 September 2024
9.	Video Conference on Startups Mindsets with Victoria Yampolsky, US	Leadership Management	Startups Club of Asia	16 September 2024
10.	Khazanah Megatrend Forum 2024	Environment, Social and Governance	Khazanah Nasional Berhad	7 October 2024 to 8 October 2024
11.	PNB Cyber Day	Information Technology	Information & Cyber Security, PNB	10 October 2024
12.	Malaysia International Maritime Expo & Convention	Environment, Social and Governance	MASTRA	12 November 2024 to 13 November 2024
13.	Tea Talk Session and Cyber Security	Information Technology	Information & Cyber Security, PNB	19 August 2024
14.	Anti Money Laundering – Risks & Vulnerabilities in Capital Markets	Legal, Compliance, Risk	Nature of Life	26 August 2024

Corporate Governance Overview Statement



Board Leadership and Effectiveness (continued)

Datu Haji Soedirman Haji Aini

Training Programmes Attended	Category	Organiser/Speaker	Date
1. Capital Gains Tax on Foreign and Domestic Transactions	Corporate Finance	Association of Chartered Certified Accountants	21 February 2024
2. Global Outlook for AMLCFT & TFS in 2024	Legal, Compliance, Risk	Compliance & Integrity Division, PNB	29 April 2024
3. Malaysian Institute of Accountants ("MIA") International Accountants Conference 2024 – Navigating New Frontiers, Embracing Sustainability	Environment, Social and Governance	MIA	11 June 2024 to 12 June 2024
4. Training & Engagement Program 2024 with PNB Group BOD and Leadership Team	Leadership Management	Compliance & Integrity Division, PNB	22 July 2024
5. Tea Talk Session and Cyber Security	Information Technology	Information & Cyber Security, PNB	19 August 2024
6. Anti Money Laundering – Risks & Vulnerabilities in Capital Markets	Legal, Compliance, Risk	Nature of Life	26 August 2024

Dato Dr. Nik Ramlah Nik Mahmood

Training Programmes Attended	Category	Organiser/Speaker	Date
1. Institutional Investor Council Corporate Governance Conference 2024 – Countdown to 2030: investing towards sustainable Development in Malaysia	Corporate Governance	Institutional Investors Council of Malaysia	5 March 2024
2. Global Outlook for AMLCFT & TFS in 2024	Legal, Compliance, Risk	Compliance & Integrity Division, PNB	29 April 2024
3. MAP II - Leading for Impact	Leadership Management	Institute of Corporate Directors Malaysia	14 May 2024 to 15 May 2024
4. Cybersecurity - Building Digital Trust and Resilience	Information Technology	Perbadanan Insurans Deposit Malaysia	14 June 2024
5. Cybersecurity Act, National Anticorruption Strategy, Cybersecurity Maturity Framework	Information Technology	Axiata Group Berhad	2 July 2024

Training Programmes Attended	Category	Organiser/Speaker	Date
6. Training & Engagement Program 2024 with PNB Group Board of Directors and Leadership Team	Leadership Management	Compliance & Integrity Division, PNB	22 July 2024
7. Tea Talk Session and Cyber Security	Information Technology	Information & Cyber Security, PNB	19 August 2024
8. Axiata Group Risks and Compliance Conference: Balancing Risks and Opportunities for A sustainable future	Legal/Compliance/Risk	Axiata Group Berhad	28 August 2024
9. Khazanah Megatrends Forum – Paving Paths from the probable to the possible	Investment	Khazanah Nasional Berhad	7 October 2024 to 8 October 2024
10. National Resolution Symposium 2024 – Building Collective Recoverability: From Policy to Practice	Corporate Governance	PIDM	23 September 2024 to 24 September 2024
11. Roundtable - Restoring Humanity in Finance	Corporate Finance	Securities Commission Malaysia & Oxford Centre for Islamic Studies	7 September 2024 to 8 September 2024

Dato' Johan Ariffin

Training Programmes Attended	Category	Organiser/Speaker	Date
1. Cyber Security Awareness & Insights in PNB	Information Technology	PNB	11 January 2024
2. Board & Leadership Compliance Training 2024 - Global Outlook for AMLCFT & TFS	Legal, Compliance, Risk	PNB	29 April 2024
3. Market Ambiguities And Risks: Insights and Opportunities in the Current Economic Climate	Environment, Social and Governance	PNB - Ian McDonald, Deputy Chief Executive Officer Asia Pacific APAC & Head of Singapore - Ray Sharma-Ong, Head of Multi-Asset Investment Solutions, Southeast Asia	4 June 2024
4. PNB Knowledge Forum 2024 – Economic Complexity: Navigating the Threads of Economic Related	Environment, Social and Governance	PNB RI	4 July 2024

Corporate Governance Overview Statement



Board Leadership and Effectiveness *(continued)*

Training Programmes Attended	Category	Organiser/Speaker	Date
5. Compliance & Integrity Board and Leadership Training	Legal/Compliance/Risk	PNB	22 July 2024
6. Tea Talk Session on Digitalisation & Cyber Resilience	Information Technology	PNB	19 August 2024

Datin Norazah Mohamed Razali

Training Programmes Attended	Category	Organiser/Speaker	Date
1. Institute of Corporate Directors Malaysia ("ICDM") Power Talk: Future-Proofing Malaysian Businesses – Navigating Cyber – Threats in the Age of AI & Thriving in a Risk Landscape	Information Technology	ICDM	11 March 2024
2. Global Outlook for AMLCFT & TFS in 2024	Legal, Compliance, Risk	Compliance & Integrity Division, PNB	29 April 2024
3. Essential Financial Skills for Board Members	Corporate Finance	Financial Times	6 May 2024
4. PNB Knowledge Sharing: Market Ambiguities and Risks – Insights and Opportunities in the Current Economic Climate	Environment, Social and Governance	PNB / ABRDN	4 June 2024
5. MISC Group Directors' Training FY2024 (Session 1) · Tackling Emerging Risks · Clean Energy Outlook and Trends · Navigating Maritime Cybersecurity in the Digital Era · Overview of the Shipping Industry	Environment, Social and Governance/Risk Management	MISC Berhad	13 June 2024
6. Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	Leadership Management	Bursa Malaysia Berhad	24 June 2024 to 25 June 2024
7. PNB Knowledge Forum 2024: Navigating the Threads of Economic Relatedness	Environment, Social and Governance	PNB RI	4 July 2024
8. ICDM PowerTalk: Navigating Directorship – Legal Consequences, Responsibilities and Risks in the Office	Corporate Governance	ICDM	12 July 2024
9. Training & Engagement Program 2024 with PNB Group BOD and Leadership Team	Leadership Management	Compliance & Integrity Division, PNB	22 July 2024
10. Tea Talk Session and Cyber Security	Information Technology	Information & Cyber Security, PNB	19 August 2024

Training Programmes Attended	Category	Organiser/Speaker	Date
11. Sime Darby Property: Pre-Board Strategy Engagement Session • Macro-Economic Outlook • Industrial & Logistics Research • Empowering the Future with Generative AI Fireside Chat on Customer Experience	Environment, Social and Governance/ Information Technology	Sime Darby Property Berhad	19 September 2024
12. ICDM PowerTalk: How Can Boards Make the Most of Blockchain & Digital Assets	Information Technology	ICDM Malaysia	20 September 2024
13. Sime Darby Property Board & Senior Management Training: Board Level Cybersecurity Workshop	Information Technology	Sime Darby Property Berhad	3 October 2024
14. MISC Group Directors' Training FY2024 (Session 2) • Understanding the Duties and Liabilities of Directors and Officers and How to Risk Manage Liability Exposures • Pathways towards Decarbonisation: Strategies and Sustainable Practices for the Energy Industry • Overview of the International Sustainability Standards Board (ISSB) IFRS S1 & S2 (International Sustainability (Disclosure Standards) • Navigating Ammonia as the Low Carbon Solution	Environment, Social and Governance	MISC Berhad	4 October 2024
15. PNB Cyber Day 2024	Information Technology	PNB	10 October 2024
16. PNB Board & Senior Management Offsite: • AHAM Capital - Building a Great Asset Management Distribution Business • McKinsey & Co – Artificial Intelligence	Information Technology	PNB	28 November 2024
17. Sime Darby Property Board & Senior Management Training: PwC Updates on Tax & Accounting Standards	Corporate Finance	Sime Darby Property Berhad	2 December 2024

Corporate Governance Overview Statement



Board Leadership and Effectiveness *(continued)*

Datuk Johan Mahmood @ Johan Mahmood Merican

Training Programmes Attended	Category	Organiser/Speaker	Date
1. Global Outlook for AMLCFT & TFS in 2024	Legal/Compliance/Risk	Compliance & Integrity Division, PNB	29 April 2024
2. National Tax Conference 2024: Economic Outlook & Government Reforms Agenda – Panelist	Corporate Finance	Inland Revenue Board of Malaysia	22 July 2024
3. PwC Seminar: Post Budget 2025 – Guest Panelist	Corporate Finance	PwC Advisory Services Sdn. Bhd.	5 November 2024
4. BDO Tax Seminar: Post Budget 2025 – Guest Speaker	Corporate Finance	BDO Tax Services Sdn. Bhd.	5 November 2024
5. British Malaysian Chamber of Commerce Berhad (“BMCC”): The Inter Chamber Economic Outlook – Guest Panelist	Corporate Finance	BMCC	14 November 2024
5. Tea Talk Session and Cyber Security	Information Technology	Information & Cyber Security, PNB	19 August 2024
6. Anti Money Laundering – Risks & Vulnerabilities in Capital Markets	Legal, Compliance, Risk	Nature of Life	26 August 2024
7. Malaysian International Chamber of Commerce & Industry (“MICCI”): Post Budget 2025 – Guest Panelist	Corporate Finance	MICCI	14 November 2024
8. Malaysiakini: Interview on Economic MADANI’s Narrative	Corporate Finance	Malaysiakini	26 November 2024
9. Malaysia Venture Forum 2024: The Future of Venture Capital in Malaysia – Keynote Address	Corporate Finance/Investment	Malaysian Capital & Private Equity Association	3 December 2024



Effective Audit and Risk Management

Board Leadership and Effectiveness

Throughout the year under review, PNB as a licensed entity with the SC under the Capital Markets and Services Act 2007 ("CMSA") continued to fulfil regulatory responsibilities amid complex business development and numerous regulatory requirements.

PNB continues to have a systematic and clearly defined approach with robust testing and monitoring mechanisms to ensure compliance with the requirements of the law and regulatory authorities as well as adherence to the ethical standards, consistent with our aim to achieve the highest standards of governance, compliance and integrity.

Board Compliance Committee

This Committee was established to ensure that effective compliance and corruption risk management is in place for the PNB Group to comply with relevant laws, regulations and guidelines, internal policies and procedures, and ethical standards.

The Board is responsible for the PNB Group's compliance with all laws, regulations, and guidelines. The Board has established a Board Compliance Committee to oversee the management and implementation of the Compliance and Integrity Programmes by the Compliance Department and Integrity Department, as well as supervising the Compliance Officer and Chief Integrity Officer ("CIgO"). The Compliance Officer assumes the key responsibility for the PNB Group's compliance functions, which include establishing, implementing, operating, and monitoring the Compliance programmes for the PNB Group. The four (4) key functions of the Integrity Department include Complaint Management, Detection and Verification, Governance and Integrity Strengthening as well as implementing the Integrity Programme. Reporting of the progress of Compliance and

Integrity Programmes is directly made to the Board Compliance Committee.

To meet the objectives above, the Board Compliance Committee is responsible for setting the direction and strategy for compliance and integrity, including establishing the compliance and integrity frameworks and policies for the management of compliance and corruption risks. The Board Compliance Committee convenes quarterly to evaluate and review the findings of the compliance and integrity reports and to make recommendations accordingly. The structure of the overall compliance and integrity functions of the PNB Group will be reviewed as and when it is deemed necessary. Further details of the composition of the Board Compliance Committee and the PNB Group's Compliance and Integrity Programmes are set out in this Statement.

Composition and Attendance of the Board Compliance Committee

The Board Compliance Committee comprises at least three (3) members, with at least one third (1/3) of its total members being Independent members. The Board Compliance Committee is required to meet at a minimum of four times a year. Additional meetings may be called at any time at the discretion of the Chairman of the Board Compliance Committee. For the year 2024, the Board Compliance Committee comprised four (4) members, three (3) of whom are Independent Non-Executive Directors. A total of six (6) meetings were held during the year.

The composition of the Board Compliance Committee and the record of their attendance are illustrated in the following table:

Members	Status	Attendance
Tan Sri Datuk Zainun Ali (Chairman)	Independent Non-Executive	5/6
Dato Dr. Nik Ramlah Nik Mahmood	Independent Non-Executive	6/6
Datuk Dr. Mohd. Yaakub Haji Johari	Independent Non-Executive	6/6
Ahmad Zulqarnain Onn (Resigned with effect from 19 February 2024)	Non-Independent Non-Executive	1/1
Dato' Abdul Rahman Ahmad (Appointed with effect from 1 July 2024)	Non-Independent Executive	2/3

Corporate Governance Overview Statement



Effective Audit and Risk Management (continued)

Scope of the Board Compliance Committee

The Board Compliance Committee has the authority and acts on behalf of the Board to oversee the following:

- The proper supervision and management of compliance and corruption risks;
- Assist the Board in discharging its responsibilities toward fulfilment of the requirements of the relevant laws, regulations, guidelines, licensing conditions and rules;
- Assist the Board in supervising all integrity related issues to ensure adoption of best practices and highest ethical standards; and
- The provision of advice, guidance, and direction in relation to the implementation of the work plans of the Compliance Department and Integrity Department.

Functions of the Board Compliance Committee

In general, the functions or duties of the Board Compliance Committee are as follows:

- Provide oversight in the implementation of the Compliance and Integrity policies and frameworks, including but not limited to the Compliance Charter and Framework, Integrity Charter and Framework, all other initiatives and workplans;
- In undertaking the implementation of the above, the Board Compliance Committee is mandated amongst others, to formulate, review and approve all matters regarding the operations and activities of the Compliance Department and Integrity Department;
- Evaluate; and review the findings of the compliance and integrity reports presented by the Compliance and Integrity Departments;
- Evaluate; compliance and integrity breaches, recommend actions taken to address those breaches, and establish necessary disciplinary actions, if any;
- Review and approve the structure of the overall compliance and integrity functions and to delegate compliance or integrity responsibilities and authorities to the relevant parties, as deemed necessary or appropriate, and to assist the Board in ensuring that a competent Head of Compliance and/or ClgO are/is appointed and provided with appropriate standing, authority and independence;
- Address and take appropriate action on matters, recommendations and concerns expressed by the Head

of Compliance and ClgO, regulators and auditors in relation to internal control weaknesses, client complaints and non-compliance or integrity governance issues;

- Recommend appropriate compliance and integrity policies to ensure the PNB Group's ongoing compliance with relevant legal and regulatory requirements for approval of the Board;
- Review its own ToR and recommend any changes to the Board for approval;
- Perform other activities consistent with the ToR, the relevant laws, regulations, guidelines, licensing conditions, and rules as the Board Compliance Committee or the Board deemed necessary or appropriate; and
- Promote, together with Senior Management of the PNB Group, a sound compliance and integrity culture within the PNB Group which emphasises high standards of ethical behaviours that create and support compliance and integrity.
- Approve the formation and the ToR of a management committee to review and investigate any complaint of misconduct received against any employee of the PNB Group and make appropriate recommendation to the Board Compliance Committee or take necessary action where applicable.
- Authorise any person or a panel to assist in investigation of complaint of misconduct received against any member of the Board of Directors, Committees of the Board of Directors, PGCE or any senior management of the PNB Group and make appropriate recommendation to the Board Compliance Committee or take necessary action where applicable.
- Appoint/obtain external independent professional(s) or expert advisor(s), as it determines necessary or advisable, at its own discretion, to assist in discharging its duties.
- Review and approve the statements to be included in the annual report of companies under the PNB Group in respect of internal controls, compliance, integrity, and risks management.
- Report the compliance and integrity activities issues as well as any findings, reports and/or recommendations to the Board of Directors and/or other committees (where necessary) as directed by the Board.
- Perform such other duties as the Board may delegate to it from time to time.

Activities of the Board Compliance Committee in 2024

In line with the ToR of the Board Compliance Committee, during the year under review, the Board Compliance Committee approved, reviewed, and monitored:

- The structure of the overall compliance and integrity functions of the PNB Group;
- The adequacy of resources and competencies of the staff of the Compliance Department and Integrity Department to execute their Work Plans, and the results of their work;
- The Work Plans and Key Performance Indicators of the Compliance Department and Integrity Department;
- The findings of the compliance and integrity report presented by the Compliance Officer and ClgO and made necessary recommendations when required;
- Compliance breaches, recommended actions to address the breaches, and established necessary actions;
- Matters relating to clients' complaints;
- Matters relating to consequence management for regulatory breaches by the employees of the PNB Group;
- Matters relating to Whistleblowing complaints;
- Recommendations for Board's approval and review of Compliance and Integrity key enterprise control documents namely:
 - ▶ Personal Trading Policy of PNB Group
 - ▶ The PNB Group Anti-Money Laundering, Counter-Financing of Terrorism, Countering Proliferation Financing and Targeted Financial Sanctions Framework
 - ▶ The PNB Group Chinese Wall Policy
 - ▶ The PNB Group Conflicts of Interest Policy
 - ▶ Consequence Management Framework of PNB Group
 - ▶ Foreign Account Tax Compliance Act and Common Reporting Standard Policy of the PNB Group ("FATCA and CRS Policy")
 - ▶ Economic Sanctions Policy of the PNB Group
 - ▶ Compliance Competency Framework
 - ▶ Code of Business Ethics of the PNB Group ("CoBE")
 - ▶ Whistleblowing Policy of the PNB Group ("Whistleblowing Policy")
 - ▶ The PNB Group Anti-Bribery and Anti-Corruption Policy Statement ("ABC Statement")
 - ▶ Procurement Integrity Pact of the PNB Group ("PIP")
 - ▶ The PNB Group Organisational Anti-Corruption Plan 2022-2024 ("OACP 2022-2024")
 - ▶ The PNB Group Organisational Anti-Corruption Plan 2025-2028 ("OACP 2025-2028")
 - ▶ Integrity Reviews on selected departments of PNB and selected branches of ASNB

Overview of Compliance and Integrity Programmes

To foster effective compliance and corruption risk management towards compliance with applicable laws and regulations relevant to the PNB Group's business, Compliance and Integrity Programmes have been established and implemented based on the fundamental elements prescribed by SC, MACC, FIMM, Bank Negara Malaysia ("BNM") and other relevant regulators. As the Compliance and Integrity Programmes are dynamic, they are regularly reviewed and enhanced to address the emerging compliance, integrity and corruption risks as well as aligned with the relevant industry best practices and international standards.

With the supervision and guidance of the Board of Compliance Committee, the Compliance and Integrity Departments aim to be at the forefront of key compliance and integrity areas towards fulfilling the following aspirations:

▶ To ensure full compliance with all relevant laws and regulatory requirements of the SC, MACC, FIMM, BNM as well as other relevant regulatory bodies and/or enforcement agencies;

▶ To ensure a business environment free from any forms of financial crimes, bribery and corruption, and a commitment to take a stern stance against any such acts;

▶ To increase the capability and visibility of the Compliance Department and Integrity Department in providing advice vis-à-vis operational activities to effectively function as a second line of defence; and

▶ To instill strong compliance and integrity cultures by promoting compliance and integrity in PNB's working culture.

Corporate Governance Overview Statement



Effective Audit and Risk Management *(continued)*

Ongoing Compliance and Integrity Programmes

During the year under review, the Compliance & Integrity Division completed all its activities in accordance with the approved workplans, with increased emphasis on the following activities:

Managing Compliance Risks

♦ Management of AML/CFT, Sanctions and Proliferation Financing Risks

In bolstering our AML compliance risk management, the PNB Group in 2024 performed holistic reviews of its existing AML control measures. These reviews included, among others, an independent review of PNB's AML programme, review of its governance practices and culture, assessment of resource adequacy and competency, review of ASNB's risk methodology, and assessment of the future-readiness of existing technology.

Consequently, PNB realigned our AML programme from the top down to further strengthen AML risk management measures. Among key strengthening measures undertaken include:

- Charted future direction in AML risk profiling and scoring practices through an updated AML Risk Profiling Methodology;
- Enhanced oversight and reporting of AML risks and measurement at the enterprise level which includes enhanced reporting of AML issues and remediation;
- Comprehensively reviewed and enhanced AML operational risk control measures;
- Enhanced business accountability for managing AML risks through assignation of performance indicators from enterprise to individual levels;
- Expanded manpower capability and capacity for AML compliance related functions through all lines of defence;
- Focused AML compliance training and engagement at all levels including for Compliance Representatives embedded in the business and all frontliners and customer-facing functions;
- Transforming AML technology eco-system through a three-year plan for continuous upgrades to existing AML systems and infrastructure;
- Building robust internal data analytics capability to aid in the transition to next level technology; and
- Comprehensive reengineering of business processes to enhance existing AML risk control measures.

Adoption of Regulatory Technology in Compliance

♦ Transforming AML Technology Eco-System

Pursuant to the Regulatory Technology agenda, the Compliance Department evaluated the systems used for managing AML risk with the objectives of:

- Identifying gaps in technology in use when compared to new systems available in the market, and
- Identifying technological advancement necessary to enable alignment with the planned revision to the Risk Profiling Methodology in the next three years.

Consequently, PNB has identified and is embarking on key compliance-related technological initiatives to support its digital agenda, including adoption of Machine Learning and Artificial Intelligence ("ML/AI"), upgrading the Data Analytics infrastructure, and adoption of Cloud services to enable real-time processes and transactions.

In this regard, PNB successfully went live with an upgraded AML management system which manages AML-related functions for the retail unit trust business. The system called Flagright ("FR") provides a more sophisticated risk profiling capability, aided by selective AI/ML and data analytics capabilities, and a more comprehensive workflow, thus enabling real-time customer risk profiling and management capability.

PNB is also continuously expanding and enhancing usage of the Compliance Catalyst and GRID ("COMCAT") systems to strengthen the standard of Know Your Customer ("KYC") and Customer Due Diligence ("CDD") processes and controls when onboarding corporate entities and counterparties. Further to this, the use of the COMCAT system was strengthened and integrated at strategic points to allow better management of sanctions and timely sanctions screening. This allows the PNB Group to effectively rate our risks and manage any issues identified with such risks.

◆ Compliance Risk Management

The PNB Group strives to continuously improve our compliance risk management programme in all areas. In this regard, the Compliance & Integrity Division has embraced the adoption of Regulatory Technology to ensure a systemic identification, prioritisation, and mitigation of compliance and corruption risks for the PNB Group.

The Compliance Risk Assessment System was developed and went live in December 2022 and is continually being refined with an objective of recording and providing a strategic view of the PNB Group's key compliance risks. The system will allow all compliance risks to be assessed, rated, and prioritised as well as enabling better oversight of compliance risk mitigation measures.

Further to this, in 2024, comprehensive assessments of risk controls governing AML related processes of key business units were conducted, and measures to further strengthen controls and reduce risks were identified for implementation.

Technology Review

◆ Regulatory Development in Technology Risk Management

In 2024, the Technology Review Unit continued to perform its function to complement Risk, Internal Audit and Information and Cyber Security ("ICS") in relation to oversight on technology and cyber security risks. This included review on technology related proposals before presentation to the Management and Board Compliance Committee as well as undertaking an advisory role on the effectiveness of control measures. In conjunction with the SC's GTRM, the Technology Review Unit performed an enterprise gap analysis with relevant stakeholders to identify the gaps, monitor the implementation of agreed action plans to address the gaps identified and report to Management and the Board Compliance Committee accordingly. Technology Review Unit also played its role to notify the SC via Vault reporting platform on Technology and Cyber Security related submission i.e. Technology-Related Implementation or incidents. Additionally, Technology Review Unit participated in various cyber drill programmes (internal and industry-wide organised by SC).

Tax Compliance

In acknowledging the criticality of tax compliance obligations in relation to customers and with regard to the Foreign Assets Tax Compliance Act ("FATCA") with the United States of America and the Common Reporting Standards ("CRS") with the Organisation for Economic Co-Operation and Development ("OECD") members, Compliance developed and issued the PNB FATCA and CRS Policy which among others, identifies the responsibilities and minimum controls required to maintain compliance to the requirements. The business in this respect has begun to review all operational aspects of the FATCA/CRS related processes and systems with a view to enhance and further streamline controls.

Further to this, the Compliance Department also took cognisance of Malaysian authorities' focus on tax crimes and adopted necessary red flags in the AML monitoring processes.

