

PUBLIC BANK BERHAD

MINUTES OF THE 59TH ANNUAL GENERAL MEETING HELD ON THURSDAY, 8 MAY 2025 AT 10.00 A.M. AT THE GRAND BALLROOM, SHANGRI-LA HOTEL KUALA LUMPUR, 11 JALAN SULTAN ISMAIL, 50250 KUALA LUMPUR (MAIN VENUE) AND VIRTUALLY BY WAY OF ELECTRONIC MEANS VIA THE TIIH ONLINE WEBSITE AT [HTTPS://TIIH.ONLINE](https://tiih.online) (ONLINE PLATFORM)

PRESENT

Board of Directors:

Mr Lai Wan	: Non-Independent Non-Executive Chairman
Tan Sri Dato' Sri Dr. Tay Ah Lek	: Managing Director & Chief Executive Officer
Ms Cheah Kim Ling	: Non-Independent Non-Executive Director
Mr Lee Chin Guan	: Non-Independent Non-Executive Director
Dato' Mohd Hanif bin Sher Mohamed	: Independent Non-Executive Director and Chair of Audit Committee and Nomination and Remuneration Committee
Ms Tham Chai Fhong	: Independent Non-Executive Director and Chair of Compliance Committee
Mr Lim Chao Li	: Independent Non-Executive Director and Chair of Board Sustainability Management Committee
Ms Gladys Leong	: Independent Non-Executive Director and Chair of Risk Management Committee
Ms Teoh Meow Choo	: Independent Non-Executive Director and Chair of Credit Risk Management Committee

Member of Senior Management:

Ms Chang Siew Yen	: Deputy Chief Executive Officer
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Company Secretary:

Cik Wan Marhanim bt Wan Muhammad

Representative from External Auditors, Messrs Ernst & Young PLT:

Dato' Megat Iskandar Shah : Engagement Partner
bin Mohamad Nor

SHAREHOLDERS/PROXIES:

The attendance of shareholders, corporate representatives and proxies at the Main Venue and via TIIH Online platform was as per the Attendance List.

WELCOME ADDRESS BY THE CHAIRMAN

The Chairman, Mr Lai Wan, on behalf of the Board, welcomed the shareholders and proxies who were present at the Public Bank 59th Annual General Meeting (AGM).

The Chairman informed the Meeting that the AGM was conducted in a hybrid mode in line with Paragraph 8.27A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, whereby shareholders can attend the meeting in person at the Main Venue or virtually via TIIH Online platform.

QUORUM

The Chairman stated that based on the registration data given by the Poll Administrator at the commencement of the meeting, 937 shareholders and proxies had registered for the Meeting with 327 members attended in person at the Main Venue and 610 members logged-in to TIIH Online platform to participate in the Public Bank 59th AGM.

There being a quorum, the Public Bank 59th AGM was duly convened.

NOTICE OF MEETING

The Notice convening the Meeting having been served on shareholders in accordance with the regulatory notice period, was taken as read.

INTRODUCTION OF MEMBERS OF THE HEAD TABLE

The Chairman introduced the Members of the Board, the Deputy Chief Executive Officer, the Company Secretary and the representative from the Auditors, Messrs Ernst & Young PLT, who were seated at the Head Table.

VOTING ON ALL RESOLUTIONS BY POLL

The Chairman informed the Meeting that pursuant to the Company's Constitution and Bursa Malaysia Main Market Listing Requirements, all the resolutions as set out in the Notice of Public Bank 59th AGM dated 9 April 2025 would be voted by poll.

The Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd (Tricor), had been appointed as the Poll Administrator to conduct the poll voting, and Deloitte Business Advisory Sdn Bhd (Deloitte) had been appointed as the Scrutineers to validate the votes cast at the AGM.

The Chairman explained that the voting session had already commenced from the start of the Meeting and shareholders/proxies present in person and virtually, could therefore proceed to use their own personal devices to vote remotely, via Tricor's Online Remote Participation and Voting facility on the proposed resolutions until the close of the voting session which he would announce later.

He then invited the shareholders/proxies to view a short video on the procedures for online remote voting presented by Tricor, the Poll Administrator.

PROCEEDINGS OF MEETING

The Chairman informed the Meeting that the Deputy Chief Executive Officers, Dato' Chang Kat Kiam and Ms Chang Siew Yen, who were both shareholders of the Company, had offered to be the proposer and seconder respectively for all the 5 proposed resolutions in the agenda of the Meeting.

