PNB

TRANSFORM
INNOVATE
SUSTAIN

INTEGRATED
REPORT
2025



TRANSFORM INNOVATE SUSTAIN

The cover artwork is inspired by PNB Batik Kita, a distinctive visual expression of PNB's transformation journey. Featuring the architectural silhouette of Merdeka 118 intertwined with traditional wau bulan and betel leaf motifs, the design symbolises the seamless connection between heritage, innovation, and progress. Like the batik itself, it reflects how PNB weaves growth, sustainability, and cultural legacy into one enduring narrative.

This symbolism mirrors PNB's purposeful transformation under the LEAP-6 Strategic Plan (2025–2027), focused on strengthening growth, advancing sustainability, and accelerating digital innovation. As we innovate for the future, we remain committed to creating long-term value for our stakeholders, communities, and the nation through responsible investing, ESG integration, and our Net Zero aspirations.

Our commitment to inclusive growth is reflected through initiatives such as the GEAR-uP programme and the 10 Bumiputera Champions initiative, which help nurture future-ready businesses and strengthen Malaysia's economic resilience.

Together, the artwork embodies PNB's Purpose – to uplift the financial lives of Malaysians across generations while contributing to a stronger and more sustainable future for the nation.

Basis of Our Report

We are pleased to present Permodalan Nasional Berhad's ("PNB") Integrated Report 2025, which provides a transparent and holistic account of our financial and non-financial performance for the financial year ended 31 December 2025 ("FY2025").

This report, the fourth in our integrated reporting ("<IR>") journey, illustrates how our six capitals continue to be integrated to address key risks, seize opportunities, and create value across the short, medium and long-term.

Our <IR> Journey

Since we began <IR> in 2022, we have steadily strengthened the scope and clarity of our disclosures. While we are not a listed entity, we continue to disclose integrated reports that are concise, transparent, and connected, prepared in accordance with the guiding principles and content elements of the International Financial Reporting Standards ("IFRS") Foundation's International <IR> Framework.

Guiding Principles	2023	2024	2025
Strategic Focus and Future Orientation	◑	◕	●
Connectivity of Information	◑	●	●
Materiality	◔	●	●
Conciseness	◕	●	●
Reliability and Completeness	◕	◕	◕
Consistency and Comparability	◑	◕	◕

Content Elements	2023	2024	2025
Organisational Overview and External Environment	●	●	●
Governance	◕	◕	●
Business Model	◔	●	●
Risks and Opportunities	◑	●	●
Strategy and Resource Allocation	◔	◕	●
Performance	◑	◑	◕
Outlook	◔	◕	◕
Basis of Presentation	◔	◕	◕

Legend:
● Completed ◕ ◑ ◔ Partially Completed

Reporting Framework

This report has been prepared in accordance with relevant standards and regulations, including the:

- International Financial Reporting Standards ("IFRS") Foundation's International Integrated Reporting Framework (January 2021)
- Bank Negara Malaysia's ("BNM") Corporate Governance Policy
- Bursa Securities Malaysia Berhad's ("Bursa Malaysia") Corporate Governance Guide (4th Edition)
- Securities Commission Malaysia's ("SC") Malaysian Code on Corporate Governance ("MCCG") 2021
- Companies Act 2016
- Malaysian Financial Reporting Standards ("MFRS")
- BNM's Policy Documents and Guidelines
- Islamic Financial Services Act 2013
- Other regulatory requirements as applicable

Our Sustainability Statement, meanwhile, has been guided by the:

- Global Reporting Initiative's ("GRI") Sustainability Reporting Standards
- United Nations Sustainable Development Goals ("UN SDGs")
- Bursa Malaysia's Sustainability Reporting Guide (3rd Edition)
- IFRS S2 Climate-related Disclosures ("IFRS S2")
- Sustainability Accounting Standards Board ("SASB") standards
- Greenhouse Gas ("GHG") Protocol: Corporate Accounting and Reporting Standard
- Principles for Responsible Investment ("PRI")
- The Partnership for Carbon Accounting Financials' ("PCAF")

Adoption of the IFRS Sustainability Disclosure Standards and Transitional Provisions

The Sustainability Statement has been prepared in alignment with the IFRS S2 issued by the International Sustainability Standards Board ("ISSB"), in line with Bursa Malaysia's Main Market Listing Requirements and guided by the National Sustainability Reporting Framework ("NSRF"). Relevant disclosure topics from the SASB standards have also been considered in the preparation of this report.

For the financial year ended 31 December 2025, the Statement represents PNB's initial phase of alignment with the IFRS S2, in accordance with the requirements of the NSRF.

The IFRS S2 provide transition reliefs for the first annual reporting period in which an entity applies the standards. In addition, Bursa Malaysia's Main Market Listing Requirements, guided by the NSRF, allow for further transition reliefs. Accordingly, PNB has applied the following transition provisions:

- Disclosure focused on climate-related risks and opportunities in accordance with IFRS S2
- Climate-related disclosures centred on key business activities and investment portfolio segments
- Partial disclosure of Scope 3 emissions, limited to material categories or required by relevant regulators

PNB is progressively enhancing our disclosures in line with these standards, taking into consideration available data, internal capabilities, and the use of reasonable and supportable information.

Scope and Boundary

Unless indicated otherwise, this report covers our key activities and events in our Malaysian operations and those of our trust funds during FY2025.

Materiality

This report focuses on our material matters, which are issues that we have identified as having the greatest impact on our stakeholders and their assessments of PNB.

Our material matters are determined through continuous engagement with stakeholders and regular internal reviews. They include both current and emerging risks and opportunities that are critical to our business and the broader ecosystem in which we operate.

Read the Material Matters section on pages 78 to 86 of this report for more information.

Supporting the UN SDGs

We have aligned our sustainability efforts with relevant UN SDGs, where possible, to ensure our operations are environmentally, socially and economically sustainable, while generating a positive impact on society and the planet.

Forward-Looking Statements

This report contains statements about our future performance, strategies, and expectations. These statements are based on information and assumptions available at the time of reporting and are inherently uncertain. Actual results may differ materially due to changes in economic, market, regulatory, or other external conditions beyond our control.

While prepared in good faith, these statements are not guarantees of future performance, and readers should not place undue reliance on them. Additionally, we are under no obligation to update these statements, except as required by law.

Independent Combined Assurance

We use a coordinated assurance approach to review key areas of our operations, including our reporting. Assurance is provided by the management, the Board of Directors, internal audit, independent external service providers, and external auditors.

Feedback

We welcome questions, comments, and feedback on this report to help us improve future reporting. Please contact us at comms@pnb.com.my.

NAVIGATION ICON

The Six Capitals

- FC Financial Capital
- HC Human Capital
- MC Manufactured 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

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

● Economic ● Environmental ● Social

Global Megatrends

- MT1 Digital Acceleration and Technology Transformation
- MT2 Growing Importance of ESG and Sustainability
- MT3 Heightened Compliance and Regulatory Demands
- MT4 Demographic and Societal Changes
- MT5 The Evolving Work and Talent Landscape

Key Risks

- MR Market Risk
- LR Liquidity Risk
- ICR Investment Concentration Risk
- CR Credit Risk
- TCR Technology & Cyber Risk
- OR Operational Risk
- CIR Compliance & Integrity Risk

Strategic Pillars

- SP1 Sales & Distribution
- SP2 Investment
- SP3 PNB Co. Transformation
- SP4 Knowledge
- SP5 Innovation
- SP6 Sustainability

Related UN SDGs



Links to further information

Provides cross-references to where more details can be found elsewhere in this integrated report

This and our past integrated reports, as well as further information about PNB, are available at our corporate website: www.pnb.com.my



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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 RM360 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. PNB is committed to sustainability, responsible practices, and the creation of an inclusive future that benefits both our stakeholders and the communities we serve.

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.



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.

Cultural Beliefs

Transforming how we work, driving us toward collective success

Take Charge
I see it, own it, solve it, do it

Move Faster
I do my job better and efficiently every day

Speak Up
I voice my views and embrace feedback constructively

Deliver Excellence
I go beyond for customers and colleagues



We Are PNB

Our Investment Footprint



What We Offer: Our Products & 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 myASNB app

What We Offer: Our Products and Services

Fixed Price Unit Trust Funds

ASB

Launch Date: 2 January 1990 | **Fund Type:** Income | **Fund Category:** Mixed Asset

Investment Objective

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

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

RM300,000

ASB 2

Launch Date: 2 April 2014 | **Fund Type:** Income | **Fund Category:** Mixed Asset

Investment Objective

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

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

RM300,000, subject to availability of units of the fund

ASB 3 Didik

Launch Date: 20 April 2001 | **Fund Type:** Growth | **Fund Category:** Mixed Asset

Investment Objective

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

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

Launch Date: 20 April 2000 | **Fund Type:** Income | **Fund Category:** Mixed Asset

Investment Objective

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

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

Launch Date: 28 August 1996 | **Fund Type:** Income | **Fund Category:** Mixed Asset

Investment Objective

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

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

Launch Date: 5 August 2009 | **Fund Type:** Income | **Fund Category:** Mixed Asset

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.

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

Launch Date: 20 April 1981 | **Fund Type:** Growth | **Fund Category:** Equity

Investment Objective

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

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

Launch Date: 9 June 1999 | **Fund Type:** Growth | **Fund Category:** Equity

Investment Objective

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

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

Launch Date: 17 March 2003 | **Fund Type:** Growth and Income | **Fund Category:** Equity

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.

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

Launch Date: 24 September 2018 | **Fund Type:** Growth | **Fund Category:** Equity

Investment Objective

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

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

Launch Date: 1 September 2021 | **Fund Type:** Growth | **Fund Category:** Equity

Investment Objective

To provide unitholders with capital growth opportunities through investment in securities, primarily in the global equity market.

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

Launch Date: 26 May 2023 | **Fund Type:** Growth | **Fund Category:** Equity

Investment Objective

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

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

Launch Date: 16 October 2001 | **Fund Type:** Balanced | **Fund Category:** Mixed Asset

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.

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

Launch Date: 17 March 2003 | **Fund Type:** Growth and Income | **Fund Category:** Mixed Asset Balanced

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.

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

Launch Date: 16 September 2020

Fund Type: Growth and Income

Fund Category: Mixed Asset Balanced

Investment Objective

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

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

Launch Date: 17 March 2003

Fund Type: Growth and Income

Fund Category: Mixed Asset Conservative

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.

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

Launch Date: 24 September 2018

Fund Type: Conservative

Fund Category: Mixed Asset

Investment Objective

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

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

Launch Date: 25 November 2022

Fund Type: Income

Fund Category: 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.

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 2025*	FYE 2025 Distribution *(sen per unit)*
ASB Series	ASB ASB 2 ASB 3 Didik	ASB	Bumiputera	2 January 1990	31 December	**181.2**	**5.75***
		ASB 2		2 April 2014	31 March	**15.3**	**5.50**
		ASB 3 Didik		20 April 2001	30 June	**8.5**	**5.25**
ASM Series	ASM ASM 2 Wawasan ASM 3	ASM	All Malaysians	20 April 2000	31 March	**31.4**	**5.00**
		ASM 2 Wawasan		28 August 1996	31 August	**26.7**	**4.75**
		ASM 3		5 August 2009	30 September	**20.1**	**4.75**

* Comprising income distribution of 5.20 sen per unit and bonus of 0.55 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.

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 2025*	FYE 2025 Total Return (%)	FYE 2025 Distribution Yield (%)
Equity		ASN	Bumiputera	20 April 1981	31 December	1.41	-0.14	2.51
		ASN Equity 2		9 June 1999	30 June	1.05	-2.98	2.67
		ASN Equity 3	All Malaysians	17 March 2003	31 March	1.31	2.93	2.56
		ASN Equity 5		24 September 2018	30 September	0.41	3.23	2.60
		ASN Equity Global		1 September 2021	31 December	0.46	4.86	N/A
		ASN Equity Malaysia*		26 May 2023	30 June	0.03	0.80	N/A
Mixed Asset Balanced		ASN Imbang 1	All Malaysians	16 October 2001	30 November	0.86	2.61	3.35
		ASN Imbang 2		17 March 2003	31 March	0.86	2.54	3.18
		ASN Imbang 3 Global		16 September 2020	31 December	0.56	3.73	2.01
Mixed Asset Conservative		ASN Sara 1	All Malaysians	17 March 2003	31 March	1.98	2.27	3.36
		ASN Sara 2		24 September 2018	30 September	0.97	5.54	3.62
Fixed Income		ASN Sukuk	All Malaysians	25 November 2022	30 June	1.62	4.81	4.50

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

What We Offer: Our Products & Services

Distribution Channels

Our unit trust funds are accessible through a wide distribution network convenient for all Malaysians. These channels include agent banks, physical ASNB branches, and digital platforms like the myASNB portal and app, Touch 'n Go ("TnG"), and internet banking channels.

ASNB Branches

32
branches nationwide, covering all Malaysian states

Agent Banks

- Maybank
- Maybank Islamic
- CIMB Bank
- CIMB Islamic
- RHB
- RHB Islamic Bank
- RHB Asset Management
- BSN
- Ambank
- Ambank Islamic
- Affin Bank
- Affin Islamic
- Bank Muamalat
- Bank Islam
- Hong Leong Bank
- Hong Leong Islamic Bank
- POS Malaysia

Digital Platforms

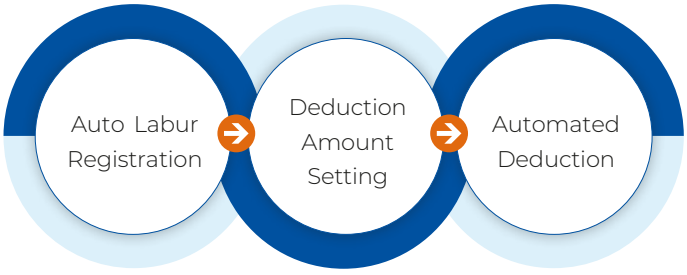
- myASNB Portal (web)
- myASNB app (mobile)
- TnG eWallet

Internet Banking Channels

- Maybank2u (web)
- MAE (mobile)
- CIMB Clicks (web)
- CIMB OCTO MY (mobile)
- RHB Online Banking (web)
- RHB Mobile Banking (mobile)
- HLB Online (web)
- Ambank Online (web)
- AMOnline (mobile)
- BIMB Web (web)
- BIMB Mobile (mobile)

Auto Labur

An automated investment service facility available on myASNB, allowing unitholders to set up recurring monthly investments for their unit trust funds.



Available via:

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



myASNB app
For own and minor (Bijak/Remaja) accounts only

Auto Labur Offers:

- Automated investment
- Ability to customise investment amount
- Convenience via the online myASNB platform
- Disciplined, long-term, and consistent investing

Ria

Ria strengthened its role as ASNB's digital investment advisory platform, focusing on user growth, sustained AUM retention, and deeper investor engagement. Operating under the SC Digital Investment Management framework, Ria delivers personalised, algorithm-driven portfolios exclusively through ASNB unit trust funds on 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	363,070
Total AUM under Ria (RM mil) as of 31 Dec 2025	81.3

Portfolio Annualised Returns	Very Conservative	Moderately Conservative	Moderate	Moderately Aggressive	Aggressive	Very Aggressive
Since Ria Launched*	4.3%	5.3%	6.2%	7.1%	7.6%	7.2%

* From 11 March 2024 until 31 December 2025

How Ria Works

1. **Risk Assessment**
   Answer a short questionnaire to determine your risk level
2. **Portfolio Recommendation**
   Ria recommends an optimised portfolio
3. **Investment Allocation**
   Your funds are allocated across ASN Equity Global, ASN Equity Malaysia, and ASN Sukuk
4. **Continuous Monitoring & Rebalancing**
   Ria automatically adjusts your portfolio to stay aligned with your risk tolerance

Operating Highlights (FY2025)

Sustained user growth driven by the referral programme, supported by periodic engagement boosters and hybrid digital-physical activations.

Stronger AUM retention achieved through targeted investment campaigns and improved portfolio robustness, encouraging longer investment holding periods.

Deeper investor engagement enabled by portfolio personalisation features and enhanced in-app investor education content.

Periodic portfolio rebalancing and asset allocation updates ensured continued alignment with market conditions and long-term investment objectives.

What We Offer: Our Products & Services

ASNB Wakaf

ASNB Wakaf 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.

The wakaf unit 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.

Wakaf some of your unit trust investment

Unitholders can wakaf (waqf) some of their existing unit trust investment.

Wakaf Akad

Wakaf units are retained as wakaf principal

The wakaf units will be maintained in a special wakaf account held by the Majlis Agama Islam Wilayah Persekutuan ("MAIWP") as a Trustee.

Investment returns from the wakaf units

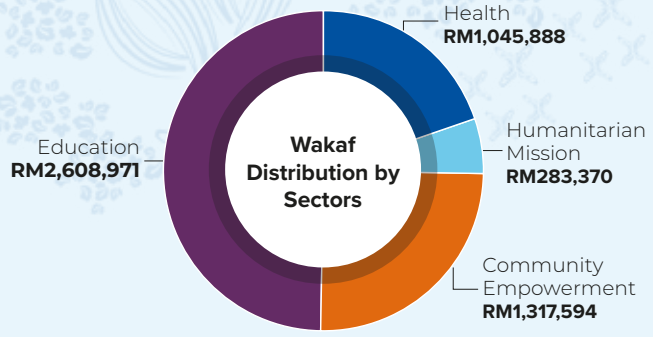
Wakaf units income distribution distributed for charity purposes

Income distribution/ bonus from the wakaf principal will be distributed for charitable and community development projects continuously throughout Malaysia.

	Data as of 31 December 2025
Pewakaf	30,312
Wakaf Units	98.56 million units
Distribution of Dana Manfaat Wakaf since inception*	RM5.26 million

* Launched on 25 October 2021

Distribution by Sectors



Entities/Recipients Benefited From Wakaf ASNB

2,667
Total Entities

2,287
Households

12
Hospital/Clinics

62
Universities

183
Schools/ Preschools/ Maahad Tahfiz

90
Mosques/Surau

20
Orphanages/ Poor and Needy

13
Other Charity Houses

ASNB Pewarisan

ASNB Pewarisan is ASNB's estate planning service that facilitates the distribution of ASNB unit trust investments to nominated beneficiaries upon the demise of a unitholder.

The service is offered through two arrangements:

1

Hibah Amanah
a Shariah-compliant arrangement for Muslim unitholders that applies the concepts of hibah and trust.

2

Trust Declaration (Pengisytiharan Amanah)
a trust-based arrangement for non-Muslim unitholders.

Under both arrangements, ASNB acts as trustee to administer and distribute the unit trust investments in accordance with the agreed terms after the demise of the unitholder, while ownership and investment benefits remain with the unitholder during their lifetime.

Value Proposition

ASNB Pewarisan provides unitholders with:

Clarity, through the ability to specify beneficiaries and distribution arrangements in advance

Administrative simplicity, by enabling distribution of unit trust investments without reliance on conventional probate or estate administration processes

Continuity, by facilitating planned transfer of ASNB investments to beneficiaries

ASNB Pewarisan Journey

During Lifetime

PREPARATION

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

After the Death of Unitholder

CLAIM AT ASNB

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

What We Offer: Our Products & Services

ASNB COVR

ASNB COVR is a service that enables unitholders to combine monthly investments with takaful protection in one comprehensive plan. With ASNB COVR, a portion of the amount is allocated to unit trust fund investments, while the remainder goes towards the takaful plan contribution.



Benefits of ASNB COVR

One Plan, Two Benefits
Combining investment and takaful helps unitholders to save while being protected

Affordable and Comprehensive
With as low as RM40, unitholders would be able to consistently invest every month and stay protected

No Medical Examination Required
Easy and quick sign-up for a takaful protection plan without medical examination required

Ease of Subscription and Claim
Subscribe and manage COVR easily through the myASNB portal and app

Key Features	Details
ASNB Funds offered for COVR	ASB; All Variable Price funds No sales charge
Plans	COVR 40 / COVR 80 / COVR 120 / COVR 160 / COVR 200
Breakdown of Monthly Contribution	75% Unit Trust (Investment) 25% Takaful (Protection)
Entry Age & Maturity Age	

	Adult	Minor
Entry Age	18 - 69 year old	30 days - 17 year old
Maturity Age	70 year old	18 year old*

* Upon reaching the age of 18 and the maturity date stated in the Individual Takaful Certificate (provided by Takaful Ikhlas Family Berhad), the unitholder may re-subscribe under an adult account.

Our Competitive Advantage

Strong governance framework with well established internal controls to ensure high levels of accountability and transparency for all stakeholders.

Experienced investment teams capable of in-depth investment and market research to deliver strong and sustainable value for the Group.

Established investment network and deep relationships with global partners.

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

Employing environmental, social, and governance factors in our investment cycles, daily operations, and decision-making to protect and grow investment value.

A robust balance sheet and prudent risk management strategies to enable the Group to remain financially resilient and nimble to capture new opportunities as they arise.

Our Sustainable Value Chain

01 Unitholders invest in ASNB products

02 PNB manages the investments of the UTF

Enabling the sharing of corporate wealth to unitholders

06

ASNB

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

* Accessible 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

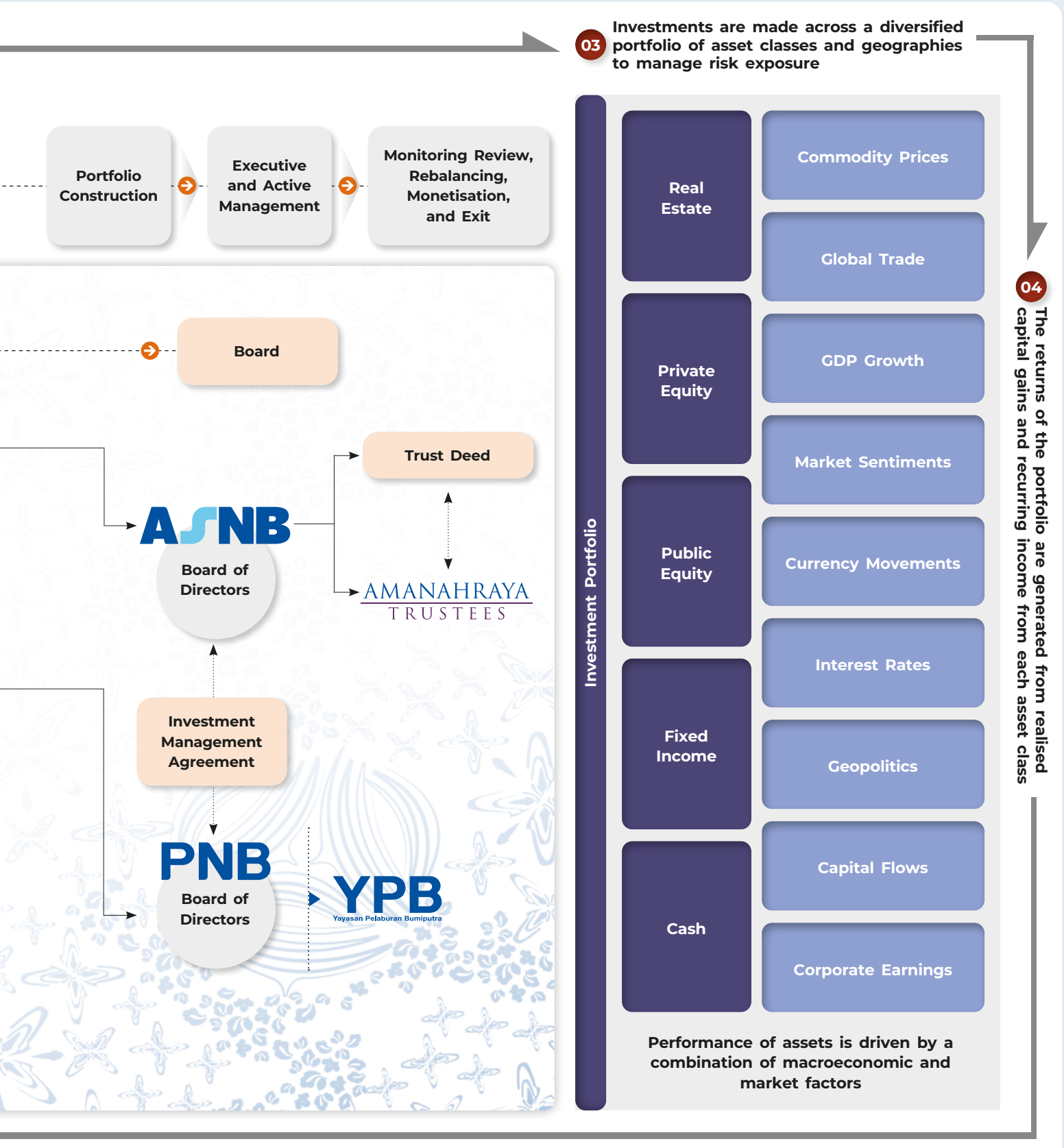
- President & Group Chief Executive
- Fund Management
- Proprietary Fund
- Fixed Price Unit Trust Funds
- Variable Price Unit Trust Funds
- Governance
- Compliance & Integrity
- Internal Assurance
- Risk Management
- Tech and Cyber Risk
- Shariah Management

→ Unit Trust Fund Investment Committee
→ PNB Investment Committee
→ Compliance Committee
→ Audit Committee
→ Risk Management Committee
→ Shariah Advisory Committee
→ Other PNB Board Committees

External Auditor: EY Building a better working world

Regulated by: Suruhanjaya Sekuriti Securities Comission Malaysia

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


Portfolio Construction
Executive and Active Management
Monitoring Review, Rebalancing, Monetisation, and Exit
Board
Trust Deed
ASNB
Board of Directors
AMANAHRAYA TRUSTEES
Investment Management Agreement
PNB
Board of Directors
YPB
Yayasan Pelaburan Bumiputra
03 Investments are made across a diversified portfolio of asset classes and geographies to manage risk exposure
Investment Portfolio
Real Estate
Private Equity
Public Equity
Fixed Income
Cash
Commodity Prices
Global Trade
GDP Growth
Market Sentiments
Currency Movements
Interest Rates
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

Assets Under Management
RM365.3 billion
(2024: RM348.3 billion)

Net Income
RM16,171 million
(2024: RM16,973 million)

Number of Accounts
16.8 million
(2024: 16.2 million)

Units in Circulation
294.8 billion
(2024: 281.7 billion)

Gross Income
RM21,201 million
(2024: RM21,436 million)

Return on Assets
4.6%
(2024: 5.0%)

Cumulative Income Distribution
RM279.0 billion
(2024: RM263.7 billion)

Annual Income Distribution Payout
RM15.3 billion
(2024: RM14.5 billion)

BUSINESS HIGHLIGHTS

Declared a total income distribution of **5.75 sen a unit**, for FY2025 the highest quantum of annual distribution paid since ASB's inception, **benefitting 11.4 million** ASB unitholders

PNB ranked highest in Malaysia and 17th globally Governance, Sustainability and Resilience ("GSR") Scoreboard by Global SWF

ASNB continues to promote financial literacy at early age with the **launch of ASNB Bijak**, alongside refreshed mascots – **Along, Angah and Achik**

The successful **listing of Orkim Berhad on the Main Market** of Bursa Malaysia, marks the first breakthrough of the government's Bumiputera "relay race" model

Benchmark of 10 Bumiputera Champions to groom 10 leading Bumiputera companies to achieve a market capitalisation or enterprise value of at least RM500 million each within five years

PNB Knowledge Forum 2025 ("PKF 2025"), which featured an "In Conversation" session with YAB Prime Minister, Dato' Seri Anwar bin Ibrahim, welcomed over **600 participants**, including ASNB unitholders and students under the Celik MADANI programme

PNBMV's RM6.0 billion Sukuk Wakalah Programme received **AAAIS rating** with a stable outlook from MARC Ratings



SUSTAINABILITY HIGHLIGHTS

Achieved **Net Zero** Enterprise for Scope 1 and 2

22% reduction in financed emissions intensity (as at FY2024 against baseline)

41.5% women representations in PNB leadership

On target towards **RM10 billion** green and transition investing commitment



Invested more than **RM68 million** through initiatives under PNB Social Investments Framework, impacting more than **760,000 Malaysians**

Publish voting decisions ahead of shareholders' meeting across local and global markets

Our Awards and Recognitions

Institutional & Governance Excellence

- Sovereign Wealth Fund ("SWF") Governance, Sustainability and Resilience ("GSR") Scoreboard 2025 by Global SWF: PNB recognised as Malaysia's leading sovereign investor and ranked 17th globally for Governance, Sustainability and Resilience.
- Integrity, Governance, and Anti-Corruption Awards ("AIGA") Gold Award in the Private Sector category presented by Institut Integriti Malaysia ("IIM").
- Global Stewardship Disclosure Award by International Corporate Governance Network ("ICGN") for Asset Owners (under £60 billion AUM).
- ARA 2025 General Award (Bronze) by Australasian Reporting Awards ("ARA") for excellence in reporting.
- NACRA Awards (Platinum) for the Best Annual Report in Bahasa Malaysia.







Sustainability & ESG Leadership

- 4-Star Lister Distinction by UN Global Compact Network Malaysia & Brunei ("UNGCMYB") across four pillars: ESG Trailblazer, Future-Fit & Responsible Workforce, Purposeful Partnership, and The North Star ESG Target Setting.
- ESG Postive Impact Awards Gold in the Transformation category and Silver for Good Health and Wellbeing.
- Asia ESG Positive Impact Awards Silver in the Transformation (Large Companies) category.
- Malaysia International Green Financing Bank of the Year at the Asian Banking & Finance Wholesale Banking Awards 2025, awarded for green financing collaboration.





Human Capital & Employer Excellence

- Employee Experience Awards ("EXA") 2025 by Human Resources Online, winning Gold for Best Work-life Harmony Strategy and Silver for Best Employee Wellness Strategy, while also being named a Finalist for Best Graduate Training Programme.
- Employer of Choice 2025: A Three-Year Streak by gradmalaysia (GTI Media), naming PNB the Top Graduate Employer in the GLIC category for the third consecutive year, reflecting a commitment to nurturing future professionals and remaining a premier destination for talent as voted by students and graduates nationwide.
- Top Graduate Employer in the GLIC Category at the M100 Awards 2025.
- Outstanding Employer Excellence Award for Compliance presented by the Securities Industry Development Corporation ("SIDC").



Property & Landmark Achievements

- Malaysian Outstanding Property Development Excellence Award for Merdeka 118 (National Level) at the 2025 Smart Housing, Sustainable Property & Innovative Cities Forum.
- Developer of the Year – Offices awarded to Battersea Power Station at the Property Week Property Awards 2025.
- FIABCI Award for Office and Sustainable Development presented to PNB Merdeka Ventures Sdn. Berhad.
- Malaysia Book of Records recognition for the Highest Towerrunning Race and the Most Finishers in a Towerrunning Race, held at Merdeka Ventures.
- ASEAN Energy Efficiency and Conservation Best Practices Awards 2025 2nd runner up for Energy Efficient Building (Retrofitted) awarded to CIMB Hub.
- National Energy Awards 2025 Merit Award for Energy Efficient Building (Retrofitted) by the Ministry of Energy Transition and Water Transformation ("PETRA").





Digital, Technology & Marketing

- Malaysia Technology Excellence Awards 2025 by Asian Business Review for Cybersecurity – Financial Services.
- Malaysia's CIO Legend awarded to PNB leadership under the CIO Legend category by the Global CIO Forum.
- Marketing Excellence Awards 2025 Bronze awards for Excellence in Live-Streaming Marketing and Marketing Leader of the Year (Natasha Abd Aziz).
- Cybersecurity Excellence: Award for PNB's cyber Cybersecurity maturity programme (2025) by Asian Business Review (Malaysia Technology Excellence Awards) for setting new standards in cloud security and data protection, integrating privacy by design, and fostering a resilient digital future for Malaysia.



2025 Significant Events

14-15 January



Roundtable discussion with Penang Fatwa Committee, where PNB presented the proposed zakat calculation using the **al-Mustaghallat method** for ASNB fixed-price funds.

24 February



Dato' Abdul Rahman Ahmad, President & Group Chief Executive, PNB handed over **Memorandum of Agreement of the Celik MADANI programme**, together with YB Senator Datuk Seri Amir Hamzah Azizan, Finance Minister II.

27 February



PNB convened the **5th edition of the PNB Investment Dialogue 2025** themed "Transforming Today, Redefining Tomorrow".

13 March



Majlis Berbuka Puasa #teamPNB Bersama Anak Yatim at the Al-Sultan Abdullah Mosque, Precinct Merdeka 118.

21 March



ASNB handed over a bus, Education Fund contributions, and laptops to 30 zakat-assisted students of Universiti Sains Islam Malaysia under its Wakalah's **Seikhlas Wakaf, Seindah Ramadan** programme.

21 March



Two-day **GEAR-uP Rountable Session** with GLCs under PNB's management, discussing on unlocking corporate value, enhancing core performance, and expanding private sector participation within the national economic ecosystem.

22 May



ASNB celebrated the winners of the **#SimpanJe & Menang** campaign phase 1 at a prize-giving ceremony.

30 June



The **launch of GEAR-uP Progress Report** by six GLICs including PNB, Khazanah, EPF, KWAP, LTAT, and Lembaga Tabung Haji, where **RM11 billion already been deployed** into high-growth, high-value sectors, as well as initiatives to uplift underserved communities and develop local talent.

8 July



The launch of the **Merdeka 118 & Kreatif KL Community Grants 2025** aimed at empowering communities in Kuala Lumpur to preserve their cultural heritage and contribute to the city's vibrant identity.

2-4 August



Jalinan BUDI PNB 2025 brought together 333 students from BUDI PNB secondary schools for a three-day, two-night programme held at Kolej PERMATA, Kampus Seremban.

5 August



The launch of **PNB Cultural Beliefs**, reflecting shared behaviours that shape how we work, transform, and deliver excellence.

7 August



Park Hyatt Kuala Lumpur, rising between levels 75 and 114 of the Merdeka 118, opened its doors.

30 August



The **launch of ASNB COVR**, coinciding with the inaugural **Sky Race**, the first tower run ever held at Menara Merdeka 118.

31 August



Celebration of **Hari Kemerdekaan 2025**, marking Malaysia's 68th year of independence, themed "Malaysia MADANI: Rakyat Disantuni" in Putrajaya.

9 September



PNB Research Institute Sdn. Berhad ("PNBRI") signed an **MoU with the Ministry of Agriculture and Food Security** to establish a strategic partnership in strengthening research on the national agri-food sector.

11 September



Pre-Departure Reception for **PNB Global Scholarship Award Intake 2023** and **PNB Global Scholarship (Co-Funding) Award Intake 2025.**

12 September



PNBRI launched its flagship report, **"The Realities and Prospects of Sustainability among Oil Palm Smallholders in Malaysia"**.

21 September



PNB continues to strengthen its commitment to CSR by adopting Kampung Merlimau Pantai in Melaka and Kampung Telok Kandis in Kedah as part of the Government's **Santuni MADANI Programme**.

21 October



The **PNB Knowledge Forum 2025**, themed "Transformation", explored transformation through four interconnected lenses – economic, geographic, organisational, and personal.

30 October



PNB has allocated RM650,000 to implement various initiatives in Kampung Telok Kandis as part of the Government's **Santuni MADANI Programme**.

23-24 November



The launch of **ASNB Bijak & reintroduction of Along & the Geng**, which coincides with the celebration of Children's Day 2025.

26 November



Media interview with Dato' Rizal Rickman Ramli, announcing **PNB's commitment to advancing the 10 Bumiputera Champions** initiative, which aims to establish 10 companies each with a market capitalisation or corporate value of at least RM500 million by 2030.

9 December



YB Senator Datuk Seri Amir Hamzah Azizan, Minister of Finance II officiated the **listing of Orkim Berhad** on the Main Market of Bursa Malaysia.

23 December



The announcement of **ASB Income Distribution** for FY2025, where PNB delivered a **total payout of RM10.4 billion, benefitting 11.4 million** ASB unitholders.



Group Chairman's Statement

> "2025 was a year of profound change in the global economy. The United States' tariff policies reshaped the global trade landscape, prompting companies to rethink supply chains and strategies, while central banks adopted cautious monetary easing."

YM Raja Tan Sri Dato' Seri Arshad Raja Tun Uda
Group Chairman

DELIVERING OUR MANDATE, BEYOND RETURNS

Dear Valued Stakeholders,

In a year of uncertainty and upheaval, I am pleased to share that PNB performed resiliently, sustaining strong returns to our unitholders in line with our Mandate to enhance the economic wealth of the Bumiputera community and all Malaysians, for the prosperity of the nation.

At the same time, our continued efforts to drive grassroots financial education, support the growth of Corporate Malaysia, and invest in socio-economic advancement at the community level are creating the conditions for our impact to deepen and grow over time and across generations.



2025 was a year of profound change in the global economy. The United States' tariff policies reshaped the global trade landscape, prompting companies to rethink supply chains and strategies, while central banks adopted cautious monetary easing. While global growth remained resilient at 3.3%, this was driven in part by the front-loading of trade activity and an outsized contribution from the AI investment boom, masking underlying structural concerns.

The Malaysian economy presented a similarly mixed picture. Fundamentals remained strong, with domestic consumption and the ongoing investment cycle driving GDP growth of 5.3%, exceeding earlier projections of 4.0% to 4.8%. However, Corporate Malaysia struggled to sustain its momentum, with the FBM KLCI recording a modest 1.4% gain during the year, reflecting continued challenges in attracting sustained capital inflows.

Against this backdrop, our diversified portfolio, with balanced exposure across sectors, geographies, and asset classes, helped cushion market volatility and enabled us to deliver sustainable returns to our unitholders. ASNB declared a total income distribution of 5.75 sen per unit for its flagship fund, ASB, amounting to a total payout of RM10.4 billion that benefits 11.4 million ASB unitholders. Just as importantly, customer net inflows grew significantly, reflecting the effectiveness of our efforts to drive participation and control redemptions.

Group Chairman's Statement

PNB's LEAP-6 strategy is driving transformation across operations, people, and customer engagement, supporting its goal of RM400 billion AUM by 2027 while delivering sustainable returns and positive financial impact.



Embracing Transformation

The strength of our performance is a testament to our LEAP-6 strategy, which is driving a step change in how we operate, engage, and create value as an organisation. Through its six strategic pillars – Sales & Distribution, Investment, PNB Co. Transformation, Knowledge, Innovation, and Sustainability – the strategy represents a new operating model for PNB, one that is attuned to the evolving expectations and demands of the current era.

Over the past year, I have had the opportunity to visit many of the branches across our network, and have been struck by the strong sense of momentum in executing this strategy, as well as the clarity of purpose that it has instilled across the organisation. Our branch staff have embraced their expanded role as relationship managers, playing a critical role in communicating the value of ASNB as an investment. Our marketing and sales teams are energised by the deeper data insights now available to them, enabling the delivery of more targeted and personalised customer propositions. Meanwhile, our employees are benefitting from more structured and targeted training programmes in future-ready areas such as analytics, risk modelling and digital technology, equipping them with the capabilities required to drive this next phase of our development.

These efforts are ultimately anchored in our ambition to grow AUM to RM400 billion by 2027, which will strengthen our ability to deliver sustainable returns to our unitholders. However, fulfilling our Mandate and Purpose as an organisation is not solely about returns. It requires us to drive positive change across a broader set of dimensions, from strengthening the governance of our investee companies to encouraging disciplined financial behaviours among Malaysians. These areas of focus are vital to meeting both our core economic promise, as well as sustaining trust and impact across generations, and are discussed throughout the rest of this statement.

Stepping Up on Stewardship

The purposeful stewardship of our investee companies lies at the heart of how we fulfil our Mandate, enabling us to inculcate practices and behaviours that create sustainable value and reinforce trust in PNB as a responsible custodian of our unitholders' savings.

During the past year, we stepped up our stewardship efforts by adopting a more active, outcomes-based approach focused on key areas central to long-term competitiveness, including governance, labour practices and climate readiness. Through more structured engagement with boards and management teams, we have set clearer and more measurable expectations, and followed up more consistently on their delivery, while also exerting influence through wider proxy voting across our portfolio.

These efforts are beginning to translate into meaningful changes in behaviour. Through our labour rights stewardship efforts over the years, 15 investee companies had introduced labour rights policies aligned with our standards, while seven of our nine Strategic Companies have adopted a Living Wage commitment, ensuring employees receive compensation packages equivalent to RM3,100 per month. This reflects not merely a minimum wage, but a fair and just level of income that supports a decent standard of living and enables greater financial resilience.

Beyond these milestones, we are seeing tangible improvements in governance, including faster board renewal, stronger succession planning and greater independence among board members. Standards in ESG and governance reporting have also improved, alongside more robust practices in labour management, climate action, and occupational health and safety.

Critically, our investee companies are increasingly benchmarking themselves against global organisations, supporting a shift in mindset that is essential to unlocking their full potential over the long-term.

Extending Our Financial Literacy Efforts

As we deepen our involvement in Corporate Malaysia, we remain cognisant of the challenge on the opposite side of the spectrum: insufficient saving levels among Malaysians.

This issue stems from a range of factors, including rising living costs and more consumption-driven habits enabled by access to credit. Ultimately, however, it is a challenge that can be addressed through stronger financial literacy and the inculcation of sound financial habits. To this end, we have continued to deepen and expand our efforts, building on longstanding initiatives while introducing targeted campaigns to drive behavioural change.

The increasing use of data analytics has been key in this regard. Based on the insight that many loan-based customers are withdrawing their dividends to service financing interest, we developed the "Pandu Impianmu, Gen Labur" initiative to encourage regular monthly investments. The campaign highlights the power of compounding, demonstrating that small but consistent contributions can grow into meaningful wealth over time. The initiative forms part of the broader #KitaGenerasiLabur campaign, a rallying call for Malaysians of all generations to shift their mindset and take charge of their financial future by starting early, investing regularly, and staying disciplined.

In addition to these headline campaigns, we have continued to invest in our ecosystem of financial literacy efforts, which are designed to engage Malaysians at every stage of their financial journey. At the school level, Kelab Pelaburan Bijak PNB ("KPBPNB") introduces students to the fundamentals of saving and investing, instilling discipline and awareness from a young age. At the tertiary level, Celik MADANI equips university students with practical financial knowledge, empowering them to make informed decisions as they transition into the workforce. For working adults, large-scale outreach platforms such as Minggu Saham Amanah Malaysia ("MSAM") provide accessible avenues for deeper engagement, reinforcing the importance of long-term investing.

We are actively expanding these programmes to reach and impact more Malaysians. In the early part of the year, we formalised a collaboration with the Government to launch, which will provide a free RM50 seed investment for one million students over the next five years. The seed funding will be locked for five years on the student's ASB or ASM Celik MADANI account, illustrating the benefits of starting to save at a young age and creating an incentive for students to augment the base with additional investments of their own. Meanwhile, we aim to deliver financial literacy programmes to 500 schools through KPBPNB by 2026, addressing the need for early financial empowerment.

Group Chairman's Statement

The behavioural change that these initiatives seek to effect will not be easy to achieve, particularly at scale, but the rewards for doing so are significant. As a recent nationwide survey indicates, although 50% of Malaysians have not yet started their investing journey, ASNB remains the most widely adopted investment product across Gen Z, Millennials, and Gen X. This highlights a clear opportunity for us, which, if executed well, can deliver far-reaching benefits not only for our unitholders, but for the financial resilience of the nation at large.

Delivering Support at the Community Level

As a driver of national progress, our role extends beyond providing financial returns. With our scale and presence, we have a responsibility to support Malaysians at the grassroots level and during times of greatest need, a duty that we have lived up to during 2025.

Over the past year, we have spent close to RM100 million on various social investments initiatives across education, community development, healthcare, environmental sustainability, financial literacy, as well as khairat scheme, zakat and waqaf distributions, supporting the MADANI Malaysia pillar of "Raising the Floor" by improving quality of life and driving equitable opportunities for all Malaysians, with a focus on low-income groups.

A key addition to our efforts was our participation in the Government's Santuni MADANI programme (*Program Satu Pemimpin Satu Kampung*), through which we undertook targeted initiatives at Kampung Merlimau Pantai in Melaka and Kampung Telok Kandis in Kedah aimed at uplifting each community's socioeconomic potential. Residents at both villages benefitted from one-on-one coaching with food and beverage industry experts, targeted skills development for tertiary-level students, investments in upgrading local infrastructure and direct donations to support asnaf, sick, and elderly residents. These initiatives were tailored to support a specific economic vision for each community, which is to transform Kampung Merlimau Pantai into a sustainable tourism destination, and support small business and entrepreneurial growth in Kampung Telok Kandis.



This clear vision of future development, and the comprehensive way it is executed from the ground up, differentiates the programme from a run-of-the-mill CSR activity. It is an approach that aligns fully with our ethos as an organisation, giving beneficiaries the capabilities and tools they need to build a better future and achieve financial independence.

Education is another key expression of this philosophy, and a long-term commitment for us. The PNB Global Scholarship will be approaching its 30th year in 2026, with 6,292 individuals supported to reach their academic potential and 568 scholars and 354 alumni currently working at PNB. That 30% of our senior leaders comprise graduates of the programme reflects its impact in building a pipeline of future leaders for the organisation and the nation.

The Bantuan Untuk Pendidikan PNB ("BUDI PNB") programme also carried forward its mission during the year, supporting high-potential students from underprivileged backgrounds to complete their secondary education at Maktab Rendah Sains MARA ("MRSM"), Sekolah Berasrama Penuh ("SBP"), PERMATA programmes, and Technical and Vocational Education and Training ("TVET") institutions. A total of 992 scholars have benefitted from the programme, and we were proud to see an alumnus receive a global scholarship to continue tertiary education abroad during the year.

PNB invested nearly RM100 million in 2025 to uplift communities through initiatives under Social Investments Framework as well as khairat, zakat and waqaf distributions, while advancing long-term impact in social mobility and sustainability.

Beyond these direct investments, environmental and climate action remains critical to supporting long-term community resilience and livelihoods. With our target of achieving net zero emissions across our portfolio by 2050, we have created a clear impetus for the adoption of low-carbon practices across our investee companies, while our Nature and Biodiversity Policy sets out expectations for managing nature-related risks. Given our broad presence across Corporate Malaysia, these efforts will have meaningful impact for Malaysians across sectors and communities.

Building the Nation's Prosperity, Together

2025 illustrated once again the many components that contribute to our Purpose to uplift the financial lives of Malaysians across generations. From encouraging individual savings to driving transformation at the corporate level, delivering strong returns to providing support in times of need, the actions we took were only possible through the dedication and continued collaboration of our people, partners, and stakeholders.

On this note, I would like to extend my appreciation to my fellow Board members for their clear vision and focused guidance, as well as to our senior management for the expertise and execution they bring to their work every day. The contributions of our leaders keep us aligned on what matters most, enabling us to balance commercial discipline with our responsibilities as a national leader and wealth builder.

Our employees deserve an equally emphatic recognition for the way they have embraced transformation during the past year. Changing the way we operate after so many years is not an easy task, yet our people have taken up the mantle with energy and enthusiasm, rising to the challenge of playing a more active role with our investee companies, unitholders, and investments.

To our various partners across the investment and government landscape, thank you for your continued support and partnership. Our work is critical to empowering a better financial future for all Malaysians, and we value the collective insight, access, and potential that our collaboration brings.

Lastly, to our valued unitholders, thank you for continuing to trust us with your hard-earned savings. In a changing investment climate, with more options available than at any point in the past, we recognise our responsibility to continually prove our value and earn your trust as the custodian of your financial future. It is a responsibility we do not take lightly, and one that will continue to drive us forward.





> “Across the organisation, we have moved towards a more proactive model of engagement with our unitholders, a deeper integration of digital capabilities within our operations, and a more diversified approach to value creation.”

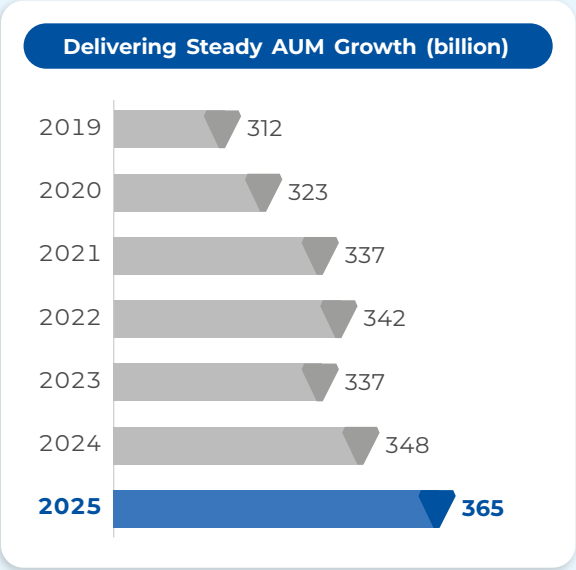
Dato’ Abdul Rahman Ahmad
President &
Group Chief Executive

President & Group Chief Executive’s Statement

Dear Valued Stakeholders,

2025 was a year of execution under our LEAP-6 transformation journey, and PNB delivered, driving a 4.9% increase in AUM through improved customer net inflows, sustained income distributions, and a more disciplined and diversified investment approach.

Our growth in AUM is not merely a financial outcome, and reflects our performance across three critical dimensions. First, our ability to attract and retain customer savings through a more targeted and customer-centric sales and distribution approach. Second, the competitiveness of the returns we deliver to our unitholders. Third, the efficiency of our operations and the quality of our proprietary portfolio. Taken together, these factors provide a clear and comprehensive measure of our strength as an organisation.



Crucially, the gains that we have made over the past year are not incidental, but the outcome of deliberate shifts in the way we operate. Across the organisation, we have moved towards a more proactive model of engagement with our unitholders, a deeper integration of digital capabilities within our operations, and a more diversified approach to value creation. These changes mark a clear departure from our traditional operating model and reflect the progress of our transformation journey. In the sections that follow, I will elaborate on our actions across each of our LEAP-6 strategic pillars, illustrating how these shifts are positioning PNB for stronger and more sustainable performance in the years ahead.

Strengthening Sales and Distribution

Historically, our sales and distribution efforts focused primarily on driving gross sales. While this approach supported fund inflows, it did not sufficiently address the factors contributing to redemptions, making it difficult to achieve consistent growth in Net New Funds (“NNF”).

Recognising this, we have undertaken a fundamental reset of our sales and distribution model, anchored in sharper customer segmentation and a more customer-centric operating philosophy. In place of broad-based sales strategies, we now target specific customer segments with tailored tactics and campaigns that reflect their distinct needs, motivations, and behaviours.

This shift has been enabled by the integration of data analytics into our decision-making processes. By analysing customer behaviour at a granular level, we are now able to better understand the drivers behind their investment and withdrawal patterns and respond with targeted interventions.

As an example, we identified that a segment of our loan-based customers were withdrawing dividends to service financing obligations, prompting us to introduce campaigns that encourage more consistent, long-term investing behaviour.

Similarly, data-driven insights have revealed the important role that continuous customer engagement plays. This learning has led us to invest in growing our team of relationship managers and recalibrate our branch network to enhance advisory for affluent customers, while leveraging on digital-first strategies to deepen engagement and drive trust with our core mass market segment.

Our segmentation-based approach is supported by a clear separation of responsibilities across specialised teams. In addition to dedicated, channel-agnostic teams responsible for managing total AUM within each state, we have established segment-based teams that develop tailored strategies for distinct customer groups and segments.

President & Group Chief Executive's Statement

These teams work in close coordination with dedicated channel teams, which focus on building stronger propositions across our key channels, including digital and bancassurance. At the same time, product teams are focused on refining our offerings to better meet specific customer needs and drivers.

Their collective efforts are supported by targeted training programmes and closer alignment of performance tracking with strategic priorities, giving them the tools and the impetus to deepen customer understanding and deliver focused and effective solutions.

Building on this foundation, we have introduced new products designed to better meet evolving customer needs including ASB Plus, which enables unitholders to allocate their capital between stable fixed-price funds and medium to higher-risk variable-price funds, while rewarding customers who remain invested over the long-term. At the same time, 2025 saw an enhancement to the myASNB mobile application and online portal, and the introduction of a customer-facing AI chatbot, both of which enhance customer outcomes in an efficient and scalable manner.

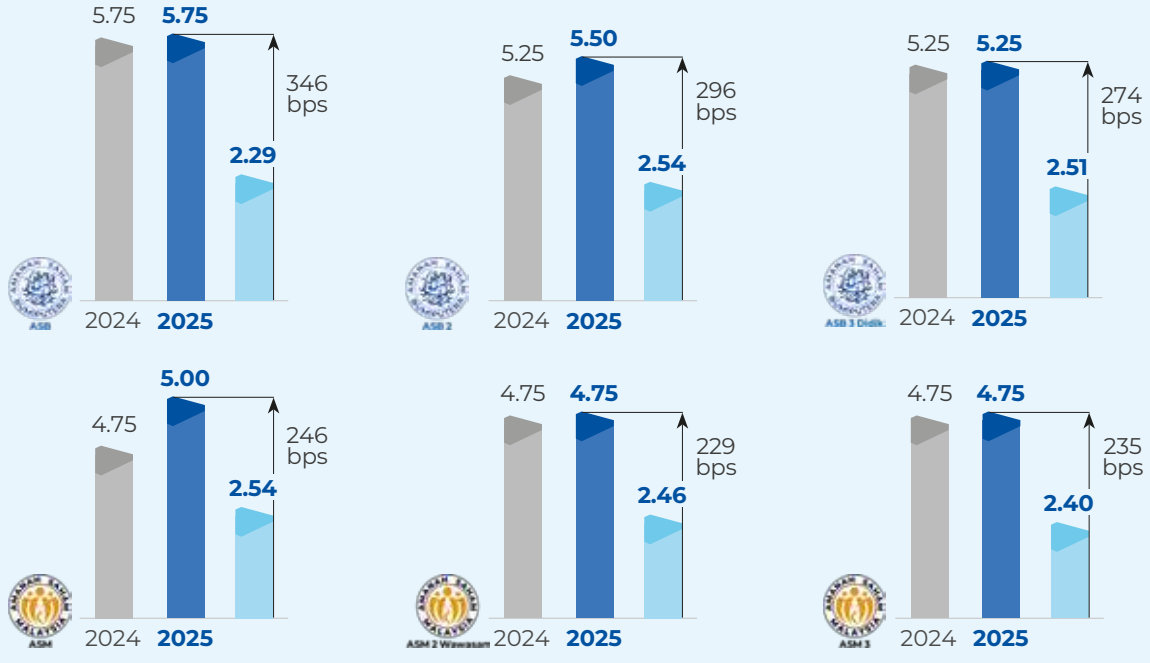
The impact of these initiatives is clear. We are on track to achieve our target of RM5 billion in NNF by 2027. Furthermore, we added a total of 560,000 new accounts during the year, contributing to a 4.6% increase in units in circulation ("UIC"), while our total number of unique account holders remained stable at 13.1 million. These results demonstrate not only the effectiveness of our approach, but also the continued relevance and competitiveness of our funds when supported by the right engagement strategy.

Delivering Resilient Investment Performance

Against a complex and uncertain global backdrop, our investment performance in 2025 reflects the resilience of our diversified portfolio and disciplined asset allocation approach.

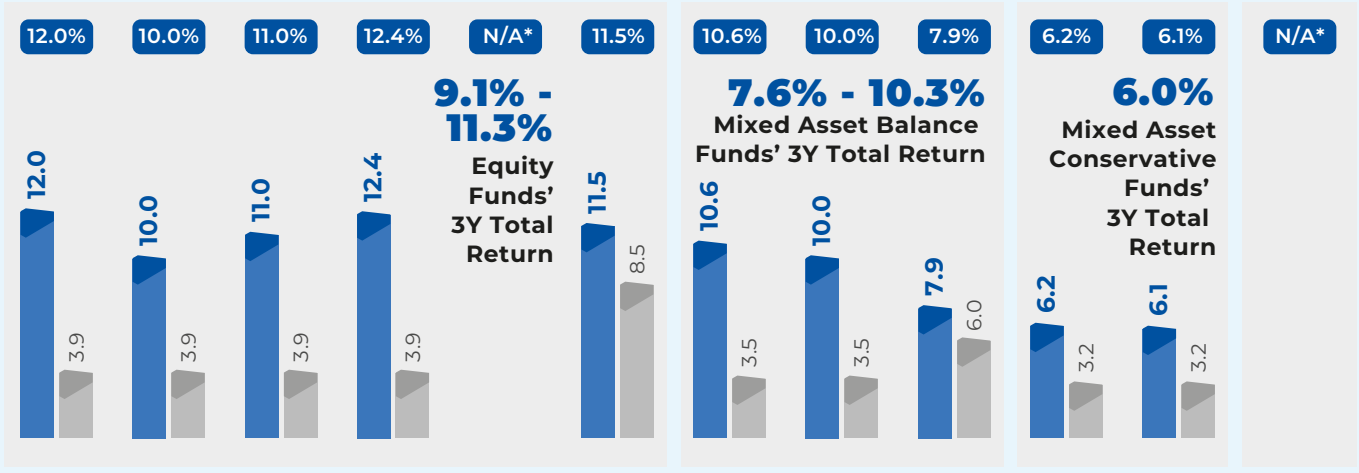
Our fixed price funds continued to deliver strong, market-leading returns. All six funds either maintained or improved their distribution rates, significantly outperforming the benchmark 12-month fixed deposit rate. Notably, ASB delivered a return of 5.75 sen per unit, representing a spread of 346 basis points above the benchmark.

Fixed Price Fund Performance (sen per unit)



Performance across our variable price funds was more moderate, reflecting the continued softness of the domestic equity market. Despite this, all funds outperformed their respective benchmarks and ranked within the top quartile of their peer groups on a rolling three-year basis.

Variable Price Fund Performance



(3-year rolling total return as at 30 December 2025, %)

*3Y performance data unavailable as the fund has been established for less than three years

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

(1-year rolling total return as at 30 November 2025, %)

-0.1	-0.6	0.4	-0.3	5.9	4.9	1.8	1.4	3.7	3.7	3.7	4.8
+1.3	+1.0	+1.4	+0.7	+5.3	-1.5	+1.8	+1.4	-0.8	+2.3	+2.7	+2.7
3	3	3	3	1	3	2	2	4	3	3	3

Quartile performance against peers | Fund's Total Return | Performance vs Benchmark | Quartile

The resilience of our portfolio is underpinned by a diversification strategy that is executed across two key dimensions. The first is geographic diversification, where we have increased our exposure to global markets that offer stronger growth opportunities and exposure to broader structural trends such as the rapid adoption of digital technology. The second is asset class diversification, where we have achieved a more balanced allocation between equities and fixed income, complemented by investments in infrastructure, private markets, and real assets.

President & Group Chief Executive's Statement



During the year, our exposure to global markets, particularly in Asia, enabled us to benefit from the continued momentum of the AI investment cycle. This helped to offset the more subdued performance of the FBM KLCI, which recorded a modest 2.3% increase during the year. At the same time, we increased our allocation to fixed income at opportune moments, enabling us to lock in attractive yields and deliver more sustainable returns to our unitholders.

Nevertheless, domestic equities continue to form the largest component of our portfolio, in line with our Mandate. We are confident in the long-term potential of Malaysian corporates to deliver strong growth, which will be critical to generating enhanced and sustainably strong returns for our overall portfolio.

In support of this, we stepped up our end-to-end investment processes during the year, strengthening our approach to due diligence, risk assessment, and ongoing portfolio monitoring. We have also taken a more active stewardship role in our investee companies, driving value creation initiatives and increasing proxy voting to exert a greater degree of influence over key decisions. Our approach to stewardship is discussed in greater detail later in this statement.

At the same time, we took further measures to ensure resilient access to liquidity, which is critical to capitalising on growth opportunities. In early 2026, we successfully issued a USD300 million exchangeable sukuk, raising foreign currency proceeds to widen our investments in Shariah-compliant, USD-denominated global sukuk assets, with the structure allowing investors to exchange their holdings into shares of Gamuda Berhad. The sukuk not only strengthens our investment base, but supports the diversification of our portfolio into global fixed income, providing an additional layer of stability during a time of macroeconomic uncertainty.

Strengthening PNB as an Institution

The third pillar of our transformation focuses on strengthening PNB as an organisation, ensuring that we have the capabilities, systems and capital base required to sustain long-term growth.

In 2025, we embarked upon a comprehensive review of our PNB Co. Transformation Strategic Asset Allocation ("SAA") with the aim of enhancing capital efficiency, sustaining strong returns, and strengthening the resilience of our balance sheet. At the same time, we stepped up cost optimisation initiatives through digital technologies such as automation and other solutions, reducing our operational overheads.

Beyond capital allocation and cost optimisation, we have continued to invest in strengthening our operational and technological capabilities. During 2025, we enhanced our core enterprise systems to support improved financial reporting and operational effectiveness, while continuing to execute our Technology Blueprint, which covers the period of 2024 to 2028. The blueprint includes a comprehensive roadmap for digital and cyber resilience, safeguarding our operations against an increasingly complex cyber threat landscape.

On an equally important note, Ekuiti Nasional Berhad ("Ekuinas") was consolidated as the domestic direct private equity arm of PNB in 2025, representing a key structural development that will have lasting implications on how we operate and the role we play in Corporate Malaysia. Ekuinas' deep expertise in developing and driving value creation for mid-market pre-listing Bumiputera companies complements our strengths in stewarding listed entities, forming a Bumiputera "relay race" that strengthens Bumiputera participation in the capital markets in line with the Government's GEAR-uP agenda.

The effectiveness of this approach has already been demonstrated through the successful listing of Orkim Berhad at a market capitalisation of RM920 million, and we are committed to applying it across additional investee companies with the aim of developing Bumiputera champions equipped to compete at both the regional and global level.

In line with GEAR-uP, we have also committed to contributing towards the 10 Bumiputera Champions initiative, which seeks to accelerate the development of high-potential Bumiputera companies through stronger collaboration across Government-Linked Investment Companies ("GLICs"), with the aim of nurturing 10 Bumiputera companies to achieve a market capitalisation or enterprise value of at least RM500 million over the next five years.

In support of this objective, our focus is on identifying companies with strong fundamentals and growth potential, then supporting them through targeted capacity building, market access initiatives, strategic guidance, and the co-creation of Value Creation Plans that channel efforts towards high-potential growth strategies and unlock long-term enterprise value.



Another significant way that PNB has evolved in recent times is through the Merdeka 118 precinct, which is being developed through PNB Merdeka Ventures. Over the past 12 months, the precinct has continued to grow into a vibrant commercial hub, attracting leading local and international retailers to assume tenancy at 118 Mall. To support its development, we successfully issued a RM6 billion Sustainability Sukuk Wakalah, which represents the largest corporate and real estate sustainable sukuk in ASEAN, the largest Ringgit-denominated sukuk, and the largest AAA-rated corporate sukuk in Malaysia.

Taken together, these wide-ranging initiatives have significantly strengthened PNB as an institution, reinforcing our financial foundations, widening our revenue streams, and enhancing our ability to create value for our investee companies and the broader corporate ecosystem in Malaysia.

President & Group Chief Executive's Statement

Harnessing Human Capital and Driving Innovation

The three core pillars of LEAP-6, Sales & Distribution, Investment, and PNB Co. Transformation – are enabled by the capabilities of our people and their capacity to innovate and drive change.

Recognising the fundamental importance of our employees, we introduced our Cultural Beliefs in 2025 to define the shared mindsets and behaviours needed to shape a dynamic and future-ready organisation. Together with our B.R.A.V.E core values, this formed the basis for the refresh of our Human Capital Strategic Plan, which establishes clear capability development priorities across the organisation.

Under the plan, we have implemented role-based capability frameworks and structured learning pathways to strengthen talent development and succession planning, particularly across leadership and technical functions. These efforts are further supported by targeted training programmes in analytics, risk modelling, digital tools, and other future-relevant capabilities that are essential to sustaining our long-term competitiveness.

Complementing these efforts, our flagship PNB Knowledge Forum continues to play a vital role in driving thought leadership and exchange. The 2025 edition, themed "Transformation", brought together a distinguished group of government and business leaders, providing a platform not only for learning within the organisation, but also for engagement across Malaysia's broader corporate and investment community, reinforcing PNB's position as a dynamic and innovative organisation that is driving Malaysia's journey forward.

Capability building is closely linked to our work in innovation, which remains a key enabler of the LEAP-6 strategy. During the year, we realigned our innovation programme to ensure closer linkage with business priorities while introducing initiatives to strengthen innovation readiness across the organisation.

At the same time, we recognise that innovation can only take root in an environment where individuals feel empowered to contribute ideas. In this spirit, our Re:Work Competition 2025 provided a platform for employees to propose improvements to business processes that could materially enhance the way we operate, leading to the suggestions with significant cost savings and sales potential.

Our people are further supported by the adoption of digital tools, including analytics, automation, and Artificial Intelligence ("AI"), as well as partnerships with external organisations that bring new capabilities and perspectives.



Solidifying Our Foundation of Trust

As we accelerate our transformation, the trust of our stakeholders remains the foundation of our social contract. This trust can only be earned through responsible actions delivered consistently and transparently, underscored by clear accountability, and is a key consideration at PNB.

In this context, we recognise sustainability as a crucial area of focus. Amid heightened stakeholder expectations and evolving regulatory requirements, we are stepping up our efforts by setting clear expectations for our investee companies and driving the adoption of responsible sustainability practices across the Malaysian corporate landscape.

In 2022, we launched our Sustainability Framework and 10 ESG Commitments, which set the groundwork for this mission. The commitments span a wide range of imperatives, including climate action, fair labour practices and human rights, investment in low-carbon and transition assets, and gender equality, among others. At the same time, all GLICs have collectively implemented the Living Wage Framework, while all our Strategic Companies are committed towards Living Wage, marking meaningful progress for the year.

Beyond top-line metrics, we are also taking a more active stewardship role in guiding our investee companies, with particular focus on governance standards, labour practices, and climate alignment. We view climate action in particular not only as a responsibility, but a critical component of risk management. As such, we have strengthened our assessment of climate transition risks, particularly in carbon-intensive sectors, while increasing our use of proxy voting to exert greater influence over key issues.

At the same time, we have applied greater rigour to the development and value creation of our portfolio companies. Our focus remains on driving strong shareholder value, and we hold Boards accountable by strongly encouraging reporting on short-, medium-, and long-term total shareholder returns. In support of this, we work closely with our investee companies by providing hands-on support, including capacity building, market access, and strategic advisory.

Ultimately, a more resilient, well-governed, and highly performing investee base strengthens the resilience of our overall portfolio. This, in turn, reinforces trust in PNB as a responsible steward of capital, while contributing to the development of a more sustainable and competitive Malaysian corporate landscape.

Outlook

Having delivered a strong performance in 2025, we remain focused on sustaining this momentum while remaining alert to an increasingly complex and evolving external environment.

The global outlook continues to be shaped by heightened tensions and macroeconomic uncertainty. In particular, the escalation of conflicts in the Middle East has further strained an already fragile geopolitical landscape, disrupting supply chains, affecting energy flows, and driving volatility in global energy prices. These developments are expected to have broader knock-on effects on global growth and capital markets.

In navigating this environment, our resilience is underpinned by actions at both the portfolio and enterprise levels.



President & Group Chief Executive's Statement

At the portfolio level, we will continue to maintain a well-diversified investment portfolio anchored in disciplined capital allocation. Our approach ensures a balanced exposure across asset classes, providing a counterbalance between higher-growth opportunities and more stable, income-generating investments. This will enable us to sustain a prudent risk profile while continuing to capture value across market cycles.

At the same time, we retain the flexibility to respond to changing market conditions through Dynamic Asset Allocation ("DAA"). This allows us to make deliberate tactical adjustments over the short to medium term within approved asset allocation ranges, ensuring that our portfolio remains aligned with evolving opportunities and risks.

In recognition of the volatile macro environment we operate within, our investment teams are undertaking more frequent stress testing against geopolitical shocks, interest rate shifts, commodity volatility and climate-related risks, among other factors. This is complemented by tighter capital discipline to ensure that new investments meet higher thresholds for risk-adjusted returns, as well as strengthened board oversight, including assessments of resilience under multiple macroeconomic scenarios.

At the enterprise level, the various actions and initiatives undertaken under LEAP-6 also serve to reinforce our organisational resilience. These include enhancing cyber resilience, strengthening internal controls and risk oversight structures, investing in talent development, and maintaining an active stewardship approach towards our investee companies.

Taken together, these efforts position PNB to navigate near-term challenges while delivering sustainable value to our unitholders.

ACKNOWLEDGEMENTS

The progress and achievements outlined throughout this statement would not have been possible without the contributions and continued support of PNB's many stakeholders. First and foremost, I wish to express my sincere appreciation to the Government of Malaysia, Yayasan Pelaburan Bumiputra ("YPB"), the Ministry of Finance Incorporated ("MoF Inc."), our regulators, and policymakers for their steadfast support and continued efforts in driving the nation's progress and prosperity.

I wish to also extend my heartfelt thanks to our investee companies, business partners and the wider corporate community for their collaboration, continued engagement, and openness to change in raising the bar across Malaysia's corporate landscape.

Within PNB, I would like to thank our Chairman, YM Raja Tan Sri Dato' Seri Arshad Raja Tun Uda, as well as the member of our Board for their confidence, trust, and invaluable guidance and counsel throughout the year. Their perspectives have been instrumental in helping us remain focused on our long-term priorities while navigating an increasingly dynamic operating environment.

Equally, my gratitude #teamPNB to the entire leadership team and everyone across #TeamPNB for truly embodying our B.R.A.V.E values and Culture Beliefs. Whether in driving investment excellence, elevating stewardship, transforming customer experience, or pushing the boundaries of digital and sustainable innovation, you have shown what it means to serve with passion and purpose. You are the reason PNB continues to evolve, adapt, and lead.

Finally, allow me to acknowledge our unitholders for their unwavering trust and confidence in PNB. Entrusting us with your hard-earned savings is a responsibility we do not take lightly, and one we strive to uphold each and every day.

With your collective and continued support, we will not only fulfil our Purpose to uplift the financial lives of Malaysians across generations, but do so in a more meaningful and impactful way than ever before.

2025 at a Glance with

Dato' Abdul Rahman Ahmad



Q. How would you assess PNB's performance in 2025?

A. 2025 was a year that everyone at PNB can be proud of. Our headline metric was a 4.9% increase in AUM to RM365.3 billion, bringing us closer to our RM400 billion target by 2027. This reflects the strength of our execution across our key strategic pillars, as we improved customer inflows, delivered resilient and sustainable returns, and operated more efficiently as an organisation. I am particularly encouraged by the progress we have made in reducing redemptions, which has translated into a meaningful improvement in NNF over the course of the year.

Q. What has changed most in how PNB operates over the past year?

A. Operating in a competitive investment landscape has necessitated our evolution into a more proactive and customer-centric organisation. Today, we have embedded data analytics at the heart of our sales and distribution approach, generating deeper insights across our customer segments and using these insights to design targeted campaigns that encourage consistent saving behaviour and reduce redemptions.

This shift extends beyond sales and distribution and is reflected in a broader cultural transformation across PNB, guided by our cultural beliefs and B.R.A.V.E core values. Our people are increasingly empowered to think boldly, act decisively, and pursue opportunities for growth with greater conviction.

Q. In a challenging macroeconomic environment, how has PNB navigated 2025?

A. 2025 marked the continuation of our long-term diversification journey, as we further expanded our exposure across geographies and asset classes in line with our SAA Framework. This disciplined approach has enabled us to maintain resilient income despite market volatility and deliver above-benchmark returns across our funds.

Evidencing this, all of our fixed price funds maintained or improved their distribution rates during the year, while our variable price funds continued to rank within the top quartile of their peer groups on a rolling three-year basis.

Q. Beyond portfolio performance, what do recent developments say about PNB's direction?

A. The consolidation of Ekuinas and the continued progress of the Merdeka 118 precinct are important markers of how PNB is evolving. They reflect a shift beyond being a custodian of capital towards playing a more active role in shaping Corporate Malaysia and supporting national development.

With Ekuinas, we now have stronger capabilities to support Bumiputera companies across their full growth journey, from pre-listing to post-listing. At the same time, the Merdeka 118 precinct is on track to become a leading commercial hub, with the potential to generate approximately RM400 million in annual recurring cash flow upon completion. Together, these developments demonstrate our ambition to create value not just within our portfolio, but across the broader economy.

Q. How does the current global environment shape your outlook going forward?

A. We are operating in a period of heightened geopolitical tension and macroeconomic uncertainty. It is no overstatement to say that the global world order has been significantly disrupted. These unprecedented challenges reinforce the importance of maintaining a diversified portfolio and a disciplined investment approach.

On this note, our focus remains on preserving resilience through sound asset allocation, strengthened risk management practices, and rigorous capital discipline. Supported by ongoing stress testing and strong governance, we are confident in our ability to sustain consistent distributions to our unitholders while progressing towards our LEAP-6 ambition of achieving RM400 billion in AUM.

Corporate Information

REGISTERED OFFICE

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Presint Merdeka 118
50118 Kuala Lumpur
Tel : 603-26393188
E-mail : info@pnb.com.my
Web : www.pnb.com.my

AUDITORS

Ernst and Young PLT
Registration No. 202006000003
(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

PNBmy
Permodalan Nasional Berhad
PNBmy
PNBmy.official

Board Composition

DEMOGRAPHIC

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

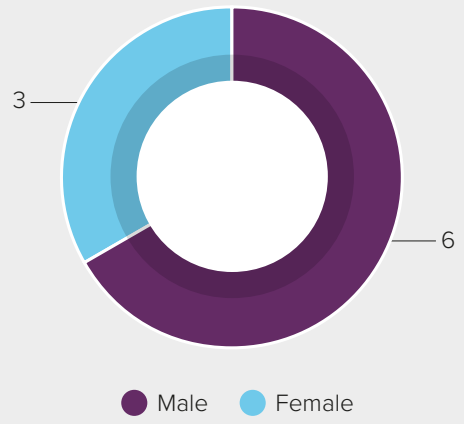
TENURE

Below two years	1
Two to five years	3
More than five years	5

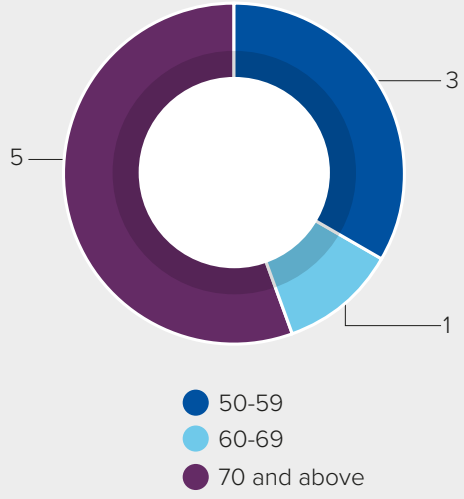
NATIONALITY

100%
MALAYSIAN

GENDER



AGE GROUP



Board of Trustees: Yayasan Pelaburan Bumiputra



YAB DATO' SERI ANWAR IBRAHIM
Chairman of YPB/
Prime Minister of Malaysia



YB DATUK SERI AMIR HAMZAH AZIZAN
Trustee of YPB

The Strength And Integrity

OF OUR GUARDIANSHIP



RAJA TAN SRI DATO' SERI ARSHAD RAJA TUN UDA
Trustee of YPB/Group Chairman of PNB



YBHG TAN SRI DATO' SETIA HAJI AMBRIN BUANG
Trustee of YPB

Board of Directors



Raja Tan Sri Dato' Seri Arshad Raja Tun Uda

Group Chairman,
Non-Independent Non-Executive

Date of Appointment: 1 June 2023

Number of Board Meetings Attended **13/13**

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

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

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 ("Ekuinas"), 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 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 ("MCMC"), the Investment Panel of the Employees' Provident Fund ("EPF") and the Board of Trustees of the National Art Gallery.



Dato' Abdul Rahman Ahmad

President & Group Chief Executive/
Non-Independent Executive

Date of Appointment: 1 July 2024

Number of Board Meetings Attended **13/13**

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")

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 ("Ekuinas"), Media Prima Berhad and Malaysian Resources Corporation Berhad ("MRCB").

Board of Directors



Malaysian
Age 74

Tan Sri Datuk Zainun Ali

Independent
Non-Executive Director

Date of Appointment: 1 January 2019

Number of Board Meetings Attended **12/13**

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.



Malaysian
Age 71

Datuk Dr. Mohd. Yaakub Haji Johari

Independent
Non-Executive Director

Date of Appointment: 1 January 2017*

Number of Board Meetings Attended **13/13**

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

* Retired with effect from 28 February 2026

WORKING EXPERIENCE

Datuk Dr. Mohd. Yaakub was appointed as a member of the Board of PNB from 1 January 2017 until 28 February 2026. 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

Date of Appointment: 1 January 2017*

Number of Board Meetings Attended **13/13**

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

* Retired with effect from 28 February 2026

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 from 1 January 2017 until 28 February 2026. He started his career with Petroliam Nasional Berhad ("Petronas") 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 ("MIDA"). He currently sits on the board of various government-linked companies and non-government organisations.



Dato Dr. Nik Ramlah Nik Mahmood

Independent
Non-Executive Director

Date of Appointment: 1 January 2019

Number of Board Meetings Attended **12/13**

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

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 ("PIDM").

WORKING EXPERIENCE

Dato Dr. Nik Ramlah was appointed to the Board of Directors of PNB on 1 January 2019, and Amanah Saham Nasional Berhad from 1 January 2017 until 28 February 2026. 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.

Board of Directors



Dato' Johan Ariffin

Independent
Non-Executive Director

Date of Appointment: 1 January 2019

Number of Board Meetings Attended **13/13**

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

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. Berhad. up to January 2009. He also served on the Board of Directors of Malayan Banking Berhad for nine 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

Date of Appointment: 6 May 2021

Number of Board Meetings Attended **13/13**

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. 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.



Malaysian

Age 52

Datuk Johan Mahmood @ Johan Mahmood Merican

Non-Independent
Non-Executive Director

Date of Appointment: 6 July 2023*

Number of Board Meetings Attended **5/13**

QUALIFICATIONS

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

DIRECTORSHIP

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

WORKING EXPERIENCE

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

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 ("EPU") and Chief Executive Officer of Talent Corporation Malaysia Berhad. Before joining the Government in 2004, he had worked for nine years in corporate finance and accounting roles in the private sector.

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.

* Resigned with effect from 1 April 2026

Leadership Team

Delivering Our Strategy, *Driving* Performance



1

Dato' Abdul Rahman Ahmad
President & Group Chief Executive



2

Dato' Rizal Rickman Ramli
Deputy President & Group Chief Executive



3

Hanizan Hood
Group Chief Investment Officer



4

Mohd Irwan Ahmad Mustafa
Group Chief Strategy & Financial Officer



5

Muzzaffar Othman
Group Chief Operating Officer



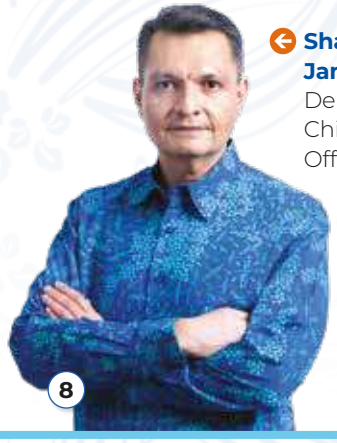
6

Fadzihan Abbas Mohamed Ramlee
Chief Executive Officer, ASNB



7

Rohani Mustaffa
Group Chief Sales & Distribution Officer


8

Shahin Farouque Jammal Ahmad
Deputy Group Chief Investment Officer


9

Rose Anita Jalil
Chief Investment Officer, Fund Management


10

Norhanifah A. Jalil
Group Chief Human Resource Officer


11

Mohd Azmir Mohd Jani
Chief Risk Officer


12

Nimmi Kamal
Group Chief Corporate Affairs Officer


13

Hartini Zainal Abidin
Group Head, Company Secretary & Legal


14

Noramly Bachok @ Abdul Aziz
Group Head, Internal Audit


15

Sahlawati Mustafa
Group Head, Compliance & Integrity

Leadership Team Profiles

1 **Dato' Abdul Rahman Ahmad** | President & Group Chief Executive

Leads the overall organisation, covering investment, financial, operational, and strategic direction of PNB to deliver its Mandate to enhance the economic wealth of the Bumiputera community and all Malaysians, for the prosperity of the nation.

2 **Dato' Rizal Rickman 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 public and private asset classes Investments within the Proprietary and Unit Trust fund portfolios, to ensure alignment with their respective mandates and long-term investment objectives. She oversees the end-to-end investment activities and functions including research, asset allocation, trading and execution, treasury, stewardship, and investment oversight.

4 **Mohd Irwan Ahmad Mustafa** | Group Chief Strategy & Financial Officer

Leads PNB's overall business operations, including financial reporting, planning, budgeting, corporate sourcing, investment processing, while overseeing investment activities including assets and liabilities to ensure the company's financial strength in executing its Strategic Plans. 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 operational efficiency initiatives with the company's goals. By fostering a high-performing team and leveraging emerging technologies, it enhances business resilience and maintains a competitive edge while streamlining processes to optimise resources. Comprising the Group, Retail and Investment Technology, Retail Business Operations, Compliance, Property and Customer Experience teams, the division ensures operational excellence across key functions. Its goal is delivering strong technology execution, 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 agents), 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 Sales, AUM and Net New Fund.

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 Estate to drive sustainable growth and long-term value creation. Strengthens governance and fosters stakeholder engagement through Investment Stewardship, while advancing goals outlined in 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 | Group Chief Human Resource Officer

Spearheads PNB's Human Capital agenda by shaping future-ready workforce strategies, strengthening leadership pipelines, and cultivating a high-performance culture. Drives enterprise-wide talent, succession and capability development initiatives to ensure a strong and sustainable leadership bench aligned with PNB's long-term aspirations. Champions employee engagement, organisational excellence and cultural advancement to enhance agility, performance and growth across the organisation.

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 | Group Chief Corporate Affairs Officer

Leads PNB Group's strategic communications, marketing, sustainability, and social investment initiatives, ensuring strong alignment with the Group's Purpose and strategic plan. Drives business transformation by strengthening brand relevance, expanding customer engagement, and supporting customer acquisition across PNB and ASNB. Drives brand visibility and campaign effectiveness through integrated and digital led marketing, supporting the sustained delivery of NNF.

Spearheads the stewardship of PNB and ASNB branding, embedding core values and reinforcing trust with stakeholders. Advances PNB's ESG and Net Zero Enterprise ("NZE") ambitions through cohesive communications and cross functional collaboration. In addition, oversees the PNB Research Institute Sdn. Berhad ("PNBRI"), leveraging data driven insights and socio-economic research to address business challenges and support PNB's strategic goals.

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.