Strengthening Compliance Governance and Capabilities

◆ Enhanced Compliance Monitoring

In 2024, in an effort to monitor the adequacy and effectiveness of internal procedures and processes, the Compliance Department intensified its review strategies and testing of compliance controls throughout PNB through:

- Collection, analysis and interpretation of data on compliance controls for a holistic assessment of enterprise-wide compliance health;
- Strengthening of enterprise-wide compliance policies, processes and controls in line with upcoming regulatory compliance outlook and in response to new regulations, regulatory actions, emerging risks including local and foreign areas of concern;
- Data-driven and data-complemented thematic compliance reviews on potential risk areas;
- Quality control reviews of CDD processes within the business unit;
- Follow-up reviews of risk and issues remediation measures identified in regulatory and compliance reports;
- Reviews of reports submitted by compliance representatives; and
- Increased use of data analytics tools and techniques in monitoring of compliance data.

Corporate Governance Overview Statement



Effective Audit and Risk Management (continued)

a. Building a Robust Community of Compliance Representatives

In ensuring a robust compliance culture within the first line of defence, the roles and responsibilities of appointed compliance representatives of the business units continued to be strengthened to support and enhance co-ordination between the Compliance Department and the business units for the purpose of compliance monitoring, including undertaking periodic review and reporting on AML operational controls at their respective business units to the Compliance Department.

A total of 11 engagement sessions with the staff and compliance representatives were also conducted in 2024, not only to provide awareness on the policies and regulatory updates, but also to educate and inculcate the importance of a good compliance culture. Specific and customised briefings, as well as one-on-one engagement sessions with the compliance representatives of the business units continue to be organised by the Compliance Department to share and equip them with the necessary skills and knowledge to perform their functions effectively and meet regulatory expectations.

b. Compliance Training and Awareness

In 2024, the Compliance Department continuously reviewed the initiatives to promote a sound compliance culture within the PNB Group and instill compliant behaviours through ongoing training and awareness programmes. Various initiatives have been undertaken under a structured and robust compliance communications and awareness programme with an increased focus in inculcating compliance culture via the established compliance policies and framework. Education on compliance risk and its management continued to be provided via digital and online communication tools and platforms that are accessible to all employees.

The existing online repository of laws, regulations, guidelines, and policies continues to be updated from time to time and made accessible to all employees via digital platform such as Knowledge Hub ("K-hub") and Viva Engage. These platforms provide easy access and quick reference on regulatory updates and compliance information as well as knowledge for the employees to draw upon in performing their daily operations.

The summary of regulatory updates continued to be highlighted via infographic mode to all staff. In 2024, a total of 27 regulatory updates, which include awareness emails on various regulatory topics and their impacts to the relevant business units were disseminated to ensure that employees and the business units are aware of and comply with the latest regulatory requirements. The Compliance Department also monitored the actions and measures undertaken by the business units via a structured communication and engagement plan with the employees, compliance representatives and key personnel of the business units as part of the implementation strategy.

The Compliance Department launched several new online training modules in 2024 within PNB's existing learning management system. These included the Personal Data Protection Act 2013 and enhanced AML related e-learning modules that focuses on specific areas such as sanctions, proliferation financing as well as tax compliance, as part of the revised compliance learning programme which is developed to continually provide general and role-based learning on compliance to all employees. The Compliance Department keeps track of the completion status and staff who fail to complete the online training modules are subject to consequence action.

During the year under review, five compliance awareness sessions were conducted as part of an induction training programme to educate new employees on the relevant laws, regulations, and guidelines applicable to the PNB Group and its licensed entities. Additionally, the new hires were also briefed on the compliance policies and procedures and the expected conduct and behaviour of the employees not only to ensure compliance with policies and procedures, but also to inculcate a compliance culture and values amongst the staff. Some of the topics briefed were the Compliance Charter and Programme, applicable laws, regulations and guidelines, compliance reporting structure, roles and functions of compliance committees, and policies of the PNB Group such as Group Economic Sanctions Policy, FATCA & CRS Policy, No Gift Policy, Chinese Wall Policy and Conflicts of Interest Policy. The new hires are required to sign a declaration that they have read and understood the compliance policies.

c. Competency and Capabilities of Compliance Department and Compliance Functions

The Compliance Department recruited employees with diverse backgrounds, including in accounting and finance, legal, financial industry, information and technology, risk management, and audit. The employees have the necessary qualities, skills, competencies, and experience to perform the required functions in the Compliance Department.

In 2024, the Compliance Department developed a Compliance Competency Framework aimed at ensuring compliance competencies in the PNB Group are developed at the highest standards and that programmes are in place to enhance competency along the compliance officers' career path.

The framework provides the basis for the employee development initiatives which aim to increase the level and diversity of skills and competency of the staff through training, coaching, and mentoring programmes, both internally and externally. The framework also provides the minimum competency qualification for each compliance job family such as the Professional Certificate in Islamic Finance (Audit and Compliance) by INCEIF, Certified Capital Market Professional (CCMP) certification by SC, internationally recognised AML certifications such as ACAM, and an in-house developed Data Analytics competency programme.

In 2024, nine members of the Compliance team were certified for the CCMP Level 1 and 2 programmes conducted by SC followed by two staff who were enrolled in the Customer Advocate Program conducted by the Securities Industry Development Corporation ("SIDC").

The Data Analytics Competency Development Program for the data analytics functions was initiated in May 2024. It is aimed at building PNB's Data Analytics capabilities and competencies to support PNB as it advances into a digital financial institution. The aim of this programme is to upskill and upgrade existing data analytics functions such that PNB eventually possesses a strong data science and engineering team capable of developing and enhancing data models and algorithms particularly as PNB transitions to an increased AI/ML capability.

This programme, in collaboration with an external specialist, provided training, competency assessments, development strategies, and customised learning plans specifically in financial crime and compliance to four data analytics teams. It was completed in December 2024 and the competency development process has accordingly operationalised.

d. Stakeholder Engagement

In ensuring that the business strategy is aligned with the regulatory requirements, the Compliance Department continues to conduct engagements with internal and external stakeholders not only to build relationships for mutual benefit and support, but also to have the stakeholders involved in the process of establishing and implementing new policies affecting the business strategy of PNB and its business units.

Active engagements and consultations with the regulators and enforcement agencies such as SC, Royal Malaysian Police ("PDRM") and MACC continued to be conducted in 2024 which had facilitated our compliance process and helped PNB to prioritise its initiatives in accordance with the regulatory requirements. In 2024, the Compliance Department participated in multiple activities and programmes organised by the SC, PDRM, MACC, and other relevant authority bodies and enforcement agencies relating to new regulatory frameworks pursuant to AML, technology risk management, compliance, and governance. Amongst the activities and programmes attended are as follows:

- ▶ Engagements as Compliance Advocates (CA) – the two CA were required to participate as moderators and assessors for the CCMP Level 1 programmes conducted by SC.
- ▶ FATF Mutual Evaluation Working Group were held in two sessions in 2024 at the SC.
- ▶ GRC Roundtable Sessions organised by Sime Darby, with participation from Khazanah.
- ▶ Sharing sessions with the EPF, LTAT (LTAT), Pos Malaysia, RHB Bank, Maybank and Amanah Raya Trustee.

Corporate Governance Overview Statement



Effective Audit and Risk Management *(continued)*

Recognising the importance of staying current with compliance best practices, the Compliance Department proactively participated in Fraud Awareness Week (FAW), an initiative organised by Kenanga Group in conjunction with the International FAW for the first time. This joint initiative offered valuable learning opportunities through creative and interactive edutainment programmes, equipping our Compliance Department with the knowledge to effectively combat fraud, bribery, and corruption.

Anti-Bribery and Anti-Corruption Statement

The Anti-Bribery and Anti-Corruption Policy Statement of the PNB Group ("ABC Policy Statement") which was established in August 2020, formalises and solidifies the PNB Group's commitment in upholding anti-bribery and securities laws applicable to the PNB Group.

The PNB Group is committed to conducting all our business dealings in an honest and ethical manner whilst maintaining the highest standard of integrity and corporate governance. All of the policies and procedures of PNB are established, implemented, and enforced with a focused objective to safeguard PNB against any corrupt practices and unethical behaviour.

The PNB Group acts in an open and transparent manner in all of its dealings with unitholders, employees, suppliers, and all third-party contacts. It has a zero-tolerance approach on corrupt practices and unethical behaviour and will take stern action to eradicate any activity that leads to bribery, corruption, misuse of power and embezzlement.

We are committed to creating an environment that enables and encourages its employees and the public to raise any concern on our conduct. With that in mind, the PNB Group has established various complaint channels that are available for any party to highlight those concerns directly to PNB, be it via email, online submission, personal submission, telephone or even via post, especially on matters relating to bribery, corruption, misuse of power, and embezzlement. Genuine complaints will be treated confidentially and investigated in a transparent and fair manner.

As part of our commitment in ensuring that all our business dealings are conducted in an honest and ethical manner while maintaining the highest standard of integrity and

corporate governance, various efforts have been undertaken by the PNB Group in relation to anti-corruption matters.

During the year under review, in further strengthening its business conduct and in realising its utmost commitment to a Corruption-Free Business Environment pledge, the following initiatives were undertaken by PNB:

♦ Revisions to Procurement Integrity Pact of the PNB Group and Implementation

In an effort to further strengthen the business conducts of its Board, employees, stakeholders including business associates, revisions were made to the Procurement Integrity Pact of the PNB Group on 8 May 2024 to further refine the process flow involved for improved clarity, transparency and efficiency.

♦ Corruption Risk Assessment and Identification

In further complying with the requirements of the Guidelines on Adequate Procedures pursuant to Section 17A of the MACC Act 2009, and as part of the requirements of ISO 37001:2016 Anti-Bribery Management Systems certification, the PNB Group continues its efforts to perform corruption risk assessment exercises within the PNB Group. In line with its Integrity Charter and Framework of the PNB Group, Integrity Department collaborated with 64 other business units within the PNB Group to conduct corruption risk assessments and identifications exercises involving business functions as well as support functions.

♦ Progress of the PNB Group OACP 2022-2024

The progress of the PNB Group OACP 2022-2024 which was approved by the Board on 3 March 2022, continued to be monitored and tracked in its final year 2024. The PNB Group OACP 2022-2024 is an integrated anti-corruption plan that is adopted and implemented by all internal stakeholders of PNB Group and it outlines potential risks relating to governance, integrity, and corruption and shall be the main reference and guide on issues relating to the prevention of corruption and bribery within the PNB Group.

From the 46 total initiatives identified for implementation between 2022 to 2024, 13 initiatives with specific date lines have been successfully completed while the remaining 33 continuous initiatives are on track and reported periodically throughout 2022 to 2024.

This accomplishment further strengthens and demonstrates PNB's continued commitment in upholding the trust mandated to it and the dedication to embrace and carry out the legacy that has been set out by its founding leaders who are widely recognised for their high level of integrity values and ethical conduct.

♦ Establishment of the Second PNB Group OACP 2025-2028

The second PNB Group OACP 2025-2028 was presented and approved by the Board in December 2024. It is a continuation of the integrity initiatives and ongoing efforts to maintain the trust of Malaysians and support the government's call for integrity as a key driver of the 12th Malaysia Plan. It identifies five strategies, 19 objectives and 27 initiatives that are endeavoured and strived to be completed by all internal stakeholders of PNB Group between 2025 to 2028.

As an institution certified under ISO 37001 ABMS, commitment and support are essential for the successful implementation of PNB Group OACP 2025-2028. Integrity has been deeply ingrained in PNB's culture for many years, and this new OACP serves to reinforce and strengthen our existing systems.

♦ Recertification Audits for ISO 37001:2016 Anti-Bribery Management Systems ("ABMS")

PNB has successfully achieved a milestone with a clean audit report without Non-Conformance Report ("NCR") for its first recertification audit exercise under ISO 37001:2016 ABMS conducted by SIRIM QAS International Sdn Bhd ("SIRIM QAS") in March 2024. This first recertification success solidifies the commitment of the PNB Group in eradicating potential corruption activities and its relentless effort to cultivate values of integrity and ethical conduct at all various levels within the organisation.

Similarly, and in continuing the momentum from PNB being successful in its ISO37001:2016 ABMS first recertification audit, ASNB was also successful in its first recertification audit by SIRIM QAS which was conducted in November 2024. ASNB achieved a commendable audit report from SIRIM QAS without NCR.

These momentous achievements of PNB and ASNB formalised and solidified the commitment of the PNB Group in upholding anti-bribery laws and securities laws that apply to the PNB Group, including without limitation, the MACC Act as well as the CMSA, and in performing continual improvement of its policies and procedures pertaining to bribery and corruption matters.

♦ Government-Linked Investment Companies Integrity Event 2024 ("GIE")

In conjunction with Hari Integriti Kebangsaan celebrated annually on 5 November, PNB once again, in collaboration with EPF, Khazanah Nasional Berhad, Retirement Fund (Incorporated), LTAT, Lembaga Tabung Haji, and Pertubuhan Keselamatan Sosial ("PERKESO") (collectively, "GLICs"), organised the third GIE on 12 November 2024, held at Sime Darby Convention Centre Kuala Lumpur.

GIE 2024 aimed to address the operational challenges faced by integrity practitioners. With the theme "Credible Governance Driving the Sustainability of Malaysia MADANI", the event attracted over 500 participants from 72 companies, including the GLICs, their subsidiaries, and investee companies.

The event was curated for business leaders and integrity practitioners and was aimed at not only addressing common operational issues faced, but also to facilitate networking and camaraderie among fellow leaders and practitioners. The event featured two forum sessions by renowned speakers and was attended by CEOs of the GLICs and their investee companies together with their Chief Integrity officers, with guest of honour Deputy Finance Minister YB Puan Lim Hui Ying delivering the closing keynote address.

♦ PNB Integrity Solidarity Event 2024

In an effort to promote and inculcate capacity building between integrity governance practitioners within the PNB Group and its investee companies, Integrity Department PNB in collaboration with S P Setia Berhad organised the second PNB Integrity Solidarity Event 2024 on 18 July 2024 at LakePoint Club, Alam Impian Selangor.

Corporate Governance Overview Statement



Effective Audit and Risk Management (continued)

This commendable initiative marked a significant step forward in fostering integrity and governance within the organisation and the industry. It was aimed at deducing the best practices in strategic and tactical approaches to support the implementation of integrity management and to also provide a common platform for knowledge sharing in the generic control of management of cases in an effort to handle and spearhead anti-bribery practices across various industries.

The event was attended by more than 170 participants from key industry players such as Malayan Banking Berhad, Sime Darby Berhad, Perusahaan Otomobil Kedua Sdn Bhd (Perodua), and Sapura Energy Berhad.

♦ Intensifying Integrity Literacy and Awareness Programmes

Training and awareness are the key components in inculcating an integrity culture among employees. We continuously review our initiatives to promote integrity culture and behaviours through ongoing training and awareness programmes established pursuant to the Integrity Charter and Framework. This is a critical aspect to ensure that all new and existing employees of the PNB Group are reminded of their behaviours, roles and responsibilities in upholding compliance, integrity and an ethical code of conduct applicable to the employees.

♦ Integrity Strengthening Programmes

a. Onboarding Sessions with New Hires

Five integrity awareness sessions were conducted during the year under review, for all new hires of the PNB Group as part of an induction training programme to inculcate integrity values and ethical behaviour as well as to introduce the relevant anti-corruption policies of the PNB Group to the new hires. The programme is designed to reinforce PNB's commitment to integrating an integrity culture into our daily business operations, ensuring compliance with relevant laws, regulations, and internal policies. Among the topics briefed were the MACC Act 2009 and the Anti-Bribery & Anti-Corruption Policies of the PNB Group as well as PNB's initiatives as laid under the ISO 37001:2016 ABMS.

b. Engagements via PNB Integrity Talk

PNB Integrity Talk was conducted during the year under review covering relevant topics of interest, including Corruption Risk Management and Procurement Integrity Pact. The event that was attended by more than 200 employees provided a platform for employees to grasp the essence of corporate liability, its implications and practical application to ensure the business organisation continues to operate with clean and ethical practices.

With a broader scale, the sessions aimed to enhance our efforts in protecting our internal stakeholders from corruption, fraud and to ensure that there is a conducive working environment, where employees at every level understand the guidelines, in-house rules, and the PNB Group's code of ethics. Additionally, these initiatives would also facilitate us in our efforts to mitigate all risks relating to corruption and bribery.

c. Integrity Briefings

Other integrity awareness initiatives conducted during the year under review included Integrity Briefings involving more than 100 Integrity Representatives of the PNB Group which were conducted in January 2024. The briefings were conducted as part of our training programme aimed at giving exposure and continued awareness to the participants on the KRIs of the PNB Group and also as a refresher course on Corruption Risk Management, particularly on the Corruption Risk Assessment processes.

d. Communications via E-Mail Blasts and Vlog

Six email blasts, one video blog and one Integrity screensaver were shared with all employees to inculcate and promote a culture of integrity within the organisation. The email blasts and video blog addressed key issues including awareness of all PNB In-house ABC Policies (including Whistleblowing Policy) and Procurement Integrity Pact & Due Diligence.

Audit Committee Report

Composition

The AC shall comprise a minimum number of three (3) and a maximum number of six (6) Board members who shall be Non-Executive, a majority of whom are Independent Directors of the Board and/or the wholly owned subsidiary companies of the PNB Group.

Also, a former partner of the external audit firm of the PNB Group shall observe a cooling-off period of at least three (3) years before being appointed as a member of the AC. The AC shall meet at least four (4) times a year. Additional meetings may be called at any time at the discretion of the Chairman of the AC.

Currently, the AC comprises four (4) members, all of whom are Independent Non-Executive Directors. The Chairman of the AC is not the Chairman of the Board of PNB. The composition of the AC is as follows:

Members	Status
Datuk Mohd. Anwar Yahya (<i>Chairman</i>)	Independent Non-Executive
Tan Sri Dr. Nik Norzrul Thani N. Hassan Thani	Independent Non-Executive
Datu Haji Soedirman Haji Aini	Independent Non-Executive
Datin Norazah Mohamed Razali (<i>Appointed with effect from 4 June 2024</i>)	Independent Non-Executive

The composition is in line with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and the MCGG, which prescribes that the AC must be composed of not fewer than three (3) members, all of whom must be non-executive directors, with a majority being independent directors. In addition, the current AC comprises solely of independent directors, which is in accordance with the MCGG.

The primary role and responsibilities of the AC are to assist the Board in its independent oversight of the adequacy and effectiveness of the internal control environment and to oversee compliance with relevant rules and regulations.

Terms of Reference

The AC is governed by its ToR, the most recent revision of which was adopted by the Board in November 2021. The Board must approve the appointment of Committee members and the Chairman of the Committee. AC members are not permitted to designate alternate members.

▶ The AC has the authority to:

- Investigate any matter within its ToR;
- Have full and unrestricted access to any information and documents or resources about the PNB Group;
- Have direct communication channels with the internal and external auditors or both, without the attendance of other executive directors and employees of the PNB Group whenever deemed necessary;
- Seek any information it requires from any employee of the PNB Group. All employees are directed to co-operate with any request made by the AC;
- Form and delegate authority to sub-Committees, which shall be subject to their own ToR as approved by the AC;
- Be able to obtain, at the expense of PNB, external legal or other independent professional advice it considers necessary; and
- Secure the resources (i.e., staff and material) in order to perform its duties as set out in these ToR.

Corporate Governance Overview Statement



Effective Audit and Risk Management (continued)

The duties and responsibilities of the AC include the following:

A Financial Reporting i. Ensure fair and transparent reporting and prompt publication of financial statements; ii. Understand the method used to account for any complex and unusual transactions where their treatment may be open to different approaches and any significant accounting policy issues, or audit adjustments recommended by external auditors (those agreed by the Senior Management of the PNB Group and those waived); iii. Assess the PNB Group's financial position or condition and consider the question of going concern; iv. Review both the interim (half-yearly results) and year-end financial statements of UTF and year-end financial statements for PNB and subsidiaries under the management, before the approval by the Board; and v. Provide the Board with assurance on the adequacy and reliability of financial information used by the Board and of the financial information issued publicly by the PNB Group.	C Internal Audit i. Review, approve and report to the Board as and when required the audit plan, audit reports, audit charter, appointment, remuneration, performance evaluation, removal, and redeployment of the Group Head Internal Audit ("GHIA"); ii. Review and approve the performance and effectiveness of the internal audit function on an annual basis; iii. Noting significant disagreements between the GHIA and the Senior Management of the PNB Group, irrespective of whether these have been resolved, in order to identify any impact the disagreements may have on the audit process or findings; and iv. Review the ISO Internal Quality Audit and third-party audit findings and to ensure corrective measures are undertaken for the effective implementation of the Group's quality management system.
B Risk Management and Internal Control i. Review the adequacy and effectiveness of the establishment and implementation of risk management, internal controls, anti-bribery and anti-corruption, whistleblowing, and governance processes of the PNB Group based on audit reports prepared by the Company's Internal Audit Division ("IAD"); ii. Review the adequacy of the corporate governance disclosures in relation to the preparation of the PNB Group Integrated Annual Report, before approval by the Board; and iii. Review third party opinions on the design and effectiveness of the internal control framework of the PNB Group.	D External Audit i. Review, approve and report to the Board the audit plan, audit reports, system of internal controls, audit fees, appointment or re-appointment, resignation, and dismissal of the external auditors; and ii. Assess and monitor the performance, suitability, objectivity, and independence of the external auditors. E Related Party Transactions Review and report to the Board any Related Party Transactions and conflict of interest situation which may arise within PNB and/or PNB Group, including any transaction, procedure or course of conduct that raises questions on corporate governance and integrity of the Group's Management.

The AC reviewed its report for the year under review to ensure that it was prepared while being guided by the relevant regulatory requirements and guidelines.

Audit Committee's Priorities and Key Focus Areas for Internal Audit Division in 2025

The following have been identified as priorities and key focus areas for the IAD:

1. Regulatory, Governance and Compliance – Shift from basic compliance checks to proactive risk assessment, strengthening adherence to the AMLCFT, Capital Market Intermediary Guidelines, and continuous improvement in Pre-SC Audit validation.
2. ASNB UTF Sales – Enhancing digital sales channels, robo-advisory capabilities, marketing and branding strategies, and ASNB Loan Certificate System efficiency.
3. Technology Security Operations, Cybersecurity Review and Cloud Services – Fortifying security operations, conducting cybersecurity reviews, and optimising cloud service management.

Audit Committee's Priorities and Key Focus Areas for Finance Division in 2025

The following areas have been identified as priorities and key focus areas for the Finance Division:

1. Strengthening financial oversight to ensure accurate, fair, and transparent financial reporting, with a focus on the integrity of financial statements.
2. Overseeing compliance with accounting standards, including the adoption, transition, and adherence to new standards issued by the Malaysian Accounting Standards Board ("MASB") and other relevant bodies.
3. Overseeing the operational and financial implications of inflation and a potential economic recession to be reflected in financial statements, due to triggering events such as deteriorating macroeconomic conditions or loss of customers, which might result in impairment of property, plant, and equipment; intangibles; or goodwill that need to be recorded.

Other functions of the Committee

- a. To discuss with the Group Chief Strategy & Financial Officer ("GCSFO") of PNB the following matters:
 - the quality and effectiveness of existing accounting policies;
 - implementation of recommendations made by the external auditors;
 - internal controls and procedures;
 - provisions that are required to be made or to be written off on investments and fixed assets; and
 - other matters raised either by the AC or GCSFO of PNB.
- b. To monitor controls to ensure compliance with corporate policies and to prevent or control significant conflicts of interest on the part of the Senior Management or other employees of the PNB Group;
- c. To monitor compliance with corporate codes or policies governing ethical behaviour of employees in business activities;
- d. To consider any special review or investigation of any matter deemed necessary within these ToR by the Board;
- e. To ensure co-ordination between internal and external auditors; and
- f. To review any other reports issued by the Group, which relate to the responsibilities of the AC.

Corporate Governance Overview Statement



Effective Audit and Risk Management (continued)

Activities

A total of 11 meetings were held during the year under review. Details of meeting attendance are set out below:

Members	Status	Attendance
Datuk Mohd. Anwar Yahya (Chairman)	Independent Non-Executive	11/11
Tan Sri Dr. Nik Norzrul Thani N. Hassan Thani	Independent Non-Executive	10/11
Datu Haji Soedirman Haji Aini	Independent Non-Executive	8/11
Dato Dr. Nik Ramlah Nik Mahmood (Resigned with effect from 4 June 2024)	Independent Non-Executive	7/7
Datin Norazah Mohamed Razali (Appointed with effect from 4 June 2024)	Independent Non-Executive	4/4

The PGCE, the GCSFO and the GHIA are permanent invitees and attend the AC meetings to brief and provide clarification to the Committee on their areas of responsibility. Other members of the Management are also invited for specific agenda to support detailed discussions during the Committee's meetings.

External auditors are invited to attend the AC meetings to discuss and review the annual audited financial statements of PNB, ASNB, and its UTF and the PNB Group.

