



CREATING VALUE FOR A BETTER FUTURE

ANNUAL REPORT 2020

CREATING VALUE FOR A BETTER FUTURE

PNB is focused on upholding our mandate of enhancing the wealth of our unit holders - a promise that has been consistently fulfilled since our inception.

In an ever-changing landscape, PNB introduced the Strategic Plan for 2020-2022, also known as “Focus 4”, to prioritise crucial high-impact areas that will drive the company to achieving our goal of becoming a distinctive world class investment house.

As a long-term investor, PNB seeks to unlock and create sustainable value for the benefit of all our stakeholders. PNB believes in the importance of nation-building and shaping a better tomorrow for future generations.



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dr. Zeti Akhtar Aziz
Group Chairman

**Encik Ahmad
Zulqarnain Onn**
President &
Group Chief Executive (PGCE)
(Appointed with effect from
1 July 2020)

**Dato' Asri bin Hamidin @
Hamidon**
(Appointed with effect from
23 July 2020)

Tan Sri Datuk Zainun binti Ali

**Datuk Dr. Mohd. Yaakub
bin Haji Johari**

**Datu Haji Soedirman
bin Haji Aini**

**Dato Dr. Nik Ramlah binti
Nik Mahmood**

Dato' Johan bin Ariffin

RESIGNATION OF DIRECTORS

**Encik Abdul Jalil bin Abdul
Rasheed**
(Resigned as Director and PGCE with
effect from 16 June 2020)

**Tan Sri Datuk Ahmad Badri
bin Mohd. Zahir**
(Resigned with effect from
1 May 2020)

INVESTMENT COMMITTEE

Tan Sri Dr. Zeti Akhtar Aziz
Chairman

Encik Ahmad Zulqarnain Onn
(Appointed with effect from 6 July 2020)

Datuk Seri Dr. Nik Norzrul Thani bin
N. Hassan Thani

Datuk Dr. Mohd. Daud bin Bakar

Dato' Johan bin Ariffin

Encik Abdul Jalil bin Abdul Rasheed
(Resigned with effect from 16 June 2020)

PROPERTY INVESTMENT COMMITTEE

Tan Sri Dr. Zeti Akhtar Aziz
Chairman

Encik Ahmad Zulqarnain Onn
(Appointed with effect from 6 July 2020)

Datuk Seri Dr. Nik Norzrul Thani
bin N. Hassan Thani

Datuk Dr. Mohd. Daud bin Bakar

Dato' Johan bin Ariffin

Encik Abdul Jalil bin Abdul Rasheed
(Resigned with effect from 16 June 2020)

NOMINATION AND REMUNERATION COMMITTEE

Tan Sri Dr. Zeti Akhtar Aziz
Chairman

Datuk Dr. Mohd. Yaakub bin Haji Johari

Datu Haji Soedirman bin Aini

Tan Sri Ahmad Badri bin Mohd. Zahir
(Resigned with effect from 25 November 2019)

APPEALS COMMITTEE

Tan Sri Datuk Zainun binti Ali
Chairman

Datuk Dr. Mohd. Yaakub bin Haji Johari

Datu Haji Soedirman bin Aini

Dato Dr. Nik Ramlah binti Nik Mahmood
(Appointed with effect from 7 December 2020)

Tan Sri Ahmad Badri bin Mohd. Zahir
(Resigned with effect from 1 May 2020)

COMPLIANCE COMMITTEE

Tan Sri Datuk Zainun binti Ali
Chairman

Encik Ahmad Zulqarnain Onn
(Appointed with effect from 6 July 2020)

Dato Dr. Nik Ramlah binti Nik Mahmood

Encik Abdul Jalil bin Abdul Rasheed
(Resigned with effect from 16 June 2020)

AUDIT COMMITTEE

Datuk Mohd. Anwar bin Yahya
Chairman

Datuk Seri Dr. Nik Norzrul Thani
bin N. Hassan Thani

Dato Dr. Nik Ramlah binti Nik Mahmood

RISK MANAGEMENT COMMITTEE

Dato Dr. Nik Ramlah binti Nik Mahmood
Chairman

Datuk Seri Dr. Nik Norzrul Thani
bin N. Hassan Thani

Datuk Mohd. Anwar bin Yahya

TENDER COMMITTEE

Datuk Seri Dr. Nik Norzrul Thani
bin N. Hassan Thani
Chairman

Encik Ahmad Zulqarnain Onn
(Appointed on 25 August 2020)

Dato Dr. Nik Ramlah binti Nik Mahmood

Encik Abdul Jalil bin Abdul Rasheed
(Resigned with effect from 16 June 2020)

SHARIAH ADVISORY COMMITTEE

Datuk Dr. Mohd. Daud bin Bakar
Chairman

Tan Sri Dato' Seri (Dr.) Haji Harussani
bin Haji Zakaria

Dato' Haji Mohamad Shukri bin Mohamad

Dato' As-Sheikh Haji Nooh bin Gadot

Prof. Emeritus Dato' Dr. Mahmood Zuhdi
bin Ab. Majid

Dr. Aida binti Othman

Dato' Idris bin Kechot

REGISTERED OFFICE

Permodalan Nasional Berhad
Level 4, Balai PNB
201-A, Jalan Tun Razak
50400 Kuala Lumpur
Tel: 03 2050 5500
Fax: 2050 5268

AUDITORS

Ernst & Young PLT

BANKERS

Maybank Islamic Berhad
Malayan Banking Berhad

WHO WE ARE



Holder of Capital Markets Services Licence for Fund Management



Licensed Unit Trust Management Company

FIXED PRICE UNIT TRUST FUNDS



- ASB
- ASB 2
- ASB DIDIK 3



- ASM
- ASM 2 WAWASAN
- ASM 3

VARIABLE PRICE UNIT TRUST FUNDS



- ASN
- ASN IMBANG 1
- ASN IMBANG 2
- ASN IMBANG 3 GLOBAL
- ASN EQUITY 2
- ASN EQUITY 3
- ASN EQUITY 5
- ASN SARA 1
- ASN SARA 2



VISION

To be a Distinctive World Class Investment House

MISSION

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

FOCUS 4

OUTLINES THE FOLLOWING HIGH IMPACT AREAS:

- 1 Diversification**
 Continuing our diversification efforts across all asset classes and geographies
- 2 Value Creation**
 Increasing the value of our Strategic and Core Companies
- 3 Risk Management**
 Enhancing our approach to risk management and undertaking key initiatives to establish a strong risk culture
- 4 Organisational Transformation**
 Improving our core systems and enhancing services to unit holders through accelerated digital initiatives

VALUES

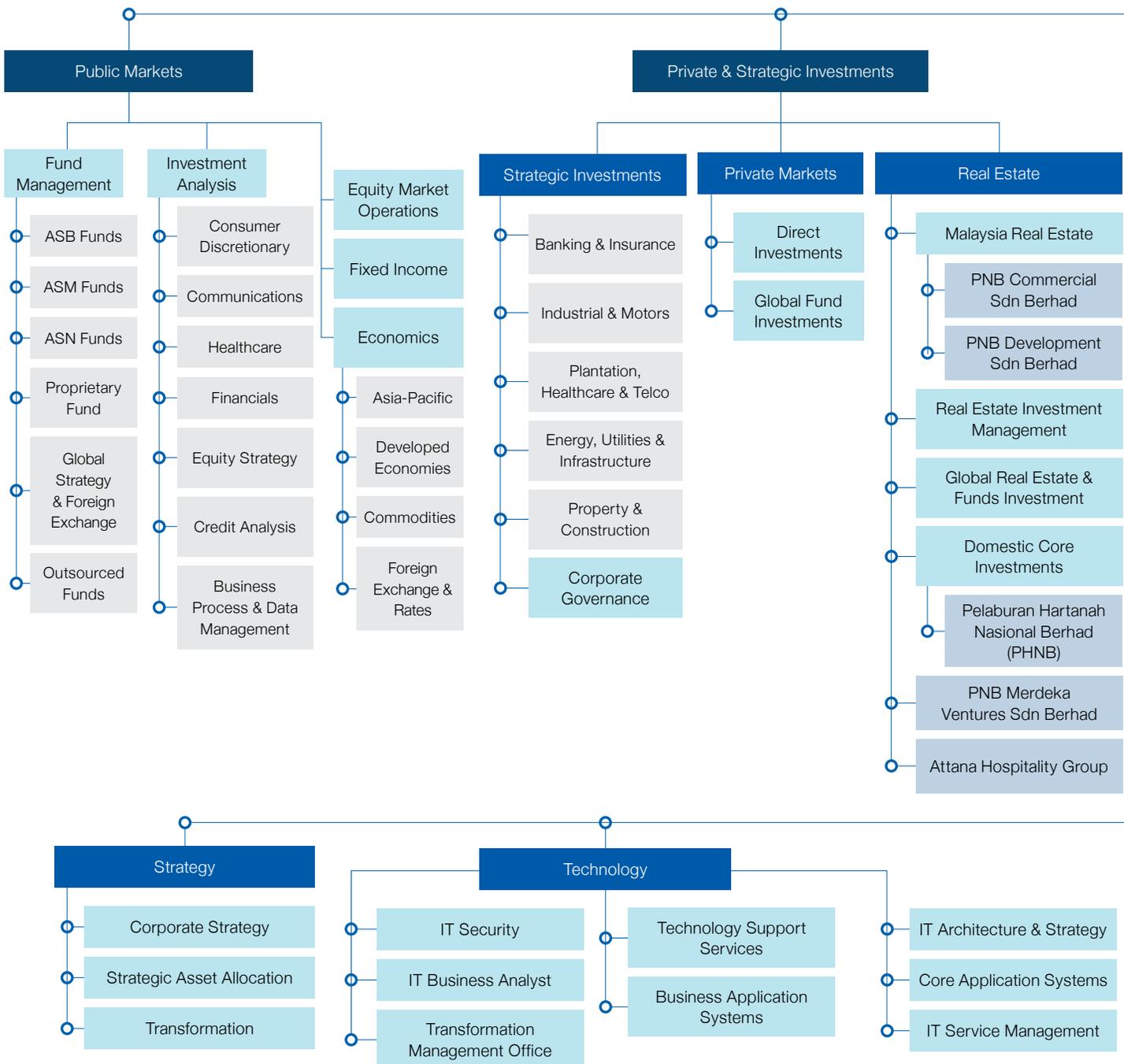
P Prudence
 We exercise prudence and do not compromise on integrity in safeguarding the wealth of our unit holders

A Adaptability
 We strive to develop adaptability and nimble ways of working to suit the constantly changing environment

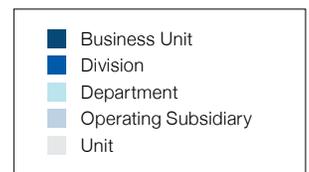
C Collaboration
 We cultivate a culture of collaboration, mutual respect and empowerment in achieving our shared aspirations

E Excellence
 We continually strive to achieve excellence through competent execution of our mandate

ORGANISATION STRUCTURE



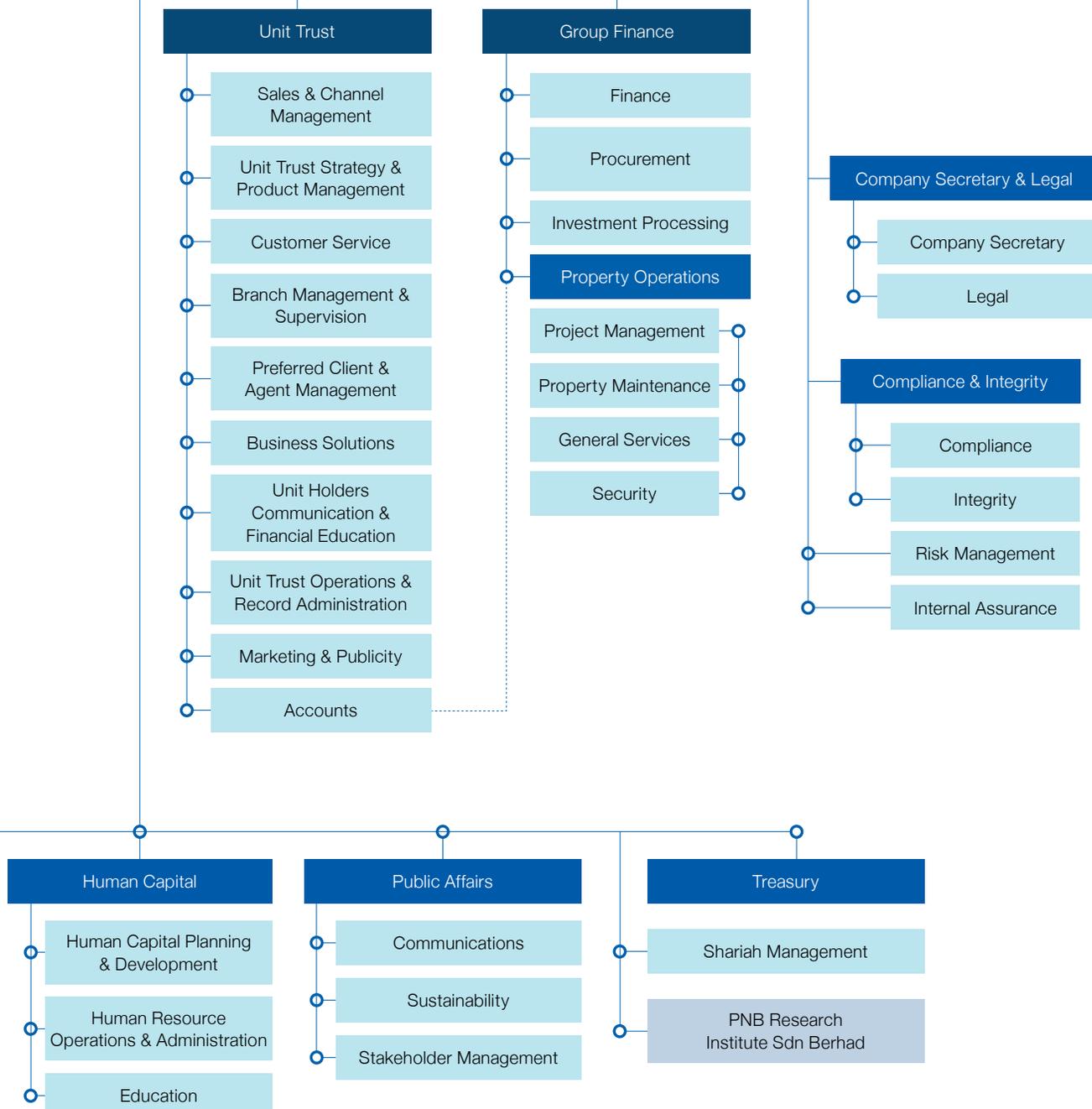
ORGANISATION STRUCTURE



BOARD OF DIRECTORS

Group Chairman
TAN SRI DR. ZETI AZIZ

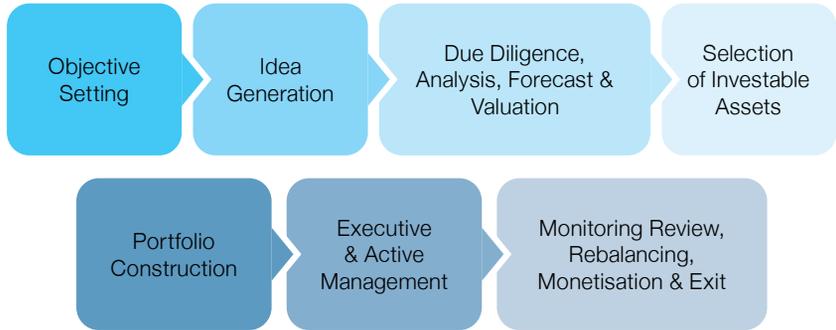
**President &
Group Chief Executive**
AHMAD ZULQARNAIN ONN