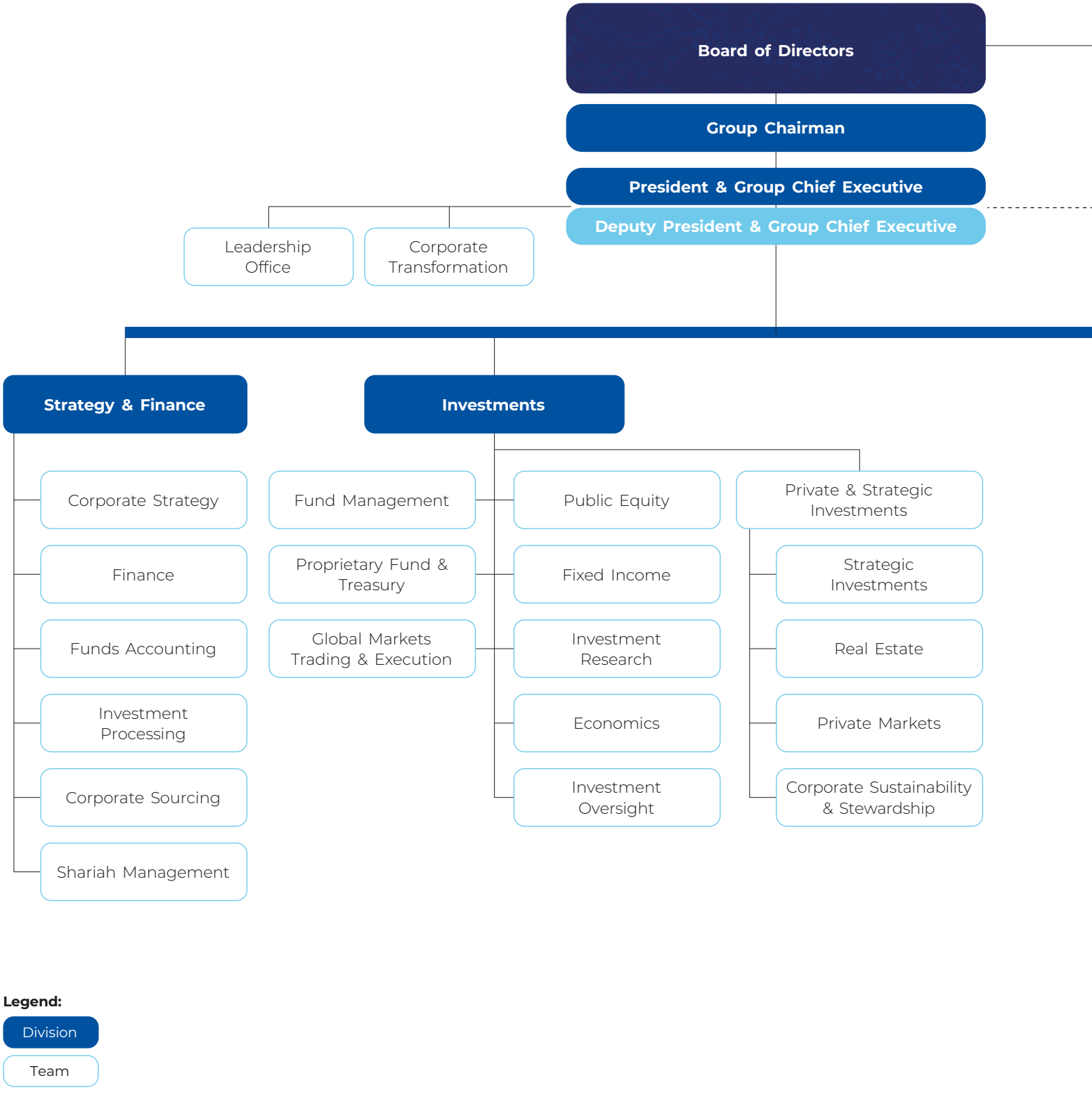
14 Noramly Bachok @ Abdul Aziz | Group Head, Internal Audit

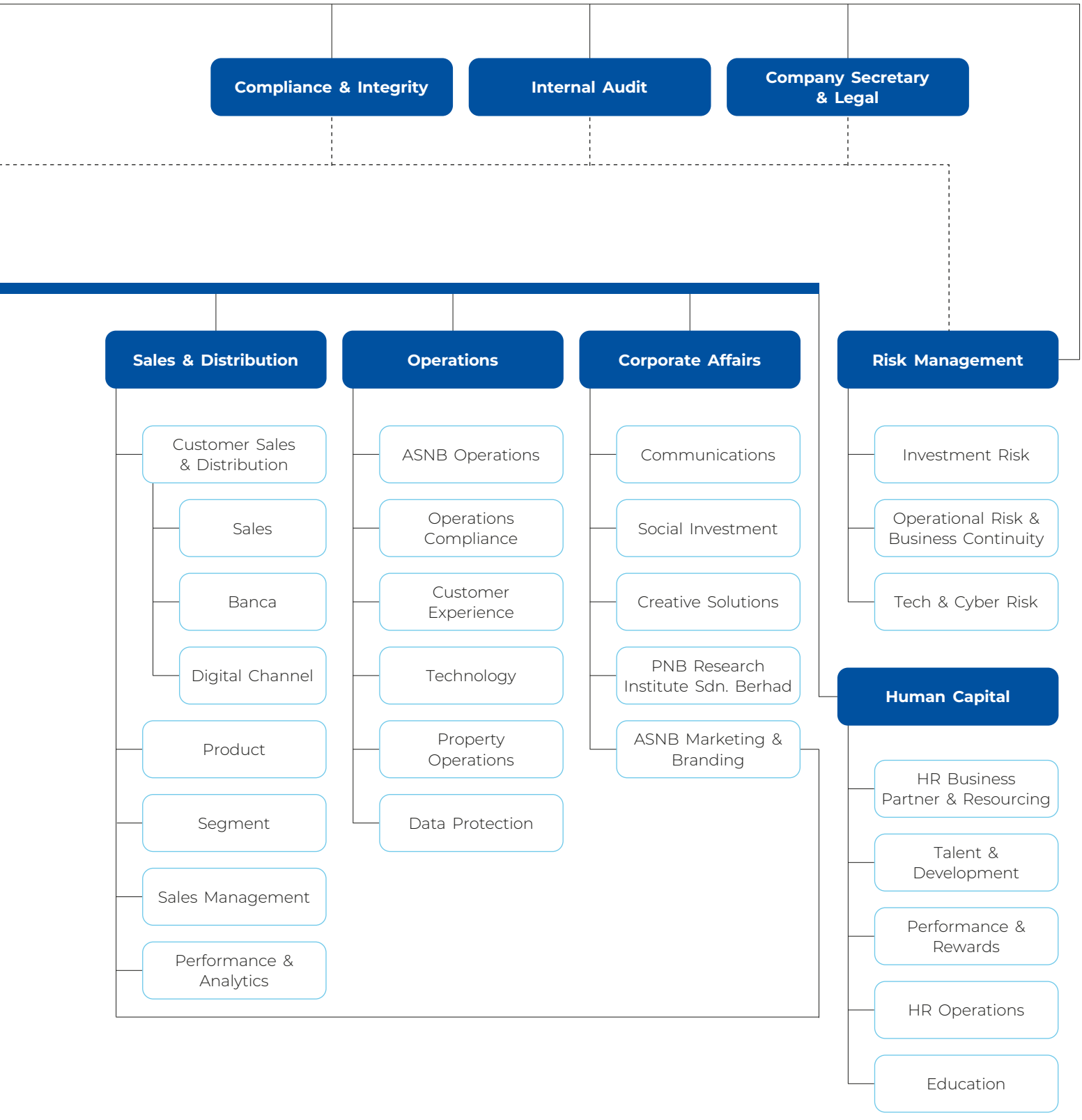
Strategically leads and oversees the internal audit function to provide independent, reasonable and objective assurance as well as advisory services by assessing the adequacy, efficiency and effectiveness of governance processes, risk management, internal controls and quality management systems within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

15 Sahlawati Mustafa | Group Head, Compliance & Integrity

Spearhead the Compliance & Integrity Division in formulating compliance programme which enables adherence 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.

Organisational Structure




Compliance & Integrity
Internal Audit
Company Secretary & Legal
Sales & Distribution
Customer Sales & Distribution
Sales
Banca
Digital Channel
Product
Segment
Sales Management
Performance & Analytics
Operations
ASNB Operations
Operations Compliance
Customer Experience
Technology
Property Operations
Data Protection
Corporate Affairs
Communications
Social Investment
Creative Solutions
PNB Research Institute Sdn. Berhad
ASNB Marketing & Branding
Risk Management
Investment Risk
Operational Risk & Business Continuity
Tech & Cyber Risk
Human Capital
HR Business Partner & Resourcing
Talent & Development
Performance & Rewards
HR Operations
Education

Our Approach to Value Creation

ASSESSING OUR CONTEXT

Assess and Evaluate Our Operating Context

See pages 87 to 93

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

Strengthening Stakeholder Relations

See pages 64 to 76

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

Identify Risks and Opportunities

See pages 94 to 101

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, which we leverage to enhance our operations.

Key Risks

- MR Market Risk
- LR Liquidity Risk
- ICR Investment Concentration Risk
- CR Credit Risk
- TCR Technology & Cyber Risk
- OR Operational Risk
- CIR Compliance & Integrity Risk

IDENTIFY AND PRIORITISE OUR MATERIAL ISSUES

Identify, Prioritise and Integrate Material Matters

See pages 78 to 86

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. 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

● Economic ● Environmental ● Social

Integrating ESG Into Our Core

We integrate Environmental, Social, and Governance ("ESG") principles into our core business model to drive long-term value creation. Our approach is anchored by our LEAP-6 Strategic Plan, which positions sustainability as a key pillar to deliver on our long-term commitments.

We proactively manage material ESG matters, ranging from climate change and resource management to ethical governance and social impact, to mitigate risks and capitalise on emerging opportunities. By embedding these practices into our investment strategies and capital allocation, we remain a trusted provider of sustainable returns and a catalyst for responsible nation-building.

FORMULATE OUR STRATEGY, ALLOCATE OUR RESOURCES, AND INTEGRATE INTO OUR BUSINESS MODEL

Formulate Business Strategy

See pages 102 to 109

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
- Cultural Beliefs
- 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

Integrated Into Our Business Model

See pages 62 to 63

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



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.

VALUE FOR US, MEANS ACHIEVING OUR STAKEHOLDER GOALS

- A source of sustained growth in total returns for investors and funders
- An employer of choice for employees
- A differentiated provider of integrated township development
- A preferred business partner for vendors and suppliers
- A responsible community partner/ developer

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 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.

Cultural Beliefs

Transforming how we work, driving us toward collective success

- **Take Charge**
  I see it, own it, solve it, do it.
- **Move Faster**
  I do my job better and efficiently every day.
- **Speak Up**
  I voice my views and embrace feedback constructively.
- **Deliver Excellence**
  I go beyond for customers and colleagues.

Our Values

Bold
Responsible
Agile
Visionary
Empowering

Our Capitals...

Input

FC Financial Capital
The funds that support our business activities and empower value creation across the short, medium, and long-term, which are generated through investment returns, debt financing and equity.

MC Manufactured Capital
The assets we own, including physical property and equipment, as well as digital assets such as digital products and information technology ("IT") systems.
- ASNB Branches: **32**
- Agent Network: **2,600**
- The myASNB mobile app
- The Merdeka 118 precinct, one of Malaysia's foremost integrated developments

IC Intellectual Capital
Our intangible assets, including our distinctive and customer-centric products and solutions, LEAP-6 Strategic Plan, established brand equity, extensive knowledge of the investment landscape, and strategic partnerships.
- LEAP-6 Strategic Plan
- Extensive investment expertise and partnerships with global PE funds
- Robo Investment Advisor ("Ria") automated investment feature
- Segment-specific marketing informed by detailed data analytics

HC Human Capital
The competencies and capabilities of our people, supported by a dynamic culture, employee engagement, and training and development opportunities, which drive innovation and future-proof the organisation.
- No. of employees: **2,117**
- **RM17.6 million** invested in employee training and development

SC Social and Relationship Capital
The relationships we maintain with our stakeholders, from regulators to people involved in local communities, which are key to upholding our social license and supporting long-term impact.
- Strong, collaborative relationships with government agencies
- **RM95.8 million** spent on social impact initiatives in 2025
- Scholarship Programmes: **RM42 million** (FY2024: RM41.4 million)
- Hospital Equipment and Infrastructure Programme: **>RM4 million** (FY2024: RM3.5 million)
- Community Development: **RM11.8 million** (FY2024: RM5.8 million)
- Environment: **RM2.16 million** (FY2024: RM0.1 million)
- Social Investments programmes delivered: **102** (FY2024: 41)

NC Natural Capital
The renewable and non-renewable environmental resources we utilise and our impact on the environment via our operations and investment portfolio.
- Influencing action on climate and nature-focused issues at investee companies
- Commitment to No Deforestation, No Peat, No Exploitation ("NDPE") since 2022
- Renewable energy procured via Tenaga Nasional Berhad's Green Energy Tariff
- Transitioning our fleet to hybrid and electric cars
- Collaborations with external organisations on environmental programmes
- Enterprise total renewable energy consumption: 100%

...Enable Value-Adding Activities

Strategy — **LEAP-6: Three-year Strategic Plan**

- SP1 Sales & Distribution
- SP2 Investment
- SP3 PNB Co. Transformation
- SP4 Knowledge
- SP5 Innovation
- SP6 Sustainability

Read more on pages 102 to 109.

Global Megatrends

- MT1 Digital Acceleration and Technology Transformation
- MT2 Growing Importance of ESG and Sustainability
- MT3 Heightened Compliance and Regulatory Demands
- MT4 Demographic and Societal Changes
- MT5 The Evolving Work and Talent Landscape

Read more on pages 89 to 93.



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

Read more on pages 78 to 86.

Key Risks

- MR Market Risk
- LR Liquidity Risk
- ICR Investment Concentration Risk
- CR Credit Risk
- TCR Technology & Cyber Risk
- OR Operational Risk
- CIR Compliance & Integrity Risk

Read more on pages 94 to 101.

Underpinned By OUR OVERARCHING GOVERNANCE

That Create ...Value For Our Stakeholders.

Our Products & 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 4
- 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 myASNB app

Outcomes	Stakeholders	UN SDGs	Trade-Offs
FC Financial Capital • Annual Income Distribution: **RM15.3 billion** (FY2024: RM14.5 billion) 🟢 • Consolidated Revenue: **RM21.2 billion** (FY2024: RM21.4 billion) 🔴 • Consolidated Net Income: **RM16.2 billion** (FY2024: RM16.9 billion) 🔴 • Total AUM: **RM365.3 billion** (FY2024: RM348.3 billion) 🟢 • Total AUM from Ria: **RM81.3 million** (FY2024: RM55 million) 🟢 • Units In Circulation ("UIC"): **293.3 billion** (FY2024: 281.7 billion) 🟢 • Gross Income: **RM21.2 billion** (FY2024: RM21.4 billion) 🔴	S2 S10		Our deployment of financial capital involves navigating several inherent trade-offs. Each investment decision reflects a deliberate balancing of risk, return and liquidity considerations to optimise capital allocation in line with our investment objectives
MC Manufactured Capital • No. of Accounts: **16.8 million** (FY2024: 16.2 million) 🟢 • Number of myASNB registered users: **4.8 million** (FY2024: 3.7 million) 🟢 • **Transformation of physical branches** into sales, advisory, and service hubs			The management of manufactured capital requires navigating several operational trade-offs involving physical infrastructure, digital capabilities, operational costs and network utilisation levels. These decisions are carefully calibrated to ensure robust service reliability
IC Intellectual Capital • Launch of **ASB Plus** and **ASNB COVR** to meet evolving customer preferences • **4.5 million** users onboarded to Ria, our robo-advisory service • Received **12 awards** from reputable organisations	S1 S4		Trade-offs for intellectual capital requires optimising across innovation, capability development and operational efficiency. These are necessary to ensure our products and services are aligned with evolving customer needs
HC Human Capital • Achieved **41.5%** women in leadership role • No. of training hours provided to employees: **220,892 hours** (FY2024: 251,923 hours) 🔴 • **Zero** fatalities (FY2024: Zero fatalities) 🟡 • **Two** recordable injuries (FY2024: Two recordable injuries) 🟡 • Attrition Rate: **3.4%** (FY2024: 4.6%) 🟢	S1 S6		In order to build a future-ready organisation, we need to balance trade-offs across capability building, cost discipline and employee wellbeing while delivering organisational outcomes
SC Social and Relationship Capital • No. of beneficiaries of community investments: **>760,000** (FY2024: 8,859) 🟢 • No. of volunteers/volunteer hours – **1,519 volunteers/11,880 volunteering hours** (FY2024: 370 volunteers/2,000 volunteering hours) 🟢 • Partnering with 20 public universities, 4 government linked universities, polytechnics, community college and vocational college to extend Celik MADANI to **200,000 students** per year for 5 years. • **RM537.3 million** disbursed under PNB's Education pillar, impacting **6,467** individuals since inception • Four scholarship programmes in place, benefitting 392 students • Four BUDI PNB programmes since inception, with **RM38.86 million** spent to support **1,152 students** since inception (783 active students in FY2025) • All 9 strategic and 1 controlled company have committed to adopting the PNB Living Wage Framework, with eight of these companies publicly announcing this • Organised our inaugural Supplier Day, attended by 150 targeted suppliers	S2 S6 S8 S9 S12		To sustain trust and long-term partnerships, we need to navigate trade-offs between meeting diverse stakeholder expectations and resource allocation to support engagement efforts while meeting organisational objectives.
NC Natural Capital • Installation of energy-efficient systems (HVAC upgrades, LED lighting) • Procurement of RECs • Installation of 59 EV chargers • No. of investee companies engaged on climate and biodiversity: **44** (FY2024: 32) 🟢	S1 S2 S11		Management of natural capital requires us to navigate competing priorities to ensure responsible use of environmental resources and managing climate-related impacts. Trade-offs may arise between operational needs and resource efficiency, short-term utilisation and long-term sustainability

🟢 Value enhanced 🟡 Value preserved 🔴 Value diminished

- Premised on the Shariah Principles, we commit to uphold the highest level of integrity in our everyday decisions and actions, in our efforts to uplift our communities, and our nation.

Stakeholder Engagement

The input of our stakeholders is vital in driving shared and sustainable value. We engage with each stakeholder group through structured and established channels to understand their evolving needs and concerns, with the insights gained guiding our initiatives and strategies. We also assess the risks and opportunities associated with each stakeholder group and incorporate them into our Risk Management Policy & Framework.



Frequency of Engagement

D Daily | W Weekly | M Monthly | Q Quarterly | B Bi-Annually | A Annually

P Periodically | O Ongoing | R As and when required

S1 EMPLOYEES

Why We Engage

To develop a skilled, engaged, and future-ready workforce that advances our strategic priorities and drives sustainable, long-term growth.

Engagement Channels and Frequency

- Learning needs analyses and skills assessments — A
- Internal communication platforms (e.g. email, K-Hub, Viva Engage) — M
- The LearnHub digital learning platform — M
- Performance conversations — B
- Employee engagement surveys — A
- Leadership townhalls/senior leader forums — Q R
- Talent reviews and succession planning discussions — A B

Key Concerns Raised

- Opportunities for career development and upskilling
- Work-life balance and well-being
- Fair compensation and living wage implementation
- Diversity and inclusion in leadership roles
- Technology adoption and digital readiness

Risks

- Difficulty in attracting and retaining top talent
- High turnover increasing recruitment costs and affecting workforce stability
- Skills gaps and misalignment with digital demands limiting adaptability and competitiveness
- Low employee engagement affecting retention, efficiency, and innovation
- Lack of digital readiness impacting competitiveness and innovation

Opportunities

Value Created for Stakeholder

- An inclusive workplace that supports diversity, creativity, and work-life integration through flexible work arrangements and employee-focused initiatives
- Continuous professional growth and capability enhancement through structured learning and development programmes
- Improved employee well-being and engagement through holistic employee experience and wellness initiatives

Value Created for PNB

- Strengthened organisational capabilities and long-term competitiveness through talent development and retention
- Enhanced organisational resilience and decision-making through greater leadership diversity and inclusive practices
- A future-ready workforce equipped with critical capabilities in areas such as ESG, data analytics, digitalisation, and emerging business needs
- Improved innovation, agility, and operational efficiency through expanded digital adoption and analytics-driven capabilities

Our Response and Initiatives

- Strengthening workforce skills development through comprehensive learning and development programmes, including expanded digital learning via the our LearnHub platform
- Enhancing frontline and leadership capabilities through targeted upskilling and professional development initiatives, including the Leadership Signature Series Programme, Internal Coaching Certification Programme, and Sales Excellence Development Programme
- Advancing gender diversity and inclusive leadership through targeted leadership development initiatives, including the Women of Will leadership programme

FY2025 Value Creation Indicators and Achievements

- 2,176 employee training programmes conducted (physical and online)
- 85% of #teamPNB rated as Sustainably Engaged
- Attrition rate of 3.4% (FY2024: 4.6%)
- 41.5% of women in leadership roles

Map to:

Capitals: IC HC SC

Material Matters: M3 M8 M9 M11 M13

UN SDGs:



Stakeholder Engagement

S2 UNITHOLDERS/ CUSTOMERS

Why We Engage

To protect long-term unitholder value and reinforce confidence in our responsible investment practices.

To support efforts to build inclusive, resilient communities in line with national development goals.

Engagement Channels and Frequency

- Microsite – R
- Social media via Instagram, TikTok, Facebook, and X – D
- Fund annual report – A
- Fund fact sheet – M
- ASNB academy – R
- Electronic Direct Mail ("EDM") – M
- On-ground events through various programmes – Celik MADANI, Singgah Labur, and ASNB Day – R

Key Concerns Raised

- Fund performance/returns
- Information about our products and services
- Accessibility of our products and services
- Ease of access to customer support
- Availability of ESG-aligned and sustainable investments

Risks

- Inadequate understanding of investment risks leading to suboptimal outcomes
- Lack of financial literacy leading to poor financial decision-making
- Underperformance or market volatility reducing investor confidence
- Increased operational or transactional risks
- Customer/unitholder attrition due to greater variety of investment options

Opportunities

Value Created for Stakeholder

- Personalised investment solutions delivered through technology and innovation
- Enhancing satisfaction through focused customer care and support
- Delivery of consistent fund returns above fixed deposit and competitor benchmarks
- Developing long-term saving habits through financial literacy programmes and our online portal, ASNB Academy

Value Created for PNB

- Boosted customer engagement and market reach by investing in digital platforms
- Leveraging data analytics to segment customers and deliver more targeted and impactful propositions
- Nurturing financially savvy investors and sustainably growing their wealth, in line with our Mandate and Purpose

Our Response and Initiatives

- Delivering strong, above benchmark returns across fixed- and variable-price funds
- Continuing to drive financial literacy through a range of initiatives, including our new #KitaGenerasiLabur and 'Pandu Impianmu, Gen Labur' campaigns
- Enhancing customer outreach and experience by expanding our agent network and upskilling our branch staff in relationship management
- Delivered innovative investment solutions including Ria, our robo-advisor, while enhancing the utility of the myASNB app

FY2025 Value Creation Indicators and Achievements

- RM15.3 billion in income distribution across our funds, benefiting 13.1 million unitholders
- More than 192,000 reached through financial literacy initiatives
- Recorded 4.18 million myASNB app registered users as at 31 December 2025 (FY2024: 3.7 million)
- Achieved a Net Promoter Score ("NPS") of 66, outperforming key competitors including Employees Provident Fund ("EPF") (63) and Tabung Haji (64)

Map to:

Capitals: FC MC IC HC SC

Material Matters: M1 M4 M8 M12

UN SDGs:



S3 AGENTS

Why We Engage

To expand access to our UTFs and investment services.

Engagement Channels and Frequency

- Performance review and business engagement sessions with agents' management teams — Q B
- Regular engagement sessions and meetings with agents — M Q
- Business and Operational updates via email communication — R
- Training and briefing sessions on products, system enhancements, and operational matters — O
- Dedicated on-ground support in terms of sales, issue resolution, and operational assistance through Zone Managers — O

Key Concerns Raised

- Accessibility and availability of services for customers, especially in remote areas
- Upskilling opportunities for agents to stay updated on market trends and product offerings

Risks

- Dependence on agents for service delivery, leading to inconsistent customer experiences
- Gaps in agent capabilities or training resulting in customer dissatisfaction and other suboptimal outcomes

Opportunities

Value Created for Stakeholder

- Agent growth opportunities through digital platform expansion
- Greater consistency and quality in client interactions, supported by training and digital resources

Value Created for PNB

- Capitalising on cross-selling opportunities to improve product reach and uptake
- Growing unitholder base and AUM through effective agent-led growth strategies

Our Response and Initiatives

- Expanding our nationwide agent network to enhance reach and drive customer acquisition
- Delivering training and development to enhance agent capabilities and ensure alignment with market trends and product offerings

FY2025 Value Creation Indicators and Achievements

- 2,546 Agent touchpoint nationwide
- 4.18 million as at 31 December 2025 total financial and non-financial transaction
- Stronger collaboration and business alignment
- Enhance agent competency and service quality

Map to:

Capitals: MC SC

Material Matters: M4 M8

UN SDGs:



Stakeholder Engagement

S4 INTERMEDIARIES (INCLUDING ANALYSTS)

Why We Engage

To deepen our capital market understanding, strengthen ESG integration, and reinforce our credibility in the investment community.

Engagement Channels and Frequency

- PNB maintains regular engagement with intermediaries and analysts through meetings, one-on-one discussions, and ongoing market interactions throughout the year. This includes frequent day-to-day engagements via calls, chats, and virtual platforms, as well as participation in conferences, forums, roadshows, site visits, and investment teach-ins organised by intermediaries.

Key Concerns Raised

- Access to comprehensive, transparent, and reliable investment data
- Insights into global market trends and emerging opportunities

Risks

- Misalignment between data/service offerings and our investment objectives or evolving regulatory and industry standards

Opportunities

Value Created for Stakeholder

- Continuous refinements in data service offerings leading to scalable products
- Greater operational efficiency and innovation
- Provision of comprehensive information on our performance, strategic progress, and outlook to support analyst assessments

Value Created for PNB

- Enhanced market confidence through clear communication on our investment strategies and outlook
- Increased trust through alignment with best-in-class responsible investing practices
- Maintaining up-to-date assessment frameworks using robust data and market information
- Strengthened credibility with analysts and intermediaries, reinforcing our position as a national and corporate champion

Our Response and Initiatives

- Organising periodic Investments Dialogues and maintaining other engagements to share our performance, outlook, and goals

FY2025 Value Creation Indicators and Achievements

- Participated in thousands of engagements, conferences, and market events domestically and globally throughout the year
- Conducted annual reviews with panel intermediaries to strengthen performance alignment
- Flagship annual Investment Dialogue sessions with intermediaries, custodians, trustees, and investment partners

Map to:

Capitals: FC SC

Material Matters: M1 M8 M12 M14

UN SDGs:



S5 SUPPLIERS

Why We Engage

To promote responsible sourcing, foster innovation, and build collaborative partnerships that enhance supply chain resilience.

Engagement Channels and Frequency

- Successfully launched our inaugural annual Supplier Day in 2025 bringing together approximately 100 vendors P

Key Concerns Raised

- Compliance with regulatory and industry standards, including those related to labour and the environment
- Fair and transparent procurement practices

Risks

- Supply chain disruptions due to non-compliance or quality issues, which may impact our operations and reputation

Opportunities

Value Created for Stakeholder

- Improved pricing, quality and innovation through constructive supplier engagement
- Access to capacity-building initiatives and guidance on operational excellence, governance and ESG

Value Created for PNB

- Enhanced ESG performance through integration of sustainability principles into procurement practices
- Improved operational efficiency, pricing competitiveness, quality and delivery reliability due to strong supplier relationships
- Support of national economic development by working with local suppliers

Our Response and Initiatives

- Enhancing our supply chain practices in procurement excellence, governance and sustainability
- Building supplier awareness of sustainable practices through engagements such as our periodic Supplier Day, thereby fostering productive dialogue and knowledge sharing

FY2025 Value Creation Indicators and Achievements

- 470 suppliers assessed for labour rights risks

Map to:

Capitals: FC MC IC SRC

Material Matters: M3 M5 M6 M9 M14 M15

UN SDGs:



Stakeholder Engagement

S6 GOVERNMENT AND REGULATORS

Why We Engage

To communicate the impact of our work on national objectives, drive alignment and contribute to government initiatives, stay abreast of evolving regulations, and influence the development of policies and economic frameworks.

Engagement Channels and Frequency

- PNB GEAR-Up Roundtable A

Key Concerns Raised

- Contribution to financial empowerment and Bumiputera advancement
- Ongoing regulatory compliance
- Alignment with national ESG and sustainability priorities including GEAR-uP, NSRF and financial literacy initiatives

Risks

- Missed opportunities to influence policy and drive collaborative solutions
- Inadequate engagement on initiatives and impact leading to loss of future opportunities

Opportunities

Value Created for Stakeholder

- Support of national development and Bumiputera empowerment priorities, with economic impacts generated across the economy
- Improved understanding of capital market players and implementation challenges
- Enhanced effectiveness of policies and regulations shaping the capital market

Value Created for PNB

- Improved investment effectiveness and risk management through closer alignment with regulatory frameworks and national priorities
- Enhanced credibility and reputation among regulators and policymakers via proactive engagement and collaboration on policy initiatives

Our Response and Initiatives

- Proactively engaging relevant authorities on policy development through consultations, roundtable discussions and collaborative initiatives
- Integrating national priorities, including ESG and financial literacy, into our investment strategies
- Strengthening collaboration with regulators to stay abreast of regulatory changes, enhance compliance, and support capital market development

FY2025 Value Creation Indicators and Achievements

- Participated in two consultations and roundtables
- The successful listing of Orkim on the Main Market of Bursa Malaysia

Map to:

Capitals: IC SC

Material Matters: M1 M3 M7 M12

UN SDGs:



S7 INVESTMENT MANAGERS

Why We Engage

To equip managers with the tools and insights to make informed investment decisions that deliver strong unitholder returns.

Engagement Channels and Frequency

- The Investment Managers maintain close and continuous engagement across investment teams and asset classes to support informed investment decision-making. Engagements take place through regular monthly team meetings with asset classes and strategy meetings, as well as ongoing collaboration on investment opportunities. Beyond formal engagements, teams interact on a daily basis through discussions, calls, and working sessions to exchange insights, challenge perspectives, and remain agile in responding to evolving market conditions. M

Key Concerns Raised

- Accountability for decisions and performance
- Risk management frameworks and practices
- Integration of ESG considerations into investments

Risks

- Misalignment with our Mandate and agreements
- Inadequate capabilities to navigate evolving global market risks and opportunities

Opportunities

Value Created for Stakeholder

- Greater access to capital through strong performance
- Opportunities to invest in a wide range of asset classes across regional and global market

Value Created for PNB

- Improved oversight and accountability
- Greater alignment with our investment goals and mandate
- Enhanced portfolio resilience supported by diversified investment strategies and specialised expertise

Our Response and Initiatives

- Maintaining regular monitoring and performance engagements with investment managers
- Integrated our requirements and expectations into investment mandates and agreements

FY2025 Value Creation Indicators and Achievements

- Maintained ASB income distribution rate of 5.75 sen per units, outperforming the 12-month fixed deposit benchmark by 346bps
- All variable price funds remained in top quartile for three-year performance

Map to:

Capitals: FC IC SC

Material Matters: M1 M3 M12

UN SDGs:



Stakeholder Engagement

S8 INDUSTRY ASSOCIATIONS AND PEERS

Why We Engage

To collaborate in raising industry standards and take collective action in areas of shared importance, including sustainability.

Engagement Channels and Frequency

- PNB maintains active engagement with industry associations and peers to support knowledge sharing, industry collaboration and the advancement of sustainability practices. Engagements take place on an ongoing basis through participation in industry associations and peer networks, and periodically through forums, conferences, working groups and knowledge-sharing initiatives. These engagements enable PNB to exchange insights, address common challenges and contribute to industry best practices
- Industry roundtables and policy consultations with regulators and market participants
- Regular knowledge-sharing sessions, conferences and training programmes

O P R M

Key Concerns Raised

- Collective advocacy and industry influence
- Sharing of knowledge and best practices
- Emerging investment risks, including climate, geopolitical and technological risks

Risks

- Weak industry advocacy may lead to less favourable policy outcomes
- Inadequate action on ESG issues may impact the industry's overall reputation
- Limited industry engagement may reduce visibility on emerging market risks and regulatory developments

Opportunities

Value Created for Stakeholder

- Access to shared knowledge, expertise, and resources
- Enhanced industry standards and practices through collective advocacy and collaboration, driving customer value
- Stronger industry alignment, reducing fragmentation, and improving market resilience
- Enhanced investment decision-making through access to industry insights and market intelligence
- Improved stewardship outcomes and long-term portfolio resilience

Value Created for PNB

- Opportunity to demonstrate leadership and innovation, particularly in key areas such as responsible and sustainable investing
- Strengthened networks and partnerships with our peers, regulators, and industry associations
- Co-creation of industry-wide strategies and best practices, reinforcing our role as a thought leader

Our Response and Initiatives

- Participating in industry associations such as Principles for Responsible Investment ("PRI"), United Nations Global Compact ("UNGC") and Institutional Investors Council Malaysia ("IICM")
- Engaging in collaborative industry sessions to share knowledge and best practices
- Participating in industry-led training programmes
- Contribute to industry consultations and policy discussions to support capital market development
- Share investment insights, research and best practices through industry forums and working groups
- Build investment capabilities through industry-led training, conferences and peer exchanges

FY2025 Value Creation Indicators and Achievements

- Participation in various roundtables, collaborative engagements and panel discussions
- Global and local recognition of PNB across sustainability, stewardship, financing and investment excellence through multiple industry awards and accolade

Map to:

Capitals: IC SC

Material Matters: M1 M3 M5 M8 M12

UN SDGs:



S9 NON-GOVERNMENTAL ORGANISATIONS ("NGOS")

Why We Engage

To support effective collaboration that delivers positive community impact, in line with our Social Investments Framework.

Engagement Channels and Frequency

- Strategic partnerships
- Joint programmes
- Grants
- Advisory engagements

O O O R

Key Concerns Raised

- Role of PNB in meeting social and community needs
- Diversification of outreach to impact a wider range of communities in more ways
- Governance structure of partner NGOs
- Transparency in programme execution and reporting

Risks

- Compromised programme effectiveness due to misaligned objectives or weak NGO governance
- Potential reputational risk for PNB if programmes underperform or lack accountability

Opportunities

Value Created for Stakeholder

- Access to funding and volunteers to support project implementation
- Enhanced capacity to deliver programmes that are responsive to community needs

Value Created for PNB

- Insights into community challenges, enabling us to optimise our social investment strategies
- Strengthened reputation as a socially responsible and community-focused organisation

Our Response and Initiatives

- Maintaining close rapport with credible NGO partners to ensure clarity on objectives, identify issues early, and monitor outcomes
- Leveraging our partners' community insights to align programmes with actual needs
- Continuing to seek out new partners that align with the priorities of our Social Investments Framework

FY2025 Value Creation Indicators and Achievements

- Strategic partnerships established with NGOs, public sector agencies, and community organisations
- 102 Social Investments Framework initiatives and 51 volunteerism activities delivered and progressed across various stages of implementation during the year
- 1,519 volunteers mobilised with RM68 million in funding contributions channel towards social investments initiatives including programmes implemented through NGO partners

Map to:

Capitals: FC IC HC SRC

Material Matters: M1 M6

UN SDGs:



Stakeholder Engagement

S10 INVESTEE COMPANIES

Why We Engage

To influence their business practices, align their corporate strategies with our stewardship goals, and strengthen their long-term financial and ESG performance.

Engagement Channels and Frequency

- Board and management meetings, shareholders letters, voting guidelines — A O R

Key Concerns Raised

- Financial performance
- Corporate governance
- Net zero strategies and climate readiness
- Labour rights and fair employment practices
- Nature and biodiversity impacts

Risks

- Underperformance relative to financial benchmarks or shareholder expectations
- Reputational and financial impacts due to non-compliance with ESG or other standards

Opportunities

Value Created for Stakeholder

- Strengthened financial resilience and performance through targeted support
- Enhanced long-term competitiveness and regional/global positioning
- Increased alignment with stakeholder and market expectations on ESG and climate-related matters

Value Created for PNB

- Strengthened portfolio resilience through promotion of responsible governance and ESG practices
- Enablement of active stewardship to manage risks and unlock growth potential
- Enhanced capacity to deliver strong and sustainable returns to unitholders
- Reinforcement of our reputation as a national and corporate champion

Our Response and Initiatives

- Conducting continuous investment analysis and monitoring
- Performing scenario-based stress-testing for financial, geopolitical, and climate risks to enhance investee company resilience
- Engaging regularly with investee companies to guide governance, climate strategies, and labour practices
- Actively encouraging investee companies to introduce labour rights policies and adopt our Living Wage Policy
- Expanding proxy voting across our portfolio and submitting formal letters to positively influence investee company practices

FY2025 Value Creation Indicators and Achievements

- Enhanced total shareholder return
- Improved alignment with PNB's ESG expectations

Map to:

Capitals: FC IC SC NC

Material Matters: M1 M3 M5 M12

UN SDGs:

S11 COMMUNITIES

Why We Engage

To understand underlying needs and community-specific challenges, supporting the development of targeted social investment programmes and the identification of meaningful outcome measures that drive inclusive growth and sustainable national development.

Engagement Channels and Frequency

- Social Investments Framework programmes — O
- Volunteerism activities — M
- Partnerships with NGOs — R
- Engagements with local authorities or community leaders — R

Key Concerns Raised

- Access to education and healthcare
- Economic empowerment and livelihood opportunities, particularly for bottom 40 income ("B40") communities
- The need for greater financial resilience and a savings culture among Malaysians

Risks

- Poorly targeted community initiatives leading to limited social impact and inefficient use of resources
- Unmet expectations among beneficiaries potentially affecting stakeholder trust
- Reputational risk if programmes do not deliver measurable outcomes aligned with national development priorities

Opportunities

Value Created for Stakeholder

- Improved access to education and healthcare
- Greater economic empowerment for underprivileged and B40 communities
- Support for vulnerable groups through targeted social investment and relief initiatives
- Increased financial literacy and improved savings habits among Malaysians

Value Created for PNB

- Broader financial inclusion and wealth creation among Malaysians
- Enhanced social licence to operate and long-term national impact
- Reinforced role as a nation-building institution supporting government efforts to uplift the rakyat

Our Response and Initiatives

- Implemented a range of social investment programmes under Social Investments Framework focusing on education, health, community development, and environment, supported by financial literacy and employee volunteerism, in collaboration with community partners
- Contributed to the Government's Santuni MADANI programme through localised community development and school initiatives
- Expanded financial literacy initiatives and introduced targeted campaigns to promote positive financial habits among secondary and tertiary students, as well as working age Malaysians

FY2025 Value Creation Indicators and Achievements

- 102 social investment programmes under our structured Social Investments Framework, with a total contribution of RM68 million and >760,000 beneficiaries, including >190,000 students and >48,000 asnaf
- >220,000 individuals reached through financial literacy initiatives
- >30 public hospitals and clinics benefited from medical equipment & facility upgrade
- >100 entrepreneurs empowered through targeted entrepreneurship development and assistance programme

Map to:

Capitals: FC SRC IC HC

Material Matters: M1 M6 M8 M10

UN SDGs:



Stakeholder Engagement

S12 MEDIA

Why We Engage

To communicate our strategies, performance, and impact, thereby strengthening public confidence and safeguarding our position as a trusted national institutional investor and sustainability advocate, as well as to manage narratives if and when crises occur.

Engagement Channels and Frequency

- Media briefings and press conferences (physical & virtual) — R
- Press releases and media statements — R
- Business and digital media platforms — P
- One-to-one media engagements with key editors and journalists — P
- Our corporate website — O
- Social and professional platforms — O

Key Concerns Raised

- Transparency and accountability in managing public and Bumiputera funds
- Accuracy, speed, and completeness of information shared
- Alignment of investment activities with our mandate and ESG commitments
- Responsiveness during issues affecting market confidence or public sentiment

Risks

- Reputational damage due to delayed or inconsistent messaging
- Spread of misinformation or speculation in digital and social media
- Loss of public trust arising from poor crisis communications
- Misinterpretation of sustainability, governance, or financial data

Opportunities

Value Created for Stakeholder

- Access to credible, verified, and timely information
- Clear context on complex investment and sustainability matters
- Improved understanding of our long-term national role
- Reduced confusion during sensitive or high-profile developments

Value Created for PNB

- Stronger corporate reputation and public trust
- Greater control over narratives and issue framing
- Enhanced positioning as a responsible and sustainability-focused investor
- Stronger long-term relationships with key media stakeholders

Our Response and Initiatives

- Publishing annual Integrated Reports with third-party verified data, strengthening the credibility of our disclosures
- Conducting targeted media briefings on results, ESG priorities, and market developments
- Implementing a proactive issues and crisis communication framework

FY2025 Value Creation Indicators and Achievements

- Two media briefings and engagements conducted
- 48 press releases issued
- Improved media sentiment and tone analysis
- Increased engagement with credible business and financial media

Map to:

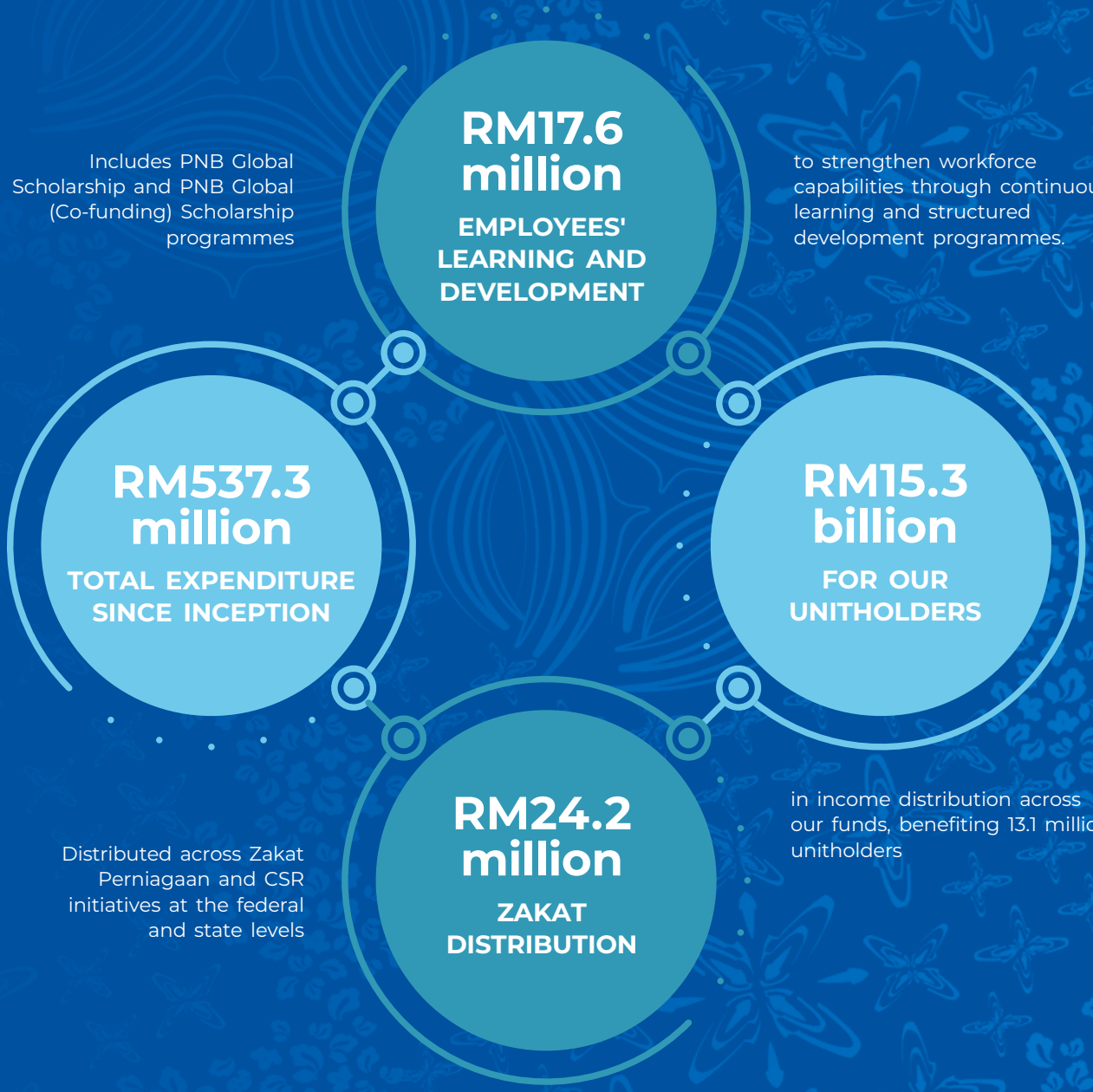
Capitals: FC SC

Material Matters: M1 M7

UN SDGs:

How We Distribute Value Created

PNB remains committed to generating and distributing value to our stakeholders in meaningful and responsible ways. Beyond delivering financial returns, we support initiatives that develop talent, strengthen communities, and foster long-term sustainability. The value created in 2025 was distributed as follows:



Material Matters

Backed by market and industry insights as well as stakeholder inputs, we determine our material matters through a structured materiality process, as detailed below. This process ensures that the issues most material to our business and stakeholders are identified and prioritised, aligning stakeholder priorities with our strategic objectives to drive shared and sustainable value creation.

MATERIALITY METHODOLOGY

In 2024, we 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 UN SDGs. 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 four key steps:

STEP 1: Identify

PNB's Working Team conducted a comprehensive review of existing strategies, policies, and commitments, and analysed the regulatory landscape to identify potential risks and opportunities associated with each predefined material matter.

STEP 2: Assessment Methodology

PNB collectively assessed the financial implications of risks and opportunities, taking into account their short- to medium-term time horizon, across each material matter. This assessment is guided by PNB's risk rating matrix and ERM Framework ensuring a consistent and structured approach to risk assessment.

STEP 3: Assessing Financial Impacts

PNB evaluated the perceived aggregated level of likelihood and severity of the risks and opportunities for each material matter, considering both inherent and residual risks.

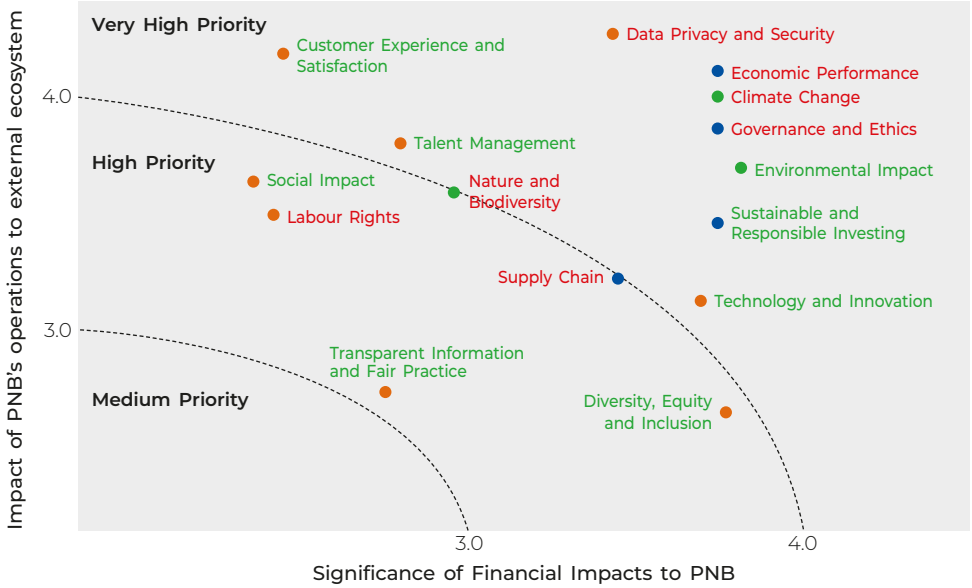
STEP 4: Consolidation and Validation

PNB consolidated the findings of the materiality assessment into a double materiality matrix. The results were validated by the Management Sustainability Committee ("MSC").

Double Materiality

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

PNB's Double Materiality Matrix



Very High Priority
- Economic Performance
- Data Privacy and Security
- Customer Experience and Satisfaction
- Climate Change
- Governance and Ethics
- Environmental Impact
- Sustainable and Responsible Investing

High Priority
- Technology and Innovation
- Talent Management
- Nature and Biodiversity
- Supply Chain
- Diversity, Equity and Inclusion
- Social Impact
- Labour Rights
- Transparent Information and Fair Practice

Legend

- Economic
- Environmental
- Social

Red: Net risk

Green: Net opportunity

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
- Applying structured portfolio management practices across the investment lifecycle, encompassing strategy formulation, portfolio construction, ongoing monitoring and review, as well as portfolio rebalancing and exit considerations

M2 DATA PRIVACY AND SECURITY

PNB's management of data privacy and cybersecurity to prevent leaks of customer information and uphold stakeholders' right 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 Cybersecurity 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., Minggu Saham Amanah Malaysia ("MSAM"), ASNB roadshows
- Net Promoter Score ("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

- R_2O 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 including Board engagements and employee capacity building
- Commitment to the Principles for Responsible Investment ("PRI")
- Net Zero Entreprise by 2025
- Net Zero Portfolio by 2050 supported by interim climate targets for 2030

M6 SOCIAL IMPACT

PNB's engagements with surrounding communities through direct initiatives aligned with its Mandate, Social Investments Framework, and national economic agenda, fostering local and regional economic growth in areas where it 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 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 Social Investments Framework 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
- Social Investments Framework
- Volunteerism Framework

Material Matters

M7 TRANSPARENT INFORMATION AND FAIR PRACTICE

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

Why It Is Important

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

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 including MSAM and ASNB roadshows
- NPS score tracking system
- Complaints tracking system for call centers and office branches

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 2026-2028
- LEAP-6 Innovation pillar to encourage and amplify innovation initiatives

M9 LABOUR RIGHTS

PNB's dedication to upholding labour rights through its Labour Rights Policy, ensuring a safe work environment for its employees, and 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 actions to mitigate material impacts on nature and biodiversity through its operations and investment activities which encompass initiatives addressing pollution, habitat destruction, and waste management.

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
- No Deforestation, No Peat, and No Exploitation ("NDPE") commitment
- Incorporation of nature and biodiversity expectations in Voting Guidelines

Material Matters

M11 TALENT MANAGEMENT

PNB's approach to employee management, spanning hiring, recruitment, retention, learning and development, and working conditions, showcasing its 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
- Standard Operating Procedure ("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 via 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's efforts to foster diversity, inclusivity and non-discrimination throughout all levels of its workforce.

Why It Is Important

- Diversity, Equity and Inclusion 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

Response/Approach

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

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 Diversity, Equity and Inclusion initiatives

M14 SUPPLY CHAIN

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

Response/Approach

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

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

Material Matters

M15 ENVIRONMENTAL IMPACT → PNB's efforts to manage its environmental impacts in order minimise harm and avoid adverse effects on the environment, including via water, effluent, and waste management practices.

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

- R_2O Initiative – Reduce, Replace, Offset approach
- Sustainability Policy
- Waste Management Guidelines
- Energy Efficiency and Conservation Guidelines

Operating Landscape

GLOBAL AND DOMESTIC ECONOMIC REVIEW & OUTLOOK

Global Market Overview

2025 was a year of two distinct halves, shaped by a shifting global economic order and heightened geopolitical uncertainty.

The first half of the year was defined by US tariff hikes, which disrupted global trade flows and weighed on both business conditions and investor confidence, triggering a sharp sell-off in early April. However, sentiment improved progressively in the second half, supported by fiscal measures and monetary easing across major economies.

Despite the macroeconomic turbulence faced, global growth remained resilient in 2025, coming in at 3.3%, unchanged from the previous year. This performance, however, masked underlying divergence, with the US recording weaker growth alongside a significant decline in the US Dollar, driven in part by rate-cutting policies across major economies. Growth was also supported by the front-loading of trade activity ahead of the implementation of tariffs, as businesses accelerated production and shipments in anticipation of higher trade costs, effectively bringing forward economic activity into 2025.

Key Global Trends

The Rise of Multipolarity	US tariff hikes upended the global trade order, necessitating leading economies and other countries to rapidly rethink their trade relationships, explore new alliances, and develop new supply chain configurations. This disruption has also created space for middle powers to play a more prominent role in shaping the dynamics of the global economy, contributing to a more fragmented and less predictable operating environment.
The AI Investment Boom	The continued AI supercycle drove significant investment into technology infrastructure, with a particular emphasis on data centres. North Asian economies were key beneficiaries, with South Korea supported by its dominance in the semiconductor memory space, while Taiwan remained a linchpin of the global semiconductor market, and China and Hong Kong delivered resurgent market performances during the course of the year.
Resilient Market Performance	Despite the challenges posed by trade tensions, 2025 marked the first year since the pandemic in which all major asset classes delivered positive returns. This was supported by improving liquidity conditions arising from monetary policy easing, which contributed to tighter credit spreads and a recovery in asset prices.

Domestic Market Overview

Malaysia's economy recorded strong growth of 5.2% in 2025, exceeding earlier BNM's projection of 4.0% to 4.8%. This performance was supported by resilient domestic demand, stable labour market conditions, and sustained investment activity from both government and foreign sources, with a particular emphasis on infrastructure and data centre development.

In contrast, domestic financial markets presented a more mixed picture. The FBM KLCI rose by 2.3% during the year, underperforming regional peers and weighed down by external headwinds, including US tariff developments and geopolitical tensions. This contributed to elevated foreign outflows, which reached RM22.3 billion, compared to RM4.2 billion in 2024.

Operating Landscape

Malaysia's fixed income market, however, performed strongly. Government bond yields declined over the course of the year, with the 10-year Malaysian Government Securities ("MGS") yield reaching a low of 3.36%, the lowest level observed since 2021.

Key Domestic Trends	
Strengthening of the Ringgit	The Ringgit strengthened over the course of the year, supported by improving macroeconomic fundamentals and a more accommodative monetary environment. This contributed to renewed foreign interest in domestic financial markets, particularly fixed income, with inflows into MGS and Government Investment Issues ("GII") amounting to RM23.0 billion.
Government-Led Investment	Government investment remained a key driver of economic activity, particularly through continued spending on major infrastructure projects and increased focus on digital infrastructure. These investments supported sustained economic activity and growth during the year's macroeconomic challenges.
Strong Foreign Investment Inflows	Malaysia recorded a record RM426.7 billion in approved investments in 2025, representing an 11.0% increase year-on-year and the country's strongest investment performance to date. This was driven by continued investor confidence in Malaysia's economic fundamentals, as well as increased investment linked to the global technology upcycle and data centre development.

Implications and Outlook

The developments outlined above reinforced the importance of disciplined diversification across geographies and asset classes in order to minimise exposure to market- or sector-specific downturns. At the same time, macroeconomic volatility has brought to light a broader set of investment opportunities, which we were positioned to capture through tactical shifts undertaken within our SAA guardrails.

Specifically, the following actions were undertaken during the past year:

- Increased allocations in assets offering more stable and predictable income, including fixed income and real estate, thereby enhancing overall portfolio resilience
- Refined our SAA Framework to include new asset classes such as private credit, infrastructure debt, and real estate credit, each offering attractive yield potential
- Increased exposure to structural growth themes such as AI and the broader technology cycle in order to enhance short-term unitholder returns

Looking ahead, the turbulence experienced over the past year is expected to persist. The continued evolution towards a more multipolar world, alongside persistent geopolitical tensions, suggests that market volatility will remain a defining feature of the operating environment.

In this context, our disciplined and diversified approach positions us well to deliver resilient returns to our unitholders, while enabling us to capture growth opportunities arising from structural trends and evolving market conditions.

GLOBAL MEGATRENDS: RISKS AND OPPORTUNITIES

We actively monitor global megatrends that have the potential to reshape our operating environment, stakeholder expectations, and investment performance. By identifying the risks and opportunities associated with these trends, we take deliberate actions that strengthen our resilience and position us to deliver sustainable long-term value.

MT1 Digital Acceleration and Technology Transformation

Description

Digital acceleration continues to reshape the financial and investment landscape, driven by rapid advancements in data analytics, AI, automation, and digital platforms. These technologies are transforming how organisations operate, manage risks, and deliver value, while elevating expectations for speed, resilience, transparency, and security.

Impact and Implications on Value Creation

Negative Positive

- ⊖ Risk of obsolescence and diminished competitiveness if digital adoption lags
- ⊖ Increased regulatory and supervisory scrutiny in response to digital disruption
- ⊖ Heightened exposure to cybersecurity, data privacy, and operational risks
- ⊕ New growth avenues enabled by data-driven capabilities and digital innovation
- ⊕ Improved productivity and cost efficiency through automation and scalable processes
- ⊕ Enhanced customer and stakeholder experience through faster, more seamless interactions

Risks

- Greater exposure to cyber threats, data breaches, and system disruptions arising from accelerated digital adoption
- Risk of technology obsolescence amid rapid innovation cycles
- Weak governance, capability gaps, or ineffective change management reducing the value of digital investments
- Potential erosion of stakeholder confidence if digital initiatives are poorly executed or inadequately controlled

Opportunities

- Unlocking productivity gains through automation and process optimisation
- Enhancing our analytical capabilities to support better decision-making and investment outcomes
- Improving our service quality and stakeholder engagement through digital platforms
- Strengthening our risk monitoring, reporting discipline, and organisational agility through technology-enabled processes

Our Response

- Advancing our technology roadmap through continued execution of the Technology Blueprint (2024-2028), with a refined 2026-2028 Technology Blueprint guiding next-phase priorities
- Advancing our digital resilience by embedding stronger data governance, cybersecurity readiness, and responsible use of AI across the organisation
- Further evolving the customer journey through technology, by scaling digitally enabled platforms and strengthening data-driven advisory and engagement channels
- Expanding our digital capabilities through comprehensive training and upskilling
- Adopting agile and innovative ways of working

Outlook

The pace of digital and technological change will remain rapid and continue to reshape business models, investment strategies, and stakeholder expectations. By balancing investment in innovation with the imperative of robust governance, risk management, and resilience, we can position ourselves to navigate the challenges brought about by change while opening new avenues for long-term value creation.

Map to:

Capitals: FC HC IC MC

Material Matters: M1 M2 M4 M8

Strategy: SP1 SP2 SP3 SP4 SP5

Key Risks: MR CR TCR

Stakeholders: S1 S2 S6

Operating Landscape

Description

MT2 Growing Importance of ESG and Sustainability

ESG and sustainability considerations are increasingly central to long-term value creation. Recognising the significant financial, regulatory, and reputational risks of inadequate action, investors, regulators, and other stakeholders are demanding clearer sustainability commitments, supported by ongoing, transparent disclosure.

Sustainability-related risk has also emerged as a key area of focus, necessitating a more comprehensive and rigorous approach to understanding potential organisational and financial impacts.

Impact and Implications on Value Creation

⊖ Negative ⊕ Positive

- ⊖ Increased scrutiny of our ESG performance and disclosures
- ⊖ Higher reputational risk from any perceived gaps in our ESG credibility
- ⊖ Greater exposure to climate, social, and transition risks affecting our asset values
- ⊕ Stronger stakeholder confidence through credible ESG practices
- ⊕ Improved portfolio resilience through enhanced sustainability risk management
- ⊕ New growth opportunities arising from the nation's low-carbon transition

Risks

- Reputational damage, regulatory scrutiny, and reduced stakeholder confidence from ineffective management of ESG-related risks
- Adverse impacts on our asset values and long-term performance due to transitional and physical climate impacts, or social or governance issues, in our investee companies
- Heightened scrutiny driven by increasing stakeholder activism and more demanding regulatory expectations on our disclosures, practices, and outcomes

Opportunities

- Strengthening our portfolio resilience and enhancing our risk-adjusted returns through a disciplined and credible ESG approach
- Improving our capital allocation and anticipating structural shifts by integrating sustainability considerations into our investment and stewardship practices
- Enhancing transparency and stakeholder confidence through clear, consistent, and decision-useful sustainability disclosures

Our Response

- Executing our 10 ESG Commitments per our Sustainability Framework, aligning to evolving sustainability standards, and positioning their delivery as a core pillar of our LEAP-6 Strategic Plan
- Actively participating in global and local sustainability initiatives, including the PRI, UNGC and IICM
- Strengthening the integration of ESG considerations across the end-to-end investment process and key enterprise practices, including the sustained focus on waste reduction initiatives and structured support for volunteerism efforts
- Leveraging PNB's position as a major institutional investor to further drive adoption of sustainable practices, through ongoing engagement and stewardship across our investee companies

Outlook

ESG and sustainability considerations will remain defining features of the investment landscape. As regulatory developments and market dynamics evolve alongside heightened stakeholder expectations, a continually vigilant and responsive approach to sustainability will be vital.

Against this backdrop, our sustainability agenda will continue to mature, with increased focus on emerging risks and opportunities and greater emphasis on disciplined execution, credible outcomes, and alignment on ESG standards and practices across our investee companies.

Map to:

Capitals:
FC MC SC NC

Material Matters:
M1 M3 M5 M6 M7 M12 M14 M15

Strategy:
SP2 SP3 SP6

Key Risks:
MR LR CR CIR

Stakeholders:
S2 S6 S10 S11

MT3 Heightened Compliance and Regulatory Demands

Description

We operate within a dynamic regulatory and compliance environment, where growth in areas such as technology and data is surfacing new risks and driving the evolution of market conduct expectations, data governance standards, and other key supervisory focus areas.

As a fully regulated asset manager and GLIC, it is vital that we set a strong example in this area, not only for investee companies but as a means of sustaining public trust and the confidence of our stakeholders.

Impact and Implications on Value Creation

⊖ Negative ⊕ Positive

- ⊖ Increased compliance complexity and implementation costs
- ⊖ Higher exposure to regulatory breaches from control gaps or inconsistent execution
- ⊖ Greater risk of operational disruption and reputational impact from non-compliance
- ⊕ Strong governance and compliance discipline supporting sound decision-making
- ⊕ Enhanced control effectiveness strengthening organisational resilience
- ⊕ Regulatory compliance reinforcing public trust and stakeholder confidence

Risks

- Elevated exposure to regulatory breaches and governance lapses due to weaknesses in internal controls, monitoring, or assurance frameworks
- Potential for enforcement actions, financial penalties, reputational damage, and operational disruptions due to non-compliance, particularly where compliance execution is inconsistent or where digitalisation and third-party reliance increase control complexity
- Erosion of stakeholder trust if governance and compliance standards are not consistently upheld across the organisation

Opportunities

- Strengthening governance maturity by anticipating regulatory developments and translating them into clearer accountability, stronger controls, and enhanced assurance
- Improving internal processes through continuous alignment with evolving regulatory expectations, particularly in technology and data-related areas
- Reinforcing stakeholder confidence by using regulatory change as a catalyst to improve operational discipline, decision-making, and organisational resilience

Our Response

- Governance remains a central focus under the refined LEAP-6 Strategic Plan, with multi-year blueprints progressing to strengthen risk management, cybersecurity, compliance, and integrity
- Governance matters continue to be actively deliberated and monitored at all levels, including the Board and Management, and remain a core component of performance assessment
- Mandatory training on key regulatory and governance requirements continues for all employees, with ongoing emphasis on completion and effectiveness

Outlook

With regulatory demands set to rise, our rigorous approach to compliance and strong corporate governance framework position us to adapt effectively while strengthening our role as a responsible national leader.

Moving forward, our focus will be on strengthening compliance controls and further maturing our practices across key emerging risk areas, including cyber resilience and financial crime/anti-money laundering ("AML") preparedness, thereby reinforcing public trust and stakeholder confidence.

Map to:

Capitals:
FC MC SC

Material Matters:
M1 M3 M6 M7 M9 M12 M14

Strategy:
SP2 SP3 SP6 SP7

Key Risks:
MR LR ICR CR

Stakeholders:
S1 S2 S4 S6

Operating Landscape

Description

MT4 Demographic and Societal Changes

Demographic shifts, changing workforce dynamics and evolving social priorities are reshaping the investment needs of individuals, requiring financial institutions to remain abreast of these changes and to be responsive and adaptive in turn.

To maintain the trust and preference of our customers, particularly in an increasingly competitive investment landscape, it is vital that we carefully consider and address these trends across our investment strategies, customer engagement approaches, and solutions development efforts. By taking a proactive and disciplined approach, we can continue to fulfil our Purpose to uplift the financial lives of Malaysians across generations.

Impact and Implications on Value Creation

⊖ Negative ⊕ Positive

- ⊖ Savings rates may not keep pace with rising retirement needs and living costs
- ⊖ Increased reliance on leverage to fund consumption may weaken household financial resilience
- ⊕ Inter-generational wealth transfer creating long-term investment and wealth planning opportunities
- ⊕ Longer retirement horizons increasing demand for sustained savings and retirement income solutions

Risks

- Weakening household financial resilience if savings behaviour, financial literacy, and long-term planning do not keep pace with rising living costs, longer life expectancy, and evolving family structures
- Increased reliance on debt to support consumption, potentially undermining financial stability across certain segments
- Misalignment with evolving stakeholder needs, which may erode trust and limit our ability to deliver on our Purpose

Opportunities

- Gaining a deepened understanding of evolving financial needs across different life stages and generations, enabling more targeted solutions
- Tailoring our products, services, and customer journeys to remain relevant, inclusive, and accessible
- Strengthening long-term relationships and broader participation in savings and investment solutions through more responsive engagement approaches

Our Response

- Expanding and strengthening financial literacy initiatives across generations, building on established programmes such as Celik MADANI and KPBPNB, while continuing collaboration with peer agencies under the Financial Education Network
- Delivering targeted, segment-driven campaigns to promote positive long-term savings and investment habits
- Continuing research on financial behaviours and savings habits through PNBRI, to deepen understanding and support evidence-based engagement
- Extending outreach through broader distribution and engagement channels, to enable wider participation and increased savings mobilisation
- Implementing social investment programmes under the Social Investment Framework, with focus on education, community empowerment and financial literacy, in collaboration with NGO partners

Outlook

Moving forward, demographic and societal changes will continue to shape savings behaviour and investment choices across different segments of society. From our perspective, a key concern is the shortfall in savings among Malaysians, and we will continue to expand our financial literacy and awareness efforts across targeted segments.

At the same time, we will remain responsive to evolving intergenerational needs, longer retirement horizons, and changing financial priorities, addressing these shifts in a disciplined and inclusive manner to support the long-term financial goals of Malaysians across generations.

Map to:

Capitals:
FC MC NC

Material Matters:
M1 M5 M7 M10 M12 M15

Strategy:
SP1 SP2 SP3 SP6

Key Risks:
MR LR ICR CR

Stakeholders:
S2 S3 S11

MT5 The Evolving Work and Talent Landscape

Description

The work and talent landscape is evolving rapidly, driven by shifting workforce expectations, generational differences, and increasing demand for agile career pathways supported by continuous upskilling and reskilling. These dynamics are compounded by persistent industry-wide shortages of skilled talent and the accelerating impact of technological change, particularly AI, necessitating a more deliberate approach to capability development to support long-term performance and resilience.

Impact and Implications on Value Creation

⊖ Negative ⊕ Positive

- ⊖ Skill shortages and gaps in experienced talent may constrain execution capacity and productivity
- ⊖ Diverging workforce expectations across generations could affect engagement and retention
- ⊖ Rapid technological change, including AI adoption, may widen capability gaps if upskilling lags
- ⊕ Continuous upskilling, reskilling, and succession planning enabling a more agile, future-ready workforce
- ⊕ Strong talent development enhancing innovation, decision-making, and adoption of new ways of working
- ⊕ Effective workforce planning strengthening resilience amid technological and industry transformation

Risks

- Workforce capability gaps may emerge if skills development does not keep pace with evolving business and technological demands
- Persistent talent shortages and generational differences in expectations may affect engagement, productivity, and our retention of critical talent
- Rapid technological change, including AI adoption, may widen capability gaps and disrupt execution continuity if upskilling and reskilling are insufficient

Opportunities

- Strengthening long-term value creation through proactive workforce planning and capability development
- Building a future-ready workforce through continuous upskilling, reskilling, and structured succession planning
- Enhancing innovation, agility, and resilience by aligning our talent strategies with technological change and evolving workforce expectations
- Improving engagement and retention through more adaptive and responsive workforce practices

Our Response

- Reinforcing "Knowledge" as a core strategic pillar under the LEAP-6 Strategic Plan, through the implementation of organisation-wide capability building, leadership succession planning, and structured competency development across all levels of the organisation
- Continuing to invest in long-term talent development, including scholarships, sponsorship of professional qualifications, and continuous learning opportunities
- Advancing upskilling and reskilling through frontline sales capability development and leadership coaching certification programmes
- Strengthening leadership development and diversity, including exceeding the 40% Women Leadership target under PNB's Sustainability Commitments
- Achieving the PNB Living Wage Framework commitment, with adoption across strategic companies

Outlook

The pace of change in how work is performed and talent dynamics is expected to remain elevated, driven by evolving skills requirements, technological advancement, and shifting workforce expectations.

In this environment, we will focus on building agile and adaptable workforce capabilities, strengthening leadership continuity and fostering an innovative, future-ready workforce. These three focus areas are key to navigating future disruption and strengthening our competitiveness within the industry.

Map to:

Capitals: HC IC

Material Matters: M9 M11 M13

Strategy: SP1 SP4 SP5

Key Risks: MR IR TCR

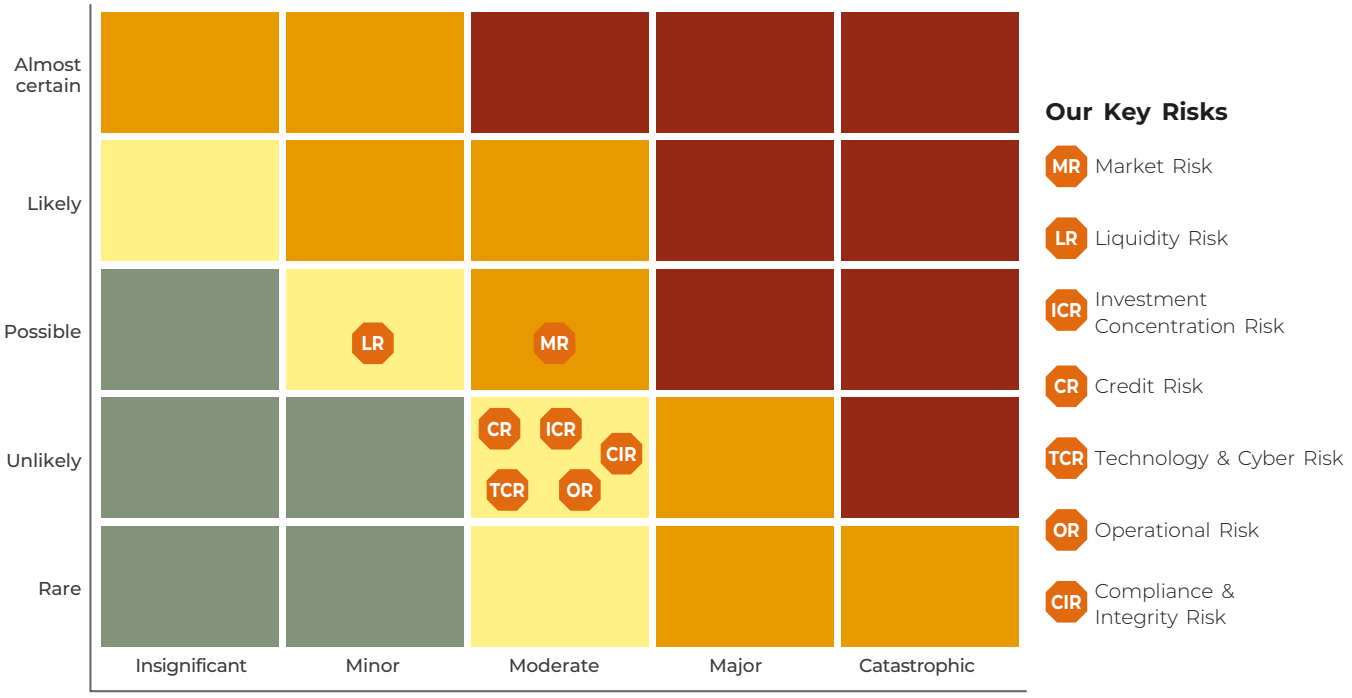
Stakeholders: S1

Key Risks and Mitigation

PNB is committed to effective risk management in alignment with our Purpose. 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 realise our investment objectives.

We adopt a comprehensive approach to risk management across the organisation. Each principal risk is governed by a risk management 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 their likelihood of occurrence nor their magnitude of impact.



MR MARKET RISK

Risk Rating: S Risk Trends: ⟷

Risk that arises from adverse movements in market factors such as stock prices, interest rates, exchange rates, and commodity prices. 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 portfolio position, income distribution, and liquidity, especially during large redemptions, posing potential capital and liquidity risks.

Response and Mitigating Actions

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

The Framework utilises combination of both statistical and non-statistical measures as well as metrices 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, handbooks, or periodical reports.

Outlook

Market conditions are expected to remain volatile amid evolving monetary policy, inflation dynamics, and geopolitical developments across major economies. These factors may lead to heightened fluctuations across various asset classes both domestically and globally.

Risk Appetite Statement

PNB Group is dedicated in managing the investment risks to achieve long-term sustainable and competitive returns for its unitholders and meeting its obligations through proficient investment management, product innovation, as well as creating value in strategic areas and proactive stewardship of its strategic investee companies.

Risk Tolerance Indicator

The framework is supported by a set of risk indicators established at either Enterprise or Departmental level as well as internal limits to gauge the risk exposure on periodical basis. The risk indicators or internal limits include, among others:

- Distributed & Total Return
- Capital Adequacy

Map to: Capitals: FC Stakeholders: S2 S4 S6 S7 S12 Strategies: SP2 SP3

Key Risks and Mitigation

LR LIQUIDITY RISK

Risk Rating: M Risk Trends: ⟷

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

Response and Mitigating Actions

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, handbooks, or periodical reports.

Outlook

Periods of market stress or shifts in investor sentiment may increase liquidity demands while also causing increased redemption pressures within certain funds.

Risk Appetite Statement

PNB Group is dedicated in managing the investment risks to achieve long-term sustainable and competitive returns for its unitholders and meeting its obligations through proficient investment management, product innovation, as well as creating value in strategic areas and proactive stewardship of its strategic investee companies.

Risk Tolerance Indicator

The framework is supported by a set of risk indicators established at either Enterprise or Departmental level as well as internal limits to gauge the risk exposure on periodical basis. The risk indicators or internal limits include Liquidity Coverage ratios.

Map to: Capitals: FC Stakeholders: S2 S4 S6 S7 S12 Strategies: SP2 SP3

ICR INVESTMENT CONCENTRATION RISK

Risk Rating: S Risk Trends: ⟷

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

Response and Mitigating Actions

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, handbooks, or periodical reports.

Outlook

Investment concentration risk may increase as market opportunities and capital flows become more focused on specific sectors, asset classes, or geographic regions. This may further be driven by increasingly volatile market conditions limiting investment opportunities.

Risk Appetite Statement

PNB Group is dedicated to managing investment risks to achieve long-term sustainable and competitive returns for its unitholders and meet its obligations through proficient investment management, product innovation, as well as value creation in strategic areas and proactive stewardship of its strategic investee companies.

Risk Tolerance Indicator

The framework is supported by a set of risk indicators established at either Enterprise or Departmental level as well as internal limits to gauge the risk exposure on periodical basis. The risk indicators include internal limit guidance.

Map to: Capitals: FC Stakeholders: S2 S4 S6 S12 Strategies: SP2 SP3

Key Risks and Mitigation

CR CREDIT RISK

Risk Rating: M Risk Trends: ⟷

Risk of credit deterioration, encompassing defaults and losses arising from a company's failure to meet payment obligations or restructure effectively. Amid a volatile interest rate environment, credit risk monitoring is crucial as our fixed-income investments exposure increases.

Response and Mitigating Actions

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, handbooks, or periodical reports.

Outlook

Credit conditions may face pressure from elevated interest rates, slower economic growth, and evolving fiscal and geopolitical dynamics. Credit risk may also arise from counterparty exposures in financial transactions and deposits with financial institutions.

Risk Appetite Statement

PNB Group is dedicated to managing investment risks to achieve long-term sustainable and competitive returns for its unitholders and meet its obligations through proficient investment management, product innovation, as well as value creation in strategic areas and proactive stewardship of its strategic investee companies.

Risk Tolerance Indicator

The framework is supported by a set of risk indicators established at either Enterprise or Departmental level as well as internal limits to gauge the risk exposure on periodical basis. The risk indicators include internal limit guidance.

Map to: Capitals: FC Stakeholders: S2 S4 S6 S7 S12 Strategies: SP2 SP3

TCR TECHNOLOGY & CYBER RISK

Risk Rating: M Risk Trends: ↔

Risk arising from technology failures or cyber intrusion of IT systems, applications, platforms, or infrastructure, which could result in financial losses, disruptions in services or operations, or reputation damage. PNB's increasing adoption of technology via digitalisation, cloud computing, and AI contributes to increasing risk exposures particularly to system and cybersecurity risks.

Response and Mitigating Actions

The Technology and Cyber Risk Management Framework ("TCRMF") 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 and Cyber Risk Universe, which forms part of TCRMF, serves as a foundation for conducting risk assessment in relation to technology and cyber resilience within operations, systems, and projects.

PNB has further strengthened its system and cybersecurity measures, controls, and governance via:

- Cybersecurity maturity upliftment programme
- Risk Appetite Statements and KRIs
- Setting up independent first and second line of defense 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, or 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 cybersecurity defense

Outlook

Technology and cyber risks are expected to continue evolving as organisations accelerate digital transformation, adopt AI-enabled technologies, with dependencies on cloud and interconnected digital ecosystems. Heightened geopolitical tensions, increasingly sophisticated AI-driven cyberattacks, supply-chain vulnerabilities and emerging risks from quantum computing developments are likely to further elevate cyber threat levels against financial institutions and critical digital infrastructure.

Risk Appetite Statement

- PNB is committed to ensure availability of the core systems and avoid prolonged outage, which support PNB critical business functions.
- PNB strives to protect its assets from threats arising from malicious attacks by having strong internal processes and development of robust technology controls.
- PNB is committed to ensuring the security, accuracy, consistency, and reliability of our data through stringent controls, regular audits, and continuous monitoring.
- PNB recognises the critical importance of maintaining the integrity of our systems to ensure operational continuity, data security, and regulatory compliance.
- PNB prioritise rigorous due diligence, continuous monitoring, and strong contractual safeguards to ensure the reliability and security of PNB technology third-party relationships.

Risk Tolerance Indicator

Technology & Cyber Risk tolerance is monitored through a combination of operational and cyber resilience, cybersecurity posture, and governance indicators, which signal whether technology and cyber risks remain within acceptable levels based on defined Risk Appetite Statements and KRIs.

Map to: Capitals: FC MC IC Stakeholders: S1 S2 S5 S6 S7 S12 Key Market Trends: MT1 MT3 Strategies: SP1 SP6

Key Risks and Mitigation

OR OPERATIONAL RISK

Risk Rating: M Risk Trends: ⟷

Risk of loss resulting from inadequate or failed internal processes, people, systems, or from external events. Operational risk remains crucial as the organisation increases its reliance on digital platforms, internal processes, and third-party service providers. Breakdowns in systems, process failures, or external disruptions may affect service continuity and regulatory compliance, reinforcing the need for strong internal controls and operational resilience.

Response and Mitigating Actions

PNB's Operational Risk Management ("ORM") Framework establishes a structured and consistent approach to identifying, assessing, monitoring, and mitigating operational risks across the organisation.

PNB has continued to strengthen its risk management practices:

- Regular review and refinement of existing SOPs, Policies, and Frameworks to ensure continued alignment with strategic objectives, regulatory expectations, and best practices.
- Clear segregation of duties is implemented to ensure accountability, transparency, and independent oversight across core business activities.
- Operational control effectiveness is independently tested and validated by Internal Audit, in accordance with their annual audit plan.
- Enhanced risk monitoring through integrated dashboards and KRIs, providing early-warning signals and enabling timely, proactive management intervention.
- Periodic Risk and Control Self-Assessment ("RCSA") exercises, conducted across Business Units to systematically identify emerging risks and ensure that risk exposures remain relevant.
- A comprehensive Incident Management Policy, which establishes a structured and disciplined approach for incident reporting, escalation, and resolution. This framework promotes transparency, strengthens accountability, and supports root cause analysis to drive sustainable remediation and continuous improvement.
- Establishment of a PNB BCM Programme as a key mechanism to restore and deliver continuity of key products and services in an event or disruption at PNB.

Further details on Operational Risk Management could be found on page 301.

Outlook

Operational risk may rise with increased reliance on technology and third-party providers, exposing the organisation to system failures, process inefficiencies, capability gaps, or service interruptions. Rapid digitalisation and changing business demand further emphasise the need for strong controls, vendor oversight, staff upskilling, and comprehensive business continuity planning.

Risk Appetite Statement

To manage operational loss levels within established parameters to support PNB's long-term stability.

Risk Tolerance Indicator

Operational loss serves as a key indicator of the organisation's exposure to failures in processes, systems, people, or external events. This indicator strengthens operational resilience, supports continuous improvement, and ensures that the organisation remains well-positioned to manage disruptions and maintain sound business operations.

Map to: Capitals: FC MC Stakeholders: S2 S3 S4 S5 Key Market Trends: MT1 Strategies: SP1 SP3

CIR COMPLIANCE & INTEGRITY RISK

Risk Rating: M Risk Trends: ⟷

The potential legal, regulatory, financial, and reputational consequences arising from failures to meet regulatory requirements, internal policies, and expected ethical standards. This includes the risk of non-compliance with laws and regulations, as well as exposure to people-related misconduct such as fraud, bribery and corruption, bullying and harassment, anti-competitive behaviour, inappropriate use of social media, breaches of privacy, conflicts of interest, and mistreatment of whistleblowers.

Response and Mitigating Actions

PNB's Compliance and Integrity risk management through targeted, risk based initiatives, including:

- Established Compliance and Integrity risk measures to facilitate decision making across the organisation.
- Frequent engagement with regulators and industry bodies to anticipate emerging requirements and ensure timely alignment of internal controls.
- Support capability building through targeted compliance and integrity training, reinforcing staff awareness of regulatory obligations, and ethical expectations.

Outlook

As the business landscape continues to evolve with rapid technological advancements and increasing emphasis on ESG principles, regulatory expectations around governance are expected to strengthen accordingly. This shift will demand heightened oversight and enhanced governance practices across the Group. Organisations will need to move beyond static, policy-based approaches and adopt proactive, data-driven compliance strategies that not only safeguard integrity but also enable sustainable long-term growth. These developments highlight the importance of maintaining resilient compliance practices, strengthening regulatory preparedness, and safeguarding stakeholder trust as PNB continues its growth trajectory.

Risk Appetite Statement

PNB is committed to conduct all business activities with the highest standards of integrity, ensuring full compliance with applicable laws, regulations, and internal policies and procedures. We are equally committed to ensuring that all internal policies and regulatory requirements are consistently adhered to by all business owners across the organisation.

Risk Tolerance Indicator

This is supported by tier-based regulatory indicators and corruption-related investigations to provide a clear view of PNB's overall compliance and integrity posture by assessing adherence to regulatory expectations, effectiveness of ethical conduct controls, and responsiveness to potential misconduct. This enables timely oversight, early detection of emerging issues, and facilitates informed decision-making to strengthen governance, uphold organisational accountability, and reinforce stakeholder confidence.

Map to: Capitals: FC MC SC Stakeholders: S1 S5 S6 S8 S10 S12 Key Market Trends: MT1 MT3 Strategies: SP1 SP3 SP6

Note:

Market, Liquidity, Investment Concentration and Credit Risks are also collectively known as "Investment Risks"

ASNB is dedicated to achieving sustainable and competitive returns for its unitholders through proficient investment management and product innovation.

PNB is committed to fostering long-term sustainable returns to meet its obligations through creating value in strategic areas and proactive stewardship of its strategic investee companies.

Strategic Performance Review

Our LEAP-6 Strategic Plan sets out a clear and defensible roadmap to strengthen our competitiveness in an evolving investment landscape and enhance our long-term organisational resilience.

At its core is a clear ambition to achieve RM400 billion in AUM by 2027, a measure that reflects our ability to drive sustained net inflows, deliver consistent and market-leading returns, and continually strengthen our organisational capabilities. The plan is anchored on six Strategic Pillars, each representing a key lever of transformation. Together, they guide our evolution into a more customer-focused and sales-driven investment company, underpinned by a diversified portfolio, greater operational efficiency, and a stronger institutional focus on sustainability, innovation and knowledge.

Through these focus areas, we are positioning ourselves to remain an investment partner of choice, in line with our Purpose.

"LEAP-6" 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	Responsible	Agile	Visionary	Empowering
We strive to push the boundaries of what is possible.	We take ownership and we do what we say we are going to do.	In a fast-changing world, we never stop moving.	Our foresight and expertise inspire a better future.	We work together, supporting each other to deliver on our shared goals.

CULTURAL BELIEFS

Transforming how we work, driving us toward collective success

Take Charge	Move Faster	Speak Up	Deliver Excellence
I see it, own it, solve it, do it.	I do my job better and efficiently every day.	I voice my views and embrace feedback constructively.	I go beyond for customers and colleagues.