Summary of Activities of the Audit Committee

During the year under review, in the discharge of its duties and functions, the AC carried out the following activities:



Financial Reporting

- Reviewed annual reports and interim reports of UTF before presenting to the Board for approval.



Risk Management and Internal Control

- Reviewed the Corporate Governance Disclosures which include the Corporate Governance Overview Statement, Statement on Risk Management and Internal Control, Statement on Corporate Compliance and Integrity, Audit Committee Report, and Shariah Advisory Committee Report in relation to the preparation of the PNB Integrated Annual Report 2023, before approval by the Board.



External Audit

- Reviewed and approved the Audit Planning for Yayasan Pelaburan Bumiputra ("YPB") Group;
- Reviewed and monitored the content of the external auditor's management letter, in order to assess whether it is based on a good understanding of the company's business and establish whether recommendations have been acted upon and understand the reasons should these have not been acted upon;
- Reviewed the external auditor's audited financial statements, audit issues and matters arising for the PNB Group; and
- Reviewed the performance, independence, and fees of the external auditors.



Internal Audit

- Reviewed and approved the IAD's Annual Audit Plan 2024 and the adequacy of resources;
- Reviewed the internal audit reports and ensured that the agreed action plans were implemented by the Management in a timely and effective manner;
- Assessed the quality of internal audits performed in 2024;
- Reviewed the result of IAD's post-audit feedback surveys; and
- Reviewed and approved IAD's Key Performance Indicators achievement for 2023 and Proposed Key Performance Indicators for 2024.

Internal Audit Division

In discharging its responsibilities, the AC is assisted by the IAD. The IAD comprises 32 staff, who are segregated into five teams as set out below:

1. Operations and Subsidiaries Audit

Responsible for the execution of internal audit assignments for PNB's operations, namely Finance, Legal, Procurement, Corporate Affairs, Human Capital, Real Estate and PNB's subsidiaries namely Attana Hotels & Resorts Sdn. Bhd., Prolintas, PHNB, and PNBMV, to name a few.

2. Investment, Strategic and Sustainability Audit

Responsible for the execution of internal audit assignments for PNB's Strategy, Investment, and Sustainability-related divisions, and teams (Corporate Strategy, SAA, Investments, Investment Processing, Sustainability and Social Investments), Governance (Compliance and Integrity, Risk Management) and Company Secretary.

3. Unit Trust and Regulatory Audit

Responsible for the execution of internal audit assignments for ASNB's operations, ASNB branch operations, PNB's Zakat Distribution, Shariah Management, and regulatory compliance audits such as AMLCFT.

4. Technology and Cybersecurity Audit

i) Technology Audit

Responsible for the execution of internal audit assignments for technology audits on PNB, ASNB, and PNB subsidiaries, internal quality audit on ISO/International Electrotechnical Commission ("IEC") 20000-1: 2018 Information Technology – Service Management and verification on ASNB funds income distribution.

ii) Cybersecurity and System Development Lifecycle Audit

Responsible for the execution of internal audit assignments for cybersecurity audits on PNB, ASNB, and PNB subsidiaries, and system development initiatives undertaken by PNB and ASNB.

5. Quality Audit and Practice Management

i) Internal Quality Audit

Responsible for the execution of quality management systems audit of the ISO 9001:2015 QMS, MS 1900:2014 Shariah-based QMS and ISO 37001:2016 ABMS for certified business units and entities namely, PNB, ASNB, Public Markets & related areas, Perdana Kuala Lumpur City Centre, Perdana Kota Bharu, Villea Port Dickson, Villea Rompin Resort & Golf, Espira Kinrara, and Attana Golf Sdn. Bhd.

ii) Practice Management and Special Project

Responsible for the quality assurance of internal audit reports to Management and AC and execution of non-core audit activities, projects within the IAD and collaborative projects with other Divisions and Teams within PNB.

Corporate Governance Overview Statement



Effective Audit and Risk Management *(continued)*

Summary of Internal Audit Division's Activities and Initiatives

During the year under review, the IAD successfully completed a total of 115 audits of which, 42 were full audit assignments, surpassing the planned 39 full audits for the year. In addition, IAD completed 73 limited scope audits and advisory reviews during the year. These are summarised as follows:

- | | |
|--|--|
| <p>i Internal Assurance audits on</p> <ul style="list-style-type: none"> ▶ Divisions and teams in PNB such as Fixed Income, Corporate Strategy, Direct Investment, FP Funds, Global Fund Investments, Investment Verification, Investment Governance, ESG Investments, Compliance, Education, Real Estate Special Projects Unit ("RESPRO") of Malaysia Real Estate, and PNB's Zakat CSR Distribution; ▶ ASNB-related functions such as ASNB Wakalah Sdn. Bhd. and ASNB Operations (Unit Trust Governance, Risk and Compliance ("UTGRC"), Unit Trust Claims Section and Systematic Investment Operation ("SIP") Section); ▶ Subsidiaries' operations such as PNB (UK) Ltd, PNBMV, PNB Commercial (Southern Region), PNB Research Institute, PHNB, Perdana KLCC, Villea Morib, Villea Rompin Resort & Golf, and Villea Port Dickson; and ▶ ASNB branches' operations. | <p>iii Business Advisory Reviews on</p> <ul style="list-style-type: none"> ▶ PNB Japan Ltd; and ▶ FIMM's Annual Compliance Review on ASNB. |
| <p>ii Technology and Cybersecurity audits on</p> <ul style="list-style-type: none"> ▶ SC's GTRM Enterprise-wide Gap Assessment Exercise (Second Phase); ▶ ASNB Estate Management System ("AEMS"); ▶ Disaster Recovery ("DR") Simulation and Connectivity Test 2024; ▶ Network Connectivity Test 2024; ▶ Enterprise Integration Platform ("EIP"); ▶ IT Project & Change Management; ▶ IT Governance Control: myASNB Portal; ▶ User Access Management; ▶ Human Resource ("HR") Avenue; ▶ Managed Security Service by e-Lock Corporation Sdn. Bhd.; ▶ ISO/IEC 2000-1:2018 Compliance Review on IT Service Management; and ▶ Income Distribution Verification for 16 ASNB Unit Trust Funds. | <p>iv Follow-up</p> <ul style="list-style-type: none"> ▶ Monitored and followed up on the implementation of the corrective actions by Management for all outstanding findings. ▶ Reported status of outstanding audit findings to AC on a quarterly basis; delays in the implementation of agreed action plans were escalated to the relevant Senior Management for further action. |
| | <p>v Special Reviews</p> <ul style="list-style-type: none"> ▶ Conducted on an ad-hoc basis as required and upon request by the Management. |
| | <p>vi Surprise Cash Counts and Cash Management</p> <ul style="list-style-type: none"> ▶ ASNB branches; and ▶ Hotels under Attana Hotels & Resorts Sdn. Bhd. |

vii

Quality Management System ("QMS") (ISO 9001:2015) on

- ▶ PNB Public Markets and Related Areas ("PMRA");
- ▶ ASNB;
- ▶ Perdana Kuala Lumpur City Centre;
- ▶ Perdana Kota Bharu;
- ▶ Villea Rompin Resort and Golf;
- ▶ Villea Port Dickson;
- ▶ Espira Kinrara; and
- ▶ Attana Golf Sdn. Bhd.

viii

Shariah-Based QMS (MS 1900:2014) on

- ▶ Perdana Kuala Lumpur City Centre; and
- ▶ Perdana Kota Bharu.

ix

Anti-Bribery Management System ("ABMS") (ISO 37001:2016) on

- ▶ PNB; and
- ▶ ASNB.

x

Non-audit tasks

- ▶ Attended tender activities as observer;
- ▶ Verified fixed asset disposals by the Procurement team;
- ▶ Verified PNB Development Value Homes' applicants' documentations; and
- ▶ Verified ASNB quizzes and PNB Group's events.

Key Milestones and Initiatives in Audit Activities

Throughout the year, the IAD achieved significant milestones to enhance its capabilities and processes:

Professional Certifications

1

- Five (5) team members attained the Lead Auditor ISO 20000-1:2018 Information Technology Service Management Systems certification, equipping the team with advanced auditing skills to assess IT service management practices, ensure compliance with global standards, and drive continuous improvements in IT governance.
- Six (6) team members earned the MS 1900 Shariah-based Quality Management System certification, enhancing the team's ability to audit and evaluate quality management systems while ensuring adherence to Shariah principles, reinforcing the organisation's commitment to ethical and effective governance practices.

Advancement in Audit Processes

2

- In 2024, the Audit Management System ("IAMS") significantly enhanced audit workflows and functionalities, achieving 80% utilisation for audit activities by year-end. Full adoption is expected in the upcoming year as the system continues to optimise efficiency through features such as real-time dashboards and impact reporting.

In 2025, the IAD plans to conduct 39 full audit assignments and 73 limited-scope assurance audits and advisory reviews. These included Internal Assurance audits, Technology and Cybersecurity audits, Surprise Cash Count and Cash Management, ASNB UTF Income Distribution Verification, Control Self-Assessments, Quality Management Systems and Anti-Bribery Management Systems audits.

Corporate Governance Overview Statement



Effective Audit and Risk Management (continued)

Key Plans and Initiatives for 2025

The IAD remains committed to advancing its achievements and maintaining operational excellence through continuous improvement and staff development. Key initiatives planned for 2025 include:

1

Digitalisation and Operational Efficiency Projects

- ▶ IAMS Full Utilisation: Building on this year's system utilisation achievement, IAD is focused on fully integrating IAMS into all audit processes. This will further streamline workflows, enhance efficiency, and maximise the benefits of the system's advanced features, including real-time dashboards and impact reporting.
- ▶ DataMart: Establishing a centralised, organised, and efficient data repository tailored to IAD's operational needs.
- ▶ Security Scorecard: Implementing a tool to assess, monitor, and manage cybersecurity risks across internal systems and third-party vendors, providing a holistic view of the organisation's cybersecurity posture.

2

Quality Assurance Improvement Program ("QAIP") Assessment

- ▶ In accordance with IAD's practices, an external *Quality Assurance Review* is conducted every three years. For 2025, IAD will undergo this review to ensure compliance with global standards and continuously enhance audit practices.

3

Continued Staff Development and Knowledge Enhancement

- ▶ Facilitating professional growth through inter-unit rotations, mentoring programmes, and the creation of an auditor pool.
- ▶ Supporting knowledge sharing and benchmarking with other organisations to adopt best practices.
- ▶ Targeting seven (7) professional certifications for staff development in key areas:

i. Environmental, Social and Governance ("ESG"): ■ Sustainability and Climate Risk Certificate ("SCR") ■ Certificate in Sustainability for Finance ("CertSF")	ii. Shariah: ■ Certified Islamic Specialist in Shariah Auditing ("CIBAFI")
iii. Technology and Cybersecurity: ■ Certified Information Systems Auditor ("CISA") ■ Certified Information Systems Security Professional ("CISSP")	iv. Others: ■ Project Management Professional ("PMP") ■ Certified Forensic Analyst ("CFA")

4

Integrity, Risk, Audit and Compliance ("iRAC") 2025

- ▶ iRAC Programme 2025, to enhance awareness and knowledge on good governance practices across the PNB Group. The continuation of this initiative reflects IAD's commitment to embedding robust governance standards throughout the organisation.

5

Other ongoing initiatives

- ▶ Implementing Control Self-Assessment ("CSA"), Data Analytics, Guest Auditor Programme and Advisory Services continuously with gradual refinement to effectively respond to shifting business and risk landscapes.

Shariah Advisory Committee Report

Composition

The PNB Shariah Advisory Committee (PNB SAC) comprises the following members:

Members	Status	Attendance
Datuk Professor Dr. Mohamad Akram Laldin (Chairman)	Independent Non-Executive	4/4
Dato' (Dr.) Haji Nooh Gadot	Independent Non-Executive	4/4
SS Dato' Haji Mohamad Shukri Mohamad (Dato' Kaya Perba)	Independent Non-Executive	4/4
Dr. Aida Othman	Independent Non-Executive	4/4
Professor Dr. Ashraf Md Hashim (Appointed with effect from 13 March 2024)	Independent Non-Executive	3/3
Encik Wan Abdul Rahim Kamil Wan Mohamed Ali (Deceased on 5 August 2024)	Independent Non-Executive	3/3

Responsibilities

The PNB SAC was set up to give advice, opinions and guidance on matters pertaining to Shariah compliance issues for the investments made by PNB, and to assist PNB to always comply with Shariah principles. The PNB SAC convenes every quarter to review 'Status Pematuhan Syariah Pelaburan PNB dan Tabung Unit Amanah ASNB' and to discuss as well as approve the proposals according to Shariah compliance requirements.

Statement on Shariah Compliance Status

PNB strives to uphold Shariah principles across all aspect of its operations and business activities through the continuous enhancement of Shariah compliance requirements. Following the issuance of "Harus" fatwa by the The Muzakarah of Fatwa Committee of the National Council for Islamic Religious Affairs Malaysia (now known as Jawatankuasa Muzakarah MKI) in 2008, as well as fatwa from all State Fatwa Committees for all unit trust products in 2017, PNB has continued to broaden its Shariah initiatives. In 2024, these efforts have focused on fostering a vibrant Shariah management landscape within the organisation.

PNB SAC Certification

PNB SAC hereby certifies that the products (as listed below) managed by ASNB, a unit trust fund management company wholly-owned by PNB, are Shariah compliant and that all Shariah compliance requirements have been implemented in accordance with PNB's internal Shariah compliance controls approved by PNB SAC.

Fixed Price Funds

Fund Name	
1	Amanah Saham Bumiputera (ASB)
2	Amanah Saham Bumiputera 2 (ASB 2)
3	Amanah Saham Bumiputera 3-Didik (ASB 3 Didik)
4	Amanah Saham Malaysia (ASM)
5	Amanah Saham Malaysia 2-Wawasan (ASM 2 Wawasan)
6	Amanah Saham Malaysia 3 (ASM 3)

Corporate Governance Overview Statement



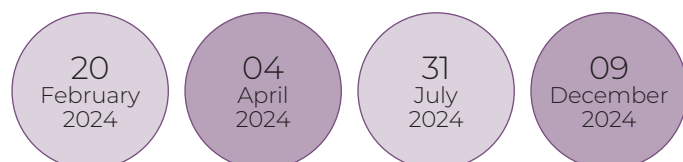
Effective Audit and Risk Management (continued)

Variable Price Funds

Fund Name	
1	Amanah Saham Nasional (ASN)
2	ASN Equity 2
3	ASN Equity 3
4	ASN Equity 5
5	ASN Equity Global
6	ASN Imbang (Mixed Asset Balanced) 1, (ASN Imbang 1)
7	ASN Imbang (Mixed Asset Balanced) 2, (ASN Imbang 2)
8	ASN Imbang (Mixed Asset Balanced) 3 Global, (ASN Imbang 3 Global)
9	ASN Sara (Mixed Asset Conservative) 1, (ASN Sara 1)
10	ASN Sara (Mixed Asset Conservative) 2, (ASN Sara 2)
11	ASN Sukuk*
12	ASN Equity Malaysia

*ASN Sukuk is an ASNB Islamic Fund supervised by the SAC for ASNB Shariah Compliant Funds (SACF)

This report is made based on the information provided and disclosed to PNB SAC members every quarter entitled 'Status Pematuhan Syariah Pelaburan PNB dan Tabung Unit Amanah ASNB' during the PNB SAC meetings held in 2024 as follows:



Acknowledgements of PNB Shariah Commitment

We, the members of the PNB SAC, have provided deliberations to the management of PNB regarding Shariah-related matters presented at the PNB SAC meetings in 2024.

The decisions made aimed to ensure that PNB's operations and investments complied with Shariah principles and met relevant requirements and standards.

We believe that PNB's management has made appropriate efforts to align its operations and investments with Shariah principles.

We hope that PNB continues to deliver the best services to its stakeholders. We also encourage PNB to further strengthen its role in empowering the Bumiputera economy and the people of Malaysia, while supporting the aspirations of Islamic finance in the country.

To the best of our knowledge and efforts, based on operational and investment proposals submitted through meetings, circular resolutions, and other communication mediums, we, the members of PNB SAC, confirm and certify that PNB's operations and business transactions for the financial year ending 31 December 2024, are in compliance with Shariah principles and PNB's internal Shariah compliance controls approved by PNB SAC.

Thank you.

On behalf of the PNB SAC,
Datuk Prof. Dr. Mohamad Akram Laldin
Chairman of PNB SAC

PNB Shariah Initiatives 2024

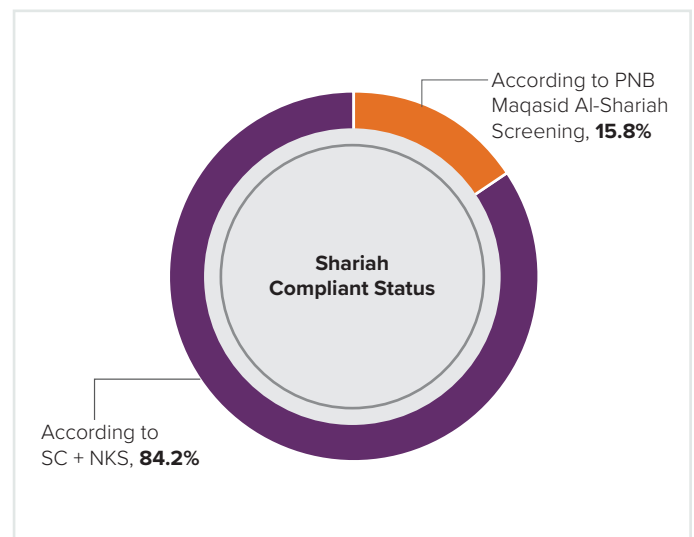
Continuous Commitment towards Shariah-Compliant Investment

Our commitment goes beyond financial outcomes, ensuring adherence to Shariah principles across all aspects of our operations. We strive to deliver sustainable returns to stakeholders while upholding ethical and responsible practices.

Previously, the Shariah-compliant percentage of the PNB Group was determined using the SC's Shariah-Compliant Securities Screening Methodology alongside the PNB Maqasid Al-Shariah screening methodology, as approved by the PNB SAC.

In 2024, we introduced a new calculation method for determining the Shariah-compliant percentage, addressing limitations in the existing approach. The updated method incorporates the Shariah cost ratio (*Nisbah Kos Syariah* 'NKS'), which includes a portion of Malayan Banking Berhad's ("Maybank") Shariah-compliant assets. This enhancement was approved by the PNB SAC on 31 July 2024, and subsequently by the Jawatankuasa Fatwa Negeri Selangor on 27 November 2024.

With the inclusion of NKS, the overall Shariah compliance percentage increased to 84.2% in December 2024, compared to 77.2% under the previous approach. This initiative highlights our dedication to supporting investors' ethical aspirations while fostering a thriving ecosystem for Shariah-compliant financial activities.



PNB Shariah Governance Framework (PNB SGF)

Overview

PNB SGF provides a robust foundation for effective Shariah oversight within our organisation. It serves as a cornerstone for the systematic enhancement of our investment processes, ensuring strict adherence to Shariah principles.

By defining clear roles for the Board, Senior Management, and the SAC, PNB SGF ensures that our investment practices remained aligned with Shariah principles and enhance public confidence in our operations.

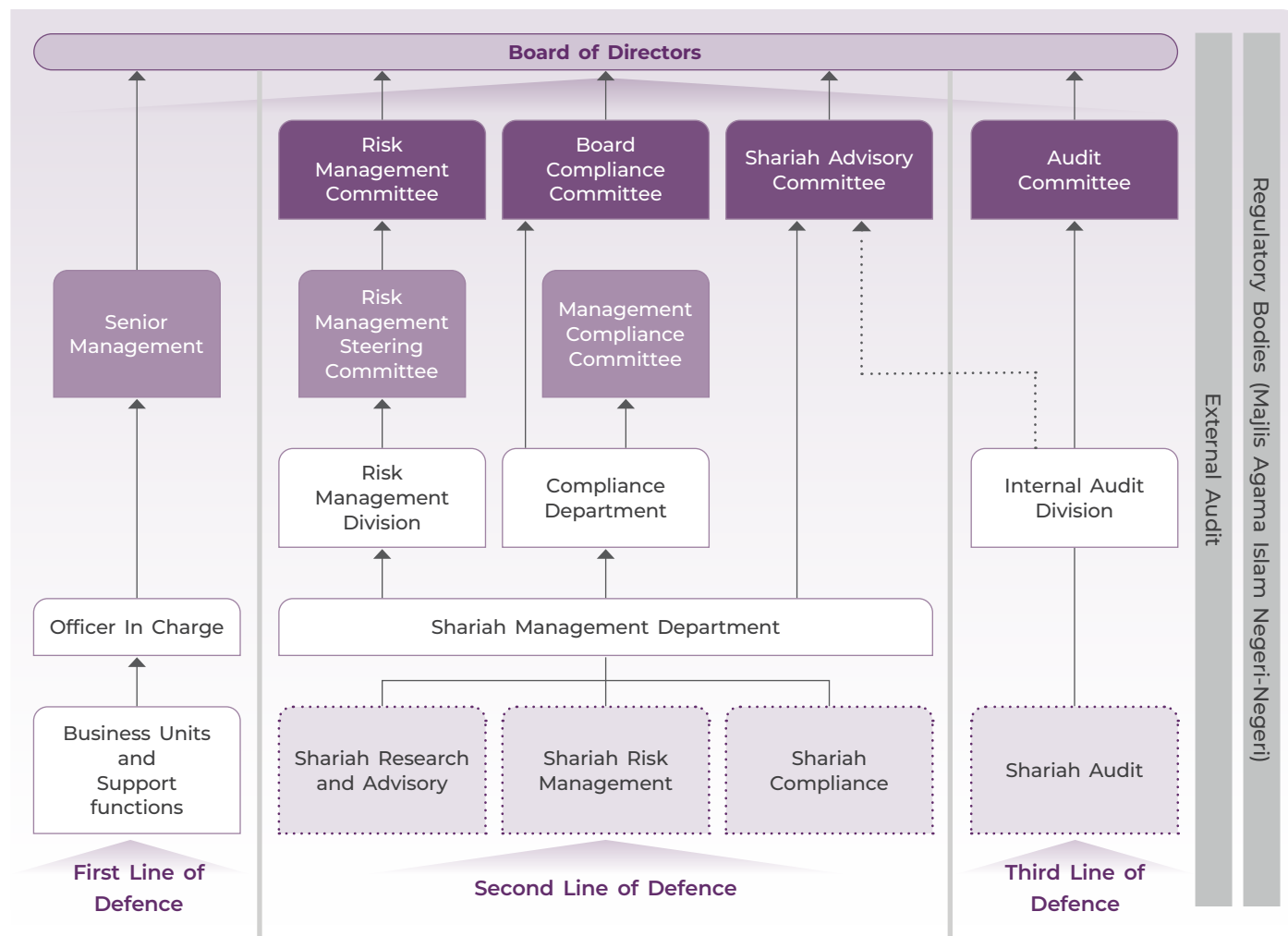
Corporate Governance Overview Statement



Effective Audit and Risk Management (continued)

The SGF Structure

PNB Group's Three Lines of Defence model for Managing Shariah Non-Compliance Risk



PNB Group has implemented a Three Lines of Defence Model for the management of all risk classes, including Shariah Risk Management (SRM). This model is essential for the effective operation of PNB SGF.

First Line of Defence	Business units and support functions are the primary owners of Shariah non-compliance risks
Second Line of Defence	- Represented by the Shariah Management Department, Compliance Department and Risk Management Division - Serves as an advisory role to business operations, oversees implementation, embeds business procedures, tracks internal mitigation activities and plans, organises training and executes other Shariah compliance framework activities
Third Line of Defence	- Represented by the IAD - Provides the BOD, SAC and Senior Management with independent and objective assurance on the overall adequacy and effectiveness of the design and operation of internal Shariah compliance controls

♦ Four Main Functions Under PNB SGF

Shariah research and advisory	Responsible for conducting Shariah research and providing Shariah advice.
Shariah risk management	Responsible for ensuring the efficient and effective management of Shariah non-compliance risk.
Shariah compliance review	Responsible for Shariah compliance monitoring and review for the purpose of continuous assessment in accordance with the Shariah Manual and SAC's resolutions.
Shariah audit	Responsible for Shariah audit/assurance for the purpose of independent periodical assessment and objective assurance on the degree of Shariah compliance.

♦ Shariah Compliance Culture

Throughout the year under review, the Shariah Management Department undertook various initiatives to ensure the successful implementation of the PNB SGF. These initiatives are set out below:

1 Shariah training and awareness programmes

These programmes aim to enhance Shariah awareness, offer Shariah advisory and research, ensure thorough Shariah compliance monitoring and review, and conduct Shariah risk assessments. The programmes include both physical and virtual sessions.