OUR VALUE CHAIN



PNB RUNS A ROBUST END-TO-END PROCESS FOR INVESTMENT SELECTION



WITH AN EFFECTIVE GOVERNANCE OPERATING MODEL



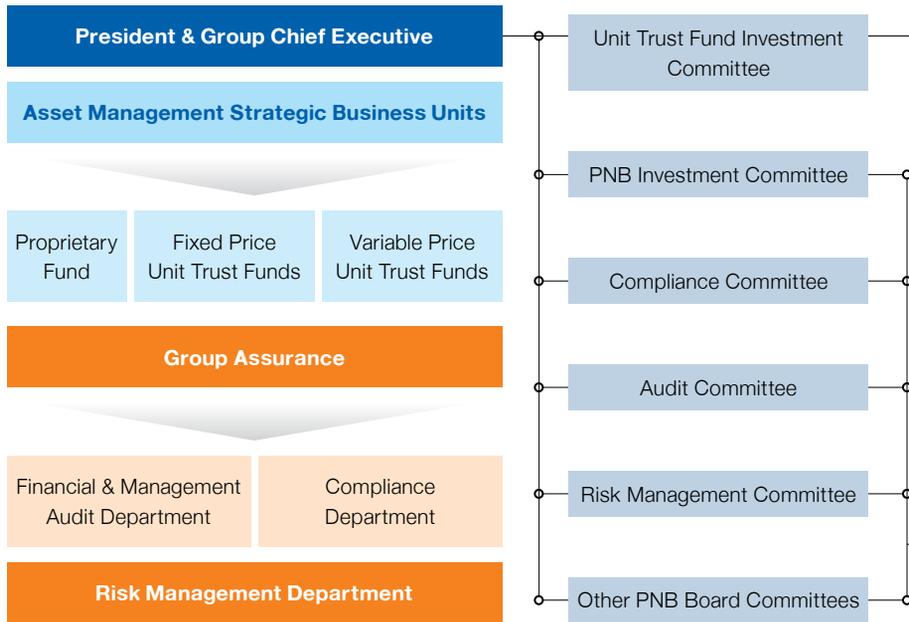
Enabling the sharing of corporate wealth to unit holders



Fixed Price Unit Trust Funds



Variable Price Unit Trust Funds



REGULATED BY



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

ASNB

Board of Directors

Trust Deed

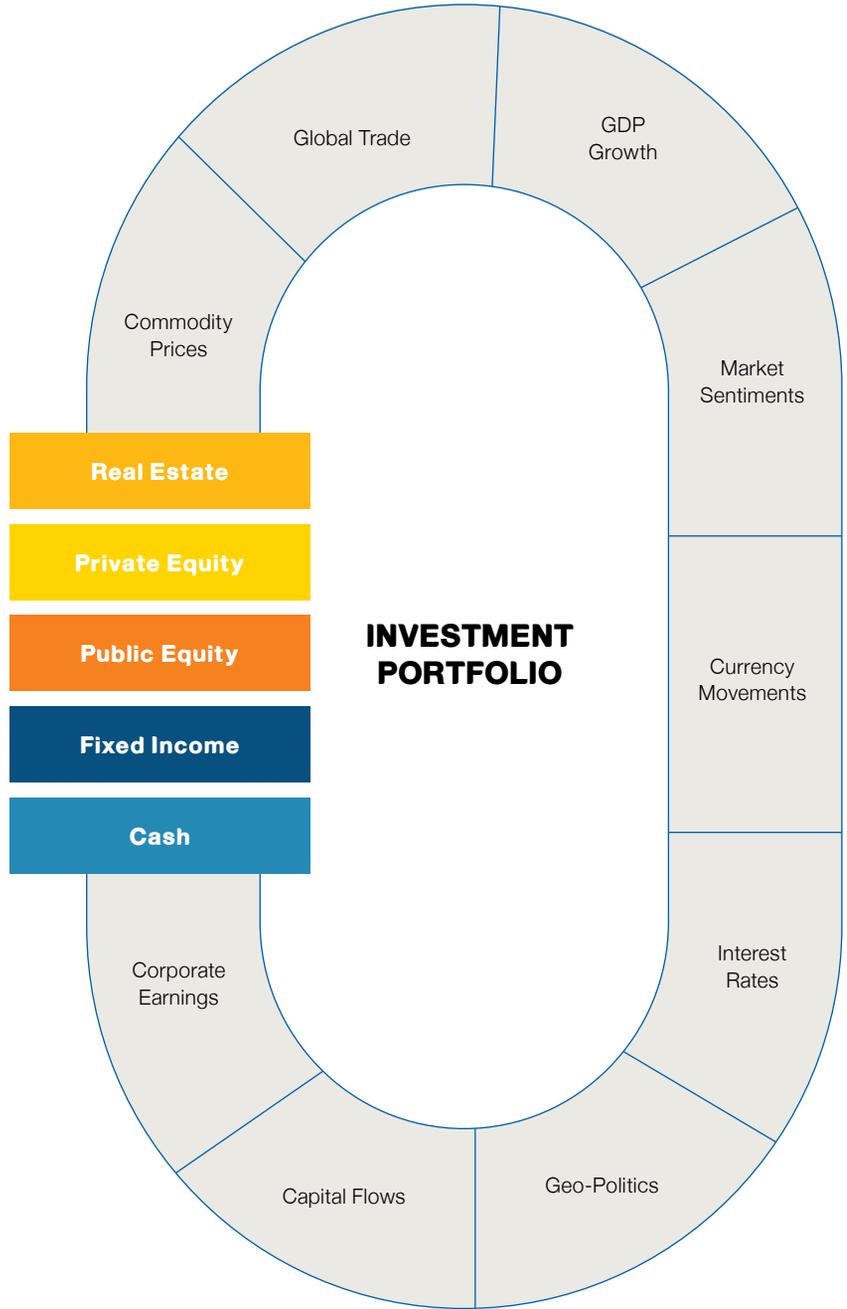
AMANAHRAYA TRUSTEES

Investment Management Agreement

PNB

Board of Directors

YPB Yayasan Pelaburan Bumiputra



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

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

2020 MILESTONES

January

- **Announcement of new Leadership Team** in a move to ensure greater operational efficiency and better reflect the respective core functions.
- PNB received **Top Employers Award** from the CFA Society Malaysia for achieving top numbers of CFA Charterholder employed.

March

- PNB, in collaboration with the Department of Waqaf, Zakat and Hajj (JAWHAR), Prime Minister Department, organised **“Muzakarah Zakat Unit Amanah ASNB”** to discuss zakat assessment for ASNB unit trust funds, using the Zakat al-Mustaghallat method.
- PNB activated its **Business Continuity Plan (BCP)** following the Movement Control Order to safeguard the safety and health of all employees whilst ensuring the continuation of its business operations.

April

- PNB contributed a combined total of **over RM23 million for COVID-19** relief efforts and towards strengthening the nation's overall hospital and medical facilities as well as initiatives for fighting the COVID-19.
- ASNB announced the new **online withdrawal facility** for selected unit trust funds through the myASNB portal to provide unit holders with greater flexibility in managing their investments.



- PNB Merdeka Ventures Sdn. Berhad received the **“Principal Prevention Through Design”** award in conjunction with the award ceremony held by the Department of Occupational Safety and Health (DOSH) for its Occupational Safety and Health in Construction Industry Management (OSCHIM) Programme. The award was presented by the Minister of Human Resource, YB Datuk Seri M. Saravanan during his visit to the Merdeka 118 project site.
- ASNB celebrated the **30th anniversary** of its flagship fund **Amanah Saham Bumiputera (ASB)** with the theme, *“Aspirasi Anda, Amanah Kami”*, with numerous fun activities and attractive prizes for its 10.2 million account holders.

- ASNB introduced **ASB Loan Helpdesk** to assist unit holders that are seeking advice and assistance on matters related their ASB financing.

- PNB's first **Minggu Saham Digital (MSD)** - a digital adaptation of Minggu Saham Amanah Malaysia (MSAM) with the theme *#LaburBersama*, embracing the digitalisation agenda as part of PNB's organisational transformation plan.

August

September

November

2020 MILESTONES

May

- Launch of PNB Annual Report 2019 and **Strategic Plan 2020-2022 (Focus 4)**.



June

- **Appointment of Ahmad Zulqarnain Onn as President & Group Chief Executive** upon the resignation of Jalil Rasheed on 16 June 2020.



July

- PNB charts another milestone in its digital transformation with the launch of micro investing mobile application, **Raiz Malaysia**.

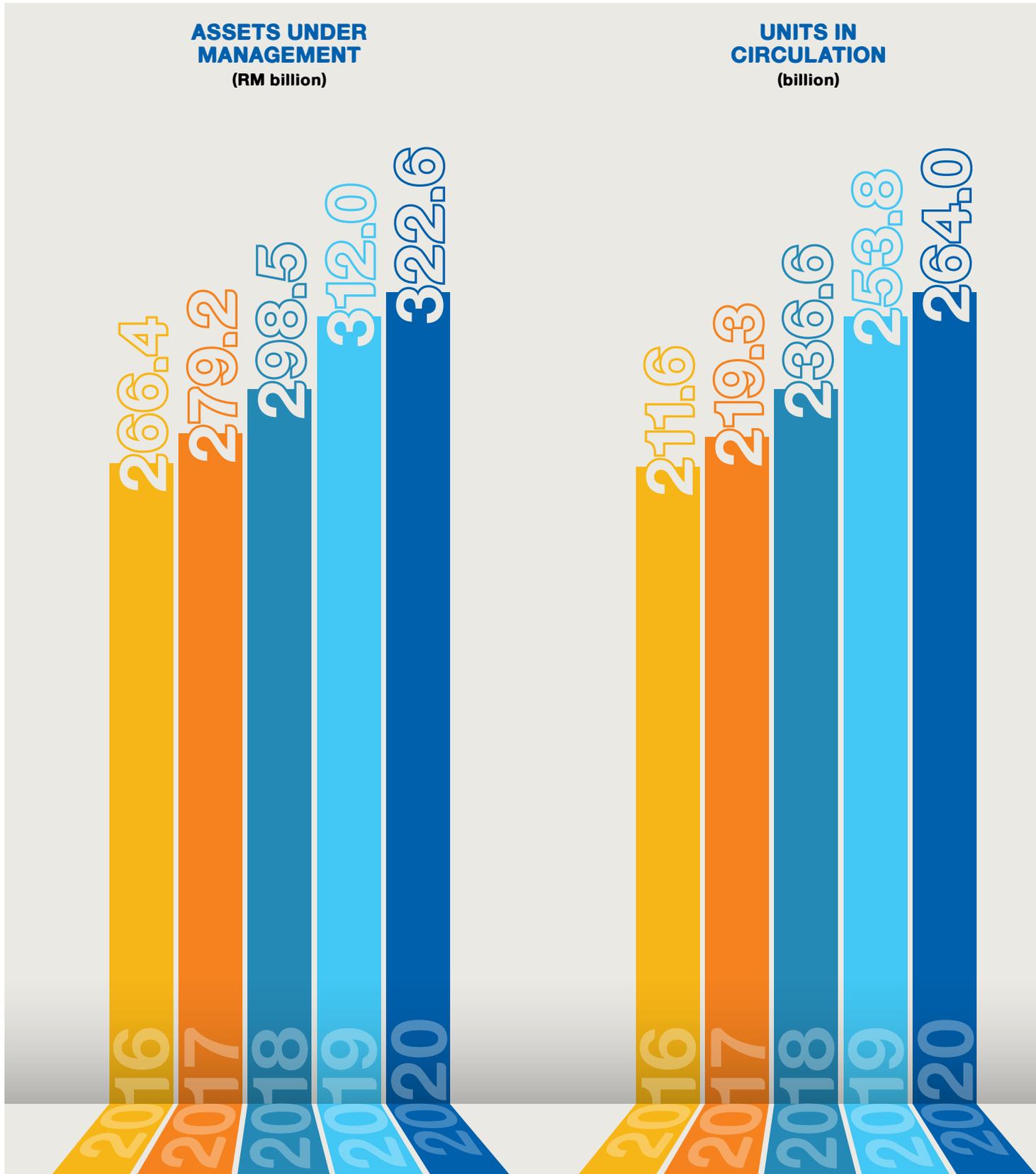


- Launch of **ASN Imbang 3 Global Fund**, ASNB's first unit trust fund with an investment portfolio in the international market.
- PNB Research Institute Sdn Berhad organised PNB **Knowledge Sharing Initiative Forum 2020** entitled *Malaysia and ASEAN: Navigating US-China Relations in the 21st Century*, via livestreaming.
- PNB announced the **divestment of Chemical Company of Malaysia Berhad (CCM)** to Batu Kawan Berhad (BKB) for the sale of the entire shareholdings of 56.3% in CCM held by PNB and its unit trust funds for RM292.8 million. CCM was a strategic company of PNB since year 2005.

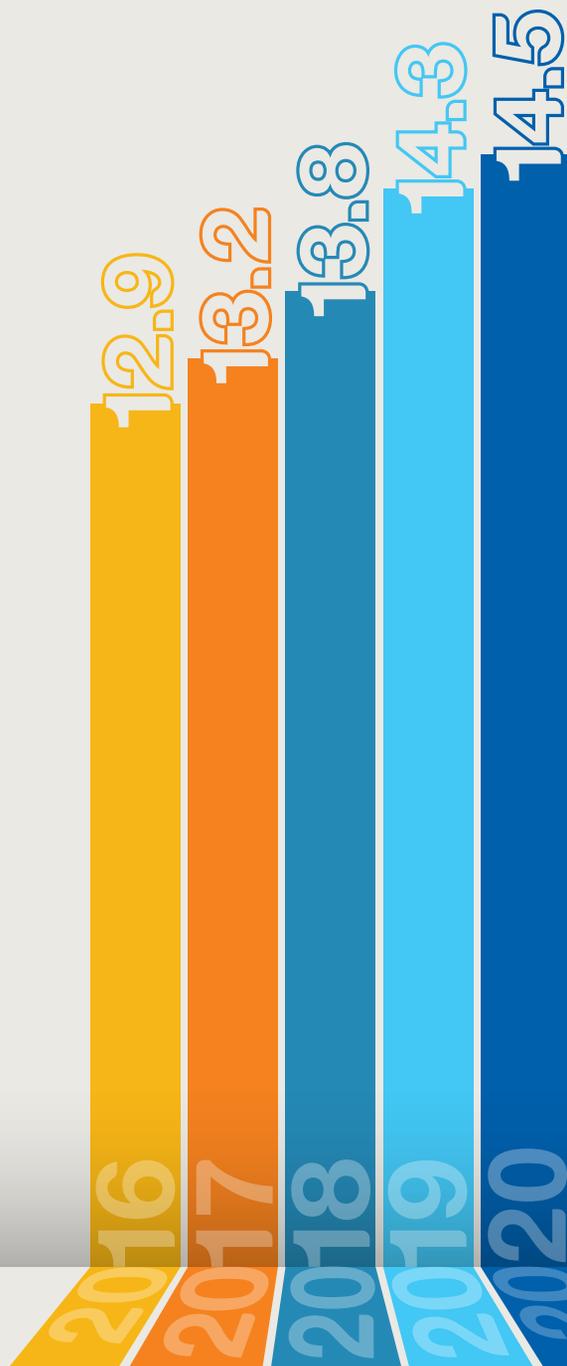
- Yayasan Tun Ismail Ali (YTI) together with PNB Research Institute Sdn Berhad, organised the **YTI Memorial Lecture 2020** through livestreaming, with the topic *How Safe Are the Safe Haven Assets in Malaysia - Lessons From COVID-19 Pandemic*.