TARGETS

To grow AUM from RM337 billion to RM400 billion

STRATEGIC PILLARS

SP1 **SALES & DISTRIBUTION:** Connect Emotionally, Serve Perfectly	SP2 **INVESTMENT:** Deliver Returns	SP3 **PNB CO. TRANSFORMATION:** Strengthen & Rebalance
SP4 **KNOWLEDGE:** Learn & Grow	SP5 **INNOVATION:** Fail Fast, Learn Faster	SP6 **SUSTAINABILITY:** Deliver Our 10 ESG Commitments

ZERO BREACHES, ZERO TOLERANCE, STRATEGIC FORESIGHT

SP1 SALES & DISTRIBUTION: CONNECT EMOTIONALLY, SERVE PERFECTLY

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

Initiatives	Achievements
Revitalising our sales and distribution channels	Expanded frontline sales capacity and strengthened relationship managers' coverage across priority channels
Improving targeted sales and marketing execution	Strengthened understanding of customer via data and analytics, enabling more focused, insight driven sales and marketing execution
Expanding our insurance and takaful solutions	Expanded protection plan offerings such as ASNB COVR to better address customer insurance and investment needs, establishing foundational capability for bundled solutions
Enhancing our product offerings	Enhanced our product offering through solutions such as ASB Plus, catering to evolving customer preferences and supporting diversified sales propositions
Enhancing bancasssurance (banca) channels	Realigned banca partnerships to strengthen distribution effectiveness and strategic fit with sales and distribution objectives
Strengthening sales incentives	Improved frontline motivation and alignment with sales priorities through a more structured incentive framework

Headline KPIs

- Net fund inflows
- New customer additions
- NPS
- Active myASNB users

Priorities for 2026

- Enhancing product offerings to meet evolving unitholder needs, including more personalised and goal-based solutions
- Strengthening distribution capabilities across banca and digital channels
- Equipping relationship managers with improved digital tools and data insights
- Introducing a new collective *(Khultah)* mechanism for zakat payment

Map to:

Capitals: FC MC HC SRC

Stakeholders: S2 S3

Material Matters: M1 M4 M8

Key Trends: MT1 MT4

Short to Medium Term Priorities/Focus Area

- Optimising coverage model
- Targeted, segment-based initiatives
- Improved customer journey and experience

Long-Term Priorities/Focus Area

- Structural shifts in industry and demographics
- Evolution of customer preferences
- Changing distribution landscape

Strategic Performance Review

SP2 INVESTMENT: DELIVER RETURNS

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 by the funds, within the risk parameters set

Initiatives	Achievements
Rebalancing our portfolio and deploying assets with discipline	Established asset class-level strategic plans, in line with the SAA, to guide disciplined deployment and rebalancing decisions, supporting portfolio resilience
Optimising value creation from our portfolio	Implemented targeted value creation initiatives across selected assets to support sustainable performance
Strengthening investment processes	Strengthened end to end investment processes, including due diligence, risk assessment, and investment monitoring
Diversifying our investments	Continued to diversify our portfolio across asset classes, sectors and geographies, while refining our SAA to include new asset classes such as private credit and real estate credit

Headline KPIs

- Overall fund-level distribution rates and returns
- Asset class yields and total return
- Portfolio progress towards annual targeted dynamic asset allocation and longer-term SAA
- Completion of key value creation and asset enhancement initiatives

Priorities for 2026

- Continuing to rebalance the portfolio in line with SAA targets
- Continuing to judiciously deploy to outsourced mandates across asset classes
- Strengthening end-to-end investment processes for improved decision-making and enhanced risk management

Map to:

Capitals: FC MC SRC

Stakeholders: S2 S4 S6 S7 S10 S12

Key Risks: MR ICR

Material Matters: M1 M12

Short to Medium Term Priorities/Focus Area

- Reaching SAA target allocation
- Improving asset class returns
- Enhancing processes and risk management

Long-Term Priorities/Focus Area

- Portfolio diversification and dynamic rebalancing
- Consistent and sustainable long-term returns
- Structural market shifts across asset classes and regions

SP3 PNB CO. TRANSFORMATION: STRENGTHEN & REBALANCE

Focus Areas

- **Investment Yield Enhancement** – Enhancing the investment yield of our proprietary fund through continued portfolio rebalancing and capital recycling
- **Operational Efficiency** – Optimising PNB's operational efficiency across all areas of the enterprise
- **Strengthening Reserves** – Growing our reserves through continued reinvestment of profits to ensure long-term sustainability

Initiatives	Achievements
Rebalance portfolio towards target SAA	Made progress in shifting towards refined target SAA, including increased allocation towards fixed income
Driving cost efficiency	Judiciously managing cost escalation through comprehensive cost management plans for all major expense drivers
Workforce rejuvenation	Optimised organisational structure and manpower needs across the enterprise to strengthen organisational capabilities and ensure long-term sustainability
Enhancing enterprise technology enablement	Revised Technology Blueprint 2026 – 2028 for enhanced prioritisation of critical enterprise technology initiatives
Consolidation of Ekuinas	Consolidation of Ekuinas under PNB as PNB's domestic direct investment arm, enabling the operation of a 'Bumiputera Relay Race' to preserve continuity of Bumiputera equity ownership

Headline KPIs

- Investment returns for Proprietary Fund
- Cost escalation and efficiency metrics
- Overall net profit

Priorities for 2026

- Continuing our proprietary fund's portfolio rebalancing towards optimal long-term strategic asset allocation, including judicious capital recycling
- Driving prudent cost management and efficiency across the enterprise

Map to:

Capitals: FC HC | Stakeholders: S1 S6 | Key Risks: TCR | Material Matters: M8 M11 | Key Market Trends: MT1 MT5

Short to Medium Term Priorities/Focus Area

- Portfolio rebalancing
- Organisational efficiency
- Cost optimisation

Long-Term Priorities/Focus Area

- Sustainable and consistent asset growth
- Optimised portfolio allocation
- Sustainable cost escalation

Strategic Performance Review

SP4 KNOWLEDGE: LEARN & GROW

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

Initiatives	Achievements
Refreshing the Human Capital Strategic Plan	Established the Human Capital Strategic Plan 2026-2028 to guide enterprise wide capability development, workforce sustainability, and talent readiness
Building role based capabilities and learning pathways	Developed role based capability frameworks and learning pathways to support structured development and succession planning for critical roles
Ensuring culture alignment and behavioural activation	Initiated enterprise wide culture alignment and activation anchored on our Cultural Beliefs to reinforce desired behaviours and ways of working, to achieve our Key Results and Vision
Establishing knowledge networks and professional learning circles	Repositioned the PNB Knowledge Forum as our flagship event for 2025, strengthening our role as a thought leader and convenor of strategic discourse
Publishing research via our think tank PNBRI	Unveiled PNBRI's first flagship research publication (Project PALMA), featuring six key findings and four key recommendations relating to driving sustainability adoption in the industry and supporting the livelihoods of oil palm smallholders

Headline KPIs

- Succession ratios
- Organisational skill level
- Research impact

Priorities for 2026

- Strengthening workforce planning and organisation alignment
- Advancing leadership and capability development
- Enhancing rewards and performance frameworks
- Strengthening culture and employee experience
- Leveraging human capital insights for decision-making

Map to:

Capitals: IC HC SRC

Stakeholders: S1

Material Matters: M8 M11

Key Trends: MT1 MT5

Short to Medium Term Priorities/Focus Area

- Succession planning
- Organisational skills and competencies
- Knowledge management

Long-Term Priorities/Focus Area

- Building a sustainably engaged, dynamic, and highly skilled talent bench
- Navigating impact of AI on the talent ecosystem
- Sustaining steady pipeline of talent from scholarships to leadership

SP5 INNOVATION: FAIL FAST, LEARN FASTER

Focus Areas

- **Customer-Centric Innovation** – Introducing and inculcating the customer-focused Working Backwards methodology among PNB employees through intensive Masterclasses, including end-to-end workshops, customer validation interviews, shark tanks, and incubations
- **Business-Led Innovation Adoption** – 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
- **Process Innovation and Efficiency** – Exploring new ways to optimise internal process efficiency and reduce internal pain points

Initiatives	Achievements
Realigning our innovation programme	Revising the Innovation Framework to align innovation efforts across the organisation with the critical need to address key LEAP-6 priorities
Launching Re:Work for PNB	Developing and supporting innovation initiatives across the enterprise to improve our ways of working, with winning ideas across various areas of operations including procurement and digital documentation
Embedding innovation culture	Embedding innovation in the organisational culture through manifestations of the Cultural Beliefs as well as PNB Innovation Day, Pizza Pivots, and other on-going activations
Building innovation capability	Trained participants across the organisation, including sales frontliners, leaders, and Management Trainees, in the Working Backwards methodology through Innovation Masterclasses

Headline KPIs

- Innovation Masterclass participants
- Innovation/Business Process Reengineering/Re:Work projects

Priorities for 2026

- Advancing enterprise transformation through innovation and process reengineering
- Streamlining core systems and applications to optimise technology architecture
- Accelerating PNB's shift towards the Culture needed to deliver our Key Results through our Cultural Beliefs

Map to:

Capitals: FC MC IC

Stakeholders: S3 S5 S8

Key Risks: TCR

Material Matters: M1 M4 M8 M11

Key Trends: MT1

Short to Medium Term Priorities/Focus Area

- Business Process Reengineering
- Implementation of Technology Blueprint
- Driving cultural shifts

Long-Term Priorities/Focus Area

- Building a truly innovative organisation which is able to navigate key structural shifts in our operating landscape, including the transformative impact of AI
- Embedding innovation into the cultural DNA of the organisation

Strategic Performance Review

SP6 SUSTAINABILITY: DELIVER OUR 10 ESG COMMITMENTS

Focus Areas

- **Environment** – NZE by 2025 (Scope 1 & 2); NZP 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

Initiatives	Achievements
Becoming a NZE by 2025 (Scope 1 and 2)	Scope 1 and 2 emissions successfully reduced, with NZE status achieved for Scope 1 and 2 emissions
Achieving a NZP by 2050	Portfolio emissions continued to be reduced in line with established portfolio-level decarbonisation pathway
Investing RM10 billion in green and transition assets by 2030	Progress continued to be made in investing in green and transition assets
Implementing a living wage across the organisation and encouraging it in investee companies	Living wage fully implemented at PNB, with all strategic companies committed towards living wage
Ensuring 40% leadership positions represented by women leaders	41.5% of leadership positions at PNB are now represented by women leaders
Balancing profitability and social investment	Nearly RM100 million spent on social initiatives, including education, community development, healthcare, environmental sustainability, financial literacy, as well as khairat scheme, zakat and waqaf distributions
Encouraging employee volunteerism	Launched PNB Volunteerism programme for PNB employees, with 11,880 volunteering hours contributed in 2025
Peer recognition and awards	Ranked first in Malaysia and 17th globally by Global SWF in the 2025 Governance, Sustainability and Resilience Scoreboard

Headline KPIs

- NZE status for Scope 1 and 2 emissions
- Reduction in portfolio emissions
- Investment in green and transition assets
- Adoption of Living Wage policy by strategic investee companies
- Percentage of women leadership
- Total annual social spend
- Employee volunteerism hours

Priorities for 2026

- Launching our refreshed PNB Sustainability Framework as the next phase of the evolution of PNB's sustainability commitments
- Further integrating sustainability into enterprise culture and processes
- Continuing to engage with our investee companies on sustainability as part of responsible stewardship

Map to:

Capitals: FC SRC NC

Stakeholders: S2 S4 S6 S7 S9 S11 S12

Material Matters: M1 M5 M12 M15

Key Trends: MT2 MT3

Short to Medium Term Priorities/Focus Area

- Maintaining NZE status for Scope 1 and 2 emissions and gradually reducing selected Scope 3 emissions
- Continuing to gradually reduce portfolio emissions
- Continuing to invest in green and transition assets

Long-Term Priorities/Focus Area

- NZP emissions by 2050
- Social sustainability goals, including creating an inclusive and accessible organisation for persons with disabilities
- Inclusive financial empowerment and purpose-driven social investments

GOVERNANCE

Although not a standalone pillar, governance aspirations set out in LEAP-6 under "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.

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

Initiatives	Achievements
Improving our AML/CFT controls and compliance framework	Three-year Compliance Blueprint approved by the Board Compliance Committee, setting out key targets and initiatives to improve compliance maturity
Improving cybersecurity posture	Continued to make progress on the implementation of PNB's cybersecurity maturity programme, with cyber maturity rating improving to 3.30 in 2025
Enhancing risk management framework	Commenced implementation of the Three-year Risk Management Strategic Plan, with key refinements to Enterprise KRIs and Risk Appetite Statements
Improving internal audit quality and effectiveness	Successful implementation of new internal audit system to enhance overall audit process
Approval for Zakat al-Mustaghallat	Obtained approval from Majlis Kebangsaan Bagi Hal Ehwal Agama Islam Malaysia ("MKI") on the permissibility of Zakat al-Mustaghallat and Khultah, enabling zakat for the fixed-price funds managed by ASNB to be calculated based on the income distribution rather than principal (al-Mustaghallat) and for zakat to be paid collectively (Khultah)

Headline KPIs

- AML/CFT Maturity
- Cyber Maturity Rating
- Risk Maturity Rating

Priorities for 2026

- Refining the PNB Group Enterprise Risk Management Framework
- Improving our cybersecurity posture
- Enhancing compliance review and oversight
- Continuous audits in line with annual audit plan
- Launch of Zakat Khultah

Map to:

Capitals: FC SRC

Stakeholders: S1 S2 S3 S5 S6 S12

Material Matters: M1 M2 M3

Short to Medium Term Priorities/Focus Area

- Overall cybersecurity posture and technology risk management
- Effectiveness of AML/CFT controls
- Implementation of Zakat al-Mustaghallat and Zakat Khultah

Long-Term Priorities/Focus Area

- Evolution of regulatory landscape
- Impact of AI on cybersecurity posture as well as overall governance ecosystem
- Continuing evolution of Maqasid Shariah approach

Progressing Our Digital Transformation Journey

In 2025, our digital transformation journey continued to gain momentum, with a wide range of initiatives spanning internal service excellence, customer-facing innovations, enhanced data analytics and strengthened cyber resilience. Together, these efforts build the digital foundation needed to drive innovation and human capital growth across the organisation, supporting our LEAP-6 goal of achieving RM400 billion in AUM by 2027.

At the centre of these efforts is the refinement of our Technology Blueprint, which has been aligned closely with evolving business priorities and the LEAP-6 plan. The refined blueprint comprises 33 programmes across 10 domains, focusing on strengthening core technology capabilities, enhancing operational efficiency, and enabling scalable digital initiatives across the organisation. Key emphasis areas include technology cost optimisation, expanded data and analytics capabilities, improved cybersecurity and technology risk management, as well as enhancements to customer and agent digital experiences.

The blueprint is supported by our Technology Spend Optimisation Plan, which provides a clear guide to assessing the value of technology investments, enabling us to prioritise initiatives that deliver long-term enterprise growth and strengthen organisational resilience.

Improving Data and Analytics Capabilities

Data analytics plays a central role in enabling more personalised and targeted engagement with existing unitholders and potential future customers.

Over the past year, we continued to leverage our rich data bank to segment customers into specific groups, sub-segments and behavioural profiles. This has enabled us to design more targeted campaigns that drive behavioural change. For instance, our #KitaGenerasiLabur communicates the value of regular investing and the power of compound interest, helping to counter the common behaviour of unitholders making monthly ASNB fund withdrawals to meet their short-term financial needs such as interest servicing.

These segmentation capabilities, and our ability to generate data-driven insights, were further enhanced in 2025 through upgrades to the Enterprise Data Warehouse ("EDW"). The enhanced EDW supports richer analytics and dashboarding capabilities, generating more robust insights that support better decision-making and will enable even more personalised customer propositions and experiences over time.

Enhancing Customer Experience

We continued to strengthen and expand ASNB's digital platforms, with a focus on delivering more seamless, intuitive and responsive customer experiences that support our competitiveness in a rapidly evolving financial landscape.

One of the most significant enhancements was the implementation of Zakat Mustaghallat in myASNB, which introduced the Al-Mustaghallat zakat calculation method for Fixed Price Funds and refined the treatment for Variable Price Funds. In practical terms, this enables zakat computations to be undertaken automatically, removing a key barrier for users who may not have the time or may find manual calculations difficult. The solution therefore strengthens trust and loyalty among our Muslim unitholders while positioning us as a leader in integrating faith-based considerations into our investment offerings.

During the year, we also progressed ASB Gabung, which simplifies fund management for unitholders by enabling unified account handling. At the same time, we continued to drive advancements under the myASNB Digital Roadmap, unlocking enhanced personalisation features, improving platform performance, and elevating the overall digital experience for our customers.

Bolstering Our Cyber Defences

As digital adoption continues to grow, strengthening cyber resilience remains a key priority.

In 2025, we advanced our cybersecurity posture through the successful delivery of Phase 2 of the PNB's cybersecurity maturity programme. This included the deployment of Cloud Access Security Broker ("CASB") solutions to enhance cloud visibility and control, API security measures to safeguard integration touchpoints, Identity Governance and Administration ("IGA") to strengthen access management, and Breach Attack Simulation ("BAS") capabilities to proactively identify vulnerabilities.

Collectively, these enhancements strengthen our ability to detect, respond to and mitigate cyber risks, while reinforcing governance standards across our technology ecosystem.

Strengthening IT Service Excellence

We strengthened IT service excellence during the year, providing a more stable and secure foundation for our teams to deliver digital innovations that support our strategic priorities.

A key milestone was the attainment of ISO/IEC 20000 certification in February 2025, the internationally recognised standard for IT Service Management ("ITSM"). This followed a rigorous assessment of our core service management processes, supported by enhanced documentation, audit readiness initiatives and strengthened process oversight.

These efforts have enabled ITSM standards to be more consistently embedded across teams, establishing a strong foundation for continuous improvement, improved service reliability and sustained service excellence.

Driving System Resiliency and Efficiency

In addition to strengthening IT service capabilities, we also focused on enhancing the resiliency and efficiency of our core systems.

During the year, we successfully migrated our core investment platforms, while maintaining strong operational continuity. Following this, we continued to optimise these systems through fine-tuning, interface enhancements and performance improvements, resulting in better data flows, faster reporting and a more stable and integrated platform for investment operations.

At the same time, we achieved meaningful efficiency gains across the myASNB ecosystem. The migration of the myASNB portal database from on-premise infrastructure to the cloud improved bandwidth performance and system stability, supporting smooth operations during high-traffic periods such as dividend distributions.

This was complemented by the introduction of a Virtual Waiting Room, which enables us to manage customer surges more effectively through a structured and seamless queueing experience, ensuring uninterrupted access to services during peak demand periods.

Outlook

In 2026, we will continue to strengthen both customer-facing capabilities and our internal digital backbone to support long-term resilience, efficiency and innovation.

Customer-Facing Enhancements

We will enhance sales and advisory capabilities through the rollout of the Digital Tablet, equipping relationship managers with richer investment insights to improve customer engagement.

Zakat processing will also be further automated through the implementation of Zakat Khultah across both OTC and myASNB channels, enabling accurate deductions and seamless routing to the appropriate State Zakat Authority.

Internal Enhancements

We will continue to modernise our data architecture through the development of a new EDW, enabling real-time analytics, reducing data silos and improving decision-making across the organisation.

Core corporate systems will be strengthened through the implementation of a new Enterprise Resource Planning ("ERP") system to enhance financial integration, compliance, reporting and overall operational efficiency.

We will also continue to uplift our cybersecurity and technology infrastructure through refreshed systems, enhanced identity governance, cloud-native security and tighter risk controls.

At the same time, we are optimising our cloud strategy, including the adoption of cloud-sovereign architectures and the selective repatriation of workloads to local infrastructure to meet regulatory requirements. In parallel, we will advance AI initiatives to improve productivity and strengthen governance across the organisation.

Message from the Group Chief Human Resource Officer



Norhanifah A. Jalil
Group Chief Human Resource Officer

Building People Advantage for Sustainable Performance

The past two years have been a defining period in PNB's Human Capital journey.

If 2024 was about resetting our foundations – clarifying direction, strengthening governance and introducing our B.R.A.V.E values – then 2025 was about execution with discipline. It was the year we moved decisively from intent to impact, embedding people, leadership, and culture as core drivers of organisational performance and long-term value creation.

> Across the organisation, we focused on a simple but critical question: Are we building the capability, leadership, and culture required to deliver – consistently and sustainably – in an increasingly complex environment?

Reframing Human Capital as a Performance Enabler

The expectations placed on organisations – and on leaders – continue to evolve. Today, performance is no longer determined by structure or strategy alone. It is shaped by the depth of capabilities, the quality of leadership, the discipline of execution, and the culture that guides everyday decisions.

At PNB, this has led to a clear reframing of Human Capital – from a support function to a strategic enabler of business outcomes, transformation and resilience. In 2025, we strengthened this connection by tightening the alignment between our people agenda and enterprise priorities, reinforced through a more disciplined Human Capital scorecard cascading from Group objectives to individual accountability.

Capability Building: From Volume to Precision

A key milestone in 2025 was our shift from broad-based development to a more targeted, skills-driven capability model – focusing on what truly matters to the business.

During the year, we delivered over 220,000 training hours, supported by sustained investment in learning and development. More importantly, we strengthened quality and relevance through structured skills assessments, role-based learning pathways and expanded access to digital platforms.

This approach has given us clearer visibility of our workforce strengths and gaps, enabling more deliberate and data-led decisions on where to build, deepen, or reskill capabilities.

At the same time, targeted frontline programmes – particularly in Sales & Distribution – have strengthened advisory quality and client engagement, recognising their direct link to growth and trust.

Leadership and Succession: Building Confidence for the Future

In an environment of increasing complexity, leadership is no longer defined solely by decision-making authority. It must enable performance, develop others, and sustain momentum through change.

Throughout 2025, we continued to invest in building a strong, future-ready leadership bench. Enhanced development programmes, structured talent assessments, and more rigorous succession planning have strengthened leadership depth across levels.

The results are encouraging. We now have close to full successor coverage for critical roles, with a strong proportion of successors assessed as ready within the near term – providing the organisation with greater confidence in leadership continuity and business resilience. Equally important, we are seeing early shifts towards a more coaching-oriented leadership culture, where leaders take greater ownership of talent development and team effectiveness.

Culture as a Strategic Lever: From Values to Beliefs in Action

One of the most significant milestones in 2025 was the activation of PNB's Culture Beliefs, building on our B.R.A.V.E values.

These beliefs translate our aspirations into clear, everyday behaviours – such as take charge, move fast with urgency, speaking up constructively, and delivering excellence. Importantly, they are not positioned as a standalone cultural initiative. They form part of PNB's broader enterprise transformation, aligned to LEAP-6 and embedded into how we define performance, shape leadership expectations, and reinforce accountability.

We are beginning to see the shift – from culture as a concept, to culture as a lived experience that shapes how work gets done, decisions are made and outcomes are delivered.

Governance, Inclusion and Responsible Practices

Alongside capability and culture, we continue to anchor our progress on strong governance and responsible people practices.

In 2025, this included continued progress towards our women in leadership aspirations, implementation of Living Wage standards, and the integration of governance, risk, and accountability metrics into our Human Capital scorecard. These are not standalone commitments; they are essential foundations for organisational credibility, employee trust, and long-term sustainability.

Beyond PNB, our continued investment in scholarships, internships and graduate programmes reflects our broader role in developing Malaysia's talent ecosystem – contributing to employability, capability building and nation building.

Looking Ahead: The Next Chapter

As we look to the future, our direction is clear. Guided by the Human Capital Strategic Plan 2026–2028, we will continue to focus on building a workforce that is not only capable, but adaptable, resilient, and future-ready. Our priorities include strengthening workforce planning and reskilling, deepening leadership and succession pipelines, enhancing employee experience across key moments that matter, and embedding more data-led decision making across Human Capital.

In an increasingly dynamic environment, our ability to adapt quickly – while remaining anchored to purpose, values, and disciplined execution – will define our success.

Closing

Ultimately, Human Capital is about people – and the conditions we create for them to perform, grow and contribute meaningfully.

As we move forward, we remain committed to building a PNB where our people are empowered to grow, equipped to perform, and aligned by a shared sense of Purpose. In doing so, we are not only preparing for the future – we are shaping it, together.

Group Chief Investment Officer's Review



Hanizan Hood
Group Chief Investment Officer

Dear Valued Stakeholders,

Guided by a clear and disciplined long-term investment philosophy centred around diversification and value creation, we successfully navigated a challenging year, achieving strong performance across our funds while upholding our purpose to uplift the financial lives of Malaysians across generations.

Despite a complex global backdrop marked by macroeconomic uncertainty and geopolitical volatility, our fixed price funds performed strongly, maintaining healthy spreads over the benchmark 12-month fixed deposit rate in Malaysia. In 2025, ASB delivered a dividend of 5.75 sen per unit, sustaining income distribution in line with the previous year. Meanwhile, our variable price funds also recorded encouraging results, with the majority posting positive returns and all funds ranking within the top quartiles of their respective peer groups on a three-year basis.

During the year, we also saw continued growth in both AUM, which rose to RM365.3 billion, bringing us closer to our LEAP-6 goal of RM400 billion by 2027, and UIC, which increased to 294.8 billion. Total income distribution across our funds reached a record high of RM15.3 billion, benefiting 13.1 million unique unitholders nationwide.

Operating Environment

2025 was a year of two distinct halves. The first half of the year was marked by trade tensions following the announcement of planned tariffs to be imposed on imports to the US, triggering a sharp sell-off in global markets. As the year progressed, confidence gradually returned, and 2025 was the first year since the pandemic where all major asset classes delivered positive returns, due in part to the global AI rally.

Emerging market stocks were the best performer, delivering historic returns in 2025, surging by more than 30% in USD terms over the year. Technology-heavy indices in markets like Taiwan and South Korea traded near record highs.

Developed markets ended the year with returns of 21.6%, while commodities returned 15.8%.The rally in risk assets extended to fixed income. Once again, EM led the way, with emerging market debt returning 13.5% followed by Global Investment Grade ("IG").

On the home front, the FBM KLCI delivered a price return of 2.3% during the year, a more subdued performance relative to regional peers. On a more positive note, Malaysia's fixed income market performed solidly with total returns of 5.7%, as the strengthening of the Ringgit contributed to a late-year rebound in market sentiment. Looking forward, steady domestic demand and investor participation augur well for the nation's longer-term investment prospects.

Asset Allocation

Guided by our long-term asset allocation glide path and LEAP-6 Strategic Plan, we stayed the course through the market gyrations in 2025 and continued with our diversification journey towards achieving a balance between income stability and growth. While Malaysian equities remain the anchor of our portfolio, we increased our allocation to global assets to diversify risk and capitalise on opportunities to enhance total returns.

During the year, we refined our SAA Framework to include new sub-asset classes. This led to an increase in our weightings in private credit, infrastructure debt, and real estate credit, each offering consistent income and attractive yield potential, providing a strong counterbalance to the uncertain economic environment. At the same time, we took advantage of periods of market volatility to increase our allocation to fixed income, strengthening the income resilience of our portfolio and enabling us to lock in attractive yields as liquidity conditions improved later in the year.

We also continued to actively manage our direct investments portfolio, realising value from mature assets through disciplined monetisation while driving value creation across our investee companies. The integration of Ekuinas under the PNB umbrella represents a key milestone, not only providing exposure to an organisation with proven capabilities and returns, but also enhancing our ability to support the development of Bumiputera companies across different stages of growth, in line with our mandate.

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Outlook

Geopolitical developments, shifting trade dynamics, and policy recalibration will continue to influence market conditions. Nevertheless, the outlook remains cautiously constructive, supported by improving global liquidity conditions, expanding investment opportunities, and resilient domestic fundamentals.

While Malaysian equities will continue to prominently feature within our diversified multi-asset portfolio, the many crosscurrents in 2025 served as a reminder of the importance of spreading investments across different regions, strategies, and asset classes. We see considerable potential in alternative assets, infrastructure, and real estate to complement our Public Markets exposures. Geopolitics will continue to create moments of uncertainty, and longer term macro shifts such as AI will continue to shape market fundamentals.

We remain focused on disciplined execution. Our priority is clear: to navigate volatility with prudence, capture opportunities with conviction, and deliver sustainable long-term value for our unitholders.

Hanizan Hood
Group Chief Investment Officer

Strategic Asset Allocation

Our Investment Philosophy

Our asset allocation decisions are driven by a value-based investment philosophy that balances various types of investment strategies across different asset classes, from long-term holdings in quality companies with steady recurring yields, to momentum-driven trades that generate capital gains.

In deciding where to allocate capital, we combine a top-down perspective, informed by long-term macro-level views and optimal asset allocation targets, supported by a bottom-up, fundamentals-driven approach to asset selection.

Diversification is an integral aspect of our strategy, where we aim to broaden the asset and geographical mix of our portfolio. This allows us to create well-balanced, resilient portfolios with prudent risk profiles, enhancing our ability to deliver sustainable returns to our unitholders.

Investment Management & Governance

We maintain a robust end-to-end investment process across the planning, implementation, and monitoring stages, supporting effective decision-making and disciplined management of our investments.

All investment recommendations go through a multi-layer governance process that includes robust checks and balances from teams and committees at various levels of authority.





Our SAA Framework

Our investment philosophy underpins the SAA Framework, which provides the foundation for determining ideal long-term capital allocation targets. We develop customised SAA targets for each fund under our management, taking into account risk appetites, return targets, short- and long-term outlooks, including anticipated risk and return levels for investable asset classes, and investment constraints.

Our SAA process is coordinated across PNB, bringing together inputs from business units and external engagements to form a consolidated view of key risk and return drivers. This supports more disciplined evaluation of trade-offs and clearer long-term allocation decisions for each fund.

Despite these detailed practices, we recognise that the complex and volatile global environment that our funds operate in may affect more immediate returns. As such, we supplement our long-term SAA targets with short- and medium-term tactical tilts, achieved through Dynamic Asset Allocation ("DAA") and Tactical Asset Allocation ("TAA") respectively, which allows us the flexibility to make deliberate, temporary shifts within approved asset allocation ranges.

STRATEGIC ASSET ALLOCATION — **LONG-TERM**

Defines the optimal capital allocation to asset classes based on risk-return expectations of each fund.

DYNAMIC ASSET ALLOCATION — **MEDIUM-TERM**

Charts the most balanced path towards achieving SAA targets via yearly capital deployment plans.

TACTICAL ASSET ALLOCATION — **SHORT-TERM**

Enables short-term adjustments to capitalise on short-term opportunities.

ASSET CLASSES

PUBLIC EQUITY	Domestic	Strategic
		Non-Strategic
	International	
FIXED INCOME	Domestic	Government
		Corporate
	International	Government
		Corporate
PRIVATE INVESTMENT	Domestic	Private Equity
	International	Private Equity
		Private Credit
		Infrastructure
REAL ESTATE	Domestic	
	International	
CASH & MONEY MARKET		

Every facet of our investment strategies is founded on robust risk management policies aimed at ensuring that we have adequate liquidity to meet any liabilities and pursue 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.

Strengthening our SAA Framework

Since introducing our SAA Framework in 2017, and through subsequent reviews in 2019, 2022, and 2024, we have remained committed to achieving fund objectives through progressive diversification. In 2025, we undertook a comprehensive reassessment of the framework to further strengthen sustainable wealth creation for our unitholders, drawing on lessons from past market challenges and our diversification journey. This led to key enhancements, including the progressive increase of our global public equity and global fixed income exposures, the introduction of Private Credit as a new asset class within our investment portfolio, refinements to our asset classifications for more efficient investment management, and the prudent build-up of global exposure across our proprietary fund and 18 UTFs, while we continue to balance and support our domestic equity portfolio.

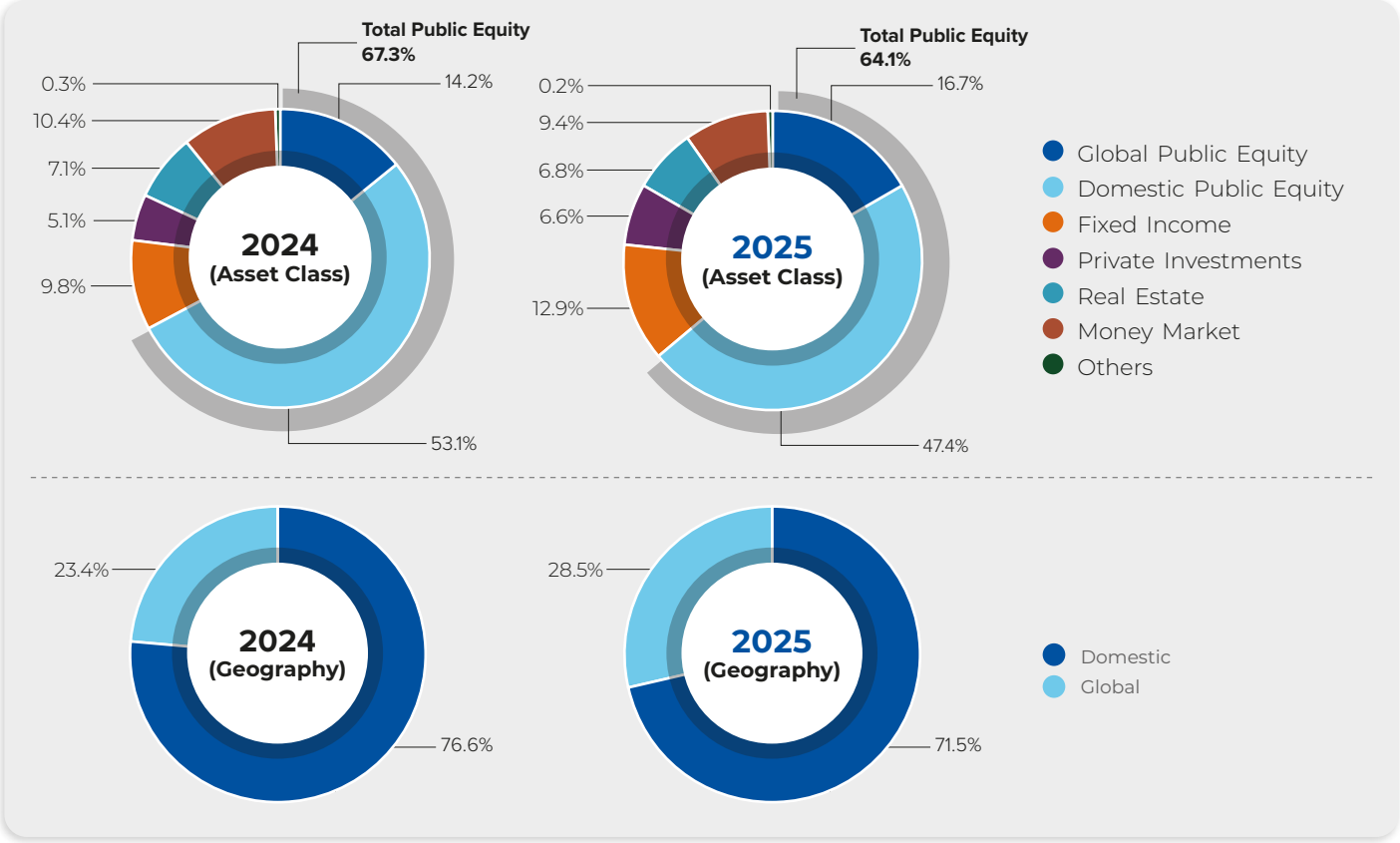
Strategic Asset Allocation

Over the long-term, our ability to uphold our Mandate will depend on how effectively we adapt to an evolving global environment. As a prominent and influential investor, we recognise our responsibility to invest in a responsible and sustainable manner. Hence, we are strengthening the integration of ESG considerations into our investment process to better position our funds to capture new opportunities, realise the benefits of diversification, and maintain an appropriate balance between risk and return. In doing so, we aim to deliver consistent, sustainable returns for our unitholders while creating a positive impact for future generations.

Current Asset Allocation

Our portfolio remains well diversified across individual securities, sectors, and geographies, minimising concentration risk and helping to ensure steady earnings across market cycles. In 2025, we significantly increased our exposure to global public equity and fixed income, while the share of global assets in our overall portfolio mix increased from 23.4% to 28.5%.

PNB Group Asset Allocation by Asset Class & Geography



Group Asset Allocation Breakdown (2025)

Public Equity	64.1%
Fixed Income	12.9%
Private Investment	6.6%
Real Estate	6.8%
Cash & Money Market	9.4%
Unit Trust & Others	0.2%

Strategic Investments

The Strategic Investments team oversees our Strategic and Core Companies, playing a vital role in driving shareholder value and the performance of our investments.

Through rigorous analysis and a proactive management approach, we work to deliver optimal and sustainable returns for our unitholders. We are guided by our Strategic Investments Framework, which outlines clear guiding principles to drive value in investee companies, as well as the PNB Stewardship Framework and Voting Guidelines.

Guiding Principles

Situational-based approach	Focus on delivering sustainable enhanced performance	Efficient and collaborative internal operating model	Best-in-class governance	Value-adding talent pipeline

Guiding Frameworks

Strategic Investments Framework

- Outlines the guiding principles that enable us to create value and drive performance across our Strategic and Core companies
- Enshrines the importance of best-in-class governance, capacity building and other key value enablers

PNB Stewardship Framework and Voting Guidelines

- Provides guidance in stewardship and voting, ensuring our investee companies remain aligned with our values and goals
- Supports the alignment of sustainability-related initiatives with our 10 ESG Commitments, enabled in collaboration with the Investment Stewardship team

Our approach is underpinned by a disciplined and systematic process of analysis, evaluation, and strategic execution. We identify and assess corporate exercises such as mergers and acquisitions, restructuring and rationalisation initiatives with the aim of unlocking value and enhancing long-term returns. In recognising the cyclical nature of markets, we realise value from mature holdings while redeploying capital through dividend reinvestment plans, sukuk, perpetual securities and other instruments. Our measured approach supports timely value realisation while managing risks arising from market volatility, regulatory developments, and broader economic or geopolitical shifts.

By cultivating strong collaborative relationships with Boards, management teams, co-investors, policymakers, and other key stakeholders, we not only safeguard our returns but also foster sustainable value creation across each of the companies we invest in.

Guided by robust governance, prudent stewardship, and disciplined capital deployment, we remain focused on delivering sustainable long-term value for our stakeholders in support of our broader mission.

Initiatives in 2025

A key milestone during the year was our strategic pre-IPO investment in Orkim Berhad, through which we secured a 60% equity stake. Orkim was subsequently listed on the Main Market of Bursa Malaysia in December 2025, with a market capitalisation of RM920 million. The IPO evidenced the effectiveness of the Bumiputera Relay Race initiative, a structured handover model designed to provide promising Bumiputera companies with end-to-end support, from early-stage development under Ekuinas to long-term institutional support and IPO readiness under PNB.

Strategic Investments

We continued to support our Strategic and Core companies through a range of initiatives during the year, including business development, new and additional investments, divestments, capital restructuring, turnarounds, as well as mergers and acquisitions. The dividend income gained from these investee companies remains an important contributor to UTF distribution capacity, supporting competitive and sustainable returns for unitholders.

Additionally, we continued efforts to rebalance our portfolio and diversify across different asset classes, sectors, and geographical markets.

Outlook

As we move forward, our focus will remain on strengthening shareholder value through clearer Board-level expectations aligned with the Government's GEAR-uP agenda to strengthen GLCs and GLICs. We will also maintain a disciplined approach to capital redeployment, alongside initiatives to rebalance the domestic public equity portfolio under our LEAP-6 strategic plan.

Our Strategic Companies

Malayan Banking Berhad

Maybank was established in 1960 and today is the largest company by market capitalisation on the Malaysian Stock Exchange (Bursa Malaysia). It is recognised among the top 500 companies in the Forbes Global 2000 list and was named one of TIME's World's Best Companies in 2025, ranking second in the Asia-Pacific Best Companies.

Maybank Group offers 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 its mission of 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.

Maybank

Shareholdings

41.4%

Market Capitalisation

RM126,610 million

Revenue

RM66,369 million

PATAMI

RM10,514 million

Sime Darby Berhad

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.

Shareholdings

44.0%

Market Capitalisation

RM14,654 million

Revenue

RM70,061 million

PATAMI

RM2,061 million

Sime Industrial, one of the world's largest Caterpillar dealers, partners with Caterpillar and other world-leading industrial brands to deliver new and used heavy equipment, power systems, rental services, product support, and integrated solutions. 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 across ten markets and is actively involved in all facets of the automotive business from importation and assembly to distribution, retail of new and pre-owned cars, aftersales support and rental services. Sime Motors has built an extensive dealership network and maintains long-standing partnerships with many of the world's leading automotive, and commercial vehicle brands. Its portfolio spans luxury marques such as BMW, Porsche, Rolls-Royce, Jaguar, Land Rover, and Volvo to electric vehicle ("EV") specialists such as BYD, XPENG, and Polestar, as well as mass market brands such as Hyundai, Kia, 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 a strategic partner to Toyota and holds an important stake in Perodua, Malaysia's best-selling national car.

Strategic Investments

SD Guthrie Berhad

SD Guthrie Berhad ("Guthrie") is one of the largest palm oil companies in the world and a global leader in Certified Sustainable Palm Oil ("CSPO") production. It employs over 80,000 people who serve the needs of consumers and brands in more than 80 countries. All its palm oil is fully traceable and deforestation-free.

Today, the 200-year-old Guthrie operates 234 plantation estates in Malaysia, Indonesia, Papua New Guinea, and Solomon Islands, supported by 11 refineries with a combined annual capacity of four million metric tonnes. It produces 12% of the world's CSPO and sells a diverse range of palm oil derivatives, including oleochemicals, biodiesel, and nutraceuticals.

A leader in innovation, Guthrie develops technology-driven solutions for the palm oil and agri-business sector. In Malaysia, Guthrie focuses on advanced mechanisation, automation, and digitalisation for operational efficiency. In Indonesia, through Minamas Plantation, it prioritises replanting programmes to drive higher yields and long-term productivity. In Papua New Guinea and Solomon Islands, Guthrie operates through New Britain Palm Oil with a diverse agriculture business that includes smallholder palm oil, cattle, and sugar. Across its downstream operations, it is committed to integrating its supply chain to deliver fully traceable, deforestation-free palm products, meeting global standards and customer expectations.

SD Guthrie

Shareholdings

51.4%

Market Capitalisation

RM39,627 million

Revenue

RM20,895 million

PATAMI

RM2,503 million

As the world's first palm oil company with net-zero greenhouse gas emissions reduction targets approved by the Science Based Targets initiative ("SBTi"), Guthrie pushes boundaries with its enhanced sustainability framework, "Beyond Zero", driving meaningful change in the sector. In 2025, Guthrie came in first place in the annual SPOTT palm oil assessment rankings, developed by the Zoological Society of London. Scoring an outstanding 97.5% in the assessment, this remarkable accomplishment reflects years of dedicated effort, transparency, and commitment to responsible palm oil production.

In Malaysia, Guthrie has expanded into a new vertical in industrial development, which involves high-performance industrial parks and renewable energy solutions, drawing on its sustainability leadership to expand its horizons and create a future-ready company.

Sime Darby Property Berhad

Sime Darby Property Berhad ("Sime Darby Property") is Malaysia's leading property developer with over 50 years of excellence in developing 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 26 active townships and developments, with extensive operations and assets across Malaysia spanning residential, commercial, industrial, and integrated high-rise projects.

As it transitions into a real estate company with a diversified portfolio, Sime Darby Property is focused on expanding its recurring income across multiple asset classes under the Investment & Asset Management segment. Propelling its recurring income portfolio, it is the first public-listed property developer in Malaysia to venture into the creation of development funds in the industrial and logistics sector. Sime Darby Property has also broadened its asset base to include hyperscale data centres, reflecting its commitment to diversifying income streams and capitalising on the growing demand for institutional-grade digital infrastructure and AI. Its first hyperscale data centre is targeted for completion in 2026, with a second facility expected by end-2027, further strengthening its recurring income base.

Shareholdings

47.2%

Market Capitalisation

RM9,453 million

Revenue

RM4,184 million

PATAMI

RM518 million

Sime Darby Property wholly owns and operates three retail assets, namely KL East Mall, Elmina Lakeside Mall, and the recently opened KLGCC Mall, each anchored within its master-planned townships and showing encouraging traction. Across the retail, commercial and industrial & logistics segments, Sime Darby Property currently manages over seven million sq. ft. of net lettable area.

In the leisure segment, Sime Darby Property owns and manages the regionally renowned Kuala Lumpur Golf & Country Club, a multi-award-winning premier lifestyle and sporting destination, which hosts the prestigious LPGA-sanctioned Maybank Championship. Internationally, Sime Darby Property is part of the consortium that successfully rejuvenated the iconic Battersea Power Station in Central London and has recently expanded to Melbourne, Australia, as part of its geographical diversification strategy.

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").

Sime Darby Property's dedication to excellence has been recognised through numerous industry accolades. In 2025, it was named Malaysia's number one property developer at The Edge Malaysia's Top Property Developers Awards 2025 for the second consecutive year. Other notable recognitions include wins at FIABCI Malaysia Property Awards, The Edge Billion Ringgit Club, Putra Brand Awards, The Edge Malaysia Best Managed & Sustainable Award 2025, and All-Stars recognition at the StarProperty Real Estate Developer Awards 2025.

Sime Darby Property continues to shape Malaysia's real estate landscape, serving as a value multiplier for people, businesses, economies and the planet.

Strategic Investments

S P Setia Berhad

S P Setia Berhad ("S P Setia") is a leading integrated real estate player with an established presence in Malaysia, United Kingdom, Australia, Vietnam, and China.

Established in 1974, S P Setia's core property development portfolio encompasses master-planned townships, eco-themed developments, integrated mixed-use projects, niche developments, and strategic expansion into industrial parks across the region. Complementing this, its investment property portfolio comprises a diverse range of assets, including office spaces, retail complexes, educational institutions, hotels, and convention centres.

S P Setia has clinched the prestigious No. 1 ranking in The Edge Malaysia Top Property Developers Awards an extraordinary 14 times and is a 19-time recipient of the globally acclaimed FIABCI World Prix d'Excellence World Gold Award.

Setia

Shareholdings

49.4%

Market Capitalisation

RM3,652 million

Revenue

RM4,218 million

PATAMI

RM510 million

Velesto Energy Berhad

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

Velesto owns and operates six premium 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 Energy Academy ("VAD"), Velesto actively supports the development of skilled drilling professionals, contributing to Malaysia's human capital growth. Notably, the Velesto onshore rig at INSTEP is utilised by Universiti Teknologi PETRONAS students and industry professionals, providing exposure to real operating environments.

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

VELESTO energy

Shareholdings

51.6%

Market Capitalisation

RM2,259 million

Revenue

RM893 million

PATAMI

RM202 million

Duopharma Biotech Berhad

Duopharma Biotech traces its origins to the establishment of Duopharma (M) Sdn Bhd in 1978. Incorporated in 2000, Duopharma Biotech has since grown to become the leading pharmaceutical company listed on the Main Market of Bursa Malaysia Berhad, as well as a pioneer in the halal pharmaceutical space.

Duopharma Biotech has core competencies in the pharmaceutical industry, including research and development, manufacturing, marketing, and the commercialisation 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 of Duopharma Biotech's commercialised biosimilar brands.

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

DUOPHARMA

Shareholdings

50.9%

Market Capitalisation

RM1,202 million

Revenue

RM932 million

PATAMI

RM87 million

MNRB Holdings Berhad

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).

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

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

MNRB

Shareholdings

53.9%

Market Capitalisation

RM1,629 million

Revenue

RM3,579 million

PATAMI

RM394 million

Strategic Investments

Orkim Berhad

Orkim Berhad ("Orkim") is a Malaysian marine transportation company operating an owner-operator of vessels, specialising in the transportation of Clean Petroleum Products ("CPP") and Liquefied Petroleum Gas ("LPG") across Malaysia's coastal waters and selected Asian routes, providing critical marine logistics services integral to Malaysia's national energy supply chain.

Orkim traces its origins to a shipbroking business established in 2007 and has since evolved into a leading domestic owner-operator of CPP and LPG tankers. In July 2025, Orkim became a public limited company and was officially listed on the Main Market of Bursa Malaysia Securities Berhad on 9 December 2025 with a market capitalisation of RM920.0 million, marking a key milestone in its corporate development.

Orkim operates a fleet of 18 Malaysian-flagged vessels, comprising 15 CPP tankers (including one Medium-Range CPP tanker), one Medium-Range chemical/petroleum tanker and two LPG tankers, serving major oil and gas clients. Its services encompass vessel chartering and shipbroking across coastal routes within Malaysia and selected regional routes in Asia, tailored to client requirements and supported by 388 seafarers and 67 shore-based employees. Its fleet is set to expand with two newbuild CPP tankers which are currently under construction and scheduled for delivery in 2027.

Orkim commands a leading position, representing approximately 59% (16 out of the 27) of the registered chemical/petroleum tankers in Malaysia. This scale, combined with its relatively young fleet averaging 12 years, shallow-draft and medium-range tankers, enables operational flexibility, broader port access, high-volume transport, and scalability.

ORKIM

Shareholdings

60.2%

Market Capitalisation

RM1,010 million

Revenue

RM310 million

PATAMI

RM76 million

Vantris Energy Berhad

Vantris Energy Berhad ("Vantris Energy"), formerly known as Sapura Energy Berhad, is a global integrated energy services and solutions provider operating across the entire upstream value chain. Vantris Energy's spectrum of capabilities covers development, production, rejuvenation, decommissioning, and abandonment. With a highly skilled and technically capable workforce, strategic world-class assets, and strong project management capabilities, Vantris Energy today delivers its integrated solutions and expertise in over 20 countries.

Vantris Energy is also proud to serve the energy ecosystem here in Malaysia and in other countries where it operates. Over the years, it has worked to sustain and strengthen the Malaysian oil and gas sector by building strong partnerships with local vendors and businesses, developing high-calibre technical talent within our workforce, and providing vocational education and work opportunities for Malaysian youth.

VANTRIS ENERGY

Shareholdings

21.0%

Market Capitalisation

RM869 million

Revenue

RM3,744 million

PATAMI

RM3,722 million

Selected Core Companies[1]

axiata	TENAGA NASIONAL Better. Brighter.	IJM	MBSB
18.3%	**13.3%**	**14.8%**	**12.8%**
Axiata Group Berhad	**Tenaga Nasional Berhad**	**IJM Corporation Berhad**	**MBSB Berhad**

[1] Selected based on >10% PNB Group aggregate shareholdings
[2] Shareholdings as at 31 December 2025

Public Equity

Aside from investments in our Strategic and Core Companies, we are also a significant investor in the Malaysian capital market, holding diversified public equity holdings across various sectors. Through our trading activities, including open market trades and block crossings, we play a substantial role in the annual turnover of Malaysia's domestic bourse. We are also actively involved in IPOs, participating in primary issuances of major IPOs, as well as nurturing promising companies through the Bumiputera Relay Race initiative together with Ekuinas.

Additionally, we invest in global public equity to diversify our holdings and improve investment returns. Our international investments span a wide range of sectors in both developed and emerging markets across Asia-Pacific, Europe and North America, with portfolio selection guided by our benchmarks and Shariah considerations. We are also an active participant in global primary markets, supported by a dedicated team focused on identifying potential primary opportunities, including key global IPOs. Beyond single-counter investments, we invest actively in a range of global exchange-traded funds ("ETFs") to gain targeted exposure to specific markets, regions, and sectors.

Guided by our SAA Framework, we manage public equities as an important source of long-term growth and income, balancing strong domestic convictions with selective global diversification.

Public Equity Market Review

Domestic Public Equity

Malaysia's equity market remained resilient in 2025 despite heightened volatility and global uncertainties, with the FBM KLCI delivering a 2.3% price return. The first half of the year was weighed down by external headwinds, particularly the US reciprocal tariff and geopolitical tensions. Sentiment improved in the second half, however, supported by the Ringgit's appreciation against the US Dollar, supportive government policies, and stronger domestic consumption. Despite the unsettled external environment, corporate earnings remained stable and resilient.

Against this backdrop, foreign outflows accelerated to RM22.3 billion, up sharply from RM4.2 billion in 2024. This was the second-largest foreign outflow recorded over the past 16 years, after the RM24.5 billion outflow seen in 2020 during the COVID-19 pandemic. As a result, foreign shareholding declined by 0.7 percentage points to 19.0% at end-2025 from 19.7% a year earlier. Even so, local institutional investors remained net buyers, providing an important source of support to the domestic equity market with net inflows of RM20.9 billion. While elevated foreign outflows left the KLCI trailing regional peers for much of the year, the late-year recovery highlighted strengthening domestic fundamentals and stabilising sentiment.

At the sector level, Plantations was the best performer, supported by Indonesia's rollout of the B50 biodiesel blending mandate as well as land monetisation plans among plantation companies. Real Estate Investment Trusts ("REITs") ranked second, benefiting from investor preference for safe-haven assets amid persistent uncertainties and from the 25-basis-point cut in the Overnight Policy Rate ("OPR") to 2.75% in July 2025

Global Public Equity

Global public equities extended their positive momentum in 2025, with the MSCI World Islamic Index ("MIWD") delivering a total return of 20.1%. As on Malaysia's domestic market, it was effectively a year of two halves, as the relentless expansion of the AI supercycle unfolded alongside heightened geopolitical friction, shifting domestic policy settings, a more protectionist trade environment, and evolving central bank mandates. Even amid this complexity, market leadership remained concentrated around the AI hardware and infrastructure theme, which continued to anchor investor sentiment.

Consequently, the South Korean market was a top performer in 2025, posting AI hardware-driven gains of 79.2% due to its dominant position in semiconductor memory manufacturing. Korean memory chip makers such as SK Hynix further strengthened their position in the high-bandwidth memory ("HBM") market, while Samsung Electronics staged a major turnaround on record DRAM sales, helping lift South Korea's total exports to a historic high of more than USD700 billion.

In contrast, the US navigated a volatile year, shaped by "America First" trade policies and a temporary loss of momentum caused by a 43-day government shutdown in late 2025, which delayed critical data releases. Nonetheless, the Federal Reserve moved into a risk-management cycle, lowering the federal funds rate to 3.50%-3.75% by December, while continued demand for AI infrastructure underpinned a swift market rebound, with the S&P 500 ending the year up 17.3%.

Across broader Asia, Hong Kong, China and Taiwan also recorded strong performances, supported by the convergence of the AI cycle and domestic policy breakthroughs. Taiwan retained its position as the global semiconductor linchpin, with Taiwan Semiconductor Manufacturing Company ("TSMC") capturing a record 70.2% foundry market share. China and Hong Kong, meanwhile, mounted a strong recovery, with the Hang Seng Index surging 28% on the back of record southbound capital flows and strong thematic interest in AI, robotics and energy transition. Japan also saw a notable shift following the election of Sanae Takaichi as Prime Minister, as her expansionary fiscal agenda improved exporter sentiment and helped the Nikkei remain resilient despite ongoing currency volatility.

Another highlight of the year were equities in emerging markets, which led returns globally, supported by strengthening fundamentals and renewed capital flows. Participation widened across both growth and value strategies, signalling healthier market breadth beyond a narrow group of leaders.

External Management of Global Public Equity

Our external managers play a meaningful role in supporting our overall fund objectives by enhancing diversification and strengthening portfolio resilience, in line with our external fund management programme. Against the backdrop of increasingly diverse regional market dynamics, our outsourced global public equity mandate focuses on delivering sustainable capital growth and income for PNB and our UTFs.

Within this framework, outsourced mandates accounted for approximately 12.0% of our global public equity exposure in 2025, with nine external fund managers overseeing four differentiated strategies. Consistent with our active portfolio management framework, we remain proactive in assessing new strategies and manager capabilities to capture evolving market opportunities, while preserving capital and generating sustainable income in line with our long-term investment objectives.

Allocation Split



Public Equity

Outlook

Domestic Public Equity

The outlook for Malaysia's domestic equity market in 2026 is expected to remain supported by strong private consumption, underpinned by a firm labour market and supportive government initiatives, including Phase 2 of the civil service wage hike, cash handouts and the Visit Malaysia 2026 campaign. Malaysia is also expected to continue attracting investments, driven by the China +N strategy, data centre and AI spillover effects, as well as domestic infrastructure projects. In addition, expectations of a stronger Ringgit and the "safe haven" effect may help draw foreign investors back into the domestic equity market.

With a significant portion of our AUM anchored in domestic public equities, we remain confident in the country's medium- to long-term prospects, supported by policy continuity, structural reforms and steady domestic demand. In line with this, we remain selective in deploying capital, focusing on market leaders across sectors and market capitalisations in line with our fundamentals-driven investment philosophy and SAA Framework. This prudent approach supports a well-diversified portfolio that balances consistent dividend income with sustainable capital appreciation.

Global Public Equity

On the international front, global public equities are also expected to remain resilient, supported by the continuation of the AI cycle and further monetary easing. Despite this, the US market may experience intermittent volatility arising from the November midterm elections and persistent geopolitical tensions, including the situation in Venezuela and Iran. By contrast, Asian markets such as South Korea, Taiwan, and China appear better positioned to outperform, supported by a more stable political backdrop and direct exposure to the structural memory undersupply that continues to benefit players such as SK Hynix and Samsung.

As the AI investment theme broadens beyond the "Magnificent Seven", our active strategy remains focused on broadening exposure to high-quality companies across regions and sectors, while retaining confidence in long-term structural growth themes and navigating regional policy shifts and structural supply constraints. Nevertheless, we continue to manage concentration risk through diversification across individual securities, sectors and geographies, supported by periodic portfolio rebalancing to trim overweight positions where necessary.

Fixed Income

Alongside public equities, fixed income forms an important pillar of our diversified multi-asset portfolio. Our fixed income exposure comprises government and corporate bonds, which contribute steadier income streams, allowing us flexibility in capital deployment in line with our diversification and risk-return objectives.

Our investment in Malaysian fixed income instruments is guided by our domestic Fixed Income Framework, which comprises both sovereign (Malaysian Government Securities ("MGS") and Government Investment Issues ("GII")) and corporate bonds spread across various structures, sectors, ratings, and maturities. We also participate in auctions for MGS, GII, and primary corporate issuances, while also trading government and corporate bonds on the secondary market.

Besides the domestic market, we also strategically invest in global fixed income to diversify and implement tactical shifts and yield strategies. Guided by our Global Fixed Income Framework, our international portfolio encompasses sovereign and corporate bonds in various regions, especially focusing on developed market sovereigns due to market depth and liquidity. We also invest in selected fixed income ETFs as part of our global fixed income portfolio.

Given the foreign currency exposure arising from these investments, portfolio implementation is complemented by a disciplined hedging approach under our Foreign Exchange Risk Management and Hedging Framework. A dedicated Hedging Desk, sitting within the fixed income team works closely with our asset class managers for any required hedging positions. For this, we use Shariah-compliant derivative instruments that are executed through approved intermediaries from a selected panel.

Fixed Income Market Review

Domestic Fixed Income

Malaysia's domestic fixed income market delivered a strong and resilient performance in 2025, supported by accommodative monetary policy, improving macroeconomic fundamentals and sustained investor demand. A key catalyst came in July 2025, when BNM made a notable pre-emptive move by cutting the OPR by 25 bps to 2.75%, signalling confidence in the inflation outlook and the broader stability of the economy. This policy action helped trigger a broad-based rally across the Malaysian bond market.

Under these circumstances, government bond yields trended lower over the course of the year. The 10-year MGS yield declined from 3.82% at end-2024 to 3.50% by end-2025, trading within a range of 3.36% to 3.84%, with the 3.36% level marking its lowest point since 2021. The rally was supported by several factors, including the OPR cut, strong institutional and foreign demand, reduced net issuance and the Government's continued fiscal discipline. Foreign investors were net buyers of MGS and GII, recording inflows of RM23.0 billion, reflecting renewed confidence in Malaysia's macroeconomic stability and currency prospects.

The yield curve also steepened during the year, driven by a sharper decline in front- and belly-tenor yields following the OPR cut, while long-end yields eased more modestly due to embedded term premium, duration supply and longer-term fiscal considerations. Although the market experienced a mild correction towards the end of the year, yields still closed near the lower end of their trading ranges, pointing to a constructive outlook for domestic bonds heading into 2026, even as markets anticipate a prolonged pause in BNM's policy stance.

Fixed Income

These supportive conditions translated into strong market returns. The Bond Pricing Agency Malaysia ("BPAM") All Bond Index delivered a total return of 5.65% in 2025, exceeding 2024's return of 4.33%. Trading volumes and demand for government bonds in the secondary market also improved significantly, rising by more than 54% year-on-year, while our domestic fixed income trade value increased by 230% year-on-year, reflecting the growing strategic importance of fixed income within our investment framework.

Corporate bond markets remained similarly well supported throughout the year. Demand for high-quality corporate bonds rated AA3 and above continued to outstrip supply, resulting in tight credit spreads and frequent oversubscriptions in the primary market. Issuers benefited from favourable funding conditions, while investors stayed selective, favouring strong balance sheets and defensive sectors amid heightened global uncertainties earlier in the year. The positive performance of domestic bonds was further reinforced by the ringgit's 9.24% appreciation against the US Dollar by year-end, underpinned by improving macroeconomic fundamentals and renewed interest in domestic bonds, which also enhanced foreign investors' returns in US Dollar terms.

As a major proportion of our fixed income AUM is anchored in domestic fixed income, we allocate strategically across government securities and high-quality corporate bonds across maturities and sectors, guided by our fundamental credit and duration assessments in line with our Fixed Income Framework and SAA Framework. This disciplined approach is designed to deliver stable income, preserve capital and strengthen portfolio resilience across market cycles.

Global Fixed Income

Compared with Malaysian bonds, global fixed income markets delivered a challenging but differentiated performance in 2025, shaped by shifting monetary policy expectations, geopolitical developments, and periodic risk events. The year unfolded in two distinct phases. In the first four months, markets were unsettled by renewed trade tensions and tariff announcements from the Trump administration, which triggered a sharp sell-off in risk assets and a temporary flight to safe havens. From May, however, sentiment improved markedly as tariff negotiations helped reduce trade barriers and central banks across developed markets adopted a more accommodative stance.

In this context, the US monetary cycle remained a key market driver. The Federal Reserve cut interest rates three times, for a total of 75 bps, bringing the federal funds rate to 3.50%-3.75% by year-end in response to easing inflation and a moderating labour market. Even so, long-term US Treasury yields remained relatively range-bound due to persistent fiscal concerns and elevated issuance. The 10-year US Treasury yield traded between 3.95% and 4.79% during the year, ending 2025 at 4.18%, which contributed to a steeper yield curve. As a result, the Bloomberg Global Aggregate Index recorded a negative total return of 8.17% in US Dollar terms for 2025.

On the other hand, credit markets proved more resilient than sovereign bonds, supported by strong corporate earnings, manageable refinancing risks, and stable default expectations. Tightening investment-grade credit spreads lifted returns for the Bloomberg Global Aggregate Corporate Index, which delivered 10.30% for the year, underpinned by expectations of sustained growth, manageable refinancing risks, and stable default rates. Similar to the strength seen in EM equities, EM debt also emerged as one of the top-performing fixed income segments in 2025, supported by improving fundamentals and a more constructive global liquidity environment.

Currency movements also played a critical role in shaping returns. The US Dollar weakened notably in 2025, reversing its strong appreciation in 2024, with the DXY Index declining by 8.10% over the year. At the same time, the Euro and British Pound Sterling strengthened meaningfully on improving regional outlooks and narrowing interest rate differentials, while several Asian currencies, including the Malaysian Ringgit and Chinese Renminbi also appreciated against the US Dollar. This currency backdrop enhanced unhedged returns for non-USD fixed income exposures.

From a portfolio perspective, the global fixed income environment in 2025 favoured selective duration positioning and exposure to high-quality credit. Selected sovereign bonds offered capital appreciation opportunities, while elevated yields and tighter credit spreads continued to provide steady income and portfolio stability despite ongoing fiscal and policy uncertainties.

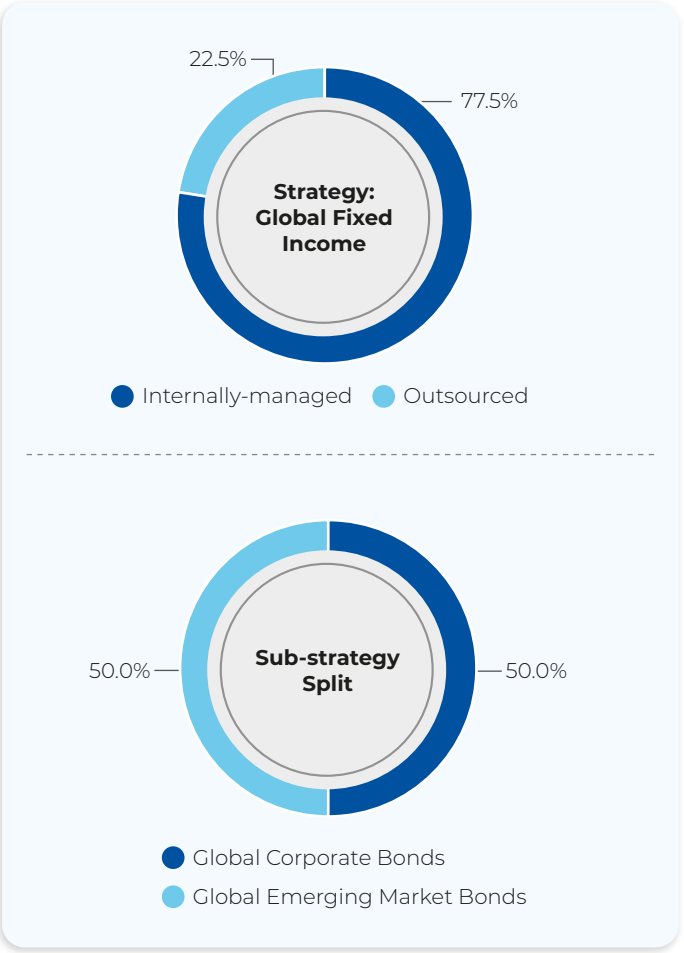
Against this backdrop, we took advantage of the elevated global bond yield environment by increasing allocations to global fixed income assets. This proved timely, as elevated yields allowed us to lock in attractive income levels while strengthening portfolio stability. As credit spreads tightened and liquidity conditions improved over the year, fixed income provided both income support and diversification benefits to the broader portfolio. Our investment focus also broadened to include higher allocations to high-quality corporate bonds in the US and selected emerging markets, allowing us to capture attractive yield differentials while strengthening the resilience of fixed income allocations within our UTFs.

External Management of Global Fixed Income

As part of our external fund management programme, we established an outsourced global fixed income mandate in 2025 alongside our outsourced global public equity mandate. Currently, this represents approximately 22.5% of total global fixed income exposure, with six external fund managers appointed across global corporate bonds and emerging market bonds.

These external managers complement internal capabilities, strengthen diversification, and bring specialised expertise across our global fixed income investment teams. Their mandate is to deliver sustainable income for PNB and our UTFs, as part of our broader strategic initiative to increase overall exposure to the fixed income asset class.

Allocation Split



Outlook

Looking ahead to 2026, Malaysia's domestic bond market remains well positioned, backed by strong fundamentals, disciplined fiscal management, and a stable policy environment. These strengths continue to reinforce its role as a core fixed income allocation for us.

Meanwhile, global fixed income markets are expected to remain supported by further monetary easing, particularly in the US, and continue to appear attractive from an income perspective. At the same time, EM yields remain compelling relative to developed markets, underpinned by solid macroeconomic fundamentals and resilient corporate balance sheets, supporting selective diversification across global fixed income.

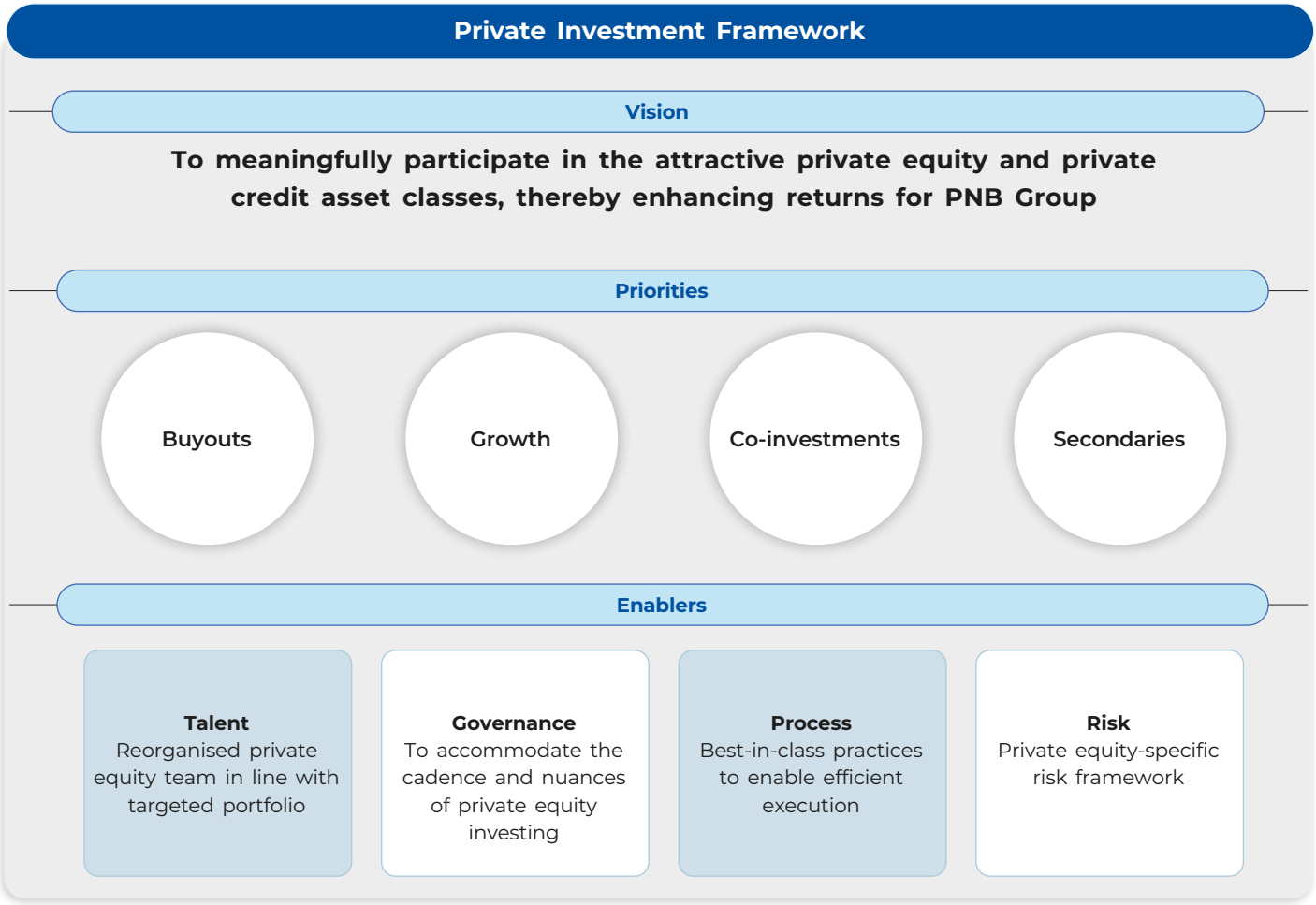
Private Markets

Since our establishment, we have been investing in the private sector, with these investments playing an important role in enhancing portfolio diversification and strengthening long-term returns for our unitholders.

Our private markets investments span three sub-asset classes: private equity ("PE"), infrastructure and private credit. PE focuses on investing in unlisted companies across various stages of growth; infrastructure investments target assets that provide stable and long-term income streams; while private credit involves lending to stable and established companies to drive returns.

These investments are governed by two investment frameworks. The Private Investment Framework ("PIF") guides our approach to private equity and private credit investments, covering both global fund and direct investments, while the Infrastructure Investment Framework ("IIF") governs our infrastructure investments.

Under the PIF, investments are undertaken through a combination of direct investments, co-investments alongside established private equity fund managers, and commitments to global private equity funds. This approach provides us with access to a wide range of opportunities, in addition to the expertise and extensive networks of leading global fund managers.



Since our initial deployment under the PIF in 2019, we have expanded our commitments across more than 40 primary funds and separately managed accounts ("SMAs"), as well as close to 20 direct and co-investments. This broader deployment strategy has strengthened diversification across geographies, vintages, and private equity strategies. It has also enabled us to build exposure across a range of investment approaches, including buyouts, growth, secondaries, and co-investments.

At the same time, following the operationalisation of the Private Credit Investment Framework under the PIF, together with the Commodity Murabahah structure, we undertook our maiden deployments into two private credit funds.

Private Equity	Private Credit		
Accelerate Returns	**Ramp Up Allocation**	**Explore Multi-Credit Strategies**	**Develop Talent**
• Proactively manage portfolio to accelerate distributions • Explore portfolio rebalancing opportunities	Include more funds into upcoming pipeline	Enable flexible allocation across public and private credit	Knowledge transfer and development talent for direct/co-invest in private credit

Direct Investments

Our direct investments strategy focuses on identifying and pursuing opportunities with strong value creation potential, primarily through co-investments alongside established private equity fund managers in both domestic and international markets. This is complemented by active monitoring and targeted value enhancement initiatives across selected portfolio companies where we hold either controlling or minority stakes, which include:

Selected Controlled Investments	Selected Minority Investments
• Ekuiti Nasional Berhad & Ekuinas Capital Sdn Bhd (collectively Ekuinas) • Projek Lintasan Kota Sdn Bhd ("PROLINTAS")	• Ansell N.P. Sdn Bhd • Aspac Lubricants (Malaysia) Sdn Bhd • BOH Plantations Sdn Bhd • Carsem (M) Sdn Bhd • Lam Soon (M) Berhad • Perusahaan Otomobil Kedua Sdn Bhd ("Perodua")

In 2025, we continued to realise value through the monetisation of mature investments while advancing ongoing value creation efforts across our investee companies to strengthen operational performance and support long-term outcomes.

A key milestone during the year was the successful integration of Ekuinas under the PNB umbrella. Moving forward, Ekuinas will spearhead our domestic private capital investment initiatives, focusing on supporting pre-IPO Bumiputera companies, complementing our role in supporting companies post-listing. Together, this creates an end-to-end ecosystem to support Bumiputera companies across their growth journey, in line with national development objectives.

Private Markets

Global Fund Investments

Alongside our direct investments, we work closely with selected global private equity fund managers, providing us with enhanced exposure to global markets, a more diversified underlying portfolio, and a range of specialised skills and management expertise to enhance investment sourcing and decision-making.

Our funds are selected through a rigorous evaluation process, as detailed below.

Private Equity and Private Credit Fund Selection Criteria

Fit with PNB's Strategy	Track Record	Team Capabilities	Governance and Alignment of Interest
• Fund type • Geography • Sector	Excellent track record with emphasis on: • Prior fund's top quartile performances • Outsized net returns and distributions • Relatively low loss rates	Stable team with strong capabilities, including: • Deal sourcing • Value creation • Realisation and track record	Strong alignment of interest in terms of: • Meaningful capital commitment by the manager • Robust governance • Competitive fee structures

Amidst global macroeconomic uncertainties, including persistently high interest rates, geopolitical tensions, and subdued IPO and M&A markets, exit activity slowed across global private equity markets in 2025. In response, we shifted our focus towards yield-oriented strategies to support overall portfolio returns.

In parallel, following the operationalisation of our Private Credit Investment Framework under the PIF, together with the Commodity Murabahah structure, we made our maiden deployments into two private credit funds. These investments further supported portfolio yield and diversification amidst the challenging macro environment.

Infrastructure Investments

The IIF guides our approach to global infrastructure investments, with a focus on delivering attractive risk-adjusted returns through early, consistent and predictable cash yield distributions while maintaining a prudent risk profile.

VISION

To diversify into the attractive Infrastructure asset class, thereby enhancing long-term risk-adjusted returns while providing stable cash yield

PRIORITIES

Investment Strategy	**Core/Core+**	**Value-Add**	**Opportunistic**	
Geography	**Domestic**	**North America**	**Europe**	**Asia & RoW**
Vehicle Strategy	**Direct/Co-Investment**	**Open Ended**	**Closed End**	

ENABLERS

Governance	**Talent**	**Processes**	**System**
Investment Holding Structure in line with Infrastructure asset class and best practices	Building Infra team in line with target portfolio	Robust due diligence templates, relationship frameworks, and outlook	Infra system with an integrated database and monitoring function

2025 marked the second full year of the IIF's implementation, building on the strategic foundation established in 2024. During the year, our focus remained on executing the framework and refining portfolio construction, with infrastructure continuing to be positioned as a core private markets sub-asset class.

Steady progress was made towards completing the first phase of the infrastructure programme through advisory-led arrangements with a select group of established global infrastructure managers. Preliminary work and market studies were also initiated to assess the potential role of infrastructure debt within the overall allocation, with a view to further enhancing income generation.

Looking ahead, we will focus on progressively scaling the programme while continuing to refine portfolio construction, with a view to delivering competitive and consistent risk-adjusted returns over the long-term.

Real Estate

Real estate remains a key asset class within our portfolio, providing stable and recurring income streams while enhancing portfolio resilience and diversification amid evolving macroeconomic conditions.

Guided by our Real Estate Investment Framework ("REIF"), we focus on generating sustainable, risk-adjusted returns across our real estate portfolio through the acquisition of high-quality assets, disciplined asset optimisation, and the strategic monetisation of assets, where appropriate, to support returns and capital recycling.

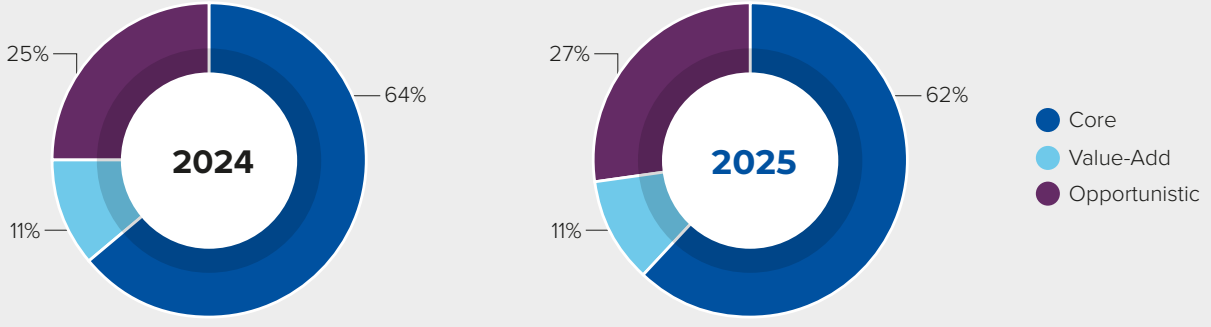
We have built a diversified real estate portfolio with a strong presence across the domestic market as well as North America, Europe, and Asia-Pacific. Our portfolio comprises a balanced mix of core long-term investments, which provide stable income streams; value-add investments, which offer opportunities for capital appreciation; and opportunistic investments, which target higher returns via more dynamic market opportunities.

Real Estate Investment Framework

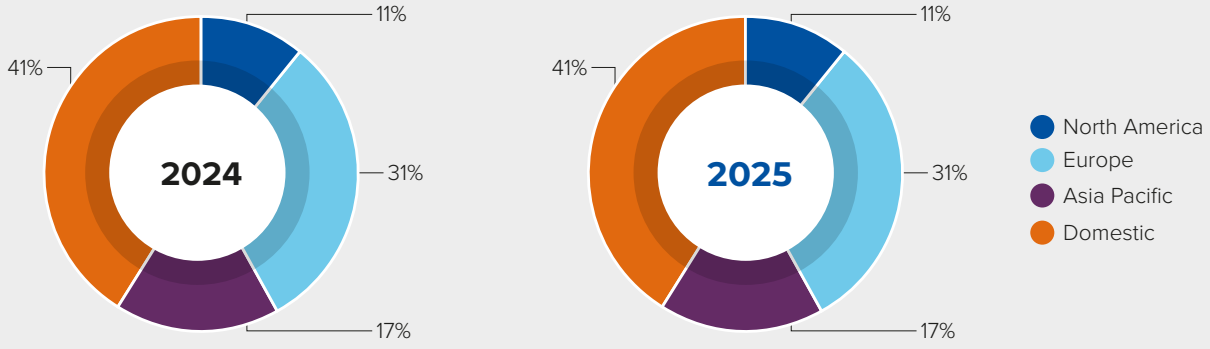
Objective

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

Risk Strategy



Geographies



Global

19 Investment Properties

28 Real Estate Funds

Domestic

29 Investment Properties

2 Real Estate Funds

>5,000 Acres of Land Across Malaysia

6 Hotels & Resorts

2 Golf Courses

Real Estate Market Review

In 2025, global real estate markets began to recover, although the improvement was gradual and uneven across regions. As liquidity improved, asset valuations stabilised, with narrower bid-ask spreads and stronger transaction activity enabling better price discovery. At the same time, property supply remained constrained by elevated construction costs and labour shortages, while structural demographic and technological trends drove occupier demand in growth sectors. These dynamics supported resilient asset values in core markets and provided the basis for a cautiously optimistic outlook.

Initiatives in 2025

In Malaysia, our land banking arm continued to undertake selective divestments in support of our broader portfolio rebalancing strategy, generating proceeds of more than RM100 million during the year. This enabled disciplined capital recycling while preserving alignment with our long-term value creation objectives and broader strategic priorities.

Internationally, we maintained our strategic exposure to the Battersea Power Station assets in London, reaffirming our commitment to realising their full value potential. At the same time, we onboarded a new investment in purpose-built student accommodation in Australia, positioning us to capitalise on the structural undersupply of beds and the continued rebound and diversification of international student demand.

2025 also marked a key development in the expansion of our real estate portfolio with the approval of real estate credit. This provides an additional avenue for sustainable income generation by supporting established real estate operators, further strengthening portfolio diversification and resilience.

Outlook

Looking ahead, supported by a resilient portfolio, disciplined capital allocation and a clear strategic direction, our real estate investments will continue to deliver sustainable returns for our unitholders. At the same time, we remain well positioned to capture opportunities in sectors with stronger structural demand, such as purpose-built student accommodation, supporting long-term portfolio growth and income generation.

Real Estate

PNB Merdeka Ventures Sdn. Berhad

Our wholly owned subsidiary, PNB Merdeka Ventures Sdn. Berhad ("PNBMV"), is the builder of the Merdeka 118 precinct, which is set to become one of the nation's most prominent integrated developments.

Anchored by Menara Merdeka 118, which includes premium Grade A office space, an observation deck, and Park Hyatt Kuala Lumpur, with connectivity to the 118 Mall, the precinct also comprises Merdeka Boulevard at 118, a four-acre linear park, Masjid Al-Sultan Abdullah, The View at 118, Look at 118, the Merdeka Textile Museum and Merdeka Residences. PNBMV is also the owner and sole custodian of Stadium Merdeka and Stadium Negara, both of which are located within the precinct and listed as national heritage sites.

In 2025, Menara Merdeka 118 reached an occupancy rate of approximately 70%, with physical occupation scheduled to commence in 2026. The building's tenant mix reflects a broad spectrum of industries and geographies, reinforcing its positioning as a global business hub. Leasing momentum remains strong into 2026, underscoring Menara Merdeka 118's trajectory toward becoming a premier office destination. Looking ahead, the View at 118, 118 Mall, and Merdeka Textile Museum are targeted for completion in Q3 2026, with Merdeka Residences targeted for launch at end-2027. Upon full completion, the precinct is expected to generate approximately RM400 million in recurring annual cash flow.

Initiatives in 2025

In 2025, we undertook a range of initiatives to position Merdeka 118 as a leading destination for cultural, commercial, and community activities:

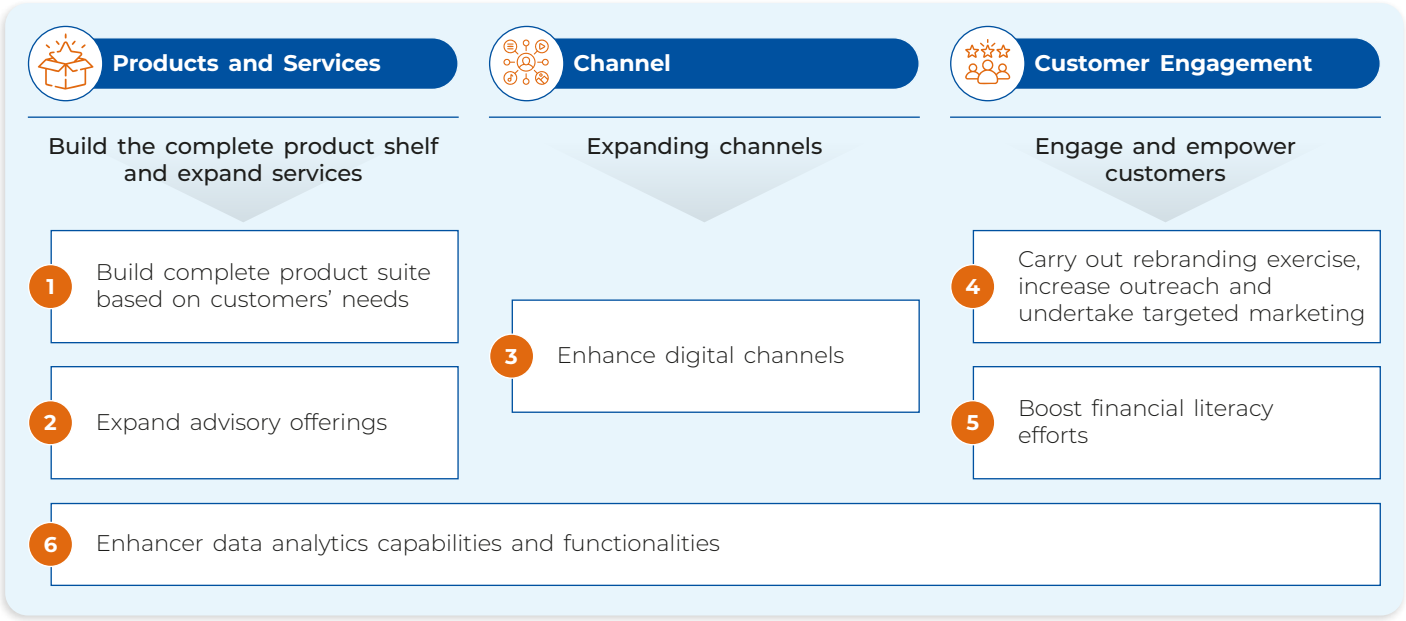
Initiatives	Achievements
Activating the precinct as a year-round destination	• Hosted large-scale events across music, sports and community engagement, welcoming over 10,000 people for the MR DIY 20th Anniversary Live concert, 40,000 fans across two sold-out nights for a Michael Wong concert, 5,800 participants from 70 countries for the Sky Race, and over 41,000 participants finishing the Standard Chartered Kuala Lumpur Marathon at Stadium Merdeka • Curated an event mix covering music, sport, retail, culture, education, and fashion, driving sustained footfall across the precinct
Strengthening Merdeka 118's identity as a cultural and civic landmark	• Positioned Merdeka 118 as a national icon through international media exposure, including an appearance in *Thunderbolts*, produced by Marvel Studios • Strengthened community engagement through initiatives such as the Merdeka 118 Community Grants Programme
Supporting a key hospitality and lifestyle destination within Kuala Lumpur	• Park Hyatt Kuala Lumpur officially opened within Menara Merdeka 118, reinforcing the precinct's positioning as a premium hospitality and lifestyle destination
Focusing on heritage assets as living venues	• Opening up Stadium Merdeka as an active venue, hosting 209 events across culture, arts, heritage, education, and sports including the historic Piala Sultan Selangor football match between Selangor and Singapore • Contributed to the rejuvenation of Kuala Lumpur's historic urban core through heritage preservation, improved connectivity, and the activation of public spaces under the broader Warisan KL initiative

Supporting these efforts, we continued to strengthen our operational and financial credibility. PNBMV received multiple recognitions during the year, including the Malaysian Outstanding Property Development Excellence Award, ASEAN Outstanding ESG Excellence Award, Best Tall Building (300-metre and above), and ISO 9001:2015 certification. In addition, PNBMV's RM6.0 billion Sukuk Wakalah Programme received a AAAIS rating with a stable outlook from MARC Ratings, supported by an unconditional rolling guarantee from PNB.