He further informed the Meeting that in order to ensure the orderly proceeding of the AGM, the question and answer (Q&A) session would be conducted in the following manner:

- The Q&A session would be conducted after the presentation of the financial highlights of Public Bank Group's performance by the Managing Director & Chief Executive Officer and tabling of all the 5 proposed resolutions as set out in the agenda of the Meeting.

- The Board would first address the questions raised by the Minority Shareholders Watch Group (MSWG) followed by the questions submitted by shareholders/proxies via the TIIH Online platform prior to the Meeting.
- Thereafter, the Board would address questions submitted online via the Query Box facility during the meeting followed by questions from the shareholders, proxies and corporate representatives present in person at the Main Venue.
- The Board would only respond to questions relating to the agenda of the Meeting and for efficiency purpose, similar questions raised pertaining to the same matter would be grouped together and the Board would provide a single response to them.

ORDINARY BUSINESS

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 AND REPORTS OF THE DIRECTORS AND AUDITORS

The Company's Audited Financial Statements for the financial year ended 31 December 2024 and the Reports of the Directors and Auditors were laid before the Company at this Meeting pursuant to Section 340(1)(a) of the Companies Act, 2016.

The Chairman explained that the Company's Audited Financial Statements for the financial year ended 31 December 2024 were for discussion only as they did not require shareholders' approval. Hence, it would not be put for voting.

The Chairman then invited Tan Sri Dato' Sri Dr. Tay Ah Lek, the Managing Director & Chief Executive Officer, to present the highlights of Public Bank Group's performance in 2024.

Highlights of Public Bank Group's Performance in 2024

The Managing Director & Chief Executive Officer presented the highlights of Public Bank Group's performance in 2024 as follows:

Performance Review for 2024

Tan Sri Tay said, "On the back of the growing economy, the Public Bank Group's pre-tax profit grew by 4.6% to RM8.93 billion in 2024. The Group's net profit also increased by 7.5% to RM7.15 billion in 2024. Excluding the one-off impairment of goodwill of RM473.8 million incurred for the Group's Hong Kong operations, the Group's pre-tax profit recorded a higher growth of 10.1% in 2024 as compared with 2023. The Group's good profit performance in 2024 was driven by continued expansion in loans and deposits, and stronger non-interest income growth."

The Public Bank Group's total gross loans and financing grew by 6.3% to RM424.17 billion as at the end of 2024. The Group's domestic loans grew by 6.7%, which was higher than the domestic banking industry's loans growth of 5.5%. The Group maintained its No.1 position in residential property, commercial property and hire purchase financing, with market shares of 20.2%, 32.0% and 31.8% respectively. In the domestic small and medium enterprises (SME) financing, the Group remains a market leader with 17.9% market share.

On the funding side, the Public Bank Group's customer deposits grew by 4.9% to RM433.26 billion as at the end of 2024. The Group's domestic deposits increased by 4.8% in 2024, outpacing the banking industry's growth rate of 3%. In particular, the Group's domestic core customer deposits grew at a healthy rate of 9.8%, mainly supported by fixed deposits growth of 13.1%.

Tan Sri Tay highlighted, "In 2024, the Public Bank Group continued to outperform its banking peers. The Group is the most cost-efficient bank in Malaysia with the lowest cost to income ratio of 34.5%, as compared to the industry's average cost to income ratio of 47.3%. In terms of asset quality, the Group's gross impaired loans ratio of 0.5% is the best amongst Malaysian banking groups. This was significantly better than the banking industry's impaired loans ratio of 1.4%. The Group's resilient net return on equity of 13.2% was also the highest and well above the domestic banking peers' average net return on equity of 10.3%."

The Public Bank Group's wholly owned unit trust management subsidiary, Public Mutual, maintained its leading market share of 34.7% in the domestic retail private unit trust industry as at the end of 2024. In 2024, Public Mutual achieved 7.8% growth in profit before tax to RM860.0 million. Public Mutual's total assets under management also grew by 5% to RM102.0 billion, with 185 funds under its management.

As at the end of 2024, the Public Bank Group's loan loss coverage ratio stood at 166.2%. This was higher than the banking industry's loan loss coverage ratio of 91.4%. Including regulatory reserves, the Group's loan loss coverage ratio would be even higher at 237.7% as at the end of 2024.

The Public Bank Group's capital position remained stable and healthy with Common Equity Tier 1 capital ratio of 14.3%, and total capital ratio of 17.1% as at the end of 2024. The Group's average Liquidity Coverage Ratio of 133% also remained well above the regulatory requirement of 100%.