2

Shariah E-learning

In 2024, the Shariah Management Department in collaboration with the Islamic Banking and Finance Institute Malaysia (IBFIM), introduced a preliminary e-learning course on Shariah in Islamic Finance. This course, accessible through the PNB LearnHub platform, is designed to equip staff with a foundational understanding of Shariah, Fiqh, and Islamic Ethics. The objectives of this e-learning initiative include enabling PNB staff to define Shariah, discuss the basic components of Islam, understand the definition and clarification of Fiqh, explain the salient features of Shariah, and describe the principles and key elements in the implementation of the Islamic ethics.

♦ Shariah Risk Management

As outlined in the PNB SGF, the SRM function has adopted the Operational Risk Management (ORM) framework with the following objectives:

To review current operations of the team or division that relates to Shariah within the scope of PNB Shariah Manual.

To assess current Shariah risks and emerging Shariah risks.

To evaluate the effect of changes in the control mechanism to departmental or divisional existing Shariah non-compliance risk.

To identify whether controls are appropriate, adequate and effectively implemented.

To analyse the appropriateness of risk rating.

Throughout the year under review, SMD undertook the following SRM activities:

a. Shariah Risk Assessment:

Utilising the Risk Control Self-Assessment (RCSA) tools, including the risk register and questionnaires, provides a better understanding and assists Business Units (BUs) in achieving more comprehensive Shariah risk coverage.

b. Stakeholder Engagement:

Conducted Shariah risk briefing sessions were conducted for internal stakeholders to enhance awareness and understanding of Shariah compliance requirements, and tabled Shariah risk assessment reports were also tabled to the PNB SAC for deliberation and feedback for improvements.

Corporate Governance Overview Statement

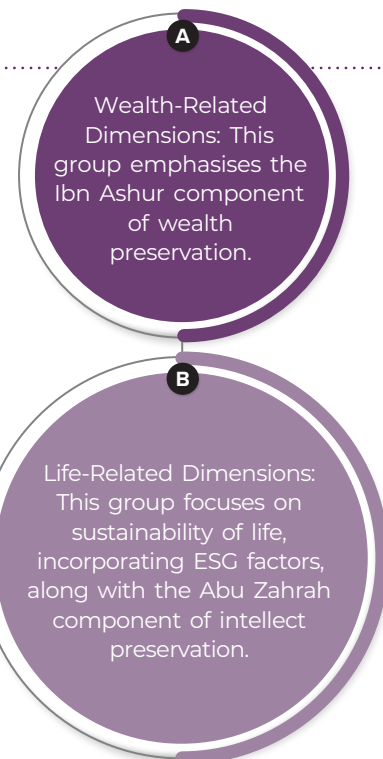


Effective Audit and Risk Management *(continued)*

Maqasid Al-Shariah in Responsible Investment (MSRI)

The implementation of Maqasid Al-Shariah screening for domestic equity investments at PNB commenced in 2017. PNB SAC mandates that the Maqasid Al-Shariah screening methodology be reviewed every three years to ensure its relevance and alignment with current changes in the financial market. On 9 December, 2024, the PNB SAC approved the revised version of the screening methodology namely the Maqasid Al-Shariah in Responsible Investment (MSRI) screening.

The MSRI Screening adopts a novel approach to responsible investment by integrating the Maqasid Al-Shariah framework with ESG elements for domestic equity investments. This screening will be utilised to analyse investments and guide decision-making processes within PNB's investment portfolio. The MSRI Screening is grounded in Al Ghazali's five dimensions of Maqasid, which encompass the preservation of religion (Hifz Ad-Deen), lineage (Hifz An-Nasl), intellect (Hifz Al-Aql), life (Hifz An-Nafs), and wealth (Hifz Al-Mal). These dimensions of Maqasid Al-Shariah are further categorised into two groups:



Each element is assigned to its relevant theme, as illustrated in Figure 1 below.

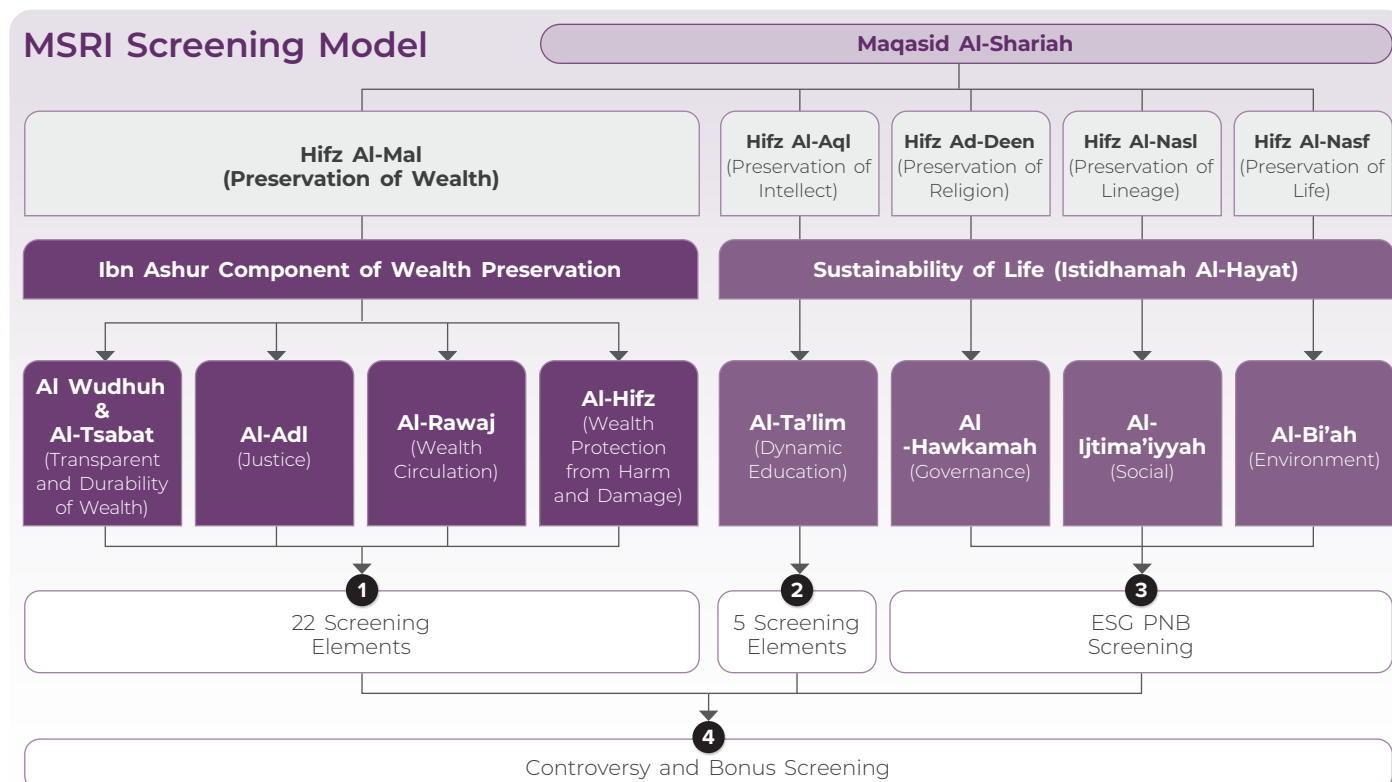


Figure 1: The MSRI Screening Model

The elements for each component of preservation have been expanded beyond the initial eight Maqasid elements as shown in Figure 2 below. Specifically, the preservation of wealth (Hifz Al-Mal) now includes 22 screening elements, while the preservation of intellect (Hifz Al-Aql) encompasses five screening elements. The ESG screening elements are applied to the preservation of religion, life, and lineage (Hifz Ad-Deen, Hifz Al-Nafs and Hifz Al-Nasl).

The MSRI screening also incorporates controversial scores and bonus scores to address current issues, reflecting both negative impacts and positive efforts by companies.

▶	Maqasid Asliyyah (primary)	Protection of Religion	Protection of life	Protection of Wealth	Protection of Lineage	Protection of Intellect
	Maqasid Tabai'yyah (secondary)	• Dignity • Eradicate poverty and destitute • Eradicate ignorance	• Security • Eradicate disease	• Job opportunities • Eradicate poverty and destitute	• Security • Job opportunities	• Technical expertise • Technology • Eradicate poverty and destitute • Eradicate ignorance

Notes:

- **Maqasid Asliyyah:** the ultimate goal and Daruriyyat status in the exercise of law and must be maintained at all times (protection of religion, life, wealth, lineage and intellect)
- **Maqasid Tabai'yyah:** with complement secondary maqasid, the completion of Maqasid Asliyyah

The MSRI screening will be officially implemented in 2025.

Key Zakat Initiatives

During the year under review, we expanded our zakat distribution efforts by introducing innovative initiatives while strengthening existing programmes. These efforts focused on empowering the Asnaf community through sustainable financial solutions, skill development, and strategic collaborations with key partners.

The following highlights showcase both new approaches and established programmes designed to maximising the impact of zakat for long-term community benefit.

Corporate Governance Overview Statement



Effective Audit and Risk Management (continued)

a

Zakat Micro-takaful

PNB, in collaboration with Takaful Ikhlas Family Berhad, Pusat Pungutan Zakat-Majlis Agama Islam Wilayah Persekutuan (PPZ-MAIWP), and 11 other state zakat centres, launched the "Skim Mikrotakaful Asnaf PNB" to provide essential financial protection to the Asnaf community. This initiative ensures that vulnerable groups are safeguarded against unforeseen financial burdens, particularly in times of crisis.

- A total contribution of RM468,000 was allocated for 11 comprehensive takaful coverage plans, benefitting approximately 1,300 Asnaf participants across 12 states
- In its first year of coverage (2024), 34 claims were made, amounting to over RM628,000, exceeding 134% of PNB's initial contribution
- This initiative demonstrates the value of structured takaful solutions in providing financial security to underserved communities

b

Zakat Micro-investment

To promote long-term financial resilience, PNB and MAIWP introduced the Zakat Micro-Investment programme. This initiative empowers Asnaf participants to develop financial independence by investing in ASB UTF, fostering a culture of savings and wealth accumulation.

- Under this programme, zakat contributions from PNB and MAIWP are deposited into Asnaf ASB accounts, with the funds locked in for a specific period to ensure capital growth
- Asnaf participants benefit from dividends generated during the first five years, with the principal gradually becoming withdrawable from year six onwards
- Now in its third year of implementation, the programme has benefited 3,000 Asnaf participants, reinforcing financial literacy and promoting long-term sustainability

c

Zakat Micro-financing

Recognising the need for economic empowerment among Asnaf entrepreneurs, PNB partnered with RHB Islamic Bank Berhad to introduce Zakat Micro-Financing under the B40 Empowerment Strategy - Be Your Own Boss (BESTBYOB) programme. This initiative supports pre-franchise micro-entrepreneurs by providing alternative funding mechanisms through zakat.

- Utilising zakat funds in the form of grants and qard hasan (benevolent loans), this initiative helps Asnaf entrepreneurs establish or expand their businesses
- The programme is designed as a sustainable financing model, providing a long-term solution for economic self-sufficiency
- In 2024, this initiative is expected to benefit more than 20 Asnaf entrepreneurs nationwide, equipping them with the resources they need to thrive

d

Sponsorship in Hospitality Certificate

To address employment challenges among Asnaf youth, PNB introduced a hospitality skills development initiative in collaboration with the Food Institute of Malaysia, Lembaga Zakat Selangor (LZS), and Attana Hotels and Resorts. This programme equips Asnaf students with the necessary skills to build sustainable careers in the hospitality industry.

- The initiative sponsors Asnaf students to pursue the Certificate of Competency in Culinary Arts & Hospitality, offering them with hands-on training and industry exposure
- Since its inception, the programme has enrolled three batches of students, benefiting a total of 62 Asnaf participants
- This initiative aligns with PNB's commitment to capacity-building by integrating zakat contributions into skill-based education, fostering employment opportunities for Asnaf youth
- Through these strategic zakat initiatives, PNB continues to drive financial inclusion, economic empowerment, and long-term sustainability for the Asnaf community, reinforcing its commitment to meaningful and transformative social impact

Corporate Engagement

PNB's commitment to stakeholder engagement is rooted in the belief that knowledge-sharing, broadening experiences, and maintaining a learner's mindset have enabled us to understand the needs of Muslim investing communities, measure programme impact, and implement necessary enhancements.

PNB actively engages with stakeholders, including regulatory bodies, religious institutions, government agencies, GLICs, financial institutions, and educational institutions, to deepen mutual understanding and enhance our Shariah-compliant offerings.

Key Engagements in 2024:

A Regulatory bodies and states' religious institutions:

1. Selangor Mufti Department
2. Kelantan Mufti Department
3. Pahang Mufti Department
4. Terengganu Mufti Department
5. Penang Mufti Department
6. Federal Territory Mufti Department
7. Jabatan Kemajuan Islam Malaysia (JAKIM)
8. Majlis Agama Islam Wilayah Persekutuan (MAIWP)
9. Majlis Agama Islam Negeri Johor (MAIJ)
10. Majlis Agama Islam dan Adat Melayu Perak (MAIPk)
11. Lembaga Zakat Negeri Kedah (LZNK)
12. Jabatan Agama Islam Wilayah Persekutuan (JAWI)
13. Pusat Pungutan Zakat – Majlis Agama Islam Wilayah Persekutuan (PPZ-MAIWP)

B Government agencies, GLICs, financial institutions and other associations:

1. Bank Negara Malaysia
2. Employees Provident Fund (EPF)
3. Lembaga Tabung Haji
4. Pelaburan Hartanah Berhad (PHB)
5. Bank Islam Malaysia Berhad
6. RHB Islamic Bank Berhad
7. Alliance Islamic Bank
8. Small Medium Enterprise Development Bank Malaysia Berhad (SME Bank)
9. Islamic Banking and Finance Institute Malaysia (IBFIM)
10. Ernst & Young (EY)
11. Khalij Group
12. Zaid Ibrahim & Co
13. Trowers & Hamlin
14. Islamic Development Bank
15. Yayasan Pembangunan Ekonomi Islam Malaysia (YaPEIM)
16. Institut Kefahaman Islam Malaysia (IKIM)
17. Telaga Biru Digital
18. Waqaf An-Nur

C Higher educational institutions:

1. Yayasan Canselor Universiti Kebangsaan Malaysia
2. IIUM Institute of Islamic Banking and Finance (IiBF)
3. Universiti Sains Islam Malaysia (USIM)
4. Pusat Wakaf dan Zakat USIM (PWZ USIM)
5. Kolej Islam Teknologi Antarabangsa (KITAB) Pulau Pinang
6. Universiti Islam Selangor (UIS)
7. Universiti Islam Pahang Sultan Ahmad Shah (UNIPSAS)
8. Universiti Sultan Zainal Abidin (UniSZA)
9. Institut Penyelidikan dan Pengurusan Kemiskinan, Universiti Malaysia Kelantan (InsPeK UMK)

Corporate Governance Overview Statement



Effective Audit and Risk Management (continued)

Public Outreach

Bicara Maqasid Programme

PNB's Bicara Maqasid programme is a Shariah investment literacy programme that aims to educate its stakeholders on smart Shariah Investment and PNB Shariah Investment Initiatives as well as provide assurance on the Shariah status of ASNB's UTF.

In 2024, the Company through its Shariah Management Department, organised three Bicara Maqasid programmes, benefitting a total of approximately 580 participants.

No.	Participants	No. of Participants
1	Universiti Islam Selangor (UIS)	80
2	Universiti Islam Pahang Sultan Ahmad Shah (UNIPSAS)	200
3	Universiti Sultan Zainal Abidin (UnisZA)	300
Total		580

Musa'adah @ RTM (TV Programmes)

PNB continued its public engagement efforts through a television platform, in collaboration with Radio Televisyen Malaysia (RTM) and Jabatan Kemajuan Islam Malaysia (JAKIM). Four documentaries were broadcast on TV1, highlighting PNB's contributions to the community including:

- "*Daripada Asnaf kepada Asnaf*" - PNB's donated three harvesting machines to Lembaga Zakat Negeri Kedah, aimed at reducing paddy cultivation costs for farmers participating in the Large-Scale Smart Padi Field (SBB Smart) Programme in Kedah.
- "*Rahmat Kasih*" - PNB's efforts to upgrade Surau Al-Hidayah in Kg. Sg. Chadak, Ulu Kinta, and Sekolah Rendah Agama Rakyat Orang Asli in Kg. Tonggang, Tg. Rambutan.
- "*Ketenangan di Tengah Kota*" - a documentary on Masjid Al-Sultan Abdullah.
- "*Menggilap Sinar Mutiara*" - a documentary on the donation of a Van to Pusat Kajian Pengurusan Pembangunan Islam (ISDEV) at Universiti Sains Malaysia (USM) for community engagement programmes.



This initiative highlights PNB's dedication to social welfare, community development, and the promotion of religious and cultural values within society.

Masjid Al-Sultan Abdullah (MASA)



Masjid Al-Sultan Abdullah, named in honour of the 16th Yang di-Pertuan Agong, Al-Sultan Abdullah Ri'ayatuddin Al-Mustafa Billah Shah, was inaugurated by His Majesty on 10 January 2024.

The mosque officially opened to the public in January 2024, with the first Friday prayer held on 12 January 2024. Since its opening, a variety of programmes have been organised to enliven the mosque and engage the community including:

No.	Programmes	Date
1	<i>Program Ihya' Ramadan: Solat Sunat Tarawih dan Majlis Berbuka Puasa</i>	March 2024
2	<i>Majlis Pelancaran Kempen Tabung Wakaf Khas MASA (In collaboration with PPZ-MAIWP)</i>	March 2024
3	<i>Solat Sunat Aidilfitri</i>	April 2024
4	<i>Tazkirah Setiap Hari Jumaat</i>	Every Friday
5	<i>Solat Sunat Aidiladha</i>	June 2024
6	<i>Program Ibadah Korban 1445H</i>	June 2024
7	<i>Program Indahnya Berwakaf</i>	June 2024
8	<i>Majlis Jalinan Mahabbah MASA bersama Komuniti Loke Yew (In collaboration with Persatuan Penduduk Perumahan Awam Loke Yew)</i>	October 2024

Corporate Governance Overview Statement



Effective Audit and Risk Management (continued)

Strategic Partnership

PNB remains committed to engaging with a wide spectrum of stakeholders, ensuring inclusivity across diverse levels. Our collaborations highlight our unwavering commitment to inclusivity and social impact through:

Muzakarah Sekretariat Syariah GLIC 2024

SEKRETARIAT SYARIAH GLIC 2024

Pelaburan Pasaran Persendirian: Inovasi Dalam Keterbatasan?

15 November 2024 | Hotel Le Meridien, Petaling Jaya



The objective of the 'Secretariat Shariah of Government Linked-Investment Companies (GLICs)' is to create a platform for collaboration among GLICs to discuss and address issues and challenges associated with Shariah-compliant investments, both domestically and internationally. Additionally, it aims to establish effective networking opportunities among GLICs in Malaysia. This secretariat comprises PNB, the EPF, and Lembaga Tabung Haji (LTH).

In 2024, the 2nd Muzakarah Sekretariat Syariah GLIC was hosted by EPF on 15 November 2024 at Hotel Le Meridien, Petaling Jaya. Themed "Pelaburan Pasaran Persendirian: Inovasi Dalam Keterbatasan", the closed-door event attracted enthusiastic participation from GLICs representatives, with over 130 attendees.

PNB was represented by Dr. Aida Othman (PNB SAC member), Dr. Ahmad Basri Ibrahim (Head, Shariah Management), and Mohd Kamil Ibrahim (Group Head, Private Markets) as panel presenters during the event.

The organisation of this event exemplifies PNB's dedication to addressing the challenges associated with private market investments while simultaneously striving to achieve optimal returns in both domestic and international markets.

Sponsorships to Strengthen Contemporary Islamic Studies

In line with PNB's unwavering commitment to Shariah principles and its dedication to advancing the Islamic finance industry, alongside Islamic Social Finance in Malaysia, the Company's sponsorships are detailed as follows:

Programme	Description
1) Persidangan Indeks Literasi Kewangan Islam Malaysia: Ke Arah Masyarakat Celik Kewangan <i>Organised by Institut Kemajuan Islam Malaysia (IKIM), Universiti Kebangsaan Malaysia and Agensi Kaunseling dan Pengurusan Kredit (AKPK).</i>	· To promote the developed model of the Islamic Financial Literacy Index · To share insights on the current level of Islamic financial literacy among the Muslim community · To recommend appropriate strategies for advancing Islamic financial literacy among the Muslim community
2) The 2nd International Conference on Islamic Financial Literacy 2024 (2nd ICiFIL 2024): "Empowering the Future: Integrating Financial Literacy and Sustainability in Islamic Finance" <i>Organised by IIUM Institute of Islamic Banking and Finance (IiIBF).</i>	· To promote and bridge knowledge gaps in financial inclusivity and literacy in Islamic finance · Focus on enhancing the capabilities of communities by educating them on Islamic financial principles, with emphasis on promoting sustainable practices guided by Maqasid al-Shariah
3) Muzakarah Zakat Nusantara Kali ke-2 / Tahun 2024: "Kelestarian Syariah dan Pemerkasaan Dakwah Zakat Mendepani Keperluan Zaman" <i>Organised by Pusat Kajian Dakwah dan Kepimpinan & Pusat Kajian Syariah, Fakulti Pengajian Islam, Universiti Kebangsaan Malaysia (UKM).</i>	· A platform to bring together experts and practitioners of zakat, including fatwa issuers, policymakers, Shariah decision-makers, and zakat implementers · It serves as an opportunity to share and learn about developments in the zakat industry across different countries, which can then be implemented in their respective countries for collective benefit
4) Muzakarah Ahli-Ahli Penasihat Syariah Institut Kewangan Di Malaysia Kali Ke-17: "Melestarikan Kemajuan Ilmu Muamalat Melalui Penyelidikan dan Penerbitan" <i>Organised by Jabatan Kemajuan Islam Malaysia (JAKIM).</i>	· To enhance cooperation and coordination at the national level in the field of Shariah and achieve Shariah harmonisation within the Islamic finance sector · To address key themes concerning Shariah issues in the Islamic economy and finance at both the national and international levels, while exchanging knowledge and experiences to find solutions to these challenges · To gather suggestions, effective strategies, and realistic views as input for JAKIM's efforts in positioning the country as an international hub for Islamic finance

Corporate Governance Overview Statement



Effective Audit and Risk Management *(continued)*

Commitment #7: Balancing Profitability and Social Investments - PNB Zakat CSR Fund

PNB made a total of RM3.39 million through the PNB Zakat CSR Distribution Programme, managed by the Shariah Management Department. The zakat has been allocated in accordance with the PNB Zakat CSR Framework, as approved by the PNB Board and the PNB SAC.

Overview:

Category	Amount (RM)	Beneficiaries
Community	2.61 million	4,257
Education	0.77 million	1,277
Healthcare	0.01 million	2
Total	3.39 million	5,536

Among the zakat recipients are as follows:

Category	Initiative	Impacts	Recipients
Education	· School expenses · Sponsorships for underprivileged · Infrastructure support for educational institutions · Provision of educational assistance tools	· Improved access to education · Enhanced learning environments	· Pertubuhan Kebajikan dan Amal Rumah Teduh Perlis · Tahfiz centre and primary school in Pahang · Yayasan Islam Kelantan · Pusat Wakaf, Endowmen, Zakat, Khairat dan Sedekah (WEZAS), Universiti Pendidikan Sultan Idris · Kolej Islam Teknologi Antarabangsa (KITAB) Pulau Pinang · Akademi Pengajian Islam Kontemporari (ACIS), Universiti Teknologi MARA (UiTM)
Healthcare	· Sponsorship of medical treatment costs	· Reduced financial burden · Enhanced quality of life	· Two families of employees from Perdana Kota Bharu
Community	· Support for the Asnaf development centre/empowerment programmes · Infrastructure/equipment support for religious institutions · Housing support for low-income families	· Empowerment of Asnaf communities · Safe and stable housing	· Tabung Baitulmal Sarawak · Pusat Kutipan Zakat Pahang · Lembaga Zakat Negeri Kedah · Pusat Wakaf dan Zakat USIM (PWZ) · Majlis Agama Islam Johor (MAIJ)



Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

Communication with Stakeholders

Introduction

PNB Board recognises the importance of ensuring that our stakeholders are well informed and updated on the Group's developments.

Establishing a solid and trusting relationship, sharing information and providing engagement opportunities with stakeholders are cornerstones of our relationship with them, as they are the people impacted by or interested in the organisation.

The Board firmly believes that transparent and open communication builds trust and confidence, manages risks, fosters long-term success, and ensures our business aligns with the needs and expectations of all stakeholders.

The Board is committed to providing a fair, objective and meaningful assessment of the financial position and prospects of the PNB Group in the quarterly financial results, annual financial statements, annual report and all other reports to the shareholders, employees, unitholders, investee companies, regulatory authorities and other key stakeholders.