December

KEY FINANCIAL HIGHLIGHTS



NUMBER OF ACCOUNTS (million)



PNB GROUP 5-YEAR CONSOLIDATED COTERMINOUS PROFORMA GROSS INCOME (RM billion)



PNB GROUP 5-YEAR CONSOLIDATED COTERMINOUS PROFORMA NET INCOME (RM billion)

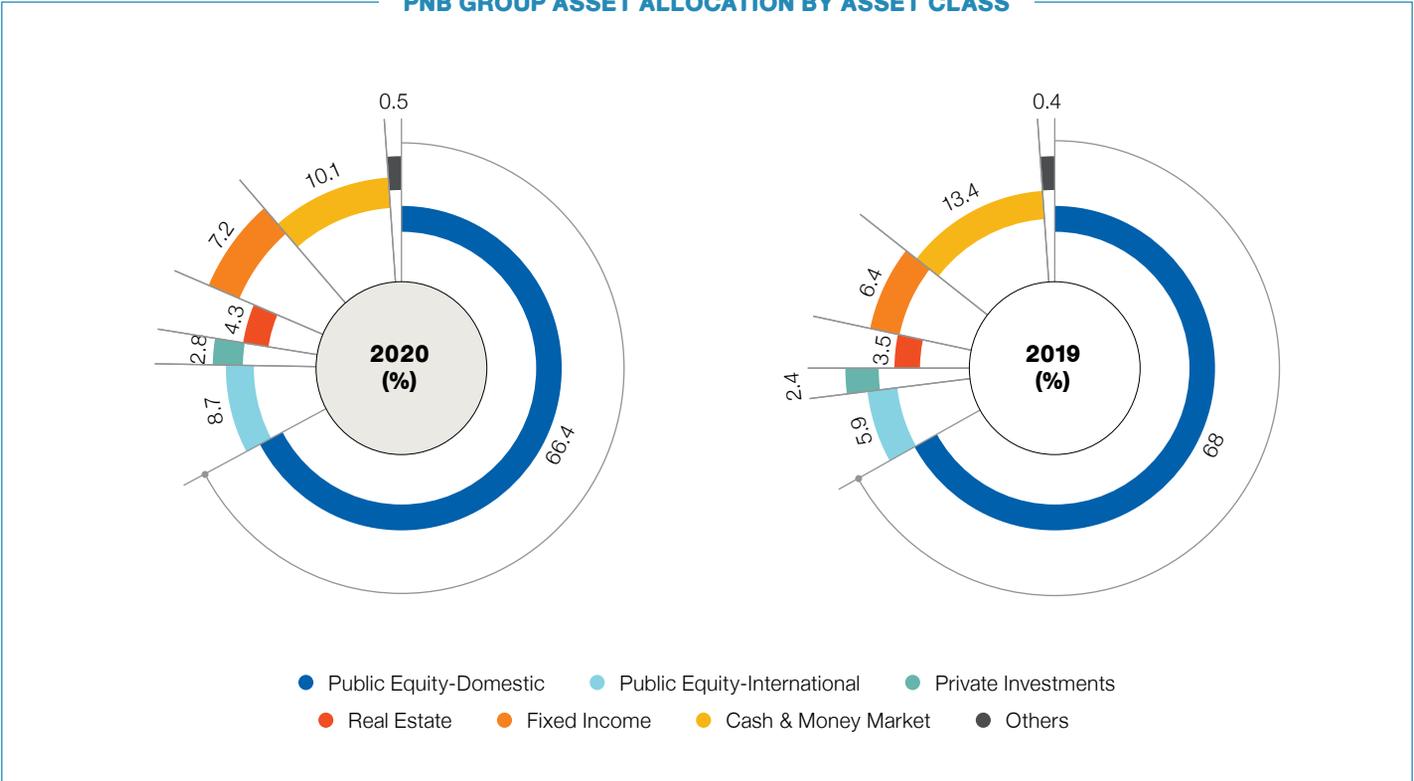


PNB GROUP 5-YEAR CONSOLIDATED COTERMINOUS PROFORMA RETURN ON ASSETS (%)

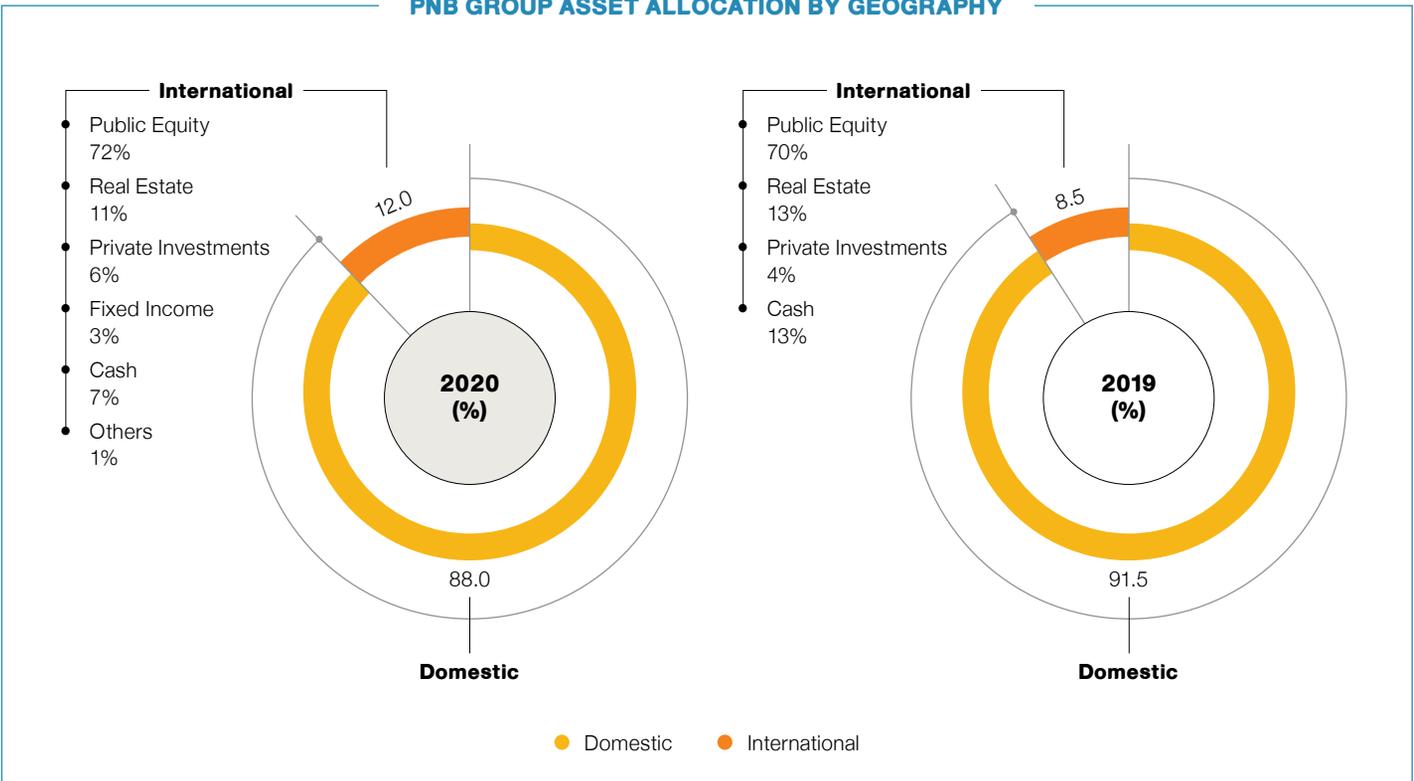


KEY FINANCIAL HIGHLIGHTS

PNB GROUP ASSET ALLOCATION BY ASSET CLASS



PNB GROUP ASSET ALLOCATION BY GEOGRAPHY



KEY FINANCIAL HIGHLIGHTS

PERFORMANCE OF THE UNIT TRUST FUNDS

	 ASB	 ASB 2	 ASB 3 Didik	 ASM	 ASM 2 Wawasan	 ASM 3
Financial Year End (FYE)	31 Dec	31 Mar	30 Jun	31 Mar	31 Aug	30 Sep
Distribution (sen per unit)	4.25*+0.75**	4.75	4.25	4.25	4.00	4.00
Net income (RM million)	6,375.0	515.1	291.6	741.1	866.1	551.0
Units in circulation FYE (billion units)	173.8	11.0	6.5	20.5	22.6	14.3

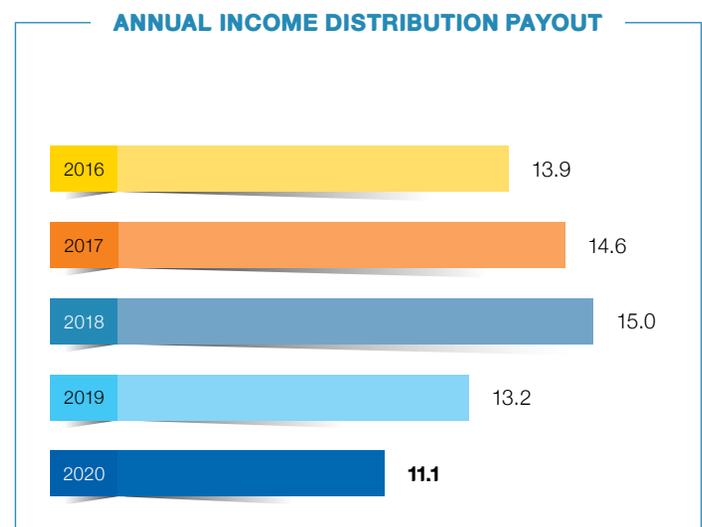
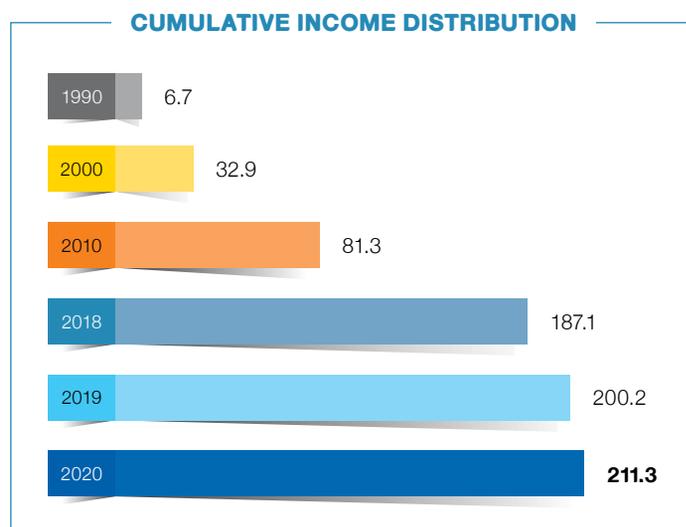
* Comprised of an income distribution of 3.50 sen a unit and a bonus of 0.75 sen a unit

** A special Ehsan payment of 0.75 sen per unit for up to the first 30,000 units

	Equity				Mixed Asset Balanced		Mixed Asset Conservative	
	 ASN	 ASN Equity 2	 ASN Equity 3	 ASN Equity 5	 ASN Imbang 1	 ASN Imbang 2	 ASN Sara 1	 ASN Sara 2
Financial Year End (FYE)	31 Dec	30 Jun	31 Mar	30 Sep	30 Nov	31 Mar	31 Mar	30 Sep
Distribution yield (%)	3.26	4.02	4.15	3.49	3.61	4.27	4.38	3.59
Total return (%)	1.25	-6.77	-11.62	-0.56	1.75	-6.68	-0.90	5.31
Net income*** (RM million)	37.2	30.1	97.3	14.4	41.3	62.1	105.1	67.2
Units in circulation FYE (billion units)	1.8	1.5	2.4	0.4	1.2	1.6	2.0	1.7

*** Realised portion of total comprehensive income, including Distribution Equalisation Reserve (DER)

INCOME DISTRIBUTION (RM BILLION)



PRUDENCE

We exercise prudence and do not compromise on integrity in safeguarding the wealth of our unit holders





LEADERSHIP

Board of Trustees of Yayasan Pelaburan Bumiputra	18
Board of Directors	20
Leadership Team	24

BOARD OF TRUSTEES OF YAYASAN PELABURAN BUMIPUTRA



YAB TAN SRI DATO' HJ. MUHYIDDIN HJ. MOHD. YASIN
CHAIRMAN OF YPB/PRIME MINISTER OF MALAYSIA



YBHG TAN SRI DR. ZETI AKHTAR AZIZ
GROUP CHAIRMAN OF PNB



YB SENATOR TENGKU DATUK SERI UTAMA ZAFRUL TENGKU ABDUL AZIZ
DEPUTY CHAIRMAN OF YPB/MINISTER OF FINANCE



YBHG TAN SRI HAJI AMBRIN BUANG

BOARD OF DIRECTORS



**YBHG TAN SRI DR. ZETI
AKHTAR AZIZ**

Group Chairman
Non-Independent Non-Executive Director

Age
74
Nationality
Malaysian

Qualification

- PhD in Economics from University of Pennsylvania, USA
- Bachelor of Science in Economics from University of Malaya

Directorship

- Chairman of Amanah Saham Nasional Berhad and Sime Darby Property Berhad

Other Information

- Co-chair, Board of Governors of Asia School of Business, established in collaboration with MIT Sloan since 2015

Working Experience

Tan Sri Dr. Zeti was appointed as the Group Chairman of PNB on 1 July 2018. Prior to the appointment, Tan Sri Dr. Zeti had served as Governor of Bank Negara Malaysia from May 2000 to April 2016. She had an important role in managing the resolution of the financial system in 1998 during the Asian financial crisis and the consequent strong recovery of the Malaysian economy. In the years that followed, she was instrumental in driving the transformation of the Malaysia's financial system, including overseeing the enactment of 10 new pieces of legislation for the financial sector. During this period, the Malaysian financial system also underwent a period of progressive deregulation and liberalisation.