Tan Sri Tay said, "In view of the Public Bank Group's good financial performance in 2024, a second interim dividend of 11 sen was paid in March 2025. Together with the first interim dividend of 10 sen paid in September 2024, shareholders have received a total dividend of 21 sen per share for 2024. This was higher than 19 sen paid in 2023. Total dividends paid amounted to RM4.08 billion, representing 57% of the Group's net profit for 2024. The 21 sen dividend per share translates to a dividend yield of 4.6% based on Public Bank's share price of RM4.56 as at the end of 2024.

The Public Bank Group continues to deliver consistent and superior returns to its shareholders. The stable performance of Public Bank shares coupled with the consistent dividend payout had further increased the value for a long term shareholder.

With total market capitalisation of RM86.77 billion today, Public Bank is the second largest company and the largest non-government linked company on Bursa Malaysia.

Strategies and Directions for 2024

Tan Sri Tay commented, “The outlook for the Malaysian economy remains positive, with projected stable growth, driven by steady domestic demand, a growing services sector, and ongoing investment in infrastructure projects. However, downside risks remain, mainly from weaker-than-expected external demand, and the potential spillover effects of ongoing trade tensions and imposition of tariffs by United States of America.

While the Public Bank Group is mindful of potential challenges ahead, the Group will focus on sustaining business growth while managing risks effectively. The Group will also continue to operate efficiently and maintain prudent credit risk management. The Group is committed to uphold strong risk management and corporate governance practices.”

In 2024, the Public Bank Group strengthened its market position through strategic acquisitions and business expansion. The acquisition of LPI Capital Berhad, along with the establishment of Public Bank Securities Vietnam Company Ltd, have brought the Group closer to its goal of becoming a universal banking group. This will provide opportunity for the Group to offer a wider range of financial products and services across its domestic and regional markets. On 1 January 2024, the Group has also successfully converted its Laos operations into a wholly owned subsidiary, renamed as Public Bank Lao Ltd. Looking ahead, this will further strengthen the Group’s presence in Indochina, and enable the Group to capitalise on future growth opportunities.

Tan Sri Tay highlighted, “With the evolving customer needs, the Public Bank Group is committed to promote innovation, inclusivity and sustainability through digital transformation. The Group remains focused on enhancing financial accessibility for all its customers, balancing traditional banking with digital innovation. By continuously enhancing the Group’s digital platforms, the Group ensures all customers have access to secure and intuitive digital banking services.”

To enhance the Public Bank Group’s digital banking experience, the Group has introduced a new and enhanced version of mobile app, which is the MyPB mobile App in November 2023. The transition to MyPB App has seen strong customer adoption, driven by user-friendly designs, and modern features to meet customer lifestyle needs. A newly redesigned MyPB online banking platform was also introduced in July 2024, featuring enhanced features and a user-friendly interface.

With the switch towards mobile banking as the preferred platform, new users on MyPB App grew by a commendable 22.8%. The number of mobile banking transactions also surged by 54.5%. For the Public Bank Group's MyPB online banking, the number of new users increased by 7.6%. The Group's corporate online banking, the PB enterprise also reported steady growth. In 2024, total new companies registered on PB enterprise increased by 16.1%. The number of transactions performed on PB enterprise also grew by 18.3%.

Safeguarding financial security is a top priority for the Public Bank Group, not only to protect customers' interests, but also to uphold Public Bank's brand reputation. The Group remains fully committed to safeguard financial security, and has been increasing investment in comprehensive IT risk management to build cyber resilience. To deter scams and protect customers, cooling-off periods, kill-switches, secure token authentication capabilities and ongoing education have been incorporated across various online banking channels. In 2024, the Group has launched PB Scam Rangers, a cybersecurity awareness initiative by the Group's dedicated fraud prevention team. Through nationwide outreach campaigns, the Group's fraud prevention team actively educates the public on the latest financial scams and how to stay protected. Public Bank has also recently conducted the "PB Scam Rangers Webinar Series: on Investment Scam". This inaugural webinar focused on prevalent tactics used in investment scams, and has attracted over a thousand participants. The webinar enhanced attendees' understanding of scam mechanisms and has received overwhelming positive feedback.

Tan Sri Tay highlighted, "By adopting the various security measures, the Public Bank Group has protected over 1.2 million customers and prevented RM1.78 billion from being fraudulently transferred as at the end of March 2025."