- PNB discloses regular updates on its investment activities, including its overall asset allocation, AUM, consolidated coterminous proforma income and developments pertaining to the execution of its Strategic Plan
- Through its official website at www.pnb.com.my, members of the public can also access up-to-date information on PNB
- PNB has also begun sharing news and updates via social media channels, namely, Instagram, YouTube, Facebook and LinkedIn to reach different segments of society
- In all interactions with stakeholders, PNB is committed to being respectful, responsive, open and authentic in our engagement on issues of mutual importance
- Maintaining an open and constructive dialogue with stakeholders is essential for any business. Stakeholder input provides valuable insights and perspectives, leading to more informed decisions. It enables us to understand community expectations, identify issues, and discover opportunities to serve our unitholders and help our communities prosper. Our approach to stakeholder engagement is outlined below
- In all interactions with stakeholders, we are committed to being respectful, responsive, open, and authentic in addressing issues of mutual importance. For further information on Stakeholder Engagement, please refer to pages 65 to 71

Statement On Risk Management and Internal Control

Statement On Risk Management

Introduction

This Statement on Risk Management and Internal Control has been prepared in accordance with the MCCG.

The Board is pleased to provide the following disclosure statement, which outlines risk governance and oversight within the organisation, as well as the key features of risk

management and internal control systems implemented during the year under review.

Overview

The global economy in 2024 paints a complex landscape shaped by geopolitical tensions, declining inflation amidst ongoing rate cuts and widespread sustainability challenges including climate-related events. Against this backdrop, the domestic economy has thrived, with a positive currency trajectory alongside steady economic growth. This has been supported by accommodative economic policies, strong foreign direct investment and a stable political environment.

PNB remains vigilant of the challenges that may emerge from both domestic and global environments. The policies and practices implemented under ERM remain as a fundamental approach to ensure resilience by mitigating potential disruptions while capitalising on opportunities in an evolving global and domestic landscape. This proactive approach underscores our dedication to long-term value creation for stakeholders and reinforces PNB's commitment to sustainable success while embodying PNB B.R.A.V.E. values.

Risk Management Framework and System

PNB Group adopts a proactive and holistic risk management approach, guided by the ERM framework. The framework is integrated and where appropriate, embedded into the day-to-day business activities and management decision-making.

The structured and integrated ERM framework is aimed at establishing a robust management process across the PNB Group and to ensure that all business risks are identified, assessed, monitored and managed. Supporting this broader

risk management framework is a system that facilitates internal controls design and operating effectiveness to manage key risks. This serves as a measure for PNB to optimise its returns on risk taking activities within PNB's risk appetite as approved by the Board. This approach establishes a resilient environment with tailored systems and risk assessment processes to effectively manage risks and uphold its Purpose to uplift the financial lives of Malaysians across generations.

Risk Management at PNB

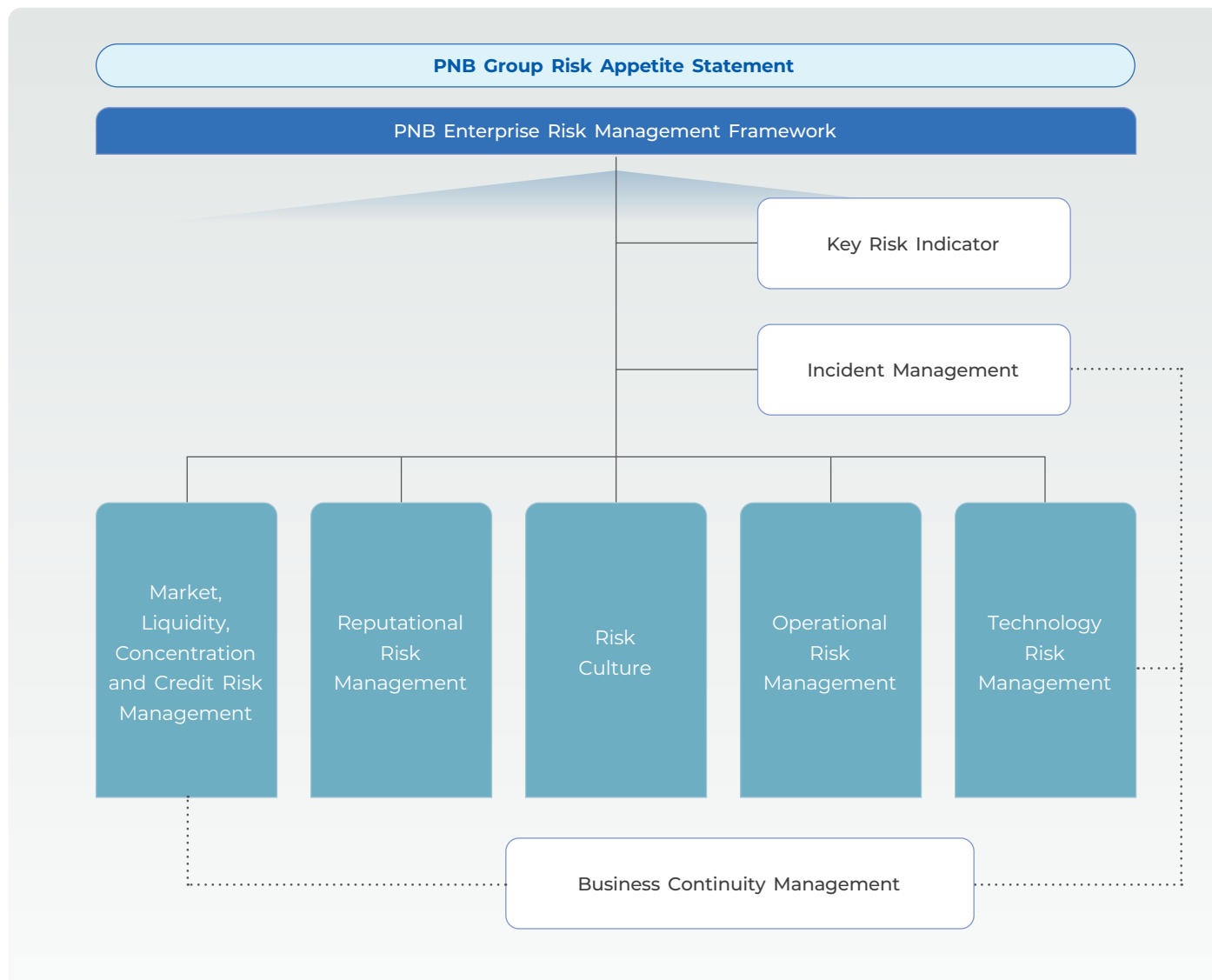
The independence of the risk management function and its close alignment to the business ensures consistent and effective risk oversight via the following fundamental risk elements:

Fundamental elements for risk management



Statement On Risk Management and Internal Control

PNB Enterprise Risk Management Framework



The key objectives of establishing a structured and integrated ERM framework are outlined below:

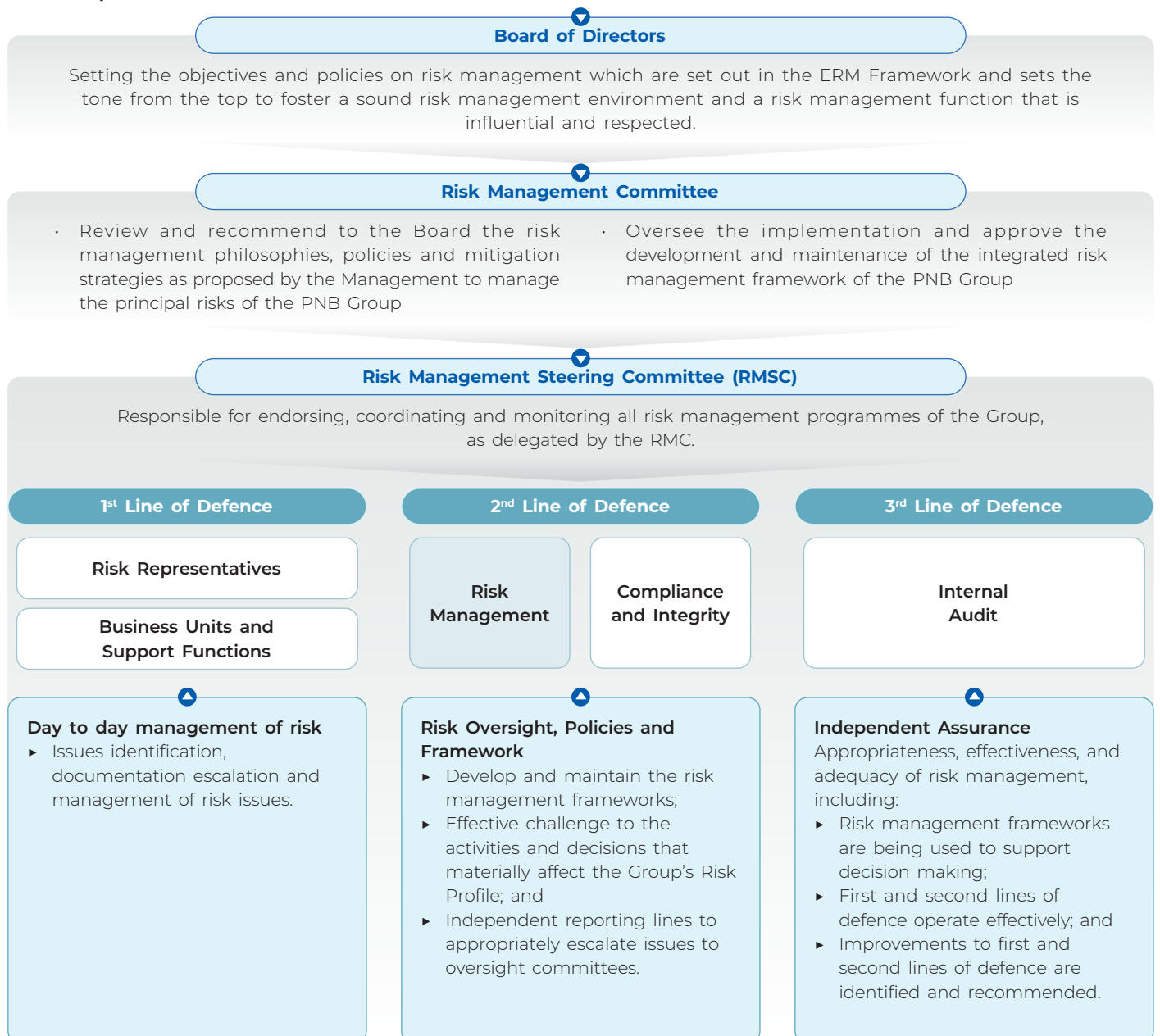
- Identifying, analysing and understanding each of the material risks at all levels of the PNB Group;
- Ensuring risks are managed in line with the PNB Group's risk appetite;
- Embedding risk management into day-to-day decision making;
- Ensuring appropriate strategies, policies, effective operating controls and other mitigations are in place and operating effectively; and
- Facilitating a proactive risk culture.

 For more information on other components of ERM on Investment-related Risks, and Technology Risk, can be referred to in Key Risks and Mitigation section on page 88

Risk Governance and Oversight

PNB adopts a Three Lines of Defence Model, that integrates risk, control and assurance to achieve excellence. This Model is supported by a well-structured and effective governance framework in place. The structure promotes a uniformed view of risk across PNB by ensuring a consistent and effective implementation of risk management practices throughout the organisation with the involvement of the Board and Senior Management. Each of the three Lines of Defence plays a distinct role within the PNB Group's governance. The delineated lines of responsibility and accountability are outlined to segregate between the three lines, fostering constructive risk discussions at various levels and ensuring alignment with PNB's strategic objectives.

PNB Group Three Lines of Defence Model



Statement On Risk Management and Internal Control

Board Responsibility

The Board affirms its responsibility for establishing a sound risk management and internal control system, as well as its adequacy and effectiveness in identifying, assessing and responding to risks that may impact the PNB Group's long-term success and strategic objectives.

The Board remains committed to upholding a robust system of risk management and internal control, with the aim of safeguarding the interests of PNB and our unitholders. The Board is responsible for setting the objectives and policies on risk management and sets the tone for a sound risk management culture, emphasising the importance of a resilient risk management function that upholds strong oversight and governance.

A vital role of the Board is to establish the PNB Group's risk appetite, which articulates the types of risk levels that the PNB Group is willing to accept in the pursuit of its business and strategic objectives. In this regard, the Board actively participates in the PNB Group's strategic goals and plans, ensuring that the corresponding risks are adequately mitigated within the approved risk appetite.

In view of the inherent limitations in any risk management and internal control system, the Board recognises that such a system can only provide reasonable, rather than absolute assurance against any material financial misstatement, fraud or losses. The Board continuously ensures that risk management within the Group remains robust and agile to adapt to changing business environments and support PNB in achieving its objectives.

The Board is cognisant of its role in setting the tone and in nurturing a culture towards managing key risks to achieve the PNB Group's business objectives. The Board also recognises that internal control systems are designed to manage and minimise rather than eliminate and avoid occurrences of material misstatements or unforeseeable circumstances, fraud or losses.

To effectively carry out its risk and control oversight responsibilities, the Board has established and delegated its responsibilities to the RMC, to oversee the implementation of the PNB's ERM framework.

The RMC is responsible to assist the Board by independently overseeing and approving the ongoing development, maintenance and implementation of integrated risk management frameworks, policies, and activities. Additionally, the RMC is delegated with the responsibility to assess, identify, measure and monitor the overall risk exposure of the PNB Group, and ensure that sufficient strategies are in place and implemented, to manage identified risks effectively.

Notwithstanding the delegated responsibility, the Board takes overall responsibility in the establishment and oversight of the PNB Group's risk management framework and internal controls system.

Composition and Attendance of the Risk Management Committee

The RMC shall comprise a maximum number of five (5) and a minimum number of three (3) Board members of the PNB Group, all of whom shall be Non-Executive Directors, with a minimum ratio of Independent Non-Executive Directors set at one-third of the Committee.

The Committee shall meet as often as it determines appropriate and/or as directed by the Board, but not less than four (4) times a year, each of which shall be convened prior to any meeting of the Board. Additional meetings may be called at any time at the discretion of the Chairman of the Committee.

Currently, the RMC comprises four (4) members, all of whom are Independent Non-Executive Directors. As at 31 December 2024, a total of six (6) meetings were held during the year under review. The composition of the RMC and the record of their attendance are as follows:

Members	Status	Attendance
Dato Dr. Nik Ramlah Nik Mahmood (Chairman)	Independent Non-Executive	6/6
Tan Sri Dr. Nik Norzrul Thani N. Hassan Thani	Independent Non-Executive	6/6
Datuk Mohd. Anwar Yahya	Independent Non-Executive	5/6
Datin Norazah Mohamed Razali	Independent Non-Executive	6/6

Management Responsibility

The Management is accountable to the Board to ensure effective implementation of Board approved frameworks, policies and procedures related to risk management and internal controls.

The Management formulates and recommends to the Board on the risk management policy, frameworks and guidelines including implementation across the PNB Group.

The RMSC is the Management Committee responsible for endorsing, coordinating and monitoring all the Group's risk management programmes, as delegated by the RMC.

The RMSC assists the RMC to discharge its primary responsibilities, which include identifying principal risks and implementing appropriate systems and risk assessment processes to manage risks issues, that could impact the achievement of the Group's business objectives.

Additionally, the RMSC forwards recommendations to the Board, through the RMC, with respect to all pertinent risk management activities under its purview or as directed by the Board.

Risk Appetite and Key Risk Indicators

The risk appetite constitutes a fundamental component of the comprehensive PNB ERM Framework which is driven by both top-down Board leadership and active participation of Management at all levels. It sets out the risk tolerance and types of risk that PNB is willing to accept and translates it into measurable limits that enable PNB to navigate its risk landscape in pursuit of its strategic and business objectives. The risk appetite is dynamic and adaptable to internal and external changes such as fluctuating market conditions, evolving business requirements and diverse stakeholders' expectations. It is embedded into PNB's risk management structure and integrated into PNB's business strategic planning, objectives, day-to-day operations and decisions throughout PNB.

Complementing this, KRIs are used by the Management as a tool in monitoring and addressing changes in key risk exposures over time. It provides insight into risk exposure of business operations, highlighting operational and control weaknesses by tracking the primary drivers associated with key risk. KRIs mainly act as early warning signals, alerting Management to potential risks and control issues that may arise in the current business environment.

Key risks in PNB are monitored via the Enterprise and Departmental KRI which are periodically presented to the RMSC and RMC by the Risk Management.

Statement On Risk Management and Internal Control

Risk Management Practices and Processes

Risk Practices

The ERM Framework provides a strong control environment through the implementation of appropriate systems and risk assessment processes to manage risks in line with key and relevant guidelines such as:

- International Organisation of Standardisation (ISO) 31000:2018 Risk Management;
- International Organisation of Standardisation (ISO) 22301:2019 for Business Continuity Management System;
- Guidelines on Unit Trust Funds issued by the SC; and
- GTRM by the SC.

The framework and its sub-components are continuously reviewed, enhanced and communicated to all levels to build business and operational resiliency in line with business objectives, industry best practices and regulatory guidelines.

Risk Process

PNB's risk management framework facilitates systematic identification, assessment, monitoring, mitigation, and reporting of all material risks across the Group, enabling proactive and informed decision-making.

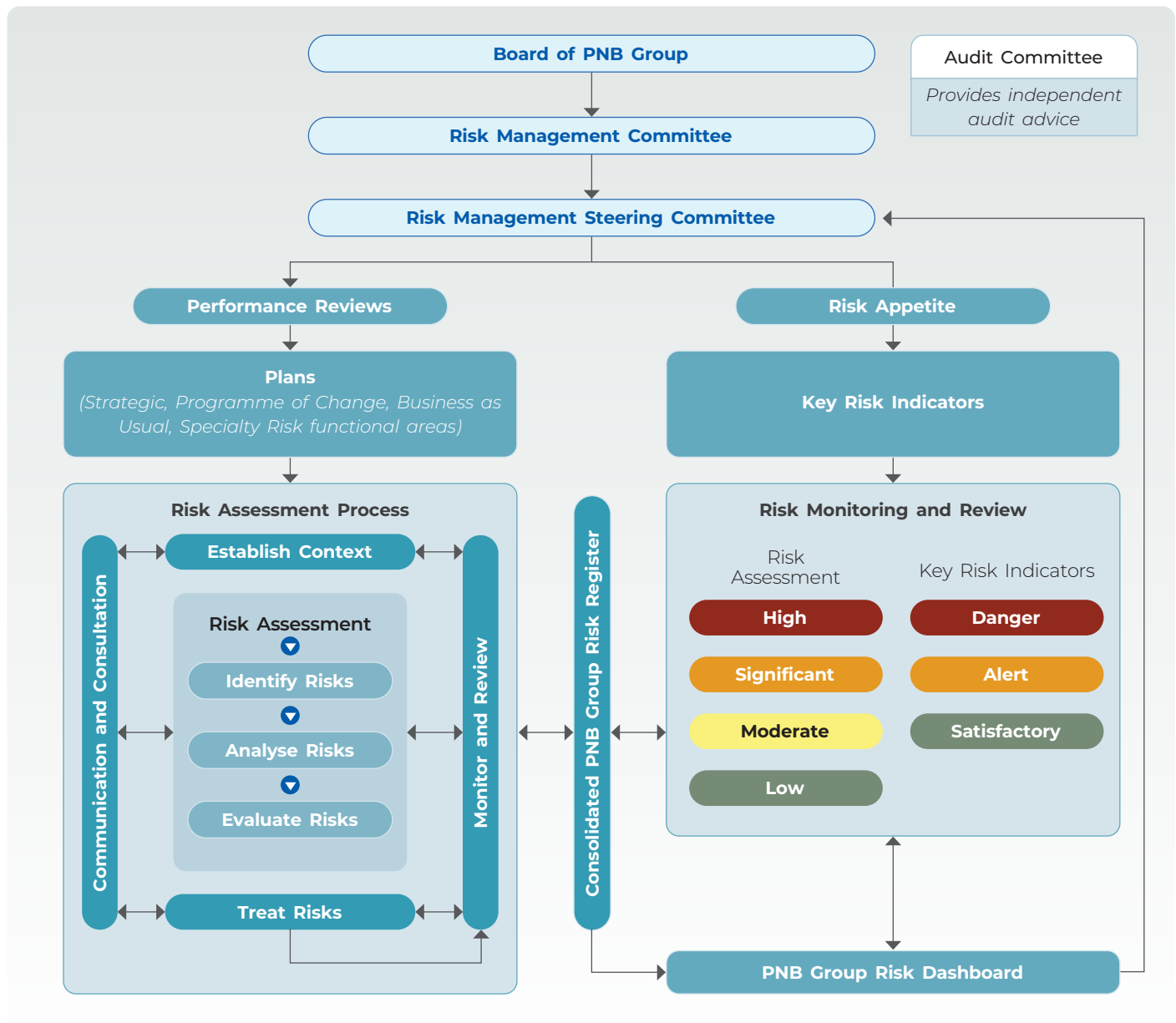
The key elements of an effective ERM are as follows:

Risk Assessment Process	The overall process of risk identification, risk analysis and risk evaluation as documented in the Risk Register
Risk Monitoring and Review	The Risk Register, KRIs and RCSA are used by the Management and business units as a tool to monitor and manage changes in risk exposures over time

Risk Reporting and Escalation Path

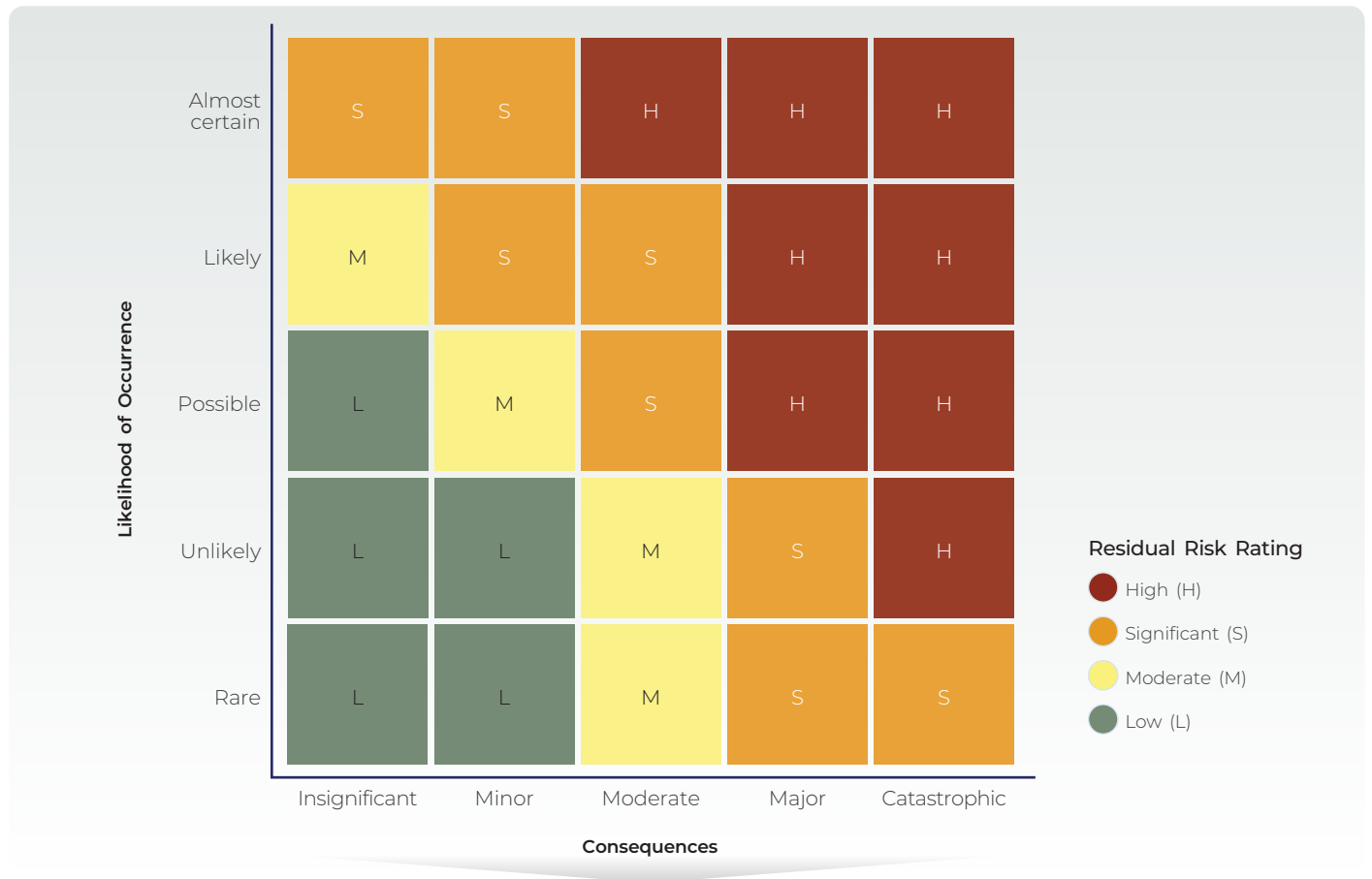
PNB adopts a structured and consistent approach to the monitoring and reporting of risks of the PNB Group, to ensure effective management and provide assurance to the Board that all risks are being effectively managed. Risk reporting enables risk oversight bodies to understand, challenge and ultimately make informed decisions on the Group's material risk issues.