In Asia, Tan Sri Dr. Zeti was active in strengthening cooperation and regional financial integration. In 2006, she chaired the regional task force that prepared the report for the future direction of central bank financial cooperation in the East Asian region. At the Bank for International Settlements (BIS), she was the chair of the BIS Central Bank Governance Group. In the region, she was a founding member of the Bank for International Settlements (BIS) Asian Consultative Council, and was the first Co-chair of the Financial Stability Board Regional Consultative Council Group for Asia. Tan Sri Dr. Zeti also had an extensive role in the global development of Islamic finance, and was active in the global financial inclusion agenda. She has been an important voice for the emerging world on the many issues concerning the international financial system and on financial and economic management.



AHMAD ZULQARNAIN ONN

President & Group Chief Executive
Non-Independent Executive Director

Age
48
Nationality
Malaysian

Qualification

- Bachelor of Arts (Economics) from Harvard University, USA

Working Experience

Ahmad Zulqarnain was appointed as the President & Group Chief Executive and Director of PNB on 1 July 2020. Prior to his appointment, he was Deputy Managing Director of Khazanah Nasional Berhad where he oversaw its Strategic Fund. He has also led Khazanah's Financial Institutions Group and Strategic Management during his tenure. Prior to Khazanah, he was Managing Director/Chief Executive Officer of Danajamin Nasional Berhad between 2009 and 2014, where he established Malaysia's first financial guarantee insurer. He has also held roles in various financial institutions and corporations, including Pengurusan Danaharta Nasional Berhad, the national asset management company established in 1998 as a policy response to the Asian financial crisis.



**DATO' ASRI HAMIDIN @
HAMIDON**

Independent Non-Executive Director

Age

55

Nationality

Malaysian

Qualification

- Harvard Premier Business Management Programme
- Master in Economy from Hiroshima University, Japan
- Bachelor in Economics (Hons), University of Malaya
- Diploma in Public Administration, the National Institute of Public Administration

Directorship

- Chairman and Director of 1Malaysia Development Berhad, and Kumpulan Wang Persaraan (Diperbadankan) (KWAP)
- Tenaga Nasional Berhad, Bina Darulaman Berhad, DanaInfra Nasional Berhad, GovCo Holdings Berhad, Perbadanan Insurans Deposit Malaysia (PIDM), Yayasan Amanah Hartanah Bumiputera

Working Experience

Dato' Asri was appointed as a member of the Board of Directors of PNB on 23 July 2020. He is currently the Secretary General of Treasury, Ministry of Finance (MOF). Prior to this, he was the Deputy Secretary-General (Policy) of Treasury. Dato' Asri began his career as an Assistant Director of the Economic Planning Unit in the Prime Minister's Department in 1994. Later, he moved to the Anti-Corruption Agency in April 1998, before serving as Administrative and Diplomatic Officer in the Public Service Department from March 2003.

Dato' Asri continued his service as the Principal Assistant Secretary in MOF and has held several other positions since, including Deputy Under-Secretary, Investment, MoF Inc. and Privatisation Division. He was appointed the Under-Secretary, GIC Division, MOF in July 2015 before being promoted as the Deputy Secretary General of Treasury (Investment) in March 2018.



TAN SRI DATUK ZAINUN ALI

Independent Non-Executive Director

Age

69

Nationality

Malaysian

Qualification

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

Other Information

- Member of the United Nations' Advisory Board of the Global Judiciary Integrity Network
- Appointed as Vice Chairman of Enforcement Agency Integrity Commission with effect from 1 July 2020

Working Experience

Tan Sri Datuk Zainun was appointed as a member of the Board of Directors of PNB on 1 January 2019, after having served the Government in various capacities in the Legal and Judicial Services since 1976. After her stint as 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.

BOARD OF DIRECTORS



**DATUK DR. MOHD. YAAKUB
HAJI JOHARI**

Independent Non-Executive Director

Age
65
Nationality
Malaysian

Qualification

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

Working Experience

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

He joined the Institute of Development Studies, Sabah (IDS), the State's official think tank as an Associate Director (Social Affairs) in 1985 and later moved up to 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 is currently the chairman of IDS effective from 14 December 2020.



**DATU HAJI SOEDIRMAN
HAJI AINI**

Independent Non-Executive Director

Age
65
Nationality
Malaysian

Qualification

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

Directorship

- Sarawak Plantation Berhad, Sarawak Consolidated Industries Berhad, Amanah Saham Sarawak Berhad, Sara Worldwide Vacations Berhad and Damai Golf & Country Club Berhad

Working Experience

Datu Haji Soedirman was appointed as a member of the Board of Directors of PNB on 1 January 2017. He started his career with Petroliaam Nasional Berhad in 1982, and after serving 13 years with the company, resigned in 1995, to join the 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 Sarawak Economic Development Corporation (SEDC). His previous employment in the Sarawak Civil Service includes 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 MLNG3 and MIDA. He currently sits on the Board of public listed companies and various Government-linked companies and non-government organisations.



**DATO DR. NIK RAMLAH
NIK MAHMOOD**
Independent Non-Executive Director

Age
65
Nationality
Malaysian

Qualification

- 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, Edotco Group Sdn Bhd, Institute for Capital Market Research Malaysia (ICMR) and International Centre for Education in Islamic Finance (INCEIF)

Working Experience

Dato Dr. Nik Ramlah was appointed to the Board of Directors of PNB on 1 January 2019, and Amanah Saham Nasional Berhad on 1 January 2017. She retired in March 2016, having worked at Securities Commission Malaysia (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.



DATO' JOHAN ARIFFIN
Independent Non-Executive Director

Age
62
Nationality
Malaysian

Qualification

- 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, Etiqa Insurance Pte Ltd (Singapore) and Etiqa Life Insurance (Cambodia) Plc
- Etiqa Life Insurance Berhad, Etiqa Family Takaful Berhad, Etiqa General Takaful Berhad and Maybank Ageas Holdings 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 Senior General Manager before moving on to head TTDI Development Sdn Bhd up to January 2009. He also served on the Board of Maybank Berhad for nine years up to April 2018, and Sime Darby Property Berhad till June 2020.

LEADERSHIP TEAM

AZO

AHMAD ZULQARNAIN ONN

President & Group Chief Executive

DNZ

DATO' MOHD. NIZAM ZAINORDINDeputy President &
Group Chief Financial Officer

MH

MOHAMMAD HUSSINChief Executive Officer &
Executive Director, ASNB

MI

MOHAMAD IDROS MOSINGroup Head,
Strategic Investments

HS

HAFIZUDDIN SULAIMAN

Group Head, Treasury

AK

ADIBAH KHAIRIAH ISMAIL @ DAUDGroup Head,
Company Secretary & Legal

SA

SUZANA AHMAD

Chief Risk Officer

FZ

FAIRUZ SUZANA HJ KAMARUDDINGroup Head,
Compliance & Integrity

AZO



DNZ



MH



MI



HS



AK



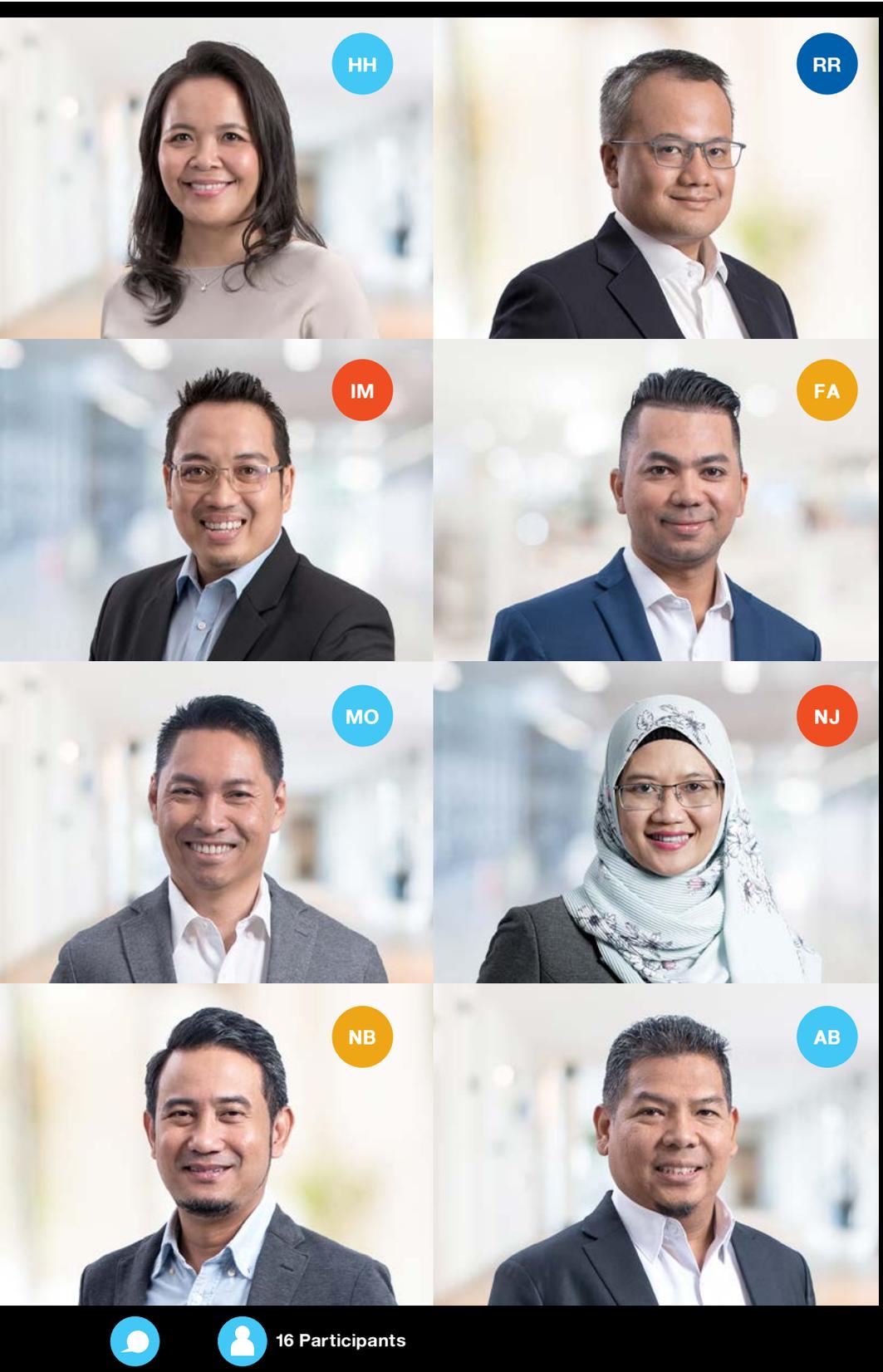
SA



FZ



LEADERSHIP TEAM



HH

RR

HANIZAN HOODChief Investment Officer,
Public Markets

HH

IM

FA

RICK RAMLIChief Investment Officer,
Private & Strategic Investments

RR

MO

NJ

**MOHD IRWAN AHMAD
MUSTAFA**

Group Head, Private Markets

IM

NB

AB

**FADZIHAN ABBAS MOHAMED
RAMLEE**

Chief Strategy Officer

FA

MO

NJ

MUZZAFFAR OTHMAN

Chief Technology Officer

MO

NB

AB

NORHANIFAH A. JALIL

Chief Human Resource Officer

NJ

NB

AB

**NORAMLY BACHOK @
ABDUL AZIZ**

Head, Internal Assurance

NB

NB

AB

DR. AHMAD BASRI IBRAHIM

Head, Shariah Management

AB



16 Participants

LEADERSHIP TEAM

AZO

AHMAD ZULQARNAIN ONN

President & Group Chief Executive

Steers the overall investment, financial, operational and strategic direction of PNB to ensure business growth and sustainability in achieving the mandate of enhancing the economic wealth of the Bumiputera community and all Malaysians. Ensures implementation of the company's vision and mission to safeguard the long-term interests of shareholders, unit holders, employees and other stakeholders.



DNZ

DATO' MOHD. NIZAM ZAINORDIN

Deputy President & Group Chief Financial Officer

Leads and directs PNB's financial planning, budgeting, reporting and recovery processes, in addition to overseeing all procurement policies and processes towards ensuring PNB possesses the financial strength and sustainability to execute the company's Strategic Plan and overall business operations.

HH

HANIZAN HOOD

Chief Investment Officer, Public Markets

Responsible for the management of the public assets portfolio of PNB and funds under management comprising domestic and global public equities, fixed income and money market instruments. Leads key operating units namely Economics, Investment Analysis, Fund Management, Fixed Income, Equity Market Operations, and Investment Operations and Governance. Designated Fund Manager for funds under management.

RR

RICK RAMLI

Chief Investment Officer, Private & Strategic Investments

Spearheads overall investment and operational activities within three key areas namely Strategic Investments, Real Estate and Private Equity Investments. Main responsibility includes leading overall engagement with PNB's Strategic and Core Companies, whilst steering all investment decisions for sub-asset classes under Real Estate and Private Equity portfolios to achieve their intended long-term investment objectives.

MH

MOHAMMAD HUSSIN

Chief Executive Officer & Executive Director, ASNB

Leads ASNB in developing and executing overall business strategy to maintain its industry leadership position by continuing to increase the reach of ASNB's products and services and enhance the experience of unit holders.

MI

MOHAMAD IDROS MOSIN

Group Head, Strategic Investments

Leads engagement with PNB's Strategic and Core Companies in relation to the formulation and execution of value creation plans including transactional, operational and organisational initiatives with a view to further strengthen their overall performance and enhance sustainability of returns for PNB's stakeholders.

IM

MOHD IRWAN AHMAD MUSTAFA

Group Head, Private Markets

Leads and manages all PNB's private equity investments under a structured Private Investment Framework, which enables effective and consistent deployment into this asset class through direct investments and global fund investments.

FA

**FADZIHAN ABBAS
MOHAMED RAMLEE**

Chief Strategy Officer

Leads the development of PNB's Strategic Plan as well as monitors its execution to ensure the organisation maintains its strategic focus. Also leads the Strategic Asset Allocation and Transformation functions, which are responsible for overseeing PNB's overall long-term asset allocation, performance evaluation and aligning key management processes to strategy.

HS

HAFIZUDDIN SULAIMAN

Group Head, Treasury

Leads and manages the overall capital and liquidity management of the business and its correlated activities such as liability management, fund raising and implements appropriate Treasury policies with the objective of maintaining an optimum Treasury operations and cost efficient capital structure for the Group.

AK

**ADIBAH KHAIRIAH
ISMAIL @ DAUD**

Group Head, Company Secretary & Legal

Oversees and leads PNB's company secretarial and legal functions, provides company secretarial services to PNB and its related companies as well as administers the business processes related to Company Secretary's Department and Legal Department.

MO

MUZZAFFAR OTHMAN

Chief Technology Officer

Leads the establishment and execution of PNB's enterprise-wide IT strategy and digital transformation, drives the development of enterprise technology standards, governance processes and performance metrics, and ensures alignment of IT strategy with the overall business strategy and the delivery of capabilities required to achieve business success.