Beyond financial performance, the Public Bank Group is also strongly committed to sustainability. As part of the Group's sustainability agenda, the Group continues to launch various sustainable products, and initiatives to support customers to transition to a low-carbon economy. The Group also actively develops and promotes financial products and services, which integrate Environmental, Social and Governance considerations.

Tan Sri Tay commented, "Since 2020, the Public Bank Group has mobilised RM67.88 billion in sustainable finance, on track towards its target of RM100 billion by 2030. This covers financing portfolio such as low emission vehicles financing; social agenda financing; corporate loans; sustainability-linked loans and green financing."

The Public Bank Group has set a goal to achieve Carbon Neutral in Scope 1 and Scope 2 by 2030 and Net Zero by 2050. To achieve this, the Group has developed an ambitious Decarbonisation Plan. Moving forward, the Group will closely monitor its yearly targets to ensure meaningful progress.

Tan Sri Tay further commented, “As the Public Bank Group moves forward, the Group remains committed to achieve sustainable long-term growth. With a strong foundation built over five decades by the late founder, Tan Sri Dato’ Sri Dr. Teh Hong Piow, the Group will continue to adapt and evolve. In the face of constant business change, the Group is confident in its ability to navigate uncertainties and remain competitive.

The Group’s financial strength, prudent credit practices and strategic vision will continue to drive the Group’s long-term success. As the Group navigates the path forward, the Group will ensure sustainable value creation for all stakeholders.”

Upon conclusion of the presentation of the performance review for 2024 by the Managing Director & Chief Executive Officer, the Chairman took over the Chair and proceeded to the next agenda items on the proposed Ordinary Resolutions 1 to 5.

The Chairman re-stated that Ordinary Resolutions 1 to 5 had been proposed by Dato’ Chang Kat Kiam and seconded by Ms Chang Siew Yen, who are both shareholders of the Company.

The Chairman explained that Ordinary Resolutions 1 to 3 pertained to the proposed re-election of 3 Directors. The Nomination and Remuneration Committee had carried out the fit and proper assessment of the Directors who are retiring at this AGM and the Board was satisfied with the favourable performance and contributions of the Directors to the Board as well as their fitness and propriety. BNM’s approvals for their re-election are in place.

ORDINARY RESOLUTION 1

RE-ELECTION OF TAN SRI DATO' SRI DR. TAY AH LEK WHO RETIRED BY ROTATION PURSUANT TO CLAUSE 107 OF THE COMPANY'S CONSTITUTION

The Chairman informed the Meeting that Tan Sri Dato' Sri Dr. Tay Ah Lek would be retiring by rotation pursuant to Clause 107 of the Company's Constitution, and being eligible, had offered himself for re-election.

The profile of Tan Sri Dato' Sri Dr. Tay Ah Lek was set out on page 134 of the Public Bank 2024 Integrated Annual Report.

ORDINARY RESOLUTION 2

RE-ELECTION OF MS CHEAH KIM LING WHO RETIRED BY ROTATION PURSUANT TO CLAUSE 107 OF THE COMPANY'S CONSTITUTION

The Chairman informed the Meeting that Ms Cheah Kim Ling would be retiring by rotation pursuant to Clause 107 of the Company's Constitution, and being eligible, had offered herself for re-election.

The profile of Ms Cheah Kim Ling was set out on page 135 of the Public Bank 2024 Integrated Annual Report.

ORDINARY RESOLUTION 3

RE-ELECTION OF MS THAM CHAI FHONG WHO RETIRED BY ROTATION PURSUANT TO CLAUSE 107 OF THE COMPANY'S CONSTITUTION

The Chairman informed the Meeting that Ms Tham Chai Fhong would be retiring by rotation pursuant to Clause 107 of the Company's Constitution, and being eligible, had offered herself for re-election.

The profile of Ms Tham Chai Fhong was set out on page 136 of the Public Bank 2024 Integrated Annual Report.

ORDINARY RESOLUTION 4

PAYMENT OF DIRECTORS' FEES, BOARD COMMITTEES MEMBERS' FEES, AND ALLOWANCES TO DIRECTORS AMOUNTING TO RM6,910,970 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Pursuant to Section 230(1) of the Companies Act 2016, the fees and any benefits payable to Directors shall be approved at a general meeting.

The Chairman informed the Meeting that an amount of RM6,910,970 was proposed for payment of Directors' fees, Board Committees Members' fees, and allowances to Directors for the financial year ended 31 December 2024.

The details of the proposed rates of Directors' fees, Board Committees members' fees and allowances to Directors were set out on page 367 of the Public Bank 2024 Integrated Annual Report.