ASNB Unit Trust

Our ASNB UTFs are at the core of our efforts to drive savings, investment participation, and long-term financial resilience among Malaysians. Comprising a range of fixed-price and variable-price funds, these offerings are built on the fundamental promise of delivering steady and competitive returns that enable Malaysians to improve their financial well-being over time, while also supporting the national goal of driving sustainable and inclusive growth.

In support of this goal, we are driving transformation in the way we serve and meet the needs of our customers, guided by our "Connect Emotionally, Serve Perfectly" philosophy. Our efforts are focused across three segments and six focus areas, which collectively enable us to deliver a more comprehensive and competitive range of products and services, across multiple channels and supported by strong customer service at every touchpoint.



PRODUCTS AND SERVICES

To compete effectively in an increasingly dynamic investment landscape, we continue to enhance our product offerings to better meet the evolving needs of our customers while expanding access to quality investment solutions.

Robo Investment Advisor ("Ria")

In 2024, we launched Ria, an automated investment feature integrated into the myASNB mobile application.

Ria utilises algorithms to assess an investor's risk profile and financial goals, recommending a tailored portfolio comprising various ASNB UTFs. These portfolios are periodically rebalanced in response to changing economic conditions to remain aligned with the investor's risk tolerance and investment objectives.

Alongside a minimum initial investment of RM100, this enables Malaysians of all income levels to access fund manager-grade investment solutions, empowering their financial journey. Investing in Ria through unit trusts offered by ASNB is classified as 'Harus', or permissable in accordance with Shariah requirement, by the Muzakarah of Fatwa Committee of National Council for Islamic Religious Affairs Malaysia and all State Fatwa Committees.

ASNB Unit Trust

ASB Plus and ASNB COVR

In 2025, we introduced two new offerings to better meet the evolving preferences of our customers:

- **ASB Plus** enables unitholders to allocate their capital across fixed-price and variable-price funds, providing a balanced approach between stability and growth.
- **ASNB COVR** integrates unit trust investments with takaful protection, offering a more holistic financial solution that combines wealth accumulation with financial protection.

Zakat Payment Enhancement

To further support our Muslim unitholders, we are in the process of rolling out zakat payments for fixed-price funds on an opt-in khultah (collective) basis, calculated using the Al-Mustaghallat approach.

This initiative will enable unitholders to receive income distributions net of zakat, with payments made directly to the relevant state zakat authorities. The rollout is targeted for completion by mid-2026, enhancing convenience while supporting the broader financial and spiritual needs of our customers.

CHANNEL

Our channels are a central component of the overall unitholder experience, playing a critical role in generating trust, driving financial awareness, and delivering a seamless customer journey.

Our physical branch network is transitioning from transaction-focused outlets into digitally-enabled sales, advisory and service hubs, providing unitholders with personalised engagement and support to strengthen trust and empower their ongoing financial journeys. At the same time, we continue to enhance our myASNB portal and mobile application, providing customers with convenient, anytime and anywhere access to their investments and financial services.

Through myASNB, customers are now able to:

- Open new accounts via electronic know-your-customer ("eKYC")
- Monitor and manage their investment portfolios
- Perform transactions such as additional investments and withdrawals
- Access financial reports and statements

In 2025, we recorded increased adoption of our digital platforms alongside improved service quality across upgraded branches, evidencing the effectiveness of our channel transformation programme.

CUSTOMER ENGAGEMENT

Our customer engagement initiatives are designed to promote financial inclusion while strengthening financial literacy among Malaysians, with the aim of encouraging consistent saving habits and long-term participation in investing.

In 2024, we undertook a comprehensive rebranding of ASNB, marked by the introduction of a new logo that reflects a more modern and dynamic identity. This refreshed positioning is aligned with our brand persona of being dynamic, empathetic, savvy and passionate, and designed to better resonate with a broader and younger audience.

Building on this foundation, we continue to invest in a wide range of financial literacy initiatives that engage Malaysians across different life stages:

- **Kelab Pelaburan Bijak PNB** introduces secondary school students to the fundamentals of saving and investing, fostering early awareness and discipline while encouraging the development of long-term financial habits from a young age.
- **Celik MADANI** combines financial education with a structured seed investment programme, equipping university students with practical financial knowledge while enabling them to begin their investment journey. Eligible students receive RM50 in ASB or ASM units, which are retained for a five-year period to encourage sustained participation and long-term investing behaviour.
- **Minggu Saham Amanah Malaysia** provides a large-scale national platform to engage working adults, offering financial education, investment insights, and direct interaction opportunities that promote greater awareness and more disciplined investing across the broader population.

In 2025, we expanded the reach of Celik MADANI through the signing of memorandum of agreement with 20 public universities and four government-linked universities, providing us with the platform to scale our outreach efforts more effectively. This enabled the distribution of RM10 million to 200,000 students in 2025, with the aim of expanding our reach to an additional 200,000 students in 2026.

Simultaneously, we have expanded KPBPNB to 500 schools in 2025 and deepening our engagement with 500 schools in 2026.

Marketing Initiatives

In 2025, we rolled out a range of initiatives, products, and campaigns to support our objective of driving NNF growth. These efforts were closely aligned with the three key lenses of our enhanced sales and distribution coverage model: Segment, Distribution, and Product.

Lens	Initiatives
Segment	• Helped Malaysians to achieve financial independence through **#KitaGenerasiLabur**, a broad, mass-market platform aimed at Malaysians regardless of background or age • Nudged existing or prospective unitholders into more disciplined top-ups and investing habits with attractive prizes with **Pandu Impianmu, Gen Labur** • Targeted customers ready to build recurring-investment behaviour through Auto Labur with **Labur & Level Up**, as well as offering free Umrah packages and other prizes with **SimpanJe & Menang** • Inspired young Malaysians aged 17 and below with **ASNB Bijak**, leveraging nostalgic characters such as Along, Angah, and Achik and a special tie-up with BoboiBoy to reconnect with parents and introduce PNB to a newer generation
Distribution	• Organised on-ground activation through events such as Fiesta Gen Labur and the National World's Children Day event, translating segment strategy into physical engagement and lead generation • Amplified #KitaGenerasiLabur through digital storytelling and online engagement, including the Seruan Kemerdekaan Kewangan short film and a mini-campaign encouraging Malaysians to pledge their commitment to financial independence • Brought ASNB services to rural and marginalised communities with **ASNB Go**, our "branch on wheels" equipped with modern digital facilities and Starlink-powered Internet
Product	• Expanded insurance coverage with **ASNB COVR** while offering a bundled fixed and variable price offering with **ASB Plus**, as mentioned above

SUSTAINABILITY STATEMENT

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Sustainability Statement by the Deputy PGCE



Dato' Rizal Rickman Ramli
Deputy President & Group Chief Executive

2025 was a year that required discipline, adaptability and clarity of purpose. The external environment remained uncertain, particularly with the introduction of tariffs by the US and continued volatility across global markets. In such an environment, it would have been easy to become overly focused on short-term pressures. Instead, PNB remained anchored to its long-term Mandate: to enhance the economic wealth of the Bumiputera community and all Malaysians, for the prosperity of the nation.

This is reflected in how we continue to position the portfolio. We increased allocations to areas such as credit within fixed income and private credit, which can provide more regular income streams and help manage volatility. We also continued to diversify geographically so that the portfolio is better placed to withstand market fluctuations. These are deliberate steps to strengthen resilience, support more stable returns and ensure that we continue to deliver long-term value to our unitholders.

What is encouraging is that we were able to navigate these challenges while maintaining our focus on performance and continuing to make meaningful progress on our sustainability commitments. The complex and unpredictable operating environment in 2025 reinforced that sustainability is an integral part of our risk management, value creation and institutional credibility.

Progressing Our Journey To Decarbonisation

One of our most significant achievements in 2025 was the fulfillment of our ESG Commitment 1: Net Zero Enterprise 2025 for Scope 1 and 2 emissions. This reflects several years of disciplined effort to reduce GHG emissions across our own operations through our Reduce, Replace, Offset ("R_2O") strategy. More importantly, it demonstrates that with clear intent and sustained execution, meaningful progress is possible.

We continued to advance our climate and transition agenda to fulfill Commitment 2: Net Zero Portfolio by 2050, with emphasis on proper frameworks, clear accountability, and practical implementation. A significant part of our strategy is to engage the top emitters in our portfolio and leverage our voting rights to ensure the effective implementation of decarbonisation strategies in our investee companies.

Sustainability Statement by the Deputy PGCE

We continued progress in two areas in our portfolio decarbonisation. First, we took early action to drive meaningful progress across the portfolio, beginning in January 2025 with focused engagement with Strategic Companies and other high-emitting investee companies on Net Zero alignment and emissions transparency. We recognise that some of our investee companies face a more difficult transition than others due to complex economic and sustainability trade-offs in their industry. As such, our approach has been to engage openly with management and boards, using Net Zero scorecards and transition pathways to support more focused discussions on what can realistically be done, and when. We also assessed the readiness of portfolio companies and established a portfolio-wide assessment and ranking to track alignment and progress over time. Essentially, what we seek is the assurance that companies are making a genuine attempt to decarbonise. During the reporting year, 11 of the 22 companies engaged either adopted their first formal Net Zero ambition or publicly disclosed existing plans for a 2050 target. Leveraging our shareholder rights and Voting Guidelines, we reinforce these expectations, voting against the chairperson or chair of the Board Sustainability Committee where necessary.

Second, within our own investment processes, we continued to strengthen the way climate-related risks are assessed across the portfolio. This included ESG screening, enhanced due diligence, the integration of financed emissions calculations within investment proposals and the introduction of an Internal Carbon Pricing ("ICP") framework, effective 2026, to support a more systematic assessment of transition risk in high-emitting sectors.

In 2025, we also broadened our environmental focus beyond climate to include nature and biodiversity, recognising that these issues are increasingly material to long-term investment quality, resilience and asset protection.

Supporting the nation's Net Zero 2050 target is imperative in our decision-making process. This has been reflected in the way we allocate capital and shape our portfolio. Guided by our 2030 climate target, we continue to deploy into climate-aligned investments that meet our risk-return objectives and capture opportunities arising from energy transition. This year, we are also pursuing independent assurance on our deployed capital into green and transition assets to enhance credibility and transparency of our climate investing reporting. We have also further embedded ESG considerations into our investment processes and stewardship activities so that sustainability remains part of how we assess resilience, manage risk and create long-term value across the portfolio.

In 2025, we also broadened our environmental focus beyond climate to include nature and biodiversity, recognising that these issues are increasingly material to long-term investment quality, resilience and asset protection. This was formalised through the introduction of PNB's Nature and Biodiversity Policy for PNB and its group of companies. Guided by the Taskforce on Nature-related Financial Disclosures ("TNFD"), the policy provides a more structured basis for how we identify and respond to nature-related dependencies, impacts, risks and opportunities across the portfolio.

However, we recognise that this is still an evolving space. While piloting the TNFD framework at the asset level, we are building the necessary assessment tools and engagement processes to deepen our understanding of how nature-related issues may arise in practice. This has been useful in helping us translate policy into implementation, particularly in the local context. Over time, we would expect relevant investee companies to strengthen their own policies and management practices in this area. Ultimately, the issue is not simply whether nature and biodiversity are acknowledged, but whether they are being managed with the seriousness they require.

RM68 million
Community Impact

Invested in education, healthcare, and infrastructure to drive social mobility.

Advancing Social Impact

Our social agenda continued to move forward in 2025, both within PNB and in the communities around us. I am proud to share that we have exceeded our target for Commitment 6: 40% women in PNB leadership by 2025, achieving 41.5% representation of women in senior leadership. We have benefitted from the stronger representation through broader perspectives incorporated into decision-making that strengthen the organisation over the long-term. At PNB, we strongly believe wages must support a decent standard of living, leading us to make Commitment 4 – to pay a Living Wage in PNB. What began in 2023 as an internal commitment to pay a Living Wage has since become part of a broader push for adoption across Strategic Companies and investee companies. Implementing the Living Wage across PNB's permanent Malaysian workforce is important not only in setting the right standard internally, but also in ensuring that our position on this issue is grounded in practice and not principle alone. In 2025, we have continued to advocate not only for the adoption of Living Wage policies, but also for practical implementation where feasible, with a recommended minimum threshold of RM3,100. Out of nine Strategic Companies and one Controlled Company, seven have achieved the threshold, while the remainder are progressing towards it in 2026.

In line with our Mandate, we have implemented Commitment 7: Balancing Profitability and Social Investments. Our approach to social impact continues to be guided by PNB's Social Investments Framework, which provides a structured and purposeful basis for delivering meaningful, long-term outcomes across Education, Health, Community Development and Environment. In 2025, we allocated nearly RM100 million for social spend, which was utilised for our initiatives under Social Investments Framework including financial literacy as well as khairat scheme, zakat and wakaf distributions.

Under the education pillar, we continued to align our efforts with the Government's MADANI Economy aspirations through practical initiatives that expand access, build capability and support long-term mobility. This included our participation in Santuni MADANI. MADANI under the broader GLIC initiative, where PNB adopted two villages – Kg. Teluk Kandis in Alor Setar, Kedah and Kg. Merlimau Pantai in Melaka – with interventions shaped by the actual needs of each community.

We also supported 19 Sekolah Angkat Malaysia MADANI and continued Celik MADANI – a collaborative initiative between PNB and ASNB – as part of our broader effort to strengthen financial literacy and encourage sound savings habits from an early age. With a target of reaching one million students (200,000 students per year) for five years programme starting from 2025. Celik MADANI remains an important part of how we help prepare young people to manage their financial future more responsibly. In parallel, our BUDI PNB programme was expanded further in 2025 to include additional pathways for skills-based training and tertiary progression, helping to build a stronger continuum from schooling to higher learning and employability.

Beyond education, we also supported community entrepreneurship through business equipment assistance and entrepreneurship coaching programme for micro-entrepreneurs, while working with Institut Keusahawanan Negara and Universiti Utara Malaysia to provide training and advisory support aimed at strengthening skills, business viability and long-term resilience.

In health and broader community development, our efforts focused on practical support that responds to immediate needs while contributing to longer-term resilience. This included community screenings and awareness programmes, contributions of health-related equipment to selected states and communities, engagement with People's Housing Programme communities, as well as assistance during the flood season. Taken together, these efforts reflect our belief that social investment should not be viewed as isolated acts of support, but as part of a more deliberate, inclusive and sustained approach to improving lives.

Sustainability Statement by the Deputy PGCE

Strengthening Governance and Accountability

Governance remained a key area of focus in 2025 because it sits at the core of stewardship, accountability and long-term value creation, and is fundamental to PNB's institutional credibility. That means looking not only at performance outcomes, but also at whether the right structures, oversight and leadership are in place to support them. This includes board effectiveness, quality of oversight, diversity of perspectives and the ability of directors to engage meaningfully on both strategic and sustainability-related issues.

Our stewardship role also became more substantive for the year as more companies recognise that sustainability is not simply a compliance or reputation issue. It is increasingly tied to competitiveness, consumer expectations, operational resilience and long-term value creation. As a result, we are spending more time engaging boards and senior management on priorities, pace and evidence of implementation, including how sustainability considerations are being built into decision-making and overseen at board level.

This is also closely linked to how we exercise our voting rights. Where standards fall short, we do not hesitate to act, because accountability matters. In 2025, we further strengthened our Voting Guidelines with the introduction of International Voting Guidelines for our overseas investments. Together, these frameworks help us apply our stewardship principles more consistently across markets, while still taking into account differences in regulatory environments.

Our stewardship role also became more substantive for the year as more companies recognise that sustainability is not simply a compliance or reputation issue. It is increasingly tied to competitiveness, consumer expectations, operational resilience and long-term value creation.

Moving Forward

Our broader purpose to uplift the financial lives of Malaysians across generations and our role as a long-term investor go hand in hand. To deliver on that Purpose, we must remain disciplined in how we invest, manage risk and generate sustainable returns over time. At the same time, we must stay responsive to the broader economic, social and sustainability-related shifts that will shape resilience and value creation in the years ahead.

We recognise that many of the priorities ahead cannot be advanced by PNB alone. Progress on national Net Zero Emissions by 2050, Living Wage and biodiversity will require stronger collaboration across investee companies, government, markets and society. As active fiduciary stewards, our task is to build on the progress made so far in a way that continues to create sustainable long-term value for Malaysians. We remain grateful to our stakeholders for their continued support and engagement, and to fellow Malaysians who continue to place their trust in PNB as a steward of their savings and investments.

Looking ahead, our refreshed Sustainability Framework will build on the progress already made, while strengthening the way sustainability is integrated across our operations and investment activities. We will continue to globalise and diversify the portfolio, strengthen the value chain across PNB group under our LEAP-6 priorities, and maintain close focus on returns, resilience and relevance to our unitholders. Growth in AUM will remain an important measure, including progress in improving net fund flows and distribution.

2025 Sustainability Highlights

Our ESG Commitments	Where We Are Today	Status
Net Zero Enterprise ("NZE") by 2025	• Achieved Scope 2 market-based emission reductions through procurement and redemption of Renewable Energy Certificates ("RECs") • Relocated head office to green-certified building, thereby improving energy efficiency per unit of floor space • Automation of enterprise GHG emissions calculations • Offsetting hard-to-abate Scope 1 and 2 GHG emissions using credible carbon removal credits	●
Net Zero Portfolio ("NZP") by 2050	• 22% reduction in financed emissions intensity as at FY2024 compared to FY2022 baseline • Improved PCAF data quality score by strengthening emissions data collection and coverage • Continuous engagement and stewardship with top emitters to drive Net Zero ambition setting and decarbonisation • Integration of climate considerations into proxy voting decisions • 40% of portfolio emissions are covered by credible Net Zero targets • Published PNB Nature and Biodiversity Policy • Portfolio screening to avoid direct investments into greenfield thermal coal	◔
RM10 billion in New Green and Transition Assets by 2030	• In the process of obtaining independent assurance on our deployed capital into green and transition assets for 2025. The deployed capital figure will be disclosed upon completion of the ongoing assurance process	◕
Living Wage in PNB	• Continuous benchmarking to ensure all PNB employees earn above living wage threshold • Integration of Living Wage into stewardship focus to ensure all PNB Strategic Companies are committed to setting a Living Wage pledge	●
Labour Rights Policy	• All identified priority companies have adopted a standalone Labour or Human Rights Policy • Embedded labour rights principles in procurement and tender processes	●
40% Women in PNB Leadership by 2025	• Achieved 41.5% women's representation in PNB leadership and will continue to maintain this above 40%	●
Balancing Profitability and Social Investments	• Launched PNB Social Investment Framework and Volunteerism Framework, and exceeded the volunteerism hours target of 10,000 by achieving 11,880 volunteerism hours	●
Triple Bottom Line Stewardship Model	• Enhanced sophistication of Board, Chair & CEO assessments with stronger governance diagnostics	●
Transparency in Voting	• Disclosed voting decisions for all domestic equities and for international equities within the defined voting scope	●
Task Force on Climate-related Financial Disclosures ("TCFD")-aligned Disclosure	• Improved alignment of sustainability disclosures against TCFD recommendations and now planning towards NSRF and IFRS-aligned disclosure	●

Legend:

● Completed ◕ ◑ ◔ Partially Completed

Sustainability Awards & Recognitions

Awards and recognitions highlight PNB's ongoing progress and dedication to excellence. They act as key indicators of the Group's performance while reinforcing PNB's commitment to maintaining high standards in sustainability. In 2025, PNB received a range of sustainability-related accolades at the local, regional, and international levels.

The Star ESG Positive Impact Awards 2025

- Gold Award – Transformation Category
- Silver Award – Good Health & Wellbeing Category

Shortlisted for the PRI Awards 2025

- Shortlisted in the Innovation in System Stewardship Category – reflecting inclusion among the five highest-scoring submissions across global investors.

Global SWF (Sovereign Wealth Fund/Pension Fund) Scoreboard

- Ranked first in Malaysia and 17th globally in Governance, Sustainability & Resilience ("GSR"), and scored 84% overall.

2025 Sustainability-related Event Highlights

PNB continued to advance its sustainability agenda throughout 2025 through a series of engagements, partnerships and initiatives that reinforce its commitment to responsible investment, environmental stewardship and social impact.

26 March 2025





Sustainability Day: Empowering Volunteers, Enhancing Inclusivity

Hosted at Merdeka 118, the programme featured the launch of the Volunteerism Framework, alongside interactive activities including a community herb gardening session with Persatuan Sindrom Down Malaysia.

22 May 2025



Nature and Biodiversity Engagement with WWF-Malaysia and TNFD

In conjunction with the International Day for Biological Diversity, PNB engaged with WWF-Malaysia and TNFD leadership to discuss nature-related risks and the LEAP approach, and participated in a pilot initiative to develop a Malaysia-focused TNFD case study.

24 May 2025



Signature Volunteerism Day

A total of 323 volunteers participated in a tree-planting initiative at Taman Alam Kuala Selangor, supporting biodiversity conservation and strengthening community engagement.

11 June 2025



Sustainability Day: Paws for a Cause

This session focused on animal welfare, featuring panel discussions with Persatuan Haiwan Terbiar Malaysia ("SAFM") and SPCA Selangor to raise awareness on ethical responsibility and protection of animals.

18 June 2025



Energy Asia 2025: Decarbonising Malaysia

PNB joined industry leaders to discuss the energy transition, reaffirming sustainability as a core investment priority and highlighting decarbonisation as a key driver of long-term value.

15 July 2025



The Star ESG Positive Impact Awards 2025

PNB was recognised with Gold in Transformation and Silver in Good Health and Wellbeing, reflecting its commitment to embedding sustainability across operations and delivering measurable impact.

5 August 2025



Urban Biodiversity Conference 2025

PNB contributed to discussions on investing in nature, highlighting biodiversity as critical economic infrastructure and reinforcing its nature-positive investment approach.

2 December 2025



Sustainability Day: Towards a Waste-Free Future

The year concluded with a Sustainability Day focused on reducing plastic waste, featuring discussions and interactive activities to promote environmental responsibility and collective action.

Sustainability Governance

PNB 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 are integrated in analysis and investment decision-making

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

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

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: Group Chief Corporate Affairs Officer
- Permanent Members:
  - Group Chief Strategy & Financial Officer
  - Group Chief Human Resources 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

Frequency: Meetings shall be held monthly

Social Investments Committee

- Provides approval of projects, partners, and budgets relating to all PNB social investments related programmes (both within and outside Social Investments Framework purview) subject to its limit of authority
- Provide centralised oversight and strategic guidance across business units and functions of all PNB social investments related programmes (both within and outside Social Investments Framework's purview) and zakat funds distribution
- Periodic review of all PNB social investments related programmes (both within and outside Social Investments Framework's purview)

Objectives

- Oversees all PNB social investments related programmes (both within and outside PNB Social Investments Framework purview)
- Serves as a formal platform for the discussion, review and recommendation of all PNB social investments related programmes (both within and outside Social Investments Framework purview) as well as integration between the stakeholders

Composition

- Chairperson: Group Chief Corporate Affairs Officer
- Alternate Chairperson: Group Chief Human Resource Officer
- Permanent Members:
  - Head, Shariah Management
  - Head, Finance
  - Head, Sustainability and Social Investments
  - Head, Education
  - Head, Marketing & Branding ASNB Head, PNBMV
- Permanent Invitees: Representatives from Shariah Management, Finance, Sustainability & Social Investments, Education, Marketing & Branding ASNB, PNBMV and other invitees that may be invited by Secretariat

Frequency: Meetings shall be held every two months.

Note: Information as at 31 December 2025.



Note: Information as at 31 December 2025.

Board's Role in ESG and Sustainability Oversight

[IFRS S2 6(a)(i)(iv)(v)]

PNB's Board of Directors plays a pivotal role in overseeing ESG and sustainability matters, including climate-related risks and opportunities, as part of its responsibility for the Group's overall strategy and long-term value creation. This oversight is embedded in the Board Charter and Sustainability Policy, ensuring sustainability considerations are integrated into strategic planning, Enterprise Risk Management ("ERM"), and key decision-making processes.

The Board ensures that climate-related risks and opportunities are integrated into PNB's business model, ERM framework and strategic planning, including the Group's LEAP-6 strategy. Climate considerations are incorporated into risk appetite statements and KRIs and are assessed alongside financial considerations when overseeing major transactions, investments and strategic decisions. The Board also considers trade-offs between financial outcomes and long-term sustainability objectives in its decision-making.

PNB adopts a cross-functional approach to sustainability, supported by the MSC and specialised working groups. These working groups are responsible for:

Monitoring progress of ESG targets across multiple business units.	Coordinating relevant sustainability 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.

Sustainability Governance

Board Oversight and Responsibilities

[IFRS S2 29(g)(i)(ii)]

Area	Board Role
Strategy & Oversight	Provides strategic direction on sustainability and ensures alignment with long-term value creation
Risk Management	Oversees climate-related risks and opportunities within the ERM framework, including KRIs and risk appetite.
Governance	Approves sustainability strategies, targets, and key proposals beyond MSC Mandate
Monitoring	Reviews progress against ESG commitments and sustainability targets on a quarterly basis

Climate-related considerations including greenhouse gas emissions reduction and capital deployment towards green and transition assets are embedded within the Group's key performance indicators, reinforcing management accountability in advancing PNB's climate commitments. Additionally, sustainability and climate-related matters are incorporated into broader governance and performance oversight at the Board level. The Board, with the support of the Nomination and Remuneration Committee, conducts an annual performance evaluation of the Board, its committees and individual Non-Executive Directors. This evaluation includes an assessment of how effectively material sustainability risks and opportunities, including climate-related issues, are addressed.

Management and Committee Oversight

Structure	Role	Frequency
Board of Directors	Reviews sustainability performance and provides strategic oversight	Quarterly
MSC	Oversees implementation of ESG commitments and climate-related initiatives	Monthly
Working Groups	Support execution across ESG risk, data, and stakeholder engagement	Ongoing

The Board is supported by the MSC, which oversees the implementation of PNB's ESG commitments and coordinates the identification, monitoring, and management of sustainability and climate-related matters. Material issues are escalated to the Board where relevant, ensuring clear accountability and timely decision-making.

Oversight is exercised through monthly MSC meetings, where sustainability initiatives, risk indicators and implementation progress are reviewed through structured dashboards and reports. Material issues and key decisions are escalated through project papers for discussion at the MSC and, where relevant, to senior leadership or the Board, ensuring clear accountability and timely decision-making.

To support this, PNB has established internal controls and procedures to monitor sustainability performance. Progress is tracked through a dedicated internal platform covering the Group's ESG commitments, with information consolidated into dashboards and summary reports for management review and MSC discussions. These mechanisms enable cross-functional coordination across sustainability, investment and operational teams, while ensuring the consistency, reliability and integrity of climate-related information provided to management and the Board.

Board Capability and Training

PNB ensures that its Board maintains appropriate knowledge and competencies to oversee sustainability matters. In 2025, Directors participated in ESG-related training programmes and attended a dedicated Board workshop focused on emerging sustainability trends and regulatory developments, including Malaysia's NSRF and IFRS S1 and S2 requirements.

For more information on Board training, please refer to our Corporate Governance Overview Statement: Training and Development of Directors on pages 247 to 255.

Reporting and Monitoring Mechanisms

Mechanism	Purpose
MSC Dashboard	Tracks progress across PNB's 10 ESG commitments, including status, challenges, and next actions. Supports monthly management reviews and MSC discussions
Board Updates	Provide periodic insights on sustainability performance and emerging risks

Sustainability performance is tracked through a dedicated internal platform, with data consolidated into dashboards to support regular management reviews and updates to the MSC and Board. Cross-functional coordination across sustainability, investment, and operational teams ensures consistent, reliable, and structured information flow across the organisation.

With PNB's unique Mandate to enhance the economic wealth of the Bumiputera community and all Malaysians, for the prosperity of the nation, the Group shoulders a great responsibility to advance sustainability and promote responsible investment practices. As one of Malaysia's leading fund management companies, PNB acknowledges that sustainability considerations are increasingly integral to long-term value creation, fiduciary stewardship, and meeting the evolving expectations of the Group's stakeholders.

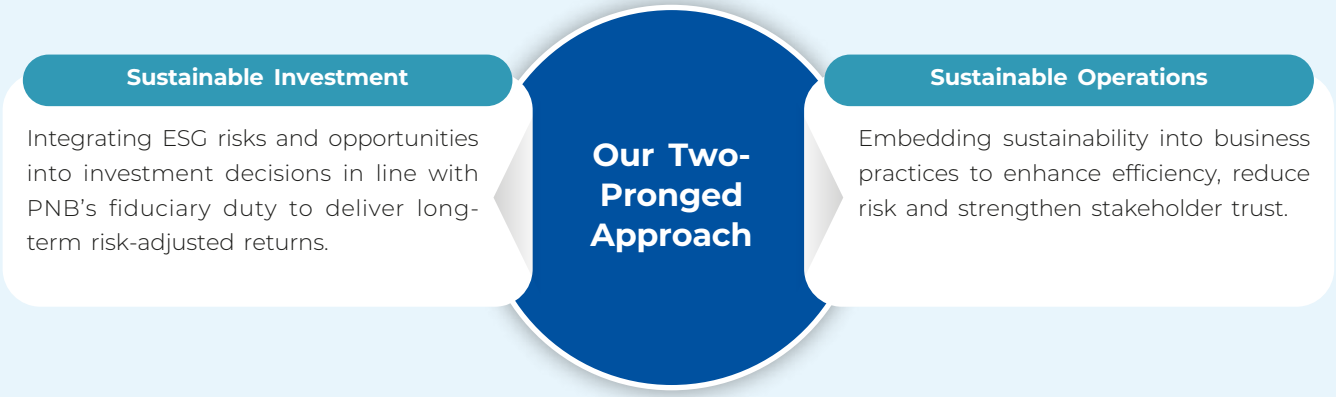
Guided by PNB's Sustainability Framework and aligned with internationally recognised standards and initiatives such as the TCFD, PRI, UNGC, and the UN SDGs, the Group continues to integrate sustainability considerations across operations and investment activities.

Robust governance is the foundation of any organisation. PNB is a staunch advocate of sound governance practices – aiming to build a responsible and ethical business climate where organisations recognise their impact on society and the environment, and commit to responsible business conduct with sensitivity towards social, cultural, economic and environmental issues. Alongside that, PNB aspires to build an equitable and inclusive society by promoting fair participation in the economy for Bumiputera and all Malaysians, fostering a strong sense of belonging, and supporting the safety and wellbeing of communities.

Sustainability at PNB

As part of those aspirations, PNB supports Malaysia's transition to a green and sustainable economy: one that is low carbon, resource-efficient, and resilient – providing a good quality of life for society while meeting the nation's development needs without compromising future generations. The Group's decarbonisation journey is anchored by dual Net Zero commitments – NZE by 2025 and NZP by 2050. Through a phased and disciplined approach, PNB is progressively reducing GHG emissions arising from operational activities within its direct control.

Alongside our climate commitments, PNB continues to strengthen its focus on social responsibility. This includes promoting fair workplace practices such as Living Wage principles, strengthening labour standards across our investee companies, and advancing diversity, including achieving 40% women representation in leadership. Beyond our organisation, our Social Investments Framework guides initiatives across education, health, community development and the environment, enabling us to contribute meaningfully to national development priorities. Through these efforts, PNB remains focused on delivering sustainable long-term value while supporting inclusive and responsible growth.



Demonstrating robust and responsible operations strengthens the credibility of the Group's investment approach, ensuring alignment between stewardship expectations and how PNB conducts its own activities. Sustainability-related risks – including climate, biodiversity, labour and broader social factors – may directly impact its operations and assets, while also presenting long-term systemic risks to the Group's investment portfolios. Managing these risks in an integrated and proactive manner remains essential to safeguarding value and supporting sustainable outcomes.

PNB Sustainability Framework

PNB's Sustainability Framework, launched in 2022, outlines the Group's holistic approach to managing ESG considerations, guided by PNB's 10 ESG Commitments. These commitments address key priorities across the ESG pillars and are supported by clearly defined, outcome-driven targets. Sustainability remains a central component of PNB's LEAP-6 Strategic Plan, reflecting its commitment to generating sustainable long-term value for the Group's stakeholders.

Our ESG Commitments	Segment	UN SDGs
1 Net Zero Enterprise by 2025	SO	
2 Net Zero Portfolio by 2050	SI	
3 RM10 billion in New Green and Transition Assets by 2030	SI	
4 Living Wage in PNB	SO SI	
5 Labour Rights Policy	SO SI	
6 40% Women in PNB Leadership by 2025	SO	
7 Balancing Profitability and Social Investments	SO	
8 Triple Bottom Line Stewardship Model	SI	
9 Transparency in Voting	SI	
10 TCFD-aligned Disclosure	SO SI	

Legend

SI Sustainable Investment

SO Sustainable Operations

Sustainability at PNB

Key Policies and Frameworks

In 2025, PNB continued to operationalise key sustainability policies. These policies provide a structured framework for integrating ESG considerations across the organisation's operational and investment activities, ensuring alignment with international best practices and supporting the achievement of long-term sustainability objectives.

Sustainability Policy

PNB's Sustainability Policy, endorsed by the Board of Directors, establishes a comprehensive framework for integrating ESG considerations across the organisation's operations and investment activities. Guided by its 10 ESG Commitments, the policy outlines governance structures, stewardship principles, and key targets, including achieving NZE by 2025 and NZP by 2050. It reflects PNB's commitment to responsible leadership and collaborative action, and aligns with global frameworks such as the PRI and TCFD. The policy is reviewed periodically to support effective implementation and ongoing improvement.

Living Wage Framework

Introduced in 2023, PNB's Living Wage Framework aims to ensure employees receive compensation that adequately supports basic living standards. Benchmarking against national Living Wage standards helps ensure fairness and transparency, while reinforcing PNB's commitment to promoting social equity and encouraging broader adoption of Living Wage practices.

Labour Rights Policy

PNB's Labour Rights Policy sets out the organisation's expectations for fair labour practices, including equitable wages, safe working environments, and inclusive workplaces. Aligned with international standards, the policy provides guidance to investee companies on adopting responsible labour practices that contribute to sustainable value creation and reinforce PNB's commitment to social responsibility.

Nature and Biodiversity Policy

PNB's Nature and Biodiversity Policy reflects the organisation's commitment to protecting natural ecosystems and integrating sustainable environmental practices across its operations and investments. The policy focuses on addressing nature-related risks, including deforestation and pollution, while promoting biodiversity conservation to strengthen long-term environmental resilience.

Social Investments Framework

Introduced to guide PNB's CSR efforts, the Social Investments Framework provides a structured approach to delivering sustainable social impact. Anchored on four key pillars – Education, Health, Community Development and Environment – the framework focuses on addressing community needs while supporting Malaysia's socio-economic development. Through the Social Investments Framework, PNB implements initiatives such as scholarships, financial literacy programmes, healthcare support, entrepreneurship and job placement programmes, as well as environmental conservation efforts. The framework also promotes strategic partnerships and employee participation to enhance the effectiveness and reach of PNB's social investment initiatives.

For more information on our Social Investments Framework, please refer to https://www.pnb.com.my/en/social-investments-en

Employee Volunteerism Framework

In March 2025, PNB introduced the Employee Volunteerism Framework to support the implementation of its Social Investments Framework by encouraging employees to contribute their time and skills to community initiatives aligned with its four pillars. The framework establishes clear participation guidelines, provides pathways for employee-led initiatives, and includes mechanisms to track volunteer hours and participation. Through this initiative, PNB aims to cultivate a stronger culture of volunteerism while working towards an initial target of 10,000 volunteer hours in 2025, enhancing employee engagement and amplifying the organisation's overall social impact.

Voting Guidelines (Domestic/International)

PNB's Voting Guidelines set out the principles that guide the exercise of voting rights in Malaysian investee companies, reflecting PNB's role as a responsible institutional investor and fiduciary to its unitholders. The guidelines are designed to promote strong corporate governance, effective and accountable boards, protection of shareholder rights and long-term sustainable value creation for unitholders. A structured framework is applied when assessing key shareholder resolutions, including matters relating to board composition and independence, capital management, mergers and acquisitions, related-party transactions, remuneration practices and sustainability-related issues, in alignment with applicable local regulatory requirements.

In 2025, PNB introduced International Voting Guidelines to strengthen stewardship practices for overseas investments, aligned with globally recognised corporate governance standards. The international guidelines extend PNB's Voting Framework to foreign investee companies, with emphasis on board independence and accountability, protection of shareholder rights, fair capital management, transparency in corporate transactions and sustainability oversight, while taking into account differences in local regulatory frameworks and market practices. ESG considerations are incorporated into the voting process to support long-term value creation across global markets.

For more information on our Voting Guidelines, please refer to https://www.pnb.com.my/en/stewardship-en

Sustainability at PNB

Our Sustainability Journey

2022

PNB published its first Sustainability Framework, consisting of 10 ESG commitments

2023 LAYING THE FOUNDATION

Climate Action

- Adopt R_2O approach
- 8% reduction in financed emissions intensity
- Launched the Internal Green Taxonomy for Green and Transition Assets

Governance

- Implementation of the Living Wage Framework
- Developed Labour Rights Assessments of Investee Co.
- Launched the Social Investments Framework
- Automation of proxy voting disclosure
- Initiation towards TCFD-aligned Disclosure

2024 BUILDING THE MOMENTUM

Climate Action

- 98% GHG emissions reduction in Scope 1 & 2 compared to FY2022 with 100% renewable energy consumption
- 22% reduction in financed emissions intensity
- RM5.5 billion investment in green and transition assets

Social

- Completed salary and benefits adjustments to ensure all employees earn above living wage threshold
- 38% representations of Women in Leadership positions
- RM55.59 million in social impact contribution impacting more than 16,000 beneficiaries

Governance

- Enhanced sophistication of Board, Chair & CEO assessments
- Disclosed proxy voting for top 20 international equity across 5 regions

2025 DELIVERING RECOGNISED RESULTS

Climate Action

- Achieved Net Zero GHG emissions across our Scope 1 and 2
- Published the PNB Nature and Biodiversity Policy

Social

- Priority companies have adopted standalone Labour/Human Rights policies
- 41.5% representation of Women in Leadership positions
- Launched PNB Volunteerism Framework in March and achieved 11,880 volunteerism hours
- Close to RM100 million in 2025 to uplift communities through initiatives under SIF as well as khairat, zakat and waqaf distributions

Governance

- Expansion of coverage to top 100 international equity across five regions
- Planning towards NSRF and ISSB-aligned disclosure

2026

Publishing of Refreshed PNB Sustainability Framework, consisting of:

3 Anchors **6** Commitments **16** Targets

Next Steps: Transitioning to the refreshed PNB Sustainability Framework

As PNB approaches the 2025 milestone for several of the 10 ESG commitments outlined in the initial Sustainability Framework, the Group is entering the next phase of its sustainability journey with the introduction of the refreshed Sustainability Framework.

This next phase builds on the progress and foundations established under the initial framework while strengthening PNB's approach to sustainability integration across its operations and investment activities. The refreshed PNB Sustainability Framework is designed to position the Group for the next stage of its sustainability journey, enabling PNB to continue creating long-term value while contributing meaningfully to Malaysia's sustainable development and nation building agenda. This transition is underpinned by several key shifts:



Evolving ESG landscape

Sustainability priorities have broadened beyond climate to include areas such as biodiversity, social resilience and supply chain responsibility, requiring deeper integration and alignment with global frameworks.



From foundations to maturity

PNB is moving beyond establishing ESG commitments towards embedding sustainability more effectively in capital allocation, stewardship and value creation.



Rising stakeholder expectations

Increasing alignment with international best practices and global peers is necessary to maintain credibility and relevance.



Reframing the commitment-based structure

Existing ESG commitments are being recalibrated to better capture trade-offs, cross-cutting issues and the dynamic nature of sustainability risks and opportunities.



Strengthening nation-building role

As a GLIC, PNB's sustainability role extends beyond portfolio resilience to encompass nation building priorities, including financial inclusion, community development and long-term socio-economic resilience.



Accelerating internal momentum

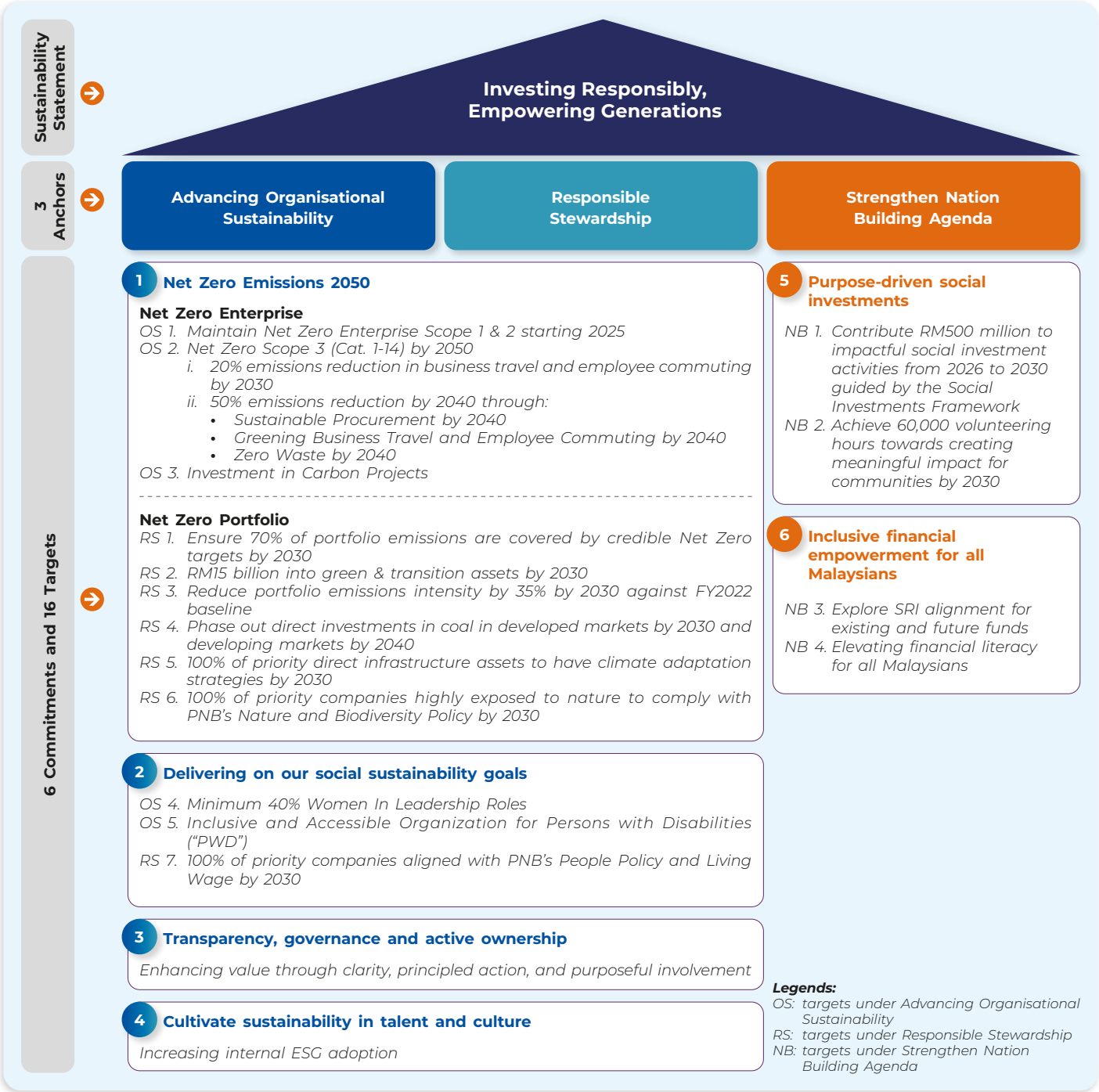
Greater cross-functional collaboration and stronger execution will enable PNB to translate insights into action and accelerate the shift from awareness to measurable outcomes.

Sustainability at PNB

Refreshed PNB Sustainability Framework

The refreshed PNB Sustainability Framework transitions from 10 ESG commitments to a more structured approach comprising anchors, commitments and measurable targets. It places greater emphasis on addressing ESG through materiality from an asset manager perspective, reframing sustainability from a compliance function into a value-creation engine.

Within this refreshed PNB Sustainability Framework, PNB adopts a unifying purpose statement supported by three anchors, six commitments and sixteen targets. While the anchors and commitments are designed to be enduring, the targets will be refreshed periodically as milestones are achieved.



Investing Responsibly, Empowering Generations – reflects its enduring commitment beyond financial performance. The refreshed sustainability commitments serve as a guiding framework to drive meaningful change and create lasting value for people and the planet.

Investing Responsibly recognises that investment decisions carry environmental and social implications that are closely interconnected with the broader ecosystem. Through this pillar, PNB channels capital to protect the environment and support a sustainable future for people, society, and the nation. Key priorities include achieving NZE by 2050, delivering on social sustainability goals, and strengthening transparency, governance, and active ownership.

Empowering Generations reflects PNB's commitment to empowering its people, nurturing future talent, and advancing an inclusive and resilient nation. This includes advancing purpose-driven social investments that contribute to community wellbeing and national progress, enabling inclusive and financial empowerment for all Malaysians, and embedding sustainability within talent development and organisational culture.

The Group's anchors serve as a structured lens to integrate sustainability across operations, investment activities and nation building efforts, ensuring a holistic and consistent approach to long-term value creation:

Advancing Organisational Sustainability	This anchor focuses on advancing PNB's internal sustainability by strengthening the sustainability integrations across our operations, governance structures and workforce. It encompasses the Group's enterprise-level decarbonisation pathway, social priorities, and robust governance and transparency practices. Complemented by efforts to enhance a sustainability-driven culture and capabilities, this supports PNB to operate responsibly, efficiently and in alignment with its refreshed commitments.
Responsible Stewardship	This anchor reflects PNB's role as an active owner in shaping sustainable outcomes across its investment portfolio. Through structured stewardship and engagement, the Group advocates for investee companies to strengthen climate resilience, elevate social standards and enhance governance practices. Sustainability considerations are embedded across the investment life cycle, enabling PNB to drive long-term value creation while managing material ESG risks at the portfolio level.
Strengthen Nation Building Agenda	This anchor underscores PNB's commitment to advancing Malaysia's socio-economic development. Through targeted social investments and financial empowerment initiatives, the Group aims to uplift communities, improve financial inclusion, and create sustainable livelihoods. These efforts support broader national priorities while reinforcing PNB's role in driving inclusive and sustainable national prosperity, in line with its Mandate.

Sustainability at PNB

PNB's six sustainability commitments translate these anchors into focused areas of action, strengthening accountability and guiding the delivery of the Group's sustainability priorities:

1 Net Zero Emissions by 2050

Building on its NZE 2025 and NZP 2050 commitments established in 2022, PNB will continue advancing its decarbonisation efforts across enterprise and portfolio in support of broader national and global Net Zero ambitions. The Group is committed to sustaining its NZE position for Scope 1 & 2 from 2025 onwards, while intensifying efforts to manage its Scope 3 emissions across value chains and exploring the potential of carbon credits projects. As part of its Scope 3 journey, the Group will further strengthen ESG integration at the portfolio level to reduce its financed emissions by incorporating new thematic elements such as internal carbon pricing, climate risk analyses, and updated decarbonisation pathways to support an orderly transition to NZE 2050.

For more details on PNB's Net Zero strategy, see Commitments 1 to 3 in Our Sustainability Progress section on pages 166 to 183.

2 Delivering on our social sustainability goals

The Group's social commitments remain central to advancing PNB's sustainability agenda. Having achieved its 40% Women in Leadership target, the Group will sustain this as a minimum benchmark through ongoing efforts within its talent development and succession planning. In parallel, the Group will deepen its diversity, equity and inclusion efforts by enhancing accessibility and inclusive practices, particularly for persons with disabilities, across its workplace, workforce and customer experience. As part of its stewardship efforts to elevate social standards across its investee companies, the Group will extend its Living Wage commitment by advocating broader adoption across corporate Malaysia, alongside setting expectations for at least 30% female representation at the Board level. These efforts are anchored in PNB's forthcoming People Policy – expanded from the 2022 Labour Rights Policy, to address a broader spectrum of human rights considerations and embed a more holistic, people-centric approach across our operations and portfolio.

For more details on PNB's social sustainability journey, see Commitments 4 to 6 in Our Sustainability Progress section on pages 190 to 208.

3 Transparency, governance and active ownership

PNB is committed to strengthen governance and stewardship by fostering value-focused boards and leadership, while reinforcing accountability and elevating disclosure practices across its corporate and investment activities. This includes enhancing governance effectiveness, embedding stronger leadership accountability, and progressing towards more outcome-based reporting. The Group will also further advance stewardship transparency and ensure corporate alignment with global and national standards and requirements.

For more details on PNB's governance commitments, see Commitments 8 to 10 in Our Sustainability Progress section on pages 224 to 225.

4 Cultivate sustainability in talent and culture

Recognising that culture and capabilities are critical in delivering PNB's sustainability commitments, the Group will continue to embed sustainability as an integral part of how it thinks, operates and delivers value. The Group will enhance its sustainability culture and progressively strengthen sustainability competencies across the organisation from 2026, ensuring that sustainability is fully integrated into its organisational practices. Over time, this will position sustainability as business-as-usual, underpinned by a workforce equipped with the capabilities to drive long-term, sustainable outcomes.

5 Purpose-driven social investments

The Group's dedication to creating sustainable and measurable impact across Malaysian communities is channelled through initiatives aligned with the Social Investments Framework, covering key focus areas such as Education, Healthcare, Community Development, and Environment supported by financial literacy and internal volunteerism. PNB will also support complementary social welfare initiatives, including financial assistance programmes (Khairat Scheme), Waqf and Zakat CSR, ensuring flexibility to address emerging community needs. Building on the 2025 progress in staff volunteerism, PNB will continue to strengthen its role in nation building through structured volunteerism activities that address real community needs.

For more details on PNB's social investments, see Commitment 7 in Our Sustainability Progress section on pages 209 to 223.

6 Inclusive and financial empowerment for all Malaysians

PNB is committed to strengthening financial literacy and expanding access to sustainable investment opportunities for all Malaysians. This includes elevating financial literacy through targeted education, digital access and inclusive outreach, particularly to underserved communities while collaborating with key stakeholders, including government, financial institutions, schools and corporates, to maximise impact. In parallel, the Group will explore SRI alignment across our existing and future funds, while building the necessary foundations to enhance ESG integration and raise ESG literacy among agents and investors, enabling more informed and responsible investment decisions.

16 Sustainability targets in the framework underpin these commitments with measurable outcomes, providing clear line of sight from strategy to execution and enabling disciplined tracking of progress.

Our Sustainability Progress

ENVIRONMENT

CLIMATE CHANGE AND ENVIRONMENTAL IMPACT

As a long-term institutional investor, PNB recognises its role in supporting the transition to a low-carbon economy while safeguarding long-term value and resilience across its assets. This is underpinned by a climate transition approach anchored by its dual commitments to achieve NZE by 2025 and NZP by 2050, guiding the reduction of both operational and financed emissions.

PNB's approach spans both its operations and investment portfolio. At the operational level, the focus remains on managing emissions across activities, including including relevant Scope 3 emissions category. At the portfolio level, climate considerations are embedded within stewardship and investment practices, supporting alignment with credible transition pathways and long-term value preservation.

This approach continues to evolve alongside improvements in data, market practices and regulatory expectations, ensuring that PNB remains aligned with the broader transition to a low-carbon and resilient economy.

Commitment 1:

NET ZERO ENTERPRISE BY 2025

In 2025, PNB achieved its NZE 2025 commitment, marking a significant milestone in our decarbonisation journey. PNB has been firmly committed to achieving this target by focusing on reducing operational Scope 1 and 2 GHG emissions across its HQ offices and 32 branches across Malaysia. Progress toward this commitment is measured using absolute GHG emissions (tCO_2e), in accordance with the GHG Protocol and aligned with global and national Net Zero ambitions.

GHG Emissions Calculation Methodology

PNB's GHG inventory is prepared in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, as well as the PCAF methodologies, where applicable, and covers Scope 1, Scope 2, and relevant Scope 3 emissions. All emissions are reported in tonnes of carbon dioxide equivalent (tCO_2e), based on established global warming potential factors. The Group's emissions inventory is developed using a combination of activity-based data and spend-based data.

PNB established its enterprise emissions baseline in 2022, which serves as the reference point for tracking progress against its NZE 2025 commitment, covering Scope 1 and 2 emissions. Scope 1 emissions are calculated based on direct fuel consumption and fugitive emissions from equipment and operations. Scope 2 emissions are reported using both location-based and market-based approaches to reflect emissions from purchased electricity, including the impact of renewable energy instruments such as the Green Electricity Tariff ("GET") and RECs.

To enhance transparency and consistency, PNB will published a GHG Inventory Methodology document outlining its emissions calculation approach, key assumptions, data limitations and measures to address data gaps. The Group continues to strengthen data quality through ongoing improvements, including the incorporation of fugitive emissions from FY2024, prioritisation of consumption-based over spend-based methodologies, and increased automation of data collection and management processes. These efforts are supported by robust data validation, verification and internal approval processes.

All emissions data are subject to internal review under the Group's sustainability governance framework to ensure accuracy and alignment with recognised reporting standards. As the Group progresses towards its long-term goal of NZE by 2050, it continues to refine and harmonise its enterprise and investment emissions boundaries as part of an iterative approach. This reflects the evolving nature of GHG reporting frameworks, including the GHG Protocol and PCAF, as well as emerging best practices in emissions accounting.

In 2025, the Group undertook a comprehensive review of its emissions boundary across Scope 1, Scope 2 and relevant Scope 3 categories to enhance the accuracy, decision-usefulness and relevance of its disclosures. This included a control-based assessment, aligned with the GHG Protocol, to ensure that only assets under direct ownership and operational control are included within the enterprise emissions boundary.

Given the Group's diversified investment portfolio across equities, fixed income and real estate, this distinction is particularly important. Real estate assets are managed by operationally segregated entities with independent boards and management teams, with their associated emissions already captured under financed emissions (Scope 3). This approach aligns with the PCAF framework and helps avoid double counting, while maintaining clear attribution of emissions responsibility.

Following this review, the Group has refined its enterprise emissions boundary to focus on assets and activities that reflect its role as an asset management firm. For transparency and comparability, emissions excluded as a result of this refinement are disclosed separately on page 168 of this report.

While certain real estate assets are no longer included within the revised operational boundary, they remain integral to the Group's broader decarbonisation journey towards Net Zero 2050. The Group will continue to leverage its stewardship and engagement approach to encourage these entities to adopt Net Zero commitments, implement decarbonisation strategies, and enhance emissions measurement and disclosure practices.

Our Sustainability Progress

Impact of the Revised Emissions Boundary on PNB Enterprise Emissions

PNB Enterprise emissions (tCO_2e)	2022		2023		2024		2025
	Baseline	Baseline (restated)	Previously reported	Restated	Previously reported	Restated	New emission boundary
Scope 1	**203**	**93**	**155**	**112**	**283**	**237**	**316**
1.1 Stationary combustion	3	3	6	6	8	8	7
1.2 Mobile combustion	200	90	149	107	133	92	75
1.3 Fugitive emission	n/a	n/a	n/a	n/a	142	137	234
Scope 2							
Purchased electricity (location-based)	6,028	5,751	6,140	5,909	5,057	4,085	2,188
Purchased electricity (market-based)	6,028	5,751	4,045	3,876	1	1	0
Scope 3	**22,811**	**20,053**	**26,813**	**24,905**	**26,200**	**23,102**	**50,693**
3.1 Purchased goods and services	9,274	8,307	11,933	10,812	18,453	16,409	34,096
3.2 Capital goods	7,067	5,505	9,654	9,279	1,892	1,530	13,002
3.3 Fuel- and energy-related	709	648	864	820	117	92	59
3.4 Waste generated in operations	61	46	55	48	89	89	99
3.5 Business travel	1,314	1,247	1,848	1,805	2,661	2,576	984
3.6 Employee commuting	4,387	4,302	2,459	2,141	2,988	2,405	2,453
Total emissions (location-based, tCO_2e)	**29,042**	**25,897**	**33,108**	**30,926**	**31,540**	**27,425**	**53,197**
Total emissions (market-based, tCO_2e)	**29,042**	**25,897**	**31,013**	**28,893**	**26,484**	**23,341**	**51,009**

Note: PNB Sustainability Data, Methodology, and Assurance Statement is available on PNB's website.

Achieving NZE 2025 Through Our R_2O Strategy

PNB's NZE 2025 (Scope 1 and 2) achievement reflects the Group's proactive efforts to embed climate-focused strategies within its operations, anchored by its R_2O strategy, which emphasises energy efficiency, integration of renewable energy solutions, and strengthened systems for monitoring and reporting GHG emissions.

Our R_2O Strategy

Reduce *Prioritise emissions reduction initiatives*	Replace *Efficiency improvement leading to reduced GHG emissions*	Offset *Purchase carbon offsets of remaining hard-to-abate GHG emissions*
Mapping of emissions and baselining	High impact equipment replacement initiatives	Alignment with credible standards in offsetting
Define high impact carbon reduction initiatives	Targeted emissions reduction activities	Prioritise nation building initiatives
Incorporate ESG values in daily operations	Assessment on availability of technology in the market	Verifiable and credible projects
Engage and educate radically via strategic ESG communications	Change management and engagement	

Gross Scope 1 and 2 operational emissions were reduced through a combination of energy efficiency initiatives, fleet transition from internal combustion engine ("ICE") vehicles to hybrid alternatives, and the use of RECs to lower market-based Scope 2 emissions. Location-based Scope 2 emissions also declined significantly over time, supported by the relocation of PNB's Head Office to Merdeka 118, a triple-certified green building.

Given the constraints of deploying on-site renewable energy in dense urban environments, PNB leverages RECs to support its electricity consumption, thereby reducing market-based emissions while contributing to broader renewable energy demand. Residual Scope 1 and 2 emissions that are currently hard-to-abate will be addressed through the use of credible carbon credits, guided by PNB Internal Carbon Credits Guidelines. The retirement of the carbon credits will be undertaken upon confirmation of the final emissions figure following completion of the assurance process.

Our Sustainability Progress

Reduce: Prioritising Emissions Reduction Initiatives

PNB's decarbonisation strategy is centred on emissions reduction. In achieving the NZE 2025 commitment, PNB has prioritised – and will continue to prioritise – the reduction of both direct and indirect emissions through a combination of energy efficiency improvements and value chain mitigation efforts aligned to PNB internal R_2O strategy.

PNB continues to strengthen its operational energy performance through targeted efficiency measures and a systematic approach to energy management. During the reporting period, the relocation to Merdeka 118 – a triple-certified green building under Green Building Index ("GBI"), LEED and GreenRE.

Merdeka 118: A Flagship of Sustainable Innovation

PNB's landmark development, Merdeka 118, incorporates advanced sustainability features that support PNB's broader environmental objectives. As the first building in Malaysia to achieve triple Platinum certification, the tower reflects the Group's commitment to sustainable design, innovation and operational excellence.

Key sustainability features include:

- Advanced vertical transportation system designed to optimise energy efficiency and building performance. This includes double-deck lifts and sky-lobby shuttle lifts that reduce the number of stops and improve operational flow, alongside fully regenerative AC Variable Voltage Variable Frequency drives for lifts and escalators that capture and reuse energy during operation
- Integrated smart building technologies, including a centralised Building Management System, which enables real-time monitoring and control across key systems such as HVAC, electrical, plumbing and fire protection. This supports data-driven optimisation of energy and water usage, enhancing overall operational efficiency and occupant comfort
- Comprehensive waste management infrastructure, featuring an Automated Waste Collection System and dedicated shredded paper waste system. Central recycling stations on each floor facilitate structured waste segregation and enable effective tracking and monitoring of waste streams, supporting improved resource efficiency
- On-site renewable energy solutions, including Building-Integrated Photovoltaics and solar thermal systems, designed to harness renewable energy directly from the building envelope. Based on engineering design and simulations, these systems are projected to generate approximately 660 MWh of renewable energy annually, contributing to reduced reliance on conventional energy sources

In parallel, PNB has developed an internal Energy Efficiency Guideline to drive a consistent and structured approach to energy management across its operations. This includes initiatives such as high-impact equipment upgrades, adoption of energy-efficient technologies, and ongoing assessments of market solutions to ensure optimal performance. To further embed an energy-conscious culture, the Group tracks and publishes electricity consumption data on a quarterly basis, supported by continuous internal engagement to promote energy-efficient behaviours.

Value Chain Mitigation

The Group is progressively strengthening its approach to managing indirect Scope 3 emissions across its value chain, recognising the importance of data availability and stakeholder collaboration. A phased approach has been adopted to enhance emissions visibility while implementing targeted mitigation initiatives across its operations and supplier network. In parallel, the Group is broadening its environmental stewardship beyond climate action to address the wider environmental footprint of its operations, including waste management. Key initiatives implemented during the reporting period include:

Key Initiatives	Focus Area	Intended Outcome
Waste segregation, recycling programmes, landfill reduction efforts, and development of a Waste Management Guideline to standardise practices and improve recycling performance	Waste Management	Segregation of waste at source, improved waste management and resource use, enhanced recycling rates and reduced waste-related emissions
Digitalisation of workflows, e-approvals, paperless processes	Paper Consumption	Lower paper use and reduced resource consumption
No single-use plastic initiative, promotion of reusable alternatives	Single-use Plastics	Reduced plastic waste across operations and increased adoption of reusable materials
Incentives for public transport and low-carbon mobility; enhanced data tracking	Business Travel & Employee Commuting	Lower transport-related emissions and improved data visibility
Supplier engagement and data enhancement for emissions tracking	Supplier Engagement	Improved Scope 3 data quality and supplier alignment

Beyond its own operations, PNB is extending its decarbonisation efforts to its supplier base, particularly across purchased goods and services and capital goods categories. In 2025, the Group launched a Green Procurement Readiness Survey to assess suppliers' awareness, capabilities and preparedness in supporting PNB climate-related commitments. Insights from this initiative will inform the enhancement of PNB's sustainable procurement approach, strengthening supplier alignment as the Group advances its Net Zero ambitions.

Our Sustainability Progress

Replace: Improving Efficiency Leading to GHG Emissions Reduction

In advancing the transition towards lower-carbon operations, PNB prioritises replacing carbon-intensive activities with cleaner and more efficient alternatives. This includes progressive fleet electrification and increased adoption of renewable energy to reduce Scope 2 emissions. Since 2023, approximately 25% of the Group's fleet has transitioned to hybrid and electric vehicles, including the deployment of hybrid cars and electric bikes at Precinct 118, with plans to further expand electric vehicle adoption.

In parallel, PNB has accelerated its shift towards cleaner electricity. Since 2023, the Group has procured renewable electricity through Tenaga Nasional Berhad's GET, complemented by RECs, with 100% of grid electricity consumption matched in line with RE100 principles. These efforts reduce market-based Scope 2 emissions while supporting national energy transition goals.

To strengthen energy management, PNB introduced an internal Energy Efficiency and Conservation Guideline in 2024, driving enterprise-wide energy savings aligned with the Energy Efficiency and Conservation Act ("EECA") 2024. The guideline categorises employees by energy control levels and outlines targeted conservation measures, reinforcing a structured approach to efficiency.

Moving forward, PNB is also exploring the feasibility of solar solutions to further diversify its renewable energy mix. This includes assessing opportunities for onsite generation and other solar procurement pathways. These initiatives form part of PNB's ongoing commitment to reducing energy-related emissions and strengthening its long-term decarbonisation pathway.

Offset: Investing in High-Quality Carbon Offsets to Address Residual Hard-to-Abate Emissions

The Group prioritises direct emissions reduction as its primary decarbonisation pathway. Nevertheless, the use of RECs and credible carbon credits serves as a transitional mechanism to manage residual emissions as it progresses towards Net Zero 2050.

Under the R_2O strategy, carbon credits are used only after all feasible internal reduction and replacement measures have been implemented, ensuring alignment with recognised carbon mitigation hierarchies. PNB remains stringent in its carbon offsetting approach that prioritises the use of credible carbon credits aligned with recognised international standards.

PNB participated in the inaugural Bursa Carbon Exchange ("BCX") auction in 2023 to demonstrate its support for the development of Malaysia's voluntary carbon market and to encourage greater participation among local carbon credit developers. In 2025, the Group further strengthened its participation in Malaysia's developing voluntary carbon market through continued carbon credit purchases via BCX. This participation provides access to credible carbon credits while supporting national efforts to establish a transparent and credible domestic carbon trading platform. PNB's active participation in BCX is complemented by ongoing engagements with local carbon market players, contributing to the healthy development of the domestic carbon market landscape in alignment with global standards.

Building on this, PNB continued to advance its carbon offsetting efforts through the purchase of credible carbon credits from BCX, primarily to address residual hard-to-abate emissions. These efforts complement the organisation's broader operational decarbonisation initiatives, enabling PNB to neutralise remaining emissions as it progresses towards and achieves its NZE 2025 commitment.

The Group adopts a differentiated approach to the use of carbon credits, recognising the distinct roles of emissions-avoidance and emissions-removal credits in supporting a credible Net Zero trajectory. Emissions-removal credits are used to offset hard-to-abate Scope 1 and 2 emissions, in line with widely accepted definitions of Net Zero. These credits provide a market-based mechanism to neutralise hard-to-abate emissions from the Group's direct operations.

Given the complexity of Scope 3 emissions and the time required for decarbonisation initiatives to scale, the Group aim to utilise avoidance-type credits to address selected enterprise Scope 3 emissions. This supports continued progress towards Net Zero while contributing to credible climate mitigation projects. In addition, the use of carbon credits helps to internalise the cost of emissions, supporting more informed operational decision-making and improving the viability of low-carbon solutions.

For financed emissions, the Group adopts a fundamentally different approach, focusing on capital allocation and active ownership to drive decarbonisation outcomes. As such, offsetting is not a primary strategy. Instead, the Group prioritises carbon-conscious investment practices and engagement with investee companies to support credible transition pathways.

Details on carbon credits used in offsetting

Project Type	Credit Type	Project benefits	Verifier
Agriculture Forestry and Other Land Use	Removals & Avoidance	Protects and restores tropical forest	Verra
Agriculture Forestry and Other Land Use	Avoidance	Reducing emissions from deforestation and degradation	Verra

PNB also continues to closely monitor developments in the voluntary carbon market and has strengthened its internal carbon offsetting guidelines to align with evolving global frameworks, including those established by the Voluntary Carbon Markets Integrity Initiative ("VCMI") and the Integrity Council for the Voluntary Carbon Market ("ICVCM"), ensuring alignment with recognised best practices for carbon offsetting as the market matures.

Beyond 2025: PNB Net Zero 2050

The Group aims to maintain its NZE status for Scope 1 and 2 emissions through continuous optimisation of energy efficiency across its assets, increased adoption of renewable energy, and the use of credible carbon credits to address residual emissions.

At the same time, PNB is enhancing its Scope 3 emissions inventory by improving data coverage, quality and granularity, enabling more targeted and effective mitigation actions. This is complemented by deeper engagement with suppliers to encourage the adoption of greener products and services, strengthen climate commitments, support target setting, and enhance the assessment of transition risks across the value chain. As these efforts progress, PNB will continue to refine its methodologies and capabilities in line with evolving data, tools and global sustainability standards, while also exploring credible opportunities beyond its immediate value chain that contribute to broader emissions reductions and long-term climate resilience.

To underpin this transition, PNB will further strengthen climate governance, align disclosures with leading reporting frameworks, and seek independent assurance over key climate-related metrics. These efforts will support greater transparency, credibility and comparability as the Group advances its Net Zero 2050 ambition.

Further details on PNB Refreshed Sustainability Framework and Scope 3 Category 15 emissions are available on pages 163 to 165, and page 174 to 179 respectively.

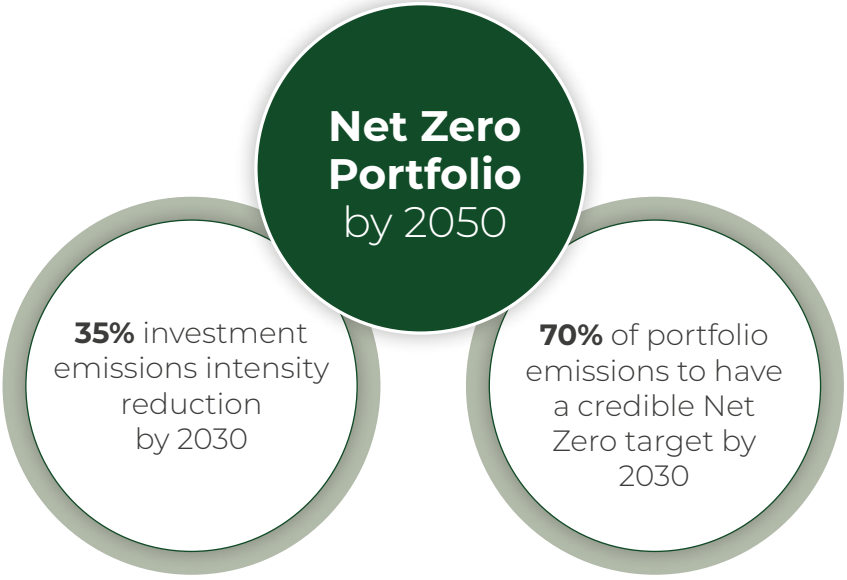
Our Sustainability Progress

ENVIRONMENTAL IMPACT

Commitment 2:

NET ZERO PORTFOLIO BY 2050

PNB's 2050 Net Zero Portfolio Commitment and Targets



PNB's portfolio decarbonisation efforts are guided by its 2030 interim climate targets, aimed at reducing emissions intensity while growing AUM. This supports the development of a climate-resilient portfolio capable of managing transition risks and sustaining long-term value. PNB also anticipates gradual adjustments to its business model and resource allocation in response to climate-related risks and opportunities, while continuing to integrate ESG and climate considerations into investment and portfolio management processes.

Under its NZP by 2050 commitment, PNB seeks to align its investment portfolio with long-term Net Zero pathways through stewardship and responsible investment practices, in line with global frameworks such as the UN-supported PRI. PNB's financed emissions currently cover approximately 85.6% of AUM across asset classes, including listed equities, private markets, fixed income and real estate.

Progress is tracked using portfolio emissions intensity (tCO_2e per RM million AUM) and the percentage of portfolio emissions covered by credible Net Zero targets, measured against a 2022 baseline. PNB targets 70% coverage of portfolio emissions under credible Net Zero commitments, enabling focused engagement with higher-emitting investee companies to strengthen transition readiness. The targets are informed by sectoral decarbonisation pathways, particularly for high-emitting sectors such as Power, Plantation and Oil & Gas, guided by recognised frameworks including IEA Net Zero scenarios and SBTi FLAG, alongside investee-level targets.

PNB remains committed to transparent disclosure of portfolio emissions and has published its Financed Emissions to provide a consistent view of decarbonisation progress. This enhances transparency while supporting improved comparability over time, recognising that data availability from investee companies remains a key dependency.

Further details on PNB's portfolio emissions and related methodologies are available in the Stewardship Report, which should be read in conjunction with this Statement, available at https://www.pnb.com.my/themes/pnb/assets/pdf/PNB%20Stewardship%20Report.pdf" PNB Stewardship Report.pdf

Monitoring ESG Performance of the Portfolio

As part of PNB's portfolio decarbonisation journey, continuous monitoring of ESG performance across its investments is critical to managing risks, identifying opportunities, and ensuring alignment with the Group's long-term climate ambitions. To enhance this approach, PNB has introduced 17 sector-specific ESG Scorecards to systematically assess and track company performance across our investment universe. These scorecards focus on the most material ESG factors, influencing financial performance, enabling more targeted and relevant evaluation across industries.

By applying a sector-specific lens, the Group recognises that ESG risks and opportunities vary significantly across industries. This approach enables PNB to differentiate leaders from laggards, strengthen its fundamental investment analysis, and more effectively integrate ESG considerations into investment decision-making. Companies that demonstrate strong ESG risk management and clear transition strategies are generally better positioned to create sustainable long-term value.

Assessing Net Zero Credibility in Our Portfolio

PNB remains committed to independently measuring and evaluating the Net Zero credibility of its investee companies, with a target of ensuring that 70% of our portfolio emissions are covered by credible Net Zero targets by 2030.

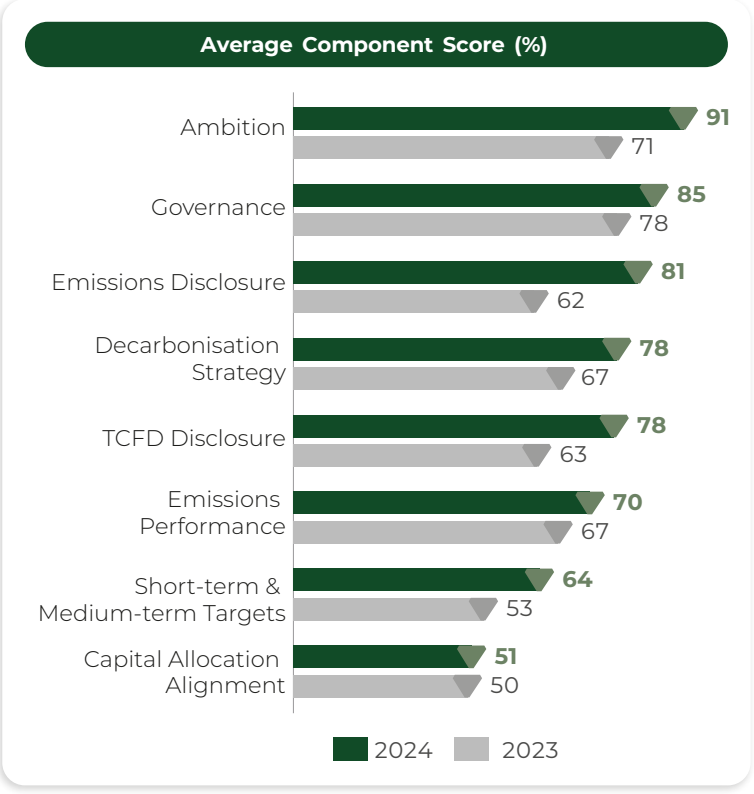
The Group's internal assessment framework provides a clear foundation for consistent and structured engagement, aligning its dialogue with evolving best practices and broader investor expectations. This evaluation approach is continuously refined, reflecting the dynamic nature of the energy transition and shifting market standards for decarbonisation. As the Group moves closer to 2030, what constitutes a "credible" Net Zero target will inevitably evolve, and so will PNB's threshold for assessment.

Under this approach, companies are assessed against a defined threshold to determine credibility. PNB will continue to enhance its methodology over time to uphold the robustness and integrity of its portfolio's Net Zero alignment.

As of 2025, 40% of PNB's financed emissions are covered by credible Net Zero targets, an increase from 38% in 2024. Positive momentum has been observed among investee companies, including the establishment of formal Net Zero commitments, improved GHG disclosures, reductions in emissions intensity, and the development of more comprehensive climate strategies.

While many companies demonstrate strength in setting ambitions and governance structures, gaps persist in areas such as emissions reduction targets, capital allocation, and just transition planning. Overall, moderate progress has been observed in emissions performance and decarbonisation strategies. These insights continue to inform and guide PNB's engagement efforts to drive ongoing improvement.

The average component scores from the Net Zero Credibility assessment across PNB's Strategic Companies and Top 10 emitters are as follows:



Our Sustainability Progress

MANAGING OUR CLIMATE RISKS AND OPPORTUNITIES

Climate-related risks, including both physical and transition risks, are increasingly material to PNB's operations and investment portfolio, with potential financial and operational implications across its assets and activities. Physical risks – such as floods – may disrupt operations, increase costs, and pose safety risks to assets and workforce.

To manage these risks, PNB integrates climate considerations into its business model, investment processes, and ERM framework. This includes pre-investment due diligence through negative screening, ESG assessments, and carbon exposure analysis, as well as active engagement with investee companies on their Net Zero pathways. PNB has also strengthened operational resilience through an Incident Management Policy linked to its Business Continuity Management framework, enabling timely response to climate-related disruptions. Following its 2024 double materiality assessment, PNB evaluates both the financial impacts of climate risks (outside-in) and its broader environmental and social impacts (inside-out), supporting more informed decision-making and targeted actions.

Climate-related risks are assessed using a combination of qualitative and quantitative approaches, including the monitoring of KRIs such as enterprise GHG emissions and portfolio emissions intensity against thresholds aligned with PNB's sustainability targets. These risks are monitored on a quarterly basis through structured KRI tracking and reporting.

During the reporting period, PNB undertook a significant enhancement of its risk management approach through the integration of ESG commitments into its Risk Appetite Statement ("RAS") and KRIs. Climate considerations are integrated within PNB's overall risk management framework and are actively prioritised within the Group's strategic risk heatmap, reflecting their growing importance to long-term value creation.

At the same time, PNB continues to capture opportunities arising from the low-carbon transition. This includes its commitment to deploy capital for green and transition assets across sectors such as Clean Power, Clean Transport, Green Buildings and Agriculture, Forestry and Other Land Use ("AFOLU").

Through these efforts, PNB aims to strengthen resilience against climate risks while positioning its portfolio and operations to deliver sustainable, long-term value in a transitioning economy. PNB intends to progressively undertake climate scenario analysis to assess the resilience of its investment portfolio under a range of transition pathways, with initial efforts focused on building internal capabilities, strengthening data and identifying relevant methodologies.

Application of Internal Carbon Pricing ("ICP")

The Malaysian government is expected to introduce a carbon tax in the near term, following its announcement in Budget 2025, to strengthen Malaysia's competitiveness in response to evolving global carbon policies such as the European Union's Carbon Border Adjustment Mechanism ("CBAM").

PNB is actively integrating internal carbon pricing to strengthen the assessment of carbon-related stranded asset risks. Through this approach, we aim to integrate forward-looking carbon cost signals into investment analysis to reflect real-world transition risks and evolving carbon pricing regulations.

By incorporating a shadow carbon price into investment evaluations, the framework enables the Group to better assess financial exposures to climate-related risks and identify assets that are more resilient in a low-carbon economy, supporting more informed and forward-looking investment decisions.

Stewardship with Purpose to Drive Portfolio Decarbonisation

The plantation, power and, oil & gas sectors make up 79% of PNB's portfolio emissions, warranting a sector-focused decarbonisation strategy. The Group's portfolio decarbonisation strategies can be explained via the following:

Decarbonisation Roadmap for Investments



Stewardship with Purpose

Engaging top emitters and Strategic Companies in PNB's portfolio.



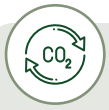
Investing in green and transition assets

Scaling investments in key sectors including Clean Power, Clean Transport, Green Buildings and AFOLU.



Proxy Voting

Integrating climate considerations into proxy voting.



Carbon-conscious investment behaviour

Instilling a culture of measuring and assessing implications of carbon emission exposure in PNB's portfolio.

Decarbonisation Levers

PNB's stewardship strategy for portfolio decarbonisation prioritises the plantation, power and, oil & gas sectors – key sources of emissions in its portfolio – as well as its 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 on 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

Our Sustainability Progress

CASE STUDY

INSTALLATION OF SOLAR PHOTOVOLTAIC AT HOSPITALITY INVESTEE COMPANY – ATTANA HOTELS & RESORTS

In addition to solar installations at various assets, Attana Hotels & Resorts also obtained a Green Hotel Certification for Villea Port Dickson. This achievement reflects strong performance in energy and water efficiency, and waste management to ensure environmentally responsible operations, marking a key milestone in Attana's hospitality sustainability journey.

PNB Commercial Sdn. Berhad ("PNBC"), another real estate investee company of PNB, also continues to expand renewable energy adoption across its broader property assets. These initiatives demonstrate PNBC continued efforts to expand renewable energy adoption across its property portfolio, reducing reliance on grid electricity while enhancing operational efficiency. Moving forward, PNBC will continue to identify and implement opportunities to strengthen environmental performance and scale the adoption of sustainable energy solutions across its assets.

Solar Installation Progress at Hospitality Assets



Property: Villea Port Dickson

Status: Completed in August 2025

Key Outcomes: More than 50% grid energy displaced with solar energy generation resulted in higher cost efficiencies and contributing to carbon reduction in operations



Property: Villea Morib

Status: Completed in December 2025

Key Outcomes: Higher cost efficiencies and contributing to carbon reduction in operations



Property: Kota Seriemas Golf & Country Club

Status: In progress

Key Outcomes: Installation ongoing

Installation of Solar Photovoltaic at Real Estate Investee Company



Property: One Cempaka, Kota Seriemas

Status: Completed (August 2024)

Key Outcomes: Recorded annual savings and carbon reduction



Property: Plaza Pelangi, Johor Bahru

Status: Completed (September 2025)

Key Outcomes: Recorded annual savings and carbon reduction

ESG Leadership among Investee Companies

PNB demonstrates strong ESG leadership across its investee companies by actively promoting responsible governance, sustainable business practices, and long-term value creation. Through board representation, stewardship, and ongoing engagement, PNB encourages portfolio companies to strengthen their ESG performance, enhance transparency, and adopt strategies that support environmental sustainability, social progress, and resilient economic growth.

Engagement with High-Emission Investee Companies

In 2025, PNB continued to strengthen its stewardship approach through targeted engagements with its nine Strategic Companies and top emitters, with a particular focus on advancing Net Zero alignment and improving emissions transparency. As part of this effort, PNB introduced Net Zero scorecards in 2024, developed based on its internal assessment framework. For top emitters, these scorecards are further enhanced with forward-looking transition pathways, outlining projected decarbonisation trajectories through to 2050. These tools have supported more structured and constructive engagements, with several investee companies elevating assessment outcomes to senior management and Board level, enabling more informed and decisive climate action.

PNB also actively engaged investee companies to share assessment outcomes, encourage stronger decarbonisation efforts, and deepen its understanding of sector-specific challenges and transition pathways. Of the 22 companies engaged during the year, 11 progressed from having no formal Net Zero ambition to adopting defined targets, reflecting positive momentum in portfolio alignment.

PNB's commitment to responsible ownership is further reinforced through its proxy voting practices, which are guided by Net Zero indicators embedded within its Voting Guidelines. In cases where companies did not meet expectations, PNB exercised its shareholder rights by voting against relevant resolutions, reinforcing accountability and climate alignment.

Internally, sustainability considerations continue to be embedded into investment processes. This includes the integration of financed emissions calculation in investment proposals to support a carbon conscious investment practice. ESG screening mechanisms – such as assessments of ESG risks and opportunities and controversies – are also integrated into the investment workflow, with flagged investments undergoing enhanced due diligence to ensure sustainability risks are appropriately addressed. Through these ongoing efforts, PNB remains committed to driving positive change across its portfolio while supporting the broader transition towards a low-carbon and more sustainable economy.