NJ

NORHANIFAH A. JALIL

Group Head, Human Capital

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

SA

SUZANA AHMAD

Chief Risk Officer

Leads the implementation of Enterprise Risk Management (ERM) across the PNB Group, by formulating a coherent risk appetite and infrastructure, strategically 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.

FZ

**FAIRUZ SUZANA
HJ. KAMARUDDIN**

Group Head, Compliance & Integrity

Leads the Compliance & Integrity Division and assumes the key responsibility in planning and executing the Compliance and Integrity Programme for the PNB Group in ensuring full compliance with all relevant regulatory requirements, internal policies and procedures in business operations while maintaining good corporate governance and highest ethical standards.

NB

**NORAMLY BACHOK @
ABDUL AZIZ**

Head, Internal Assurance

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

AB

DR. AHMAD BASRI IBRAHIM

Head, Shariah Management

Leads the Shariah Management Department which assumes the role of Secretariat to PNB's Shariah Advisory Committee, and manages all Islamic finance and Shariah-related matters within the PNB Group as well as undertakes initiatives to further enhance the Shariah compliance of ASN's unit trust products.

ADAPTABILITY

We strive to develop adaptability and nimble ways of working to suit the constantly changing environment





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MESSAGE FROM THE GROUP CHAIRMAN



DEAR UNIT HOLDERS,

It is my pleasure to share with you the PNB Annual Report for the financial year ended 31 December 2020 (FY2020).

The year 2020 was the most tumultuous in our history. It saw the accelerated pace of the global spread of COVID-19 pandemic and its catastrophic impact on the world. From a health crisis it evolved into an economic and humanitarian crisis that the world had never seen before. Economies did not just contract as in previous financial and economic crisis, but economic activity across the world came to a grinding halt as shutdowns put an abrupt brake on growth.

Globalisation also took a step back in 2020 as international trade suffered double digit declines following the imposition of transport and travel restrictions. Although cross border financial flows still continued, international financial markets experienced sharp declines. As the world plunged into recession, unemployment in many countries reached double-digit levels. In the commodity markets, crude oil prices declined massively, while crude palm oil prices plummeted to its lows.

MESSAGE FROM THE GROUP CHAIRMAN

These developments were met by a concerted and synchronised global fiscal and monetary policy response at a speed that the world had never seen. Cumulatively the measures aimed to provide relief and to restart the functioning of the respective economies.

On the home front, the domestic economy experienced the worst economic contraction in history by 17% during the second quarter, a period when the shutdown was in effect. The period also saw the stock market drop by 24% and the unemployment rate rise to 4.9%, the highest recorded since 1993. In response to these overwhelming developments, Malaysia launched a massive COVID-19 fiscal stimulus package that accounted for about 20% of GDP, while interest rates were brought down to its historical lows. While the second half of the year saw a recovery set in, uncertainty remained significantly elevated. In the final months of the year, there was a surge of new cases which in turn moderated the recovery momentum.

This PNB Annual Report provides an account of how we performed in this very difficult environment to deliver sustainable value to our unit holders for the FY2020. Established in 1978, PNB was accorded with a clear and well-defined mandate. Our singularity of purpose to enhance the wealth of the Bumiputera community and that of all Malaysians ensures our focus on this mandate. Despite the highly challenging environment in 2020, significant payoffs were gained from our transformative strategies that were implemented since 2018. This has allowed PNB to continue to deliver competitive returns and thereby uphold the commitment to our mandate.

DIVERSIFICATION MOMENTUM

Among the most important transformative strategies that were implemented were the actions taken to diversify the portfolio. Following an extensive review that was conducted in 2019, PNB made great strides to forge ahead to diversify its investments. In addition to the diversification of our portfolio into a wider universe of asset classes in the domestic market, our entry into the international markets was progressively increased into new geographies and industries. Inroads were made not only into the traditional markets but also into the markets in emerging economies in recognition of their economic growth potential. As part of these efforts, there was also greater engagement with leading external fund managers to complement our in-house talent.

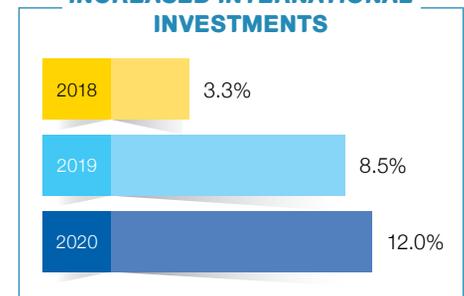
The diversification efforts have gradually increased our investments not just in public equities but also into private investments, fixed income and real estate, thereby avoiding an overconcentration of risks. Going forward, the efforts are focussed on building an investment portfolio that is better able to weather the volatile and uncertain conditions in the markets. At the conclusion of the year, international investments formed 12.0% of the portfolio as compared to 3.3% in 2018. Similarly, the investment in fixed income increased from 6.5% in 2018 to 7.2% while the investment in real estate increased from 2.8% in 2018 to 4.3% in 2020. There was a significant payoff from this diversification arising from the relatively better performance from these new investments.

Equally important was the improvement to liquidity management which was facilitated with the establishment of a Treasury function in the corporation. In this uncertain and unstable environment, risk management was also significantly enhanced. Additionally, actions were

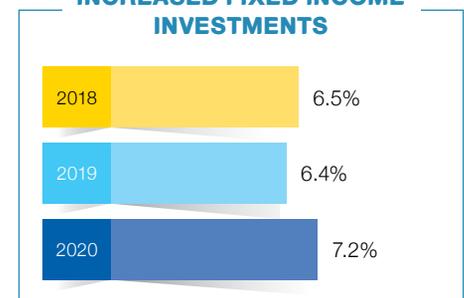
simultaneously taken to strengthen the financial position of the corporation. Despite the unprecedented environment, the high calibre team of experienced professionals with the requisite skills and experience at PNB demonstrated their mettle to rise up to implement these transformative changes.

Going forward, this more diversified portfolio, including into new industries that have gained importance in the post-COVID-19 period, the more effective management of our liquidity and our foreign exchange exposures, and our enhanced risk management capabilities is set to enhance the potential for improved future performance.

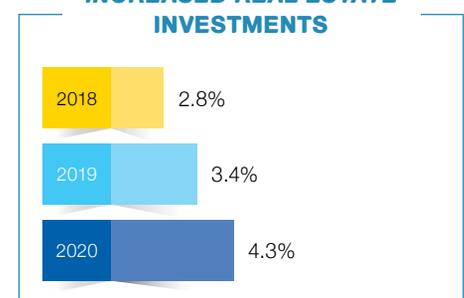
INCREASED INTERNATIONAL INVESTMENTS



INCREASED FIXED INCOME INVESTMENTS



INCREASED REAL ESTATE INVESTMENTS



MESSAGE FROM THE GROUP CHAIRMAN

SUSTAINING COMPETITIVE RETURNS IN VOLATILE MARKET CONDITIONS

The payoff derived from these transformative changes can be seen in the performance of the corporation during the year. In 2020, PNB sustained the growth of the assets under management (AUM) which increased further to RM322.6 billion while the number of accounts (NOA) increased more than 200,000 new investors to reach 14.5 million accounts. Units in circulation (UIC) across all the 15 funds rose by 4.0% to 264.0 billion units. For the year 2020, PNB distributed a total of RM11.1 billion to our unit holders. For our flagship fund Amanah Saham Bumiputera (ASB), an income distribution of 3.50 sen per unit with a bonus of 0.75 sen per unit was declared, making it a total distribution of 4.25 sen per unit. A special EHSAN allocation of 0.75 sen per unit for the first 30,000 units was also given out to all unit holders in conjunction with the 30th Anniversary of ASB.

■ **Assets Under Management (AUM) increased**
RM322.6 billion

■ **Unit trust funds reached**
14.5 million
accounts, with the addition of more than 200,000 new investors

■ **Units in circulation (UIC) across all the 15 funds rose by**
4.0%
to 264.0 billion units

■ **ASB declared an income distribution**
3.50 sen
per unit with a bonus of 0.75 sen per unit, making it a total distribution of 4.25 sen per unit

FORTIFYING THE PERFORMANCE OF OUR STRATEGIC COMPANIES

An equally important area of focus during the year was on fortifying the performance of our strategic companies. In driving the value creation, attention was accorded to three important areas of focus. The first is on strengthening the governance arrangements and to institutionalise the best practices at these companies. Related to this is the accountability and independent assessment of performance, not only in terms of the returns generated to shareholders but also the impact of their actions on the economy, the community, and on the environment. As part of the attention accorded to accountability, is the promotion of a performance-driven culture while taking into consideration its overall impact on the sustainability agenda. The third aspect concerns strengthening the organisational health of the companies that now operate in a structurally changed environment. To facilitate this, a Strategic Investments Council was established in 2020 to share the best practices to achieving these objectives.

INSTITUTING A ROBUST RISK CULTURE FRAMEWORK

Our risk management that has been strengthened significantly since 2018 continued to be given priority in 2020. It comprises both the enterprise risk management and the management of the portfolio investment risks. As PNB expands its investments into new asset classes and into new emerging economic industries and geographies, the necessary measures have been taken to strengthen our risk management capabilities. All investment processes are undertaken judiciously and all the associated risks are managed accordingly. Additionally, is our commitment to uphold the highest standard of integrity and ethical conduct in all our business activities. This has led to an update of PNB's Code of Business Ethics and the Anti Bribery-Anti Corruption Policy in 2020, which is applicable to all companies under the PNB Group.

ADAPTING TO NEW WAYS OF WORKING

Among the several transformative organisational initiatives that were implemented during the year was the greater leverage on technology and the greater digitalisation. This increased the ability of PNB to function more effectively and efficiently, particularly in the current and post-COVID-19 era. The initiative of putting in place a more technology-enabled work environment has enabled PNB to quickly adapt to the Business as Usual in a Business Unusual environment. The safety and well-being of the workforce was also prioritised. During the first few months of 2020, 97% of the PNB staff worked from home and in the subsequent more relaxed Movement Control Orders, about 25% were working from the office. Despite the majority not being in office, more than 90% of the projects outlined for 2020 were either completed or in progress for completion by the year end.

PNB activated its Flexible Working Arrangement (FWA) during MCO periods



MESSAGE FROM THE GROUP CHAIRMAN

TRANSFORMING INTO A KNOWLEDGE-BASED ORGANISATION



Digital technology is also seen as a key enabler to facilitate effective decision making and to enhance efficiencies to thereby drive performance in the corporation. In August 2020, a Knowledge Hub, a central repository of key information was developed and launched on SharePoint. This is the first step in our journey to become a Knowledge-Based Organisation (KBO). In the ensuing period, dedicated pages housing critical department-specific information were added to enable a wider ecosystem for knowledge sharing and learning in SharePoint.

PIONEERING DIGITAL FINANCIAL OUTREACH

As part of this greater leverage on technology, we also transitioned towards providing a fully digital customer journey for IT savvy unit holders. Our online offerings to our unit holders which was first launched in 2017 with the introduction of the myASNB portal was improved further with the introduction of myASNB application (app) in 2019. This was well received. The number of registered users for the portal and app increased by 20% and 86% respectively in 2020. Throughout the year, the PNB team expeditiously adapted to migrate physical events to a digital platform and to communicate and share corporate updates online to our stakeholders. In May 2020, PNB held its first ever virtual media briefing to disclose our 2019 Annual Report.

New digital products were also introduced. PNB marked another significant milestone in this digital transformation journey when we launched Malaysia's first ever micro investing app called Raiz Malaysia on 23 July 2020. This app harnesses the power of digital technology to promote financial inclusion. It automatically invests a user's spare-change from daily purchases using debit cards into the Amanah Saham Nasional Berhad's (ASNB) variable price funds. This product adopts the concept of "save as you spend".

Going forward, the financial outreach agenda will be further intensified at PNB. This will not only contribute towards uplifting economic well-being but to overall nation-building, while generating greater scale for the corporation. To achieve a breakthrough outreach outcome, this is now being made integral to every part of our business. From meeting customer needs in terms of innovating products to achieve their financial objectives and to providing an experience of convenience and efficiency, the agenda also includes the putting in place of an ecosystem to achieve these objectives. In building the institutional capability for the extensive outreach, there was greater leverage on new innovative channels and on technology and digitalisation to provide greater accessibility to information by consumers. The enhanced financial literacy will empower consumers to make better financial decisions, understand the associated risks and thereby stabilise their expectations. Issues of safety and security were also continually being put in place to ensure the interests of the unit holders are protected. In this endeavour, PNB is also working with other entities who share this common agenda.

REVOLUTIONISING MINGGU SAHAM INTO A DIGITAL EXPERIENCE

Finally, the most gratifying digital achievement in 2020 was the transformation of the 20-year strong Minggu Saham Amanah Malaysia (MSAM) into a digital version that was enjoyed by millions of Malaysians throughout the country. This had the impact of expanding our reach considerably. Previously, less than 200,000 on average participated in the in-person week-long event that was held in the different towns and cities across Malaysia. Now it became millions when it was held virtually. Held on 18 to 24 November 2020, it had an overwhelming reception that exceeded our expectations.

MESSAGE FROM THE GROUP CHAIRMAN



Themed *#LaburBersama*, Minggu Saham Digital garnered 7.5 million unique reach via its official Facebook page, 2.2 million cumulated views on its official Facebook page and YouTube channel while its website recorded 11.5 million impressions. We will build on this success with a more engaging line-up of activities in 2021.

MERDEKA 118: IN SIGHT OF COMPLETION

The Merdeka 118 has now reached the 118 level and work on the spire has commenced. It is expected to be ready for occupation in 2022. Placed in the old part of Kuala Lumpur, efforts have been made to preserve and support the heritage and surrounding areas while at the same time to reflect the modernisation and progress that has been achieved in our country. It is set to be a building of the future. It will be the first in the country to achieve a triple green platinum building accreditations namely the Leadership in Energy and Environmental Design (LEED), Green Real Estate (GreenRE) and the Green Building Index (GBI).

The building utilises glass panels which offer 360° views while reducing energy consumption as more natural light is used. Air-conditioning from beneath the floors will better disperse the air, whilst also being energy efficient. An efficient water treatment system will also save water and reduce maintenance cost. These are among some of the features that will set Merdeka 118 apart as an environmentally-friendly building.

TRANSFORMING THE MANAGEMENT OF HUMAN CAPITAL

Important to any organisation is not only its financial capital but its human capital. Investment in human capital has always been a priority at PNB to create its pipeline of talent inflow. In 2020, PNB underwent a major transformation in the management of human capital to attract and retain our high-calibre team of professionals. During the year, seven job families were introduced with a new remuneration structure and benefits. Also, the 8-day compulsory training introduced in 2019 from the previously 2.5 days, continued to be implemented to ensure continuous learning in the organisation in this ever-changing

environment. This transformation was accompanied by clarity in the associated job descriptions, expectations of performance that are matched with the respective key performance indicators and the performance appraisal systems. These changes support our aspirations of transitioning to the frontier of our business and becoming a premier international investment corporation.