ORDINARY RESOLUTION 5

RE-APPOINTMENT OF AUDITORS

The Chairman informed the Meeting that the Auditors, Messrs Ernst & Young PLT had indicated their willingness to be re-appointed as Auditors of the Company.

The Chairman further informed the Meeting that the Audit Committee had carried out the assessment of the performance as well as independence and objectivity of Messrs Ernst & Young PLT. The Audit Committee was satisfied that Messrs Ernst & Young PLT had met all the criteria for its re-appointment pursuant to the requirements set out in the BNM Policy Document on External Auditors and the Public Bank Group Policy for the Appointment/Re-appointment of External Auditors for Audit and Non-Audit Services.

BNM had on 14 February 2025 approved the proposed re-appointment of Messrs Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2025.

QUESTION AND ANSWER SESSION

Upon tabling of all proposed resolutions, the Chairman proceeded with the Q&A session. The Chairman informed the Meeting that the Board would first address the questions raised by MSWG followed by the questions submitted by shareholders via the TIIH Online platform prior to the Meeting. Thereafter, the Board would address questions submitted online via the Query Box facility during the meeting followed by questions from the shareholders, proxies and corporate representatives present in person at the Main Venue.

1. Questions from Minority Shareholders Watch Group (MSWG)

The Chairman informed the Meeting that MSWG had per their letter dated 6 May 2025 raised 3 questions pertaining to operational and financial matters as well as corporate governance matters.

The Chairman presented the questions raised by MSWG on corporate governance matters, and the responses by Public Bank.

The Managing Director & Chief Executive Officer presented the questions on operational and financial matters and the responses by Public Bank.

The list of questions raised by MSWG and the responses provided by Public Bank were as summarised below:

I. Operational and Financial Matters

MSWG's Question 1

In financial year (FY) 2024, Public Bank's international operations recorded a pre-tax loss of RM130.8 million as compared to a pre-tax profit of RM504.3 million in the previous year. The negative variance was mainly due to one-off recognition of impairment on goodwill of RM473.8 million for Hong Kong operations in the current year, higher loan impairment allowance and higher other operating expenses.

Meanwhile, in FY2024, Public Bank Hong Kong gross loans, advances and financing grew modestly by 1% to HKD24.54 billion, while customer deposits increased by 9% to HKD32.17 billion.

The performance of Public Bank's Hong Kong operations has been subdued since the onset of the COVID-19 pandemic. The latest figures suggest a trend of cautious borrowing behaviour and increased consumer thriftiness, as individuals and businesses prioritise savings amidst ongoing market volatility and uncertainty.

- a) *What is the current carrying value of goodwill at Public Financial Holdings Limited (PFHL)? What were the key assumptions, i.e., discount rate, growth rate applied in the goodwill impairment of PFHL?*
- b) *Given the intensifying US-China tariff tensions and the broader macroeconomic headwinds, what is the Bank's strategic outlook for its Hong Kong operations, especially in light of Hong Kong's evolving position as a global financial hub?*
- c) *Lending and deposit-taking activities in Hong Kong showed signs of recovery in FY2024, after three consecutive years of decline since FY2020 (refer to the table below):*

	FY2024	FY2023	FY2022	FY2021	FY2020
Profit before tax (HKD Million)	-1,015.40	40.60	406.50	602.20	480.30
Gross loans, advances and financing (HKD Million)	24,542.00	24,287.70	24,882.30	26,250.00	26,260.00
Deposits from customers (HKD Million)	32,173.50	29,536.40	30,446.40	32,180.00	34,190.00
Gross impaired loans ratio (%)	2.30	3.83	1.29	0.90	0.90

Public Financial Holdings Limited's financial performance (FY2020 - FY2024)

Is this recovery sustainable? Or is it a temporary rebound? How does Public Bank plan to navigate the operating challenges in an environment where customers remain cautious, prioritising savings over spending and borrowing?

Public Bank's Response

- a) The carrying value of goodwill at PFHL/Hong Kong operations stood at RM1.19 billion (net of impairment).

The main changes on the key assumption were downward revision of the 5 years financial projections taking into account the expected challenging operating environment and market conditions in Hong Kong within short to medium term. Other key assumptions applied are the cash flow discount rate of 9.7% and a prudent long term nominal growth rate beyond 5th year of 2.8%.

- b) As a global financial hub, the Hong Kong's economy is forecasted to record modest growth of 2% to 3% for 2025 despite the on-going global uncertainties arising from tariff tensions. In tandem with the economic outlook, the Bank will continue to focus on retail banking and SME financing in Hong Kong and China.