Our Sustainability Progress

SUSTAINABLE AND RESPONSIBLE INVESTING

Commitment 3:

RM10 BILLION IN NEW GREEN AND TRANSITION ASSETS BY 2030 (INCREASED TO RM15 BILLION UNDER THE REFRESHED PNB SUSTAINABILITY FRAMEWORK)

Sustainable and Responsible Investing

PNB remains steadfast in integrating ESG considerations across its investment processes to better manage material and emerging risks while strengthening portfolio resilience. We believe that sustainable long-term returns are closely linked to the stability and strength of economic, social, and environmental systems. As such, responsible stewardship is central to our investment philosophy, enabling us to drive progress across our portfolio while delivering lasting financial value. We also recognise that addressing climate change and navigating an evolving macroeconomic landscape requires collective action beyond PNB alone. Accordingly, we align our investment strategies with both national and global sustainability agendas to amplify impact.

PNB's climate ambitions support Malaysia's Net Zero by 2050 target and the government's Green Investment Strategy ("GIS"), which aims to accelerate the energy transition and scale green investments. As a GLIC, PNB also supports the Ministry of Finance's ("MOF") GEAR-uP initiative, by channelling capital into high-growth, high-value sectors that enhance national economic competitiveness.

PNB aims to mobilise capital towards climate and transition solutions that support a low-carbon and climate-resilient economy. This includes investments across domestic and international markets in key sectors such as Clean Power, Clean Energy, Green Buildings and AFOLU. Progress is tracked based on the cumulative value of capital deployed, in Ringgit, into these green and transition assets. In parallel, the Group's investment focus supports the modernisation of Malaysian industries through initiatives such as new industrial parks, automation and smart farming in the palm oil sector, and investments in green and energy transition assets.

Our approach to sustainable investing is underpinned by a two-pronged strategy:

1. **Sustainable Investment**
   Integrating ESG considerations into investment decision-making to better manage risks and opportunities

2. **Engagement and Stewardship**
   Engaging with investee companies to drive ESG performance improvements and ethical business conduct

Scaling Up Investments into Green and Transition Assets

COP30 highlighted significant progress in climate finance and mitigation, with countries committing to mobilise USD1.3 trillion annually by 2035 for global climate action. Parties also agreed to strengthen climate resilience by doubling adaptation finance by 2025 and tripling it by 2035 to support vulnerable countries.

Meanwhile, global energy transition trends continue to accelerate. BloombergNEF's New Energy Outlook 2025 projects global electricity demand to rise by around 75% by 2050, driven by electrification, cooling demand, and expanding data centres. Renewable energy is expected to supply around 67% of global electricity by mid-century, while EV adoption grows rapidly, with passenger EV sales projected to reach 42 million by 2030 and comprise two-thirds of the global vehicle fleet by 2050.

Despite this progress, current trajectories remain insufficient to meet the Paris Agreement goals. Under BloombergNEF's Economic Transition Scenario, global energy-related emissions decline by about 22% by 2050, underscoring the need for stronger policy support and greater investment in technologies such as hydrogen, CCS, and low-carbon industrial solutions.

Investment in Green and Transition Assets
In 2025, we commenced an independent assurance review of our deployed capital into green and transition assets to enhance transparency in reporting. We will disclose our FY2025 progress upon the completion of the assurance process.

Integration of ESG Factors into Investment Decision-Making

PNB integrates ESG considerations into its investment processes across public equities, private equities, fixed income, and real estate portfolios, covering the entire investment lifecycle from pre-investment due diligence to post-investment monitoring. This integration is guided by a risk-based assessment framework, ensuring that investment decisions enhance long-term portfolio resilience while managing exposure to climate-related and social risks.

ESG Assessments in Pre-Investment Due Diligence

All prospective investments undergo comprehensive ESG assessments to evaluate their exposure to material ESG risks, the effectiveness of mitigation strategies, and their ability to capture emerging sustainability opportunities. Our ESG assessment framework includes the following key components:

ESG Assessments Framework

ESG Gauge	ESG Negative Screening	Carbon Screening	Controversy Scan
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	Avoiding investments in specific industries and controversial business activities due to ethical violations and high-risk impact	Evaluate potential GHG emissions impact against our current baseline and 2030 carbon intensity target	Assessing severity and impact of any recent ESG controversies in the public domain

Our Sustainability Progress

Findings from ESG assessments are consolidated into an "ESG Tearsheet," which forms a key component of PNB's investment analysis. In 2025, all new investment inclusions across asset classes were required to include an ESG tearsheet as part of the investment paper presented to the relevant investment committees. Each tearsheet summarises the outcomes of PNB's proprietary sector-based ESG assessment, including governance considerations such as anti-money laundering and anti-bribery risks, as well as the investment's impact on PNB's financed emissions.

The tearsheet was further enhanced during the year to include a dedicated section on key ESG risks and opportunities, strengthening its role in informing investment decision-making. To deepen insights, PNB also conducted sector-specific analyses, beginning with the power sector, to assess the likelihood and impact of material ESG factors and provide more granular, industry-specific perspectives to analysts and fund managers.

ESG integration was further reinforced through targeted internal engagements and capacity-building initiatives. This included workshops on the development and application of an ICP framework, where stakeholders explored its integration across asset classes and its role as a decision-support tool in investment processes. In parallel, PNB conducted Human Rights Due Diligence ("HRDD") workshops involving cross-functional teams to identify salient human rights risks and discuss remediation actions, strengthening risk management across its operations and value chain.

In addition, a group-wide workshop was held as part of the development of PNB's updated Sustainability Framework, bringing together stakeholders across business units to refine targets, identify implementation challenges and enhance coordination. These engagements have contributed to strengthening ESG integration across PNB's investment processes, governance practices and overall sustainability strategy.

NATURE AND BIODIVERSITY

Nature and Biodiversity Considerations

Our approach to nature and biodiversity is guided by a range of recognised standards, guidelines, and frameworks, including the Global Biodiversity Framework ("GBF"), Science Based Targets Network ("SBTN"), TNFD, Roundtable on Sustainable Palm Oil ("RSPO"), High Carbon Stock Approach ("HCSA"), High Conservation Value Network ("HCVN"), and Malaysia's 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:

- Climate change impact on nature and biodiversity
- Conservation in land, freshwater and ocean ecosystems
- Sustainable resource use and replenishment
- Pollution reduction and biodiversity protection
- Management and control of invasive alien species
- Upholding social equity in biodiversity conservation

Nature and Biodiversity Policy and Implementation

PNB published its Nature and Biodiversity Policy in March 2025, establishing a structured approach to managing nature-related dependencies, impacts, risks and opportunities across its portfolio. The Policy applies to investee companies where nature is deemed material, and outlines expectations aligned with frameworks such as TNFD and the LEAP approach.

Following its publication, PNB developed a set of proprietary assessment frameworks to support implementation, including a Policy Assessment to evaluate alignment with expectations and nature-related voting considerations, as well as location-based due diligence and ongoing NDPE assessments. PNB also piloted the TNFD framework through case studies and collaborations, including with WWF-Malaysia, to deepen its understanding of nature-related risks in the local context.

As this is the first year of implementation, PNB has adopted a progressive engagement approach, focusing on priority companies with limited disclosures to build awareness and communicate expectations. These efforts support PNB's target of achieving 100% compliance with the Nature and Biodiversity Policy among priority companies by 2030.

For more information about our Nature and Biodiversity Policy, please refer to https://www.pnb.com.my/sites/default/files/sustainability/PNB_Nature_Bio_Policy.pdf

Our Sustainability Progress

CASE STUDY

ADVANCING NATURE INTEGRATION AT VILLEA PORT DICKSON

PNB piloted the TNFD framework using Villea Port Dickson ("Villea PD") as a case study. The asset, operated by PNB's hospitality investee company Attana Hotels & Resort, was selected due to its proximity to a Key Biodiversity Area ("KBA") – the Tanjung Tuan Recreational Forest – as well as its financial materiality within PNB's investment portfolio. This combination of ecological significance and operational relevance provided a practical setting to assess nature-related dependencies, impacts, risks and opportunities at the asset level.

The Tanjung Tuan Recreational Forest is recognised as a KBA through the Integrated Biodiversity Assessment Tool ("IBAT"), reflecting its importance at both national and global levels. Situated along a major migratory route, it serves as a critical stopover for bird species travelling between hemispheres, including the White-bellied Sea Eagle, Grey-faced Buzzard and Crested Serpent Eagle. Beyond avifauna, the surrounding ecosystem – comprising coastal forests, mangroves and seagrass meadows – plays an important role in habitat connectivity and biodiversity conservation.

Conducting the assessment using TNFD's LEAP Approach

Scoping

A quick, **high-level preliminary scan of internal and external data and reference sources** to generate a hypothesis about the organisation's **potential nature-related dependencies, impacts, risks and opportunities** to **define the parameters for a LEAP assessment** and to ensure managers and the assessment team are **aligned on goals and timelines**.

LEAP assessment

Locate The interface with nature

- L1 Span of the business model and value chain
- L2 Dependency and impact screening
- L3 Interface with nature
- L4 Interface with sensitive locations

Evaluate Dependencies & impacts

- E1 Identification of environmental assets, ecosystem services and impact drivers
- E2 Identification of dependencies and impacts
- E3 Dependency and impact measurement
- E4 Impact materiality assessment

Assess Risks & opportunities

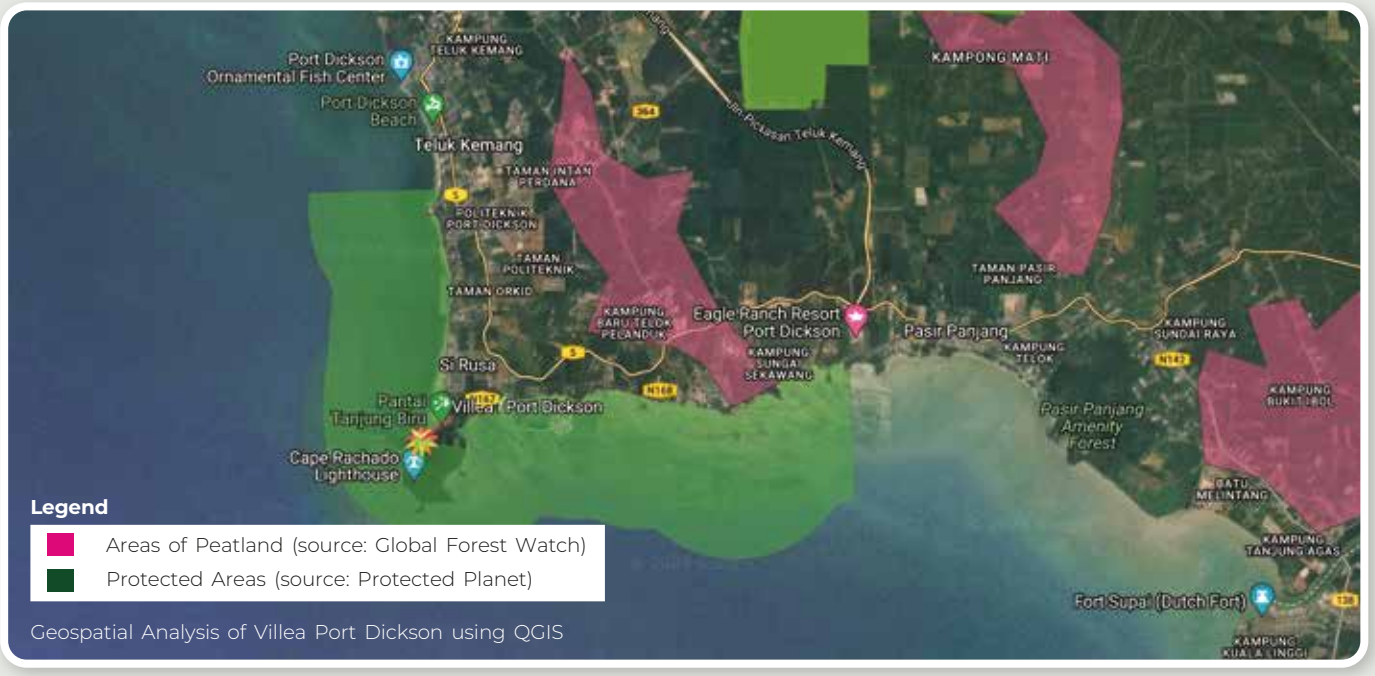
- A1 Risk and opportunity identification
- A2 Adjustment of existing risk mitigation and risk and opportunity management
- A3 Risk and opportunity measurement and prioritisation
- A4 Risk and opportunity materiality assessment

Prepare To respond & report

- P1 Strategy and resource allocation plans
- P2 Target setting and performance management
- P3 Reporting
- P4 Presentation

Utilising the LEAP framework, we conducted our assessment at Villea PD as follows:

Locate



Geospatial Analysis of Villea Port Dickson using QGIS

Villea PD is situated adjacent to the forest and surrounded by coastal ecosystems, including mangrove areas and seagrass habitats. A site visit was conducted in collaboration with Villea PD and the Malaysia Nature Society ("MNS"), to assess the ecosystem footprint of the surrounding area and identify key priorities and strategic actions.

Evaluate

Sector-level nature-related dependencies and impacts were identified using the ENCORE tool and validated with Villea PD management to ensure alignment with operational realities.

Ecosystem services	Natural Capital Assets	Severity
Fibres and other materials	• Habitats • Species	**Medium**
Mass stabilisation and erosion control	• Atmosphere • Land Geomorphology • Soil and sediments	**Medium**
Ground water	• Species • Water	**High**
Surface water	• Water	**High**
Water quality	• Water	**High**
Climate regulation	• Atmosphere • Habitats • Soil and sediments • Species • Water	**High**
Flood and storm protection	• Habitats	**High**

Table: Material sector-level nature-related dependencies

Our Sustainability Progress

Evaluate

Impact drivers	Natural Capital Assets	Severity
GHG emissions	• Atmosphere • Habitats • Soil and sediments • Species • Water • Minerals • Land Geomorphology	Medium
Marine ecosystem use		High
Water use		High
Water pollutants		High
Non-GHG pollutants		High
Solid waste		High

Table: Material sector-level nature-related impacts

Assess

Nature-related risks were analysed using a combination of ENCORE outputs, TNFD sector guidance and publicly available datasets, with validation from on-site management to contextualise findings.

Type of risk	Remarks	Severity
Physical risk	• Changes in regulating and maintenance of ecosystem services • Changes in extreme weather events and natural disasters and hazards	Medium
Dependency risk	• Shifting customer and/or investor values or preferences	Medium
Impact risk	• Unintentionally endangering native species due to hotel operations • Changes to the supply of natural inputs	Medium

Table: Material sector-level nature-related risks

Prepare

Findings were shared with PNB's Real Estate team, Attana Hotels & Resorts, and Villea PD management to identify mitigation measures and prioritise cost-effective actions. Engagements with MNS provided additional expert guidance on nature-positive practices.

Translating Insights into Action

The assessment identified opportunities to enhance Villea PD's positioning as an eco-conscious destination while addressing key nature-related risks and dependencies. In response, and in alignment with Green Hotel Certification requirements, Villea PD implemented a range of initiatives, including:

- Establishment of an environmental policy
- Use of environmentally friendly and biodegradable products
- Improved water management (e.g., bio-enzymes for wastewater treatment, rainwater harvesting, hydroponics)
- Enhanced waste management (e.g., recycling of cooking oil, plastics and paper)
- Development of an on-site hydroponic greenhouse for farm-to-table dining
- Installation of solar panels and EV charging facilities
- Creation of a dedicated bird-watching lookout point



On-site hydroponic farming system for fresh, sustainable produce supporting farm-to-table dining



The Annual Raptor Watch Programme at Tanjung Tuan Recreational Forest 2025

Complementing these efforts, Villea PD actively engages local communities and institutions through beach clean-ups, tree-planting programmes and cultural activities, promoting both environmental stewardship and local heritage. As a result of these initiatives, Villea Port Dickson successfully obtained the Green Hotel Certification from the Ministry of Tourism, Arts and Culture Malaysia in December 2025, demonstrating how nature-based insights can translate into tangible operational and commercial outcomes.



Forest Clean Up Activities at Tanjung Tuan Recreational Forest in collaboration with local community and organisations


Beach Clean Up Activities at Villea Port Dickson with local community and organisations


Traditional performances by Kelab Kesenian & Kebudayaan Politeknik Port Dickson – the hotel regularly invites cultural performance groups, especially during peak seasons and school holidays to enhance guest experience.

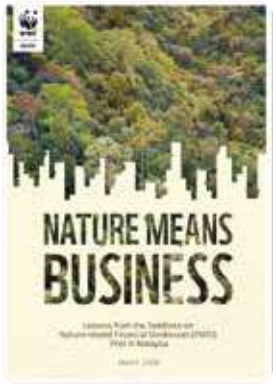
Our Sustainability Progress

Reflections and Next Steps

The pilot highlighted the importance of complementing global, sector-level datasets with local insights from on-the-ground stakeholders and subject-matter experts to better understand asset-specific nature-related risks and opportunities. PNB's participation in TNFD's Train-the-Trainer programme also strengthened internal capabilities in applying the LEAP approach.

Building on this pilot, PNB will continue to refine its nature and biodiversity strategy by integrating nature-related considerations into investment decision-making, portfolio monitoring and stewardship practices, while enhancing engagement with asset managers and investee companies.

Our Collaborations & Affiliations



PNB strengthens its sustainability approach through collaborations with organisations such as the PRI and WWF-Malaysia, supporting the integration of ESG considerations into its investment practices.

In 2025, PNB collaborated with WWF-Malaysia on a TNFD pilot initiative to develop practical, localised case studies using the LEAP approach. The pilot enhanced PNB's understanding of nature-related dependencies, impacts, risks and opportunities, while building internal capacity and informing investment and stewardship practices.

Key insights highlighted that nature-related risks are location-specific yet systemic, with flooding and water quality identified as primary physical risks. The study also underscored the importance of combining global screening tools with local data and progressively refining assessments through deeper, asset-level analysis.

For more information, please refer to the TNFD Pilot Case Study, available at: https://www.wwf.org.my/?34905/Nature-Means-Business-Lesson-from-the-Taskforce-on-Nature-related-Financial-Disclosures-TNFD-Pilot-in-Malaysia



Exclusion and Divestment Policies for High-Risk Sectors

Sustainability considerations at PNB are closely aligned with Shariah principles, both of which guide the organisation in making responsible and ethical investment decisions. Together, these principles inform a defined exclusion list covering sectors that do not align with PNB's sustainability commitments and risk management approach. The exclusion list is reviewed and updated annually to ensure it remains relevant and robust. As outlined in the Sustainability Policy, PNB maintains strict exclusions on investments related to alcohol, gambling, greenfield coal, tobacco, marijuana and recreational drugs, weapons, and adult entertainment.

No Direct Greenfield Thermal Coal Commitment

PNB's No Direct Greenfield Thermal Coal Commitment prohibits direct investments in new thermal coal power generation or mining across fixed income, public equities, and private equities. Based on the 2025 review, no breaches were identified. Most assessed entities are now classified as low risk, reflecting reduced exposure through coal phase-out commitments, asset divestments, and strengthened transition strategies.

Looking ahead, PNB will enhance its approach by tracking companies' progress against coal phase-out targets, in line with its goal to fully exit direct coal investments by 2030 in developed markets and by 2040 in developing markets.

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

PNB continues to assess deforestation-related risks using its NDPE framework, as outlined in the Nature and Biodiversity Policy. While several investee companies have adopted partial commitments – such as RSPO certification or No Deforestation and No Peat policies – gaps remain, particularly in the absence of explicit No Exploitation commitments.

In line with its stewardship approach, PNB engaged selected companies to strengthen NDPE adoption, enhance supply chain transparency, and improve preparedness for emerging regulatory developments. While progress in disclosure has been observed, further improvements are required to achieve consistent and comprehensive alignment. PNB will continue to monitor deforestation-related risks and engage investee companies to support ongoing improvement.

Our Sustainability Progress

SOCIAL

DIVERSITY, EQUITY AND INCLUSION

Commitment 4:

LIVING WAGE IN PNB

At PNB, we are committed to fostering a positive and inclusive workplace that recognises and values every individual. This supports our aspiration to cultivate a progressive work environment and position PNB as an employer of choice. We promote equal opportunities and empowerment for all employees, regardless of gender, and recognise that each individual brings unique skills and perspectives. By embracing these differences, we strive to build a culture grounded in respect, collaboration, and mutual support.

In line with the GEAR-uP initiative, PNB contributes to national development by promoting industry modernisation, encouraging fairer gender representation at the board level, advocating the adoption of a Living Wage among GLCs, and enhancing financial literacy among young Malaysians.

GEAR-uP Initiative: Driving Living Wage Adoption Through Active Stewardship

In 2025, PNB strengthened its commitment to advancing fair and equitable compensation across its investment ecosystem, in support of the MOF's GEAR-uP initiative. Recognising the Living Wage as a key stewardship priority, PNB engaged all strategic and controlled portfolio companies to encourage the adoption of a Living Wage framework anchored to a minimum threshold of RM3,100 per month.

Beyond aligning with national policy expectations, this initiative reflects PNB's broader commitment to embedding responsible employment practices across its portfolio. Through structured engagement, clear guidance, and ongoing monitoring, PNB supports companies in adopting a consistent, transparent, and scalable approach to fair compensation. Collectively, these efforts aim to enhance workforce wellbeing and resilience, while contributing to more inclusive and sustainable economic growth.

The MOF, through the GEAR-uP programme, outlined five core expectations to guide companies in adopting Living Wage practices. PNB operationalised these expectations across its investee companies as a structured foundation for implementation:

- Publicly commit to adopting a Living Wage for employees in Malaysia
- Assess and quantify the Living Wage gap against current compensation structures
- Develop a clear, time-bound roadmap to address identified gaps
- Identify potential constraints and seek support where necessary
- Track, monitor, and transparently report progress against the roadmap

Building on this, PNB translated these expectations into a structured stewardship programme, supporting companies at each stage of the implementation journey – from initial commitment and gap assessment to roadmap execution, capacity building, and ongoing monitoring and disclosure. This approach enables a practical and phased adoption of Living Wage practices, while ensuring alignment with national priorities and fostering accountability across its portfolio.

Guiding Principles for Living Wage Implementation

In line with the GEAR-uP initiative, PNB has emphasised four key principles to guide the implementation of Living Wage practices across its portfolio companies. These principles provide a clear and practical foundation to ensure that the adoption of Living Wage frameworks remains consistent, credible, and aligned with national policy expectations.

PNB's Principles

1 Sufficient Overall Compensation

Employees should receive adequate remuneration through cash salary and predictable benefits-in-kind, ensuring a decent standard of living

2 Reference Benchmark

Compensation should align with the annual *Belanjawanku* published by the EPF, which was selected as the primary benchmark due to its annual updates and robust methodology, ensuring continued relevance and accuracy

3 Scope of Coverage

The Living Wage framework is initially intended to apply to permanent employees residing or primarily working in Malaysia, while companies may assess the feasibility of extending coverage to other employee categories

4 Operational Flexibility

GLCs retain the flexibility to determine the most appropriate pathway to achieve compliance, allowing implementation to be tailored to their respective workforce structures and operational contexts

Our Living Wage Framework

In implementing the MOF's GEAR-uP initiative, PNB established a structured approach to defining and implementing a Living Wage across its portfolio. The RM3,100 benchmark is based on the *Belanjawanku* framework, reflecting Malaysian household income and expenditure patterns, adjusted for inflation, and serving as an evidence-based threshold for a decent standard of living.

Recognising that a Living Wage should enable individuals to meet essential needs while supporting financial resilience and wellbeing, PNB collaborated with fellow GLICs, including Khazanah Nasional and EPF, to align key principles and methodologies. This collaboration resulted in a standardised Living Wage Framework comprising eight key dimensions and a practical implementation template. The framework provides guidance on wage benchmarking, employee coverage, and the treatment of salary and benefits, enabling companies to assess wage gaps, develop implementation plans and track progress, while allowing flexibility to adapt to their operational context.

Our Sustainability Progress

This approach supports consistent and scalable adoption of Living Wage practices across PNB's portfolio, ensuring alignment with national priorities while promoting transparency and fairness in compensation practices:

Reference Point

The EPF annual *Belanjawanku* is adopted as the primary benchmark, selected for its robust methodology and regular updates, ensuring continued relevance and accuracy in reflecting household living costs

Calculation Approach

Companies may adopt either a bottom-up approach, starting from the RM3,100 Living Wage benchmark and calculating base salary after accounting for benefits-in-kind, or a top-down approach, beginning with base salary and incorporating benefits-in-kind to reach the Living Wage threshold

Inflation Adjustment

Living Wage benchmarks are reviewed periodically and adjusted approximately every three years to reflect changes in inflation and maintain purchasing power

Benefits-in-Kind

A decent standard of living should enable workers to meet essential needs including housing, food, healthcare, education, transportation and savings. While certain elements may be provided through benefits-in-kind – such as healthcare coverage, housing assistance or transport allowances – these are intended to complement, rather than substitute, fair and adequate wages

Geographical Considerations

Companies may adopt a uniform national benchmark or apply differentiated approaches across states or regions depending on local cost-of-living conditions

Employment Status

While the framework primarily focuses on permanent employees, companies may assess the feasibility and impact of extending coverage to other worker categories

Engagement Outcomes

Through this initiative, PNB has achieved strong engagement with its portfolio companies:

- All nine Strategic Companies and one Controlled Company have formalised their commitment to implementing the Living Wage Framework
- Eight companies have publicly announced their commitment to adopting a Living Wage
- Seven companies have successfully achieved the RM3,100 Living Wage threshold

Beyond formal engagements, PNB collaborated with the Human Resource teams of its Strategic and Controlled companies through a series of workshops and working sessions. These discussions provided a platform to better understand companies' starting positions, exchange practical insights, and jointly explore implementation pathways, particularly for employee segments such as blue-collar workers where wage structures may differ.

Through these engagements, PNB worked closely with companies to assess potential cost implications, refine the methodology for calculating the Living Wage, and consider the appropriate inclusion of benefits-in-kind within total compensation packages. This collaborative approach enabled companies to evaluate feasible implementation pathways while maintaining alignment with the Living Wage principles. This close partnership positions PNB not only as a steward setting expectations, but also as a facilitator supporting companies in the effective adoption of Living Wage practices across its portfolio.

Forward-Looking Stewardship

PNB will continue to monitor the rollout of Living Wage practices across its portfolio, while supporting capability building among investee companies to facilitate effective implementation. In parallel, living wage considerations will be progressively integrated into PNB's engagement strategy as part of its stewardship approach. Through these efforts, PNB aims to embed fair and responsible compensation practices into long-term value creation, reinforcing its role as an active steward, committed to sustainable and equitable corporate governance.

Commitment 6:

40% WOMEN IN PNB LEADERSHIP BY 2025

PNB has successfully achieved its commitment to attain 40% women representation in senior leadership by 2025, reaching 41.5% during the year. This milestone reflects sustained efforts to strengthen gender diversity through targeted talent development, inclusive leadership practices and structured succession planning.

Empowering Women Leaders: Women of Will Leadership Programme

Building on its launch in 2024, PNB continued to advance the Women & Inclusivity Network in 2025, further strengthening its focus on developing a robust pipeline of senior women leaders across the organisation. With two cohorts successfully completed, the programme has played a key role in supporting the achievement of our commitment to 40% women in PNB leadership.

Beyond representation, Women & Inclusivity Network is designed to cultivate an inclusive, well-balanced and high-performing leadership bench. The programme offers a comprehensive and integrated leadership journey, equipping senior women executives with the skills, confidence and strategic perspective required to navigate complex leadership roles and contribute meaningfully to organisational priorities.

Building on this progress, PNB remains focused on sustaining and strengthening women's representation in leadership through continued investment in targeted development, succession planning and inclusive talent practices, reinforcing a diverse and future-ready leadership team.

TALENT MANAGEMENT

Championing Growth: People, Skills, and Leadership at PNB

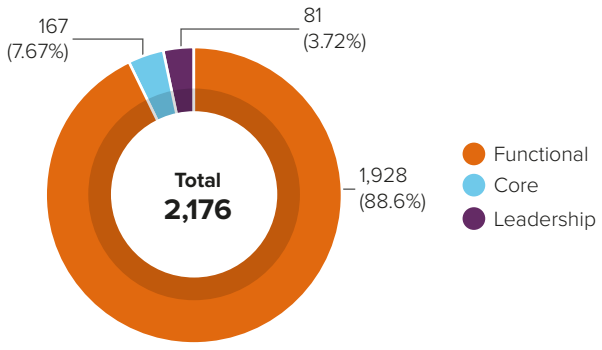
PNB recognises that people are central to delivering sustainable value and long-term organisational growth. As the investment landscape continues to evolve, the Group remains focused on cultivating a workforce that is agile, capable and equipped to navigate increasing complexity while supporting its strategic priorities.

Our Sustainability Progress

The Group adopts a holistic approach to talent development, centred on strengthening leadership capability, enhancing professional competencies and providing structured opportunities that support employees throughout their careers. Through a combination of targeted programmes, digital learning platforms and professional development initiatives, the Group continues to foster a culture where continuous learning and capability building are integral to organisational success.

PNB's commitment to learning and development remains strong, with **RM17.6 million** invested in 2025 to support more than **220,000 hours** of training, averaging 100.5 training hours per employee.

No. of programmes by Category



Average Training Hours by Employee Category

- **Top Leadership** 138.11 hours
- **Senior Management** 93.43 hours
- **Middle Management** 107.47 hours
- **Junior Management** 114.66 hours
- **Non-Executive** 138.12 hours

Leadership Development and Leadership Pipeline

The Group is committed to strengthening its leadership pipeline by equipping leaders at all levels with the capabilities required to navigate an evolving business landscape. Through structured leadership programmes, coaching initiatives and targeted development opportunities, the Group aims to cultivate strategic thinking, resilience and responsible leadership. These efforts also reinforce its commitment to inclusive leadership and the development of diverse talent across the organisation.

Nurturing Leaders, Shaping Expertise

2025 marked a significant step forward in the Group's leadership development journey with the launch of the Leadership Signature Series ("LSS"). As part of this evolution, we expanded the series through the pilot programme for the support group, the Foundations of Excellence Programme ("FEP"), delivered in collaboration with CXL Group. The programme is designed to build strong workplace foundations by developing key capabilities such as self-awareness, accountability, and emotional intelligence.

With this addition, the LSS has evolved into a more comprehensive, organisation-wide initiative, delivering targeted development experiences across all levels and strengthening a future-ready leadership pipeline.

For the next levels of employees in Junior Management, Middle Management, and Senior Management, the programme was delivered in collaboration with leading institutions including Melbourne Business School and Human Inc. The series combines cutting-edge insights with highly practical, real-world applications. To date, 16 cohorts have successfully completed, reaching 368 employees across the organisation, with participants reporting tangible improvements in leadership effectiveness, collaboration, and performance.

Strengthening Workforce Readiness Through Skills Assessment

In 2025, the Group strengthened its efforts to build a future-ready workforce through the implementation of a structured Skills Assessment initiative. Developed in close collaboration with business leaders and subject matter experts, the initiative provides data-driven insights into skill strengths and priority gaps across critical roles, aligning capability development with business needs. Each role is supported by a defined skills matrix with clear proficiency levels, enhancing role clarity, consistency in performance standards and structured development pathways.

Delivered through LearnHub, the Group's Learning Experience Platform ("LXP"), the initiative leverages adaptive assessments to provide employees with an objective evaluation of their capabilities and role readiness.

As at 31 October 2025, the initiative had been implemented across **22 teams**, covering more than **370 roles** and over **530 employees**, providing the organisation with its first enterprise-wide visibility of skills distribution and capability depth.

These insights are translated into personalised learning recommendations, ensuring development efforts are targeted and focused on closing critical skill gaps.

At the organisational level, aggregated insights provide leadership with a comprehensive view of workforce capabilities, enabling more targeted interventions, improved training design and effective resource planning. By embedding skills intelligence into its learning ecosystem, the Group continues to enhance workforce agility, strengthen talent capabilities and foster a culture of continuous performance improvement.

Transforming Frontline Capability into Sales-Driven Performance to Deliver LEAP-6 Targets

To strengthen frontline effectiveness, enhance advisory capabilities and elevate client engagement standards, PNB introduced the Sales Excellence Development Programme ("SEDP"), a structured six-month development journey designed to build consultative selling capability, deepen client relationships, and support sustainable portfolio growth in line with LEAP-6 targets.

SEDP focuses on strengthening relationship management, sharpening consultative selling techniques, enhancing influence and negotiation skills, and building resilience in an increasingly competitive market environment. Participants are required to apply their learning directly within their client portfolios, reinforcing disciplined sales behaviours and accountability for performance outcomes.

The programme adopts a blended and experiential learning approach, combining interactive workshops, applied assignments, structured coaching, and on-the-job application. This integrated design ensures that capability development translates into measurable behavioural change and improved frontline conversion effectiveness, supporting the transformation from service-oriented roles to sales-driven performers.

Sales Incentive Programme

Complementing our upskilling effort in strengthening the direct sales arm and building a resilient internal sales force, in 2025, PNB launched an incentive programme for Relationship Managers ("RMs"), complementing the existing reward/benefit structure. This initiative is aligned with the PNB LEAP-6 Strategic Plan, to grow total AUM to RM400 billion by 2027. Since its launch, approximately 40% of RMs have benefitted from the programme, marking the beginning of a transformation journey designed to embed a high-performance culture across the internal sales team. The incentive framework underscores PNB's commitment to nurturing talent, driving accountability, and reinforcing sales excellence as critical enablers of long-term growth.

Expanding Digital Learning Opportunities

PNB continues to strengthen its digital learning ecosystem to support continuous upskilling and future-ready capabilities across the organisation. Through the PNB Digital Academy, developed in collaboration with LinkedIn Learning, employees have on-demand access to over 20,000 courses spanning business, leadership, technology and professional skills, enabling flexible and self-directed learning. Engagement with LinkedIn Learning has been encouraging, with activation and utilisation exceeding peer benchmarks and placing PNB among the top percentile within the financial services sector.

PNB LearnHub remains the central platform for delivering digital learning resources, including curated programmes, Massive Open Online Courses ("MOOCs") and interactive content that support employees' professional development. During the year, we enhanced the platform by upgrading our Learning Management System ("LMS") to the LXP, introducing new capabilities such as role-based skill assessments for a pilot group of employees. This initiative provides deeper insights into workforce capabilities and enables more personalised learning experiences aligned with role requirements and career development pathways.

Looking ahead to 2026, PNB plans to expand skill assessments to a broader group of employees and further support the PNB Virtual University ("PNBVU") initiative by integrating more specialised digital learning content aligned

Our Sustainability Progress

with key capability areas. These efforts reinforce PNB's commitment to building a future-ready workforce and fostering a culture of continuous learning across the organisation.

Strengthening Talent Management & Leadership Development

Building a Coaching Culture: Internal Coaching Certification for Senior Leaders

In 2025, PNB strengthened its efforts to embed a coaching culture across the organisation by advancing the Internal Coaching Certification for Senior Leaders, building on its introduction in 2024. Recognising that effective leadership extends beyond decision-making to developing and empowering others, the programme equips senior leaders with the skills to actively coach, mentor and nurture talent, reinforcing leadership accountability for people development.

A key milestone achieved this year is the certification of 45 senior leaders as internal coaches across three completed cohorts. These leaders have begun coaching their assigned coachees, translating capability-building into tangible outcomes and accelerating employee development across teams. Participants have reported strong, positive feedback, particularly on the practical application of coaching techniques, peer learning opportunities and the supportive environment that enhances their confidence and effectiveness as coaches.

By embedding coaching as a core leadership capability, this initiative directly supports PNB's LEAP-6 Strategic Plan and its ambition to build a knowledge-based organisation. Strengthening a coaching-led leadership culture is expected to accelerate talent development, enhance team performance and foster a high-performance workplace, ultimately reinforcing PNB's leadership pipeline and long-term organisational resilience.

Embedding Culture to Accelerate Strategy and Drive Transformation

To strengthen the behavioural foundations required for sustainable performance, PNB launched its Culture Programme in August 2025 as a key enabler of its transformation journey. The programme reinforces the belief that enduring organisational change is driven by how we lead, collaborate and execute, and is critical in bringing to life our Purpose, B.R.A.V.E Values and LEAP-6 priorities.

Anchored on four Cultural Beliefs – Take Charge, Speak Up, Move Faster and Deliver Excellence – the Programme was co-created through employee feedback and leadership engagement, ensuring strong alignment with PNB's organisational context and strategic direction.

In 2025, the focus was on enterprise-wide activation and awareness-building through structured engagements and the mobilisation of 134 Culture Champions across all Heads of Divisions and Teams reaching 1,485 employees across PNB. This established the foundational momentum for cultural adoption and behavioural alignment across the organisation.

Looking ahead to 2026, the emphasis will shift towards deep integration, embedding these Cultural Beliefs into leadership practices and the way we work – enabling a more agile, accountable, and high-performing organisation where talent can thrive.

Expanding Our Leadership Insights

In 2025, PNB expanded its use of structured assessments across multiple levels of the organisation to deepen insights into leadership capabilities and development needs. Psychometric assessments were introduced for associates and emerging leaders to better understand individual strengths, development areas, and future potential. For senior leaders (Vice Presidents and above), a 360-degree feedback survey was conducted to assess leadership effectiveness and identify opportunities for growth.

These insights are being used to inform targeted development plans, ensuring our leaders are equipped with the capabilities required to drive business performance. Building on a pilot initiative launched in 2022, with a select group of leaders, this initiative has since been scaled across broader employee segments, enabling more impactful and tailored leadership interventions.

By leveraging data-driven insights, PNB continues to strengthen its leadership pipeline, identify high-potential talent, and build capabilities to navigate an increasingly complex environment. This initiative reflects our ongoing commitment to developing future-ready leaders who will support the Group's long-term growth and success.

Strengthening Our Leadership Pipeline

A seamless leadership transition requires proactive and strategic succession planning to build a strong pipeline of future leaders. In 2025, PNB successfully completed a comprehensive succession planning exercise, significantly strengthening visibility over leadership readiness and bench strength across critical roles.

These results reflect our dedication to developing internal successors and ensuring business continuity and leadership stability. With a strong succession pipeline in place, PNB is well-positioned for future growth, with capable successors ready to step into leadership roles when the time comes.

98% successor coverage
for critical positions

1:2.68
successor coverage ratio

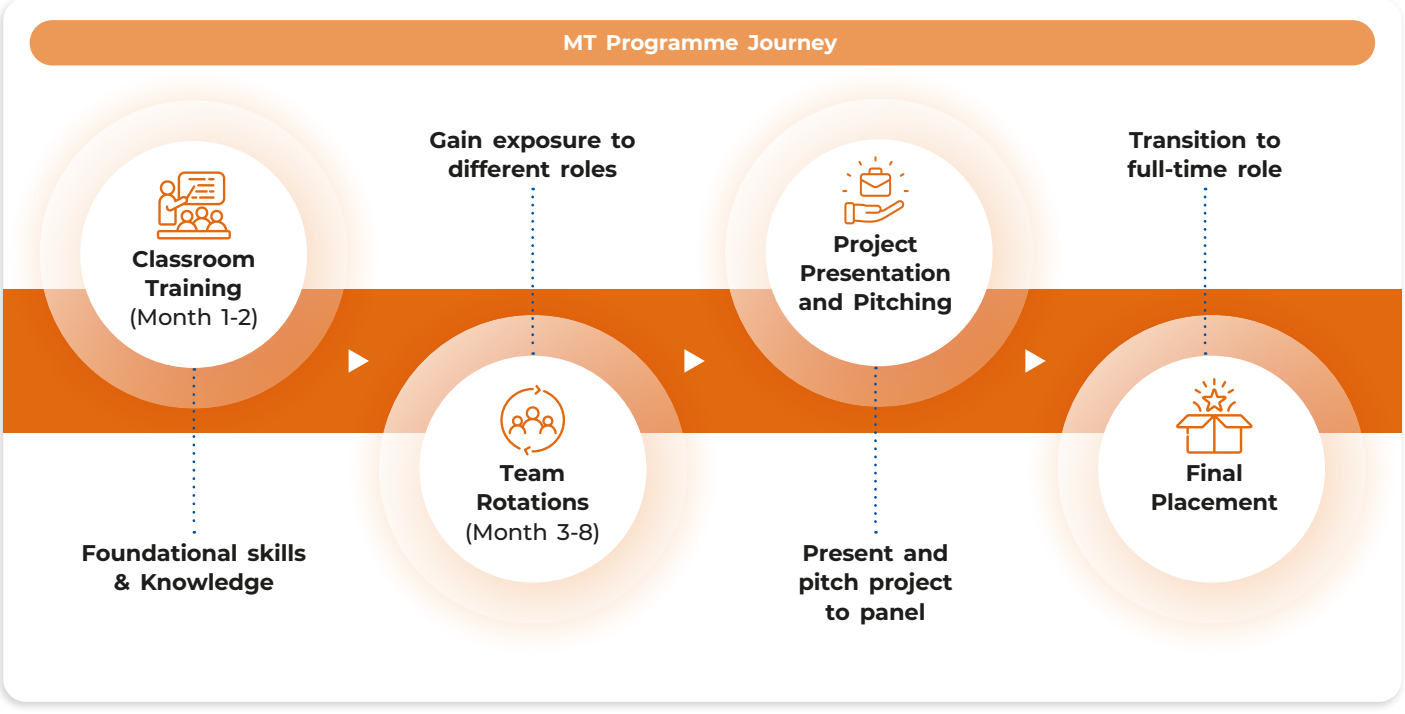
Building a Future-Ready Talent Pipeline: Management Trainee ("MT") Programme

The PNB MT Programme remains a cornerstone of our talent development strategy, bringing together returning PNB Global Scholarship scholars who have completed their studies at top-tier universities in the United Kingdom and the US. The programme is designed to accelerate the development of high-potential young professionals across a diverse range of disciplines, including Engineering, Economics, Computer Science, Accounting and Finance, Philosophy and Politics, Law, and Mathematics and Statistics, building a strong pipeline of future leaders for the organisation.

Structured as an intensive eight-month blended learning journey, the programme integrates classroom-based learning, rotational attachments, branch exposure, leadership profiling and cross-functional business immersion, equipping trainees with a well-rounded understanding of the organisation and its operating environment.

Since its inception in 2000, the programme has developed a strong pipeline of talent, having nurtured 557 graduates to date, including 31 scholars in 2025. Through a structured development journey, returning scholars are equipped with strong investment acumen, broader business perspective and an innovation-driven mindset aligned with PNB's growth and transformation agenda.

The MT programme reflects our continued commitment to building a future-ready, agile and sustainable leadership pipeline, ensuring a steady flow of capable talent to support the organisation's long-term success.



Our Sustainability Progress

Developing Expertise Through Certification and Learning

PNB remains committed to empowering employees to advance their professional growth through continuous learning and the pursuit of recognised industry certifications. Lifelong learning is seen as a key enabler in developing well-rounded, future-ready professionals equipped to navigate an increasingly dynamic and complex business environment.

To support this, the Group provides structured and accessible pathways for employees to undertake professional certifications and licensing programmes, strengthening domain expertise, enhancing technical and functional capabilities, and reinforcing overall professional credibility.

Breakdown by type of certification

Finance & Investment

Chartered Accountant ("CA") (Malaysia)	53
Chartered Alternative Investment Analyst ("CAIA")	1
Chartered Financial Analyst ("CFA")	44
Certified Financial Planner ("CFP")	41
Islamic Financial Planner ("IFP")	6
Professional Certificate in Islamic Finance ("PCIF")	35
Registered Financial Planner ("RFP")	6
Shariah RFP	241

Risk, Compliance & Governance

Certified Compliance Officer ("CCO")	174
Certified Integrity Officer ("CEIO")	41
Other Risk & Compliance Related: Includes FRM1, ARiMI-CPRM2, ERM, DRMC3, CeIO4, CRISC5, SCR6, CCMP-SR17, BCM8, CCMP-CA9, etc.	87

Sustainability & Others

Enterprise Data Scientist ("EDS")	22
ESG	13

In 2025, **187 employees successfully** attained various professional certifications

Note:

1. Financial Risk Manager - GARP ("FRM-GARP")
2. Certified Professional Risk Manager ("ARiMI-CPRM")
3. Digital Risk Manager Certification ("DRMC")
4. Certified in Risk and Information Systems Control ("CRISC")
5. Sustainability & Climate Risk ("SCR") Certificate
6. Certified Fraud Examiner ("CFE")
7. Certified Capital Market Professional: Sustainable and Responsible Investment 1 ("CCMP-SRI1")
8. Business Continuity Manager ("BCM")
9. Certified Capital Market Professional - Compliance Advocate ("CCMP-CA")

Fostering Growth Through Professional Development and Certification

As a fund management and unit trust distribution organisation, PNB recognises that maintaining professional licences is essential to ensuring regulatory compliance and upholding industry standards. In 2025, it continued to strengthen its licensed workforce through the attainment of key certifications, including the Capital Markets Services Representative Licence ("CMSRL") and the Federation of Investment Managers Malaysia ("FIMM") licence.

In addition, employees are required to fulfil Continuous Professional Development ("CPD") requirements to maintain these licences, ensuring that their knowledge and competencies remain current and aligned with evolving regulatory expectations and industry best practices.

Licensing	Target Group	No. of new licensed staff in 2025	Total no. of licensed staff
CMSRL	Fund Managers	6	120
FIMM	Unit Trust Consultants	16	634

Empowering Career Growth & Transitions

Upward Mobility Scheme ("UMS")

Building a strong internal talent pipelines remain a key pillar of PNB's people development strategy. Through the Upward Mobility Scheme ("UMS"), non-executive employees are provided with structured pathways to progress into executive roles, supported by the development of relevant technical expertise and leadership capabilities.

To ensure the quality and relevance of these programmes, the Group collaborates with leading academic institutions such as Universiti Malaya ("UM") and Universiti Teknologi MARA ("UiTM"). These partnerships support the delivery of targeted development pathways aligned with industry standards, enabling employees to build the competencies required for sustained career growth within the organisation.

21 employees completed
the Professional Diploma in Business Administration

17 employees completed
the Professional Certificate in Business Administration

417 employees have successfully
completed the programme since 2001

Pre-Retirement Programme: Empowering a Confident Transition

PNB remains committed to supporting employees in their transition to retirement by equipping them with the skills, financial knowledge and wellbeing resources needed for this next phase of life.

Through its Pre-Retirement Training Programme, employees approaching retirement are provided with opportunities to upskill and reskill in practical areas such as baking and pastry, sewing, furniture making, food and catering management, business management, and mutawwif courses. These programmes are designed to support participants' aspirations beyond formal employment and enable a more purposeful transition.

Complementing this, financial literacy and wellness initiatives provide guidance on sound financial planning and holistic wellbeing, strengthening employees' readiness for life after work. In 2025, 29 employees participated in the programme, selecting customised training pathways aligned with their individual interests and future goals. Together, these efforts reinforce the Group's commitment to lifelong learning and support employees in approaching retirement as a meaningful and fulfilling new chapter.

Our Sustainability Progress

Building the Nation's Human Capital

PNB's commitment to human capital development extends beyond our internal workforce. The Group contributes to Malaysia's long-term economic and social advancement by equipping young graduates and undergraduates with the skills and knowledge needed to thrive in a rapidly evolving economy. Through structured development programmes, PNB nurtures future talent and prepares them to contribute meaningfully to the nation's growth.

PNB Internship Programme

The PNB Internship Programme attracts high-potential students and graduates from a diverse range of disciplines relevant to the financial sector, serving as an important entry point for emerging talent. Through structured placements across multiple teams, interns gain practical, hands-on experience while working alongside experienced professionals, enabling them to build core competencies and develop a deeper understanding of the industry.

Designed as an immersive learning journey, the programme provides a comprehensive view of PNB's operations and business ecosystem, equipping participants with a strong foundation to pursue careers in finance and related fields. Through this initiative, PNB continues to invest in nurturing future talent and strengthening our pipeline of capable, future-ready professionals.

347 interns placed in various teams across PNB in 2025

6,120 interns received internship training since its inception in 2005

PNB Graduate Executive Trainee-MySTEP ("GET-MySTEP")

The PNB GET-MySTEP Programme is a strategic initiative aimed at enhancing the employability of Malaysian graduates by equipping them with the skills and experience needed to meet evolving industry demands. Structured as an eight-month development journey, the programme combines theoretical learning with practical, hands-on exposure across PNB and its Group of Companies, providing participants with a strong foundation for career readiness.

Since its inception in 2022, the programme has been progressively enhanced to better align with shifting workforce needs, and now features two specialised tracks. The General Track focuses on building broad-based competencies across core business functions, while the i-GET Digital Track is designed to develop digital and technology-driven capabilities, addressing the increasing demand for tech-savvy talent. Together, these tracks ensure a more targeted and future-oriented approach to talent development.

Recognising the transformative impact of AI on the business landscape, the programme incorporates AI-focused modules that provide trainees with hands-on exposure to areas such as machine learning, automation and data-driven decision-making. This integrated approach enables participants to build both AI literacy and digital fluency, equipping them to apply intelligent solutions to real-world business challenges.

Through immersive on-the-job training, participants develop a strong combination of technical expertise, professional competencies and practical industry insights. The programme has demonstrated its effectiveness in preparing industry-ready talent, with many graduates successfully transitioning into full-time roles within PNB and across the broader workforce.

Looking ahead, PNB and its Group of Companies will continue to enhance the GET-MySTEP Programme by expanding learning opportunities, offering more immersive project experiences and strengthening structured mentorship. These efforts are aimed at equipping graduates with the practical skills, real-world exposure and confidence needed to navigate an evolving job market, while supporting the development of a resilient and future-ready talent pipeline.

602 graduates participated in the programme in 2025

6,141 graduates since the inception of the programme in 2011

Celebrating Our People, Inspiring Our Community

Honouring Years of Service and Commitment: *Majlis Hari Anugerah 2025*



The Group came together at Menara Merdeka 118 to celebrate the Majlis Hari Anugerah PNB 2025, honouring 157 employees for long service milestones ranging from 10 to 40 years. The event was graced by PNB's Group Chairman, Raja Tan Sri Dato' Seri Arshad Raja Tun Uda, alongside the President & Group Chief Executive, Dato' Abdul Rahman Ahmad, the Group Chief Human Resource Officer, Puan Norhanifah A. Jalil, and members of the Leadership Team.



In his address, the Group Chairman recognised the dedication and contributions of award recipients, noting their role in PNB's 47-year journey, which has delivered RM349.8 billion in AUM and RM263.8 billion in dividends since inception. He also encouraged employees to embrace the LEAP-6 Strategy with agility, guided by our B.R.A.V.E values, while the Culture in Action initiative reinforces the Group's focus on building an inclusive and collaborative workplace.

Our Sustainability Progress

An Evening of Togetherness and Reflection: Majlis Berbuka Puasa Rakan Sekerja PNB Bersama Anak-anak Yatim 2025



On 13 March 2025, PNB hosted the Majlis Berbuka Puasa Rakan Sekerja PNB Bersama Anak-anak Yatim at Masjid Sultan Al-Sultan Abdullah, Merdeka 118, bringing together employees and the community in the spirit of Ramadhan. The event was attended by the Group Chairman, President & Group Chief Executive, Leadership Team, approximately 250 colleagues and 135 orphaned children, with duit raya contributions presented prior to breaking fast. The gathering reflected the Group's commitment to community engagement and social responsibility, while fostering compassion, generosity and togetherness.





Unity Through Sport and Team Spirit: PNB Family Carnival 2025



The PNB Family Carnival, held on 13 December 2025 at Stadium Merdeka, brought together over 3,000 employees and their families in a vibrant celebration of togetherness. The event featured a wide range of activities, including Zumba, Telematch, the Fear Factor Challenge, PNB Idol Karaoke, a Treasure Hunt and a Kids' Colouring Contest, creating an engaging and inclusive environment for all age groups.

The lively atmosphere fostered strong bonds beyond the workplace, reflecting a shared sense of unity and connection, while reinforcing the Group's commitment to an inclusive workplace culture that values engagement, appreciation and overall wellbeing.





Our Sustainability Progress

A Future-Ready Workforce

In 2025, the Group further strengthened its people capabilities through targeted investments in learning, leadership development and workforce readiness, reinforcing its focus on building an agile and future-ready organisation. With RM17.6 million invested and over 220,000 training hours delivered, PNB's efforts remained centred on equipping employees with the skills, knowledge and adaptability required to navigate an increasingly dynamic and complex operating environment, while strengthening overall organisational capability.

Leadership development continued to be a key priority, supported by initiatives such as the Leadership Signature Series, structured coaching programmes and enhanced assessment tools that provide deeper insights into capability, performance and potential. These were complemented by targeted programmes to elevate frontline effectiveness, accelerate digital learning adoption and enable more data-driven, personalised development planning, strengthening both individual performance and team effectiveness.

The Group also advanced its talent development agenda across the full employee lifecycle – from early career and graduate programmes to professional certification, career progression and retirement transition support – ensuring employees are supported at every stage of their journey. Beyond the organisation, PNB's continued focus on education, employability and financial literacy contributes to building a more capable and future-ready Malaysian workforce, in line with its broader role in supporting sustainable economic participation.

LABOUR RIGHTS

Commitment 5:

LABOUR RIGHTS POLICY

PNB continues to strengthen labour practices among its investee companies through the implementation of its Labour Rights Policy, introduced in 2022. The policy outlines six key material areas: forced and child labour, fair wages and benefits, diversity and inclusion, freedom of association, occupational safety and health, and upskilling and education. Under this framework, investee companies are expected to align with both national and international labour standards, while adhering to PNB's four core expectations for responsible labour practices.

PNB's Four Core Expectations for Labour Rights in Investee Companies

01 Strategy to highlight and address labour rights issues

02 Assessments on Key Material Issues with action plans

03 A formal grievance mechanism with whistleblower protection

04 Clear Labour Rights Policy

Building on this foundation, PNB is currently developing a new People Policy to adopt a more holistic approach that extends beyond labour to encompass broader social considerations, including communities, supply chains and customers. As part of this process, PNB has conducted benchmarking exercises with both international and domestic asset managers to refine its approach and expectations. The policy is targeted for publication in 2026, with planned engagement of Strategic Companies to ensure effective implementation that reflects investment materiality and sector-specific considerations.

For more information about our Labour Rights Policy, please refer to https://www.pnb.com.my/sites/default/files/sustainability/PNB_Labour_Rights_Policy_FA.pdf

Progress on Portfolio Engagement

Throughout the year, PNB continued to actively engage its priority investee companies on the implementation of its Labour Rights Policy, closing the loop by engaging the remaining companies within the priority group. These engagements focused on clearly communicating PNB's expectations across four core requirements and three best practices, while supporting companies in addressing identified gaps and strengthening their labour rights practices.

Building on the previous year's progress, all the identified priority companies had met PNB's expectations. This reflects continued improvements among companies that were previously at earlier stages of implementation, including those that had yet to publish their Labour Rights Policy or required further support to close identified gaps.

This steady progress demonstrates the effectiveness of PNB's structured engagement approach, which combines targeted outreach, performance monitoring and clear expectation-setting.

Advancing Human Rights Due Diligence

In 2025, we collaborated with our real estate investee company to carry out a human rights audit. The audit focused on enhancing processes to identify, prevent and mitigate human rights risks across their operations and value chains, strengthening governance and oversight mechanisms, and improving the tracking and disclosure of performance where appropriate.

To support this effort, PNB appointed an independent third-party auditor to conduct a comprehensive review of selected business functions and operational assets across its real estate subsidiaries. The audit assessed both performance and potential human rights risks across operational activities and supply chain relationships, providing a baseline for strengthening controls and driving continuous improvement.

Building Internal Capacity and Strengthening Governance

The audit process also served as a capacity-building exercise within the organisation. Relevant departments were actively involved throughout the process, enhancing cross-functional understanding and reinforcing governance oversight.

Guided by PNB's Labour Rights Policy and aligned with relevant international standards and best practices, the audit focused on priority areas including:

- forced and child labour (modern slavery);
- fair wages and benefits; and
- the effectiveness of grievance mechanisms.

Following the audit, an internal workshop was conducted with PNB and its investee companies to raise awareness, address implementation challenges and identify practical solutions.



Our Sustainability Progress

Audit Scope: Topics & Operational Boundaries

Referencing PNB's Labour Rights Policy, we have prioritised three human rights assessment areas, with the audit covering all worker categories, including own and outsourced employees, as well as permanent and temporary contracted workers.

Forced & Child Labour		Diversity & Inclusion	Freedom of Association
Against Abuse of Vulnerabilities	Against Retention of Identity Documents	Non-Discrimination	Forming Groups
Against Restriction of Movement	Against Withholding of Wages	Gender Equality	Grievance Mechanism
Against Intimidation & Threats	Against Abusive Working & Living Conditions	**Fair Wages & Benefits**	**Safety & Health**
Against Physical & Sexual Violence	Against Excessive Overtime	Rest Days & Leaves	Safe Working Conditions
Against Isolation	Against Debt Bondage	Medical & Insurance	Encourage Wellness
	Against Deception	Encourage Flexible Working Arrangement	**Upskilling & Education**
Grievance Mechanism			Training

+

- **Full-time Employees**
- **Part-time Employees**
- **Dispatch Employees**
- **Subcontractor's Employees**

■ Prioritised area for the assessment

Standard and reference



Key Outcomes and Next Steps

A key outcome of this initiative is the transition towards a more risk-based approach, with greater emphasis on identifying, assessing, and mitigating modern slavery risks across operations and value chains. It also supports the integration of a more comprehensive human rights management framework within PNB's directly owned investments. Based on the audit findings and stakeholder engagements, six priority actions were identified:

Enhancing the Code of Business Ethics ("COBE") to explicitly include modern slavery expectations for suppliers, contractors and business partners	Transitioning supplier labour rights due diligence to a risk-based approach, prioritising sectors and services with higher exposure to modern slavery risks	Improving the accessibility of grievance mechanisms across facilities
Strengthening legal safeguards through clearer contractual protections with high-risk suppliers	Establishing KRIs to monitor modern slavery exposure and management performance	Integrating modern slavery considerations into future internal audit plans

MOVING FORWARD

PNB will continue to strengthen its approach to labour and human rights management across its investment ecosystem, building on the implementation of its Labour Rights Policy. As part of this effort, PNB is developing a broader People Policy to expand the scope of its expectations beyond labour practices, adopting a more holistic approach that addresses impacts across employees, communities, supply chains, and customers.

To support this, PNB has conducted benchmarking against international and domestic asset managers to refine its approach and align with evolving best practices. The policy is targeted for publication in 2026, with continued engagement of strategic portfolio companies to ensure implementation reflects sector-specific human rights risks and contexts.

In parallel, PNB will continue to build internal capacity and strengthen organisational knowledge to support the effective management of labour rights and modern slavery risks. All directly owned real estate investee companies will progressively align with PNB's modern slavery management approach. Through these combined efforts, PNB aims to reinforce responsible labour practices while embedding human rights considerations more systematically into its governance, risk management, and stewardship activities.

Our Sustainability Progress

SUPPLY CHAIN

PNB promotes sustainability across its supply chain by embedding ESG considerations into its procurement processes and supplier evaluations. Since 2023, our efforts have focused on communicating expectations on responsible labour practices to our suppliers and as part of this journey, we have conducted a targeted survey to establish a baseline assessment of their labour practices.

The findings from this baseline exercise provided insights into common gaps and priority labour rights risks, supporting PNB in strengthening its due diligence and mitigation measures. These insights have informed enhancements to PNB's supplier due diligence approach, including clearer assessment criteria, identification of high-risk supplier categories and more targeted evaluation of labour-intensive sectors. Where relevant, suppliers may be required to implement corrective action plans to address identified gaps and support continuous improvement. In 2025, PNB further strengthened its approach by assessing labour-intensive suppliers' exposure to labour rights risks through a Labour Rights Self-Assessment Questionnaire ("SAQ"). The SAQ was developed based on the six Key Material Issues outlined in PNB's Labour Rights Policy, which reflect internationally recognised labour standards. These include:

1. Forced and child labour
2. Fair wages and benefits
3. Diversity and inclusion
4. Freedom of association
5. Safety and health
6. Upskilling and education

The assessment was designed to evaluate how suppliers manage labour-related risks within their operations. A risk-based scoring methodology was applied, with higher weightage assigned to critical issues – such as forced and child labour, fair wages and benefits, and occupational safety and health – particularly for suppliers operating in labour-intensive sectors.

Within PNB's supplier base, these sectors include cleaning services, security services, landscaping, and construction, renovation and maintenance works. The SAQ scoring formed part of PNB's supplier evaluation process, supporting a more structured assessment of labour rights risks. As this exercise is still at an early stage of implementation, PNB will continue to enhance and refine its due diligence approach over time to strengthen its understanding of labour rights risk exposure within the supply chain and support continuous improvement among suppliers.

In addition, PNB encourages suppliers to align with national and international best practices through ongoing stakeholder engagement initiatives. This includes engagement platforms such as Supplier Day, where suppliers are briefed on procurement expectations, compliance and integrity standards and sustainable procurement practices.





SOCIAL IMPACT

Commitment 7:

BALANCING PROFITABILITY AND SOCIAL INVESTMENTS

Social Investments Framework

At PNB, our approach to social investments and corporate social responsibility is guided by our Social Investments Framework. The framework is built around four strategic pillars – Education, Health, Community Development, and Environment – which align with national development priorities as well as PNB's organisational goals. Together, these pillars provide a structured and impactful approach to addressing community needs, supporting national progress, and promoting sustainable growth.

As a national institution, PNB's social investment initiatives are designed to contribute to broader national development while also responding to the needs of the communities within the areas where we operate.

PNB Social Investments Framework

Pillar 1 EDUCATION

- PNB Scholarship Programmes
- BUDI PNB Programmes
- Yayasan Tun Ismail Mohamed Ali ("YTI")

Pillar 3 COMMUNITY DEVELOPMENT

- Entrepreneurship Programmes
- Job Placement Programmes
- Disaster Relief Initiatives

Pillar 2 HEALTH

- Hospital Equipment and Infrastructure Programmes
- Health Awareness Programmes

Pillar 4 ENVIRONMENT

- Tree Planting & Ecosystem Restoration

Supported by

Financial Literacy

Embedding financial literacy modules in Social Investments Framework programmes conducted within the community programmes.

Internal Volunteerism

Instilling the spirit of volunteerism within #teamPNB in supporting the Social Investments Framework programmes

Our Sustainability Progress

Pillar 1 **EDUCATION**

PNB's commitment to education is rooted in the belief that empowering individuals through learning is key to driving sustainable economic and social progress. Since launching our first education initiative in 1996, PNB has supported more than 6,400 individuals and disbursed over RM530 million through scholarship programmes. These efforts align with the UN SDG 4: Quality Education, reinforcing PNB's broader commitment to social sustainability, by expanding access to education and cultivate talent for national development.

PNB Education Initiatives

6,467
total students since inception

RM537.3 million
total expenditure since inception

1,222
active students

RM42 million
total expenditure in 2025

PNB's education initiatives are anchored on three focused programmes with each designed to nurture talent and support holistic human capital development.

- **PNB Scholarship Programmes** focus on developing high-potential future leaders by sponsoring students at leading local and international institutions in fields critical to nation-building and PNB's business growth.
- **BUDI PNB** is dedicated to empowering students from the asnaf/B40 community through educational support from secondary to tertiary levels with the aim of improving socio-economic mobility and employability.
- **Yayasan Tun Ismail Mohamed Ali ("YTI")** promotes academic excellence and intellectual growth through postgraduate scholarships, strategic collaborations and heritage-focused initiatives.







PNB Scholarship Programmes

PNB's scholarship programmes reflect its enduring commitment to advancing education and creating meaningful, long-term impact for individuals, communities and the nation. Encompassing overseas and local scholarships, these programmes provide high-potential students with access to quality education at leading higher learning institutions.

Focused Scholarship Programmes

Overseas Scholarships

Sponsoring students to study at the top universities in UK & US with disciplines related to PNB's business

- PNB Global Scholarship
- PNB Global (Co-funding) Scholarship

Local Scholarships

Sponsoring students to pursue tertiary studies at the local public & selected private universities

- PNB Merdeka Scholarship
- PNB Employees' Children Scholarship
- PNB Kolej Ilmu Scholarship Programme
- PNB Chartered Accountant ("PCA") Initiative

For almost three decades, PNB has continuously invested in education by awarding scholarships to deserving young Malaysians, providing them with opportunities to further their studies and achieve academic excellence.

PNB Scholarship Programmes Impact at a Glance

3,203
beneficiaries since 1996

RM33.3 million
invested in scholarship in 2025

105
new scholars in 2025

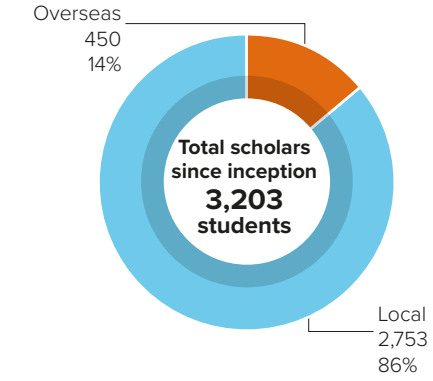
418
active scholars in 2025

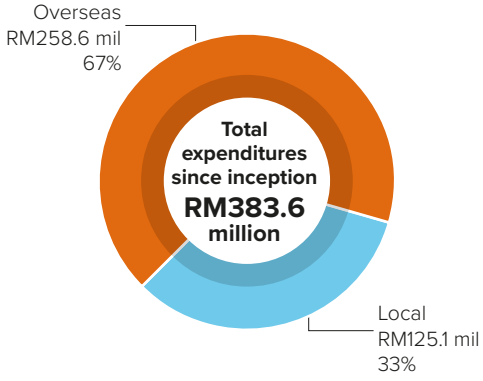
In 2025, PNB has awarded scholarships to 105 new students, bringing the total number of active scholars to 418. These initiatives represented a total investment of RM33.3 million, reflecting PNB's continued commitment to educational empowerment and talent development. Throughout the years, some PNB scholars have assumed leadership positions both inside and outside the organisation.

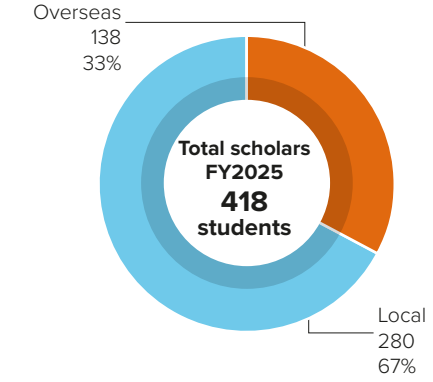
Through PNB's support, scholars have been able to reach their full potential, contributing to the growth of corporate Malaysia.

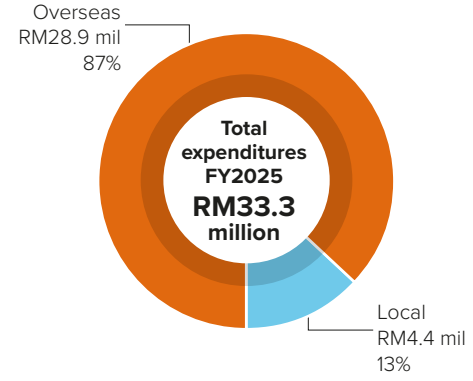
Our Sustainability Progress

PNB Scholarship Programmes Highlights









Beyond Education: Nurturing Excellence, Social Inclusion and Cultural Legacy

In 2025, PNB strengthened its global scholarship pipeline through the PNB Global Scholarship Award and PNB Global (Co-funding) Scholarship Award, with three scholars securing placements at world's leading institutions i.e. University of Oxford (UK), Harvard University (US) and University of Chicago (US), reflecting PNB's continued investment in developing globally competitive Malaysian talent.



Elea Maisarah Hafizuddin is studying Philosophy, Politics and Economics at the University of Oxford in the United Kingdom



Namira Lee Tzu is currently pursuing Environmental Science and Engineering at Harvard University in the US



Fiya Umairah Mohd Shahreen Zainooreen is studying Economics at University of Chicago in the US

PNB's commitment to education extends beyond academic achievement to encompass the holistic development of talent, fostering excellence, strengthening social inclusion and preserving cultural legacy.

Under its overseas scholarship programme, PNB actively supports scholars through structured annual engagement initiatives with senior leadership, aimed at strengthening professional development, facilitating integration into the organisation and aligning their growth with PNB's long-term strategic priorities.



Greater Engagement Programme, 19 February 2025, PNB House, UK

As part of PNB's commitment to local talent development, the PNB Merdeka Scholarship Award continues to play a significant role in widening access to higher education and contributing to Malaysia's talent development agenda.

Since its inception in 2004, the programme has supported more than 450 students in pursuing their studies at leading Malaysian universities, including UM, UKM, UPM, USM and UTM, among others.

Through these initiatives, PNB not only nurtures academic excellence but also advances inclusive opportunities and builds a strong pipeline of talent to support Malaysia's long-term socio economic development.



Presentation of Offer Letter for PNB Global Scholarship Award, 24 July 2025, Merdeka 118



PNB Merdeka Scholarship Award Offer Letter Ceremony, 8 December 2025, Merdeka 118

Bantuan Untuk Pendidikan (BUDI) PNB

Since its inception in 2019, the BUDI PNB has been a flagship educational sponsorship initiative dedicated to empowering students from the asnaf B40 community through quality education and structured talent development pathways.

BUDI PNB Focused Programmes

Secondary Education

Provides placements and sponsorships in selected high-performing schools and institutions

- BUDI PNB – SBP KPM
- BUDI PNB – MRSM
- BUDI PNB – PERMATA@Pintar Negara UKM

Tertiary Education

Supports students pursuing undergraduate studies at local public and private universities

- BUDI PNB – UNIRAZAK
- BUDI PNB – Siswa

TVET

Equips students with practical competencies and enhances employability in high-demand technical industries

- BUDI PNB – TVET MARA
- BUDI PNB – TVET STDC
- BUDI PNB – TVET ATUR
- BUDI PNB – TVET Santuni Madani

Our Sustainability Progress

The BUDI PNB was established to expand access to education, reduce socio-economic barriers and create long-term opportunities for students to achieve academic and professional success.

Through a holistic and structured approach, BUDI PNB supports students across multiple educational levels from secondary education to tertiary studies and Technical and Vocational Education and Training ("TVET").



Sponsorship award presentation and engagement session for recipients of the BUDI PNB-TVET and PNB Merdeka Scholarship Award at Merdeka 118

BUDI PNB Strategic Partners

KEMENTERIAN PENDIDIKAN
BAHAGIAN PENGURUSAN SEKOLAH BERASRAMA PENUH

Pusat PERMATA@Pintar Negara
Universiti Kebangsaan Malaysia

STDC

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK

ATUR
AKADEMI TVET UNIRAZAK

In 2025, BUDI PNB further expanded its educational initiatives with the introduction of three new programmes focusing on TVET and tertiary education pathways.

Two TVET-focused initiatives were introduced, namely BUDI PNB–TVET ATUR in collaboration with UNIRAZAK and BUDI PNB–TVET Santuni MADANI implemented with the Ministry of Higher Education ("MOHE") at selected polytechnics.

These programmes were designed to equip students with industry-relevant technical competencies, practical training and professional skills aligned with current workforce demands and national talent development priorities.

At the tertiary level, the BUDI PNB-Siswa initiative was introduced to support high-performing former BUDI PNB students from secondary schools in progressing to higher education at selected local public universities.

The initiative aims to improve access to tertiary education opportunities for students from underprivileged backgrounds while encouraging academic excellence and long-term educational achievement.

BUDI PNB Achievements

Secondary Education

80%

achieved 5A and above in SPM 2025 result

Tertiary Education

90%

achieved CGPA of 3.00 and above

TVET

100%

passed all modules

Achievement in 2025

In 2025, BUDI PNB continued to record encouraging academic outcomes, with 90% of scholars achieving commendable academic results.

Notably, one BUDI PNB scholar was awarded the prestigious PNB Global Scholarship, reflecting the programme's continued success in nurturing highperforming and future-ready students.

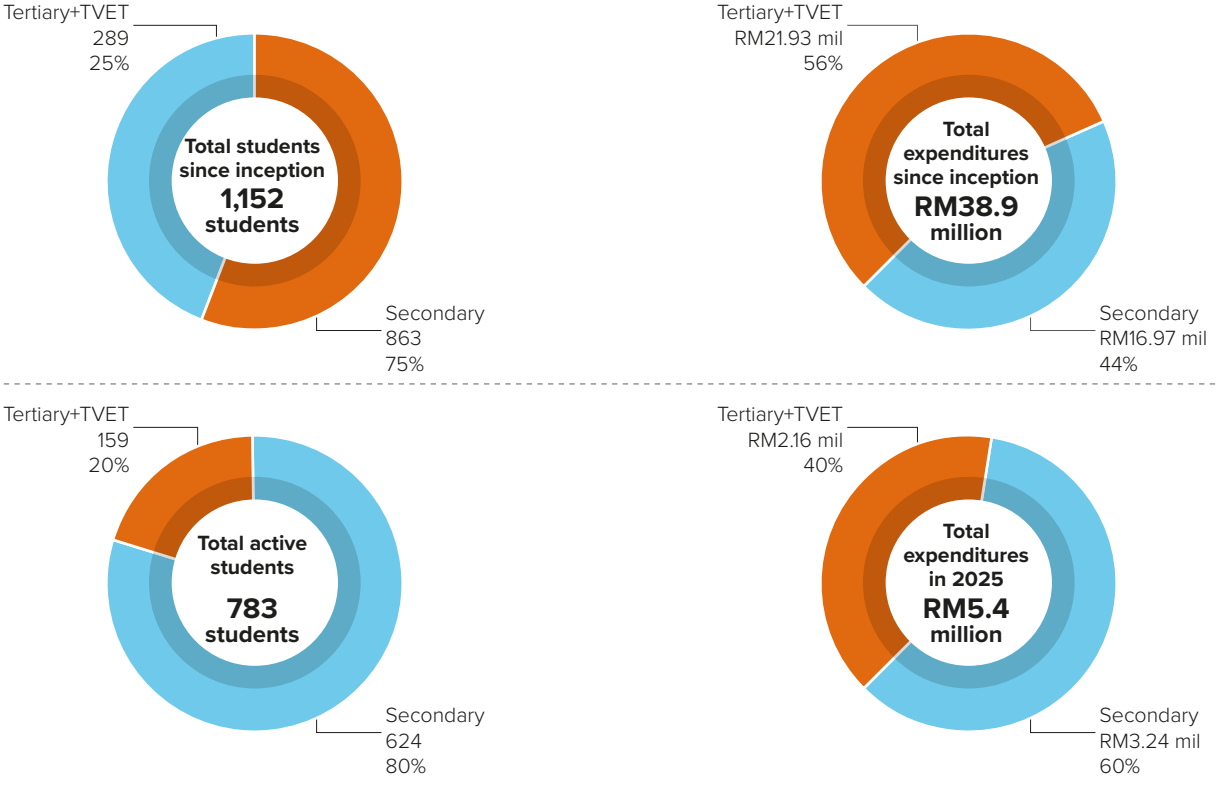


Siti Nur Ariliya Dania Mat Daud from MRSM Besut achieved 9A+ and currently pursue her A-Level at Kolej Yayasan UEM, Lembah Beringin, Selangor

Jalinan BUDI PNB 2025 engagement programme

Beyond academic sponsorship, BUDI PNB continues to drive holistic student development through engagement initiatives. Jalinan BUDI PNB 2025 brought together 333 students from BUDI PNB secondary schools for a three day programme at Kolej PERMATA, Kampus Seremban. The programme focused on building leadership, communication, critical thinking, teamwork and confidence through interactive activities. The programme's third instalment also featured a volunteerism component involving 69 PNB staff from across divisions performing restoration and beautification works at Dataran Melewar, including bench repainting, moss removal and tile repairs. Overall, the programme reinforces PNB's commitment to shaping well-rounded future leaders grounded in character, resilience and community values.

BUDI PNB Highlights



Our Sustainability Progress



Jalinan BUDI PNB 2025 engagement session at Kolej PERMATA, Kampus Seremban

Yayasan Tun Ismail Mohamed Ali (YTI)

Yayasan Tun Ismail Mohamed Ali (YTI), established in 1999, reflects its commitment to advancing high-value talent development, research excellence, and cultural sustainability, creating meaningful, long-term impact for individuals, institutions and the nation.

Anchored by postgraduate scholarships, research collaborations and heritage initiatives, YTI provides high-potential Malaysians with access to leading local and international institutions, while preserving Malaysia's cultural legacy through structured apprenticeship programmes.

FOCUSED PROGRAMMES

YTI Excellence Award (YTIEA)	YTI Global Research & Talent Programme (YTI-GREAT)	YTI Heritage for Tomorrow Apprenticeship Programme (YTIHFT)
		
YTIEA is YTI's flagship programme to develop high-calibre Malaysian postgraduate talent through sponsorship at leading global universities, aligned with national and strategic priorities	YTI-GREAT develops high-quality postgraduate research talent through full-time Master's, PhD and Fellowship programmes at UM and UKM, while strengthening global collaboration	YTIHFT supports cultural sustainability and artisan development by enhancing the skills and product quality of young talents in the songket weaving industry
115 scholars (since inception)	**8** YTIEA – Local Track Scholars in 2025 in UM and UKM	**4** Apprentices
10 active scholars in 2025	**2** YTI International Collaboration projects in UM and UKM	**2** Master Craftsmen/ Entrepreneur

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 Highlights

In 2025, PNB delivered free health screenings and kidney disease awareness programmes to over 1,500 community members, primarily from B40 groups, supporting early detection and prevention of non-communicable diseases. In parallel, PNB strengthened public healthcare capacity through the contribution of RM3.5 million in nephrology-related equipment to 27 hospitals across Kedah, Selangor, Melaka, Sabah, and Sarawak.

These initiatives were supported by RM3.5 million from the Zakat CSR Fund for hospital equipment and infrastructure, and RM30,000 from the Corporate CSR Fund for community health screening and awareness programmes.

Through these efforts, PNB contributes to improved early diagnosis and management of kidney-related conditions, while enhancing hospital capabilities and service delivery to support long-term patient care.

Our Sustainability Progress

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.

Community Empowerment	PNB continues to support community-based initiatives that enhance livelihoods and socio-economic resilience. In 2025, programmes implemented in collaboration with partners such as Think City and Mercy Mission Malaysia empowered 22 women entrepreneurs from the Perumahan Awam Hang Tuah community and provided up to 20 job training and placement opportunities for local youth. In addition, school nutrition programmes benefited 60 students and up to 240 participants, promoting healthier lifestyles and improved learning readiness. Supported by RM1 million in funding, these initiatives contributed to strengthening self-sufficiency and overall community wellbeing.
Government-Led Community and Education Initiatives	PNB also supported national development efforts under the MADANI framework. Through the Santuni MADANI programme, PNB adopted two Kampung Angkat – Kg Merlimau Pantai, Melaka and Kg Telok Kandis, Kedah – delivering initiatives focused on entrepreneurship, infrastructure upgrades, education support (including TVET scholarships), and community welfare assistance. Under the Sekolah Angkat Malaysia MADANI programme, PNB adopted 19 schools, providing classroom enhancements such as Smart TVs and immediate relief for schools affected by calamities. These initiatives, supported by RM857,682 in funding, have enhanced access to education, strengthened community development, and improved livelihoods.
Disaster Relief and Community Resilience	In response to the Northeast Monsoon season, PNB implemented its Flood Relief Programme 2025, supporting over 10,000 beneficiaries across multiple states. Delivered in partnership with organisations including the Malaysian Relief Agency (“MRA”), Mercy Malaysia, Yayasan Ikhlas, and Yayasan Pembangunan Ekonomi Islam Malaysia (“YaPEIM”), the programme covered pre-flood preparedness, immediate relief, and post-flood recovery efforts, with support continuing into 2026. With RM1.7 million deployed, the initiative strengthened community resilience, ensured safety during emergencies, and facilitated faster recovery for affected communities.

Empowering Local Entrepreneurs: From Support to Sustainable Growth

PNB's community development initiatives have supported the growth of local entrepreneurs, enabling them to expand their businesses, improve livelihoods, and contribute to local economic activity. The following stories illustrate how targeted support has translated into tangible outcomes at the community level.



Azmi Ismail
Founder of Anggun Work Craft
(Kg Telok Kandis)

FROM CRAFTSMANSHIP TO COMMUNITY LEGACY

With over two decades of experience in woodcraft, Azmi Ismail has grown his small-scale workshop into a recognised provider of custom furniture and carpentry works for government agencies, schools, mosques, and individual clients.

Support received through the Santuni MADANI programme enabled him to enhance production capacity and improve his workshop facilities. This has allowed him to take on larger and more diverse projects, while preserving traditional woodcraft skills.

Beyond business growth, Azmi aims to mentor younger generations in the community, contributing to skills transfer and sustaining local craftsmanship as a source of livelihood.



Siti Khadijah Abdullah
Founder of SKAbdullah
Food Industries
(Kg Merlimau Pantai)

SCALING A HOMEGROWN BRAND TO NATIONWIDE REACH

Starting from a home-based operation, Siti Khadijah Abdullah built *Tauhu Muslim Merlimau* into a trusted brand known for its quality and Shariah-compliant standards. With support from PNB's community development initiatives, her business has expanded significantly, improving production capacity and market reach.

Today, her products are available nationwide, including major retail outlets, reflecting strong consumer demand. The business continues to create economic opportunities through employment and supply chain participation, while providing accessible halal food options to the wider community.

Our Sustainability Progress

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. PNB continues to advance environmental stewardship through initiatives that promote ecosystem restoration and community engagement in sustainability practices.

Key Highlights

In 2025, PNB organised a mangrove and forest tree planting programme in conjunction with its Signature Volunteerism Day at Kuala Selangor Nature Park, planting a total of 1,048 mangrove trees and 400 forest trees. In addition, PNB employees participated in a herb planting initiative alongside teachers and students at Pusat Sindrom Down Malaysia in Kuala Lumpur, fostering greater awareness and inclusivity in environmental efforts.

Implemented in partnership with the Malaysian Nature Society and Pusat Sindrom Down Malaysia and supported by RM161,000 in funding, these initiatives contribute to long-term environmental sustainability while cultivating a culture of environmental responsibility among employees and the wider community.

Volunteerism Activities

Building on its four Social Investments Framework pillars, PNB continues to strengthen its commitment to community engagement through a diverse range of volunteerism initiatives. These efforts translate strategic priorities into on-the-ground action, fostering inclusivity, environmental stewardship and meaningful impact across the communities it serves.

Bubur Lambuk Bersama Komuniti Merdeka 118 | **7 March 2025**



PNBMV organised a Ramadan initiative bringing together #TeamPNB volunteers, local residents and community partners to prepare and distribute bubur lambuk. The programme fostered community unity while preserving cultural traditions.

Volunteerism Programme at SPCA Selangor | 27 July & 2 August 2025



PNB employees contributed 208 volunteering hours supporting animal welfare activities, including cleaning, feeding and engaging with rescued animals, promoting compassion and responsible care.

Food Rescue Initiative with The Lost Food Project | 10 July 2025





A total of 30 volunteers supported food redistribution efforts by sorting and packing surplus food for communities in need, reinforcing PNB's commitment to reducing food waste and supporting vulnerable groups.

Gotong Royong at Pertubuhan Kebajikan & Perlindungan Nur Qaseh | 26 August 2025





38 volunteers participated in community improvement activities, including facility maintenance, cleaning, painting and landscaping, enhancing the wellbeing of the residents.

Our Sustainability Progress

Beach Clean-Up Programme at Pantai Morib | 25 October 2025






Volunteers collected 240kg of waste, contributing to marine conservation and environmental protection, while promoting collective responsibility for a cleaner ecosystem.

ESG Tree Planting at Paya Indah Discovery Wetland | 22 November 2025




PNB volunteers participated in a tree planting initiative to support biodiversity conservation and ecological resilience, reinforcing long-term environmental stewardship.

World Children's Day Volunteerism Programme | 23 & 24 November 2025





Volunteers supported event operations at Stadium Merdeka, assisting with logistics, participant engagement and programme activities, contributing to community celebration and youth engagement.

Health Awareness Programme with Hospital Ampang | 17 December 2025









In collaboration with Hospital Ampang, PNB volunteers supported initiatives on kidney and mental health awareness, promoting preventive healthcare and community wellbeing.

Our Sustainability Progress

GOVERNANCE

GOVERNANCE AND ETHICS

Commitment 8:

TRIPLE BOTTOM LINE ("TBL") STEWARDSHIP MODEL

Board Effectiveness

Under PNB's TBL Stewardship Model, Institutional Governance continues to strengthen Board and leadership effectiveness across our selected Core, Strategic and Controlled Companies, ensuring sustainable value creation across economic, social, and environmental dimensions.