Risk Management and Reporting Process



Statement On Risk Management and Internal Control

Risk Scoring



Gross Rating

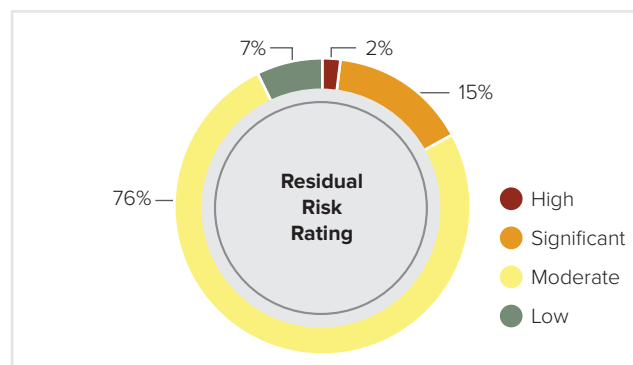
- Identify potential causes and its consequences
- Determine gross risk rating based on Likelihood and Consequences matrix

Control Effectiveness

- Activity, process or procedure put in place to manage and mitigate risk
- Measure effectiveness of the existing control

Residual Rating

- New risk rating after taking into consideration the effectiveness of controls

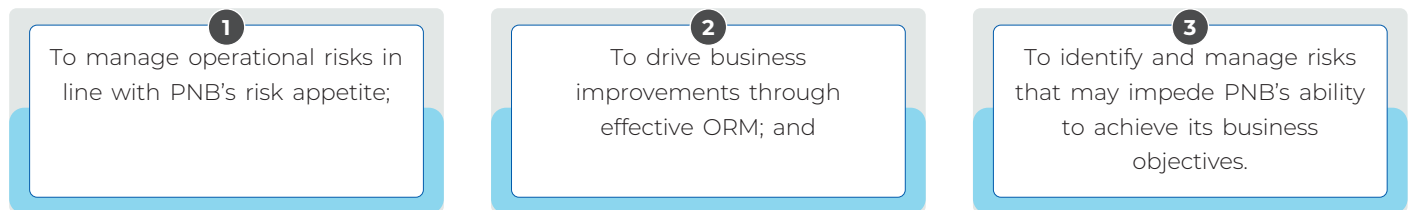


Resiliency and Readiness

Operational Risk Management

The ORM Framework outlines the process for identifying, assessing, monitoring and managing operational risks within PNB. Against this background, the ORM Framework contributes to the management of performance outcomes and supports decision making in the business. The ORM Framework measures and mitigates the risk of loss from inadequate or failed internal processes, people and systems, or from external events. Operational losses are actual financial losses arising from operational risk.

PNB utilises the ORM Framework with the following objectives:



The ORM Framework covers the following areas:

Human Resource Management	Risk caused by inadequate staff, recruitment process, reward and appraisal, training and development, motivating culture and inadequate social policy.
Technology Risk Management	The risk arising from technology failures or cyber intrusion of IT systems, applications, platforms or infrastructure, which could result in financial loss, disruptions in services or operations, or reputational harm.
Project Risk Management	Project risk is the effect of uncertainty on project objectives, which includes: • Execution Risk – Risk that has arisen and have a potential impact on project execution, and • Delivered Risk – Risk that has arisen as a result of the project and have an impact on Business as Usual (BaU) activities relating to people, process, systems, or external events.
Outsourcing and Vendor Risk Management	Ineffective management of outsourcing and vendor arrangement that may lead to potential risks of non-compliance with regulatory requirements, business disruptions and continuity, reputational damage, etc.
Security Risk Management	Physical security: physical access control – deterring, detecting, delaying, and responding to breaches. • People security: personnel, personal and human behavioural security. • Information security: protection, classification and handling of information.
Compliance and Integrity Management	• Compliance risk is the impact and likelihood of an event that would result in non-compliance to applicable regulatory requirements and internal policies and procedures. It relates to the risk of legal or regulatory sanction, financial loss or reputational damage to PNB arising from a failure to apply the regulatory standards expected. • Integrity risk refers to the threat to the reputation and profitability of an organisation, due to people-related incidents such as misconduct, bullying and sexual harassment, anti-competitive behaviour, bribery and corruption, inappropriate use of social media, breaches of privacy, conflicts of interest, fraud and whistle blower mistreatment.

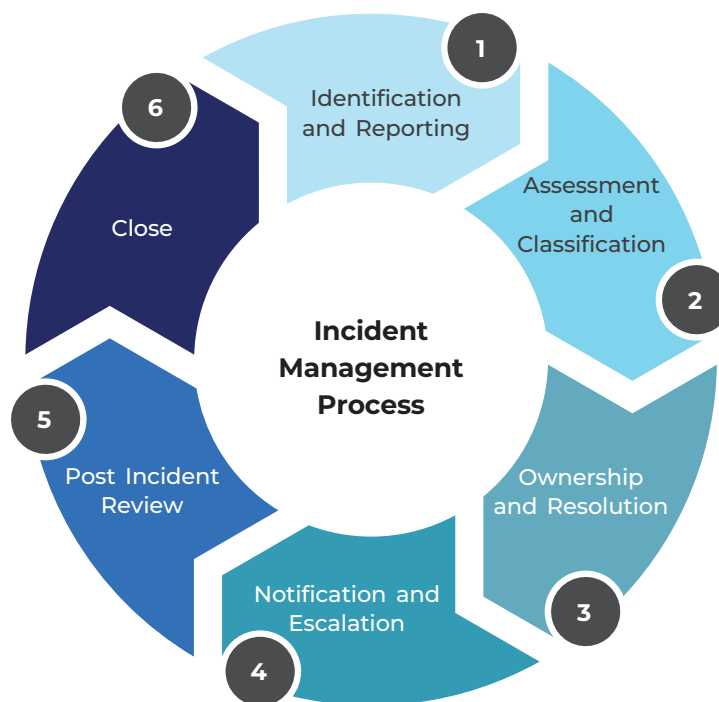
Statement On Risk Management and Internal Control

Financial Crime Management	• Fraud - any dishonest behaviour to obtain an unjust advantage (financial or otherwise) • Anti-Money Laundering - to identify, manage and mitigate the risk of money-laundering or terrorism financing the organisation may reasonably face through the provision of designated services
Safety and Health	Risk that refers to the potential for harm or adverse on individuals, assets, or the environment arising from workplace activities, due to inadequate or absence of safety and health measures
Business Continuity Management	Risk event occurred due to business disruption, system failures and force majeure. • Risk of business opportunity loss from failure to meet Recovery Time Objective (RTO). • Loss or damage of data/documents/premises. • IT systems failure, business closure due to external sources (pandemic, force majeure, etc).

Incident Management

Operational risk or compliance event resulting from a breakdown of internal processes, people, systems, or external events that could potentially impact PNB financially, reputationally, or regulatory-wise are defined as “incident”. This includes near-miss events that could result in a financial loss, is intercepted prior to completion of the incident resulting in no loss occurring. These near misses provide a valuable learning experience for the risk and control environment.

To ensure consistent and effective incident management aligned with the overarching ORM Framework, PNB has established a structured process for identifying, documenting, reporting, investigating, and resolving incidents across the organisation.



PNB’s Incident Management process is integrated with Business Continuity Management (BCM). Incidents are escalated to the relevant Management Committees based on severity level. When necessary, the Crisis Management Team will be activated to centrally coordinate strategic responses, to mitigate losses, minimise disruptions to business operations, and ensure a swift return to normal activities.

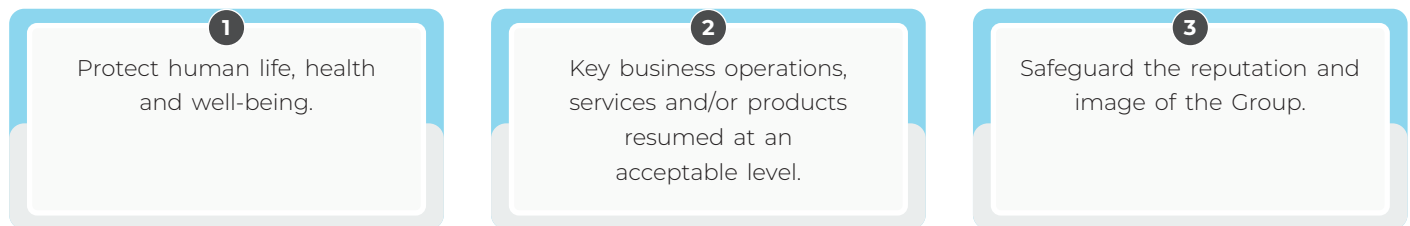
Business Continuity Management

PNB continues to strengthen its operational resilience by enhancing its adaptability, suitability and effectiveness as part of proactive measures in mitigating business disruption guided by PNB's Business Continuity Management (BCM) Programme.

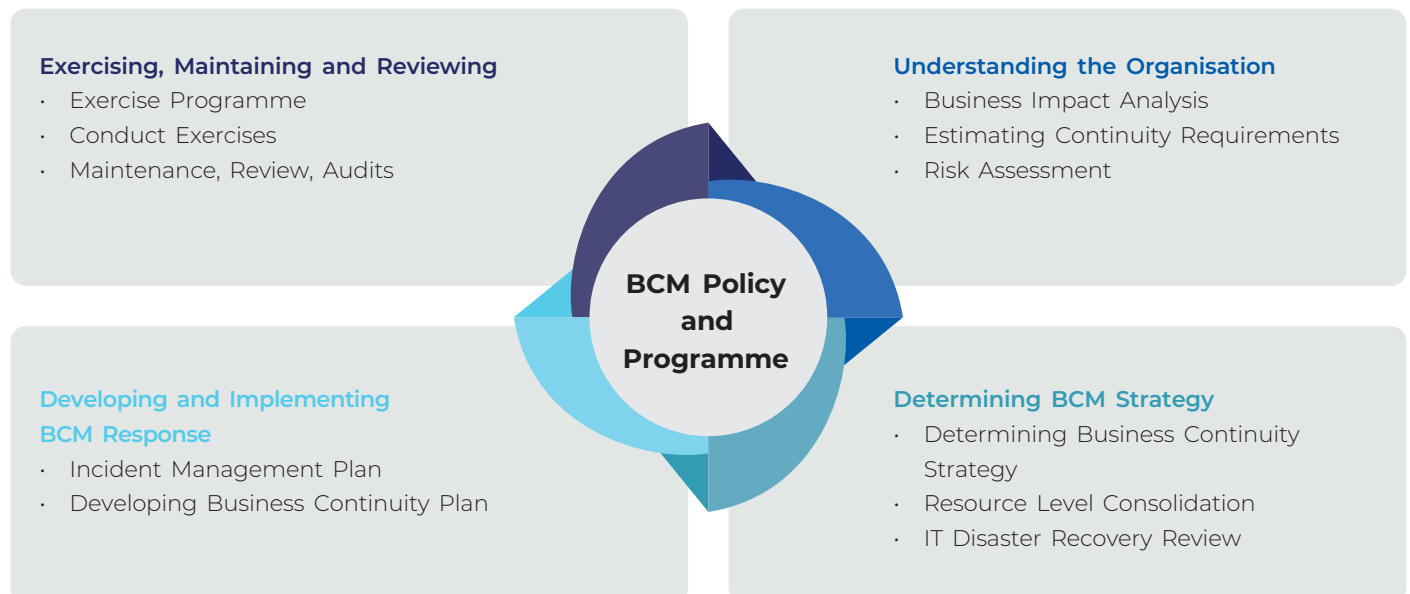
The Programme aims to protect the wellbeing of all employees, ensuring sustainability of the business operations whilst safeguarding PNB's reputation and image. The Programme undergoes periodic review, testing, and updates to strengthen PNB's capability to effectively respond, recover, and resume critical business functions effectively during disruptive incidents.

Among key initiatives include conducting a crisis simulation workshop, and disaster recovery testing. These activities and initiatives enhance organisational awareness and readiness, and drive continuous improvement in coordination, response and recovery capabilities, ensuring PNB remains resilient for an increasingly complex operational environment to mitigate potential disruptions effectively.

In addition, a diverse range of resiliency engagement and interactive learning activities have been conducted across all team levels, fostering heightened awareness and preparedness within each team to effectively respond to any potential business disruptions.



Embedding BCM in the organisation's culture



Statement On Risk Management and Internal Control

Reputational Risk Management

Reputational risk arises from negative perceptions of PNB's business practices, conduct, or financial performance among unitholders, stakeholders, and the public. These negative perceptions can stem from various events and can erode trust, impacting investor confidence and potentially damaging PNB's brand and financial stability.

The Reputational Risk Management Framework identifies and prioritises key reputational risk drivers, which are continuously monitored and assessed to proactively mitigate potential threats to PNB's reputation.

Risk Culture

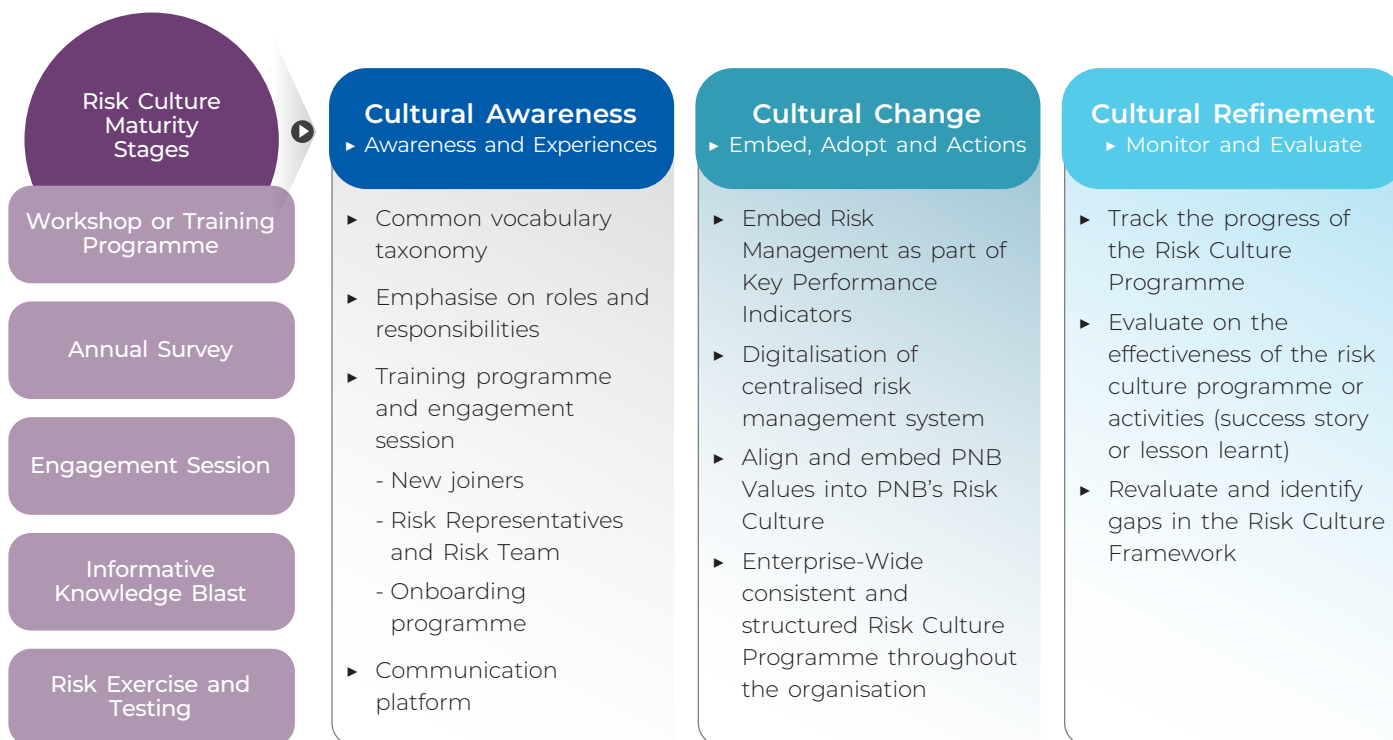
Risk culture plays a vital role in the execution of risk management strategy, as it greatly influences decision-making processes and shapes the approach to identifying, understanding, discussing, and mitigating risks.

PNB is committed to nurturing a risk-intelligent culture, which encompasses proactive risk detection, effective risk management at the enterprise level and rapid risk escalation.

The Risk Culture Framework (RCF) drives this effort by focusing on enhancing risk capabilities and capacities across the organisation and emphasising collaboration between the First and Second Lines of Defense to enhance risk oversight.

PNB's continuous commitment to enhance risk competencies and strengthening risk practices is reflected in the various engagement initiatives, knowledge-sharing activities and collaborative discussions undertaken throughout the year under review.

With appropriate tools, structure, platforms, engagement and educational programmes conducted, the RCF aims to elevate the maturity level of risk culture within the organisation. This effort is strengthened by independent external assessments, ensuring objective evaluation and alignment with global best practices.



Key Initiatives Implemented in FY2024

In 2024, significant progress was made to enhance risk management initiatives that supported and were anchored by PNB's LEAP 6 Strategic Plan. These efforts reflect an unwavering commitment to support PNB's objectives and strategic direction.

Key risk management initiatives include:

a Review and refinement of existing frameworks, policies and plans

PNB's resilience against potential threats are further enhanced by refining the existing risk frameworks, policies, and plans to be in line with business strategies and regulatory requirements while keeping up with new developments in leading best practices.

Risk Maturity

Conducted a comprehensive assessment to evaluate and enhance the maturity level of ERM practices, alignment with industry best practices and organisational objectives.

Sustainability Integration with ERM

Initiating the incorporation of ESG commitments into the risk appetite and establishing risk indicators.

Stress Testing Enhancement

Back-test on the stress testing approach which included validating accuracy of the measurement by utilising relevant tools.

Technology and Cybersecurity Risk

Conducting gap assessments on regulatory guidelines to ensure compliance while continuously enhancing technology risk management measures in line with PNB's TRMF.

b Strengthening Enterprise-wide Risk Function and Practices

In line with PNB's effort to enhance enterprise-wide risk function competencies and capabilities, various initiatives have been undertaken that reinforce risk awareness and accountability across the organisation.

Focus group discussions on ERM Maturity and Risk Culture were conducted at various levels of staff. These sessions provided insights on the following (but not limited to):

- Effectiveness of risk governance, risk practices and processes; and
- Integration of risk behaviour and risk communications to foster strong risk culture.

With evolving risk landscapes and managing magnitude of risk affecting the organisation, the PNB Group will continue to enhance its operational efficiency and resiliency in line with PNB's strategic objectives, regulatory guidelines and industry best practices.

c Knowledge Enhancement and Industry Benchmarking

In 2024, 14 knowledge-sharing sessions were conducted aimed at strengthening risk management practices through industry benchmarking and peer learning. These initiatives included:

- Sharing sessions, roundtable discussions and site visits to exchange broad industry exposures and best practices on risk management to withstand both domestic and global challenges.
- Engagement with GLICs, reinforcing on the collaboration, knowledge transfer and learning opportunities.

Statement On Risk Management and Internal Control

Internal Audit Function

The Group Head, Internal Audit (previously known as Internal Assurance) is a Member of the MIA and the Institute of Internal Auditors Malaysia ("IIAM"). In PNB, he is a permanent invitee to the AC of the Board of Directors of PNB, Management Compliance Committee, Technology Steering Committee, Technology Operations & Governance Project Steering Committee, Occupational Safety and Health Administration ("OSHA") Committee, RMSC, Business Continuity Management Committee, Whistleblowing Committee in PNB, ASNB Digital Project Steering Committee and selected Technology Projects Steering Committee.

The IAD is independent of the activities and operations of the business and other support units within the PNB Group. The internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence. This commitment is demonstrated by our disclosure of statement of independence in both the audit planning memorandum and audit report, affirming that the assigned auditors have no professional or personal conflicts that may influence the outcome of the audit engagement.

The Group Head, Internal Audit reports functionally to the AC of the Board of Directors of PNB and administratively to the PGCE of PNB.

The IAD helps the Group to accomplish its objectives by bringing a systematic and disciplined approach to assess the adequacy, efficiency and effectiveness of risk management, internal controls, anti-corruption, whistleblowing, and governance processes.

The principal responsibility of the IAD is to provide independent, reasonable, and objective assurance, alongside offering consulting services aimed at enhancing the value and efficiency of the PNB Group's operations and internal controls. Furthermore, the IAD conducts investigations, special or ad-hoc reviews or assessments on internal controls upon request from the Management and/or the AC.

The IAD's audit coverage extends across all PNB's business and support units, including its subsidiaries.

The IAD's Internal Quality Audit ("IQA") provides an independent assessment and assurance to the certified entities within the PNB Group, aiming to enhance the level of compliance with the documentation and requirements of the relevant International Organisation for Standardisation ("ISO") Standards.

As of 31 December 2024, the IAD has a staff strength of 32 individuals from diverse backgrounds and qualifications.

Standards of Practice

The IAD's processes and activities are guided by the relevant regulatory guidelines, the Internal Audit Charter, the PNB Group's CoBE and the mandatory and recommended guidance outlined in the International Professional Practices Framework ("IPPF") by the Institute of Internal Auditors ("IIA"), which includes the IIA's Code of Ethics and Standards. Additionally, the IAD is a corporate member of the IIAM.

For Internal Quality Audits, the practice conforms to the following:

- a. ISO 9001:2015 Quality Management Systems;
- b. MS 1900:2014 Shariah-Based Quality Management Systems; and
- c. ISO 37001:2016 Anti-Bribery Management System ("ABMS").

Annual Audit Plan

The IAD carried out its activities based on a risk-based annual audit plan approved by the AC. The agile risk-based plan undergoes continual assessment to adapt to significant changes in key risks and indicators that might affect PNB Group's operations. In formulating this plan, the IAD actively consults with the Senior Management and external auditors, seeking their input to ensure a thorough grasp of organisational needs and risks, thereby aligning the efforts with strategic objectives.

Communicating Results

The IAD's audit report, presents the audit objectives and scope, overall evaluation of the internal control system, detailed audit observations and recommendations, management response and action plans and timelines for implementing the improvement and/or corrective action plans by management.

The IAD's findings and Management's responses are presented to the AC, ensuring that the agreed-upon remedial actions are undertaken by the Management. Prior to presentation to the AC, the Senior Management convenes to deliberate on IAD's findings and establish corresponding preventive and corrective action plans. Subsequently, the IAD conducts follow-ups on the respective divisions or teams to verify the implementation of necessary action plans and ensure the intended results are achieved.

Quality Assurance Improvement Programme

The IAD has established a structured Quality Assurance and Improvement Programme ("QAIP"), which places a robust emphasis on the effectiveness and efficiency of audit processes. This QAIP is consistently utilised to evaluate the IAD's audit processes against the International Standards promulgated by the IIA.

Internally, an annual assessment is conducted and at least once every three years, an external assessment by a qualified independent reviewer is undertaken, with the last external assessment conducted in 2021. The next external assessment is planned for 2025, to ensure continued compliance with global standards and best practices.

The results of both internal and external assessments are presented to the AC for review and consideration.

Standard Operating Procedures

Standard Operating Procedures ("SOPs") are developed to achieve efficiency, quality output, and standardisation of performance, while reducing non-compliance with regulatory requirements. SOPs provide instructions and guidelines for employees to perform their jobs precisely and consistently in order to achieve end-results with the desired quality and are a crucial element in PNB's internal control system.

The incorporation of the Quality Management System in compliance with ISO 9001:2015 ensures the departmental-level SOP established by PNB are aligned with the relevant approved framework and have efficaciously met the prerequisite requirements towards good corporate governance across organisation. The SOP Framework aims to promote awareness, accountability, and responsibility among all relevant stakeholders, supported by a formalised governance structure as guidance.

The refinement of the existing SOPs and the creation of new SOPs are also a crucial element of the process improvement projects, with these SOPs forming the foundation of a successful handover to business owners at the end of each project. PNB has also established an electronic Document Repository for all SOPs via Knowledge Hub, one-stop centre for PNB's information. This is to ensure a single source of the latest SOPs and they are adequately protected, and accessible to and understood and implemented by staff members within PNB.