While the Bank remains committed to business growth, the Bank has taken immediate measures to exercise greater prudence, especially in its lending activities, particularly for sectors vulnerable to trade disruptions amidst the growing US-China tariff wars. Asset protection will be the Bank's top priority under the prevailing global uncertainties and economic headwinds. The Bank will closely monitor existing borrowers that may be affected by these developments and take appropriate proactive measures to mitigate the risks and ensure that the Bank's asset quality is under control.

While short-term uncertainties due to the tariff wars persist, the Bank's long-term outlook is centered on sustainability. The Bank has embarked on an on-going business operations rationalisation between its two Hong Kong subsidiaries, namely Public Bank (Hong Kong) Limited and Public Finance Limited. This involves optimising system and human resources, streamlining common support services within both entities to operate under one-roof to improve cost efficiency and productivity.

- c) The Hong Kong's economy is anticipated to continue to grow in 2025 albeit on a slower trajectory, arising from the uncertainties driven by the geopolitical factors. Despite the challenging economic landscape, the Bank is confident that the recovery or growth in loans and deposit is sustainable and on a firmer footing, underpinned by the on-going business strategies implemented in Hong Kong.

The Bank has adopted a prudent approach to lending, focusing on credit risk management, tightening underwriting standards and enhancing credit monitoring to mitigate potential defaults. The Bank will continue to target on sectors with stable demand and lower risk profiles such as mortgage loans and working capital financing.

On deposits, the Bank has recorded a steady inflow, reflecting continued confidence in its PB Brand name in providing secure and competitive products arising from the Bank's strong capital and liquidity positions.

The Bank will continue to launch attractive marketing campaigns to expand its retail customer base. The Bank will also continue to invest in digital transformation of its banking platform to enhance customer experience as part of its customer acquisition and retention strategies.

II. Corporate Governance Matters

MSWG's Question 1

The total remuneration of Public Bank Managing Director & Chief Executive Officer (MD & CEO), Tan Sri Dato' Sri Dr. Tay Ah Lek increased by 10.32% to RM58.86 million in FY2024 from RM52.78 million in the preceding year.

Above all, bonuses rose by 44.07% to RM35.53 million (FY2023: RM24.66 million), while his salary increased by 16.66% to RM19.35 million (pages 145 - 146, Note 39 - Directors' Remuneration, Public Bank Financial Statements 2024).

- a) *The performance of the MD & CEO of the Bank is assessed using a comprehensive framework that includes the Bank's overall financial achievement against the approved key performance indicators (KPIs), compliance, ESG initiatives, succession planning and behavioural competencies.*

Please provide a detailed breakdown of the assessment criteria used to evaluate the MD & CEO's performance. Additionally, please elaborate on how the MD & CEO performed against each of these criteria in FY2024.

- b) *Please explain the increment of bonuses paid to Tan Sri Tay, with specific reference to the two components (stated below) that constitute the variable performance bonus under PBB's remuneration framework (as outlined in Practice 7.1 of MCCG, pages 41 – 45 of Corporate Governance Report 2024):*

- *Performance bonus linked to the individual performance of Senior Management*
- *Cash-based and linked to the total shareholders' return of the Bank*

Public Bank's Response

- a) The assessment criteria used to evaluate the Managing Director & CEO's performance are as follows:

- i. Financial metrics against approved KPIs:

- Profitability, return on equity and cost to income ratios.
- Loans and deposits growth.
- Asset quality.
- ESG, compliance and human capital measuring achievement of sustainability / ESG targets, adherence to compliance culture as well as succession planning for key positions.

ii. Non-Financial Metrics:

- Leadership qualities which measure the MD & CEO's strategic and conceptual skills, organisational effectiveness, corporate governance and people management.

The MD & CEO achieved an overall outstanding score with all KPIs meeting the set targets and scoring above rating of 3 against maximum benchmark of 4.

- b) The reported 44.07% increase in bonus paid to the MD & CEO is due to a re-classification of certain other emoluments into bonus category. Excluding this re-classification, the actual increment in bonus is only 7.4%. The overall increase in total remuneration which includes basic salary, fees, bonus, other emoluments and benefits-in-kind is 11.5% against preceding year.