In 2025, our efforts were focused on five key priority areas:

Leadership Effectiveness Assessments	PNB undertook structured assessments of Chairmen, Boards, CEOs and Mission Critical Positions ("MCPs") across its investee companies to identify leadership and oversight gaps, as well as key areas for improvement. These insights informed targeted recommendations on leadership strengthening, succession planning, and Board refresh, ensuring alignment with PNB's expectations on performance, governance, and long-term value creation.
Directors' Engagement	Continuous engagement with Nominee Directors, Senior Independent Directors and NRC Chairs across PNB's portfolio assisted in strengthening oversight, facilitating timely action on emerging issues, and reinforcing alignment with shareholder priorities. These engagements serve as a critical feedback loop to enhance Board effectiveness and decision-making quality.
Remuneration Review for Boards and CEOs	The Group conducted and responded to remuneration reviews across its investee companies to ensure compensation structures remain competitive, performance-linked, and aligned with shareholder value creation. This includes reviewing CEO remuneration adjustments, management incentives, and Board fees to ensure alignment with market benchmarks and company performance.
Knowledge Enhancement for Directors	PNB strengthened capability-building initiatives for Nominee Directors through structured knowledge-sharing platforms, including monthly knowledge nuggets and curated engagements. This initiative has also been extended to the broader Boards of PNB's investee companies through periodic dialogues with prominent corporate figures, supporting continuous learning on key topics such as shareholder value creation, board dynamics, and emerging governance trends.
Board Architecture Review	PNB reviewed Board composition, tenure, and leadership structure across selected investee companies, considering skillset requirements, dynamics, strategic priorities, and succession timelines in line with company needs and current lifecycle. This enabled the Group to provide recommendations on Board refresh and succession planning including CEO succession to ensure the right leadership mix to drive sustainable performance.

Thematic ESG Engagements Carried Out in 2025

PNB actively engages with investee companies to promote sustainable practices and address material ESG risks and opportunities, with a focus on driving measurable outcomes. In 2025, PNB conducted a total of 74* ESG engagements with investee companies, including Strategic Companies and top 20 emitters.

These engagements covered key priority areas such as Living Wage, Net Zero and decarbonisation, Nature and Biodiversity, and ESG-related controversies. Engagements were carried out through Board and management-level discussions, supported by structured ESG assessment reports to facilitate informed and constructive dialogue.

PNB's stewardship approach emphasises meaningful engagement with company leadership to strengthen ESG governance, enhance transparency, and align practices with global standards. These efforts have contributed to improved ESG disclosures, increased alignment with PNB's Sustainability Policies, and tangible outcomes such as the adoption of Living Wage practices across the portfolio.

TRANSPARENT INFORMATION AND FAIR PRACTICE

Commitment 9:

TRANSPARENCY IN VOTING

Responsible Stewardship and Shareholder Engagement

Active Ownership and Proxy Voting

In 2025, PNB actively took part in 137 general meetings across its domestic holdings, voting on a total of 1,010 resolutions at both AGMs and EGMs. Of these, 88% were in favour, 10% against, and 2% were abstentions. PNB also exercised its voting rights in 75 international meetings, covering 861 resolutions. The voting outcomes showed 92.1% support, 7.7% against, and 0.2% abstentions.

Commitment 10:

TCFD-ALIGNED DISCLOSURE

PNB is strengthening its climate-related disclosures in line with evolving global standards. While our earlier disclosures were guided by the TCFD Recommendations, we are progressively aligning with the IFRS Sustainability Disclosure Standards, particularly IFRS S2, which builds upon and effectively supersedes the TCFD framework.

As Malaysia moves towards adopting the IFRS Sustainability Disclosure Standards under the NSRF, PNB also refers to the SASB Standards for Asset Management & Custody Activities to enhance the relevance and comparability of disclosures. Consistent with best practice, IFRS S2-aligned disclosures are integrated across relevant sections of this report, where climate-related governance, strategy, risk management, and metrics are discussed.

PNB has partially incorporated elements of the IFRS S2 into this report, and is taking a phased approach to progressively strengthen its readiness and full alignment with these standards over time, taking into consideration the evolving nature of data availability, systems and internal capabilities. PNB is taking a phased approach to progressively strengthen its readiness and alignment over time.

For more information, please refer to the following sections: Sustainability Governance, Commitment 1: Net Zero Enterprise by 2025, Commitment 2: Net Zero Portfolio by 2050, and Commitment 3: RM10 billion in New Green and Transition Assets by 2030.

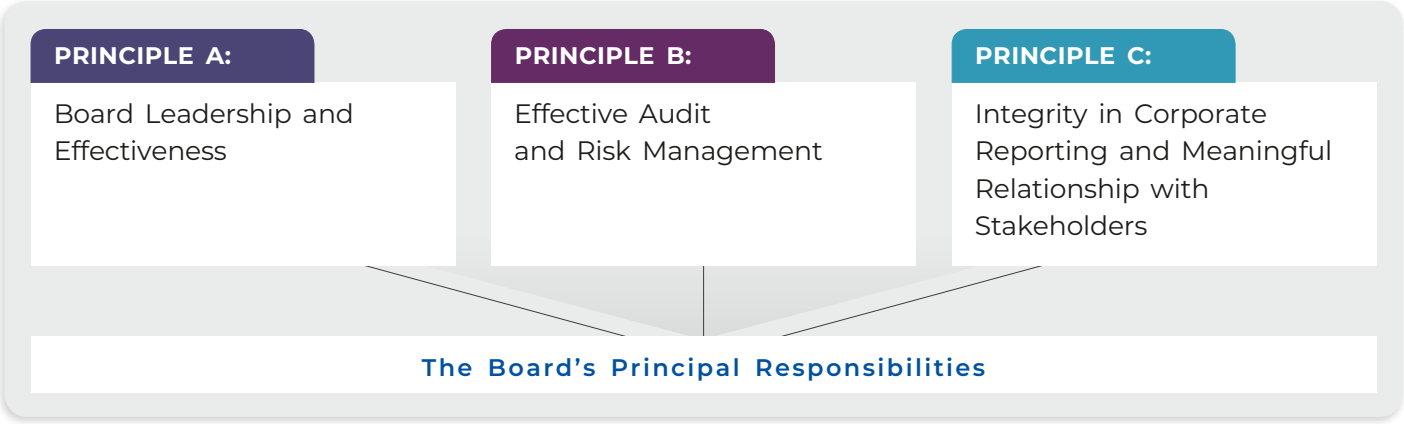
* Engagement activities include company meetings, board-level discussions, dissemination of ESG assessment scorecards, and other direct interactions with investee companies.

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. Although PNB as a non-listed entity is not mandated to comply with the key principles and practices of the Malaysian Code on Corporate Governance 2021 ("the Code"), PNB voluntarily adopts and adapts relevant principles and practices from the Code, namely, board leadership and effectiveness, effective audit and risk management, and integrity in corporate reporting and meaningful stakeholder relationships.

As one of Malaysia's leading investment institutions, PNB recognises that strong governance supports sustainable long-term performance, safeguards unitholders' interests and enhance public trust. This approach underscores PNB's commitment to accountability, integrity and sound governance, ensuring it continues to protect and enhance the interests of its unitholders and other stakeholders.



The sustainability and growth of PNB are intricately tied to the diligent execution of the Board of Directors' ("Board") essential roles. These encompass setting and monitoring strategic business objectives for 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 Code of Conduct and Business Ethics ("CoBE"), amongst others.

Integrity Charter and Framework of PNB Group

A Leadership Engagement

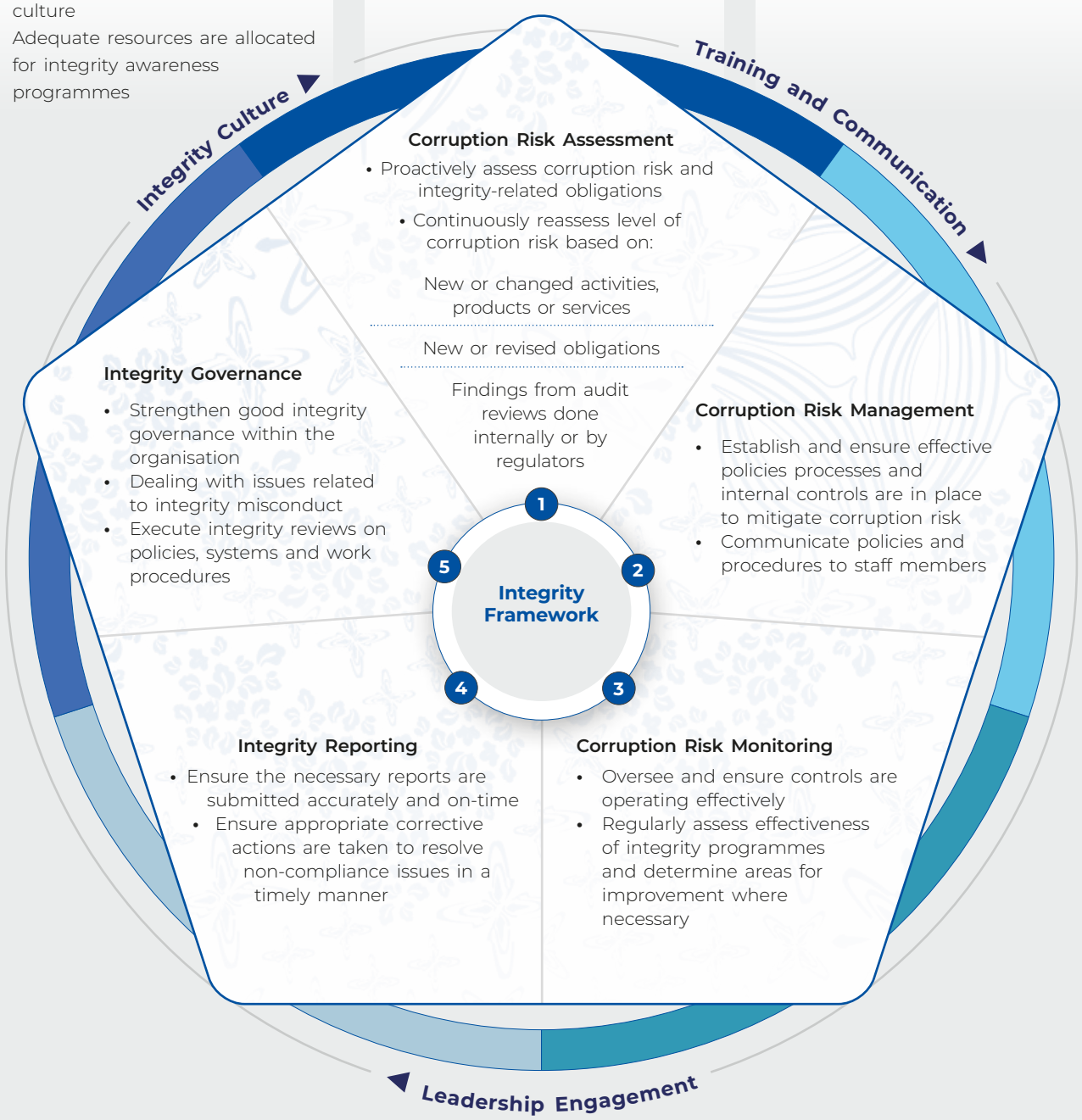
- Board and Senior Management are fully committed to ensure corruption risks are managed effectively
- Management at all levels engaged in developing integrity culture
- Adequate resources are allocated for integrity awareness programmes

B Integrity Culture

- Promote a strong culture of integrity within PNB Group
- Encourage integrity behaviour
- Zero tolerance policy on corruption

C Training and Communication

- Identify and address integrity competency and training needs for PNB Group
- Communicate and reinforce integrity knowledge to staff members



Corporate Governance Overview Statement

Board Charter

The Board Charter of PNB Group ("Board Charter") outlines among others, the respective roles, responsibilities and authorities of the Board (both individually and collectively) in setting the direction, management and control of the organisation. It also serves as a primary source of reference and induction literature.

The Board Charter has been revised with effect from 5 February 2026. The salient amendments include the applicability of the Board Charter collectively across PNB Group, including PNB and its internal operating subsidiaries while also clarifying certain provisions applicable only to "main operating subsidiaries", excluding internally managed entities. Further, it provided clear definition of independent directors, and the tenure criteria for determining such independence.

Additionally, it provided clarification on the membership of the Board Committee, which may include individuals who are not members of the Board or the executives of PNB Group (co-opted members) as well as defined its tenure. Lastly, the revision enhanced the provisions of conflict of interest to include requirements for disclosure of interests and compliance with internal policies, including the CoBE.

While the Board appropriately delegates authority to its Committees or Management, it does not abdicate its responsibilities and at all times exercises collective oversight over 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.

The Board Charter can be found on PNB's corporate website at www.pnb.com.my.

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 President & Group Chief Executive ("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 designed to ensure accountability, transparency, integrity and effective oversight across the organisation.

Our governance structure illustrates the oversight role of the Board and the various components of governance which facilitate the interaction and flow between the Board and Management. The structure aims to promote strategic alignment across PNB Group whilst facilitating effective decision-making at all levels. It 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.

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, built upon the Terms of Reference ("ToR") of the Board Committees are complemented by Limits of Authority and supported by the various management committees, policies and procedures.

PRINCIPLE A: 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.

The Board embraces transparency and accountability and promotes these critical components of governance throughout PNB Group. The current composition of Directors has a blend of skills, experience and knowledge enabling them to provide effective oversight, strategic guidance and constructive challenge, examine, review and decision on Management's proposals.

Supported by its Committees, the Board upholds high standards of integrity and professionalism, ensuring decisions are made in the best interests of the unitholders and stakeholders.

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.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

Board Key Focus Areas and Priorities

Key Focus Areas in 2025

For 2025, the key focus of the Board was on the implementation of the refined LEAP-6 Strategic Plan 2025-2027. The progress and achievements under the 26 programmes identified across the LEAP-6 Strategic Plan as well as governance had been tracked and monitored closely, and updated on a quarterly basis to the Board. This formed part of the streamlining and enhancement of management reporting to the Board, with a comprehensive and detailed reports being tabled to the Board every quarter on the overall financial performance of the enterprise, as well as the performance of the sales and distribution business of PNB Group, and the afore-mentioned progress update on the LEAP-6 Strategic Plan.

In addition, as part of the implementation of the LEAP-6 Strategic Plan, the Board had deliberated, provided guidance on, and approved a total of 18 specific plans in respect of key programmes, over the course of the year, on top of further specific plans approved earlier in late 2024. This included, amongst others, plans covering critical aspects of the sales and distribution business, plans for every asset class in the investment portfolio, key cost elements for the enterprise, a new culture programme, a revised five years Technology Blueprint, refinements to the enterprise Innovation Framework, and a three years Blueprint for the Compliance and Integrity functions of the enterprise. At the Board's annual offsites held in October and November 2025, the Board had deliberated upon the enterprise's Human Capital plans for the next three years, as well as refinements to the Sustainability Framework, and the budget and business plan for the upcoming financial year 2026.

The Board also focused on strengthening governance through a streamlining and refinement of management-level committees and the inception of a Master Limits of Authority document for the enterprise. At the same time, the Board also took the opportunity to apprise itself on key developments in the industry and markets, with expert discussions and presentations on critical themes including the overall outlook and trajectory of markets for 2025, the evolution of AI, structural shifts within the Asset Management industry, and thematic developments within the sustainability space, in addition to its annual training on regulatory compliance and integrity-related matters, including Anti-Money Laundering and Anti-Terrorism Financing.

Through both Board sittings as well as the sittings of its Committees, the Board continues to be able to exercise robust oversight and provide strategic guidance on all key areas of the enterprise including both primary business lines of sales and distribution and investments, as well as critical operational areas including procurement, human capital, technology, audit, risk and compliance matters.

Key Focus Areas in 2026

2026 is a critical year, being the penultimate year of implementation for the LEAP-6 Strategic Plan. With almost all key strategies now in place, the focus of management will be squarely on disciplined and timely execution of the plans approved by the Board over the course of 2024 and 2025, guided by the enterprise's 2026 business plan. A total of 20 programmes have been identified for implementation over the course of the financial year, covering diverse crucial priorities including the continuing evolution of the sales and distribution business; continuing portfolio rebalancing, value creation and process strengthening for investment activities; and the implementation of key talent, technology and sustainability initiatives.

In view of this, the focus of the Board will be on holding management accountable for the execution of the aforementioned plans, with close monitoring of progress to continue throughout the year. The key outcomes and milestones for the year from the LEAP-6 Strategic Plan and the 2026 business plan have been incorporated accordingly to the enterprise key performance indicators for the year, spanning all key areas of the business, and the Board has approved suitably robust base and stretch targets for the enterprise. The Board will also be monitoring overall employee engagement levels and the adoption of PNB's Cultural Beliefs throughout the enterprise, with values and culture embedded into the key areas of accountability for Management.

The Board will also be focusing on the final strategies remaining to be finalised under the LEAP-6 Strategic Plan, including, amongst others, a strategic review of the variable-price UTFs under PNB's stable, as well as enterprise strategies on AI and knowledge management. The work, which commenced in 2025 on the refinement of limits of authority and terms of reference, will also progress in 2026, completing the holistic review of the overall governance structure across the enterprise. At the same time, the Board will continue to prioritise continuous learning and enhancement, with the curation of highly relevant and bespoke training throughout the year, the refinement of on-boarding processes and materials for new Board members, and the completion of the periodic internal board effectiveness evaluation exercise. Towards year end, the Board will also hold its annual offsite to deliberate on the 2027 budget and business plan, which will be especially significant as PNB enters the final stretch of the LEAP-6 Strategic Plan.

Future Priorities

Looking ahead, the Board is always cognisant of and firmly committed towards its role in steering PNB as a responsible steward and custodian of its unitholders' wealth, pursuant to PNB's purpose to uplift the financial lives of Malaysians across generations, and its Mandate to enhance the economic wealth of the Bumiputera community and all Malaysians, for the prosperity of the nation. The target envisioned under the LEAP-6 Strategic Plan, of reaching AUM of RM400 billion by 2027, represents success for PNB across its three most critical dimensions – earning the trust of Malaysians to invest with PNB, growing their wealth through the income that PNB is able to distribute back to them, and growing PNB's own proprietary assets so that it can continue to fulfill its mission and Mandate sustainably in years to come. Once the plan reaches completion in 2027, the Board's priority will then be squarely on the next blueprint to guide PNB from 2028 to 2030 – which is also an opportune time, given that PNB will be reaching its fifth decade in 2028, to also think about the next five decades to come, and what it will take to ensure that PNB continues to thrive and prosper, and that it can continue to operate sustainably, fulfilling the original vision in 1978 of an institution existing in perpetuity for the benefit of the Bumiputera community and the nation.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

Board Commitment to Sustainability

01 Board Oversight and Governance

- Environmental, Social, 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 guided by five key guiding principles to ensure a consistent, robust and transparent approach, supported by 10 ESG Commitments established following the launch of PNB Sustainability Framework three years ago. Building on the progress achieved, the Board has refreshed the Framework to further strengthen PNB's sustainability ambition and strategic direction. This has culminated in the development of refreshed PNB Sustainability Framework, which strengthens PNB's commitments, targets and priority focus areas and is scheduled to be formally introduced alongside the Integrated Report in May 2026.

- 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 PNB Group and investment portfolio. We have also enhanced transparency on ESG performance and initiatives, with sustainability reporting aligned to the NSRF and IFRS Sustainability Disclosure Standards, building on TCFD-aligned climate-related disclosures.

- 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 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 the Sustainability Statement of the Integrated Report.

For more information on PNB's Sustainability Policy, please refer PNB official website at pnb.com.my.

02 Frequency

- The Board convenes more than quarterly, with its discussions encompassing a wide range of matters, including sustainability, climate-related risks and opportunities. Throughout 2025, the Board exercised oversight over key sustainability matters, including progress against the 10 ESG Commitments under Sustainability Framework 1.0 established in 2022 and the transition towards Sustainability Framework 2.0 approved in November 2025, with regular updates provided at each Board meeting. These meetings focused on overseeing implementation, monitoring progress, and ensuring alignment with PNB Group's sustainability commitments and targets.

03 Board Skills and Competencies

- The Board actively participates in ESG related trainings to ensure their expertise and strategic initiatives remain aligned with current developments and emerging challenges. In 2025, 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 the Training and Development of Directors section of the Integrated Report.

04 Board Sustainability Strategy

- The Board takes cognisance of all aspects of climate change that can affect PNB 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 Net Zero Enterprise by 2025 and we have achieved Net Zero Emissions for Scope 1 and 2 emissions via energy efficiency initiatives, procurement of RECs and use of credible removal carbon credits. Further information regarding our Net Zero Enterprise 2025 Commitment and the overall PNB 10 ESG Commitments are provided in the Sustainability Statement.

- 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 with efforts to achieve our ESG commitments by enhancing engagements with investee companies and collaboration with other investors.

- Going forward, there will be 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 the Sustainability Statement of the Integrated Report.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

Board Balance and Composition

As at the date of this report, the Board consists of seven members, comprising two Non-Independent Non-Executive Director, one Non-Independent Executive Director and four Independent Non-Executive Directors ("INED").

The profiles of the Directors are set out on pages 47 to 51 of this Integrated Report.

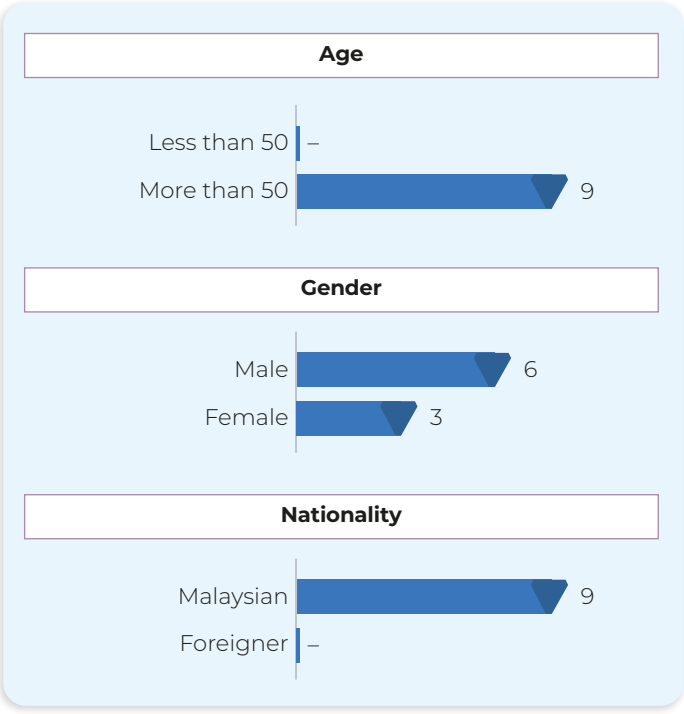
The size and composition of the Board is imperative to its success in providing strong and effective leadership. The Board composition has a blend of skills, experience, and knowledge which enables them to provide effective oversight, strategic guidance and constructive challenge, review and deliberation on Management's proposals.

The Board Nomination and Remuneration Committee ("BNRC") 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 unitholders 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.

The Board's composition, tenure and diversity for the year under review are illustrated below:





Appointment of Directors

The BNRC 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 BNRC. 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.

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 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 Board Committee operates under distinctly defined ToR delineating its scope and obligations. Each Board 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 Board Committee reports on the items discussed and actions taken at their meetings to the Board following each meeting. Each Board 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:

- Board Audit Committee of PNB
- Board Nomination and Remuneration Committee of PNB
- Board Risk Committee of PNB
- Board Compliance Committee of PNB Group
- Board Investment Committee of PNB
- Board Tender Committee of PNB
- Board Technology Committee 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.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

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 or Board Committee 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 and unimpeded 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 and unimpeded 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 13 times, 12 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 Board Audit Committee ("BAC"), BNRC, Board Technology Committee ("BTC"), Board Compliance Committee of PNB Group ("BCC"), and Board Risk Committee ("BRC") provide regular updates to the Board after the proceedings of their respective Board 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.

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
25 February 2025*	9	8/9
25 February 2025	9	7/9
24 March 2025*	9	9/9
24 March 2025	9	9/9
29 April 2025*	9	8/9
9 June 2025*	9	9/9
9 June 2025	9	8/9
16 July 2025*	9	8/9
7 August 2025*	9	7/9
25 September 2025	9	9/9
27 October 2025*	9	9/9
27-28 October 2025**	9	8/9
15 December 2025	9	8/9

* Joint Meeting of the Board of Directors of PNB and Amanah Saham Nasional Berhad ("ASNB")
** Board Offsite

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

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	13/13
Dato' Abdul Rahman Ahmad	President & Group Chief Executive/ Non-Independent Executive	13/13
Tan Sri Datuk Zainun Ali	Independent Non-Executive	12/13
Datuk Dr. Mohd. Yaakub Haji Johari *(Retired with effect from 28 February 2026)*	Independent Non-Executive	13/13
Datu Haji Soedirman Haji Aini *(Retired with effect from 28 February 2026)*	Independent Non-Executive	13/13
Dato Dr. Nik Ramlah Nik Mahmood	Independent Non-Executive	12/13
Dato' Johan Ariffin	Independent Non-Executive	13/13
Datin Norazah Mohamed Razali	Independent Non-Executive	13/13
Datuk Johan Mahmood @ Johan Mahmood Merican	Independent Non-Executive	5/13

Following 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	President & Group Chief Executive/ Non-Independent Executive
Tan Sri Datuk Zainun Ali	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:

Board Audit Committee of PNB ("BAC")

The primary function of the BAC 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 BAC 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 BAC are set out in the BAC Report on page 271 of this Integrated Report.

Members	Status	Attendance
Datuk Mohd Anwar Yahya *(Chairman)*	Independent Non-Executive	15/15
Datu Haji Soedirman Haji Aini *(Retired with effect from 28 February 2026)*	Independent Non-Executive	14/15
Tan Sri Dr. Nik Norzrul Thani N. Hassan Thani *(Retired with effect from 28 February 2026)*	Independent Non-Executive	13/15
Datin Norazah Mohamed Razali	Independent Non-Executive	14/15
Dato Dr. Nik Ramlah Nik Mahmood *(Appointed with effect from 28 February 2026)*	Independent Non-Executive	Nil

With the changes to the composition of the BAC, effective thereon its composition as at the date of this report is as follows:

Members	Status
Datuk Mohd Anwar Yahya *(Chairman)*	Independent Non-Executive
Datin Norazah Mohamed Razali	Independent Non-Executive
Dato' Dr. Nik Ramlah Nik Mahmood	Independent Non-Executive

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

Board Nomination and Remuneration Committee of PNB ("BNRC")

The BNRC 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 BNRC follows an established policy and process, whereby it considers, among other factors, the integrity, skills, knowledge, and experience of the candidate.

The BNRC 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 BNRC 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.

Members	Status	Attendance
Datu Haji Soedirman Haji Aini *(Chairman) (Retired with effect from 28 February 2026)*	Independent Non-Executive	7/7
Datuk Dr. Mohd. Yaakub Haji Johari *(Retired with effect from 28 February 2026)*	Independent Non-Executive	7/7
Datin Norazah Mohamed Razali *(Appointed as Chairman with effect from 28 February 2026)*	Independent Non-Executive	7/7
Datuk Mohd Anwar Yahya	Independent Non-Executive	7/7
Dato' Johan Ariffin *(Appointed with effect from 28 February 2026)*	Independent Non-Executive	Nil

With the changes to the composition of the BNRC, effective thereon its composition as at the date of this report is as follows:

Members	Status
Datin Norazah Mohamed Razali *(Chairman)*	Independent Non-Executive
Datuk Mohd Anwar Yahya	Independent Non-Executive
Dato' Johan Ariffin	Independent Non-Executive

Board Risk Committee of PNB ("BRC")

The BRC reviews and recommends to the Board the risk management philosophies, policies, and mitigation strategies as proposed by Management to manage the principal risks of 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 BRC are set out in the Statement of Risk Management and Internal Control on page 297 of this Integrated Report.

Members	Status	Attendance
Dato Dr. Nik Ramlah Nik Mahmood *(Chairman)*	Independent Non-Executive	5/5
Tan Sri Dr. Nik Norzrul Thani N. Hassan Thani *(Retired with effect from 28 February 2026)*	Independent Non-Executive	5/5
Datuk Mohd. Anwar Yahya	Independent Non-Executive	5/5
Datin Norazah Mohamed Razali	Independent Non-Executive	5/5
Raja Tan Sri Dato' Seri Arshad Raja Tun Uda *(Appointed with effect from 28 February 2026)*	Non-Independent Non-Executive	Nil

With the changes to the composition of the BRC, effective thereon its composition as at the date of this report is as follows:

Members	Status
Dato Dr. Nik Ramlah Nik Mahmood *(Chairman)*	Independent Non-Executive
Datuk Mohd. Anwar Yahya	Independent Non-Executive
Datin Norazah Mohamed Razali	Independent Non-Executive
Raja Tan Sri Dato' Seri Arshad Raja Tun Uda	Non-Independent Non-Executive

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

Board Compliance Committee of PNB Group ("BCC")

The BCC 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 BCC convenes at least 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 PNB Group will be reviewed as and when it is deemed necessary.

Further details of the composition and attendance of members of the BCC and PNB's Compliance Programmes are set out in the Statement on Corporate Compliance and Integrity on pages 256 to 259 of this Integrated Report.

Members	Status	Attendance
Tan Sri Datuk Zainun Ali *(Chairman)*	Independent Non-Executive	4/4
Dato' Abdul Rahman Ahmad	Non-Independent Executive	4/4
Dato Dr. Nik Ramlah Nik Mahmood	Independent Non-Executive	4/4
Datuk Dr. Mohd. Yaakub Haji Johari *(Retired with effect from 28 February 2026)*	Independent Non-Executive	4/4

With the changes to the composition of the BCC, effective thereon its composition as at the date of this report is as follows:

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

Board Investment Committee of PNB ("BIC")

The BIC assists the Board in formulating plans and strategies, and approving the selection of investments for the investment portfolio of PNB and the UTFs 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	11/12
Dato' Johan Ariffin	Independent Non-Executive	12/12
Datin Norazah Mohamed Razali	Independent Non-Executive	11/12
Dato' Abdul Rahman Ahmad	Non-Independent Executive	12/12

Board Tender Committee of PNB ("BTDC")

The BTDC assists the Board in considering tenders and quotations for all assets, supplies, and services for PNB Group valued above RM2 million.

Members	Status	Attendance
Tan Sri Dr. Nik Norzrul Thani N. Hassan Thani *(Chairman)* *(Retired with effect from 28 February 2026)*	Independent Non-Executive	4/4
Dato Dr. Nik Ramlah Nik Mahmood	Independent Non-Executive	4/4
Dato' Abdul Rahman Ahmad	Independent Non-Executive	4/4
Raja Tan Sri Dato' Seri Arshad Raja Tun Uda *(Appointed as Chairman with effect from 28 February 2026)*	Non-Independent Non-Executive	Nil

With the changes to the composition of the BTDC, 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
Dato Dr. Nik Ramlah Nik Mahmood	Independent Non-Executive
Dato' Abdul Rahman Ahmad	Non-Independent Executive

Board Technology Committee of PNB ("BTC")

The BTC assists the Board in overseeing the governance and implementation of technology related matters of PNB Group. The BTC shall meet at least once in every quarter or as frequently as circumstances dictate. The BTC 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	6/6
Encik Faisal Ariff Rozali Wathooth	Independent Non-Executive	6/6
Dato' Abdul Rahman Ahmad	Non-Independent Executive	4/6
Encik Redza Goh Abdullah @ Goh Aik Meng	Independent Non-Executive	6/6

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

Shariah Advisory Committee of PNB ("SAC")

The 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 SAC convenes at least quarterly 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 276 of this Integrated Report.

Members	Status	Attendance
Datuk Prof. Dr. Mohamad Akram Laldin *(Chairman)*	Independent Non-Executive	4/4
Dato' Haji Mohamad Shukri Mohamad (Dato' Kaya Perba) *(Retired with effect from 31 December 2025)*	Independent Non-Executive	4/4
Dato' (Dr.) Haji Nooh Gadot	Independent Non-Executive	4/4
Dr. Aida Othman	Independent Non-Executive	4/4
Dato' Prof. Dr. Ashraf Md Hashim	Independent Non-Executive	4/4
Dato' Setia Prof. Madya Dr. Anhar Haji Opir *(Appointed with effect from 24 February 2026)*	Independent Non-Executive	Nil

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 Prof. Dr. Mohamad Akram Laldin *(Chairman)*	Independent Non-Executive
Dato' (Dr.) Haji Nooh Gadot	Independent Non-Executive
Dr. Aida Othman	Independent Non-Executive
Dato' Prof. Dr. Ashraf Md Hashim	Independent Non-Executive
Dato' Setia Prof. Madya Dr. Anhar Haji Opir	Independent Non-Executive

Directors' Remuneration

PNB ensures that the remuneration framework for its Directors is structured to attract, retain and motivate individuals of high calibre, while aligning with the Group's long-term objectives and governance standards. This framework is tailored to recognise the contribution of the Directors in relation to their fiduciary duties and statutory responsibilities, risks, and time commitment.

The remuneration for the Chairman and Non-Executive Directors ("NEDs") comprises fixed monthly allowances and meeting attendance allowances. These are reviewed periodically to ensure they remain competitive and commensurate with the duties performed across the Board and its Committees.

The breakdown of the remuneration components is as follows:

Allowance	Board (RM)	Board Investment Committee (RM)	Board Audit Committee/Board Nomination and Remuneration/Board Risk Committee/Board Compliance Committee of PNB Group/Board Tender Committee/Board Technology Committee (RM)
Fixed Monthly Allowance			
– Chairman	20,000	≈3,000	2,500
– NEDs	≈17,000	2,500	≈1,700
Meeting Attendance Allowance including alternate members	1,500		

Note:
In 2025, the total payment of Fixed Monthly Allowance and Meeting Attendance Allowance for Board and Board Committees was RM2.206 million.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

Communication with Stakeholders

The Board recognises the importance of ensuring that its stakeholders are well informed and updated on 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.

Through consistent, accurate and accessible information, the Board remains committed to strengthening relationships, enhancing transparency and supporting long-term value for all stakeholders.

The Board is committed in providing a fair, objective, and meaningful assessment of the financial position and prospects of 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 its responsibility to effectively manage risks across 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 PNB Group's investments and assets.

Apart from having oversight of PNB Group's risk management, internal control and financial reporting, the Board Risk Management Committee also ensures the required in-depth review into specific financial, operational and regulatory areas of PNB Group's business.

The Statement on Risk Management and Internal Control is set out on pages 294 to 308 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 PNB Group against committing an insider trading offence. It is therefore imperative that secrecy arrangements be implemented through the Chinese Wall. Directors, BIC members and all staff of 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 year under review, 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.

Raja Tan Sri Dato' Seri Arshad Raja Tun Uda

No.	Training Programmes Attended	Category	Organiser/Speaker	Date
1.	Malaysia Economic Forum 2025	Investment	Ministry of Economy, Malaysia	9 January 2025
2.	A Nation That Creates through Catalysing Ecosystems	Investment	ASEAN 2025 Finance Track Side Event hosted by Khazanah Nasional Berhad in collaboration with the Ministry of Finance Malaysia	8 April 2025
3.	US Tariff: Implications to World Economy and Markets	Investment	Joachim Klement, Panmure Liberum	29 April 2025
4.	Milken Institute Global Conference 2025	Leadership Management	The Milken Institute	4-7 May 2025
5.	Fireside Chat with Encik Ahmad Zulqarnain Onn	Leadership Management	PNB	3 June 2025
6.	Invest ASEAN-Malaysia Conference 2025	Investment	Malayan Banking Berhad and Bursa Malaysia Berhad	1 July 2025
7.	PNB – Cyber and Compliance Awareness Training	Legal/ Compliance/ Risk	National Cybersecurity Agency Malaysia	16 July 2025
8.	The Hasanah Forum 2025 – Philanthropy that Listens	Leadership Management	Yayasan Hasanah	14-15 August 2025
9.	PNB Knowledge Forum 2025 – Transformation	Environment, Social and Governance	PNB Research Institute Sdn. Berhad	21 October 2025
10.	PNB – Artificial Intelligence Strategies for Asset Managers	Information and Technology	Gartner Advisory APAC and Gartner Malaysia	27 October 2025
11.	Project Converse: Fireside Chat with PNB Investee Companies' Directors – From Governance to Performance: Translating Stewardship into Sustainable Value	Investment	PNB	20 November 2025

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

Raja Tan Sri Dato' Seri Arshad Raja Tun Uda

No.	Training Programmes Attended	Category	Organiser/Speaker	Date
12.	Knowledge Sharing Session 2025 – United States Distribution Business Sharing	Investment	McKinsey & Company	27 November 2025
13.	Knowledge Sharing Session 2025: Navigating Environmental, Social and Governance: Key Global Developments and Reporting Updates	Environment, Social and Governance	McKinsey & Company	27 November 2025

Dato' Abdul Rahman Ahmad

No.	Training Programmes Attended	Category	Organiser/Speaker	Date
1.	E-Learning: Economic Sanctions of PNB Group	Legal/Compliance/Risk	PNB	2 January 2025
2.	E-Learning: FATCA & CRS of PNB Group	Legal/Compliance/Risk	PNB	2 January 2025
3.	E-Learning: Refresher 2024/25 – Introduction to Financial	Legal/Compliance/Risk	PNB	2 January 2025
4.	E-Learning: Introduction to Shariah, Fiqh & Ethics in Islamic	Shariah	PNB	2 January 2025
5.	E-Learning: Refresher 2025 Anti Bribery and Anti-Corruption	Legal/Compliance/Risk	PNB	9 January 2025
6.	E-Learning: General Security Awareness	Information and Technology	PNB	28 January 2025
7.	E-Learning: New Hires Module 1: Introduction to Anti-Bribery	Legal/Compliance/Risk	PNB	28 January 2025
8.	E-Learning: New Hires Personal Data Protection Act	Legal/Compliance/Risk	PNB	28 January 2025
9.	E-Learning: Merdeka 118 Fire & Life Safety Briefing	Human Resources	PNB	28 January 2025
10.	E-Learning: SiberSAFE-Cyber Detective Phishing Awareness	Information and Technology	PNB	28 February 2025
11.	Core – Culture Equation Workshop	Leadership Management	Culture Partners	7 March 2025
12.	Internal PNB Cyber Simulation Exercise	Legal/Compliance/Risk	PNB	25 March 2025

Dato' Abdul Rahman Ahmad

No.	Training Programmes Attended	Category	Organiser/Speaker	Date
13.	E-Learning: Consequence Management Framework	Leadership Management	PNB	27 March 2025
14.	US Tariff: Implications to World Economy and Markets	Investment	Joachim Klement, Panmure Liberum	29 April 2025
15.	ONLINE TRAINING: How to Manage an Equity Portfolio Using Both Fundamental Analysis ("FA") and Technical Analysis ("TA") – "FATA"	Investment	Financial Planning Association of Malaysia ("FPAM")	30 April 2025
16.	ONLINE TRAINING: Art of Value Investing Exploring the Investment	Investment	FPAM	30 April 2025
17.	Fireside Chat with Encik Ahmad Zulqarnain Onn	Leadership Management	PNB	3 June 2025
18.	PNB – Cyber and Compliance Awareness Training	Legal/Compliance/Risk	National Cybersecurity Agency Malaysia	16 July 2025
19.	E-Learning: Sustainability Awareness	Environment, Social and Governance	PNB	6 August 2025
20.	Internal Coaching Certification ("ICC") Graduation Ceremony	Leadership Management	International Coaching Council	24 Septermber 2025
21.	ASNB Sales & Distribution Offsite	Investment	ASNB	1 October 2025
22.	Investments & Private Strategic Investments Team Building	Investment	PNB	16-17 October 2025
23.	PNB Knowledge Forum 2025 – Transformation	Environment, Social and Governance	PNB Research Institute Sdn. Berhad	21 October 2025
24.	PNB – Artificial Intelligence Strategies for Asset Managers	Information and Technology	Gartner Advisory APAC and Gartner Malaysia	27 October 2025
25.	Management Investment Committee House View & Business Plan 2026	Investment	PNB	29 October 2025
26.	Leadership Team Offsite – Business Plan 2026	Investment	PNB	5 November 2025

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

Dato' Abdul Rahman Ahmad

No.	Training Programmes Attended	Category	Organiser/Speaker	Date
27.	Project Converse: Fireside Chat with PNB Investee Companies' Directors – From Governance to Performance: Translating Stewardship into Sustainable Value	Investment	PNB	20 November 2025
28.	Knowledge Sharing Session 2025 – United States Distribution Business Sharing	Investment	McKinsey & Company	27 November 2025
29.	Knowledge Sharing Session 2025: Navigating Environmental, Social and Governance: Key Global Developments and Reporting Updates	Environment, Social and Governance	McKinsey & Company	27 November 2025

Tan Sri Datuk Zainun Ali

No.	Training Programmes Attended	Category	Organiser/Speaker	Date
1.	US Tariff: Implication to the World Economy and Markets	Investment	Joachim Klement, Panmure Liberum	29 April 2025
2.	PNB – Cyber and Compliance Awareness Training	Legal/Compliance/Risk	National Cybersecurity Agency Malaysia	16 July 2025
3.	PNB Knowledge Forum 2025 – Transformation	Environment, Social and Governance	PNB Research Institute Sdn. Berhad	21 October 2025
4.	PNB – Artificial Intelligence Strategies for Asset Managers	Information and Technology	Gartner Advisory APAC and Gartner Malaysia	27 October 2025
5.	Knowledge Sharing Session 2025 – United States Distribution Business Sharing	Investment	McKinsey & Company	27 November 2025
6.	Knowledge Sharing Session 2025: Navigating Environmental, Social and Governance: Key Global Developments and Reporting Updates	Environment, Social and Governance	McKinsey & Company	27 November 2025

Datuk Dr. Mohd. Yaakub Haji Johari *(Retired with effect from 28 February 2026)*

No.	Training Programmes Attended	Category	Organiser/Speaker	Date
1.	US Tariff: Implications to World Economy and Markets	Investment	Joachim Klement, Panmure Liberum	29 April 2025
2.	PNB – Cyber and Compliance Awareness Training	Legal/Compliance/ Risk	National Cybersecurity Agency Malaysia	16 July 2025
3.	PNB Knowledge Forum 2025 – Transformation	Environment, Social and Governance	PNB Research Institute Sdn. Berhad	21 October 2025
4.	PNB – Artificial Intelligence Strategies for Asset Manager	Information and Technology	Gartner Advisory APAC and Gartner Malaysia	27 October 2025
5.	Knowledge Sharing Session 2025 – United States Distribution Business Sharing	Investment	McKinsey & Company	27 November 2025
6.	Knowledge Sharing Session 2025: Navigating Environmental, Social and Governance: Key Global Developments and Reporting Updates	Environment, Social and Governance	PNB	27 November 2025

Datu Haji Soedirman Haji Aini *(Retired with effect from 28 February 2026)*

No.	Training Programmes Attended	Category	Organiser/Speaker	Date
1.	US Tariff: Implication to the World Economy and Markets	Investment	Joachim Klement, Panmure Liberum	29 April 2025
2.	MIA International Accountants Conference 2025	Corporate Finance	Malaysian Institute of Accountants	26-27 May 2025
3.	PNB – Cyber and Compliance Awareness Training	Legal/Compliance/ Risk	National Cybersecurity Agency Malaysia	16 July 2025
4.	Knowledge Sharing Session 2025 – United States Distribution Business Sharing	Investment	McKinsey & Company	27 November 2025
5.	Knowledge Sharing Session 2025: Navigating Environmental, Social and Governance: Key Global Developments and Reporting Updates	Environment, Social and Governance	McKinsey & Company	27 November 2025

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

Dato Dr. Nik Ramlah Nik Mahmood

No.	Training Programmes Attended	Category	Organiser/Speaker	Date
1.	Future-ready Boards Navigating Tomorrow's Disruptions Today	Corporate Governance	PricewaterhouseCoopers Malaysia	15 January 2025
2.	SDG-HIVE ASEAN Global Ethical Finance Initiative: Financing a Fair Transition and Unlocking Islamic Sustainable Finance	Corporate Finance	Global Ethical Finance Initiative and MIFC Leadership Council	18 February 2025
3.	Capital Market Conversations 2025: A new Narrative for Malaysia	Investment	Institute for Capital Market Research Malaysia	21 February 2025
4.	US Tariff: Implication to the World Economy and Markets	Investment	Joachim Klement, Panmure Liberum	29 April 2025
5.	PIDM Digital Conference 2025	Information Technology	Perbadanan Insurans Deposit Malaysia ("PIDM")	11 June 2025
6.	Shaping the Future of Business in ASEAN Sustainability	Environment, Social and Governance	Securities Industry Development Corporation and Capacity-building Alliance of Sustainable Investment	29-30 July 2025
7.	PIDM National Symposium Resolution: Precaution over Reaction – Harvesting Readiness in an Uncertain world	Legal/Compliance/ Risk	PIDM	26-27 August 2025
8.	Securities Commission Malaysia ("SC") and Oxford Centre for Islamic Studies ("OCIS") Roundtable – Guardians of the earth: Climate Action through the lens of Maqasid Shariah	Environment, Social and Governance	SC and OCIS	30 September 2025
9.	Khazanah Megatrends Forum: Lessons from the Grasshopper and on Living with Risks	Legal/Compliance/ Risk	Khazanah Nasional Berhad	6-7 October 2025
10.	PNB Knowledge Forum 2025 – Transformation	Environment, Social and Governance	PNB Research Institute Sdn. Berhad	21 October 2025
11.	PNB – Artificial Intelligence Strategies for Asset Managers	Information and Technology	Gartner Advisory APAC and Gartner Malaysia	27 October 2025
12.	Knowledge Sharing Session 2025 – United States Distribution Business Sharing	Investment	McKinsey & Company	27 November 2025
13.	Knowledge Sharing Session 2025: Navigating Environmental, Social and Governance: Key Global Developments and Reporting Updates	Environment, Social and Governance	McKinsey & Company	27 November 2025

Dato' Johan Ariffin

No.	Training Programmes Attended	Category	Organiser/Speaker	Date
1.	US Tariff: Implication to the World Economy and Markets	Investment	Joachim Klement, Panmure Liberum	29 April 2025
2.	PNB – Cyber and Compliance Awareness Training	Legal/Compliance/ Risk	National Cybersecurity Agency Malaysia	16 July 2025
3.	PNB Knowledge Forum 2025 – Transformation	Environment, Social and Governance	PNB Research Institute Sdn. Berhad	21 October 2025
4.	PNB – Artificial Intelligence Strategies for Asset Manager	Information Technology	Gartner Advisory APAC and Gartner Malaysia	27 October 2025
5.	Knowledge Sharing Session 2025 – United States Distribution Business Sharing	Investment	McKinsey & Company	27 November 2025
6.	Knowledge Sharing Session 2025: Navigating Environmental, Social and Governance: Key Global Developments and Reporting Updates	Environment, Social and Governance	McKinsey & Company	27 November 2025

Datin Norazah Mohamed Razali

No.	Training Programmes Attended	Category	Organiser/Speaker	Date
1.	MISC Group Directors Training FY2025: • Navigating Maritime Cybersecurity in the Digital Era • Sharing on Preparation for e-Invoicing of Directors' Fees and Allowance • Implementing Generative Health, Safety and Environment ("HSE") Culture: A Top-Down Approach	Environment, Social and Governance/ Risk Management	MISC Berhad	20 January 2025
2.	US Tariff: Implications to World Economy and Markets	Investment	Joachim Klement, Panmure Liberum	29 April 2025
3.	Deloitte Global Boardroom Programme (Governance of AI)	Corporate Governance	Deloitte Malaysia	30 April 2025
4.	Morgan Stanley China BEST Conference Spring Series	Corporate Finance	Morgan Stanley	7-9 May 2025
5.	Briefing on Occupational Safety and Health Act ("OSHA")	Environment, Social and Governance/ Risk Management	Sime Darby Property Berhad	12 June 2025
6.	Energy Asia ("EA") 2025	Leadership Management	International Conference and Exhibition Professionals ("iCEP")	16-18 June 2025

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

Datin Norazah Mohamed Razali

No.	Training Programmes Attended	Category	Organiser/Speaker	Date
7.	MISC Group Directors Training FY2025: • Revolutionizing Marine Technology through Artificial Intelligence • Global Economy, Geopolitical Conflicts and the Oil & Gas Market Environment	Environment, Social and Governance	MISC Berhad	19 June 2025
8.	Invest ASEAN-Malaysia Conference 2025	Investment	Malayan Banking Berhad and Bursa Malaysia Berhad	1 July 2025
9.	PNB – Cyber and Compliance Awareness Training	Information and Technology	National Cybersecurity Agency Malaysia	16 July 2025
10.	MISC Strategy Day 2025 Forging Ahead with #deliveringProgress Towards MISC 2030	Leadership Management	MISC Berhad	14-15 August 2025
11.	Sime Darby Property: Pre-Board Strategy Engagement Session • Macro Economic Outlook by Maybank Investment Bank • Digital Transformation & AI: Unlocking Productivity and Innovation by Google • Impact Investing: A Path to Multiply Value for People by LeapEd Services • Geographic Expansion – ASEAN Real Estate Opportunities by Lo-Goi Group • Institutional Capital in Real Estate – Dana Pemacu by TrustCapital Advisors Investment Management and KWAP	Investment	Sime Darby Property Berhad	4 September 2025
12.	Fireside Chat: Transformation to a Real Estate Company by CapitalLand Investment and Sime Darby Property	Investment	CapitalLand Investment and Sime Darby Property	4 September 2025
13.	Tropical Basic Offshore Safety Induction & Emergency Training ("BOSIET"): • Compressed Air Emergency Breathing System ("CA-EBS") • Travel Safely by Boat Initial Training (OPITO Approved)	Human Resources	Falcon Safety Services Sdn Bhd/ MISC Berhad	8-9 September 2025
14.	The Human + Machine Future of Real Estate: Strategic Foresight for a Transforming Industry	Investment	Sime Darby Property Berhad	17 September 2025

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No.	Training Programmes Attended	Category	Organiser/Speaker	Date
15.	Sime Darby Property: Pre-Board Engagement Session: Empowering the Future with Generative AI	Information Technology	Sime Property Berhad	19 September 2025
16.	Kwasa Land Sdn Bhd Board and Senior Management Training: Trends & Challenges in the Property Market	Investment	Kwasa Land Sdn Bhd	22 September 2025
17.	Future Frontiers: Technology Disruptions & Emerging Trends Shaping Real Estate	Legal/Compliance/ Risk	ICDM Malaysia	29 September 2025
18.	• Artificial Intelligence ("AI") Leadership Playbook • Latest Sanctions and Export Control Outlook and Its Impact on the Maritime Industry	Legal/Compliance/ Risk	MISC Berhad	29 September 2025
19.	Kapital DX Sdn Bhd Board and Senior Management Training: Security Awareness: How to Become a Human Firewall	Legal/Compliance/ Risk	Kapital DX Sdn Bhd	24 October 2025
20.	PNB – Artificial Intelligence Strategies for Asset Managers	Information and Technology	Gartner Advisory APAC and Gartner Malaysia	27 October 2025
21.	Training on Directors' Duties and Responsibilities – Jurisdiction: Malaysia & Labuan – Jurisdiction: Singapore	Legal/Compliance/ Risk	MISC Berhad	18 November 2025
22.	Knowledge Sharing Session 2025 – United States Distribution Business Sharing – McKinsey & Company	Investment	McKinsey & Company	27 November 2025
23.	Knowledge Sharing Session 2025: Navigating Environmental, Social and Governance: Key Global Developments and Reporting Updates	Environment, Social and Governance	McKinsey & Company	27 November 2025

Datuk Johan Mahmood @ Johan Mahmood Merican *(Resigned with effect from 1 April 2026)*

No.	Training Programmes Attended	Category	Organiser/Speaker	Date
1.	PNB Artificial Intelligence Strategies for Asset Managers	Information and Technology	Gartner Advisory APAC and Gartner Malaysia	27 October 2025

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

COMPLIANCE AND INTEGRITY GOVERNANCE STRUCTURE

Board Compliance Committee

The Board of Directors holds overall responsibility for ensuring that PNB Group complies with all laws, regulations and guidelines. To oversee this, the Board of Directors has established a Board Compliance Committee, which sets the direction and strategy for Compliance and Integrity Division and oversees the management and implementation of Compliance and Integrity programmes.

The Board Compliance Committee is supported by Compliance Officer and Chief Integrity Officer in carrying out its responsibilities. The Compliance Officer is responsible for establishing, implementing, operating and monitoring the Compliance Programmes for PNB Group. The Chief Integrity Officer fulfils this role through four key functions, namely, Complaint Management, Detection and Verification, Governance and Integrity Strengthening as well as implementing the Integrity Programmes for PNB Group.

Progress on Compliance and Integrity Programmes is reported quarterly to the Board Compliance Committee to ensure effective oversight and accountability, and to support the continuous improvement of compliance and integrity practices within PNB Group.

Composition and Attendance of the Board Compliance Committee

The Board Compliance Committee's terms of reference require at least three members, with at least one third being independent members. The Board Compliance Committee is mandated to meet at least four times per year, with additional meetings may convene at the Chairman's discretion. Accordingly, for the year 2025, the Board Compliance Committee comprised four members, three of whom are INED. There was a total of four meetings held during the year, fulfilling its mandated meeting frequency.

The composition of the Board Compliance Committee and the record of their attendance are as illustrated in the following table:

Members	Status	Attendance
Tan Sri Datuk Zainun Ali *(Chairman)*	Independent Non-Executive	4/4
Dato Dr. Nik Ramlah Nik Mahmood	Independent Non-Executive	4/4
Datuk Dr. Mohd. Yaakub Haji Johari *(Retired with effect from 28 February 2026)*	Independent Non-Executive	4/4
Dato' Abdul Rahman Ahmad	Non-Independent Executive	4/4

Scope of the Board Compliance Committee

The Board Compliance Committee has the authority and acts on behalf of the Board of Directors to:

- Oversee the supervision and management of compliance, integrity and corruption risks;
- Assist the Board of Directors in fulfilling relevant laws, regulations, guidelines, licensing conditions and rules requirements;
- Supervise all integrity related matters to ensure the adoption of best practices and highest ethical standards; and
- Provide advice, guidance and direction in relation to the implementation of work plans for the Compliance and Integrity Division.

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 with regards to the operations and activities of the Compliance Team and Integrity Department;
- Evaluate, and review the findings of the compliance and integrity reports presented by the Compliance Team and Integrity Department;
- 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 it may deem necessary or appropriate, and to assist the Board of Directors in ensuring that a competent Head of Compliance and/or CIgO 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/or CIgO, 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 PNB Group's on-going compliance with relevant legal and regulatory requirements for approval of the Board of Directors;
- Review its own terms of reference and recommend any changes to the Board of Directors for approval;
- Perform other activities consistent with the terms of reference, the relevant laws, regulations, guidelines, licensing conditions and rules as the Board Compliance Committee or the Board of Directors deemed necessary or appropriate;
- Promote, together with Senior Management of PNB Group, a sound compliance and integrity cultures within PNB Group which emphasises high standards of ethical behaviours that create and support compliance and integrity;
- Approve the formation and the terms of reference of a management committee to review and investigate any complaint of misconduct received against any employee of 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 the investigation of a complaint of misconduct received against any member of the Board of Directors, Committees of the Board of Directors, President & Group Chief Executive, or any senior management of PNB Group, and make appropriate recommendations 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 PNB Group in respect of internal controls, compliance, integrity, and risks management;
- Report 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 of Directors;
- Review and where necessary approve or reject the establishment of relationships with parties linked to the "blacklist countries subject to Enhanced Due Diligence and enhanced countermeasures" category as per Economic Sanctions Policy of PNB Group; and
- Perform such other duties as the Board may delegate it from time to time.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (continued)

Activities of the Board Compliance Committee in 2025

In line with the terms of reference of the Board Compliance Committee, the Board Compliance Committee has approved, reviewed and monitored the Compliance and Integrity Strategies and Resources for the term from 2025-2027, including the three years blueprint comprising of programmes and strategic initiatives for implementation, as well as the detailed annual Work Plans for the Compliance and Integrity Division.

In 2025, the Board Compliance Committee has reviewed and approved:

- The Anti-Money Laundering ("AML") compliance risk factors, parameters, thresholds, ratings and status, as well as the monitoring and review reports concerning compliance and integrity matters;
- Compliance Risk Assessment report on control design and effectiveness;
- Compliance and Integrity breaches and non-compliances identified through monitoring and escalation channels, including complaints and whistleblowing cases, and the recommended remedial actions;
- Status updates on remediation actions including consequence management imposed on employees for non-compliance; and
- Integrity Reviews on selected departments of PNB and branches of ASNB.

The Board Compliance Committee has reviewed and endorsed for Board of Directors' approval of key enterprise control documents and policies related to Compliance and Integrity, namely:

- Personal Trading Policy of PNB Group
- Compliance Charter and Framework of PNB Group
- Integrity Charter and Framework of PNB Group
- PNB Group's AML Due Diligence Disclosure & Ultimate Beneficial Owner or Controller identified for external declarations
- PNB Group Chinese Wall Policy
- No Gift Policy of PNB Group
- Whistleblowing Policy of PNB Group
- Organisational Anti-Corruption Plan of PNB Group 2025 – 2028

OVERVIEW OF COMPLIANCE AND INTEGRITY PROGRAMMES

To promote effective compliance, integrity and corruption risk management towards complying with applicable laws and regulation relevant to PNB Group's business, Compliance and Integrity Programmes have been established and implemented based on the core elements specified by the SC, MACC, Federation of Investment Managers Malaysia ("FIMM"), BNM and other relevant regulatory bodies/ enforcement agencies. Given the dynamic nature of these programmes, they are subject to regular review and enhancement to address evolving compliance, integrity and corruption risks, while ensuring alignment with the relevant industry best practices and international standards.

Under the supervision and guidance of the Board of Compliance Committee, the Compliance and Integrity Departments are committed in being the forefront in driving key compliance and integrity programmes, towards fulfilling the following aspirations:

- Ensure full adherence to all relevant laws and regulatory requirements set forth by the SC, MACC, FIMM, BNM as well as other relevant regulatory bodies/enforcement agencies;
- Foster a business environment free from any forms of financial crimes, bribery and corruption, with a firm commitment to take a decisive against such misconduct;
- Strengthen the capability and visibility of the Compliance Team and Integrity Department in providing advisory support both on regulatory interpretation and operational activities, thereby serving effectively as a second line of defence; and
- Cultivate strong compliance and integrity values by promoting compliance and integrity in PNB's working culture.

ONGOING COMPLIANCE AND INTEGRITY PROGRAMMES

During the year under review, the Compliance and Integrity Division had completed 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 AML compliance risk management in 2025, PNB Group conducted comprehensive reviews of existing AML control measures. The reviews encompassed, among others, governance practices and culture, post-implementation analysis and testing of ASNB's risk profiling, and assessment of the future-readiness of current technology infrastructure.

Consequently, PNB Group has realigned its AML programme to further strengthen AML risk management measures and charted the development journey from 2025 to 2027, as PNB strives to advance the maturity of its AML compliance framework. Key initiatives include:

- Charted the future direction in AML risk profiling and scoring practices through continuous analysis, monitoring and refinement of AML Risk Profiling Methodology;
- Enhanced oversight and reporting of AML risks and measurement at the enterprise level, including improved tracking and remediation of AML related issues;
- Conducted thorough reviews and enhancements of AML operational risk controls;
- Increased business accountability in managing AML risks through cascading of performance indicators from the enterprise down to individual roles;
- Expanded manpower capability and capacity for AML compliance related functions across all lines of defence;
- Expanded AML compliance training and engagement across the three lines of defence with new programmes under development for control functions and middle management, Compliance Representatives embedded within the business and as well as all frontliners and customer-facing employees;
- Transformed AML technology eco-system via a three years plan focusing on continuous upgrades to existing AML systems and infrastructure with an aim to increase adoption of Machine Learning and AI;
- Continued development of robust internal data analytics capability to aid the transition to advanced technology; and
- Undertook comprehensive reengineering of business processes to enhance existing AML risk control measures.

Adoption of Regulatory Technology in Compliance

◆ Transforming AML Technology Eco-System

In line with the Regulatory Technology agenda, the Compliance Team conducted an evaluation on the systems used for managing AML risk, aiming to:

- Identify gaps between current solutions and new systems available in the market, and
- Determine advancements required to support alignment with the planned revision of the Risk Profiling Methodology over the next three years.

Concurrently, PNB has established a three years Technology Strategy to advance its digital priorities, which includes adoption of Machine Learning and Artificial Intelligence ("ML/AI"), upgrading of Data Analytics infrastructure, and adoption of Cloud services to enable real-time risk assessment and embedded control processes.

In this regard, the upgraded AML management system called Flagright ("FR"), which manages AML-related functions for the retail unit trust business, continues to demonstrate robustness and is subject to ongoing enhancements as initial development for ML/AI integration begins.

Additionally, PNB had completed a technology review and benchmarking of systems used to strengthen the standard of Know Your Customer ("KYC") and Customer Due Diligence ("CDD") processes and controls when dealing with corporate and legal entities and counterparties. The three years Technology Strategy for AML, scheduled to commence from 2025 until 2027, includes enhanced system functionalities that improve AML risk management through sophisticated risk assessment algorithms and advanced analytical capabilities. This allows PNB Group to effectively rate our risks and manage any issues identified with greater efficiency.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (continued)

◆ Compliance Risk Management

PNB Group is committed to continuous improvement of its compliance risk management programme across all areas. In this regard, the Compliance and Integrity Division has embraced the adoption of Regulatory Technology to facilitate the systemic identification, prioritisation and mitigation of compliance and corruption risks within PNB Group.

The Compliance Risk Assessment was established in 2020 and is continually refined with an objective of recording and providing a strategic view of 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.

Additionally, in 2025, comprehensive assessments of risk controls governing AML related processes across key business units were undertaken, and measures aimed at further strengthening of controls and reducing risks were identified for implementation.

◆ Compliance Review

During the financial year ended 31 December 2025, the compliance review function continued to play a pivotal role in reinforcing PNB Group's governance framework, risk management discipline, and regulatory compliance posture. A comprehensive suite of compliance initiatives was implemented through structured thematic reviews targeting key risk areas across PNB Group's operations. These reviews encompassed the clearance and assessment of transaction monitoring alerts and suspicious transaction reports, the effective management of watchlist alerts, and the oversight of cross trades involving PNB managed funds to ensure adherence to applicable regulations and internal policies. In addition, the Compliance Review Unit conducted reviews of personal account dealings and incident management reporting, while enhancing the governance framework and oversight mechanisms relating to third party relationships, thereby strengthening accountability, transparency, and control effectiveness across PNB Group.

To complement these targeted reviews, the Compliance Review Unit maintained robust ongoing monitoring, quality assurance, and exception management programmes to ensure the sustainability of compliance outcomes. This included the systematic implementation and tracking of corrective actions arising from compliance observations, as well as the continued monitoring and management of Red List alerts to facilitate timely risk mitigation. Furthermore, quarterly quality checks and exception monitoring were carried out on key processes to provide continuous assurance over operational and regulatory compliance. Collectively, these efforts contributed to a strengthened compliance control environment, enhanced risk oversight, and sustained adherence to regulatory and governance standards throughout PNB Group.

◆ Technology Review

In 2025, the Technology Review Unit continued to fulfil its roles in supporting Risk, Internal Assurance and Information and Cybersecurity ("ICS") functions in relation to technology and cybersecurity risks oversight. This includes review on technology related proposals as well as providing advisory input on the effectiveness of control measures. Aligned with the SC's Guidelines on Technology Risk Management ("GTRM"), the Technology Review Unit carried out review programmes to identify gaps, areas for improvements and reported findings to Management and Board Compliance Committee. The Technology Review Unit also notified the SC via Vault reporting platform on Technology and Cybersecurity related submission i.e. Technology-Related Implementation or incidents. Additionally, Technology Review Unit participated in various cyber drill programmes, both internally and industry-wide, as organised by the SC.

◆ Advisory

The advisory function supported the business units in the effective identification, assessment, and management of regulatory, compliance, and operational risks across PNB Group. This was achieved through the provision of timely, comprehensive, and forward looking advisory services covering key regulatory and governance matters. The advisory unit systematically assessed the impact of new, amended, and evolving legislative and regulatory requirements on business operations and provided recommendations on necessary enhancements to internal

controls, processes, and practices to ensure ongoing compliance. In delivering such guidance, careful consideration was given to achieving an appropriate balance between strict regulatory compliance and practical business implementation. In addition, the advisory function provided policy and process related guidance to assist business units in fulfilling their compliance obligations, including the dissemination of relevant guidance, tools, and industry best practices aimed at strengthening governance, control effectiveness, and operational resilience. looking advisory services covering key regulatory and governance matters. The related guidance to assist business units in fulfilling their compliance obligations, including the dissemination of relevant guidance, tools, and industry best practices aimed at strengthening governance, control effectiveness, and operational resilience.

The advisory function also contributed to the establishment of new products and services by assessing associated compliance risks and regulatory implications at the pre launch stage of the new products and services. This included undertaking benchmarking exercise on PNB Group's control frameworks and practices against industry standards to ensure continued robustness and alignment with regulatory expectations. The advisory function remained vigilant to regulatory developments and evaluated their impact on business operations, whereby appropriate remedial actions are identified to address gaps, enhance internal control frameworks, and strengthen risk oversight. Collectively, these efforts underscore the advisory function's role not only in monitoring and testing compliance, but also in enabling business units to anticipate emerging risks and maintain alignment with regulatory and industry standards.

◆ Tax Compliance

Recognising the criticality of tax compliance obligations in relation to customers and the Foreign Assets Tax Compliance Act ("FATCA") with the US of America as well as the Common Reporting Standards ("CRS") with the Organisation for Economic Co-Operation and Development ("OECD") members, the Compliance Team developed and issued PNB FATCA and CRS Policy. This policy outlines among others, key responsibilities and minimum controls required to maintain compliance to the requirements. In line with the commitment, the business has commenced a comprehensive review of all operational aspects of the FATCA/CRS related processes and systems with a view to strengthen and optimise existing controls.

Additionally, the Compliance Team took cognisance of heightened focus of Malaysian authorities on tax crimes matters and incorporated the necessary red flags into the AML monitoring processes.

Strengthening Compliance Governance and Capabilities

◆ Enhanced Compliance Monitoring

In 2025, the Compliance Team had enhanced its review capabilities by expanding its AML Data Analytics function to support compliance in risk reviews and monitor adequacy and effectiveness of internal controls and process, as well as strengthening the capabilities of the Review Team.

As a result, the Compliance Team has intensified its review strategies and cadence throughout PNB through:

- Collecting, analysing and interpreting 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 future regulatory compliance outlook and in response to new regulations, regulatory actions, emerging risks covering both local and international;
- Conducting data-driven thematic compliance reviews on potential risk areas;
- Performing quality control reviews of CDD processes within business units;
- Validating cross trades executed between funds managed by PNB;
- Recommending post-implementation data quality checks to improve unitholder data quality and completeness under OMNIS 3.0;
- Undertaking follow-up reviews of risk and issues remediation measures identified in regulatory and compliance reports;
- Reviewing reports submitted by compliance representatives; and
- Increasing the use of data analytics tools and techniques for monitoring compliance data via a centralised dashboard.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (continued)

◆ Building a Robust Community of Compliance Representatives

The roles and responsibilities of designated compliance representatives within business units were further reinforced, enhancing collaboration with the Compliance Team. This improved coordination facilitated more robust monitoring processes, including periodic reviews and reporting on AML operational controls.

To promote greater awareness and embed a strong compliance mindset, a total of 28 engagement sessions were conducted throughout the year with staff and compliance representatives. These sessions delivered updates on policies and regulatory developments, while also emphasised the importance of cultivating a sound compliance culture. In addition, tailored briefings and one-on-one engagements were arranged to equip compliance representatives with the necessary skills and knowledge to perform their functions effectively and meet regulatory expectations.

◆ Compliance Training and Awareness

The Compliance Team continued to strengthen the compliance culture across PNB Group in 2025 through structured initiatives, on-going training, and awareness programmes. A robust compliance communications framework was implemented to reinforce adherence to established policies and regulatory requirements, with education on compliance risks delivered via accessible digital platforms.

The Knowledge Hub ("K-hub") and Viva Engage platforms were regularly updated, providing employees with easy access to laws, regulations, guidelines, and policies for daily operations. Regulatory updates were disseminated through infographics and awareness emails, with two regulatory updates and 31 compliance awareness communications issued during the year. Actions and measures undertaken by business units were closely monitored through structured communication and engagement with staff, compliance representatives, and key personnel.

To further enhance knowledge, several new online training modules were launched within PNB's learning management system, including PNB Group Conflicts of Interest Policy and enhanced AML-focused e-modules covering sanctions, proliferation financing, and tax compliance. Completion of these e-modules was tracked, with consequence management applied to non-compliance.

As part of induction training for new hires, 11 compliance awareness sessions were conducted for new employees, covering relevant laws, regulations, compliance policies, and expected conduct. Key topics included the Compliance Charter and Programme, reporting structures, committee roles, and Group policies such as the Economic Sanctions Policy, FATCA & CRS Policy, No Gift Policy, Consequence Management Framework, Chinese Wall Policy, and Conflicts of Interest Policy. New hires were required to sign declarations confirming their understanding of compliance obligations, reinforcing accountability and embedding compliance values across the organisation.

◆ Competency and Capabilities of Compliance Team and Compliance Functions

The Compliance Team continued to strengthen its capabilities by recruiting employees from diverse professional backgrounds, including accounting and finance, law, financial services, information technology, risk management, and audit. These employees bring the necessary skills, competencies, and experience to effectively perform the Team's functions.

Building on initiatives introduced in 2024, the Department advanced with the Compliance Functional Competency Model, aimed at providing a structured guide to the key and expected proficiency levels for the selected roles. It will also aid in developing focused learning and development interventions for the business and staff with their longer-term career development. Development interventions will include on-the-job, as well as structured internal and/or external training. Evaluation and assessment of the current skillsets were performed against the mapped competencies,

and learning interventions were implemented to close the gaps. This competency model will also aid in future phases for recruitment and selection, succession planning and performance management. Applying this model enables compliance competencies across PNB Group are developed to the highest standards. Compliance staff continuously aims to obtain recognised certifications such as the Professional Certificate in Islamic Finance (Audit and Compliance) by INCEIF, the Certified Capital Market Professional ("CCMP") by the Securities Commission Malaysia, internationally recognised AML certifications such as ACAM, and an in-house Data Analytics competency programme.

In 2025, five members of the Compliance team successfully attained CCMP Level 2 certification conducted by the SC Malaysia, reflecting the Department's commitment to continuous professional development and regulatory excellence.

◆ Stakeholder Engagement

In ensuring that the business strategy is aligned with the regulatory requirements, the Compliance Team continuously engaged with internal and external stakeholders. These efforts not only foster mutual beneficial relationships, but it also encourages stakeholders' involvement in 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 have facilitated our compliance process and helped PNB to effectively prioritise initiatives in accordance with regulatory expectations. The Compliance and Integrity Division participated in numerous activities and programmes organised by the SC, PDRM, MACC and other relevant authority bodies and enforcement agencies on new regulatory frameworks including AML, technology risk management, compliance and governance. Amongst the activities and programmes attended are as follows:

1. GRC Roundtable Sessions organised by Sime Darby, with participation from Khazanah.
2. Series of sharing sessions with the Employee Provident Fund ("EPF"), Bank Negara Malaysia, Khazanah Nasional, Lembaga Tabung Angkatan Tentera ("LTAT"), Pos Malaysia, RHB Bank, Maybank, AffinHwang Investment Bank, Affin Bank Berhad, CIMB Bank Berhad, Ekuinas Nasional Berhad and Amanah Raya Trustees Berhad.
3. SD Guthrie Integrity Summit held on 18 Feb 2025.
4. BIA Advanced Technology Working Group: Session 8 and 9 held on 24 April 2025 and 8 October 2025.
5. Familiarisation and engagement session by IgT with BPIA of the MACC Putrajaya on 22 September 2025.
6. Sharing Initiatives and Good Practices for Petronas Integrity and Governance Unit ("IGU") with Government-Linked Investment Companies ("GLIC") held on 19 December 2025.
7. GLIC Engagement session with MACC KL (also attended by KWAP, LTAT, Khazanah, TH) with MACC KL on 1 December 2025.

The Compliance Team participated in Fraud Awareness Week ("FAW"), an annual event organised by Kenanga Group in conjunction with the International FAW. For 2025, representatives from the Compliance Team distinguished themselves by being a champion for a competition held during FAW, surpassing 144 teams participating from other organisations including regulatory bodies, GLC, GLIC, investment banks and financial institutions. This event provided valuable educational experiences through innovative and interactive edutainment programmes, enhancing the Compliance Team's expertise in combating fraud, bribery, and corruption.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (continued)

◆ **Key Strategic Initiatives under the three years blueprint programmes implemented in 2025**

Uphold regulatory compliance and ethical standards to strengthen investor trust and market integrity

Future Proof Compliance and Integrity Posture

PROGRAMMES

Anti Money Laundering ("AML") 2.0	Investment Management	Sales Practices	Integrity & Bribery	Culture & Engagement
STRATEGIC INITIATIVES				
1. Strengthen AML Maturity Level – People Technology and AI/ML 2. Continuous Revision of AML Risk Methodology and STM Parameters 3. Strengthen Secondary Controls and Monitoring Processes 4. Enhancing unitholders Data Quality and Completeness	1. Strengthen Cadence on Review Programme for Dealer and Personal Trade Transactions 2. Process Automation via New Staff Declaration Application 3. Revision of Personal Trading Policy	1. Complaints Minimisation Programme 2. Managing Mis-selling/ Breaches by Agents/RMs 3. Speedy Scam and Fraud Counter-Action	1. Translate OACP 2.0 into action 2. Establish more active programme to identify gaps	1. Applied learning through simulated environment 2. Business Engagement 3. Informal industry networking
OUTCOMES				
1. Enhance system integration for sanctions screening on unitholders 2. Increase accuracy of alerts and case management for operational efficiency through use of ML/AI* 3. Fit for purpose risk profiling methodology and TM rules 4. Collaborate with ASNB on OMNIS 3.0 Project, i.e completeness of unitholders data 5. Support ESG agenda through Investment portfolio being subject to ESG screening*	1. Enhance scoping on periodic review, e.g. pre/post investment limit, cross trades and insider trading 2. Streamline personal trades approval and review process 3. Improve management of Red List	1. Put in place surveillance programme in monitoring sales activities at ASNB 2. Improve management of complaints through collaboration and CX units with CSU 3. Maturity assessment on PDPA	1. Meet the new ABMS 37001:2025 requirements 2. Complete OACP 2.0 initiatives based on specified timelines 3. Develop guidance to standardise risk tolerance/appetite 4. Seamless declaration yearly process related to compliance and integrity* 5. Enhance tracking and data visualisation of own Division's workstream	1. Upskill staff proficiency in identifying and escalating compliance and integrity related risk areas 2. Policies are aligned with regulatory requirements, industry best practices and business strategy 3. Adopt and implement competency framework 4. Compliance foresight via proactive intelligence and insight from industry networking

The compliance workplans for the year 2025 were developed to align with the outcomes outlined under the three years blueprint programmes and their corresponding strategic initiatives. The key focus areas under the blueprint are as follows:

1. **AML 2.0**

   PNB commenced the establishment of an enhanced technology strategy for AML in 2025. This initiative incorporates upgraded system functionalities designed to strengthen AML risk management through the use of sophisticated risk assessment algorithms and advanced analytical capabilities.

2. **Investment Management**

   Efforts were intensified to reinforce regulatory controls, including enhanced scoping for periodic reviews and monitoring activities relating to investment limits, cross trades, and insider trading. Further enhancements were also made to the Personal Trading and Chinese Wall Policy to streamline the approval and review processes, ensuring clearer governance and better operational efficiency.

3. **Sales Practices**

   A structured surveillance programme was introduced to support the monitoring of sales activities, together with improved mechanisms for managing unitholder complaints. In addition, focused and role-based learning was rolled out through the regional Train the Trainer initiative, aimed at strengthening AML/CFT/CPF competencies among frontliners and sales personnel.

4. **Culture and Engagement**

   Awareness and applied learning were enhanced through the introduction of simulated training environments and the issuance of new infographics and educational videos to support continuous learning behavioural reinforcement.

Anti-Bribery and Anti-Corruption Statement

The Anti-Bribery and Anti-Corruption Policy Statement of PNB Group ("ABC Policy Statement"), established in August 2020, formalises and solidifies PNB Group's commitment to complying with anti-bribery and securities laws relevant to organisation.

PNB Group is committed to conducting all business dealings honestly and ethically, consistently upholding the highest standards of integrity and corporate governance. All policies and procedures are established, implemented and enforced with the primary goal of protecting PNB from corrupt practices and unethical conduct.

In interacting with unitholders, employees, suppliers and all third-party, PNB Group conducts itself with openness and transparency. It has a zero-tolerance 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.

PNB Group strives to create an environment where both employees and members of the public are encouraged to voice concerns regarding organisational conduct. To facilitate this, a comprehensive range of complaint channels has been established, allowing stakeholders to report issues directly to PNB by email, online submission, personal submission, telephone, or postal correspondence. These channels are specifically designed for reporting matters involving bribery, corruption, abuse of power, and embezzlement. All genuine complaints are handled with strict confidentiality and are subject to transparent and impartial investigation.

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 PNB Group in relation to anti-corruption matters.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (continued)

During the year under review, and in further strengthening of maintaining a Corruption-Free Business Environment pledge, the following initiatives were undertaken by PNB:

- **Revisions to Integrity Charter and Framework of the PNB Group**

  The Integrity Charter and Framework was revised to ensure that it remains current with evolving external requirements and internal organisational developments. The revised documents were approved by the Board of Directors of PNB at its meeting on 9 June 2025.

- **Revisions to No Gift Policy of PNB Group**

  The No Gift Policy of PNB Group has been enhanced to strengthen governance and ensure continued alignment with best practices. Key amendments include the establishment of a new gift value threshold and the requirement for approval from the PGCE for gifts exceeding this limit. These changes were formally endorsed by the Board of Directors of PNB on 24 March 2025, thereby reinforcing the Group's commitment to ethical conduct and robust internal controls.

- **Revisions to Whistleblowing Policy of PNB Group**

  The Board of Directors of PNB had approved revisions to the Whistleblowing Policy on 15 December 2026, reinforcing the policy's effectiveness and alignment with prevailing governance standards and regulatory requirements. The revisions formalised the establishment of a dedicated investigation team and introduced an out-of-scope list to the scope of whistleblowing, ensuring an increase in transparency whilst maintaining focused scope on matters of bribery, corruption, abuse of power and embezzlement.

- **Corruption Risk Assessment and Identification**

  In adhering to 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, PNB Group continues to conduct corruption risk assessments. In line with its Integrity Charter and Framework of PNB Group, Integrity Department collaborated with more than 70 business units across the organisation to conduct these assessments.

- **Progress of PNB Group OACP 2025-2028**

  PNB Group OACP 2025-2028, approved by the Board on 3 December 2024, serves as an integrated anti-corruption plan adopted by all stakeholders within PNB Group. The OACP outlines potential risks pertaining to governance, integrity and corruption, and is the principal reference guide relating to the prevention of corruption and bribery within the organisation.

  The progress of PNB Group OACP 2025-2028 is monitored throughout 2025. From the 27 total initiatives planned for 2025 to 2028, two initiatives with specific deadlines in 2025 have been completed while the remaining 25 continuous initiatives are proceeding as scheduled under the three years blueprint, with regular reporting during the year under review.

- **Surveillance Audits for ISO 37001:2016 Anti-Bribery Management Systems ("ABMS")**

  PNB has successfully achieved a clean audit report without Non-Conformance Report ("NCR") for its year-1 Surveillance audit exercise under ISO 37001:2016 ABMS conducted by SIRIM QAS International Sdn Bhd ("SIRIM QAS") in March 2025. This success solidifies the commitment of PNB Group to mitigate corruption risks and cultivating values of integrity and ethical conduct at all various levels within the organisation.

  Similarly, ASNB, the unit trust arm of PNB was also successful in its year-1 Surveillance audit by SIRIM QAS which was conducted in November 2025. ASNB achieved a commendable audit report from SIRIM QAS without NCR.

- **PNB Honoured with Gold Award at Anugerah Integriti, Governans dan Anti-Rasuah ("AIGA") 2025**

  PNB received the Gold Award (Private Sector) at AIGA 2025, organised by Institut Integriti Malaysia ("IIM").

  The Majlis Amanat Perdana Integriti Nasional ("MAPIN") and AIGA Award Ceremony held on 22 October 2025 was officiated by Prime Minister YAB Dato' Seri Anwar Ibrahim, inaugurating the commencement of the National Integrity Day celebration on 5 November.

These accolades highlight PNB's steadfast commitment to upholding integrity, good governance and ethical business practices across the organisation, not only by the Board of Directors and Leadership Team of PNB Group but also by all Business Units, Heads of Departments, and all staff members of PNB Group.

- **Integrity Advisory**

The Integrity Department advanced the development of advisory approach under the three-year blueprint with the proposed establishment of an AI enabled advisory platform designed to streamline analysis, enhance response accuracy, and improve turnaround times, while continuing to provide personnel with advice and guidance on the Anti Bribery Management System and matters relating to bribery, thereby strengthening service quality, supporting timely decision making, and reinforcing robust governance standards.

Intensifying Integrity Literacy and Awareness Programmes

Training and awareness are the key components in inculcating an integrity culture among employees. PNB remains committed to promoting ethical conduct through ongoing training and awareness programmes, integral to the functions of the Integrity Department and as detailed in PNB Group Integrity Charter and Framework. These efforts are critical to ensure that both existing and new employees are consistently reminded of their responsibilities in upholding compliance, integrity, and an ethical code of conduct.

- **Integrity Strengthening Programmes**

a. Onboarding Sessions with New Hires and Trainees/ Interns

During the year under review, nine integrity awareness sessions were conducted for all newly hired employees as part of induction training, designed to instil ethical values and introduce relevant anti-corruption policies. In addition, four sessions targeted Government Executive Trainees/Interns. These sessions are designed to reinforce PNB's commitment to integrating integrity culture into daily business operations while ensuring compliance with relevant laws, regulations, and internal policies. Key topics included the MACC Act 2009 and the Anti-Bribery & Anti-Corruption Policies of PNB Group, as well as PNB's initiatives as laid under the ISO 37001:2016 ABMS.

b. Engagements via PNB Tea Talk (PNB Integrity Session)

PNB Integrity Talk was conducted during the year under review, covering relevant topics of interest, including doxing in Malaysia, workplace bullying in the digital age, and speaking up safely.

These sessions aimed to enhance protection against corruption and fraud as well as foster positive work environment. The talk provided clarity on new and existing legal provisions and behaviours that constitute doxing and workplace bullying. The talk seeks to illustrate potential legal implications of sharing work-related issues online, differentiate between constructive advocacy and harmful online conduct, and promote responsible communication when addressing workplace concerns. Additionally, it encourages thoughtful dialogue on ethical standards and appropriate behaviour within the digital environment.

c. Integrity Briefings

Integrity-focused briefings involving more than 100 Integrity Representatives ("IRs") of PNB Group were conducted in February 2025, serving as refreshers training on corruption risk management and updates to the anti-bribery and anti-corruption policies and procedures of PNB Group. In addition, Integrity Department also conducted an awareness briefing to the Head of Teams and its appointed IRs on the latest revision of PNB No Gift Policy in May 2025.

d. In-house ABMS Refresher Session

The Integrity Department, in partnership with SIRIM Academy, conducted a one-day training session on the changes and updates introduced in ISO 37001:2025 Anti-Bribery Management System ("ABMS"). This session reinforced PNB's' adherence to international best practices and outline key changes for integration into business model. Updates will be communicated across organisation to ensure seamless transition and ongoing compliance.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (continued)

e. PNB Supplier Day

PNB Supplier Day was a one-day programme collaboratively organised by the Integrity and Compliance Division, together with the Procurement, Finance and Sustainability & Social Investment Teams. The event was designed to strengthen partnerships and embed principles of sustainability and integrity within PNB Group's procurement activities.

The Integrity Session, themed "Maintaining Zero Tolerance for Bribery and Corruption to Protect PNB Group's Reputation and Public Trust," featured Puan Zairinhani binti Zulkifly, Head of Community Education at SPRM KL, as a distinguished speaker.

Under the Compliance Theme, Encik Mohd Firdaus Ramlan, a former magistrate and advocate for anti-corruption awareness, delivered a session entitled "Unmasking Corruption: Understanding Its Phases, Empowering Whistleblowers, and Recognising the Ripple Effects." Drawing upon personal experience, Encik Mohd Firdaus provided valuable insights into the far-reaching consequences of bribery and corruption, thereby reinforcing the importance of ethical conduct. This programme enhanced vendors awareness of key critical compliance matters.

f. Communications via Integrity Insights and E-Mail Blasts

A total of 10 email blasts and one integrity-themed screensaver were issued to employees, supporting the cultivation of an integrity-driven culture. The bi-monthly Integrity Insights E-Bulletin, introduced earlier this year, designed to keep PNB Group employees informed and engaged with the latest updates, initiatives, and resources pertaining to integrity, thereby supporting the organisation's commitment to the highest standards of ethical conduct.