Assurance From PGCE and GCSFO on Internal Control and Risk Management

The PGCE and GCSFO have provided assurance to the Board that the company's risk management and internal control systems are operating adequately and effectively in all material aspects for the financial year under review.



Sustaining Financial Value

For The Financial Year Ended 31 December 2024

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PNB Group Five-Year Consolidated Coterminous Proforma Financials

For the Year Ended 31 December

	2024 RM million	2023 RM million	2022 RM million	2021 RM million	2020 RM million
Gross Income ¹	21,436	16,423	14,530	18,309	14,451
Net Income ¹	16,973	13,036	10,382	11,785	11,018
Total Assets ²	348,296	337,001	341,609	336,684	322,642
Return on Assets ³	5.0%	3.9%	3.1%	3.6%	3.5%

Note:

¹ Income figures based on proforma aggregate gross and net income respectively of PNB and its unit trust funds, adjusted to be coterminous according to year ended 31 December.

² Total Assets (Assets under Management) based on proforma aggregate of PNB's gross investment assets, the Value of Fund (before distribution) of the fixed price funds and Net Asset Value (before distribution) of the variable price funds.

³ Return on Assets = Net income divided by monthly average total assets.

Independent Auditors' Report

Opinion

The summary financial information which comprise the statements of financial position as at the respective financial year ends and the statements of comprehensive income for the financial years then ended for the unit trust funds listed below, are derived from the complete audited financial statements of these unit trust funds for the respective financial years then ended:

1. Amanah Saham Bumiputera – 31 December 2023 and 31 December 2024;
2. Amanah Saham Bumiputera 2 – 31 March 2023 and 31 March 2024;
3. Amanah Saham Bumiputera 3 – Didik – 30 June 2023 and 30 June 2024;
4. Amanah Saham Malaysia – 31 March 2023 and 31 March 2024;
5. Amanah Saham Malaysia – 2 Wawasan – 31 August 2023 and 31 August 2024;
6. Amanah Saham Malaysia 3 – 30 September 2023 and 30 September 2024;
7. Amanah Saham Nasional – 31 December 2023 and 31 December 2024;
8. ASN Equity 2 – 30 June 2023 and 30 June 2024;
9. ASN Imbang (Mixed Asset Balanced) 1 – 30 November 2023 and 30 November 2024;
10. ASN Imbang (Mixed Asset Balanced) 2 – 31 March 2023 and 31 March 2024;
11. ASN Equity 3 – 31 March 2023 and 31 March 2024;
12. ASN Sara (Mixed Asset Conservative) 1 – 31 March 2023 and 31 March 2024;
13. ASN Equity 5 – 30 September 2023 and 30 September 2024;
14. ASN Sara (Mixed Asset Conservative) 2 – 30 September 2023 and 30 September 2024;
15. ASN Imbang (Mixed Asset Balanced) 3 Global – 31 December 2023 and 31 December 2024;
16. ASN Equity Global – 31 December 2023 and 31 December 2024;
17. ASN Sukuk – financial period ended from 25 November 2022 (launched date) to 30 June 2023 and 30 June 2024.
18. ASN Equity Malaysia – financial period ended from 26 May 2023 (launched date) to 30 June 2024.

In our opinion, the accompanying summary financial information are consistent, in all material respects with the respective audited financial statements, in accordance with the basis described on pages 175 to 208.

Summary Financial Information

The summary financial information for Amanah Saham Bumiputera, Amanah Saham Bumiputera 2, Amanah Saham Bumiputera 3 – Didik, Amanah Saham Malaysia, Amanah Saham Malaysia – 2 Wawasan and Amanah Saham Malaysia 3 does not contain all the disclosures required by the Malaysian Financial Reporting Standards as modified by the specification provided by the Securities Commission Malaysia. The summary financial information for Amanah Saham Nasional, ASN Equity 2, ASN Imbang (Mixed Asset Balanced) 1, ASN Imbang (Mixed Asset Balanced) 2, ASN Equity 3, ASN Sara (Mixed Asset Conservative) 1, ASN Equity 5, ASN Sara (Mixed Asset Conservative) 2, ASN Imbang (Mixed Asset Balanced) 3 Global, ASN Equity Global, ASN Sukuk, and ASN Equity Malaysia does not contain all the disclosures required by the Malaysian Financial Reporting Standards and International Financial Reporting Standards. Reading the summary financial information and the auditors' report thereon, therefore, is not a substitute for reading the audited financial statements and the auditors' report of these unit trust funds.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on those audited financial statements in our reports for the respective financial years then ended. The audited financial statements and the summary financial information do not reflect the effects of the events that occurred subsequent to the date of our reports on the audited financial statements.

Information Other Than The Summary Financial Information and Auditors' Report Thereon

The Directors are responsible for the other information. The other information comprises the general information of the fund, fund snapshot, fund performance and asset allocation of the unit trust funds and do not include the summary financial information and our auditors' report thereon.

Our opinion on the summary financial information does not cover the other information and we do not express any form of assurance conclusion thereon.

Directors' Responsibility For the Summary Financial Information

The Directors are responsible for the preparation of the summary financial information in accordance with the basis described on pages 175 to 208.

Auditors' Responsibility

Our responsibility is to express an opinion on whether the summary financial information is consistent, in all material respects, with the audited financial statements of the respective unit trust funds based on our procedures, which are conducted in accordance with Malaysian Approved Standard on Auditing (ISA) 810 (Revised), "Engagements to Report on Summary Financial Statements".

Restriction On Use

Our report on the summary financial information of the unit trust funds for the respective financial years/periods then ended is issued solely to the Board of Directors of Permodalan Nasional Berhad. We do not assume responsibility to any other person for the content of this report.



13 February 2025
Kuala Lumpur

Unit Trust Funds

ASB

Fund Snapshot

Financial Year Ended 31 December	2022	2023	2024
Units in Circulation (million units)	186,245	174,975	174,733

Fund Financials

Summarised Statements of Comprehensive Income for the year ended 31 December (RM'000)	2022	2023	2024
Total investment income/(loss)	8,001,228	8,547,423	11,354,319
Total expenses	1,808,101	965,703	1,163,703
Net income before taxation	6,193,127	7,581,720	10,190,614
Less: Taxation	–	–	–
Net income after taxation	6,193,127	7,581,720	10,190,614
Other comprehensive income	–	–	–
Total comprehensive income	6,193,127	7,581,720	10,190,614

Fund Performance

Financial Year Ended 31 December	2022	2023	2024
Income Distribution (RM million)	6,179.03	7,534.30	9,955.43
Income Distribution (sen per unit)	3.35	4.25	5.50
Bonus (sen per unit)	1.25	1.00	0.25
Special Bonus (sen per unit) #	0.50	–	–
Benchmark Return (%)	2.27	2.84	2.59

For balances up to 30,000 unit only

Asset Allocation

(% of Net Asset Value)

Financial Year Ended 31 December	2022	2023	2024
Equity	79.26	83.13	80.90
Fixed Income	8.09	7.45	10.05
Others	12.65	9.42	9.05
TOTAL	100.00	100.00	100.00

Notes:

1. Source: Fund Annual Report 2024
2. The above Summarised Statements of Comprehensive Income and Summarised Statements of Financial Position are derived from the audited financial statements of the respective unit trust funds

ASB 2

Fund Snapshot

Financial Year Ended 31 March	2022	2023	2024
Units in Circulation (million units)	11,965	12,420	12,747

Fund Financials

Summarised Statements of Comprehensive Income for the year ended 31 March (RM'000)	2022	2023	2024
Total investment income	645,528	635,058	740,116
Total expenses	129,862	110,246	73,786
Net income before taxation	515,666	524,812	666,330
Less: Taxation	–	–	–
Net income after taxation	515,666	524,812	666,330
Other comprehensive income	–	–	–
Total comprehensive income	515,666	524,812	666,330

Fund Performance

Financial Year Ended 31 March	2022	2023	2024
Income Distribution (RM million)	506.06	610.48	660.55
Income Distribution (sen per unit)	4.30	5.00	5.25
Benchmark Return (%)	1.85	2.52	2.80

Asset Allocation

(% of Net Asset Value)

Financial Year Ended 31 March	2022	2023	2024
Equity	86.33	85.71	86.46
Fixed Income	6.74	8.16	6.66
Others	6.93	6.13	6.88
TOTAL	100.00	100.00	100.00

Notes:

1. Source: Fund Annual Report 2024
2. The above Summarised Statements of Comprehensive Income and Summarised Statements of Financial Position are derived from the audited financial statements of the respective unit trust funds

Unit Trust Funds

ASB 3 Didik

Fund Snapshot

Financial Year Ended 30 June	2022	2023	2024
Units in Circulation (million units)	7,062	7,363	7,727

Fund Financials

Summarised Statements of Comprehensive Income for the year ended 30 June (RM'000)	2022	2023	2024
Total investment income	457,217	461,107	484,677
Total expenses	183,569	99,731	63,280
Net income before taxation	273,648	361,376	421,397
Less: Taxation	–	–	–
Net income after taxation	273,648	361,376	421,397
Other comprehensive income	–	–	–
Total comprehensive income	273,648	361,376	421,397

Fund Performance

Financial Year Ended 30 June	2022	2023	2024
Income Distribution (RM million)	297.51	364.13	401.95
Income Distribution (sen per unit)	4.25	5.00	5.25
Benchmark Return (%)	1.89	2.74	2.73

Asset Allocation

(% of Net Asset Value)

Financial Year Ended 30 June	2022	2023	2024
Equity	71.48	77.06	77.84
Fixed Income	8.78	12.41	13.81
Others	19.74	10.53	8.35
TOTAL	100.00	100.00	100.00

Notes:

1. Source: Fund Annual Report 2024
2. The above Summarised Statements of Comprehensive Income and Summarised Statements of Financial Position are derived from the audited financial statements of the respective unit trust funds

ASM

Fund Snapshot

Financial Year Ended 31 March	2022	2023	2024
Units in Circulation (million units)	22,087	22,737	28,046

Fund Financials

Summarised Statements of Comprehensive Income for the year ended 31 March (RM'000)	2022	2023	2024
Total investment income	1,333,106	1,063,518	1,740,644
Total expenses	546,511	187,775	384,865
Net income before taxation	786,595	875,743	1,355,779
Less: Taxation	–	–	–
Net income after taxation	786,595	875,743	1,355,779
Other comprehensive income	–	–	–
Total comprehensive income	786,595	875,743	1,355,779

Fund Performance

Financial Year Ended 31 March	2022	2023	2024
Income Distribution (RM million)	879.80	1,023.61	1,267.62
Income Distribution (sen per unit)	4.00	4.50	4.75
Benchmark Return (%)	1.85	2.52	2.80

Asset Allocation

(% of Net Asset Value)

Financial Year Ended 31 March	2022	2023	2024
Equity	82.42	83.80	76.56
Fixed Income	6.72	6.19	10.46
Others	10.86	10.01	12.98
TOTAL	100.00	100.00	100.00

Notes:

1. Source: Fund Annual Report 2024
2. The above Summarised Statements of Comprehensive Income and Summarised Statements of Financial Position are derived from the audited financial statements of the respective unit trust funds

Unit Trust Funds

ASM 2 Wawasan

Fund Snapshot

Financial Year Ended 31 August	2022	2022	2024
Units in Circulation (million units)	23,533	23,124	23,764

Fund Financials

Summarised Statements of Comprehensive Income for the year ended 31 August (RM'000)	2022	2022	2024
Total investment income	933,238	1,084,472	1,544,317
Total expenses	159,172	45,280	362,446
Net income before taxation	774,066	1,039,192	1,181,871
Less: Taxation	–	–	–
Net income after taxation	774,066	1,039,192	1,181,871
Other comprehensive income	–	–	–
Total comprehensive income	774,066	1,039,192	1,181,871

Fund Performance

Financial Year Ended 31 August	2022	2023	2024
Income Distribution (RM million)	882.25	1,055.41	1,122.72
Income Distribution (sen per unit)	3.75	4.50	4.75
Benchmark Return (%)	1.98	2.82	2.69

Asset Allocation

(% of Net Asset Value)

Financial Year Ended 31 August	2022	2023	2024
Equity	82.10	84.89	80.72
Fixed Income	9.23	8.02	7.86
Others	8.67	7.09	11.42
TOTAL	100.00	100.00	100.00

Notes:

1. Source: Fund Annual Report 2024
2. The above Summarised Statements of Comprehensive Income and Summarised Statements of Financial Position are derived from the audited financial statements of the respective unit trust funds

ASM 3

Fund Snapshot

Financial Year Ended 30 September	2022	2023	2024
Units in Circulation (million units)	15,298	15,155	17,640

Fund Financials

Summarised Statements of Comprehensive Income for the year ended 30 September (RM'000)	2022	2023	2024
Total investment income	711,633	870,939	1,018,702
Total expenses	103,517	217,239	192,547
Net income before taxation	608,116	653,700	826,155
Less: Taxation	–	–	–
Net income after taxation	608,116	653,700	826,155
Other comprehensive income	–	–	–
Total comprehensive income	608,116	653,700	826,155

Fund Performance

Financial Year Ended 30 September	2022	2023	2024
Income Distribution (RM million)	572.67	688.29	765.07
Income Distribution (sen per unit)	3.75	4.50	4.75
Benchmark Return (%)	2.04	2.83	2.67

Asset Allocation

(% of Net Asset Value)

Financial Year Ended 30 September	2022	2023	2024
Equity	84.74	86.46	80.34
Fixed Income	5.99	6.29	7.71
Others	9.27	7.25	11.95
TOTAL	100.00	100.00	100.00

Notes:

1. Source: Fund Annual Report 2024
2. The above Summarised Statements of Comprehensive Income and Summarised Statements of Financial Position are derived from the audited financial statements of the respective unit trust funds

Unit Trust Funds

ASN

Fund Snapshot

Financial Year Ended 31 December	2022	2023	2024
Units in Circulation (million units)	1,732	1,555	1,515

Fund Financials

Summarised Statements of Comprehensive Income for the year ended 31 December (RM'000)	2022	2023	2024
Total investment income/(loss)	(33,534)	89,389	84,385
Total expenses	13,732	12,899	16,794
Net income/(loss) before taxation	(47,266)	76,490	67,591
Less: Taxation	–	–	–
Net income/(loss) after taxation	(47,266)	76,490	67,591
Other comprehensive income/(loss)	(9,950)	36,816	176,333
Total comprehensive income/(loss)	(57,216)	113,306	243,924
Total comprehensive income/(loss) for the year is made up of the following:			
Realised	30,253	12,072	26,564
Unrealised	(87,469)	101,234	217,360
	(57,216)	113,306	243,924

Summarised Statements of Financial Position as at 31 December (RM'000)	2022	2023	2024
Investments	962,597	944,393	113,414
Other assets	45,127	33,768	1,056,849
Total Assets	1,007,724	978,161	1,170,263
Liabilities	(42,920)	(35,788)	(35,788)
Unit Holder Capital/NAV	964,804	942,373	1,134,475

Fund Performance

Financial Year Ended 31 December	2022	2023	2024
Distribution Yield (%)	2.98	2.89	2.92
Total Return (%)	(5.66)	11.96	25.73
Benchmark Return (%)	(3.76)	1.11	14.05
Financial Year Ended 31 December	1 Year	3 Years	5 Years
Annualised Total Return (%)	25.73	9.92	6.22
Benchmark Return (%)	14.05	3.51	2.19

Asset Allocation

(% of Net Asset Value)

Financial Year Ended 31 December	2022	2023	2024
Equity	84.31	87.06	87.29
Fixed Income	5.22	5.48	3.22
Others	10.47	7.46	9.49
TOTAL	100.00	100.00	100.00

Notes:

1. Source: Fund Annual Report 2024
2. The above Summarised Statements of Comprehensive Income and Summarised Statements of Financial Position are derived from the audited financial statements of the respective unit trust funds

Unit Trust Funds

ASN Equity 2

Fund Snapshot

Financial Year Ended 30 June	2022	2023	2024
Units in Circulation (million units)	1,237	1,196	1,211

Fund Financials

Summarised Statements of Comprehensive Income for the year ended 30 June (RM'000)	2022	2023	2024
Total investment income/(loss)	(47,412)	23,924	40,115
Total expenses	10,004	6,857	7,393
Net income/(loss) before taxation	(57,416)	17,067	32,722
Less: Taxation	–	–	–
Net income/(loss) after taxation	(57,416)	17,067	32,722
Other comprehensive income/(loss)	(44,021)	2,291	110,942
Total comprehensive income/(loss)	(101,437)	19,358	143,664
Total comprehensive income/(loss) for the year is made up of the following:			
Realised	13,186	1,520	8,464
Unrealised	(114,623)	17,837	135,200
	(101,437)	19,357	143,664

Summarised Statements of Financial Position as at 30 June (RM'000)	2022	2023	2024
Investments	560,803	462,676	578,731
Other assets	33,762	37,174	28,787
Total Assets	594,565	499,850	607,518
Liabilities	(95,620)	(41,705)	(17,598)
Unit Holder Capital/NAV	498,945	458,145	589,920

Fund Performance

Financial Year Ended 30 June	2022	2023	2024
Distribution Yield (%)	2.78	2.79	2.87
Total Return (%)	(18.27)	(2.40)	30.89
Benchmark Return (%)	(5.64)	(1.01)	16.26
Financial Year Ended 30 June	1 Year	3 Years	5 Years
Annualised Total Return (%)	30.89	1.45	0.52
Benchmark Return (%)	16.26	2.76	0.82

Asset Allocation

(% of Net Asset Value)

Financial Year Ended 30 June	2022	2023	2024
Equity	83.75	84.54	86.10
Fixed Income	2.03	6.73	1.75
Others	14.22	8.73	12.15
TOTAL	100.00	100.00	100.00

Notes:

1. Source: Fund Annual Report 2024
2. The above Summarised Statements of Comprehensive Income and Summarised Statements of Financial Position are derived from the audited financial statements of the respective unit trust funds

Unit Trust Funds

ASN Equity 3

Fund Snapshot

Financial Year Ended 31 March	2022	2023	2024
Units in Circulation (million units)	1,992	1,947	1,490

Fund Financials

Summarised Statements of Comprehensive Income for the year ended 31 March (RM'000)	2022	2023	2024
Total investment income/(loss)	21,928	23,471	137,579
Total expenses	24,865	20,022	17,924
Net income/(loss) before taxation	(2,937)	3,449	119,655
Less: Taxation	–	–	–
Net income/(loss) after taxation	(2,937)	3,449	119,655
Other comprehensive income/(loss)	17,747	(59,762)	164,781
Total comprehensive income/(loss)	14,810	(56,313)	284,436
Total comprehensive income/(loss) for the year is made up of the following:			
Realised	52,707	32,231	31,500
Unrealised	(37,897)	(88,544)	252,936
	14,810	(56,313)	284,436

Summarised Statements of Financial Position as at 31 March (RM'000)	2022	2023	2024
Investments	1,750,781	1,595,907	1,381,619
Other assets	52,072	51,720	119,831
Total Assets	1,802,853	1,647,627	1,501,450
Liabilities	(84,272)	(85,142)	(94,177)
Unit Holder Capital/NAV	1,718,581	1,562,485	1,407,273

Fund Performance

Financial Year Ended 31 March	2022	2023	2024
Distribution Yield (%)	2.96	2.50	2.78
Total Return (%)	(0.34)	(4.60)	20.93
Benchmark Return (%)	(1.06)	(6.36)	9.28
Financial Year Ended 31 March	1 Year	3 Years	5 Years
Annualised Total Return (%)	20.93	4.76	3.75
Benchmark Return (%)	9.28	0.39	0.33

Asset Allocation

(% of Net Asset Value)

Financial Year Ended 31 March	2022	2023	2024
Equity	82.40	86.20	85.01
Fixed Income	6.86	7.30	5.27
Others	10.74	6.50	9.72
TOTAL	100.00	100.00	100.00

Notes:

1. Source: Fund Annual Report 2024
2. The above Summarised Statements of Comprehensive Income and Summarised Statements of Financial Position are derived from the audited financial statements of the respective unit trust funds

Unit Trust Funds

ASN Equity 5

Fund Snapshot

Financial Year Ended 30 September	2022	2023	2024
Units in Circulation (million units)	378	304	490

Fund Financials

Summarised Statements of Comprehensive Income for the year ended 30 September (RM'000)	2022	2023	2024
Total investment income/(loss)	(13,934)	23,922	27,153
Total expenses	5,195	4,248	5,575
Net income/(loss) before taxation	(19,129)	19,674	21,578
Less: Taxation	–	–	–
Net income/(loss) after taxation	(19,129)	19,674	21,578
Other comprehensive income/(loss)	(18,085)	17,235	53,794
Total comprehensive income/(loss)	(37,214)	36,909	75,372
Total comprehensive income/(loss) for the year is made up of the following:			
Realised	9,803	11,061	9,816
Unrealised	(47,017)	25,848	65,556
	(37,214)	36,909	75,372

Summarised Statements of Financial Position as at 30 September (RM'000)	2022	2023	2024
Investments	314,631	258,322	530,196
Other assets	8,261	25,972	45,133
Total Assets	322,892	284,294	575,329
Liabilities	(10,246)	(9,542)	(26,293)
Unit Holder Capital/NAV	312,646	274,752	549,036

Fund Performance

Financial Year Ended 30 September	2022	2023	2024
Distribution Yield (%)	2.83	2.89	2.94
Total Return (%)	(10.77)	12.30	27.50
Benchmark Return (%)	(8.83)	4.87	14.35
Financial Year Ended 30 September	1 Year	3 Years	5 Years
Annualised Total Return (%)	27.50	8.51	7.06
Benchmark Return (%)	14.35	3.00	1.98

Asset Allocation

(% of Net Asset Value)

Financial Year Ended 30 September	2022	2023	2024
Equity	83.07	82.07	83.24
Fixed Income	9.46	3.77	2.91
Others	7.47	14.16	13.85
TOTAL	100.00	100.00	100.00

Notes:

1. Source: Fund Annual Report 2024
2. The above Summarised Statements of Comprehensive Income and Summarised Statements of Financial Position are derived from the audited financial statements of the respective unit trust funds

Unit Trust Funds

ASN Imbang 1

Fund Snapshot

Financial Year Ended 30 November	2022	2023	2024
Units in Circulation (million units)	916	837	863

Fund Financials

Summarised Statements of Comprehensive Income for the year ended 30 November (RM'000)	2022	2023	2024
Total investment income/(loss)	(22,923)	54,704	65,642
Total expenses	12,895	11,268	11,314
Net income/(loss) before taxation	(35,818)	43,436	54,328
Less: Taxation	–	–	–
Net income/(loss) after taxation	(35,818)	43,436	54,328
Other comprehensive income/(loss)	(5,143)	26,821	100,412
Total comprehensive income/(loss)	(40,961)	70,257	154,740
Total comprehensive income/(loss) for the year is made up of the following:			
Realised	25,369	11,788	25,174
Unrealised	(66,330)	58,469	129,566
	(40,961)	70,257	154,740

Summarised Statements of Financial Position as at 30 November (RM'000)	2022	2023	2024
Investments	791,532	778,864	942,378
Other assets	44,941	33,142	24,642
Total Assets	836,473	812,006	967,020
Liabilities	(27,512)	(33,020)	(38,044)
Unit Holder Capital/NAV	808,961	778,986	928,976

Fund Performance

Financial Year Ended 30 November	2022	2023	2024
Distribution Yield (%)	3.07	3.45	3.79
Total Return (%)	(4.28)	9.04	19.98
Benchmark Return (%)	(0.64)	1.70	8.18
Financial Year Ended 30 November	1 Year	3 Years	5 Years
Annualised Total Return (%)	19.98	7.79	6.27
Benchmark Return (%)	8.18	2.99	2.19

Asset Allocation

(% of Net Asset Value)

Financial Year Ended 30 November	2022	2023	2024
Equity	47.99	61.56	52.89
Fixed Income	34.54	29.58	39.69
Others	17.47	8.86	7.42
TOTAL	100.00	100.00	100.00

Notes:

1. Source: Fund Annual Report 2024
2. The above Summarised Statements of Comprehensive Income and Summarised Statements of Financial Position are derived from the audited financial statements of the respective unit trust funds

Unit Trust Funds

ASN Imbang 2

Fund Snapshot

Financial Year Ended 31 March	2022	2023	2024
Units in Circulation (million units)	1,286	1,133	941

Fund Financials

Summarised Statements of Comprehensive Income for the year ended 31 March (RM'000)	2022	2023	2024
Total investment income/(loss)	5,604	6,415	111,860
Total expenses	17,932	14,177	12,737
Net income/(loss) before taxation	(12,328)	(7,762)	99,123
Less: Taxation	–	–	–
Net income/(loss) after taxation	(12,328)	(7,762)	99,123
Other comprehensive income/(loss)	11,208	(3,262)	59,210
Total comprehensive income/(loss)	(1,120)	(11,024)	158,333
Total comprehensive income/(loss) for the year is made up of the following:			
Realised	35,300	32,021	33,461
Unrealised	(36,420)	(43,045)	124,872
	(1,120)	(11,024)	158,333