INTEGRATING THE SUSTAINABILITY AGENDA IN OUR INVESTMENTS

As an investment house with a long-term orientation, PNB attaches importance to the adoption of the sustainability agenda which places focus on the impact of the investments on the economy, on the well-being of society and the environment. Given the challenges confronting the world arising from climate change, and on the need to reduce the carbon footprint, and the rising concern on the social impact of investments, global attention has placed greater priority on integrating environmental, social and governance (ESG) considerations into the investment processes. This has become part of the commitment to the sustainability agenda.

This involves integrating the assessments and insights that relate to social and environmental sustainability and governance into the traditional approaches to investments. Decidedly this will affect our portfolio construction, the development of new products and our engagement with our related companies so as to enhance the long-term value to their customers. Integral to this agenda is that risk management will need to incorporate these associated risks. Cumulatively, this will generate investment solutions that will improve our long-term financial outcomes. Going forward, PNB is committed to be part of this global agenda to support sustainability thereby ensuring that the social and environmental implications of our investments will not compromise the sustainability of our overall growth and development.

MESSAGE FROM THE GROUP CHAIRMAN

LEADING PNB INTO ITS NEW CHAPTER OF EVOLUTION

In July 2020, PNB welcomed Ahmad Zulqarnain Onn as the new President & Group Chief Executive (PGCE). Ahmad Zulqarnain brings a wealth of experience from all his prior portfolios as a Deputy Managing Director at Khazanah Nasional Berhad for six years. Prior to this, he was the first CEO of Danajamin Nasional Berhad, from 2009 to 2014, amongst other prominent positions in Corporate Malaysia.

Together with Ahmad Zulqarnain, PNB successfully made significant strides during the year accomplishing several major milestones in 2020. PNB is now well positioned to achieve many more exciting milestones ahead. It will also include the new ways of working being envisioned as the move is made to the new headquarters in 2022.

Ahmad Zulqarnain took over the helm from Abdul Jalil Abdul Rasheed, who was the PGCE from October 2019 to June 2020. We wish to thank Jalil for the contributions he made during his tenure with PNB.

We would also like to express our gratitude to PNB Board member Tan Sri Datuk Ahmad Badri Mohd. Zahir, who retired in May 2020, and welcome Dato' Asri Hamidin @ Hamidon who joined the Board in July 2020.

With guidance from the Board of Directors and the expertise and experience of the Leadership Team that is now well supported by the recent transformative changes that have been undertaken by the organisation, PNB is well positioned to rise to the new challenges and emerging opportunities in this ever-changing environment to generate sustainable returns for our unit holders.

APPRECIATION AND ACKNOWLEDGEMENT

Appreciation and gratitude also go to the Board of Trustees at Yayasan Pelaburan Bumiputra (YPB) for the trust in PNB to discharge its duties at the highest level of responsibility and accountability.



Hosting a YPB meeting at Menara PNB

My great appreciation is also extended to my fellow Directors on the PNB Board for their commitment and support as we deliberated and discussed strategic matters, albeit over virtual sessions during the year under review, to arrive at a consensus on the best and most prudent decisions that are in the best interest of the institution.

Gratitude is also expressed to the Boards of Directors of ASNB and the PNB group of companies, our Shariah Advisory Committee, the National Fatwa Council and the Fatwa Councils of Malaysian states, as well as the Board members, senior management and employees of our Strategic Companies for their continued support to PNB in our drive to deliver on our mandate.

I also wish to thank Yayasan Ekuiti Nasional (YEN), the trust foundation which owns Ekuiti Nasional Berhad (Ekuinas) for the funds presented to YPB in September 2020 amounting to RM120 million. Including the RM200 million that was presented in 2014, it amounts to a total of RM320 million. These funds will be distributed accordingly to our Bumiputera unit holders.

To the team at PNB, I wish to congratulate and commend you immensely for having done extremely well in adapting to the new demands of working during this tremendously difficult year, without compromising on the quality of the outcomes. With your tenacity and agility, you have ensured that we were able to conclude 2020 on an optimistic note despite the unparalleled challenges of the year. Insha Allah, PNB is now better equipped and well positioned to face 2021.

To our unit holders, we greatly value the trust that you have placed in us and for your loyalty, as we endured 2020, being perhaps the toughest year in our history. PNB will continue to strive to uphold its mandate to act in a manner that is sustainable whilst prudently safeguarding the investments in the interest of our unit holders.

TAN SRI DR. ZETI AZIZ

THE PRESIDENT & GROUP CHIEF EXECUTIVE'S REVIEW



DEAR UNIT HOLDERS,

The year 2020 has been historic. It was undoubtedly the most challenging year for the world in many decades, marked by abrupt and unforeseen changes to work and personal lives. It has also been a year of learning for all of us in PNB.

THE PRESIDENT & GROUP CHIEF EXECUTIVE'S REVIEW

Please allow me to begin my review by reflecting on a year that turned out much differently than anyone could have imagined.

Globally, amongst others,

- The year began with Australia experiencing its worst bushfire season, raging since December 2019.
- The United Kingdom (UK) officially withdrew from the European Union after months of negotiation.
- COVID-19 pandemic happened and changed the world forever. The virus has spread across the globe infecting more than 127 million people, resulting in at least 2.8 million deaths, and counting.
- The world locked down starting March and saw the closing of schools, malls, restaurants, and small businesses.
- Price of crude oil reached its low while the price of crude palm oil has been on a downward trend since the start of the year.
- The United States Presidential Election saw Joe Biden win the Presidency.

Malaysia too experienced a number of significant events:

- We experienced a change in government as Tan Sri Muhyiddin Yassin from Parti Pribumi Bersatu Malaysia was sworn in as the 8th Prime Minister, taking over after Tun Dr Mahathir Mohamad's resignation.
- Subsequently, the Board of Trustees of the Yayasan Pelaburan Bumiputra (YPB) reflected the change. We welcomed the Prime Minister as Chairman of YPB and the Minister of Finance as the Deputy Chairman.
- The first Movement Control Order (MCO) was imposed to curb the spread of COVID-19 infection. The initial panic buying, physical distancing and working from home marked the start of our new norm.
- Bank Negara Malaysia cut the Overnight Policy Rate (OPR) four times for a total OPR reduction of 125 bps to a historical low of 1.75%.
- The year closed on a slightly positive note as vaccines were approved in record time.

It was no easy task managing both the safety of our employees whilst continuing to provide superior experience to our 14.5 million unit holders. I am pleased to say that even though 2020 might have slowed us down, it certainly did not stop us at PNB.

As companies went into lockdown in March 2020,

- 1,750 PNB personnel nationwide made the shift to remote working, resulting in over 208,000 hours of Microsoft Team meetings.
- We were separated but not apart, as the constant company-wide communication kept us connected.
- Over RM23 million was donated in medical equipment and cash by PNB Group to support efforts to fight COVID-19.
- Internally, our *Kelab Sukan dan Rekreasi* launched the *#wargaPNBprihatin* campaign and raised RM205,465 which was channeled to MERCY Malaysia.
- 6,600 packed food was prepared by our hospitality arm Attana Hotels & Resorts and delivered to our brave front liners.

Amidst a drastically changed economic, social and also working environment, I would like to extend my gratitude to the team at PNB, who have adapted well to the challenges of 2020. I am proud of the unwavering commitment and camaraderie shown. The team worked hard and made the best of the situation.

Thanks to their incredible efforts, we continued to deliver on our mission. Today, PNB is as agile as ever and the team has shown how strong we are as a company to face any challenge.

I would also like to thank our frontline medical professionals and all essential workers. Understandably, there was a great sense of unease everywhere. However, I am beyond appreciative of their relentless commitment in risking their own safety to help and serve all Malaysians.

Finally, all of this would not have been possible without the continued trust given to us by our unit holders. We are honoured to be with you every step of the way.

Alhamdulillah PNB remains focused on delivering on our mandate to our unit holders. I am honoured to present PNB's Annual Report for the financial year ended 31 December 2020 (FY2020).

When I was appointed as PGCE in July, PNB had already launched the new Strategic Plan 2020-2022, known as Focus 4, in May to strengthen the institution's strategic direction for the coming three years.

THE PRESIDENT & GROUP CHIEF EXECUTIVE'S REVIEW

Focus 4 outlines the following high impact areas:



Assets Under Management (AUM)

increased by **3.4%** from RM312.0 billion in FY2019 to **RM322.6 billion**

Units in Circulation (UIC)

across all 15 funds grew by **4.0%** to reach **264.0 billion units**

Total Income Distribution Payout

RM11.1 billion

Total Cumulative Income Distribution Payout

RM211.3 billion since inception

KEY ACCOMPLISHMENTS IN 2020

With a refined focus, I am pleased to report on three key achievements during FY2020. Firstly, we generated a resilient financial performance amidst a challenging landscape. PNB's Assets Under Management (AUM) increased by 3.4% from RM312.0 billion in FY2019 to RM322.6 billion in FY2020.

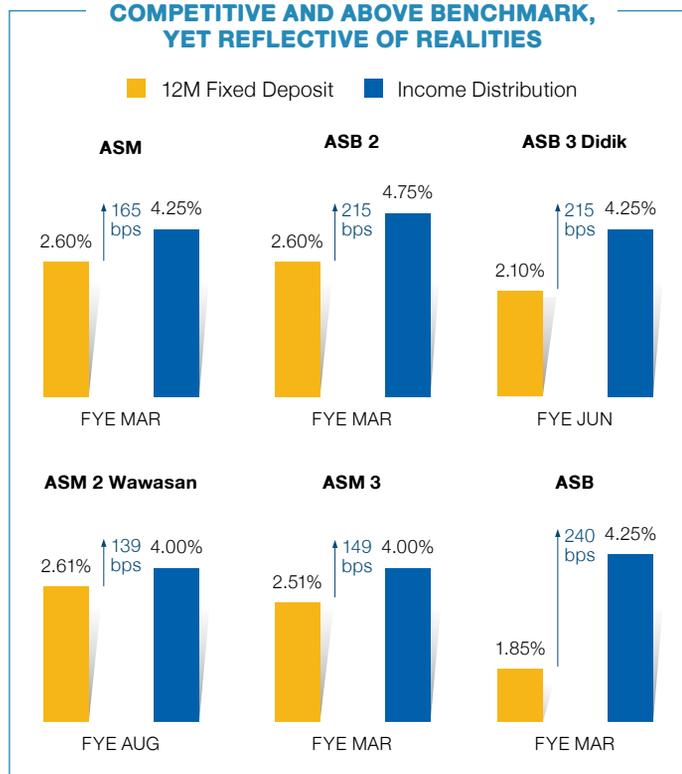
From this amount, RM273.0 billion is made up of our unit holders' investments across the 15 funds managed by our wholly owned unit trust company, Amanah Saham Nasional Berhad (ASNB). This saw an increase of 3.4% from RM264.2 billion in FY2019, which reflects the continued trust that our unit holders have in PNB as a prudent asset manager and in ASNB's unit trust products as a safe investment tool even as they faced uncertain times due to the global pandemic.

The remaining RM49.6 billion is in PNB's proprietary fund which is operated and managed separately from the unit trust funds.

Units in Circulation (UIC) for all 15 funds grew by 4.0% to reach 264.0 billion units, in tandem with the on-boarding of more than 200,000 new unit holders. This takes the total number of accounts to 14.5 million.

PNB also continued to provide competitive returns to our unit holders in FY2020, with a total payout of RM11.1 billion for all funds. The returns of our fixed price funds such as Amanah Saham Bumiputera (ASB) and Amanah Saham Malaysia (ASM) surpassed their respective benchmarks which reflect the difficult economic conditions in which we operate. For instance, our flagship fund ASB has consistently generated positive returns and outperformed its benchmark, Maybank's 12-month Fixed Deposit rate, despite the negative performance of the FBM KLCI in five of the recent seven years.

2020 INCOME DISTRIBUTION REMAINED COMPETITIVE AND ABOVE BENCHMARK, YET REFLECTIVE OF REALITIES



THE PRESIDENT & GROUP CHIEF EXECUTIVE'S REVIEW

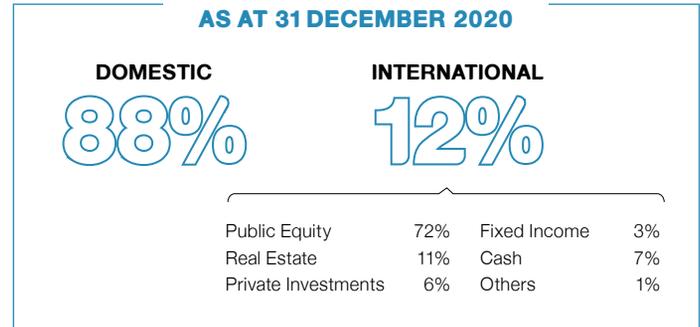
This brings PNB's cumulative income distribution payout since inception to RM211.3 billion, an increase of 5.5% from the total cumulative amount of RM200.2 billion distributed in FY2019. This demonstrates our investors' trust in our ability to grow their investments in a prudent manner and we aspire to continue doing so in the years to come.

PNB's gross income for FY2020 contracted by 5.0% to RM14.5 billion from RM15.1 billion registered in FY2019. 66.4% of our portfolio is invested in the domestic equity market, out of which 32.3% is in our Strategic Companies. The overall performance of our Strategic and Core Companies was affected by the challenging market environment in FY2020 and these companies underperformed the FBM KLCI during this period.

We believe that there are opportunities to create or unlock value in these companies and this is a key focus for PNB in 2021. Our team will continue to work closely with our companies to seek opportunities that can deliver superior shareholder return and overcome this period of underperformance relative to the broader market.

Nonetheless, PNB's gradual diversification efforts since 2018 have helped to fortify our financials as we expanded into other asset classes, domestically and internationally.