The 2 components of variable bonus payout of the MD & CEO's bonus are determined by:

i. Performance bonus linked to individual performance:

- The achievements of the MD & CEO's KPIs as mentioned in Question 1a which is linked to the overall performance of the company as well as his individual performance against the approved KPIs.

ii. The cash based and linked to the Total Shareholders' Return:

- This payout is determined by the performance of the following components over a period of 3 years benchmarked against 5 selected peer banks i.e.
 - Shareholders return
 - Net return on equity
 - PBB share price performance
 - Price to book ratio of PBB shares

MSWG's Question 2

The Board, upon the recommendation of the Nomination and Remuneration Committee, proposed that an adjustment be made to the Directors' and Board Committees Members' fees, subject to shareholders' approval at this AGM (Ordinary Resolution 4, Notice of Public Bank 59th AGM).

The proposed adjustment is shown below:

Directors' fee (per annum)	Current fee (RM)	Proposed fee (RM)
Chairman	427,870	470,650
Directors	316,050	347,650

Board Committee Fees (per month)	Current fee (RM)	Proposed fee (RM)
Audit Committee		
- Chairman	14,550	16,000
- Member	11,360	12,500
Other Committees		
- Chairman	7,280	8,000
- Member	5,730	6,300

- a) *The proposed fees represent an approximate 10% increase from the current structure.*

What is the rationale for this proposed increment? When was the last revision to the fees for Directors and members of the Board Committees? Was a formal study or benchmarking exercise undertaken to assess the appropriateness of the current remuneration?

If so, what was the scope of this review, and what were its key findings and recommendations? How does PBB's directors' remuneration compare with that of local and regional peers in the financial sector?

- b) *Please provide the breakdown for the total Directors' fees, Board Committees Members' fees, and allowances to Directors, which amount to RM6.91 million for FY2024. In addition, please consider providing such a breakdown in the notice of future general meetings.*
- c) *Moving forward, please include a comparison table comprising information on the current and proposed fee structure in the Notice of Meeting for shareholders' ease of reference.*

Public Bank's Response

- a) The Nomination and Remuneration Committee recommends the level and structure of Directors' remuneration such that the level of remuneration for Non-Executive Directors commensurate to their level of responsibilities undertaken and contributions to the effective functioning of the Board.

Over the years, the role of the Board has expanded significantly in response to heightened governance standards, evolving regulatory expectations and the growing complexity of the financial services landscape.

In making its recommendation, the Nomination and Remuneration Committee considers the responsibilities of the Directors and also by benchmarking against the Directors' fees structure of peer banks, in order to be competitive to retain skills and talent, and achieve diversity, on the Board. The benchmarking exercise for FY2024 was conducted internally based on disclosures extracted from peer banks' latest annual reports.

The proposed adjustments to the Directors' fees and Board Committees Members' fees for the FY2024 are commensurate with the expertise, skills and expanding responsibilities of the Directors.

In addition, the last adjustment for the Directors' fees was for the FY2018 while the last adjustment for Board Committees Members' fees was for FY2019 which were more than 5 years ago. The governance standards and regulatory landscape have evolved significantly over the years with increasing scrutiny of corporate practices, growing-awareness of sustainability/ESG matters and the rise of new technologies.

The proposed Directors' remuneration is intended to reflect the depth of commitment, expertise and oversight expected of the Directors in this expanded scope.

- b) The breakdown of the total Directors' fees, Board Committees Members' fees, and allowances to Directors, which amounted to RM6.91 million for FY2024 is as follows:

Directors' Fees	:	RM3.25 million
Board Committees Members' Fees	:	RM2.29 million
Allowances	:	RM1.37 million

Total		RM6.91 million
		=====

Public Bank took note of the suggestion to provide such breakdown in the notice of future general meetings.

- c) Public Bank also took note of the suggestion under this item.

2. **Questions Submitted by Shareholders/Proxies Before the AGM**

After the presentation of Public Bank's responses to the questions raised by MSWG, the Chairman proceeded to address the questions submitted online by shareholders/proxies before the AGM.

The Chairman responded to the following questions pertaining to requests for door gift/e-voucher and Board succession plan:

- *Requests from shareholders for door gift/e-voucher*

The Chairman clarified that as stated in the Administrative Details sent to shareholders together with the Notice of Public Bank 59th AGM on 9 April 2025, there would be no distribution of door gift to shareholders/proxies who participated in the Public Bank 59th AGM.

- *A shareholder commented that the Board Members are aging and enquired on the Board succession plan*

The Chairman informed the Meeting that the Board's succession planning is in place and adaptable, in ensuring that its Members' collective knowledge, experience and skill sets align with the evolving demands of the dynamic financial industry.