Summarised Statements of Financial Position as at 31 March (RM'000)	2022	2023	2024
Investments	1,115,105	1,014,329	923,673
Other assets	95,363	29,345	48,935
Total Assets	1,210,468	1,043,674	972,608
Liabilities	(54,583)	(63,416)	(43,571)
Unit Holder Capital/NAV	1,155,885	980,258	929,037

Fund Performance

Financial Year Ended 31 March	2022	2023	2024
Distribution Yield (%)	2.85	3.12	3.83
Total Return (%)	(0.10)	(0.69)	18.45
Benchmark Return (%)	0.12	(3.00)	6.85
Financial Year Ended 31 March	1 Year	3 Years	5 Years
Annualised Total Return (%)	18.45	5.53	5.05
Benchmark Return (%)	6.85	1.20	1.23

Asset Allocation

(% of Net Asset Value)

Financial Year Ended 31 March	2022	2023	2024
Equity	55.04	48.97	62.14
Fixed Income	29.19	42.47	31.37
Others	15.77	8.56	6.49
TOTAL	100.00	100.00	100.00

Notes:

1. Source: Fund Annual Report 2024
2. The above Summarised Statements of Comprehensive Income and Summarised Statements of Financial Position are derived from the audited financial statements of the respective unit trust funds

Unit Trust Funds

ASN Imbang 3 Global

Fund Snapshot

Financial Year Ended 31 December	2022	2023	2024
Units in Circulation (million units)	1,511	1,043	663

Fund Financials

Summarised Statements of Comprehensive Income for the year ended 31 December (RM'000)	2022	2023	2024
Total investment income/(loss)	(148,033)	176,292	81,937
Total expenses	23,074	19,001	12,849
Net income/(loss) before taxation	(171,107)	157,291	69,088
Less: Taxation	–	–	–
Net income/(loss) after taxation	(171,107)	157,291	69,088
Other comprehensive income/(loss)	(4,612)	(218)	(5)
Total comprehensive income/(loss)	(175,719)	157,073	69,083
Total comprehensive income/(loss) for the year is made up of the following:			
Realised	8,833	5,558	31,789
Unrealised	(184,552)	151,515	37,294
	(175,719)	157,073	69,083

Summarised Statements of Financial Position as at 31 December (RM'000)	2022	2023	2024
Investments	1,329,250	1,020,481	638,311
Other assets	38,045	66,733	81,678
Total Assets	1,367,295	1,087,214	719,989
Liabilities	(11,462)	(31,329)	(17,940)
Unit Holder Capital/NAV	1,355,833	1,055,885	702,049

Fund Performance

Financial Year Ended 31 December	2022	2023	2024
Distribution Yield (%)	0.50	0.50	2.03
Total Return (%)	(11.45)	13.47	6.67
Benchmark Return (%)	(6.45)	13.29	1.61
Financial Year Ended 31 December	1 Year	3 Years	Since Inception
Annualised Total Return (%)	6.67	2.34	2.34
Benchmark Return (%)	1.61	2.50	5.47

Asset Allocation

(% of Net Asset Value)

Financial Year Ended 31 December	2022	2023	2024
Equity	36.83	39.65	44.83
Fixed Income	42.95	38.95	34.52
Others	20.22	21.40	20.65
TOTAL	100.00	100.00	100.00

Notes:

1. Source: Fund Annual Report 2024
2. The above Summarised Statements of Comprehensive Income and Summarised Statements of Financial Position are derived from the audited financial statements of the respective unit trust funds

Unit Trust Funds

ASN Sara 1

Fund Snapshot

Financial Year Ended 31 March	2022	2023	2024
Units in Circulation (million units)	2,395	2,555	2,118

Fund Financials

Summarised Statements of Comprehensive Income for the year ended 31 March (RM'000)	2022	2023	2024
Total investment income	12,031	1,387	192,615
Total expenses	32,713	31,945	28,387
Net income/(loss) before taxation	(20,682)	(30,558)	164,228
Less: Taxation	–	–	–
Net income/(loss) after taxation	(20,682)	(30,558)	164,228
Other comprehensive income/(loss)	23,975	(19,820)	49,859
Total comprehensive income/(loss)	3,293	(50,378)	214,087
Total comprehensive income/(loss) for the year is made up of the following:			
Realised	75,375	88,338	88,722
Unrealised	(72,082)	(138,716)	125,365
	3,293	(50,378)	214,087

Summarised Statements of Financial Position as at 31 March (RM'000)	2022	2023	2024
Investments	2,617,508	2,662,957	2,406,525
Other assets	99,062	195,676	39,292
Total Assets	2,716,570	2,858,633	2,445,817
Liabilities	(102,295)	(207,256)	(127,638)
Unit Holder Capital/NAV	2,614,275	2,651,377	2,318,179

Fund Performance

Financial Year Ended 31 March	2022	2023	2024
Distribution Yield (%)	2.75	3.31	3.68
Total Return (%)	0.10	(1.81)	9.35
Benchmark Return (%)	0.86	(0.77)	5.24
Financial Year Ended 31 March	1 Year	3 Years	5 Years
Annualised Total Return (%)	9.35	2.43	3.44
Benchmark Return (%)	5.24	1.70	1.76

Asset Allocation

(% of Net Asset Value)

Financial Year Ended 31 March	2022	2023	2024
Equity	36.60	28.14	33.63
Fixed Income	54.45	63.62	65.39
Others	8.95	8.24	0.98
TOTAL	100.00	100.00	100.00

Notes:

1. Source: Fund Annual Report 2024
2. The above Summarised Statements of Comprehensive Income and Summarised Statements of Financial Position are derived from the audited financial statements of the respective unit trust funds

Unit Trust Funds

ASN Sara 2

Fund Snapshot

Financial Year Ended 30 September	2022	2023	2024
Units in Circulation (million units)	1,553	1,265	1,044

Fund Financials

Summarised Statements of Comprehensive Income for the year ended 30 September (RM'000)	2022	2023	2024
Total investment income/(loss)	(70,525)	77,994	79,160
Total expenses	19,202	16,089	13,387
Net income/(loss) before taxation	(89,727)	61,905	65,773
Less: Taxation	–	–	–
Net income/(loss) after taxation	(89,727)	61,905	65,773
Other comprehensive income/(loss)	(25,592)	12,025	37,748
Total comprehensive income/(loss)	(115,319)	73,930	103,521
Total comprehensive income/(loss) for the year is made up of the following:			
Realised	45,085	43,884	37,701
Unrealised	(160,404)	30,046	65,820
	(115,319)	73,930	103,521

Summarised Statements of Financial Position as at 30 September (RM'000)	2022	2023	2024
Investments	1,398,105	1,188,542	1,048,827
Other assets	60,033	34,948	16,109
Total Assets	1,458,138	1,223,490	1,064,936
Liabilities	(44,261)	(50,409)	(39,455)
Unit Holder Capital/NAV	1,413,877	1,173,081	1,025,481

Fund Performance

Financial Year Ended 30 September	2022	2023	2024
Distribution Yield (%)	2.94	3.62	3.66
Total Return (%)	(7.20)	5.52	9.76
Benchmark Return (%)	(2.03)	3.66	7.00
Financial Year Ended 30 September	1 Year	3 Years	5 Years
Annualised Total Return (%)	9.76	2.44	3.23
Benchmark Return (%)	7.00	2.77	2.35

Asset Allocation

(% of Net Asset Value)

Financial Year Ended 30 September	2022	2023	2024
Equity	29.36	31.07	32.44
Fixed Income	58.20	64.41	63.99
Others	12.44	4.52	3.57
TOTAL	100.00	100.00	100.00

Notes:

1. Source: Fund Annual Report 2024
2. The above Summarised Statements of Comprehensive Income and Summarised Statements of Financial Position are derived from the audited financial statements of the respective unit trust funds

Unit Trust Funds

ASN Equity Global

Fund Snapshot

Financial Year Ended 31 December	2022	2023	2024
Units in Circulation (million units)	954	685	544

Fund Financials

Summarised Statements of Comprehensive Income for the year ended 31 December (RM'000)	1.9.2021 to 31.12.2022	2023	2024
Total investment income/(loss)	(134,132)	147,899	80,899
Total expenses	21,274	15,227	11,448
Net income/(loss) before taxation	(155,406)	132,672	69,451
Less: Taxation	–	–	–
Net income/(loss) after taxation	(155,406)	132,672	69,451
Other comprehensive income/(loss)	–	–	–
Total comprehensive income/(loss)	(155,406)	132,672	69,451
Total comprehensive income/(loss) for the year is made up of the following:			
Realised	(90,701)	11,628	106,594
Unrealised	(64,705)	121,044	(37,143)
	(155,406)	132,672	69,451

Summarised Statements of Financial Position as at 31 December (RM'000)	2022	2023	2024
Investments	778,838	668,193	545,675
Other assets	12,450	48,240	54,583
Total Assets	791,288	716,433	600,258
Liabilities	(1,654)	(41,675)	(5,419)
Unit Holder Capital/NAV	789,634	674,758	594,839

Fund Performance

Financial Year Ended 31 December	2022	2023	2024
Distribution Yield (%)	–	–	–
Total Return (%)	(17.21)	18.92	11.11
Benchmark Return (%)	(12.02)	22.04	0.53
Financial Year Ended 31 December	1 Year	3 Years	Since Inception
Annualised Total Return (%)	11.11	2.42	3.75
Benchmark Return (%)	0.53	2.01	0.33

Asset Allocation

(% of Net Asset Value)

Financial Year Ended 31 December	2022	2023	2024
Equity	70.30	74.48	76.57
Fixed Income	–	–	–
Others	29.70	25.52	23.43
TOTAL	100.00	100.00	100.00

Notes:

1. Source: Fund Annual Report 2024
2. The above Summarised Statements of Comprehensive Income and Summarised Statements of Financial Position are derived from the audited financial statements of the respective unit trust funds

Unit Trust Funds

ASN Sukuk

Fund Snapshot

Financial Year Ended 30 June	2023	2024
Units in Circulation (million units)	948	909

Fund Financials

Summarised Statements of Comprehensive Income for the year ended 30 June (RM'000)	25.11.2022 to 30.6.2023	2024
Total investment income	17,514	50,274
Total expenses	2,143	5,921
Net income before taxation	15,371	44,353
Less: Taxation	–	–
Net income/(loss) after taxation	15,371	44,353
Other comprehensive income	–	–
Total comprehensive income	15,371	44,353
Total comprehensive income for the year is made up of the following:		
Realised	8,348	35,682
Unrealised	7,023	8,671
	15,371	44,353

Summarised Statements of Financial Position as at 30 June (RM'000)	2023	2024
Investments	721,566	957,011
Other assets	14,056	15,337
Total Assets	735,622	972,348
Liabilities	(13,918)	(36,914)
Unit Holder Capital/NAV	721,704	935,434

Fund Performance

Financial Year Ended 30 June	2023	2024
Distribution Yield (%)	1.84	3.76
Total Return (%)	3.84	4.72
Benchmark Return (%)	5.42	4.61
Financial Year Ended 30 June	1 Year	Since Inception
Annualised Total Return (%)	4.72	5.39
Benchmark Return (%)	4.61	6.32

Asset Allocation

(% of Net Asset Value)

Financial Year Ended 30 June	2023	2024
Equity	–	–
Fixed Income	91.56	98.28
Others	8.44	1.72
TOTAL	100.00	100.00

Notes:

1. Source: Fund Annual Report 2024
2. The above Summarised Statements of Comprehensive Income and Summarised Statements of Financial Position are derived from the audited financial statements of the respective unit trust funds

GRI Content Index

GRI Services Statement	For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting with reference with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.
Statement of use	PNB has reported with reference with the GRI Standards for the period 1 January 2024 to 31 December 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not Applicable

GRI Standard/Other Source	Disclosure	Page Number(s) in SS 2024 or URL / Direct Answer
General disclosures		
GRI 2: General Disclosures 2021	2-1 Organisational details	We are PNB, IAR2024 pg. 4
	2-2 Entities included in the organisation's sustainability reporting	We are PNB, IAR2024 pg. 4
	2-3 Reporting period, frequency and contact point	About This Report, IAR2024 pg. 1
	2-4 Restatements of information	Significant restatements of data compared to prior years are noted in the section(s) where they appear.
	2-5 External assurance	About This Report, IAR2024 pg. 1
	2-6 Activities, value chain and other business relationships	Our Sustainable Value Chain, IAR2024 pg. 22-23
	2-7 Employees	We are PNB, IAR2024 pg. 4
	2-8 Workers who are not employees	
	2-9 Governance structure and composition	Board Composition, IAR2024 pg. 45 The Strength and Integrity of Our Guardianship, IAR2024 pg. 46-57
	2-10 Nomination and selection of the highest governance body	Nomination and Remuneration Committee, IAR2024 pg. 186
	2-11 Chair of the highest governance body	The Strength and Integrity of Our Guardianship, IAR2024 pg. 46-57
	2-12 Role of the highest governance body in overseeing the management of impacts	PNB's Sustainability Governance & Oversight, IAR2024 pg. 165
	2-13 Delegation of responsibility for managing impacts	PNB's Sustainability Governance & Oversight, IAR2024 pg. 165
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance Structure, IAR2024 pg. 166
	2-15 Conflicts of interest	Corporate Governance Overview Statement, IAR2023, SS2024 pg. 144

GRI Standard/Other Source	Disclosure	Page Number(s) in SS 2024 or URL / Direct Answer
General disclosures		
GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	https://www.pnb.com.my/en/compliance-integrity-en
	2-17 Collective knowledge of the highest governance body	PNB's Sustainability Governance & Oversight, SS2024 pg. 64
	2-18 Evaluation of the performance of the highest governance body	PNB's Sustainability Governance & Oversight, Sustainability Committees & Decision-Making, SS2024 pg. 64
	2-20 Process to determine remuneration	PNB's Sustainability Strategy & 10 ESG Commitments, SS2024 pg. 9
	2-21 Annual total compensation ratio	
	2-22 Statement on sustainable development strategy	PNB's Sustainability Strategy & 10 ESG Commitments, SS2024 pg. 9
	2-23 Policy commitments	PNB's Sustainability Governance & Oversight, Key Policies, SS2024 pg. 66
	2-24 Embedding policy commitments	PNB's Sustainability Governance & Oversight, Key Policies, SS2024 pg. 66
	2-25 Processes to remediate negative impacts	https://www.pnb.com.my/en/compliance-integrity-en
	2-25 Processes to remediate negative impacts	Anti-Corruption and Whistleblower Protection, SS2024 pg. 174
	2-26 Mechanisms for seeking advice and raising concerns	Anti-Corruption and Whistleblower Protection, SS2024 pg. 174
	2-27 Compliance with laws and regulations	Corporate Governance Overview Statement, IAR2024 pg. 176, Effective Audit and Risk Management, IAR2023 pg. 202-211
	2-28 Membership associations	UNSDG Contributions, pg. 123 Strategic Partnership, pg. 231
	2-29 Approach to stakeholder engagement	Engaging with Our Stakeholders, IAR2023, SS2024 pg. 43
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material Matters, IAR2024 pg. 68
	3-2 List of material topics	Material Matters, IAR2024 pg. 68-77 List of Material Topics Climate Change Nature & Biodiversity Environmental Impact Data Privacy & Security Customer Experience & Satisfaction Social Impact Transparent Information & Fair Practice Technology & Innovation Labour Rights Talent Management Diversity, Equity & Inclusion Economic Performance Governance & Ethics Sustainable & Responsible Investing Supply Chain

GRI Content Index

GRI Standard/Other Source	Disclosure	Page Number(s) in SS 2024 or URL / Direct Answer
Material Topics		
Climate Change		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Integration into Investment and Operations – From Commitment to Impact, SS2024 pg. 124-125
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	PNB's Enterprise Emissions Performance, SS2024 pg. 145
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	
	305-2 Energy indirect (Scope 2) GHG emissions	
	305-3 Other indirect (Scope 3) GHG emissions	
Nature and Biodiversity		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Integration into Investment and Operations – From Commitment to Impact, SS2024 pg. 124-125
Environmental Impact		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Integration into Investment and Operations – From Commitment to Impact, SS2024 pg. 124-125
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	PNB's Enterprise Emissions Performance, SS2024 pg. 145
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	
	305-2 Energy indirect (Scope 2) GHG emissions	
	305-3 Other indirect (Scope 3) GHG emissions	
GRI 306: Waste 2020	306-3 Waste generated	
Data Privacy and Security		
GRI 3: Material Topics 2021	3-3 Management of material topics	Data Protection, Cybersecurity and Responsible AI, SS2024 pg. 174
Customer Experience & Satisfaction		
GRI 3: Material Topics 2021	3-3 Management of material topics	pg. 74
Social Impact		
GRI 3: Material Topics 2021	3-3 Management of material topics	Social Investments & CSR, pg. 156
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Infrastructure Investments, IAR2024 pg. 112
	203-2 Significant indirect economic impacts	Sustainability at PNB - Our Commitment & Vision, IAR2024 pg. 122-123
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Beyond Investments: PNB's Commitment to Social and Environmental Well-being, IAR2024 pg. 156

GRI Standard/Other Source	Disclosure	Page Number(s) in SS 2024 or URL / Direct Answer
Material Topics		
Transparent Information & Fair Practice		
GRI 3: Material Topics 2021	3-3 Management of material topics	pg. 72
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Anti-Corruption and Whistleblower Protection, SS2024 pg. 174
	205-2 Communication and training about anti-corruption policies and procedures	
	205-3 Confirmed incidents of corruption and actions taken	
Technology & Innovation		
GRI 3: Material Topics 2021	3-3 Management of material topics	pg. 36, 44-48, 65, 76-85
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Our Value Creating Business Model, IAR2024, pg. 61
	203-1 Infrastructure investments and services supported	Infrastructure Investments, IAR2024 pg. 112
	203-2 Significant indirect economic impacts	Sustainability at PNB - Our Commitment & Vision, IAR2024 pg. 122-123
Labour Rights		
GRI 3: Material Topics 2021	3-3 Management of material topics	pg. 42, 44-48, 86, 88
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	PNB's Commitment To Capability Building & Talent Development, SS2024 pg. 42, Capacity Building, IAR2023, pg. 88
	404-2 Programmes for upgrading employee skills and transition assistance programs	Strengthening Talent Management & Leadership Development, SS2024 pg. 44
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Board Composition, IAR2024 pg. 45, 53
Talent Management and Training		
GRI 3: Material Topics 2021	3-3 Management of material topics	pg. 42, 44
	404-1 Average hours of training per year per employee	PNB's Commitment To Capability Building & Talent Development, SS2024 pg. 42
	404-2 Programmes for grading employee skills and transition assistance programs	Strengthening Talent Management & Leadership Development, SS2024 pg. 44
Diversity, Equity & Inclusion		
GRI 3: Material Topics 2021	3-3 Management of material topics	pg. 44-48, 86
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Board Composition, IAR2024 pg. 45, 53

GRI Content Index

GRI Standard/Other Source	Disclosure	Page Number(s) in SS 2024 or URL / Direct Answer
Material Topics		
Economic Performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	pg. 36, 44-48, 65, 76-85
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Our Value Creating Business Model, IAR 2024, pg. 61
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Infrastructure Investments, IAR2024 pg. 112
	203-2 Significant indirect economic impacts	Sustainability at PNB - Our Commitment & Vision, IAR2024 pg. 122-123
Corporate Governance and Compliance		
GRI 3: Material Topics 2021	3-3 Management of material topics	pg. 76, 109
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Anti-Corruption & Whistleblower Protection, SS2024 pg. 76
	205-2 Communication and training about anti-corruption policies and procedures	
	205-3 Confirmed incidents of corruption and actions taken	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Board Composition IAR2024 pg. 45, 53
Sustainable & Responsible Investing		
GRI 3: Material Topics 2021	3-3 Management of material topics	pg. 14
Supply Chain		
GRI 3: Material Topics 2021	3-3 Management of material topics	pg. 175

TCFD Content Index

TCFD Pillars and Thematic Areas	TCFD Recommended Disclosures	Page Reference
Governance Disclose the organisation's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate related risks and opportunities.	PNB's Sustainability Governance & Oversight SS2024 pg. 175
	b) Describe management's role in assessing and managing climate related risks and opportunities.	Board Commitment Sustainability under Corporate Governance Overview Statement pg. 187-188
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.	Chapter 2: ESG Integration into Investment and Operations – From Commitment to Impact SS2024 pg. 130-152 Strategy, Chapter 5: Responsible Leadership SS2024 pg. 176-177
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Chapter 2: ESG Integration into Investment and Operations – From Commitment to Impact SS2024 pg. 130-152 Strategy, Chapter 5: Responsible Leadership SS2024 pg. 176-177
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	We are currently reviewing applicable climate scenarios to evaluate implications across both enterprise and investment portfolio, with a particular focus on material physical climate risks.
Risk Management Disclose how the organisation identifies, assesses and manages climate-related risks.	a) Describe the organisation's processes for identifying and assessing climate related risk.	Risk Management, Metrics and Targets, Chapter 5: Responsible Leadership SS2024 pg. 178-179
	b) Describe the organisation's processes for managing climate related risks.	
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities, where such information is material.	a) Disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process.	PNB's Enterprise Emissions Performance (tCO ₂ e), Chapter 2: ESG Integration into Investment and Operations – From Commitment to Impact SS2024 pg. 150
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions, and the related risks.	
	c) Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets.	Metrics and Targets, Chapter 5: Responsible Leadership SS2024 pg. 179

UNGC 10 Principles Content Index

UNGC 10 Principle		Reference Page
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	Labour Rights, ESG Integration into Investment and Operations – From Commitment to Impact, SS2024 pg. 140-141
	Principle 2: Make sure that they are not complicit in human rights abuses.	
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	PNB's Sustainability Governance & Oversight, SS2024 pg. 169-171
	Principle 4: The elimination of all forms of forced and compulsory labour;	
	Principle 5: The effective abolition of child labour; and	
	Principle 6: The elimination of discrimination in respect of employment and occupation.	
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges;	Sustainability at PNB – Our Commitment & Vision, SS2024 pg. 120 Climate Action & Environmental Management, SS2024 pg. 143-147
	Principle 8: Undertake initiatives to promote greater environmental responsibility; and	
	Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Anti-Corruption and Whistleblower Protection, SS2024 pg. 174

SASB Content Index

- Asset Management and Custody Activities

Topic	Metric	Code	Reference
Transparent Information and Fair Advice for Customers	(1) Number and (2) percentage of licensed employees and identified decision-makers with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	FN-AC-270a.1	To our knowledge, there are no ongoing or pending investment-related investigations, consumer complaints, or regulatory actions involving any current employee. While employees may participate in personal civil litigation, we are not aware of any material legal proceedings that would impact the organisation
	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	FN-AC-270a.2	None
	Description of approach to informing customers about products and services	FN-AC-270a.3	What We Offer: Our Products and Services, IAR2024 pg. 7-17
Employee Diversity and Inclusion	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) professionals, and (d) all other employees	FN-AC-330a.1	Board Composition, IAR2024 pg. 45, 53
Incorporation of Environmental, Social, and Governance Factors in Investment Management and Advisory	Amount of AUM, by asset class, that employ (1) integration of ESG issues, (2) sustainability themed investing and (3) screening	FN-AC-410a.1	ESG Assessments in Pre-Investment Due Diligence pg. 126-127
	Description of approach to incorporation of ESG factors in investment or wealth management processes and strategies	FN-AC-410a.2	ESG Integration into Investment and Operations – From Commitment to Impact, SS2024 pg. 124-127
	Description of proxy voting and investee engagement policies and procedures	FN-AC-410a.3	Responsible Stewardship & Shareholder Engagement, IAR2024 pg. 135

SASB Content Index

- Asset Management and Custody Activities

Topic	Metric	Code	Reference
Financed Emissions	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	FN-AC-410b.1	We are committed to transparently disclose our portfolio emissions to demonstrate credible progress towards achieving a NZP. However, our ability to accurately measure portfolio emissions is largely dependent on the availability and quality of climate-related data from our investee companies.
	Total amount of AUM included in the financed emissions disclosure	FN-AC-410b.2	
	Percentage of total AUM included in the financed emissions calculation	FN-AC-410b.3	
	Description of the methodology used to calculate financed emissions	FN-AC-410b.4	We aim to publish a dedicated report on our portfolio emissions once we have achieved a sufficient coverage of reported GHG data from investee companies. This approach will enable us to provide a more reliable and accurate view of our decarbonisation progress and portfolio emissions, while maintaining comparability with our past reported portfolio emissions.
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	FN-AC-510a.1	None
	Description of whistleblower policies and procedures	FN-AC-510a.2	Anti-Corruption and Whistleblower Protection, SS2024 pg. 174



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