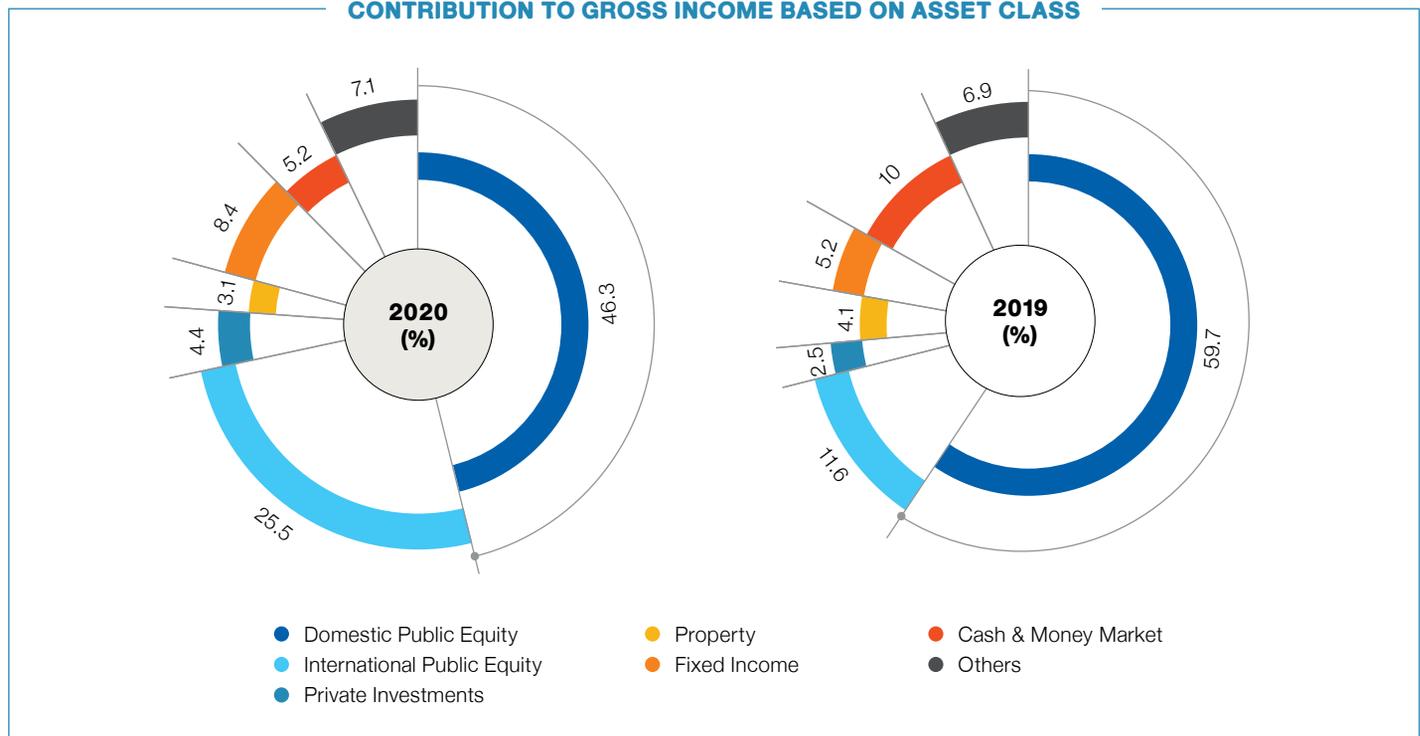
GEOGRAPHICAL EXPOSURE AS AT 31 DECEMBER 2020



We have made great progress in executing our diversification strategy during the year under review. PNB's global public equity investments grew to 8.7% of our portfolio in FY2020 as compared to 5.9% in the preceding year.

Meanwhile, our total global exposure in multiple asset classes grew to 12% in FY2020, an increase of approximately 3.5% from FY2019. It is very encouraging to see that this small portion of our portfolio delivered a larger contribution. For instance, our international public equities contributed to 25.5% to gross income in FY2020, as compared to 11.6% in FY2019. Growing the international investments will be a multi-year process for PNB as we ensure we have access to the best opportunities globally which are still within our risk appetite.

CONTRIBUTION TO GROSS INCOME BASED ON ASSET CLASS



THE PRESIDENT & GROUP CHIEF EXECUTIVE'S REVIEW

PUBLIC EQUITY

PNB's global public equity investments form 8.7% of our portfolio in FY2020 as compared to 5.9% in the preceding year. Our diversification efforts have begun to show positive results, where international investments delivered a larger contribution to Gross Income in 2020. International public equity contributed to 25.5% of total income, an increase from 11.6% the year before.

Moreover, PNB has established the External Fund Manager framework, as we look to engage and work with high quality fund managers in deploying targeted strategies while undergoing a knowledge transfer process to build PNB's internal capabilities. In 2020, PNB identified and selected nine exceptional external fund managers across three strategies - global equity, global emerging markets and global quantitative.

On the domestic public equity front, PNB recognises the challenges faced not only by our investee companies, but also by the rest of corporate Malaysia under this volatile and challenging economic environment. However, we have continued to execute operational value creation plans with our Strategic Companies and aligned in terms of financial expectations from a sustainable return standpoint.

As part of our efforts to rebalance our portfolio, we divested the entire 56.3% shares held by PNB and our unit trust funds in one of our Strategic Companies, Chemical Company of Malaysia Berhad (CCM). The price offered by the buyer, Batu Kawan Berhad, represented a 69% premium to CCM's three-month volume weighted average share price. Upon completion of the exercise in December 2020, PNB received proceeds of RM292.8 million.

We also published the PNB Stewardship Framework to educate our investee companies on our investment stewardship philosophy and expectations, which include:

- i. Refining and publishing the Voting Guidelines of PNB;
- ii. Writing Shareholder's Letters to investee companies that outline our views and aspirations;
- iii. Establishing the annual Strategic Investments Council; and
- iv. Publishing the Malaysian Code for Institutional Investors Compliance Statement of PNB.

The PNB Stewardship Framework clearly delineates how we wish to fulfil our role as a more engaged and active, value-adding investor and partner to our investee companies. Through this role, we look to foster sustainable returns by ensuring organisational health in terms of financial performance, best governance practices and talent strategy alike.

Domestic equities remain the central element of our portfolio and we will continue to engage with our Strategic and Core Companies to strengthen performance and unlock value for our stakeholders. With more than 60% of our portfolio invested in these companies, a stronger collective performance by our investee companies will ensure PNB's ability to continue generating competitive returns that our unit holders expect from us.

Furthermore, PNB is committed to proactively play our part in maintaining public confidence in our Shariah-compliant investment operations - all ASNB unit trusts are classified as permissible or 'Harus' by the National Fatwa Council and all State Fatwa Councils.

REAL ESTATE

With a higher allocation of 4.3% in FY2020 from 3.4% in the preceding year, our Real Estate portfolio continued to deploy capital into global real estate funds in various countries and segments as established in our Real Estate Investment Framework.

Approximately 14% is currently deployed in North America, 58% in Europe and 28% in Asia Pacific, excluding Malaysia, and in various real estate sectors, including logistics and offices. 2020 also opened new doors for us in the residential sector, where PNB has investments in Japan, the US and Europe.

In Malaysia, we continue to operate in real estate investment trust (REITs), hospitality, land banking and commercial leasing segments. We are also focused on completing Merdeka 118.

We are currently developing Phase 1 which comprises the Merdeka 118 tower and its surrounding infrastructure. The concrete core structure has reached its peak at Level 118 and the tower facade (a glass panel installation) has reached Level 99. As of March 2021, the Merdeka 118 tower was 74% completed.

THE PRESIDENT & GROUP CHIEF EXECUTIVE'S REVIEW



Phase 2 of the Battersea Power Station (BPS) is on track to complete in 2021

To comply with the requirements of the MCO, the Merdeka 118 construction site was shut down during the first three phases of the MCO. The site gradually reopened from 13 May onwards whilst adhering to the necessary Ministry of International Trade and Industry (MITI) and the Construction Industry Development Board (CIDB) standard operating procedures (SOPs).

Barring unforeseen circumstances, we expect Phase 1 to be completed in 2022. We have also commenced work on Phase 2 of the development which comprises the retail mall and the four-acre Merdeka Boulevard@118 linear park.

In the midst of our construction work, it was heartening for PNB Merdeka Ventures Sdn. Berhad (PMVSB), our wholly owned subsidiary overseeing development of Merdeka 118, to receive recognition on our onsite safety and health practices from the Ministry of Human Resources during the ministerial visit to Merdeka 118 in August 2020. Safety continues to remain a top priority for the development. As of December 2020, the Merdeka 118 tower safely clocked in more than 38 million-man hours without any lost time injury (LTI).

The “Principal Prevention Through Design” award was accorded to PMVSB in conjunction with the award ceremony held by the Department of Occupational Safety and Health (DOSH) for its Occupational Safety and Health in Construction Industry Management (OSCHIM) Programme.

In the UK, construction work on Phase 2 of the Battersea Power Station (BPS), of which we jointly own the commercial components with the Employees Provident Fund (EPF), experienced a similar halt due to the country’s COVID-19 lockdown in 2020.

Since then, significant measures have been put in place to ensure this site remain operational throughout the subsequent waves of COVID-19 cases and the nationwide lockdown in early 2021, to minimise impact on the development. This project is progressing well and on track to complete in 2021.

The BPS, as a whole, has become a bustling hive of activity with a vibrant community of homes, shops, restaurants, offices, cultural and leisure venues as well as 19 acres of public space.

The first phase, known as Circus West Village, is already a thriving riverside destination and home to over 1,200 residents. Its eclectic mix of arts, culinary, family and fitness venues currently attract over three million people annually.

Upon completion of Phase 2 of the BPS, 100 more shops, restaurants and cafes, a unique chimney lift experience offering 360-degree panoramic views of London’s skyline and a 2,000-pax events venue will further increase footfall to this area. So will a new 500,000 sq. ft. London office for global technology brand, Apple, and 253 residential apartments.

PNB continues its effort to revamp its domestic real estate portfolio by seeking opportunities in value generating segments, such as in the attractive industrial and logistics sectors. During the year under review, PNB, together with Kumpulan Wang Persaraan (Diperbadankan) (KWAP) and AREA Group of Companies, had entered into a joint venture through their respective subsidiaries, for the development of a 220-acre land into an integrated industrial park in Kota Seri Langat, Banting, Selangor. To be known as COMPASS @ Kota Seri Langat, the industrial park will offer “build-to-suit” industrial facilities and warehouse with over RM1.4 billion gross development value, and is anticipated to be a prominent industrial and logistic hub in Selangor given its strategic location within the vicinity of major ports and direct connection to West Coast Expressway.

Additionally, PNB, through its wholly-owned subsidiary, Ombak Real Estate Sdn Bhd, had announced the proposed conversion of its Amanah Harta Tanah PNB (AHP) to an unlisted REIT by way of selective unit redemption on 18 September 2020. The key objective of the exercise was to rebalance and grow AHP’s property portfolio efficiently under an unlisted REIT structure by venturing into new segments, whilst providing opportunity to the entitled

THE PRESIDENT & GROUP CHIEF EXECUTIVE'S REVIEW

unit holders to realise their investment at a premium to the prevailing market price. The exercise was completed with the delisting of AHP from Bursa Malaysia on 15 February 2021.

Meanwhile, to maximise its portfolio return, PNB had also embarked on reducing its exposure in challenging markets. For example, in the oversupplied commercial office segment, PNB had completed the sale of Menara MIDF on Jalan Raja Chulan, Kuala Lumpur, for RM141 million in December 2020. The sale allowed PNB to unlock its investment value while enabling capital to be recycled to support its expansion in emerging sectors.

PRIVATE EQUITY

PNB had established its Private Investment Framework (PIF) in 2017, which outlines an investment structure and a five-year asset allocation strategy to be executed by our Private Markets division. The target is to increase the private equity allocation from 2.8% to between 6%-7% of PNB's long-term AUM via a structured investment allocation and strategies to enhance overall returns for PNB.

From a targeted annual commitment of close to US\$1 billion, approximately 40% is to be channelled through a Direct/Co-investments Programme while the remaining 60% is through fund commitments in a Global Fund Investments (GFI) Programme.

In terms of market value, approximately 80% of our private investment portfolio was composed of domestic investments in FY2020 with the majority of the existing investments being made prior to the establishment of PIF. The remaining 20% was primarily conducted through the GFI Programme, an increase from 14% in FY2019, and consistent with our effort to diversify into global investments.

On 15 April 2020, PNB successfully divested its entire 23% minority holding in Unilever Malaysia Holdings (UMH), a company which had provided attractive returns since we first acquired our stake in 1981.

A significant milestone for the year also includes PNB's participation as a co-investor in one of the largest European buyout deals. Additionally, PNB continues to evaluate opportunities in Malaysia including investment in a Malaysian-based contract manufacturer of food products that is one of the largest in the world in its segment.

Since the implementation of PIF, PNB has committed into approximately 25 global private equity funds, including via Separate Managed Accounts, which are managed by renowned global private equity firms. A number of these high-quality private equity firms were identified early on to establish and build strong relationships towards obtaining possible investment allocation in their future funds. These top-quartile private equity firms, with outstanding track record and persistent investment returns are known for their exclusivity in providing access to new investors.

CATERING TO UNIT HOLDERS' GROWING NEEDS

As PNB advances further in our journey towards becoming a distinctive world-class investment house with a more diversified portfolio that ensures sustainable returns, we remain rooted to our base in Malaysia. Our 14.5 million account holders have been and will always be our top priority. We will continue to introduce better and more value-added services to provide you with a positive overall experience.

FY2020 marks the 30th year that our flagship fund ASB has assisted investors in achieving their financial goals. To show our appreciation to our 10 million ASB investors, ASNB held a year-long anniversary celebration filled with contests and activities for investors and all Malaysians.

During the year, we launched our very first global-focused unit trust fund, called ASN Imbang 3 Global. This global fund invests up to 65% in global financial markets and is primarily catered to investors with a preference for a more international-focused investment portfolio. We have seen great demand for the fund, with AUM of RM646.7 million as at end February 2021 and continuing to grow.

Other key initiatives launched during the year include:



Online withdrawal facility that offers flexibility to unit holders to better manage their investments



Online Shariah-compliant estate management services



ASB Loan Helpdesk to assist unit holders that are seeking advice and assistance on matters related to their ASB financing

THE PRESIDENT & GROUP CHIEF EXECUTIVE'S REVIEW



In adapting to the new normal, our ASNB branches have also operated on a scaled down basis for the most part of 2020. I would like to again thank our nationwide branches and front liners for undertaking all the necessary precautionary measures whilst catering to our unit holders' needs.

LEVERAGING DIGITAL INNOVATIONS FOR A WIDER AUDIENCE

We are particularly pleased with further progress of our digital plan in FY2020 with two milestone achievements namely, the introduction of Raiz Malaysia, the country's first-ever micro-investing mobile application, and the transformation of our annual flagship event Minggu Saham Amanah Malaysia (MSAM) into Minggu Saham Digital (MSD).

As a natural evolution of PNB's digital strategy, Raiz Malaysia paves the way for all Malaysians to begin their savings journey by automatically rounding up and investing their virtual spare change into ASNB's variable price unit trust funds. With more than 90% of the Malaysian population using mobile phones and devices, Raiz Malaysia is a positive contribution towards the Government's drive to enhance digital financial inclusion in our society.

In only six months after this pioneering initiative was launched, Raiz Malaysia had successfully attracted more than 160,000 sign-ups and almost 45,000 investment accounts at the end of FY2020. Meanwhile, its total funds under management almost reached RM10 million. This is no mean feat for a pool of spare change that would otherwise be lying idle.

As for our ongoing financial literacy outreach programme, PNB has always been committed to our annual flagship event MSAM as it is a way to increase awareness among the public on the value chain of our funds that they invest in.

This event typically showcases the companies in which PNB invests, as well as our partners from the Government and regulatory bodies. When held on-site, this event attracted hundreds of thousands of visitors from the surrounding areas of the exhibition location. In contrast, MSD held on a virtual platform, successfully expanded its reach to over seven million during the week-long event.

As the initial digital pilot, MSD far exceeded our expectations and we are truly grateful to all Malaysians who tuned in and made this event a resounding success. Our team aims to further enhance the content line-up and widen the reach for the 2021 edition of MSD.

THE PRESIDENT & GROUP CHIEF EXECUTIVE'S REVIEW

Anchored by the mandate, a strong sense of purpose of delivering returns is evident within Team PNB. Notwithstanding the limitations, more than 90% of the projects outlined for 2020 were either completed or in progress by end of the year. I must say that I am proud of Team PNB for proving their agility and for adapting quickly to the new norms.