Annually, the Nomination and Remuneration Committee conducts review of the composition of the Board in terms of appropriate size, required mix of skills, experience and core competencies.

Continuous efforts are being made on Board renewal and succession planning by identifying and attracting candidates with appropriate qualifications and relevant experiences to join the Board.

While age is a consideration in the context of Board tenure and succession planning, the focus remains on the value, perspectives and contributions that each Board member brings to the Bank.

The Chairman then invited the Managing Director & Chief Executive Officer to provide responses to the remaining online questions submitted by shareholders/proxies before the AGM.

The Managing Director & Chief Executive Officer addressed the questions submitted by shareholders/proxies including questions from the Employees Provident Fund Board, Kumpulan Wang Persaraan (Diperbadankan) and Permodalan Nasional Bhd which were grouped under various topics.

The summary of the relevant questions submitted by shareholders/proxies before the AGM and the Bank's responses was as set out in Attachment I.

3. Questions Submitted by Shareholders/Proxies Online During the AGM

The Managing Director & Chief Executive Officer then addressed the questions submitted by shareholders/proxies online during the course of the AGM. He explained that most of the questions submitted online during the AGM had been addressed earlier. These included questions raised on the following areas:

- The Group's outlook and strategies
- Business operations
- Dividends and share price performance
- Financial related matters
- Digitalisation and scams
- Subsidiaries' operations
- Sustainability related matters
- Employees-related matters

The summary of the relevant questions submitted by shareholders/proxies online during the AGM and the Bank's responses was as set out in Attachment II.

4. Questions Posed by Shareholders/Proxies Present in Person at the Main Venue of the AGM

Lastly, the Managing Director & Chief Executive Officer addressed the questions posed by the shareholders/proxies who were present in person at the Main Venue. The summary of the relevant questions posed and the Bank's responses were as set out in Attachment III.

Upon conclusion of addressing the questions posed by the shareholders/proxies who were present in person at the Main Venue, the Managing Director & Chief Executive Officer handed the Chair back to the Chairman.

NO OTHER BUSINESS

The Chairman informed the Meeting that there was no other business to be transacted at this Meeting.

CONTINUATION OF REMOTE POLL VOTING

The Chairman announced at 1.15 p.m. that the online remote voting which had commenced since the start of the Meeting, would continue for another 10 minutes.

CONCLUSION OF REMOTE POLL VOTING

At 1.25 p.m., the Chairman announced that the online remote voting session had closed and the Meeting would resume immediately upon conclusion of the Scrutineers' validation of the votes cast, for the announcement of poll results.

POLL RESULTS

After the conclusion of the Scrutineers' validation of the votes cast, Ms Kasturi Nathan from Deloitte announced the results of the poll as reflected in the enclosure.

DECLARATION RESOLUTIONS CARRIED

The Chairman declared that based on the poll results, all the 5 Ordinary Resolutions as set out in the Notice of Public Bank 59th AGM dated 9 April 2025 were duly passed.

CLOSE OF MEETING

The Meeting concluded at 2.10 p.m. with a vote of thanks to the Chair.

PUBLIC BANK BERHAD

(196501000672 (6463-H))

Annual General Meeting

Grand Ballroom, Shangri-la Hotel Kuala Lumpur, 11 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia.

Tiih Online website at <https://tiih.online>

On 08-May-2025 at 10:00AM

Result On Voting By Poll

Resolution(s)	Vote For				Vote Against				Total Votes			
	No of Units	%	No of P/S	%	No of Units	%	No of P/S	%	No of Units	%	No of P/S	%
Ordinary Resolution 1	13,787,124,966	99.1857	2,735	91.6862	113,184,093	0.8143	248	8.3138	13,900,309,059	100.0000	2,983	100.0000
Ordinary Resolution 2	13,727,124,441	98.5472	2,689	89.8430	202,362,772	1.4528	304	10.1570	13,929,487,213	100.0000	2,993	100.0000
Ordinary Resolution 3	13,520,847,294	97.0645	2,737	91.7225	408,907,209	2.9355	247	8.2775	13,929,754,503	100.0000	2,984	100.0000
Ordinary Resolution 4	10,925,332,538	78.5351	2,619	88.4498	2,986,069,995	21.4649	342	11.5502	13,911,402,533	100.0000	2,961	100.0000
Ordinary Resolution 5	13,860,313,160	99.4246	2,734	91.5606	80,219,653	0.5754	252	8.4394	13,940,532,813	100.0000	2,986	100.0000