BOARD AUDIT COMMITTEE REPORT

Pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and the Malaysian Code on Corporate Governance ("the Code"), an Audit Committee of the Board shall comprise a minimum number of three members and a maximum number of six Board members all of whom shall be Non-Executive Directors, with majority as Independent Directors being Directors independent of Management and free of any relationship that would interfere with the exercise of independent judgement of Board Audit Committee ("BAC") members.

The Chairman of the BAC shall be an independent Director.

COMPOSITION

As of the date of this report, PNB's BAC comprises three members, all of whom are INED. The Chairman of the BAC is not the Chairman of the Board of PNB. No alternate director shall be appointed a member of the BAC. A former partner of the external audit firm of PNB Group shall observe a cooling-off period of at least three years before being appointed as member of the BAC.

The composition of the BAC is as follows:

Members	Status
Datuk Mohd. Anwar bin Yahya *(Chairman)*	Independent Non-Executive
Datin Norazah Mohamed Razali	Independent Non-Executive
Dato Dr. Nik Ramlah Nik Mahmood *(Appointed with effect from 28 February 2026)*	Independent Non-Executive

The BAC meets at least four times a year. Additional meetings may be called at any time at the discretion of the Chairman of the BAC.

The primary role of the BAC is to assist the Board in fulfilling its fiduciary oversight responsibilities with regard to the integrity of financial reporting, adequacy and effectiveness of internal control systems, risk management frameworks, and the effectiveness of internal and external audit processes. The BAC ensures regulatory compliance and acts as an independent check on Management.

TERMS OF REFERENCE

The BAC is governed by its ToR, the most recent revision of which was adopted by the Board in November 2021 and is currently under review for amendment. The Board must approve the appointments of Committee members and the Chairman of the Committee.

The BAC has the authority to:

i. Investigate any matter within its ToR;
ii. Have full and unrestricted access to any information, records and documents or resources about PNB Group in order to perform its duties;
iii. Have direct communication channels with the internal and external auditors or both, without the attendance of other executive directors and employees of PNB Group whenever deemed necessary;
iv. Seek any information it requires from any employee of PNB Group. All employees are directed to co-operate with any request made by the BAC;
v. Establish and delegate authority to sub-Committees, which shall be subject to their own terms of reference as approved by the BAC;
vi. Be able to obtain, at the expense of PNB, external legal or other independent professional advice it considers necessary; and
vii. Secure the resources (i.e., staff and material) in order to perform its duties as set out in these ToR.

The duties and responsibilities of the BAC 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 PNB Group and those waived);
iii. Assess 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 UTFs and year-end financial statements for PNB and subsidiaries under their 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 PNB Group.

b) Risk Management and Internal Control

i. Review the adequacy and effectiveness of the establishment and implementation of risk management, internal controls, anti-bribery, anti-corruption, whistleblowing, and governance processes of 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 PNB Group Integrated Report, before approval by the Board; and
iii. Review third-party opinions on the design and effectiveness of the internal control framework of PNB Group.

c) Internal Audit

i. Review, approve and report to the Board as and when required, the audit plan, audit reports, audit charter, as well as the 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 of significant disagreements between the GHIA and the Senior Management of 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.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (continued)

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.

Other functions of the Committee

a) To discuss with the Group Chief Strategy & Financial Officer ("GCSFO") of PNB with respect to the following:
- 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 BAC 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 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 terms of reference 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 BAC.

BAC's Priorities and Key Focus Areas for IAD in 2026

The following have been identified as priorities and key focus areas for the IAD:

1. Regulatory, Governance and Compliance – Strengthening oversight on Anti-Money Laundering & Counter-Terrorism Financing ("AML/CFT"), adherence to Capital Market Intermediary ("CMI") guidelines, governance practices, PNB UK Limited, and enterprise risk management.
2. Technology, Cybersecurity and Data Governance – Reinforcing technology security operations and cyber monitoring, conducting cybersecurity reviews, and strengthening data security and governance.
3. ASNB UTFs Sales – Enhancing digital sales channel, marketing and branding initiatives, and ASNB operations in Hibah Amanah.
4. Project Management – Conduct reviews on projects expected to be completed in 2026 such as PNB Merdeka Retail Mall.

BAC's Priorities and Key Focus Areas for Group Finance in 2026

The following areas have been identified as priorities and key focus areas for the Group Finance:

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.

ACTIVITIES

A total of 15 meetings were held during the year under review. Details of meeting attendance are set out below:

Members	Status	Attendance
Datuk Mohd. Anwar bin Yahya *(Chairman)*	Independent Non-Executive	15/15
Tan Sri Dr. Nik Norzrul Thani bin N. Hassan Thani *(Retired with effect from 28 February 2026)*	Independent Non-Executive	13/15
Datu Haji Soedirman bin Haji Aini *(Retired with effect from 28 February 2026)*	Independent Non-Executive	14/15
Datin Norazah Mohamed Razali	Independent Non-Executive	14/15

The PGCE, the GCSFO and the GHIA are permanent invitees and attend the BAC 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 items to support detailed discussions during the Committee's meetings.

External auditors are invited to attend the BAC meetings to discuss and review the annual audited financial statements of PNB, ASNB and its UTF and PNB Group.

SUMMARY OF ACTIVITIES OF THE BOARD AUDIT COMMITTEE

During the year under review, in discharging its duties and functions, the BAC carried out the following activities:

Financial Reporting

i. Reviewed annual reports and interim reports of UTF before presenting to the Board for approval.

Risk Management and Internal Control

i. 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, Board Audit Committee Report and Shariah Advisory Committee Report in relation to the preparation of PNB Group Integrated Report 2024, before approval by the Board.

External Audit

i. Reviewed and approved the Audit Planning for Yayasan Pelaburan Bumiputra ("YPB") Group;
ii. 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;
iii. Reviewed the external auditor's audited financial statements, audit issues and matters arising for PNB Group; and
iv. Reviewed the performance, independence, and fees of the external auditors.

Internal Audit

i. Reviewed and approved the IAD's Annual Audit Plan 2026 and the adequacy of resources;
ii. Reviewed the internal audit reports and ensured that the agreed action plans were implemented by Management in a timely and effective manner;
iii. Assessed the quality of internal audits performed in 2025;
iv. Reviewed the result of IAD's post audit feedback surveys; and
v. Reviewed and approved IAD's Key Performance Indicators achievement for 2024 and Proposed Key Performance Indicators for 2025.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (continued)

INTERNAL AUDIT DIVISION

In discharging its responsibilities, the BAC is assisted by the IAD. The IAD is segregated into 5 teams as below:

1. **Operations & Subsidiaries Audit**

   Responsible for execution of Internal Audit ("IA") engagements for Group Finance, Human Capital, Property Operations, PNB subsidiaries, and Attana Hotels & Resorts ("AHR"), also Surprise Cash Count and Control Self-Assessment ("CSA") for AHR.

2. **Investment, Strategic & Sustainability Audit**

   Responsible for the execution of IA engagements covering Strategy and Investment Business Units, which includes conducting ESG reviews as well as assessments for PNB (UK).

3. **Unit Trust & Regulatory Audit**

   Responsible for the execution of IA engagement for ASNB specifically Sales & Distribution, Operations Divisions and related-teams including ASNB Branches operations, PNB's Zakat Distribution, Surprise Cash Count & CSA for ASNB Business Units, ASNB Branches, and AML/CFT Review and Shariah Review.

4. **Technology & Cybersecurity Audit**

   Responsible for the execution of IA engagement on technology and cybersecurity of PNB, ASNB, PNB Subsidiaries and Involved in Systems Development Life Cycle ("SDLC").

5. **Quality Audit and Practice Management**

   i) **Internal Quality Audit**

   Responsible for execution of Internal Quality Audit engagements on Quality and Anti-Bribery Management System of certified companies in accordance with the respective ISO Standards for certified business units and entities namely, PNB, ASNB, PNB Investment Division and Related Areas ("IDRA"), Perdana Kuala Lumpur City Centre, Perdana Kota Bharu, Villea Port Dickson, Espira Kinrara, Villea Rompin Resort and Golf and Attana Golf Sdn Bhd.

   ii) **Practice Management and Special Project**

   Responsible for the quality assurance of internal audit reports to Management and BAC and execution of non-core audit related tasks and audit quality assurance and improvement programmes ("QAIP"), execution of special projects and investigation and projects within the IAD and collaborative projects with other Divisions and Teams within PNB.

Internal Audit Resources

The BAC reviews and approves the IAD's resourcing to ensure it remains adequate. The IAD comprises 35 staff with diverse backgrounds and qualifications, as follows:

No.	Background/ Qualifications	No. of Auditors	Percentage
1.	Accounting & Finance	12	34%
2.	Information Technology	8	23%
3.	Business Administration	6	17%
4.	Commerce/Economics	4	12%
5.	Others	5	14%
	TOTAL	**35**	**100%**

Summary of IAD's Activities and Initiatives

During the year under review, the IAD successfully completed a total of 116 audits of which, 40 were full audit assignments. In addition, IAD completed 76 limited scope audits and advisory reviews during the year. These are summarised as follows:

i. Internal Assurance Audits on

- Divisions and teams in PNB such as, Direct Investment, Investment Governance, Property Operation and Administration, Shariah Management, Risk Management, Social Investments and PNB's Zakat Corporate Social Responsibility ("CSR") Distribution;
- ASNB-related functions such as ASNB Marketing and Branding, ASNB Robo Advisory and Anti-Money Laundering and Counter Financing of Terrorism in PNB and ASNB;
- Subsidiaries' operations such as PNB (UK) Ltd, PNB Merdeka Ventures ("PMV"), Projek Lintasan Kota Holdings Sdn. Bhd. ("PROLINTAS"); and
- ASNB branches' operations.

ii. Technology and Cybersecurity Audits on

- Third Party Service Provider for Managed Security Operations Centre by ASK Pentest Sdn. Bhd.;
- PROLINTAS Cybersecurity;
- Independent Assessment on Disaster Recovery ("DR") Simulation Test;
- Technology Cloud Governance;
- Data Center Management: MY02 Cyberjaya;
- Technology & Cyber Risk Function (Risk Management Division);
- User Access Management; and
- Income Distribution Verification for 16 ASNB UTF.

iii. Business Advisory Reviews on

- PNB Asset Management (Japan) Co. Ltd; and
- FIMM's Annual Compliance Review on ASNB;

iv. Special Reviews

- Conducted on an ad hoc basis as required and upon request by the Management.

v. Surprise Cash Counts and Cash Management on

- ASNB branches; and
- Hotels under AHR Sdn. Bhd.

vi. Quality Management System ("QMS") (ISO 9001:2015) on

- PNB IDRA;
- ASNB;
- Perdana Kuala Lumpur City Centre;
- Perdana Kota Bharu;
- Villea Rompin Resort and Golf;
- Kota Serimas Golf & Country Club;
- Villea Port Dickson;
- Espira Kinrara; and
- PMV.

vii. Shariah-Based QMS (MS 1900:2014) on

- Perdana Kuala Lumpur City Centre; and
- Perdana Kota Bharu.

viii. Anti-Bribery Management System ("ABMS") (ISO 37001:2016) on

- PNB; and
- ASNB.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (continued)

ix. Follow-up

- Monitored and followed up on the implementation of the corrective actions by Management for all outstanding findings; and
- Reported status of outstanding audit findings to BAC on a quarterly basis; delays in the implementation of agreed action plans were escalated to the relevant Senior Management for further action.

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 under review, the IAD achieved significant milestones to enhance its capabilities and processes:

Professional Certifications

As at 2025, 87.5% of IAD staff hold relevant professional certifications. During the year:

- One additional team member obtained the Certified Internal Auditor ("CIA") qualification, bringing the total number of CIA qualified auditors to two.
- Three auditors hold the Project Management Professional ("PMP") certification.

Digitalisation Project

- Successfully implemented the DataMart Project for ASNB Branches, enabling faster and more efficient access to structured and reliable data through the IAD DataMart and improving the timeliness and effectiveness of data analysis for ASNB Branches audits.

QAIP Assessment

- An External Quality Assurance Review ("EQAR") was undertaken by PricewaterhouseCoopers ("PwC") to assess the IAD's conformance with the Global Internal Audit Standards ("GIAS").
- The review concluded that IAD has generally conform with the GIAS requirements and its Internal Audit Maturity level is assessed as slightly above the global benchmark.

Revision of Internal Audit Charter

- In line with best practices, the Internal Audit Charter was comprehensively reviewed and updated in June 2025 to ensure full alignment with the 2024 GIAS issued by the Institute of Internal Auditors ("IIA").

Key Plans and Initiatives for 2026

In 2026, the IAD plans to conduct 43 full audit assignments and 73 limited-scope assurance audits and advisory reviews. These include Internal Assurance audits, Surprise Cash Count and Cash Management, ASNB unit trust fund Income Distribution Verification, CSA, QMS, ABMS audits and any scheduled or special request audits conducted as needed.

The IAD remains committed to advancing its achievements and maintaining operational excellence through continuous improvement and staff development. Key initiatives planned for 2026 include:

01 Digitalisation and Operational Efficiency Projects

- Business Process Re-Engineering Project "SEAL"– Audit Follow-up & Closure Enablement: Streamlining the audit follow-up and closure process by leveraging Internal Audit Management System ("IAMS") to improve visibility, accountability, and timeliness of issue remediation, while reducing manual follow-ups by auditors and closure by auditees.

02 QAIP Assessment

- Following PwC's 2025 EQAR, PwC will conduct a post-EQAR review in 2026 on the implementation of action plans to assess the implementation of agreed action plans.

03 Continued Staff Development and Knowledge Enhancement

- Improving IAD's professional certification rate by establishing a competency assessment framework to assess staff capabilities, identify skill gaps, and guide development initiatives.

04 Integrity, Risk, Audit and Compliance ("IRAC") 2026

- The iRAC Programme 2026 will continue to enhance awareness and knowledge of good governance practices across PNB Group in collaboration with other governance functions. In addition, IAD will refine the divisional Audit Scoring Methodology to improve the consistency, accuracy, and transparency of audit performance assessments.

05 Enhancement Initiatives

- Developing a three-year Internal Audit Strategy.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (continued)

SHARIAH ADVISORY COMMITTEE ("SAC") REPORT

Composition

PNB Shariah Advisory Committee ("PNB SAC") comprises the following members:

Members	Status	Attendance
Datuk Prof. Dr. Mohamad Akram Laldin *(Chairman)*	Independent Non-Executive	4/4
Dato' (Dr.) Haji Nooh Gadot	Independent Non-Executive	4/4
Dato' Haji Mohamad Shukri Mohamad (Dato' Kaya Perba) *(Retired with effect from 31 December 2025)*	Independent Non-Executive	4/4
Dr. Aida Othman	Independent Non-Executive	4/4
Dato' Prof. Dr. Ashraf Md Hashim	Independent Non-Executive	4/4
Dato' Setia Prof. Madya Dr. Anhar Haji Opir *(Appointed with effect from 24 February 2026)*	Independent Non-Executive	Nil

Responsibilities

PNB Shariah Advisory Committee ("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. PNB SAC convenes every quarter to review "Status Pematuhan Syariah Pelaburan PNB dan Dana Unit Amanah ASNB" and to discuss as well as approve the proposals according to Shariah requirements matters.

Statement on Shariah Compliance Status

PNB continues to demonstrate its unwavering commitment to Shariah compliance, ensuring that all operational and business activities are aligned with Shariah principles. This commitment is reflected in the ongoing enhancement of Shariah compliance requirements throughout the organisation, reinforcing our dedication to best practices and ethical standards.

After acquiring "Harus" fatwa from The Muzakarah of Fatwa Committee of 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 remains steadfast in its commitment to expanding Shariah initiatives.

In 2025, PNB has continued to advance and strengthen its Shariah initiatives, fostering a dynamic and robust Shariah-compliant environment throughout 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

No.	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")

Variable Price Funds

No.	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 a Shariah-compliant fund regulated by the Securities Commission Malaysia ("SC") and overseen by the Shariah Advisory Committee for ASNB Shariah-Compliant Funds ("ASNB 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 Dana Unit Amanah ASNB" during PNB SAC meetings.

Acknowledgements of PNB Shariah Commitment

We, the members of PNB Shariah Advisory Committee ("PNB SAC"), have provided deliberations to the management of PNB regarding Shariah-related matters presented at PNB SAC meetings in 2025.

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 are confident that PNB will continue 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 2025, are in compliance with Shariah principles and PNB's internal Shariah compliance controls approved by PNB SAC.

Thank you.

On behalf of PNB SAC,

Datuk Prof. Dr. Mohamad Akram Laldin
Chairman of PNB SAC

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (continued)

PNB SHARIAH INITIATIVES 2025

Continuous Commitment towards Shariah-Compliant Investment

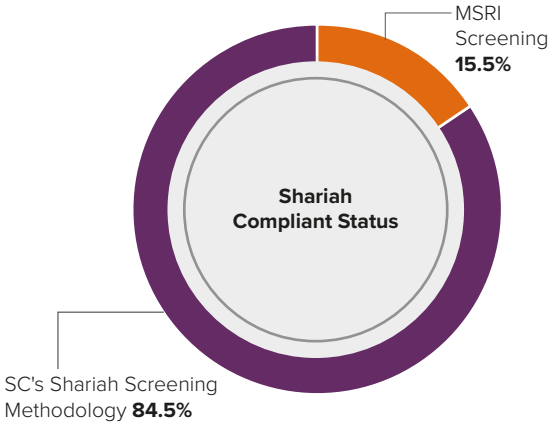
Our commitment extends beyond financial outcomes, ensuring adherence to Shariah principles across all aspects of PNB Group's operations and investment activities. We remain focused on delivering sustainable long-term returns to stakeholders while upholding ethical, responsible and value-driven practices in line with Shariah objectives.

PNB Group has adopted the SC's Shariah-Compliant Securities Screening Methodology alongside PNB's Maqasid al-Shariah Screening in its investment decision-making process, as approved by PNB SAC. This integrated approach ensures that our investments not only meet Shariah compliance requirements but also contribute positively to broader socio-economic outcomes.

To further strengthen this framework, PNB Group has evolved its methodology through the introduction of a more comprehensive assessment known as Maqasid al-Shariah in Responsible Investment ("MSRI"). MSRI broadens the scope of Shariah screening by incorporating wider ESG elements. Following its approval by PNB SAC on a 9 December 2024, MSRI has been adopted across PNB Group's investment activities, reinforcing the systematic integration of Shariah principles, ethical considerations and responsible investment practices into PNB Group's investment decision-making process.

The Group's Shariah-compliant percentage is determined using an enhanced calculation methodology that incorporates the Shariah cost ratio (Nisbah Kos Syariah, "NKS"). This captures the relevant portion of Maybank Shariah-compliant assets and was approved by PNB SAC on 31 July 2024, and subsequently by the Jawatankuasa Fatwa Negeri Selangor on 27 November 2024.

The continued application of NKS strengthens the overall accuracy and integrity of PNB Group's Shariah compliance assessment. It provides a more holistic representation of our investment portfolio, reinforcing transparency and providing stakeholders with greater confidence that Shariah considerations are consistently embedded throughout PNB Group's investment activities. With the inclusion of NKS, the overall Shariah compliance percentage was recorded at 84.5% as at December 2025.



KEY HIGHLIGHTS:

- **Enhanced Shariah Screening:** Introduction of MSRI, integrating Maqasid al-Shariah with ESG considerations.
- **Improved Measurement Accuracy:** Adoption of Nisbah Kos Syariah to provide a more comprehensive assessment of Shariah-compliant assets.
- **Strong Governance Oversight:** All enhancements approved by PNB Shariah Advisory Committee and relevant Fatwa authority.

PNB Shariah Governance Framework ("PNB SGF")

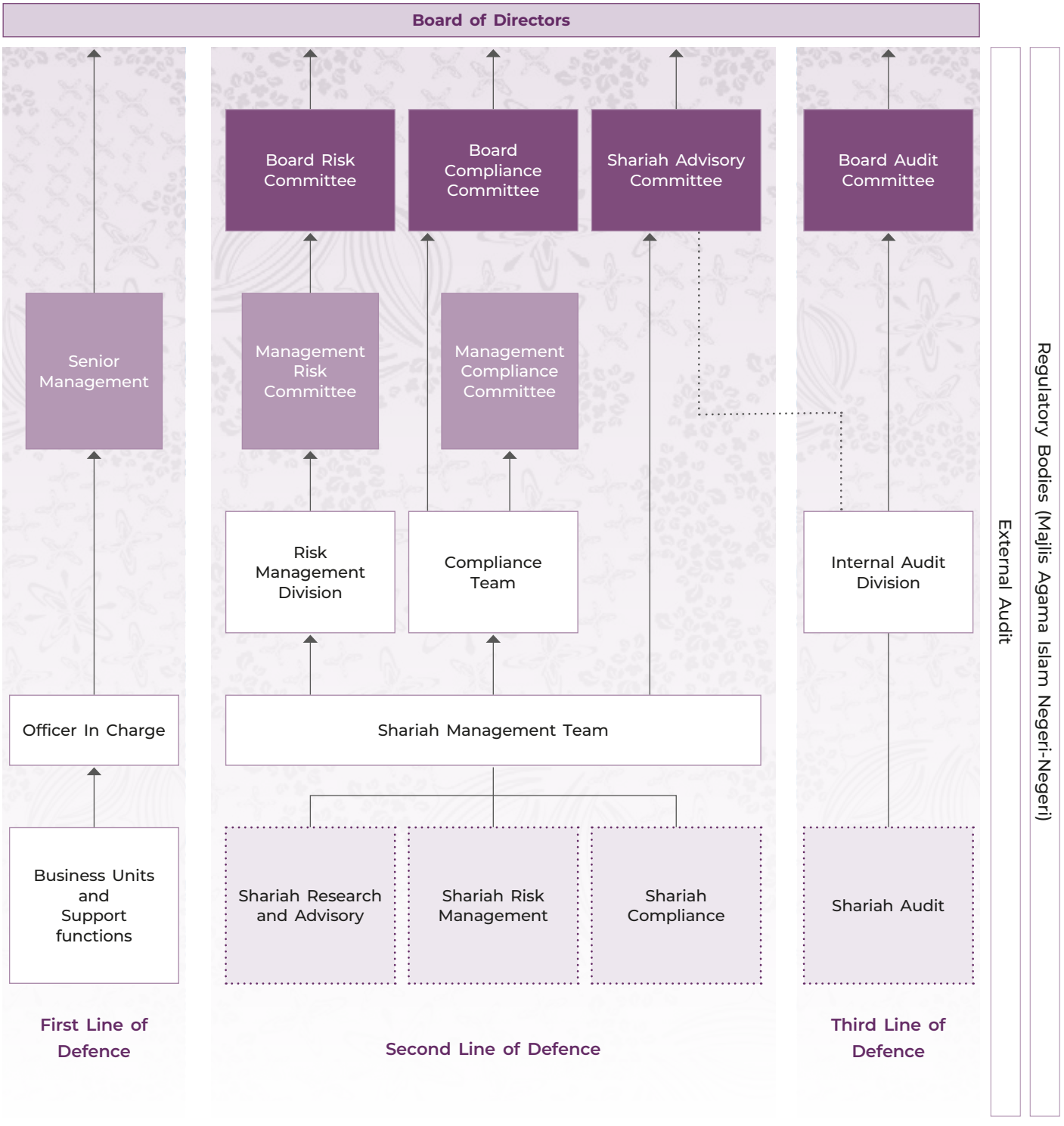
Overview

PNB Group's Shariah Governance Framework ("PNB SGF") remains the definitive structural foundation for Shariah oversight within the organisation. It is designed to systematically refine investment processes and ensure unwavering adherence to Shariah principles.

By delineating clear accountabilities between the Board of Directors, Senior Management and the Shariah Advisory Committee ("SAC"), PNB SGF bolsters public trust and ensures that our fiduciary duties are discharged in total alignment with Islamic values.

The SGF Structure

PNB Group's Three Lines of Defence model for Managing Shariah Non-Compliance Risk:



Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (continued)

◆ PNB Group Continues To Employ A Robust Three Lines Of Defence Model to Mitigate Shariah Non-Compliance Risks Across All Operations

First Line of Defence	• Business units and support functions act as the primary owners, identifying and managing Shariah risks within their daily operations.
Second Line of Defence	• Shariah Management, Compliance and Risk Management provide advisory support, track mitigation activities and embed Shariah procedures into the corporate culture.
Third Line of Defence	• Internal Assurance provides independent evaluations to the BOD and SAC regarding the adequacy and effectiveness of the internal Shariah control environment.

◆ Core Pillars of PNB SGF

1. **Shariah research and advisory**
   Delivering evidence-based research and expert guidance for investment decision-making.
2. **Shariah risk management**
   Ensuring the proactive identification and mitigation of potential non-compliance risks.
3. **Shariah compliance review**
   Continuous monitoring to ensure alignment with the Shariah Manual and SAC resolutions.
4. **Shariah audit**
   Periodic independent assessments to provide objective assurance on compliance levels.

◆ Cultivating A Shariah-Compliant Culture

In 2025, Shariah Management intensified its efforts to move beyond awareness toward deep-rooted integration of Shariah principles.

1. **Training and Awareness Programmes**
   Shariah Management conducted a series of hybrid (physical and virtual) sessions designed to enhance technical competency in Shariah research, advisory and risk assessment across PNB Group. This initiative is designed to benefit all PNB employees by providing accessible, comprehensive training that strengthens understanding of Shariah principles and compliance across all levels of the organisation.
2. **Advanced Shariah E-Learning Module**
   Building on the foundation laid in previous years, Shariah Management has renewed its collaboration with Islamic Banking and Finance Institute Malaysia (“IBFIM”) to launch an enhanced e-learning module on PNB LearnHub platform. Through this platform, employees gain the knowledge and tools necessary to apply Shariah guidelines confidently in their daily roles, fostering a consistent and robust Shariah-compliant culture throughout PNB.

- **Shariah Risk Management ("SRM")**

The SRM function leverages the Operational Risk Management ("ORM") framework to uphold the integrity of PNB's operations by identifying, assessing and mitigating Shariah-related risks. Its primary objectives include reviewing departmental scopes under the Shariah Manual, assessing emerging risks and validating the effectiveness of internal controls by using the following approaches:

a. Enhanced Risk Assessment:
Utilisation of the Risk Control Self-Assessment ("RCSA") tools, including refined risk registers and targeted questionnaires to provide Business Units ("BUs") with comprehensive risk coverage.

b. Strategic Stakeholder Engagement:
Conducted specialised briefing sessions for internal stakeholders and presented detailed Shariah risk reports to PNB SAC to facilitate high-level deliberation and continuous improvement.

New Zakat Assessment Method for ASNB Fixed Price Funds

PNB has introduced a significant shift in how zakat is assessed for ASNB fixed price funds, moving away from previous models to better align with Shariah principles. Historically, zakat for both fixed and variable price funds was calculated at a rate of 2.5% based on either the annual minimum balance or the last balance. However, following a comprehensive study initiated in 2020, undertaken by Shariah Management in collaboration with ASNB. It was determined that the previous method did not adequately reflect the investment objectives of fixed price funds. The study concluded that these funds are more appropriately classified under the concept of Harta al-Mustaghallat, where the principal value is not subject to zakat, but the returns generated from them are.

This refined approach, known as the "Zakat al-Mustaghallat under Khultah mechanism," zakat is imposed only on income distributions rather than the principal investment. Specifically, a rate of 2.57% will be deducted from the income distributions of ASNB's Fixed Price Funds, such as the ASB and ASM series, and channelled to the respective State Zakat Centre for distribution to eligible *asnaf*, in accordance with rulings issued by the relevant zakat authorities. This method achieved a major milestone in 2025 by receiving formal approval from the Muzakarah Committee of the National Council for Islamic Religious Affairs Malaysia ("MKI") and nine state fatwa committees.

To facilitate this, ASNB is introducing a Khultah (collective) facility, which allows unitholders to choose between receiving their full income distributions or a net amount after zakat has been deducted. For those who opt into the Khultah mechanism, the group is treated as a single pooled entity for calculation purposes, consistent with established Shariah principles. This means zakat is calculated collectively on the entire fund, without taking into account the individual nisab and haul requirements. Once calculated, ASNB makes direct payments to the respective State Zakat Centre based on the unitholder's registered address.

This enhancement reflects PNB's commitment to a fair, sustainable and Shariah-compliant process that simplifies zakat obligations for Muslim unitholders while safeguarding their interests.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (continued)

Approval From Fatwa Institutions

- Majlis Raja-Raja & Mesyuarat Jawatankuasa Muzakarah Majlis Kebangsaan Bagi Hal Ehwal Agama Islam ("MKI")
- Jawatankuasa Perundingan Hukum Syarak Wilayah Persekutuan
- Jawatankuasa Perundingan Hukum Syarak Negeri Pahang
- Jemaah Ulama' Majlis Agama Islam dan Adat Istiadat Melayu Kelantan ("MAIK")
- Jawatankuasa Fatwa Negeri Kedah
- Jawatankuasa Fatwa Negeri Pulau Pinang
- Jawatankuasa Fatwa Negeri Perak
- Jawatankuasa Fatwa Negeri Melaka
- Jawatankuasa Fatwa Negeri Terengganu
- Jawatankuasa Fatwa Negeri Sabah

Concept of Harta al-Mustaghallat

Assets that are not subject to zakat

▼

Generate returns through their use or benefits

▼

Zakat is imposed on the income or returns generated

Aligned with ASNB fixed price funds, units generate continuous income at a constant price of RM1 per unit, without any element of trading

Zakat al-Mustaghallat under khultah mechanism*

Muslim UHs choose to receive net dividend after zakat

▼

Calculate zakat and make payments to the respective State Zakat Authorities ("PZN")

▼

Zakat amount channeled to PZN according to the UHs registered address with ASNB

* Planned for implementation in mid-2026.

Enhancement of the Zakat Assesssment Method for ASNB Unit Trust Funds

Before and After

Evolution of the ASNB UT Zakat Calculation Method

Before (Old Method)	After (Zakat al-Mustaghallat under *khultah mechanism)*
Zakat is calculated on **Minimum Balance** or **Last Balance** method	Zakat is calculated **based on income distributions or dividends received only**
Zakat payable = **Applicable Balance x 2.5%**	Zakat payable = **Total Income Distribution x 2.57%**
The applicable method **varies according to the respective states**	Applied to **all ASNB unitholders regardless of state**
Both methods **take into account the investment principal and income distributions**	Only **income distributions are considered; the investment principal is not subject to zakat**

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (continued)

Key Zakat Initiatives

Under a year of review, we expanded our zakat distribution efforts by introducing innovative initiatives alongside strengthening existing programmes. These efforts focus 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 aimed at maximising the impact of zakat for long-term community benefit:

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 Micro-Takaful 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, benefiting approximately 1,300 Asnaf participants across 12 states.
- During the second year of coverage in 2025, a total of 41 claims were made, amounting to RM329,000. This represents 70% of PNB's initial contributions.

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 unit trust fund, fostering a culture of savings and wealth accumulation.

- A total amount contributed by PNB and MAIWP is deposited into Asnaf's ASB account and locked in a specific period. Asnaf participants can benefit from the dividends generated during years one to five, with the principal becoming partially withdrawable starting from year six until the fund is fully depleted.
- The selection on the participants of the programme is done by MAIWP based on a stringent selection process and, sole and absolute discretion of MAIWP.
- Now in its fourth year of implementation, the programme has benefitted a total of 4,000 Asnaf participants.

c 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.

- This initiative sponsors Asnaf students to pursue the Certificate of Competency in Culinary Arts & Hospitality, equipping them with essential skills for careers in the hospitality industry.
- To date, three batches of students have been enrolled, benefiting a total of 62 Asnaf participants.

Corporate Engagement

PNB is committed to meaningful stakeholder engagement, guided by the belief that knowledge-sharing, broadening experiences and maintaining a learner mindset help us understand the needs of Muslim investing communities, measure programme impact and implement necessary enhancements.

Throughout 2025, PNB actively engages with a broad spectrum of stakeholders, including regulatory bodies, state religious institutions, government agencies, GLICs, financial institutions, higher education and related institutions and other associations to deepen mutual understanding and strengthen our Shariah-compliant offerings. Among the key engagements are as follows:

Regulatory bodies and State religious institutions

Suruhanjaya Sekuriti Securities Commission Malaysia
JAKIM
Yayasan Waqaf Malaysia
MAIWP
PPZ MAIWP PUSAT PUNGUTAN ZAKAT
LZNK LEMBAGA ZAKAT NEGERI KEDAH
PERAK
JABATAN MUFTI NEGERI PAHANG
JABATAN MUFTI NEGERI PULAU PINANG
JABATAN MUFTI NEGERI MELAKA

Government agencies and GLICs

KWSP EPF
TABUNG HAJI

Financial Institutions

Maybank Islamic
CIMB ISLAMIC
RHB Islamic Bank
ALLIANCE ISLAMIC BANK
KUMPULAN SME BANK
Takaful IKHLAS
Bank Islam Sadaqa House

Higher education and related institutions

Universiti Sains Islam Malaysia
Universiti Pendidikan Sultan Idris
Sultan Idris Education University
Universiti Tenaga Nasional
The Energy University
Universiti Teknologi MARA
UUM Universiti Utara Malaysia
Universiti Malaysia Kelantan
USIM Pusat Wakaf dan Zakat Centre for Awqaf and Zakat Universiti Sains Islam Malaysia
FIM Institute

Other associations

ATTANA HOTELS & RESORTS
SOCIAL VALUE MALAYSIA

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (continued)

Public Outreach



Bicara Maqasid Programme

PNB 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 Unit.

In 2025, the Company through its Shariah Management, organised 12 Bicara Maqasid programmes, benefitting a total of more than 20,000 participants.

No.	Participants	Mode of Participation	No. of Participants
1	Universiti Utara Malaysia ("UUM")	Physical	380
2	Maybank HQ	Physical	1,000
3	Universiti Teknologi MARA ("UiTM") Cawangan Kelantan	Physical	520
4	Universiti Tenaga Nasional ("UNITEN")	Physical	300
5	Universiti Sains Islam Malaysia ("USIM") – Muzakarah Zakat Kebangsaan	Physical	300
6	Lembaga Zakat Negeri Kedah – Kedah International Zakat Conference 2025 ("KEIZAC 2025")	Physical	500
7	Institut Kefahaman Islam Malaysia – Bengkel Hibah	Physical	100
8	UiTM Cawangan Kelantan	Hybrid	2,300
9	Jabatan Mufti Negeri Pulau Pinang	Hybrid	5,000
10	Radio IKIM	Online	5,000
11	IKIM – Seminar Iqtisad dan Tadbir al-Manzil	Physical	300
12	Radio IKIM	Online	5,000
	Total		**20,700**

Masjid Al-Sultan Abdullah ("MASA")

In its second year of operations, MASA organised a range of activities aimed at attracting more congregants and strengthening relationships with the surrounding communities. Key activities in 2025 included:



Kem Super Muslim 2025

- Held jointly with SoulPower Consultancy & Services for children aged 7 to 17.
- The camp engaged children in a fun and educational environment to develop personal, social and spiritual skills, including improving prayers and Quranic recitation, building confidence in public speaking, managing emotions and using technology responsibly.
- Activities included career talks, leadership and teamwork exercises, archery challenges and public speaking workshops, delivered by experienced facilitators and prominent figures, including Imam Muda Nazrul, Fadzli Aziz, Idris Shamsudin and Nor Firdaus.
- Through these activities, the camp enhanced children's self-confidence, emotional intelligence, Islamic understanding, while fostering creativity, teamwork and a growth mindset.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (continued)

Ihya' Ramadan 1446H Programme

- **Iftar Jamaie:** Welcomed an average of 500–1,500 attendees daily over 29 days, supported by the public, corporate sponsors and donors.
- **Tadarus Al-Quran:** Conducted regular group sessions to improve Quranic literacy, spiritual discipline and communal learning with active participation from PNB colleagues and the public.
- **Tarawih Prayers:** Attracted 600–1,400 worshippers nightly, led by renowned imams and qaris.
- These activities during Ramadan strengthened community bonding, promoted inclusivity and encouraged active participation in mosque activities.

Qurban 1446H Programme

- Implemented with 71 participants, including PNB colleagues and members of the public.
- A total of 16 Qurbani animals were sacrificed, with processes managed in collaboration with Colla Cattle Farm and volunteers to ensure compliance with Syariah and hygiene standards.
- The meat was subsequently distributed to the local community near Merdeka 118 through the Majlis Jalinan Mahabbah MASA bersama Komuniti Loke Yew, in collaboration with Persatuan Penduduk Perumahan Awam Hang Tuah & Seri Sarawak.
- Promoting charitable giving, community participation and proper distribution of Qurban meat to those in need.

MASA also organised a variety of programmes throughout the year to enliven the mosque and engage the community:

No.	Programmes	Date
1	*Pelancaran Tabung Ihya' Ramadan 1446H/2025M*	January 2025
2	*Tazkirah Setiap Hari Jumaat*	Every Friday
3	*Solat Sunat Aidilfitri*	March 2025
4	*Solat Sunat Aidiladha*	June 2025
5	*Kursus Pengurusan Jenazah*	October 2025
6	*Seminar Astronomy-i*	November 2025

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 2025



The objective of the '*Secretariat Shariah of* 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 2025, the third Muzakarah Sekretariat Syariah GLIC 2025 was hosted by LTH on 01 October 2025 at Royal Chulan Damansara Hotel. Themed "Ketidakpatuhan Syariah (Shariah Non-Compliance) dalam Pelaburan Ekuiti: Pendekatan, Cabaran dan Penyelesaian", the closed-door event attracted enthusiastic participation from the GLICs representatives, with over 130 attendees.

PNB was represented by Datuk Prof. Dr. Mohamad Akram Laldin (PNB SAC Chairman), Dr. Ahmad Basri Ibrahim (Head, Shariah Management) and Encik Mohamad Zuwairi Abd Rahman (Head, Public Equity) as panel presenters during the event.

The organisation of this event exemplifies PNB's dedication to addressing the challenges associated with Shariah Non-Compliance in equity investments while simultaneously striving to achieve sustainable and Shariah-compliant returns in both domestic and international markets.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (continued)

Sponsorships to Strengthen Contemporary Islamic Studies

- During the year, PNB reinforced its steadfast commitment to Shariah principles and to the advancement of Islamic finance and Islamic Social Finance in Malaysia. In alignment with these objectives, PNB supported a range of strategic sponsorships and collaborations designed to strengthen contemporary Islamic studies and promote robust sector governance. These initiatives demonstrate PNB's dedication to upholding transparency, sustainability and impactful contributions within the broader Islamic finance ecosystem. The company's sponsorship are detailed as follows:

Programme	Description
1) **Muzakarah Zakat Kebangsaan 2025/1447H** *Organised by Institut Fatwa dan Halal ("IFFAH"), USIM and Majlis Agama Islam Negeri Johor ("MAINJ")*	• The programme brought together muftis, Islamic economics experts, zakat administrators and key stakeholders to deliberate on strategic agendas aimed at strengthening the role and governance of zakat in Malaysia. • Head of Shariah Management PNB delivered a keynote address titled "Tatakelola Pengurusan Zakat bagi Kesejahteraan Ummah: Pengalaman PNB". The keynote emphasised the importance of transparent and effective zakat governance to ensure that zakat funds are distributed to eligible Asnaf, reported clearly to stakeholders, and supported by robust internal controls. • PNB also expressed its commitment to sharing its experience and corporate governance practices with the State Islamic Religious Councils and State Zakat Centres, with the objective of enhancing zakat management practices that are transparent, effective and sustainable in fulfilling the trust and welfare of the ummah.
2) **The 4th KEIZAC: "AI-Driven Innovation in Islamic Social Economy: Empowering a Better Ummah"** *Organised by Lembaga Zakat Negeri Kedah ("LZNK")*	• PNB discussed on the topic: "Towards AI-Driven Waqf Ecosystem: Innovations in Islamic Philanthropy for Ummah Resilience". • PNB sponsored the conference to support objectives including: discussing contemporary issues in Islamic socio-economic governance in the era of digital transformation (AI); establishing a dynamic platform for discourse among Islamic scholars from diverse fields; and exploring multi-dimensional perspectives on socio-economic development from an Islamic viewpoint.
3) **Muzakarah Waqaf 1.0 2025: "Transformasi Wakaf: Ijtihad & Inovasi"** *Organised by Waqaf An-Nur*	• Served as a platform for idea exchange and scholarly discussion, grounded in ijtihad and innovation, to advance the national wakaf agenda. • The programme brought together muftis, Shariah scholars, academics and industry players to: i. Discuss new agendas and contemporary Shariah issues in strengthening the role of corporate wakaf; ii. Explore innovation and research in modern waqf practices; iii. Create opportunities for strategic collaboration between Majlis Agama Islam Negeri ("MAIN"), Islamic financial institutions and the corporate sector; iv. Drive the Islamic social finance agenda in Malaysia; and v. Elevate the resolutions of the muzakarah to the MAIN and JAWHAR. • Through these initiatives, the programme reinforced wakaf as a sustainable and dynamic instrument for socio-economic development of the ummah.

PNB Zakat CSR Fund

PNB made a total of RM7.14 million through PNB Zakat CSR Distribution Programme managed by the Shariah Management. The zakat has been allocated in accordance with PNB Zakat CSR Framework approved by PNB Board of Directors and PNB Shariah Advisory Committee.

Overview:

Category	Amount (RM)	Beneficiaries
Community	4.34 million	2,843
Education	1.66 million	32,765
Healthcare	1.13 million	12,307
Total	**7.14 million**	**47,915**

Among the zakat recipients are as follows:

Category	Initiative	Beneficiaries	Impacts	Recipients
Community	• Disaster-affected relief assistance • Support for the Asnaf development centre/ empowerment programmes • Infrastructure/equipment support for the communities • Financial support for low-income families	2,843 individuals	• Empowerment of Asnaf communities • Improved living conditions and community resilience	• Local communities in Kelantan through Kolej Universiti Islam Antarabangsa Sultan Ismail Petra ("KIAS") • Khidmat Program (an initiative to help affected local communities by flood). • Asnaf under MAIN Perak, Melaka, Pahang, Negeri Sembilan, Sarawak and Johor • BUDI-PNB students • Asnaf in Kelantan & Terengganu through projects run by UiTM Cawangan Kelantan • Four Islamic Community Centres (Pusat Komuniti Islam) in Sarawak • Asnaf students at Universiti Malaysia Sabah ("UMS")

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (continued)

Category	Initiative	Beneficiaries	Impacts	Recipients
Education	• School expenses • Infrastructure support for educational institutions • Provision of educational assistance tools	32,765 students	• Improved access to education • Enhanced learning environments	• Pertubuhan Kebajikan dan Amal Rumah Teduh Perlis • Kolej Islam Teknologi Antarabangsa ("KITAB") Pulau Pinang • Selected Sekolah Agama Rakyat ("SAR") under Lembaga Zakat Negeri Kedah • Penang Mufti Department • Universiti Teknologi Malaysia ("UTM") • Asnaf students at Food Institute of Malaysia • Selected Asnaf students under Majlis Ugama Islam Sabah
Healthcare	• Financial assistance to support medical treatment • Sponsorship of medical equipment	12,307 patients	• Reduced financial burden • Improved access to timely medical treatment	• Villea PD staff • Skim Mikrotakaful Asnaf PNB • Hospital Pakar Universiti Sains Malaysia • Klinik Kesihatan Jempol & Ampangan • Hospital Angkatan Tentera Wilayah Kota Kinabalu

PRINCIPLE C: 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 PNB Group in the quarterly financial results, annual financial statements, integrated reports 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:

Our Stakeholders

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

- 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 64 to 76.

Statement on Risk Management and Internal Control

STATEMENT ON RISK MANAGEMENT

OVERVIEW

The year 2025 saw continued momentum from 2024 as risks materialised both globally and domestically amid ongoing political and economic shifts. Geopolitical tensions have grown through restrictive trade policies, while rapid advances in AI development have driven the volatility of technology industry performance. Despite these uncertainties, global economic growth proved more resilient than initially feared, supported by robust consumer spending and solid corporate earnings. Domestic economy has also remained strong with positive currency trajectory supported by stable political backdrop and accommodative economic policies driving growth of key industries and alleviating cost of living crisis.

PNB maintains vigilance over potential challenges stemming from both global and domestic environments with effective implementation of policies and practices under Enterprise Risk Management ("ERM") to guide PNB's actions in mitigating potential disruptions while leveraging on opportunities.

RISK MANAGEMENT FRAMEWORK & 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 daily business activities and operations, decision-making and strategic planning.

The structured and integrated ERM framework is aimed at establishing a robust management process across 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 enables PNB to optimise its returns on risk taking activities within the Board-approved PNB's risk appetite. This approach establishes a resilient environment and risk assessment capabilities and systems to effectively manage risks and uphold PNB's purpose of uplifting the financial lives of Malaysians across generations.

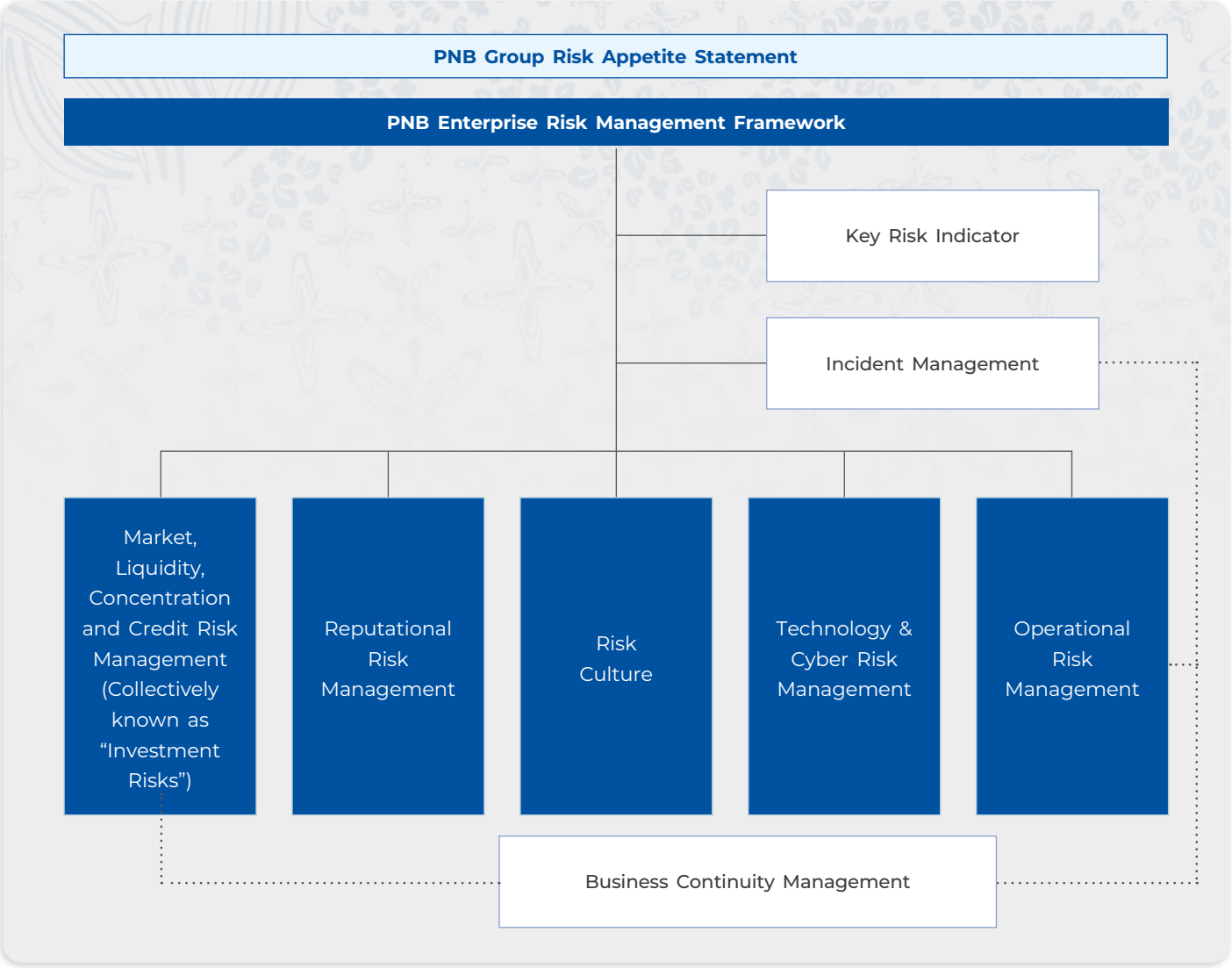
Risk Management at PNB

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:

Risk Governance & Oversight	Risk Appetite & Key Risk Indicators	Risk Management Practices & Processes
Dedicated governance structure with transparent reporting lines, accountability, and clearly defined responsibilities	Defines risk-sensitive limits and acceptable risk tolerance, monitor changes in risk exposures	Holistic risk management processes enable systematic identification, evaluation, monitoring and reporting of risk exposures
Risk Reporting & Escalation Path	**Resiliency & Readiness**	**Risk Culture**
Structured and consistent approach to risk monitoring and reporting provides risk oversight to understand, challenge and make decisions	Building organisational resilience to navigate ever-changing risk landscape with effective response capabilities	Strengthening risk governance and embedding risk practices in daily operations

Fundamental elements for risk management

PNB Enterprise Risk Management Framework



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 PNB Group;
- Ensuring risks are managed in line with 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.

Further details on the Investment Concentration Risks and Technology & Cyber Risks Management are set out in the Key Risks and Mitigation section on page 97 and 99.

Statement on Risk Management and Internal Control

RISK GOVERNANCE AND OVERSIGHT

PNB adopts a Three Lines of Defence model, that integrates risk, control and assurance to support strong governance and organisational excellence. This Model is supported by a well-structured governance framework that promotes a uniformed view of risk across PNB by ensuring a consistent and effective implementation of risk management practices throughout the organisation with the active oversight from the Board and Senior Management.

Each of the Three Lines of Defence plays a distinct role within 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.

Board of Directors

- Sets the objectives and policies on risk management which are set out in the ERM Framework.
- Sets the tone from the top to foster a sound risk management environment and a risk management function that is influential and respected.

Board Risk Committee

- Review and recommend to the Board the risk management philosophies, policies and mitigation strategies as proposed by the Management to manage the principal risks of PNB Group.
- Oversee the implementation and approve the development and maintenance of the integrated risk management framework of PNB Group.

Management Risk Committee

Endorse, coordinate and monitor risk management programmes of PNB Group, as delegated by the Board Risk Committee.

1st Line of Defence	2nd Line of Defence		3rd Line of Defence
Risk Representatives **Business Units and Support Functions**	**Risk Management**	**Compliance and Integrity**	**Internal Audit**
Day to day management of risk ▸ Identify, document, escalate and manage risk issues.	**Risk Oversight, Policies and Framework** ▸ Develop and maintain the risk management frameworks; ▸ Effective challenge to the activities and decisions that materially affect PNB Group's Risk Profile; and ▸ Independent reporting lines to appropriately escalate issues to oversight committees.		**Independent Assurance** Assesses appropriateness, effectiveness, and adequacy of risk management, including: ▸ Risk management frameworks are being used to support decision making; ▸ First and second lines of defence operate effectively; and ▸ Improvements to first and second lines of defence are identified and recommended.

PNB Group Three Lines of Defence model

Board Responsibility

The Board acknowledges its primary mandate for establishing and overseeing PNB Group's risk management and internal control systems, consistent with the principles set out in the Malaysian Code on Corporate Governance ("the Code").

In discharging this mandate, the Board ensures that a sound and effective framework is in place to safeguard PNB Group and its unitholders' interests, support the achievement of strategic objectives, and promote long-term value creation.

The Board is committed to understanding the principal risks inherent in PNB Group's business activities and recognises that informed risk-taking is fundamental to driving sustainable performance. Accordingly, the Board provides guidance on the level of risk acceptable to the organisation by setting PNB Group's risk appetite and ensuring that the Management operates within these parameters.

The Board also ensures that PNB Group maintains an appropriate risk management framework capable of identifying, analysing, evaluating, managing and monitoring significant financial and non-financial risks. Through regular reporting and active engagement with the Management, the Board receives assurance that risks are managed effectively and that the framework continues to remain relevant, robust and responsive to the evolving operating environment.

The Board is cognisant of its role in setting the tone towards risk intelligent culture, emphasising the importance of a resilient risk management function that upholds strong oversight and governance.

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.

To support the Board in discharging its oversight responsibilities, the Board has established a Board Risk Committee ("BRC") and delegated the responsibility for overseeing the implementation of PNB Enterprise Risk Management framework, related initiatives, workplans and frameworks as approved by the Board. The BRC is also responsible for reviewing and approving the ongoing development and maintenance of PNB Group's risk management frameworks, including the adoption or amendment of relevant policies, procedures, practices, risk limits, controls and other measures that, in the Committee's view, enhance its adequacy, effectiveness and relevance.

Notwithstanding the delegated responsibilities, the Board retains overall responsibility for the establishment, effectiveness and oversight of PNB Group's risk management and internal controls systems.

Composition and Attendance of the BRC

The BRC shall comprise a maximum number of five and a minimum number of three Board members of 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 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 BRC comprises four members, all of whom are Independent Non-Executive Directors. As at 31 December 2025, a total of five meetings were held during the year under review. The composition of the BRC and the record of their attendance are as follows:

Members	Status	Attendance
Dato Dr. Nik Ramlah Nik Mahmood *(Chairman)*	Independent Non-Executive	5/5
Tan Sri Dr. Nik Norzrul Thani N. Hassan Thani	Independent Non-Executive	5/5
Datuk Mohd. Anwar Yahya	Independent Non-Executive	5/5
Datin Norazah Mohamed Razali	Independent Non-Executive	5/5

Statement on Risk Management and Internal Control

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 PNB Group.

The MRC is the Management Committee responsible for endorsing, coordinating and monitoring all PNB Group's risk management programmes, as delegated by the BRC.

The MRC assists the BRC 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 PNB Group's business objectives.

Additionally, the MRC forwards recommendations to the Board, through the BRC, with respect to all pertinent risk management activities under its purview or as directed by the Board.

RISK APPETITE & KEY RISK INDICATORS

The risk appetite constitutes a fundamental component of the comprehensive PNB ERM Framework which is driven by both top-down approach led by the Board and supported by 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 serve as an important tool for Management to monitor and respond to changes in material risk exposures over time. It provides insight into risk exposure of business operations, highlighting operational and control weaknesses by tracking the key drivers of risk. KRIs mainly act as early warning signals, enabling timely escalation and intervention by Management where potential risks or controls gaps are identified.

Key risks in PNB are monitored through the Enterprise and Departmental KRI which are periodically presented to the MRC and BRC by the Risk Management Division.

RISK MANAGEMENT PRACTICES & 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 Securities Commission Malaysia;
- Guidelines on Technology Risk Management by the Securities Commission Malaysia; and
- Guiding Principles on Business Continuity by the Securities Commission Malaysia.

The framework and its sub-components are continuously reviewed, enhanced and communicated across all levels of the organisation to build and sustain business and operational resiliency, consistent with business objectives, industry best practices and regulatory guidelines.

Risk Processes

PNB's risk management framework provides a structured and consistent approach to the identification, assessment, monitoring, mitigation, and reporting of all material risks across PNB Group, enabling proactive oversight and supporting informed decision-making.

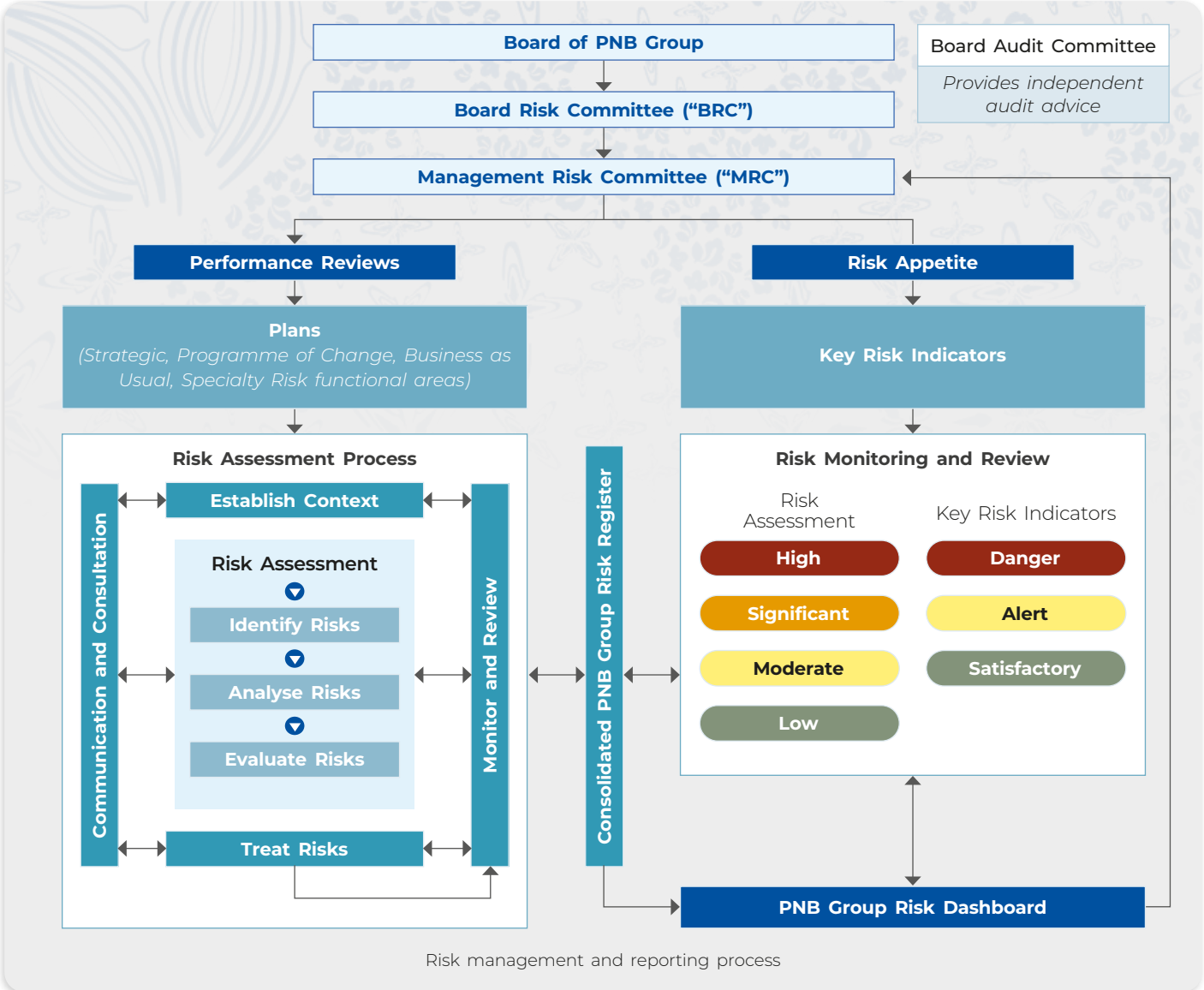
The key elements of an effective ERM are as follows:

Risk Assessment Process	The overall process of identification, analysis and evaluation of risk as documented in the Risk Register.
Risk Monitoring and Review	The Risk Register, Key Risk Indicators ("KRIs") and Risk Control Self-Assessment ("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 PNB Group, to ensure effective management and provide assurance to the Board that all risks are being effectively managed. Comprehensive risk reporting enables risk oversight bodies to understand, challenge and ultimately make informed decisions on PNB Group's material risk issues.

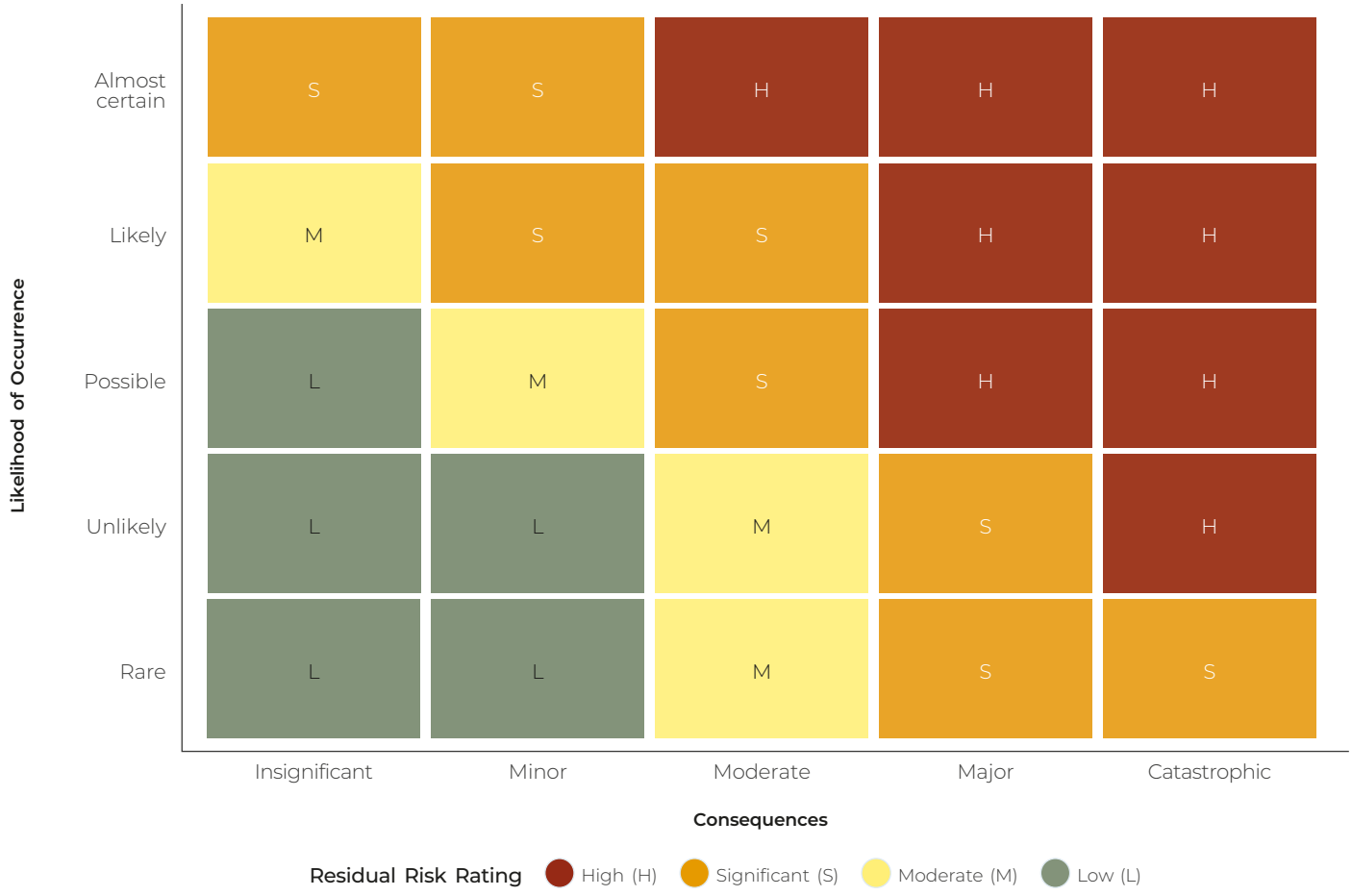
Risk Management and Reporting Process



Risk management and reporting process

Statement on Risk Management and Internal Control

Risk Scoring



Gross Rating

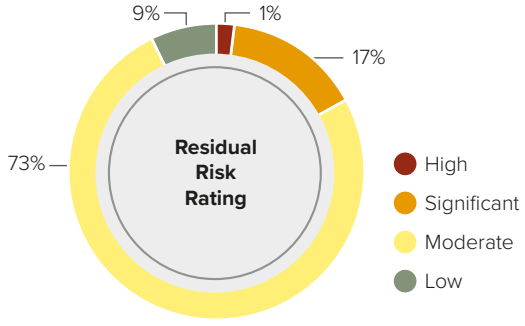
- Identify potential causes and their consequences
- Determine gross risk rating based on Likelihood and Consequences matrix

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 & READINESS

Operational Risk Management

The Operational Risk Management ("ORM") framework outlines the process to ensure the effective identification, assessment, monitoring and management of operational risks within PNB. The ORM framework contributes to the management of performance outcomes and supports decision making in the business. It provides a structured approach to measure and mitigate the risk of loss from inadequate or failed internal processes, people and systems, or from external events. Operational losses refer to actual financial losses arising from operational risk.

PNB utilises the ORM framework with the following objectives:

01 To manage operational risks in line with PNB's risk appetite

02 To drive business improvements through effective operational risk management

03 To identify and manage risks that may impede PNB's ability to achieve its business objectives

The ORM framework covers the following areas:

Human Resource Risk Management	Risk caused by inadequate staff, recruitment process, reward and appraisal, training and development, absence of motivating culture and inadequate social policy
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 & Vendor Risk Management	Ineffective management of outsourcing & 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 & 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.
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.

Statement on Risk Management and Internal Control

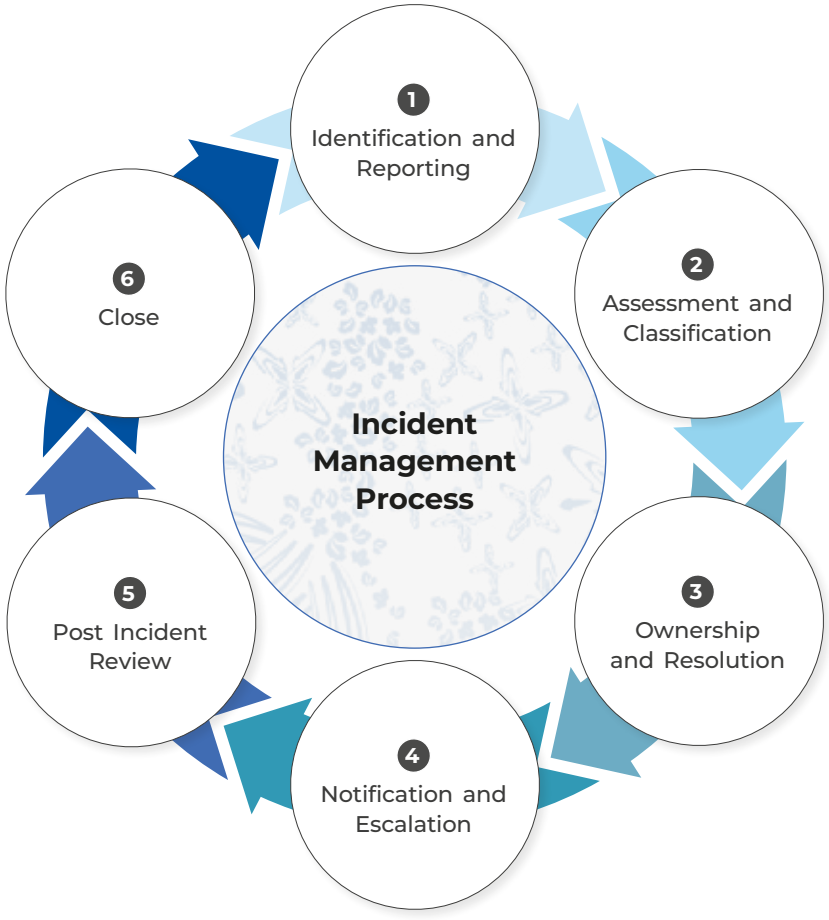
Safety & Health	Risk that refers to the potential for harm or adverse on individuals, assets, or the environment arising from workplace activities, due to inadequate or absence of safety and health measures.
Business Continuity Management	Occurrence of risk events due to business disruption, system failures 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 controls, people, systems, processes or external events that could potentially impact PNB financially, reputationally, or regulatory-wise are defined as "incident". This includes near miss events, where issues are detected and addressed before a loss occurs. These near misses provide valuable insights and serve as important learning opportunities to strengthen the overall 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, mitigate losses, minimise disruptions to business operations, and ensure a timely return to normal operations.



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.

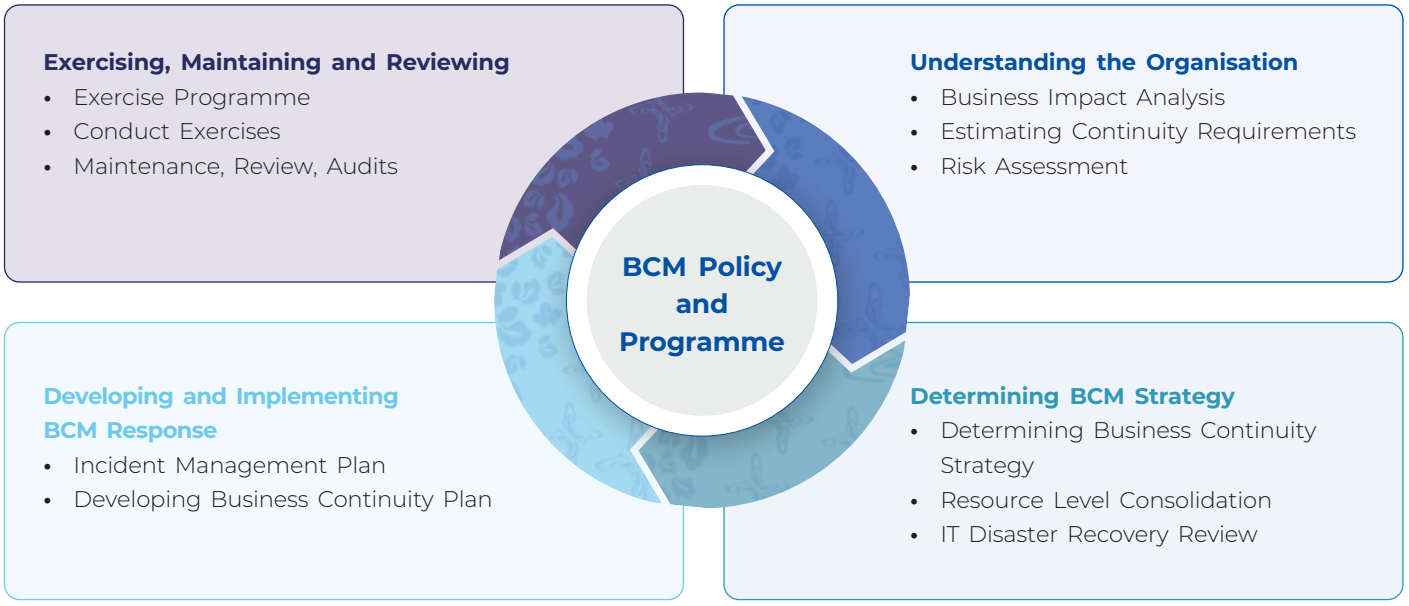
The diagram below outlines the key objectives and components of PNB BCM Programme:

01 Protect human life, health and well-being.

02 Key business operations, services and/or products resumed at an acceptable level.

03 Safeguard the reputation and image of PNB Group.

Embedding BCM in the organisation's culture



The Programme undergoes periodic reviews, testing, and updates to ensure its continuous reliability, relevance and alignment with PNB Group's strategic priorities. This includes documentation review and enhancements, crisis simulation, disaster recovery testing, complemented with a series of engagements and interactive learning activities involving targeted group across all levels.

These efforts aim to strengthen organisational awareness and readiness, whilst driving continuous improvement in PNB Group's capabilities to anticipate, coordinate, respond to and recover from potential disruptions, enabling PNB to remain resilient as the operating environment evolves with greater uncertainties.

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.

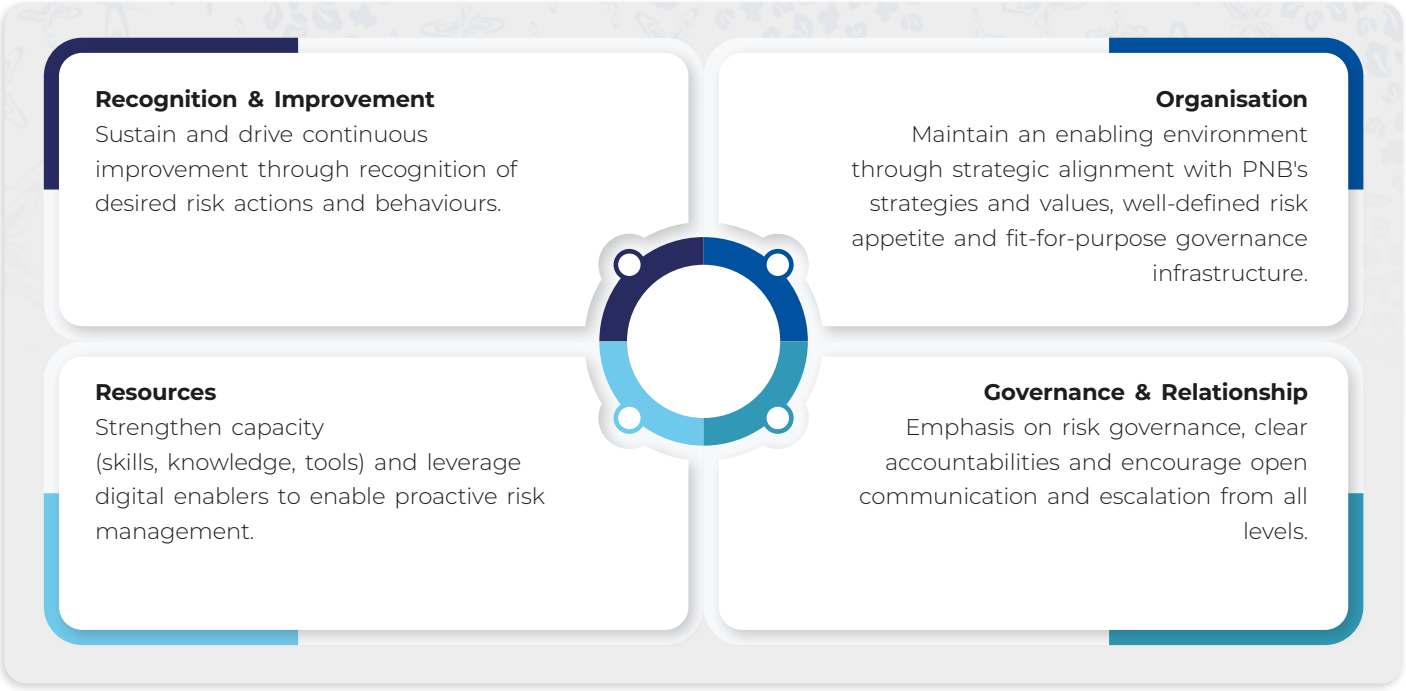
The Reputational Risk Management Framework identifies and prioritises key reputational risk drivers, which are continuously monitored and assessed to proactively mitigate potential threats to PNB's reputation.

RISK CULTURE

Recognising that the fundamental value of ERM extends beyond establishing frameworks, policies, and processes, PNB remains committed to embedding a risk intelligent culture that promotes open communication, shared understanding of risks, and the integration of risk considerations into all activities, with continuous improvement to support effective implementation of ERM framework and practices across PNB Group.

In 2025, the Risk Culture Framework ("RCF") was refined to better articulate its core pillars, focus areas and expected outcomes. These enhancements were guided by insights from the annual risk culture survey and recommendations from an independent external assessment, ensuring alignment with PNB's values and cultural aspirations.

The core pillars of RCF are illustrated below:



Supported by an enabling environment, strengthening capabilities through structured engagements and continuous educational programme, the RCF serves as an overarching guide in supporting PNB Group's transition from a compliance-based posture to a more proactive and risk-aware culture.

KEY INITIATIVES IMPLEMENTED IN FY2025

In 2025, PNB continued to strengthen its organisational resilience and risk culture by conducting regular review and refining risk frameworks, policies, and plans while reinforcing enterprise wide competencies and risk awareness. These efforts support stronger alignment with business priorities, regulatory expectations, and industry best practices, supporting PNB's overall strategic direction under the LEAP-6 Strategic Plan. Key initiatives include:

a Enhancement of Risk Frameworks and Strengthening Enterprise-wide Risk Practices

To reinforce organisational resilience, PNB implemented initiatives aimed at strengthening core risk management foundations and deepening enterprise wide risk culture. These enhancements supported integration with strategic objectives and improved readiness for emerging risks across operational, technology, and sustainability areas.

- **Integration of LEAP-6 into Risk Management**

  Strengthened strategic alignment through modelling and enhanced guardrails to support informed, data-driven decision-making.

- **Sustainability Integration with ERM**

  Embedding ESG commitments into PNB's risk appetite statements and established sustainability-related risk indicators to support long-term resilience.

- **Knowledge & Capability Development**

  Continued focus on professional certifications covering sustainability, climate risk, ERM, systems and cybersecurity to strengthen the adaptability and readiness of the risk management team with evolving risk landscape.

- **Strengthening Technology & Cyber Risk ("TCR") Governance**

  Uplifted Technology & Cyber Risk Management Framework ("TCRM"F) to align with the SC revised Guideline on Technology Risk Management ("GTRM") 2024 and global security best practices, and enhanced Technology & Cyber Risk Appetite Statements ("RAS") and Key Risk Indicators ("KRIs") to set and refine risk tolerances and thresholds for enterprise-wide monitoring, escalation, and early warning.

- **Technology & Cyber Risk Management Improvements**

  Operationalisation of PNB's cybersecurity maturity programme, to enhance security fundamentals and strengthen data protection. In 2025, PNB received the Cybersecurity – Financial Services award at the Malaysia Technology Excellence Awards in recognition of its leadership in advancing cybersecurity and data protection through PNB's cybersecurity maturity programme.

- **Enterprise-wide Risk Function Competencies and Capabilities**

  Reinforced risk awareness and accountability through initiatives such as the Incident Management Roadshow, internal cybersecurity awareness programmes, Board engagement sessions on technology and cyber risk, participation in the SC's Capital Market Crisis Simulation, internal vodcasts on risk management, and e-learning modules including Introduction to Risk Management and the Technology & Cyber Risk module for agents and vendors.

b Knowledge Enhancement and Industry Benchmarking

In 2025, PNB continued to conduct risk management knowledge-sharing sessions to strengthen risk management practices through industry benchmarking and peer learning. Key initiatives included:

- **Industry Sharing Sessions and Site Visits**

  Sharing sessions, roundtable discussions and site visits focused on broad industry exposures and best practices on risk management to withstand both domestic and global challenges.

- **Engagements with GLICs**

  Strengthened collaboration with GLICs, promoting knowledge transfer, peer learning, and continuous improvement of risk management approaches.

As the risk landscapes continue to evolve and the organisation faces increasing risk complexity, PNB Group will vigilantly continue to enhance its operational efficiency and resiliency in line with PNB's strategic objectives, regulatory guidelines and industry best practices.

Statement on Risk Management and Internal Control

RISK PRIORITIES FOR FY2026

For the FY2026, PNB will align its risk priorities closely with the execution of strategic agenda, ensuring that risk management remains forward-looking, integrated and value-protective.

PNB will continue to strengthen its governance by refining key frameworks and policies to enhance oversight, improve decision-making, and align with industry best practices. Strengthening investment governance remains a priority to support disciplined investment processes, safeguard stakeholders, and promote long-term portfolio sustainability.

PNB plans to enhance its operational resiliency by improving end-to-end incident reporting through clearer escalation procedures, root-cause analysis, and more structured follow-up actions.

To support portfolio stability, PNB will broaden its foreign exchange hedging strategies to better manage currency risks and minimise volatility of fund returns.

Digital enablement initiatives will be accompanied by reinforced cybersecurity controls, technology and data governance standards and business continuity preparedness.

PNB will also continue to enhance its technology and cyber risk management capabilities through the ongoing implementation and operationalisation of PNB's cybersecurity maturity programme. The efforts aim to ensure consistent, resilient, and effective risk management in support of PNB Group's strategic objectives.

PNB will maintain vigilant oversight of evolving domestic and international regulatory developments, ensuring timely compliance and robust governance practices in line with fiduciary obligations.

Collectively, these risk priorities are designed to strengthen operational resilience, safeguard stakeholder value and support the sustainable delivery of PNB's FY2026 strategic objectives within a disciplined risk governance framework.

INTERNAL AUDIT FUNCTION

The Group Head, Internal Audit is a Member of the Malaysian Institute of Accountants ("MIA") and the Institute of Internal Auditors Malaysia ("IIAM"). In PNB, he is a permanent invitee to the meetings of the Board Audit Committee ("BAC"), Management Compliance Committee ("MCC"), Occupational Safety and Health Administration ("OSHA") Committee, Management Risk Committee ("MRC"), Management Business Continuity Committee, Management Technology Committee ("MTC") and Selected Project Steering Committees.

The Internal Audit Division ("IAD") is independent of the activities and operations of the business and other support units within PNB Group. All 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. Any situation that may impair or be perceived to impair an auditor's impartiality must be disclosed to the Group Head, Internal Audit.

The Group Head, Internal Audit reports functionally to the BAC and administratively to the PGCE of PNB.

The IAD helps PNB 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, risk-based and objective assurance, advice, insight, and foresight designed to add value and improve the operations and internal controls, alongside offering consulting services aimed at enhancing the value and efficiency of 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, the BAC or the Board.

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 PNB Group, aiming to enhance the level of compliance with the documentation and requirements of the relevant ISO Standards.

The IAD has a staff strength of 35 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, PNB Group's Code of Business Ethics ("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 Global Internal Audit Standards ("GIAS").

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;
(c) ISO 37001:2016 Anti-Bribery Management System ("ABMS"); and
(d) ISO/IEC 20000-1:2018 IT-Service Management System ("IT-SMS").

Annual Audit Plan

The IAD carried out its activities for the financial year under review based on a risk-based annual audit plan approved by the BAC. The annual audit plan is developed based on assessment of risks, exposures and PNB Group strategies using a risk-based assessment methodology. 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. Using a scoring method which evaluates risks and controls that considers multiple risk factors, each auditable areas are identified, prioritised, and assigned on a rotation basis within a five-year audit cycle.

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/corrective action plans by Management.

The IAD's findings and Management's responses are presented to the BAC, ensuring that the agreed-upon remedial actions are undertaken by the Management. Prior to presentation to the BAC, the Senior Management convenes to deliberate on IAD's findings and establish corresponding preventive and corrective action plans and target completion date(s)

Subsequently, the IAD closely monitors the preventive and corrective action plans until their completion. Additionally, 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. The status of the Management's corrective action plans are reported to the BAC on a periodic basis.

Statement on Risk Management and Internal Control

Quality Assurance Improvement Programme

The IAD continuously implements and maintains 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.

Internal assessments are conducted annually, while external assessments by a qualified independent reviewer are carried out once every three years. The external assessment was initiated during the year under review. The external quality assessment reviewed the IAD's practices and its conformance with the GIAS. The review included stakeholder interviews, surveys, and examinations of key audit documentation, as well as the identification of opportunities for improvement aligned with industry good practices. Interviews were conducted with the BAC members and senior leadership, supported by division-wide and stakeholder surveys with strong response rates.

The findings and recommendations from the independent assessments are reported to the BAC for review and consideration.

STANDARD OPERATING PROCEDURES ("SOP")

SOP 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 the 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 critical elements of the process improvement projects, as these SOPs provide the foundation for a successful handover to business owners at the end of each project. PNB has established an electronic Document Repository for all SOPs via Knowledge Hub, one-stop centre for PNB's information, intended to ensure a single, controlled source of the latest SOPs that is appropriately protected, and accessible to, understood and implemented by staff across PNB.

Assurance From the President & Group Chief Executive ("PGCE") and Group Chief Strategy & Financial Officer ("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 year under review.

SUSTAINING FINANCIAL VALUE

For The Financial Year Ended 31 December 2025

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Group Chief Strategy and Financial Officer's Review



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

Dear Valued Stakeholder,

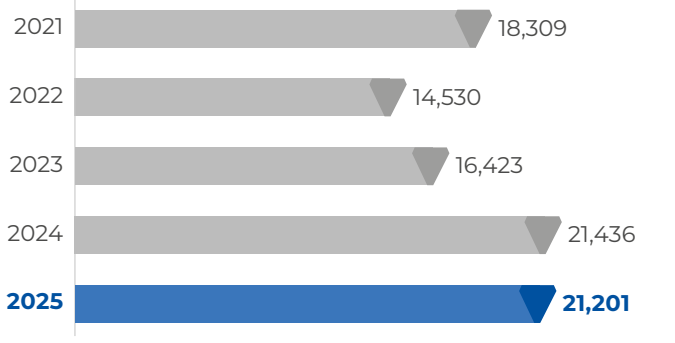
I am pleased to share PNB's resilient financial performance in 2025, which was underpinned by the disciplined execution of our LEAP-6 strategy and a proactive response to the challenges of an increasingly complex and uncertain operating environment.

While overall market returns softened compared to the previous year, the quality of our earnings remained intact, reflecting the strength of our diversified investment portfolio, the continued trust of our unitholders, and the effectiveness of our strategies across sales and distribution, investment management, and operational transformation.

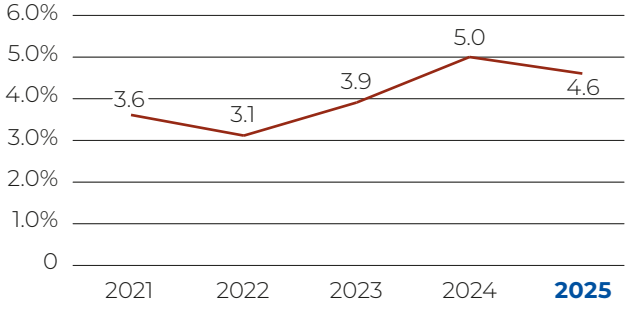
PNB Group Financial Performance

During the year under review, PNB Group recorded cumulative gross income of RM21.2 billion, representing a marginal 1.1% decline compared to RM21.4 billion in 2024. This reflects the ongoing challenging market conditions experienced during the year given the ongoing geopolitical instability and trade tensions. However, this was offset by a robust domestic market throughout the year.

Cumulative Gross Income (RM Million)



Return on Assets (%)



This challenging market environment was also mirrored in lower Return on Assets ("ROA"), which declined from 5.0% in 2024 to 4.6% in 2025. Despite this, PNB Group was able to sustain its returns through our underlying recurring income streams from public equities and fixed income. PNB Group was able to sustain its returns through our underlying recurring income streams from public equities and fixed income.

Reaping the Benefits of Diversification

Our encouraging financial performance reflects the focused steps taken over recent years to diversify our portfolio across both geographies and asset classes, which has helped to strengthen the stability of our income profile and reduce concentration risk.

Specifically, during 2025, we decreased our exposure towards the domestic public equity market while increasing exposure to global public equities, thereby enabling us to benefit from broader global growth trends, including the continued AI-driven investment cycle. At the same time, we expanded allocations towards asset classes such as fixed income and private investment, each of which provide stronger and more consistent yield to support income resilience during periods of uncertainty.

As a result of these prudent actions, we were able to continue the delivery of competitive and sustainable returns to our unitholders, with ASB maintaining a highly competitive return of 5.75 sen per unit, and all fixed price funds either maintaining or improving their distribution rates during the year, while our variable price funds, although more impacted by softer equity market conditions, nevertheless continued to outperform their respective benchmarks and remained top quartile performers on a rolling three-year basis.

Strengthening Unitholder Trust

The effectiveness of our investment strategies is evidenced by the continued growth in AUM during the year under review.

At the centre of our LEAP-6 strategy is the objective of achieving RM400 billion in AUM in 2027. Having targeted an increase in AUM from RM348.3 billion to RM355.0 billion during the year, we exceeded this target by 2.8%, recording total AUM of RM365.3 billion, which represents 4.9% year-on-year growth.

This was driven disproportionately by the strong performance of our proprietary portfolio, which expanded by 8.6% from RM52.6 billion to RM57.2 billion. At the same time, the AUM of our fixed price unit trust funds increased by 4.4%, while the AUM of our variable price funds declined modestly by 1.3%.

Equally encouragingly, we continued to expand our unitholder base during the year, with UIC increasing by 4.6% to 294.8 billion units, while the number of accounts rose by 3.7% to 16.8 million accounts.

Notably, non-Bumiputera accounts recorded the strongest rate of growth, increasing by 6.5% during the year. This reflects the growing relevance and competitiveness of our products across a broader segment of Malaysians and the effectiveness of our enhanced sales and distribution strategies, which include sharper customer segmentation informed by data and analytics.

A Positive Outlook

Taken as a whole, our financial performance in 2025 demonstrates the effectiveness of the strategic shifts we have undertaken in recent years. Our increasingly diversified portfolio structure has strengthened our ability to mitigate market volatility while continuing to capture opportunities across different asset classes, sectors and geographies. At the same time, the resilience of our earnings and distributions reflects the strength of our balance sheet, disciplined capital allocation approach and continued focus on sustainable income generation.

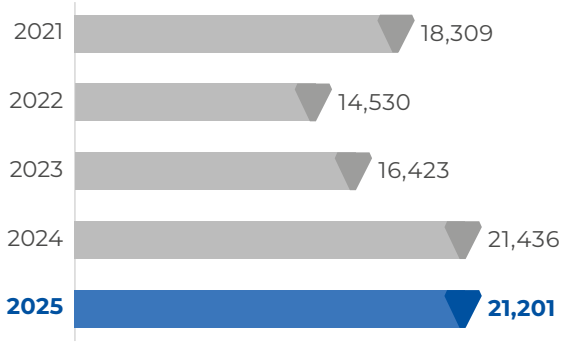
Equally importantly, the continued growth in AUM and UIC demonstrates that we remain strongly positioned within an increasingly competitive investment landscape, with the expansion of our unitholder base reflecting the continued trust placed in PNB and the long-term relevance of our value proposition.

As we move forward, we remain committed to strengthening these foundations further through disciplined financial management, prudent investment execution and continued operational transformation under LEAP-6. Together, these efforts position us well to navigate future uncertainties while continuing to deliver sustainable long-term value to our unitholders.

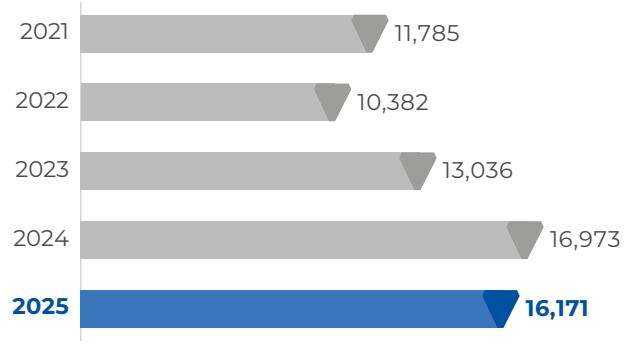
Mohd Irwan Ahmad Mustafa
Group Chief Strategy & Financial Officer

Financial Highlights

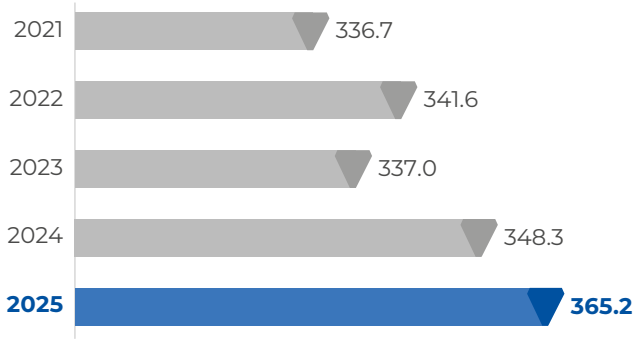
PNB Group 5-Year Consolidated Coterminous Proforma Gross Income (RM Million)



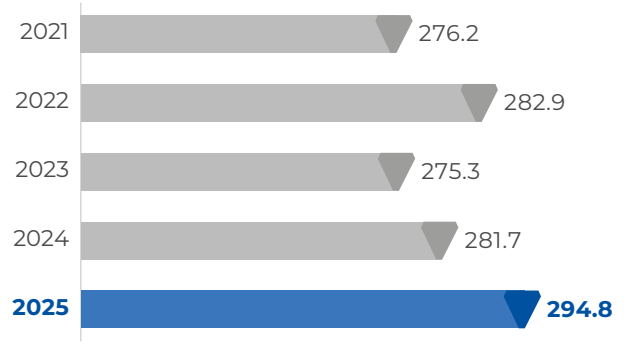
PNB Group's Five-Year Consolidated Coterminous Proforma Net Income (RM Million)



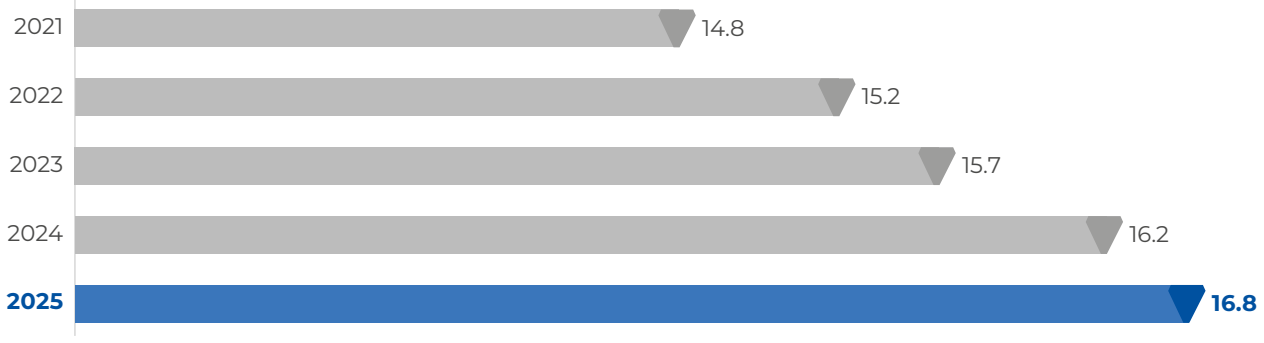
Assets Under Management (RM Billion)



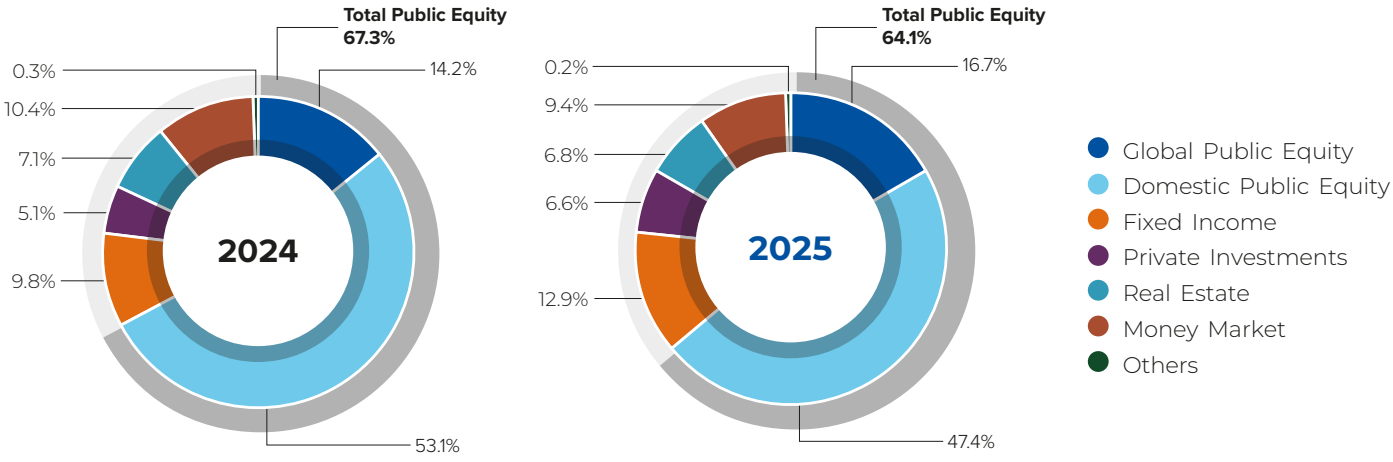
Units In Circulation (Billion)



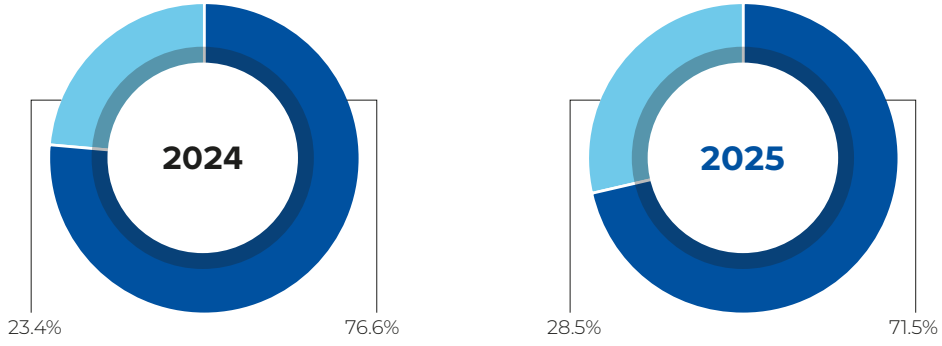
Number of Accounts (Million)



PNB Group's Asset Allocation By Asset Class

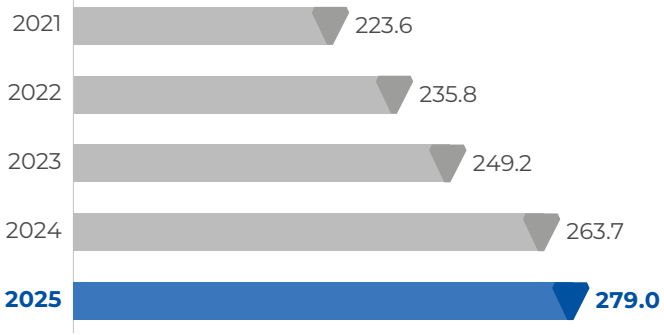


PNB Group's Asset Allocation By Geography

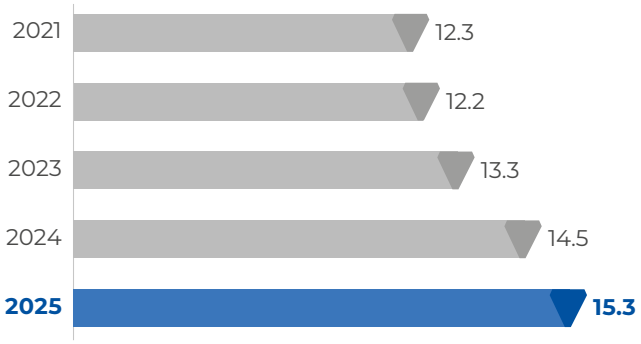


Income Distribution (RM Billion)

Cumulative Income Distribution



Annual Income Distribution Payout



PNB Group 5-Year Consolidated Coterminous Proforma Financials

For the Year Ended 31 December

	2021 RM million	2022 RM million	2023 RM million	2024 RM million	2025 RM million
Gross Income[1]	18,309	14,530	16,423	21,436	**21,201**
Net Income[1]	11,785	10,382	13,036	16,973	**16,171**
Total Assets[2]	336,684	341,609	337,001	348,296	**365,255**
Return on Assets[3]	3.6%	3.1%	3.9%	5.0%	**4.6%**

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.

Financial Calendar

Fixed Price Funds

Fund	Announcement Date	Income Distribution Rate (sen per unit)
ASB 2	27 March 2025	5.50
ASM	27 March 2025	5.00
ASB 3 Didik	30 June 2025	5.25
ASM 2 Wawasan	28 August 2025	4.75
ASM 3	29 September 2025	4.75
ASB	19 December 2025	5.75

Variable Price Funds

Fund	Announcement Date	Income Distribution Rate (sen per unit)
ASN Equity 3	31 March 2025	2.43
ASN Imbang 2	31 March 2025	3.12
ASN Sara 1	31 March 2025	3.64
ASN Equity 2	30 June 2025	1.23
ASN Equity 5	30 September 2025	2.93
ASN Sara 2	30 September 2025	3.62
ASN Imbang 1	30 November 2025	3.58
ASN Sukuk	30 December 2025	1.05
ASN	31 December 2025	1.81
ASN Imbang 3 Global	31 December 2025	2.16
ASN Equity Global	31 December 2025	4.86

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 audited financial statements of these unit trust funds for the respective financial years then ended:

1. **Amanah Saham Bumiputera** – 31 December 2023, 2024 and 2025;
2. **Amanah Saham Bumiputera 2** – 31 March 2023, 2024 and 2025;
3. **Amanah Saham Bumiputera 3 – Didik** – 30 June 2023, 2024 and 2025;
4. **Amanah Saham Malaysia** – 31 March 2023, 2024 and 2025;
5. **Amanah Saham Malaysia** – 2 Wawasan – 31 August 2023, 2024 and 2025;
6. **Amanah Saham Malaysia 3** – 30 September 2023, 2024 and 2025;
7. **Amanah Saham Nasional** – 31 December 2023, 2024 and 2025;
8. **ASN Equity 2** – 30 June 2023, 2024 and 2025;
9. **ASN Imbang (Mixed Asset Balanced) 1** – 30 November 2023, 2024 and 2025;
10. **ASN Imbang (Mixed Asset Balanced) 2** – 31 March 2023, 2024 and 2025;
11. **ASN Equity 3** – 31 March 2023, 2024 and 2025;
12. **ASN Sara (Mixed Asset Conservative) 1** – 31 March 2023, 2024 and 2025;
13. **ASN Equity 5** – 30 September 2023, 2024 and 2025;
14. **ASN Sara (Mixed Asset Conservative) 2** – 30 September 2023, 2024 and 2025;
15. **ASN Imbang (Mixed Asset Balanced) 3 Global** – 31 December 2023, 2024 and 2025;
16. **ASN Equity Global** – 31 December 2023, 2024 and 2025;
17. **ASN Sukuk** – 30 June 2023, 2024 and 2025.

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 318 to 345.

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 MFRS Accounting Standards as modified by the specification provided by the Securities Commission Malaysia's Guidelines on Unit Trust Funds in 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 and ASN Sukuk does not contain all the disclosures required by the MFRS Accounting Standards and IFRS Accounting 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.

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 318 to 345.

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 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.

Ernst & Young PLT

31 March 2026
Kuala Lumpur

Unit Trust Funds

ASB

FUND SNAPSHOT

Financial Year Ended 31 December	2023	2024	2025
Units in Circulation (million units)	174,975	174,733	**181,165**

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 31 December (RM'000)	2023	2024	2025
Total investment income	8,547,423	11,354,319	**10,479,287**
Total expenses	965,703	1,163,705	**1,487,556**
Net income before taxation	7,581,720	10,190,614	**8,991,731**
Less: Taxation	–	–	**–**
Net income after taxation	7,581,720	10,190,614	**8,991,731**
Other comprehensive income	–	–	**–**
Total comprehensive income	7,581,720	10,190,614	**8,991,731**

FUND PERFORMANCE

Financial Year Ended 31 December	2023	2024	2025
Income Distribution (RM million)	7,534.30	9,955.43	**9,252.68**
Income Distribution (sen per unit)	4.25	5.50	**5.20**
Bonus (sen per unit)	1.00	0.25	**0.55**
Special Bonus (sen per unit) #	–	–	**–**
Benchmark Return (%)	2.84	2.59	**2.28**

For balances up to 30,000 unit only

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 31 December	2023	2024	2025
Equity	83.13	80.90	**75.64**
Fixed Income	7.45	10.05	**13.75**
Others	9.42	9.05	**10.61**
TOTAL	100.00	100.00	**100.00**

Notes:

1. Source: Fund Annual Report 2025
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	2023	2024	2025
Units in Circulation (million units)	12,420	12,747	**14,172**

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 31 March (RM'000)	2023	2024	2025
Total investment income	635,058	740,116	**880,913**
Total expenses	110,246	73,786	**96,130**
Net income before taxation	524,812	666,330	**784,783**
Less: Taxation	–	–	**–**
Net income after taxation	524,812	666,330	**784,783**
Other comprehensive income	–	–	**–**
Total comprehensive income	524,812	666,330	**784,783**

FUND PERFORMANCE

Financial Year Ended 31 March	2023	2024	2025
Income Distribution (RM million)	610.48	660.55	**730.98**
Income Distribution (sen per unit)	5.00	5.25	**5.50**
Benchmark Return (%)	2.52	2.80	**2.54**

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 31 March	2023	2024	2025
Equity	85.71	86.46	**78.90**
Fixed Income	8.16	6.66	**12.40**
Others	6.13	6.88	**8.70**
TOTAL	100.00	100.00	**100.00**

Notes:

1. Source: Fund Annual Report 2025
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	2023	2024	2025
Units in Circulation (million units)	7,363	7,727	**8,125**

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 30 June (RM'000)	2023	2024	2025
Total investment income	461,107	484,677	**480,576**
Total expenses	99,731	63,280	**63,296**
Net income before taxation	361,376	421,397	**417,280**
Less: Taxation	–	–	**–**
Net income after taxation	361,376	421,397	**417,280**
Other comprehensive income	–	–	**–**
Total comprehensive income	361,376	421,397	**417,280**

FUND PERFORMANCE

Financial Year Ended 30 June	2023	2024	2025
Income Distribution (RM million)	364.13	401.95	**423.06**
Income Distribution (sen per unit)	5.00	5.25	**5.25**
Benchmark Return (%)	2.74	2.73	**2.50**

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 30 June	2023	2024	2025
Equity	77.06	77.84	**72.11**
Fixed Income	12.41	13.81	**15.79**
Others	10.53	8.35	**12.10**
TOTAL	100.00	100.00	**100.00**

Notes:

1. Source: Fund Annual Report 2025
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	2023	2024	2025
Units in Circulation (million units)	22,737	28,046	**29,310**

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 31 March (RM'000)	2023	2024	2025
Total investment income	1,063,518	1,740,644	**1,870,827**
Total expenses	187,775	384,865	**351,002**
Net income before taxation	875,743	1,355,779	**1,519,825**
Less: Taxation	–	–	**–**
Net income after taxation	875,743	1,355,779	**1,519,825**
Other comprehensive income	–	–	**–**
Total comprehensive income	875,743	1,355,779	**1,519,825**

FUND PERFORMANCE

Financial Year Ended 31 March	2023	2024	2025
Income Distribution (RM million)	1,023.61	1,267.62	**1,457.80**
Income Distribution (sen per unit)	4.50	4.75	**5.00**
Benchmark Return (%)	2.52	2.80	**2.54**

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 31 March	2023	2024	2025
Equity	83.80	76.56	**73.47**
Fixed Income	6.19	10.46	**16.25**
Others	10.01	12.98	**10.28**
TOTAL	100.00	100.00	**100.00**

Notes:

1. Source: Fund Annual Report 2025
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	2023	2024	2025
Units in Circulation (million units)	23,124	23,764	**25,578**

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 31 August (RM'000)	2023	2024	2025
Total investment income	1,084,472	1,544,317	**1,462,544**
Total expenses	45,280	362,446	**305,671**
Net income before taxation	1,039,192	1,181,871	**1,156,873**
Less: Taxation	–	–	**–**
Net income after taxation	1,039,192	1,181,871	**1,156,873**
Other comprehensive income	–	–	**–**
Total comprehensive income	1,039,192	1,181,871	**1,156,873**

FUND PERFORMANCE

Financial Year Ended 31 August	2023	2024	2025
Income Distribution (RM million)	1,055.41	1,122.72	**1,177.05**
Income Distribution (sen per unit)	4.50	4.75	**4.75**
Benchmark Return (%)	2.82	2.69	**2.43**

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 31 August	2023	2024	2025
Equity	84.89	80.72	**76.68**
Fixed Income	8.02	7.86	**13.13**
Others	7.09	11.42	**10.19**
TOTAL	100.00	100.00	**100.00**

Notes:

1. Source: Fund Annual Report 2025
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	2023	2024	2025
Units in Circulation (million units)	15,155	17,640	**19,194**

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 30 September (RM'000)	2023	2024	2025
Total investment income	870,939	1,018,702	**1,120,910**
Total expenses	217,239	192,547	**241,260**
Net income before taxation	653,700	826,155	**879,650**
Less: Taxation	–	–	**–**
Net income after taxation	653,700	826,155	**879,650**
Other comprehensive income	–	–	**–**
Total comprehensive income	653,700	826,155	**879,650**

FUND PERFORMANCE

Financial Year Ended 30 September	2023	2024	2025
Income Distribution (RM million)	688.29	765.07	**895.49**
Income Distribution (sen per unit)	4.50	4.75	**4.75**
Benchmark Return (%)	2.83	2.67	**2.39**

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 30 September	2023	2024	2025
Equity	86.46	80.34	**80.13**
Fixed Income	6.29	7.71	**12.25**
Others	7.25	11.95	**7.62**
TOTAL	100.00	100.00	**100.00**

Notes:

1. Source: Fund Annual Report 2025
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 30 June	2023	2024	2025
Units in Circulation (million units)	1,555	1,515	**1,406**

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 30 June (RM'000)	2023	2024	2025
Total investment income/(loss)	89,389	84,385	**20,266**
Total expenses	12,899	16,794	**15,769**
Net income/(loss) before taxation	76,490	67,591	**4,497**
Less: Taxation	–	–	**–**
Net income/(loss) after taxation	76,490	67,591	**4,497**
Other comprehensive income/(loss)	36,816	176,333	**(10,363)**
Total comprehensive income/(loss)	113,306	243,924	**(5,866)**
Total comprehensive income/(loss) for the year is made up of the following:			
Realised	12,072	26,564	**25,730**
Unrealised	101,234	217,360	**(31,596)**
	113,306	243,924	**(5,866)**

Summarised Statements of Financial Position as at 30 June (RM'000)	2023	2024	2025
Investments	944,393	1,113,414	**979,561**
Other assets	33,768	56,849	**68,989**
Total Assets	978,161	1,170,263	**1,048,550**
Liabilities	(35,788)	(48,541)	**(34,458)**
Unit Holder Capital/NAV	942,373	1,121,722	**1,014,092**

Notes:
1. Source: Fund Annual Report 2025
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

FUND PERFORMANCE

Financial Year Ended 30 June	2023	2024	2025
Distribution Yield (%)	2.89	2.92	**2.51**
Total Return (%)	11.96	25.73	**(0.14)**
Benchmark Return (%)	1.11	14.05	**(0.47)**
Financial Year Ended 30 June	**1 year**	**3 years**	**5 years**
Annualised Total Return (%)	(0.14)	12.02	**5.92**
Benchmark Return (%)	(0.47)	4.70	**1.38**

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 30 June	2023	2024	2025
Equity	87.06	87.29	**86.82**
Fixed Income	5.48	3.22	**3.53**
Others	7.46	9.49	**9.65**
TOTAL	100.00	100.00	**100.00**

Notes:

1. Source: Fund Annual Report 2025
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	2023	2024	2025
Units in Circulation (million units)	1,196	1,211	**1,239**

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 30 June (RM'000)	2023	2024	2025
Total investment income/(loss)	23,924	40,115	**5,996**
Total expenses	6,857	7,393	**8,757**
Net income/(loss) before taxation	17,067	32,722	**(2,761)**
Less: Taxation	–	–	**–**
Net income/(loss) after taxation	17,067	32,722	**(2,761)**
Other comprehensive income/(loss)	2,291	110,942	**(20,912)**
Total comprehensive income/(loss)	19,358	143,664	**(23,673)**
Total comprehensive income/(loss) for the year is made up of the following:			
Realised	1,520	8,464	**6,003**
Unrealised	17,837	135,200	**(29,677)**
	19,357	143,664	**(23,674)**

Summarised Statements of Financial Position as at 30 June (RM'000)	2023	2024	2025
Investments	462,676	581,431	**564,215**
Other assets	37,174	26,087	**28,806**
Total Assets	499,850	607,518	**593,021**
Liabilities	(41,705)	(17,598)	**(22,648)**
Unit Holder Capital/NAV	458,145	589,920	**570,373**

Notes:

1. Source: Fund Annual Report 2025
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

FUND PERFORMANCE

Financial Year Ended 30 June	2023	2024	2025
Distribution Yield (%)	2.79	2.87	**2.67**
Total Return (%)	(2.40)	30.89	**(2.98)**
Benchmark Return (%)	(1.01)	16.26	**(3.24)**
Financial Year Ended 30 June	**1 year**	**3 years**	**5 years**
Annualised Total Return (%)	(2.98)	7.42	**1.32**
Benchmark Return (%)	(3.24)	3.65	**1.79**

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 30 June	2023	2024	2025
Equity	84.54	86.10	**89.28**
Fixed Income	6.73	1.75	**1.80**
Others	8.73	12.15	**8.92**
TOTAL	100.00	100.00	**100.00**

Notes:

1. Source: Fund Annual Report 2025
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	2023	2024	2025
Units in Circulation (million units)	1,947	1,490	**1,499**

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 31 March (RM'000)	2023	2024	2025
Total investment income	23,471	137,579	**47,738**
Total expenses	20,022	17,924	**18,424**
Net income/(loss) before taxation	3,449	119,655	**29,314**
Less: Taxation	–	–	**–**
Net income/(loss) after taxation	3,449	119,655	**29,314**
Other comprehensive (loss)/income	(59,762)	164,781	**17,881**
Total comprehensive (loss)/income	(56,313)	284,436	**47,195**
Total comprehensive (loss)/income for the year is made up of the following:			
Realised	32,231	31,500	**31,148**
Unrealised	(88,544)	252,936	**16,047**
	(56,313)	284,436	**47,195**

Summarised Statements of Financial Position as at 31 March (RM'000)	2023	2024	2025
Investments	1,596,906	1,381,619	**1,397,799**
Other assets	50,720	119,831	**87,130**
Total Assets	1,647,626	1,501,450	**1,484,929**
Liabilities	(85,142)	(94,177)	**(64,067)**
Unit Holder Capital/NAV	1,562,484	1,407,273	**1,420,862**

Notes:
1. Source: Fund Annual Report 2025
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

FUND PERFORMANCE

Financial Year Ended 31 March	2023	2024	2025
Distribution Yield (%)	2.50	2.78	**2.56**
Total Return (%)	(4.60)	20.93	**2.93**
Benchmark Return (%)	(6.36)	9.28	**(0.22)**
Financial Year Ended 31 March	**1 year**	**3 years**	**5 years**
Annualised Total Return (%)	2.93	5.89	**6.96**
Benchmark Return (%)	(0.22)	0.69	**3.69**

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 31 March	2023	2024	2025
Equity	86.20	85.01	**78.35**
Fixed Income	7.30	5.27	**3.03**
Others	6.50	9.72	**18.62**
TOTAL	100.00	100.00	**100.00**

Notes:

1. Source: Fund Annual Report 2025
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	2023	2024	2025
Units in Circulation (million units)	304	491	**442**

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 30 September (RM'000)	2023	2024	2025
Total investment income/(loss)	23,922	27,153	**23,501**
Total expenses	4,248	5,575	**6,963**
Net income/(loss) before taxation	19,674	21,578	**16,538**
Less: Taxation	–	–	**–**
Net income/(loss) after taxation	19,674	21,578	**16,538**
Other comprehensive income/(loss)	17,235	53,794	**1,023**
Total comprehensive income/(loss)	36,909	75,372	**17,561**
Total comprehensive income/(loss) for the year is made up of the following:			
Realised	11,061	9,816	**13,713**
Unrealised	25,848	65,556	**3,848**
	36,909	75,372	**17,561**

Summarised Statements of Financial Position as at 30 September (RM'000)	2023	2024	2025
Investments	258,322	530,196	**517,741**
Other assets	25,972	45,133	**13,492**
Total Assets	284,294	575,329	**531,233**
Liabilities	(9,542)	(26,293)	**(33,382)**
Unit Holder Capital/NAV	274,752	549,036	**497,851**

Notes:

1. Source: Fund Annual Report 2025
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

FUND PERFORMANCE

Financial Year Ended 30 September	2023	2024	2025
Distribution Yield (%)	2.89	2.94	**2.60**
Total Return (%)	12.30	27.50	**3.23**
Benchmark Return (%)	4.87	14.35	**(1.41)**
Financial Year Ended 30 September	**1 year**	**3 years**	**5 years**
Annualised Total Return (%)	3.23	13.91	**7.86**
Benchmark Return (%)	(1.41)	5.74	**2.10**

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 30 September	2023	2024	2025
Equity	82.07	83.24	**81.30**
Fixed Income	3.77	2.91	**3.22**
Others	14.16	13.85	**15.48**
TOTAL	100.00	100.00	**100.00**

Notes:

1. Source: Fund Annual Report 2025
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	2023	2024	2025
Units in Circulation (million units)	685	544	**457**

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 31 December (RM'000)	2023	2024	2025
Total investment income/(loss)	147,899	80,899	**40,820**
Total expenses	15,227	11,448	**12,729**
Net income/(loss) before taxation	132,672	69,451	**28,091**
Less: Taxation	–	–	**–**
Net income/(loss) after taxation	132,672	69,451	**28,091**
Other comprehensive loss	–	–	**–**
Total comprehensive income/(loss)	132,672	69,451	**28,091**
Total comprehensive (loss)/income for the year is made up of the following:			
Realised	11,628	106,594	**20,013**
Unrealised	121,044	(37,143)	**8,078**
	132,672	69,451	**28,091**

Summarised Statements of Financial Position as at 31 December (RM'000)	2023	2024	2025
Investments	668,193	545,675	**482,214**
Other assets	48,240	54,583	**62,140**
Total Assets	716,433	600,258	**544,354**
Liabilities	(41,675)	(5,419)	**(20,487)**
Unit Holder Capital/NAV	674,758	594,839	**523,867**

Notes:
1. Source: Fund Annual Report 2025
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

FUND PERFORMANCE

Financial Year Ended 31 December	2023	2024	2025
Distribution Yield (%)	18.92	11.11	**4.86**
Total Return (%)	18.92	11.11	**4.86**
Benchmark Return (%)	22.04	0.53	**8.37**
Financial Year Ended 31 December	**1 year**	**3 years**	**Since inception**
Annualised Total Return (%)	4.86	11.48	**3.22**
Benchmark Return (%)	8.37	9.96	**3.69**

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 31 December	2023	2024	2025
Equity	74.48	76.57	**53.37**
Fixed Income	–	–	**–**
Others	25.52	23.43	**46.63**
TOTAL	100.00	100.00	**100.00**

Notes:

1. Source: Fund Annual Report 2025
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	2023	2024	2025
Units in Circulation (million units)	837	863	**842**

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 30 November (RM'000)	2023	2024	2025
Total investment income/(loss)	54,704	65,642	**51,762**
Total expenses	11,268	11,314	**10,597**
Net income/(loss) before taxation	43,436	54,328	**41,165**
Less: Taxation	–	–	**–**
Net income/(loss) after taxation	43,436	54,328	**41,165**
Other comprehensive income/(loss)	26,821	100,412	**(17,856)**
Total comprehensive income/(loss)	70,257	154,740	**23,309**
Total comprehensive income/(loss) for the year is made up of the following:			
Realised	11,788	25,174	**31,653**
Unrealised	58,469	129,566	**(8,344)**
	70,257	154,740	**23,309**

Summarised Statements of Financial Position as at 30 November (RM'000)	2023	2024	2025
Investments	778,864	942,378	**892,152**
Other assets	33,142	24,642	**51,610**
Total Assets	812,006	967,020	**943,762**
Liabilities	(33,020)	(38,044)	**(44,028)**
Unit Holder Capital/NAV	778,986	928,976	**899,734**

Notes:

1. Source: Fund Annual Report 2025
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

FUND PERFORMANCE

Financial Year Ended 30 November	2023	2024	2025
Distribution Yield (%)	3.45	3.79	**3.35**
Total Return (%)	9.04	19.98	**2.61**
Benchmark Return (%)	1.70	8.18	**0.82**
Financial Year Ended 30 November	**1 year**	**3 years**	**5 years**
Annualised Total Return (%)	2.61	10.31	**6.45**
Benchmark Return (%)	0.82	3.51	**1.85**

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 30 November	2023	2024	2025
Equity	61.56	52.89	**54.09**
Fixed Income	29.58	39.69	**39.37**
Others	8.86	7.42	**6.54**
TOTAL	100.00	100.00	**100.00**

Notes:

1. Source: Fund Annual Report 2025
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	2023	2024	2025
Units in Circulation (million units)	1,133	941	**876**

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 31 March (RM'000)	2023	2024	2025
Total investment income	6,415	111,860	**31,031**
Total expenses	14,177	12,737	**11,098**
Net (loss)/income before taxation	(7,762)	99,123	**19,933**
Less: Taxation	–	–	**–**
Net (loss)/income after taxation	(7,762)	99,123	**19,933**
Other comprehensive (loss)/income	(3,262)	59,210	**6,737**
Total comprehensive (loss)/income	(11,024)	158,333	**26,670**
Total comprehensive (loss)/income for the year is made up of the following:			
Realised	32,021	33,461	**32,429**
Unrealised	(43,045)	124,872	**(5,759)**
	(11,024)	158,333	**26,670**

Summarised Statements of Financial Position as at 31 March (RM'000)	2023	2024	2025
Investments	1,014,329	923,673	**861,057**
Other assets	29,345	48,935	**38,588**
Total Assets	1,043,674	972,608	**899,645**
Liabilities	(63,416)	(43,571)	**(40,262)**
Unit Holder Capital/NAV	980,258	929,037	**859,383**

Notes:

1. Source: Fund Annual Report 2025
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

FUND PERFORMANCE

Financial Year Ended 31 March	2023	2024	2025
Distribution Yield (%)	3.12	3.83	**3.18**
Total Return (%)	(0.69)	18.45	**2.54**
Benchmark Return (%)	(3.00)	6.85	**0.91**
Financial Year Ended 31 March	**1 year**	**3 years**	**5 years**
Annualised Total Return (%)	2.54	6.45	**7.05**
Benchmark Return (%)	0.91	1.48	**3.27**

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 31 March	2023	2024	2025
Equity	48.97	62.14	**46.91**
Fixed Income	42.47	31.37	**44.41**
Others	8.56	6.49	**8.68**
TOTAL	100.00	100.00	**100.00**

Notes:

1. Source: Fund Annual Report 2025
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	2023	2024	2025
Units in Circulation (million units)	1,043	663	**556**

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 31 December (RM'000)	2023	2024	2025
Total investment income/(loss)	176,292	81,937	**34,319**
Total expenses	19,001	12,849	**11,057**
Net income/(loss) before taxation	157,291	69,088	**23,262**
Less: Taxation	–	–	**–**
Net income/(loss) after taxation	157,291	69,088	**23,262**
Other comprehensive loss	(218)	(5)	**1,401**
Total comprehensive income/(loss)	157,073	69,083	**24,663**
Total comprehensive income/(loss) for the year is made up of the following:			
Realised	5,558	31,789	**32,876**
Unrealised	151,515	37,294	**(8,213)**
	157,073	69,083	**24,663**

Summarised Statements of Financial Position as at 31 December (RM'000)	2023	2024	2025
Investments	1,020,481	638,311	**570,977**
Other assets	66,733	81,678	**48,971**
Total Assets	1,087,214	719,989	**619,948**
Liabilities	(31,329)	(17,940)	**(21,823)**
Unit Holder Capital/NAV	1,055,885	702,049	**598,125**

Notes:

1. Source: Fund Annual Report 2025
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

FUND PERFORMANCE

Financial Year Ended 31 March	2023	2024	2025
Distribution Yield (%)	2.03	2.01	**2.01**
Total Return (%)	6.67	3.73	**3.73**
Benchmark Return (%)	1.61	5.87	**5.87**
Financial Year Ended 31 March	**3 years**	**Since inception**	**Since inception**
Annualised Total Return (%)	7.88	2.39	**2.39**
Benchmark Return (%)	6.82	4.86	**4.86**

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 31 March	2023	2024	2025
Equity	44.83	30.42	**30.42**
Fixed Income	34.52	42.06	**42.06**
Others	20.65	27.52	**27.52**
TOTAL	100.00	100.00	**100.00**

Notes:

1. Source: Fund Annual Report 2025
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	2023	2024	2025
Units in Circulation (million units)	2,555	2,118	**2,149**

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 31 March (RM'000)	2023	2024	2025
Total investment income	1,387	192,615	**73,302**
Total expenses	31,945	28,387	**27,127**
Net income/(loss) before taxation	(30,558)	164,228	**46,175**
Less: Taxation	–	–	**–**
Net income/(loss) after taxation	(30,558)	164,228	**46,175**
Other comprehensive income/(loss)	(19,820)	49,859	**7,377**
Total comprehensive income/(loss)	(50,378)	214,087	**53,552**
Total comprehensive income/(loss) for the year is made up of the following:			
Realised	88,338	88,722	**81,764**
Unrealised	(138,716)	125,365	**(28,212)**
	(50,378)	214,087	**53,552**

Summarised Statements of Financial Position as at 31 March (RM'000)	2023	2024	2025
Investments	2,662,957	2,406,525	**2,318,538**
Other assets	195,676	39,292	**111,462**
Total Assets	2,858,633	2,445,817	**2,430,000**
Liabilities	(207,256)	(127,638)	**(102,536)**
Unit Holder Capital/NAV	2,651,377	2,318,179	**2,327,464**

Notes:
1. Source: Fund Annual Report 2025
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

FUND PERFORMANCE

Financial Year Ended 31 March	2023	2024	2025
Distribution Yield (%)	3.31	3.68	**3.36**
Total Return (%)	(1.81)	9.35	**2.27**
Benchmark Return (%)	(0.77)	5.24	**1.60**
Financial Year Ended 31 March	**1 year**	**3 years**	**5 years**
Annualised Total Return (%)	2.27	3.16	**4.10**
Benchmark Return (%)	1.60	1.97	**2.94**

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 31 March	2023	2024	2025
Equity	28.14	33.63	**27.17**
Fixed Income	63.62	65.39	**67.64**
Others	8.24	0.98	**5.19**
TOTAL	100.00	100.00	**100.00**

Notes:

1. Source: Fund Annual Report 2025
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	2023	2024	2025
Units in Circulation (million units)	1,265	1,044	**960**

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 30 September (RM'000)	2023	2024	2025
Total investment income/(loss)	77,994	79,160	**62,850**
Total expenses	16,089	13,387	**11,413**
Net income/(loss) before taxation	61,905	65,773	**51,437**
Less: Taxation	–	–	**–**
Net income/(loss) after taxation	61,905	65,773	**51,437**
Other comprehensive income/(loss)	12,025	37,748	**1,980**
Total comprehensive income/(loss)	73,930	103,521	**53,417**
Total comprehensive income/(loss) for the year is made up of the following:			
Realised	43,884	37,701	**35,009**
Unrealised	30,046	65,820	**18,407**
	73,930	103,521	**53,416**

Summarised Statements of Financial Position as at 30 September (RM'000)	2023	2024	2025
Investments	1,188,542	1,048,827	**970,199**
Other assets	34,948	16,109	**27,089**
Total Assets	1,223,490	1,064,936	**997,288**
Liabilities	(50,409)	(39,455)	**(37,610)**
Unit Holder Capital/NAV	1,173,081	1,025,481	**959,678**

Notes:
1. Source: Fund Annual Report 2025
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

FUND PERFORMANCE

Financial Year Ended 30 September	2023	2024	2025
Distribution Yield (%)	3.62	3.66	**3.62**
Total Return (%)	5.52	9.76	**5.54**
Benchmark Return (%)	3.66	7.00	**1.07**
Financial Year Ended 30 September	**1 year**	**3 years**	**5 years**
Annualised Total Return (%)	5.54	6.92	**3.28**
Benchmark Return (%)	1.07	3.88	**2.35**

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 30 September	2023	2024	2025
Equity	31.07	32.44	**36.97**
Fixed Income	64.41	63.99	**59.11**
Others	4.52	3.57	**3.92**
TOTAL	100.00	100.00	**100.00**

Notes:

1. Source: Fund Annual Report 2025
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	2025
Units in Circulation (million units)	708	909	**966**

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 30 June (RM'000)	25.11.2022 to 30.6.2023	2024	2025
Total investment income	17,514	50,274	**45,501**
Total expenses	2,143	5,921	**4,164**
Net income before taxation	15,371	44,353	**41,337**
Less: Taxation	–	–	**–**
Net income after taxation	15,371	44,353	**41,337**
Other comprehensive income	–	–	**–**
Total comprehensive income	15,371	44,353	**41,337**
Total comprehensive income for the year is made up of the following:			
Realised	8,348	35,682	**38,789**
Unrealised	7,023	8,671	**2,547**
	15,371	44,353	**41,336**

Summarised Statements of Financial Position as at 30 June (RM'000)	2023	2024	2025
Investments	721,566	957,011	**968,308**
Other assets	14,056	15,337	**42,375**
Total Assets	735,622	972,348	**1,010,683**
Liabilities	(13,918)	(36,914)	**(13,906)**
Unit Holder Capital/NAV	721,704	935,434	**996,777**

Notes:
1. Source: Fund Annual Report 2025
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

FUND PERFORMANCE

Financial Year Ended 30 June	2023	2024	2025
Distribution Yield (%)	1.84	3.76	**4.50**
Total Return (%)	3.84	4.72	**4.81**
Benchmark Return (%)	5.42	4.61	**3.15**

Financial Year Ended 30 June	1 year	Since inception
Annualised Total Return (%)	4.81	5.17
Benchmark Return (%)	5.09	

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 30 June	2023	2024	2025
Equity	–	–	**–**
Fixed Income	91.56	98.28	**87.73**
Others	8.44	1.72	**12.27**
TOTAL	100.00	100.00	**100.00**

Notes:

1. Source: Fund Annual Report 2025
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 to 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 to the GRI Standards for the period 1 January 2025 to 31 December 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not Applicable

GRI STANDARD	DISCLOSURE	SECTION HEADINGS IN IR2025	LOCATION OF DISCLOSURES IN IR2025 (PAGE NUMBER)
General disclosures			
GRI 2: General Disclosures 2021	2-1 Organisational details	Basis of Our Report	2-3
	2-2 Entities included in the organisation's sustainability reporting	Basis of Our Report	3
	2-3 Reporting period, frequency and contact point	Basis of Our Report	2-3
	2-4 Restatements of information	Restatements appear in the sections where they are relevant	168
	2-5 External assurance	Basis of Our Report	2-3
	2-6 Activities, value chain and other business relationships	Our Value Creating Business Model	62-63
	2-7 Employees	Commitment 6: 40% Women in PNB Leadership by 2025	193-201 190-194
	2-8 Workers who are not employees	Labour Rights	204-208
	2-9 Governance structure and composition	Sustainability Governance	152
	2-10 Nomination and selection of the highest governance body	Corporate Governance Overview Statement	226
	2-11 Chair of the highest governance body	Corporate Governance Overview Statement	226
	2-12 Role of the highest governance body in overseeing the management of impacts	– Sustainability Governance – Board's Role in ESG and Sustainability Oversight – Board Oversight and Responsibilities – Corporate Governance Overview Statement	152-154
	2-13 Delegation of responsibility for managing impacts	– Sustainability Governance – Management and Committee Oversight	152, 154
	2-14 Role of the highest governance body in sustainability reporting	– Sustainability Governance – Board's Role in ESG and Sustainability Oversight – Reporting and Monitoring Mechanisms	152-155
	2-15 Conflicts of interest	Corporate Governance Overview Statement	226

GRI STANDARD	DISCLOSURE	SECTION HEADINGS IN IR2025	LOCATION OF DISCLOSURES IN IR2025 (PAGE NUMBER)
General disclosures			
GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	– Reporting and Monitoring Mechanisms – Corporate Governance Overview Statement	152, 155
	2-17 Collective knowledge of the highest governance body	– Board Capability and Training – Corporate Governance Overview Statement	152
	2-18 Evaluation of the performance of the highest governance body	– Board Oversight and Responsibilities – Corporate Governance Overview Statement	152, 226
	2-19 Remuneration policies	Corporate Governance Overview Statement	226
	2-20 Process to determine remuneration	Corporate Governance Overview Statement	226
	2-21 Annual total compensation ratio	NA	NA
	2-22 Statement on sustainable development strategy	Sustainability Statement by the Deputy PGCE	145-148 156-165 164-165
	2-23 Policy commitments	Key Policies and Frameworks	156-165
	2-24 Embedding policy commitments	– Key Policies and Frameworks – Refreshed PNB Sustainability Framework	156-225
	2-25 Processes to remediate negative impacts	Commitment 5: Labour Rights Policy	226 256-292 267
	2-26 Mechanisms for seeking advice and raising concerns	Corporate Governance Overview Statement	226 229-255
	2-27 Compliance with laws and regulations	Corporate Governance Overview Statement	226
	2-28 Membership associations	Our Collaborations & Affiliations	188
	2-29 Approach to stakeholder engagement	Stakeholder Engagement	64
	2-30 Collective bargaining agreements	NA	NA

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GRI STANDARD	DISCLOSURE	SECTION HEADINGS IN IR2025	LOCATION OF DISCLOSURES IN IR2025 (PAGE NUMBER)
Material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material Matters	78
	3-2 List of material topics	List of Material Matters: – 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	78
Climate Change			
GRI 3: Material Topics 2021	3-3 Management of material topics	Climate Change and Environmental Impact	166
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	PNB Enterprise emissions (tCO_2e): Scope 1	168
	305-2 Energy indirect (Scope 2) GHG emissions	PNB Enterprise emissions (tCO_2e): Scope 2	168
	305-3 Other indirect (Scope 3) GHG emissions	PNB Enterprise emissions (tCO_2e): Scope 3	168
Nature and Biodiversity			
GRI 3: Material Topics 2021	3-3 Management of material topics	Nature and Biodiversity	182-189
Environmental Impact			
GRI 3: Material Topics 2021	3-3 Management of material topics	Climate Change and Environmental Impact	166
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	PNB Enterprise emissions (tCO_2e): Scope 1	168
	305-2 Energy indirect (Scope 2) GHG emissions	PNB Enterprise emissions (tCO_2e): Scope 2	168
	305-3 Other indirect (Scope 3) GHG emissions	PNB Enterprise emissions (tCO_2e): Scope 3	168

GRI STANDARD	DISCLOSURE	SECTION HEADINGS IN IR2025	LOCATION OF DISCLOSURES IN IR2025 (PAGE NUMBER)
Data Privacy & Cybersecurity			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Matters – Data Privacy & Cybersecurity	79
Customer Experience & Satisfaction			
GRI 3: Material Topics 2021	3-3 Management of material topics	Enhancing Customer Experience	110
Social Impact			
GRI 3: Material Topics 2021	3-3 Management of material topics	Social Impact	209
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Infrastructure Investments	136-137
	203-2 Significant indirect economic impacts	Social Impact	209-223
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	Community Development	218-219
	413-2 Operations with significant actual and potential negative impacts on local communities	Community Development	218-219
Transparent Information & Fair Practice			
GRI 3: Material Topics 2021	3-3 Management of material topics	Corporate Governance Overview Statement	226
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Corporate Governance Overview Statement	266
	205-2 Communication and training about anti-corruption policies and procedures	Corporate Governance Overview Statement	265-268
	205-3 Confirmed incidents of corruption and actions taken	NA	NA
Technology & Innovation			
GRI 3: Material Topics 2021	3-3 Management of material topics	– Progressing Our Digital Transformation Journey – ASNB Unit Trust	110-111 141-142
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Our Value Creating Business Model	62-63
	203-1 Infrastructure investments and services supported	– Progressing Our Digital Transformation Journey – ASNB Unit Trust	110-111 141-143
	203-2 Significant indirect economic impacts	– Progressing Our Digital Transformation Journey – ASNB Unit Trust	110-111 141-143

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GRI STANDARD	DISCLOSURE	SECTION HEADINGS IN IR2025	LOCATION OF DISCLOSURES IN IR2025 (PAGE NUMBER)
Labour Rights			
GRI 3: Material Topics 2021	3-3 Management of material topics	Labour Rights	204-208
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Corporate Governance Overview Statement	234-235
Talent Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	Talent Management	193-201
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Championing Growth: People, Skills, and Leadership at PNB	194
	404-2 Programmes for upgrading employee skills and transition assistance programmes	Strengthening Talent Management & Leadership Development	196-199
Diversity, Equity & Inclusivity			
GRI 3: Material Topics 2021	3-3 Management of material topics	Diversity, Equity & Inclusivity	190-194
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Corporate Governance Overview Statement	234-235
Economic Performance			
GRI 3: Material Topics 2021	3-3 Management of material topics	How We Distribute Value Created	77
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Our Value Creating Business Model	62-63
Corporate Governance and Compliance			
GRI 3: Material Topics 2021	3-3 Management of material topics	Corporate Governance Overview Statement	226-293
Sustainable and Responsible Investing			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable and Responsible Investing	180-182
Supply Chain			
GRI 3: Material Topics 2021	3-3 Management of material topics	Supply Chain	208

IFRS S2 Content Index

IFRS code	IFRS S2 Disclosure	Section	Page Reference
S2	**Climate-related Disclosures**		
Governance			
6(a)(i)	the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about:(i) how responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s);	Sustainability Governance – Board's Role in ESG and Sustainability Oversight	153
6(a)(ii)	how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	Sustainability Governance – Board Capability and Training	155
6(a)(iii)	how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	Sustainability Governance – Board's Role in ESG and Sustainability Oversight	153
6(a)(iv)	how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; and	PNB is undertaking a structured review of IFRS S2 disclosure requirements, with ongoing efforts to incorporate these into the Integrated Report and establish appropriate internal controls to support compliance	
6(a)(v)	how the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities, and monitors progress towards those targets (see paragraphs 33–36), including whether and how related performance metrics are included in remuneration policies (see paragraph 29(g)).	Sustainability Governance – Board's Role in ESG and Sustainability Oversight	153
6(b)(i)	management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	Sustainability Governance – PNB Sustainability Governance Structure; Management and Committee Oversight	152-154
6(b)(ii)	whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Sustainability Governance – Management and Committee Oversight; Reporting and Monitoring Mechanisms	154-155

IFRS S2 Content Index

IFRS code	IFRS S2 Disclosure	Section	Page Reference
7	In preparing disclosures to fulfil the requirements in paragraph 6, an entity shall avoid unnecessary duplication in accordance with IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1).	Basis of Our Report – Adoption of the IFRS Sustainability Disclosure Standards and Transitional Provisions; Commitment 10: TCFD-aligned Disclosure	3 225
Strategy			
9(a)	the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects (see paragraphs 10–12);	PNB is undertaking a structured review of IFRS S2 disclosure requirements, with ongoing efforts to incorporate these into the Integrated Report and establish appropriate internal controls to support compliance	
9(b)	the current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain (see paragraph 13);		
9(c)	the effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its *climate-related transition plan* (see paragraph 14);		
9(d)	the effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long-term, taking into consideration how those climate-related risks and opportunities have been factored into the entity's financial planning (see paragraphs 15–21); and		
9(e)	the *climate resilience* of the entity's strategy and its business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities (see paragraph 22).		
Climate-related risks and opportunities			
10(a)	describe climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects;	PNB is undertaking a structured review of IFRS S2 disclosure requirements, with ongoing efforts to incorporate these into the Integrated Report and establish appropriate internal controls to support compliance	
10(b)	explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk;		
10(c)	specify, for each climate-related risk and opportunity the entity has identified, over which time horizons – short, medium or long-term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and		

IFRS code	IFRS S2 Disclosure	Section	Page Reference
10(d)	explain how the entity defines 'short term', 'medium term' and 'long-term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	PNB is undertaking a structured review of IFRS S2 disclosure requirements, with ongoing efforts to incorporate these into the Integrated Report and establish appropriate internal controls to support compliance	
12	In identifying the climate-related risks and opportunities that could reasonably be expected to affect an entity's prospects, the entity shall refer to and consider the applicability of the industry-based disclosure topics defined in the Industry-based Guidance on Implementing IFRS S2.		
Business model and value chain			
13(a)	a description of the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain; and	PNB is undertaking a structured review of IFRS S2 disclosure requirements, with ongoing efforts to incorporate these into the Integrated Report and establish appropriate internal controls to support compliance	
13(b)	a description of where in the entity's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).		
Strategy and decision-making			
14(a)(i)	information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the entity shall disclose information about:(i) current and anticipated changes to the entity's business model, including its resource allocation, to address climate-related risks and opportunities (for example, these changes could include plans to manage or decommission carbon-, energy- or water-intensive operations; resource allocations resulting from demand or supply-chain changes; resource allocations arising from business development through capital expenditure or additional expenditure on research and development; and acquisitions or divestments);	PNB is undertaking a structured review of IFRS S2 disclosure requirements, with ongoing efforts to incorporate these into the Integrated Report and establish appropriate internal controls to support compliance	
14(a)(ii)	current and anticipated direct mitigation and adaptation efforts (for example, through changes in production processes or equipment, relocation of facilities, workforce adjustments, and changes in product specifications);		
14(a)(iii)	current and anticipated indirect mitigation and adaptation efforts (for example, through working with customers and supply chains);		

IFRS S2 Content Index

IFRS code	IFRS S2 Disclosure	Section	Page Reference
14(a)(iv)	any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies; and	PNB is undertaking a structured review of IFRS S2 disclosure requirements, with ongoing efforts to incorporate these into the Integrated Report and establish appropriate internal controls to support compliance	
14(a)(v)	how the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets, described in accordance with paragraphs 33–36.		
14(b)	information about how the entity is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 14(a).		
14(c)	quantitative and qualitative information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 14(a).		
Financial position, financial performance and cash flows			
15(a)	the effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects); and	PNB is undertaking a structured review of IFRS S2 disclosure requirements, with ongoing efforts to incorporate these into the Integrated Report and establish appropriate internal controls to support compliance	
15(b)	the anticipated effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long-term, taking into consideration how climate-related risks and opportunities are included in the entity's financial planning (anticipated financial effects).		
16(a)	how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period;		
16(b)	the climate-related risks and opportunities identified in paragraph 16(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements;		
16(c)	how the entity expects its financial position to change over the short, medium and long-term, given its strategy to manage climate-related risks and opportunities, taking into consideration:(i) its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas, and asset retirements), including plans the entity is not contractually committed to; and (ii) its planned sources of funding to implement its strategy; and		

IFRS code	IFRS S2 Disclosure	Section	Page Reference
16(d)	how the entity expects its financial performance and cash flows to change over the short, medium and long-term, given its strategy to manage climate-related risks and opportunities (for example, increased revenue from products and services aligned with a lower-carbon economy; costs arising from physical damage to assets from climate events; and expenses associated with climate adaptation or mitigation).	PNB is undertaking a structured review of IFRS S2 disclosure requirements, with ongoing efforts to incorporate these into the Integrated Report and establish appropriate internal controls to support compliance	
21(a)	If an entity determines that it need not provide quantitative information about the current or anticipated financial effects of a climate-related risk or opportunity applying the criteria set out in paragraphs 19–20, the entity shall: (a) explain why it has not provided quantitative information;		
21(b)	(b) provide qualitative information about those financial effects, including identifying line items, totals and subtotals within the related financial statements that are likely to be affected, or have been affected, by that climate-related risk or opportunity;		
21(c)	(c) provide quantitative information about the combined financial effects of that climate-related risk or opportunity with other climate-related risks or opportunities and other factors unless the entity determines that quantitative information about the combined financial effects would not be useful.		
Climate resilience			
22(a)(i)	the implications, if any, of the entity's assessment for its strategy and business model, including how the entity would need to respond to the effects identified in the climate-related scenario analysis;	PNB is undertaking a structured review of IFRS S2 disclosure requirements, with ongoing efforts to incorporate these into the Integrated Report and establish appropriate internal controls to support compliance	
22(a)(ii)	the significant areas of uncertainty considered in the entity's assessment of its climate resilience;		
22(a)(iii)	the entity's capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long-term, including;		
22(b)	how and when the climate-related scenario analysis was carried out;		

IFRS S2 Content Index

IFRS code	IFRS S2 Disclosure	Section	Page Reference
22(b)(i)	information about the inputs the entity used, including:(1) which climate-related scenarios the entity used for the analysis and the sources of those scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the entity used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the entity decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) the time horizons the entity used in the analysis; and (7) what scope of operations the entity used in the analysis (for example, the operating locations and business units used in the analysis);	PNB is undertaking a structured review of IFRS S2 disclosure requirements, with ongoing efforts to incorporate these into the Integrated Report and establish appropriate internal controls to support compliance	
22(b)(ii)	the key assumptions the entity made in the analysis, including assumptions about:(1) climate-related policies in the jurisdictions in which the entity operates; (2) macroeconomic trends; (3) national- or regional-level variables (for example, local weather patterns, demographics, land use, infrastructure and availability of natural resources); (4) energy usage and mix; and (5) developments in technology; and		
22(b)(iii)	the reporting period in which the climate-related scenario analysis was carried out (see paragraph B18).		
23	In preparing disclosures to meet the requirements in paragraphs 13–22, an entity shall refer to and consider the applicability of cross-industry metric categories, as described in paragraph 29, and industry-based metrics associated with disclosure topics defined in the Industry-based Guidance on Implementing IFRS S2 as described in paragraph 32.		

IFRS code	IFRS S2 Disclosure	Section	Page Reference
Risk management			
25(a)	the processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks, including information about:	Managing Our Climate Risks and Opportunities	176-179
25(a)(i)	(i) the inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes);	PNB is undertaking a structured review of IFRS S2 disclosure requirements, with ongoing efforts to incorporate these into the Integrated Report and establish appropriate internal controls to support compliance	
25(a)(ii)	(ii) whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks;		
25(a)(iii)	(iii) how the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria);		
25(a)(iv)	(iv) whether and how the entity prioritises climate-related risks relative to other types of risk;	Managing Our Climate Risks and Opportunities	176-179
25(a)(v)	(v) how the entity monitors climate-related risks; and	PNB is undertaking a structured review of IFRS S2 disclosure requirements, with ongoing efforts to incorporate these into the Integrated Report and establish appropriate internal controls to support compliance	
25(a)(vi)	(vi) whether and how the entity has changed the processes it uses compared with the previous reporting period;	Managing Our Climate Risks and Opportunities	176-179
25(b)	the processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities; and		176-179
25(c)	the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.		176-179
26	In preparing disclosures to fulfil the requirements in paragraph 25, an entity shall avoid unnecessary duplication in accordance with IFRS S1 (see paragraph B42(b) of IFRS S1).	PNB is undertaking a structured review of IFRS S2 disclosure requirements, with ongoing efforts to incorporate these into the Integrated Report and establish appropriate internal controls to support compliance	

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IFRS code	IFRS S2 Disclosure	Section	Page Reference
Metrics and targets			
Climate-related metrics			
29(a)(i)	disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO2 equivalent (see paragraphs B19–B22), classified as: (1) Scope 1 greenhouse gas emissions; (2) Scope 2 greenhouse gas emissions; and (3) Scope 3 greenhouse gas emissions;	Our Sustainability Progress – Commitment 1: Net Zero Enterprise by 2025	166-173
29(a)(ii)	measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions (see paragraphs B23–B25); When an entity discloses its greenhouse gas emissions measured in accordance with another method, applying paragraphs 29(a)(ii), B24–B25 or C4(a), the entity shall disclose: (a) the applicable method and measurement approach the entity uses to determine its greenhouse gas emissions; and (b) the reason, or reasons, for the entity's choice of method and measurement approach and how that approach relates to the disclosure objective in paragraph 27.	Our Sustainability Progress – Commitment 1: Net Zero Enterprise by 2025	166-173
29(a)(iii)	disclose the approach it uses to measure its greenhouse gas emissions (see paragraphs B26–B29) including: (1) the measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions; (2) the reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (3) any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	PNB is undertaking a structured review of IFRS S2 disclosure requirements, with ongoing efforts to incorporate these into the Integrated Report and establish appropriate internal controls to support compliance	
29(a)(iv)	for Scope 1 and Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(1)–(2), disaggregate emissions between: (1) the consolidated accounting group (for example, for an entity applying IFRS Accounting Standards, this group would comprise the parent and its consolidated subsidiaries); and (2) other investees excluded from paragraph 29(a)(iv)(1) (for example, for an entity applying IFRS Accounting Standards, these investees would include associates, joint ventures and unconsolidated subsidiaries);		

IFRS code	IFRS S2 Disclosure	Section	Page Reference
29(a)(v)	for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(2), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions (see paragraphs B30–B31); and	PNB is undertaking a structured review of IFRS S2 disclosure requirements, with ongoing efforts to incorporate these into the Integrated Report and establish appropriate internal controls to support compliance	
29(a)(vi)	for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(3), and with reference to paragraphs B32–B57, disclose: (1) the categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011); and (2) additional information about the entity's Category 15 greenhouse gas emissions or those associated with its investments (financed emissions), if the entity's activities include asset management, commercial banking or insurance (see paragraphs B58–B63);		
29(b)	climate-related transition risks – the amount and percentage of assets or business activities vulnerable to climate-related transition risks;		
29(c)	climate-related physical risks – the amount and percentage of assets or business activities vulnerable to climate-related physical risks;		
29(d)	climate-related opportunities – the amount and percentage of assets or business activities aligned with climate-related opportunities;		
29(e)	capital deployment – the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities;		
29(f)(i)	internal carbon prices – the entity shall disclose: an explanation of whether and how the entity is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis); and	Application of Internal Carbon Pricing (ICP)	176
29(f)(ii)	the price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions;	PNB is undertaking a structured review of IFRS S2 disclosure requirements, with ongoing efforts to incorporate these into the Integrated Report and establish appropriate internal controls to support compliance	
29(g)(i)	remuneration – the entity shall disclose: a description of whether and how climate-related considerations are factored into executive remuneration (see also paragraph 6(a)(v)); and		

IFRS S2 Content Index

IFRS code	IFRS S2 Disclosure	Section	Page Reference
29(g)(ii)	the percentage of executive management remuneration recognised in the current period that is linked to climate-related considerations.	PNB is undertaking a structured review of IFRS S2 disclosure requirements, with ongoing efforts to incorporate these into the Integrated Report and establish appropriate internal controls to support compliance	
Climate-related targets			
32	An entity shall disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the entity discloses, the entity shall refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the Industry-based Guidance on Implementing IFRS S2.	• 2025 Sustainability Highlights • Our Sustainability Progress – Commitment 1: Net Zero Enterprise by 2025 • Our Sustainability Progress – Commitment 2: Net Zero Portfolio by 2050	149 166-173 174-179
33	An entity shall disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the entity shall disclose:	• Our Sustainability Progress – Commitment 1: Net Zero Enterprise by 2025 • Our Sustainability Progress – Commitment 2: Net Zero Portfolio by 2050	166-173 174-179
33(a)	the metric used to set the target (see paragraphs B66–B67);	PNB is undertaking a structured review of IFRS S2 disclosure requirements, with ongoing efforts to incorporate these into the Integrated Report and establish appropriate internal controls to support compliance	
33(b)	the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);		
33(c)	the part of the entity to which the target applies (for example, whether the target applies to the entity in its entirety or only a part of the entity, such as a specific business unit or specific geographical region);		
33(d)	the period over which the target applies;		
33(e)	the base period from which progress is measured;		
33(f)	any milestones and interim targets;		
33(g)	if the target is quantitative, whether it is an absolute target or an intensity target; and		
33(h)	how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.		

IFRS code	IFRS S2 Disclosure	Section	Page Reference
34	An entity shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	• Our Sustainability Progress – Commitment 1: Net Zero Enterprise by 2025 • Our Sustainability Progress – Commitment 2: Net Zero Portfolio by 2050	166-173 174-179
34(a)	whether the target and the methodology for setting the target has been validated by a third party;	The targets were not validated by a third party.	
34(b)	the entity's processes for reviewing the target;	• Our Sustainability Progress – Commitment 1: Net Zero Enterprise by 2025 • Our Sustainability Progress – Commitment 2: Net Zero Portfolio by 2050	166-173 174-179
34(c)	the metrics used to monitor progress towards reaching the target; and		166-173 174-179
34(d)	any revisions to the target and an explanation for those revisions.		166-173 174-179
35	An entity shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance.		166-173 174-179
36(a)	which greenhouse gases are covered by the target.	PNB is undertaking a structured review of IFRS S2 disclosure requirements, with ongoing efforts to incorporate these into the Integrated Report and establish appropriate internal controls to support compliance	
36(b)	whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target.		
36(c)	whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target (see paragraphs B68–B69).		
36(d)	whether the target was derived using a sectoral decarbonisation approach.		
36(e)	the entity's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits the entity shall disclose information including, and with reference to paragraphs B70–B71:	Offset: Investing in High-Quality Carbon Offsets to Address Residual Hard-to-Abate Emissions	172-173
36(e)(i)	the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	PNB is undertaking a structured review of IFRS S2 disclosure requirements, with ongoing efforts to incorporate these into the Integrated Report and establish appropriate internal controls to support compliance	
36(e)(ii)	which third-party scheme(s) will verify or certify the carbon credits;		

IFRS S2 Content Index

IFRS code	IFRS S2 Disclosure	Section	Page Reference
36(e)(iii)	the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	PNB is undertaking a structured review of IFRS S2 disclosure requirements, with ongoing efforts to incorporate these into the Integrated Report and establish appropriate internal controls to support compliance	
36(e)(iv)	any other factors necessary for users of general purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use (for example, assumptions regarding the permanence of the carbon offset).		
S2.B56(a)	As part of the requirement in paragraph 29(a)(iii), and to reflect how an entity prioritises Scope 3 data in accordance with the measurement framework set out in paragraphs B40–B54, the entity shall disclose information that enables users of general purpose financial reports to understand: the extent to which the entity's Scope 3 greenhouse gas emissions are measured using inputs from specific activities within the entity's value chain;	Our Sustainability Progress – Commitment 2: Net Zero Portfolio by 2050	174-179
S2.B56(b)	the extent to which the entity's Scope 3 greenhouse gas emissions are measured using inputs that are verified.	PNB is undertaking a structured review of IFRS S2 disclosure requirements, with ongoing efforts to incorporate these into the Integrated Report and establish appropriate internal controls to support compliance	

UNGC 10 Principles Content Index

UNGC 10 Principle		Page Reference
Human Rights	**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and	Labour Rights, pg. 211-214
	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;	
	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.	Commitment 6: 40% Women in PNB Leadership by 2025, pg. 199-201
Environment	**Principle 7:** Businesses should support a precautionary approach to environmental challenges;	Commitment 1: Net Zero Enterprise by 2025, pg. 172-178; Commitment 2: Net Zero Portfolio by 2050, pg. 180-186; Nature and Biodiversity, pg. 193-197
	Principle 8: Undertake initiatives to promote greater environmental responsibility; and	
	Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	Scaling Up Investments into Green and Transition Assets, pg. 187-190
Anti-Corruption	**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.	Anti-Bribery and Anti-Corruption Statement, pg. 273-275

SASB Content Index – Asset Management and Custody Activities

Topic	Code	Metric	Page Reference
Transparent Information & Fair Advice for Customers	FN-AC-270a.1	(1) Number of licensed employees and identified decision-makers with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	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
		(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.2	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	None
	FN-AC-270a.3	Description of approach to informing customers about products and services	What We Offer: Our Products & Services, pg. 7–18
Employee Diversity & Inclusion	FN-AC-330a.1	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) professionals, and (d) all other employees	Board Composition, pg. 49; Sustainability Highlights, pg. 155; Our Sustainability Progress – Social/Commitment 6: 40% Women in PNB Leadership by 2025, pg. 199-201
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	FN-AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing and (3) screening	Sustainable and Responsible Investing – Investment in Green and Transition Assets; Integration of ESG Factors into Investment Decision-Making; ESG Assessments in Pre-Investment Due Diligence, pg. 187–190
	FN-AC-410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment or wealth management processes and strategies	Sustainable and Responsible Investing – Integration of ESG Factors into Investment Decision-Making; ESG Assessments in Pre-Investment Due Diligence, pg. 188–190
	FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	Our Sustainability Progress – Governance/Transparent Information and Fair Practice/ Commitment 9: Transparency in Voting/Responsible Stewardship and Shareholder Engagement, pg. 230–232

Topic	Code	Metric	Page Reference
Financed Emissions	FN-AC-410b.1	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	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.
	FN-AC-410b.2	Total amount of assets under management (AUM) included in the financed emissions disclosure	
	FN-AC-410b.3	Percentage of total assets under management (AUM) included in the financed emissions calculation	
	FN-AC-410b.4	Description of the methodology used to calculate financed emissions	
Business Ethics	FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	None
	FN-AC-510a.2	Description of whistleblower policies and procedures	Anti-Bribery and Anti-Corruption Statement, pg. 273–275

PNB

Sustainability Data, Methodology, and Assurance Statement

2025



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PNB Sustainability Data, Methodology, and Assurance Statement

Introduction and Metrics Covered

In 2026, PNB obtained limited assurance on the following metrics covering selected Greenhouse Gas ("GHG") emissions and our RM10 billion Green and Transition Investing. The metrics covered in the assurance exercise for the GHG emissions limited assurance exercise are detailed below:

Metrics Covered in Limited Assurance	Entities / Scope	Period
a. Energy use in PNB Enterprise business operations b. Scope 1 and Scope 2 (market-based and location-based) emissions c. Scope 3 Category 7 (employee commuting)	i. Permodalan Nasional Berhad (17 floors occupied in Menara Merdeka 118) ii. Amanah Saham Nasional Berhad ("ASNB") and 32 ASNB branches in Malaysia iii. PNB Research Institute Sdn. Berhad iv. PNB (UK) Limited Collectively "PNB Enterprise"	January 1, 2025 to December 31, 2025
d. Scope 3 Category 5 (waste generated in operations)	i. Permodalan Nasional Berhad (17 floors occupied in Menara Merdeka 118)	
e. RM10 billion Green and Transition Investing progress	i. Primary issuance of listed equities (IPO) ii. Fixed income iii. Private Market iv. Real Estate	

PNB adopts the operational control approach in assessing and preparing our operational boundary. PNB Operationally Segregated Subsidiaries ("OSS") covering PNB Commercial Sdn. Berhad, PNB Development Sdn. Berhad, Attana Hospitality and Resorts, PNB Merdeka Ventures Sdn. Berhad, and Pelaburan Hartanah Nasional Berhad are excluded from PNB Enterprise emission boundaries, and are measured and reported separately in PNB's Scope 3 Category 15 emissions.

PNB's GHG Inventory Methodology considers the seven GHGs under Kyoto Protocol, which are CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, and NF_3. However, only the first four GHGs are considered relevant to PNB Enterprise operations.

Methodology

Scope 1: Stationary Combustion, Mobile Combustion and Fugitive Emissions

Emission source	Stationary combustion	Mobile combustion	Fugitive emissions
Description	Fuel used in generators and similar equipment	Fuel consumed by company vehicles such as cars, vans or other vehicles	Annual fire extinguisher refill data and annual refrigerant refill data for the reporting period
Calculation approach	Σ fuel consumed (L) × emission factor ($kgCO_2e/L$) Σ fuel consumed (L) × emission factor ($kgCO_2e/L$)	Σ fuel consumed (L) × emission factor ($kgCO_2e/L$)	Σ refrigerant top-up × refrigerant-specific GWP
Data source	Fuel purchase records	Vehicle fuel purchase records, claims or fleet records	Maintenance and service records
Key assumptions	-	-	Refrigerant top-ups are treated as leakage in the reporting year

In calculating PNB Enterprise Scope 1 emissions data, emission factors from the following databases have been utilised:

1. IPCC Global Warming Potential Values, Greenhouse Gas Protocol, 2024; and
2. UK GHG Conversion Factors 2025, Department for Energy Security and Net Zero, Government of UK.

Scope 2: Purchased Electricity (Location-based)

Item	Details
Description	Indirect GHG emissions from purchased electricity consumed across PNB Enterprise's operations
Calculation	Σ electricity consumed (kWh) × applicable electricity emission factor ($kgCO_2e/kWh$)
Data Sources	Actual monthly consumption taken from electricity bills
Location-based approach	Uses grid-average emission factor for electricity consumed in the relevant geography (Peninsular Malaysia, Sabah, Sarawak, and United Kingdom)
Shared offices	Electricity consumption is pro-rated by net lettable area or another reasonable allocation basis where direct metering is unavailable
Key assumptions	For ASNB branches, electricity bills that cover a billing period spanning two calendar months are attributed to the month in which the billing period ends. For example, a bill covering 15 January 2025 to 14 February 2025 is recorded as February electricity consumption.

In calculating PNB Enterprise Scope 2 (location-based) emissions data, emission factors from the following databases have been utilised:

1. Grid Emission Factor in Malaysia, 2017 – 2022; and
2. UK GHG Conversion Factors 2025, Department for Energy Security and Net Zero, Government of UK.

Scope 2: Purchased Electricity (Market-based)

Item	Details
Description	Indirect GHG emissions from purchased electricity consumed across PNB Enterprise's operations utilising market-based instruments
Calculation approach	Σ electricity consumed (kWh) × applicable REC emission factor ($kgCO_2e/kWh$)
Data Sources	Actual monthly consumption taken from electricity bills
Market-based approach	Emission reflects the contractual instruments or renewable energy attributes, supported by appropriate documentation
Key assumptions	-

PNB Enterprise Scope 2 market-based emissions data utilise the carbon emission factor (CO_2/MWh) indicated on the Solar Renewable Energy Certificates ("RECs") redeemed for 2025 electricity consumption for Malaysian operations, and wind and solar electricity certifications for PNB UK.

Scope 3 Category 7: Employee Commuting

Item	Details
Description	Emissions from the transportation of employees between their homes and their worksites
Calculation approach	For each employee: 2-ways commute distance (km) × commute frequency × emission factor according to mode of transportation
Data Sources	Employee commuting survey and headcount data according to division
Key assumptions	a. No. of survey responses are extrapolated to represent number of employees per division. b. Average annual days is calculated by multiplying each respondent's self-reported commuting days per week by 49 working weeks.

In deriving the 49-working week, we accounted for:

a. 52 calendar weeks in a year, less 21 days to account for non-commuting days.
b. The deduction of 21 days is based on the Employment Act 1955, Section 60D, which mandates 11 gazetted public holidays, and Section 60E, which sets out minimum annual leave entitlements of 8 to 16 days depending on length of service.

For the calculation of Employee Commuting emissions for PNB Enterprise, emission factors used are sourced from:

1. UK GHG Conversion Factors 2025, Department for Energy Security and Net Zero, Government of UK; and
2. The New Zealand Ministry of the Environment (MfE) 2025.

Scope 3 Category 5: Waste Generated in Operations

Item	Details
Description	Emissions arising from the disposal and treatment of waste generated from PNB Enterprise's operations in Menara Merdeka 118 only
Calculation approach	Waste quantity (tonnage) × disposal-specific emission factor
Description	Emissions from third-party waste disposal and treatment
Data source	Waste records, recycling weight data, facility management data
Key assumptions	a. Between January to July 2025, total waste generated at Merdeka 118 attributed to PNB Enterprise as the sole tenant; and b. Between August to December 2025, waste generated were apportioned based on PNB Enterprise's occupancy of 17 out of 34 floors tenanted in Merdeka 118.

Emissions factors used for calculating emissions from Scope 3 Category 5: Waste generated in operations are sourced from:

1. UK GHG Conversion Factors 2025, Department for Energy Security and Net Zero, Government of UK; and
2. GHG Emission Factors Hub 2025, United States Environmental Protection Agency.

RM10 billion Green and Transition Deployment Progress

PNB developed its in-house Internal Green Taxonomy to classify investments to be tracked under RM10 billion in Green and Transition Assets commitment. Our commitment includes assets within multiple asset classes including Primary Issuances of Listed Equities, Fixed Income, Private Market and Real Estate investments.

The classification of these assets will mainly rely on their alignment to any one of the five Green Principles in our Internal Green Taxonomy, which are:

No.	Green Principles	Definition
1.	Climate Change Adaptation	Measures to reduce the extent of physical risks from climate change
2.	Climate Change Mitigation	Measures to improve readiness towards a Low Carbon World
3.	Pollution Prevention	Activities to reduce and abate pollution to the environment
4.	Circular Economy & Efficient Use of Resources	Effort to reduce primary raw materials usage
5.	Preservation of Marine Life, Biodiversity, and the Ecosystems	Measures to achieve good, environmental condition and to prevent harm

For Sustainability-Linked Fixed Income issuances, the assets will be tracked if more than 50% of their KPIs align with our Green Principles.

In addition, assets within the following categories will be automatically qualified:

a. Green and Transition Bonds; and
b. Article 8 or 9 Sustainable Finance Disclosure Regulation (SFDR) aligned Funds.

We track and update new deployments every quarter. Given that PNB invests in both global and domestic assets, the foreign exchange assumptions used are as follows:

a. If a specific foreign exchange figure is provided for a specific investment, this figure will be applied to the asset at inclusion and throughout the full deployment pipeline; or
b. If no foreign exchange figure is provided, the exchange rate used will be the rate at the end of the inclusion quarter of each asset and applied throughout their deployment pipeline.

Details of the funds deployment made under each of the asset class are listed on Page 10.

Assured Sustainability Data

Our assured sustainability data in from the period of January 1, 2025, to December 31, 2025, are detailed below.

PNB Enterprise Emission Data

Item	Details
Scope 1 Stationary Combustion	7.18 tCO_2e
Scope 1 Mobile Combustion	75.24 tCO_2e
Scope 1 Fugitive Emissions	233.36 tCO_2e
Total Scope 1 Emissions	**315.77 tCO_2e**
Total Electricity Consumed	**3,207,955.49 kWh**
a) Malaysia operations	3,164,979.49 kWh
b) PNB UK Office	42,976 kWh
Total Scope 2 Emissions (location-based)	**2,188.19 tCO_2e**
a) Malaysia operations	2,180.59 tCO_2e
b) PNB UK Office	7.61 tCO_2e
Total RECs redeemed (1 REC = 1 MWh of solar/wind electricity used)	3,208 RECs
Total Scope 2 Emissions (market-based)	**0 tCO_2e**
Scope 3 Category 7: Employee Commuting	**2,452.53 tCO_2e**
Scope 3 Category 5: Waste Generated from PNB-occupied floors in Merdeka 118	**98.94 tCO_2e**

RM10 billion Green and Transition Deployment Progress (as at 31st December 2025)

Item		Amount deployed
a)	Primary issuance of listed equities (IPO)	RM64 million
b)	Fixed income	RM3,993 million
c)	Private Market	RM938 million
d)	Real Estate	RM3,133 million
Total		**RM8,128 million**

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To the Board of Directors of Permodalan Nasional Berhad

Independent Limited Assurance Statement on Selected Sustainability Indicators for Permodalan Nasional Berhad

Scope

We have been engaged by Permodalan Nasional Berhad ("PNB") to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on PNB's selected subject matters (the "Subject Matter") contained in PNB's (the "Company's") Sustainability Data, Methodology and Assurance Statement as of 30 June 2026 for the year ended 31 December 2025 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Subject Matter

Our limited assurance engagement was performed for the selected Subject Matter listed in the table below, as presented in the Report.

Subject Matter	Criteria	Reported value	Scope
Greenhouse gas ("GHG") Scope 1	GRI 305-1 Direct (Scope 1) GHG Emissions	315.77 tonnes of CO_2e	• PNB • Amanah Saham Nasional Berhad and branches • PNB Research Institute Sdn. Berhad • PNB (UK) Limited
GHG Scope 2	GRI 305-2 Energy indirect (Scope 2) GHG Emission	Location-based: 2,188.19 tonnes of CO_2e Market-based: 0 tonnes of CO_2e	
GHG Scope 3: Category 7: Employee commuting	GRI 305-3 Other indirect (Scope 3) GHG emissions	2,452.53 tonnes of CO_2e	
GHG Scope 3: Category 5: Waste generated in operations	GRI 305-3 Other indirect (Scope 3) GHG emissions	98.94 tonnes of CO_2e	• PNB (HQ) • ASNB (HQ) • PNB Research Institute Sdn. Berhad

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Subject Matter	Criteria	Reported value	Scope
PNB RM10 Billion Green and Transition Investing Progress	PNB internal green taxonomy, as set out in page 8 of the PNB Sustainability Data, Methodology and Assurance Statement 2025	RM 8,128.12 million	• Primary Issuance of Listed Equities (IPO) • Fixed Income • Private Market (Direct and Funds) • Real Estate (Direct and Funds)

Criteria applied by PNB

In preparing the Subject Matter, PNB applied the Global Reporting Initiative ("GRI") Sustainability Reporting Standards, GHG Protocol and PNB's relevant policies and procedures (the "Criteria").

PNB's responsibilities

PNB's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000 (Revised)') and *International Standard for Assurance Engagements on Greenhouse Gas Statements* ('ISAE 3410'), and the terms of reference for this engagement as agreed with PNB on 12 June 2026. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants, and have the required competencies and experience to conduct this assurance engagement.

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EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- Conducted interviews with personnel to understand the business and reporting process
- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the Subject Matter during the reporting period
- Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria
- Undertook analytical procedures of the data and made inquiries of management to obtain explanations for any significant differences we identified
- Analytical procedures and inspection of documents on a sample basis with respect to the compilation and reporting of the Subject Matter
- Reviewed appropriateness of assumptions used in preparation of the Subject Matter
- Tested, on a sample basis, underlying source information to check the accuracy of the data
- Checked that measurements made at the end of the reporting period are timely entered in the records and the Report

We also performed such other procedures as we considered necessary in the circumstances.

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Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter as of 30 June 2026 for the year ended 31 December 2025, in order for it to be in accordance with the Criteria.

Restricted use

This report is intended solely for the information and use of PNB and is not intended to be and should not be used by anyone other than those specified parties.



Ernst & Young PLT
30 June 2026
Kuala Lumpur, Malaysia

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