TEAM PNB

The 1,750-strong team at PNB has indeed worked hard to adapt to new working norms. Propelling them to persevere in FY2020 is a strong foundation that had been laid throughout the past four decades and built upon on PNB's previous corporate values known as CHIPP - Competence, Humility, Integrity, Prudence and Passion.

In 2020, as part of Focus 4, PNB embraced new values, PACE, to facilitate the transformational journey that we have embarked upon. PACE - Prudence, Adaptability, Collaboration and Excellence - builds on the strength of CHIPP's firm foundation and provides an anchor for us as we advance into the new digital era.

In a time when global health concerns necessitated new ways of working, the PNB team adapted well and remained productive even as they shifted to virtual collaborations via Microsoft Teams from the safety of their own homes. PNB has virtually onboarded graduates and new staff to the workforce in 2020. We also kept close contact with the students under our scholarship programme and provided the necessary assistance that they needed during the challenging period.

Amid growing uncertainty, transparent communication is key. Our Human Capital division provided daily updates on COVID-19 while internal communication from the Leadership Team was kept constant. I believe these continuous communications helped shed light to the current on-goings of the organisation.

We also activated PNB's Business Continuity Plan, during the first MCO, as well as our new Flexible Working Arrangement (FWA) options. To safeguard the safety of both our workforce and visitors to the building, virtual meetings were encouraged and no more than 25% of our team were on PNB's premises throughout the year.

An innovation that came out of the lockdown was Beacon by PNB, a mobile application that is customised to help the PNB team better manage their FWA. Beacon enables staff to check-in to work and provide managers with a live view to efficiently manage team schedules.

Anchored by the mandate, a strong sense of purpose of delivering returns is evident within Team PNB. Notwithstanding the limitations, more than 90% of the projects outlined for 2020 were either completed or in progress by end of the year. I must say that I am proud of Team PNB for proving their agility and for adapting quickly to the new norms.

SUSTAINING GOVERNANCE AND IMPROVING PROCESS

In 2020, PNB's procurement related procedures adopted the cloud-based SAP Ariba's market-leading spend management solutions and the Ariba Network. The implementation has enabled us to, amongst others, reduce manual procurement processes through automation, digitise our supplier onboarding process, and apply data analytics to review suppliers'

performance. This was done with a view to establish a more strategic procurement function that can lead to greater cost savings for PNB.

The emergence of risks deriving from this ever-changing investment landscape has led PNB to strengthen our existing risk management processes in safeguarding the interests of our stakeholders, particularly the unit holders. The year saw the establishment of the Risk Culture Framework (RCF) to support PNB's efforts towards inculcating a sound risk culture across the organisation.

The Transversal Risk Sub-Committees (Investments, Operations and Technology) were set up to collaborate and provide solutions to common risks from the ground up, as well as formulating recommendations to the Risk Management Steering Committee (RMSC) and Risk Management Committee (RMC). Operationally, we have adopted the SAI360 system as one of the steps to digitising our risk management workflow.

In maintaining good corporate governance and high ethical standards, PNB has successfully further enhanced the Group's Chinese Wall Policy to ensure that all business dealings are in full compliance with all relevant regulatory requirements, particularly the Capital Markets and Services Act 2007. The policy is designed to manage the flow of confidential information in avoiding conflicts of interests.

THE PRESIDENT & GROUP CHIEF EXECUTIVE'S REVIEW

PNB's audit practices through its Internal Assurance Department (IAD) have been enhanced by the introduction of two new units. The Quality Assurance and Special Projects (QASP) Unit is responsible for conducting the quality assurance activities within the department in accordance with the International Professional Practices Framework (IPPF) as well as undertaking special projects. Meanwhile, the Internal Quality Audit (IQA) Unit is tasked to provide independent assessment and assurance towards the certified entities within the PNB Group.

As with other teams in PNB, IAD was able to transition towards a combination of physical and remote auditing methodologies during the MCO period. Towards the end of 2020, all planned audits were completed, while 79% outstanding items were closed.

REMAINING TRUE TO OUR ROOTS AS WE REACH OUT TO THE WORLD

As we enter the new financial year of 2021, we are determined to do better for the benefit of Bumiputeras and all Malaysians. PNB will pursue the strategies delineated in our Focus 4 strategic plan towards growing our portfolio.

At the same time, our efforts in empowering Malaysians with enhanced financial literacy levels will continue via conventional methods as well as on new virtual platforms to engage the younger, more tech-savvy audience.

Increasing our diversification efforts across an array of profit-generating asset classes, continuing to engage actively with our investee companies to further enhance their value, and accelerating our digital transformation initiatives will be the mainstay of our operations in FY2021 and beyond.



MOF Dialogue with the leadership of PNB Strategic Companies

With an optimistic outlook of recovering economies and improving global market conditions following the distribution of COVID-19 vaccines across the world, PNB expects to seize commercial opportunities which will enable us to produce the results that we seek to fulfil our social objectives, insya-Allah.

A SUPPORTIVE ECOSYSTEM, A CONDUCIVE ENVIRONMENT

The resilient performance of PNB during FY2020, an unprecedented year, could only be realised with the support of a reciprocal ecosystem. All of us at PNB are deeply grateful for the staunch support that we continue to receive from the Board of Trustees at Yayasan Pelaburan Bumiputra (YPB).

I am personally thankful for their trust in appointing me as the President & Group Chief Executive (PGCE) of PNB in July 2020. It is a huge responsibility to lead this institution, the guardian to the wealth of millions of Malaysians, and I am determined to carry out my duties to the best of my abilities.

To this end, I have been very fortunate to receive guidance from PNB's Group Chairman, Tan Sri Dr. Zeti Aziz, who continues to be an inspiration to everyone in the corporate and financial world. I am also grateful to the Board of Directors of PNB and ASNB who have helped steer us through this challenging year.

We have also thrived with the support and cooperation received from various Government Ministries and agencies, regulators, Fatwa councils and committees, as well as from the leadership and staff of our stable of investee companies.

The PNB team has played a crucial role in assisting me during my transition process and ensured that day-to-day business and operations run smoothly. I wish to thank you all, my colleagues, for riding the waves of change and for persevering through 2020.

To our unit holders who have stayed on with us during these trying times, we thank you for your continued trust. Since PNB's inception, our main priority has always been to safeguard your interests come what may.

AHMAD ZULQARNAIN ONN

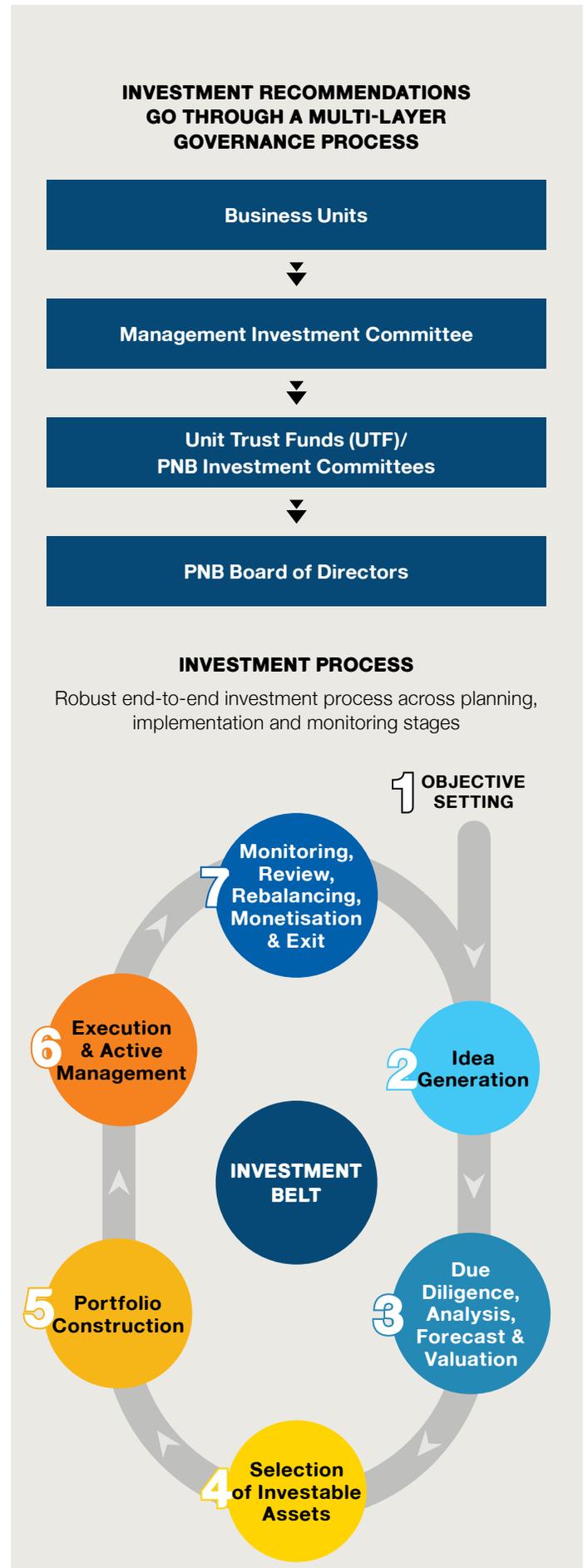
GLOBAL FOOTPRINT, INVESTMENT PHILOSOPHY AND PROCESS



PNB, at its core, employs a value-based investment philosophy that balances various types of investment strategies in different asset classes: from long-term holdings in quality companies with steady recurring yields, to momentum-driven investments with capital gains through trading activities.

In achieving our goals, we combine a top-down perspective, which is informed by long-term macro views and optimal asset allocation targets, with a bottom-up fundamental-driven approach in asset selection to create value.

Diversification is an integral aspect of our strategy which seeks to further broaden the asset and geographical mix of our portfolios. Altogether, this allows us to construct well-balanced and resilient portfolios in delivering sustainable returns to our unit holders without incurring undue risk.

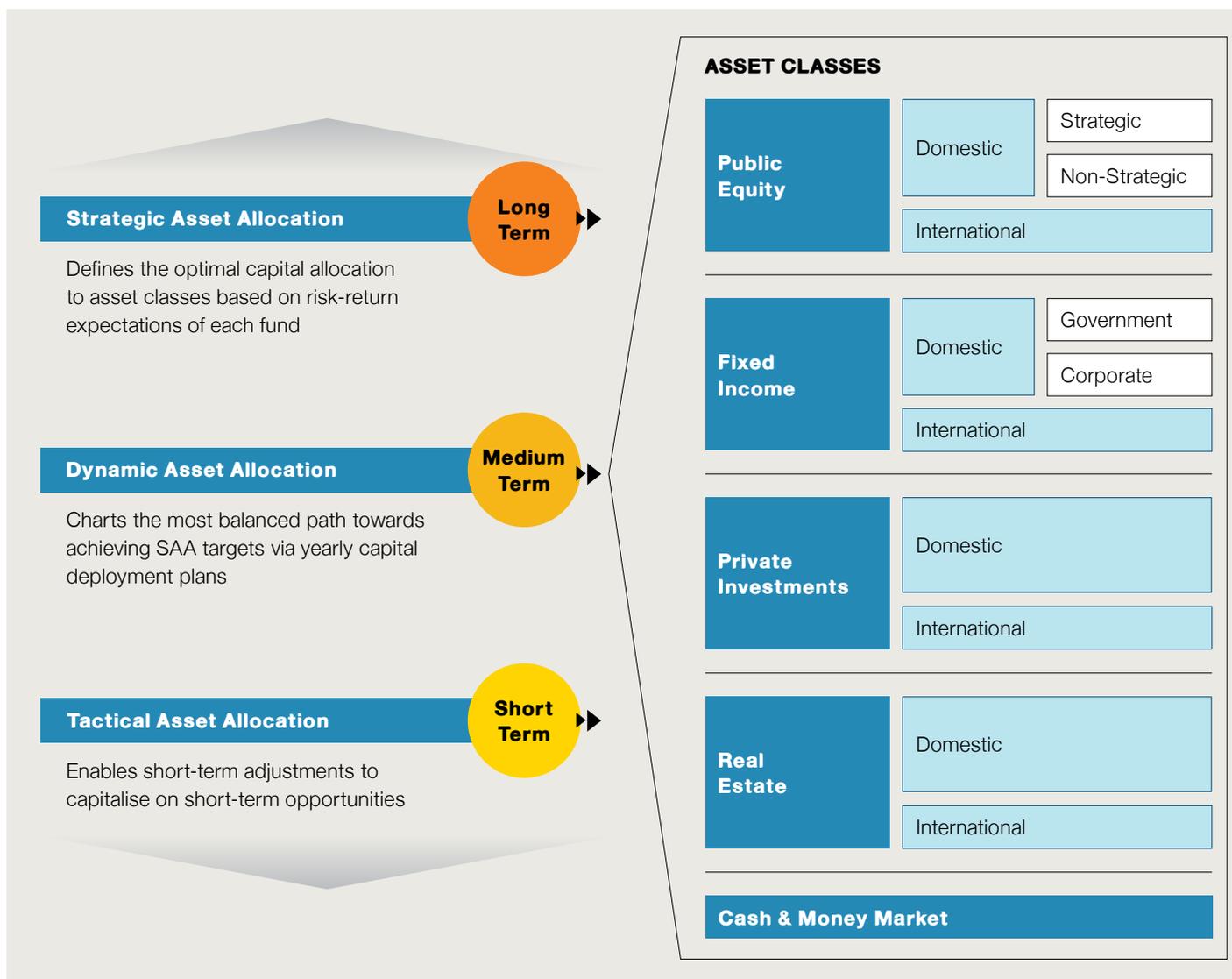


STRATEGIC ASSET ALLOCATION

STRATEGIC ASSET ALLOCATION (SAA) FRAMEWORK

PNB's SAA Framework guides the decision-making process of setting optimal long-term capital allocation targets. It plays an essential part in PNB's initiative to achieve better diversification of risk from its portfolio of investments across different asset classes.

Optimal SAA targets for each respective fund are tailored to take into account the defined risk appetites, return targets and investment constraints of the funds under PNB's management. This is in turn supplemented by our view on the short and longer-term outlook, as well as expectations of risk and return levels across capital markets and asset classes that we are invested in.



STRATEGIC ASSET ALLOCATION

PNB's SAA process is built effectively around our strong belief in cultivating a culture of cross collaboration and collective accountability across the organisation. This is essential in ensuring resources and skills are fully aligned and focused on fulfilling the objectives of our funds and ultimately the expectations of our unit holders. Through this structured and inclusive approach, we are able to continuously establish a more informed and up-to-date view on the underlying factors driving expected risks and returns across all the asset classes that we invest in, leading to enhanced allocation decisions.

In 2019, a mid-term review of PNB's Strategic Plan was undertaken which included a revisit of the SAA Framework approved by the PNB Board in 2017. The revised SAA Framework affirms our steadfast commitment in accomplishing the objectives of our funds through our ongoing asset diversification strategy. This includes progressively increasing our fixed income exposure and judiciously building up our investments in global assets, for our current stable of one proprietary fund and 15 unit trust funds, which complements our existing domestic equity holdings.

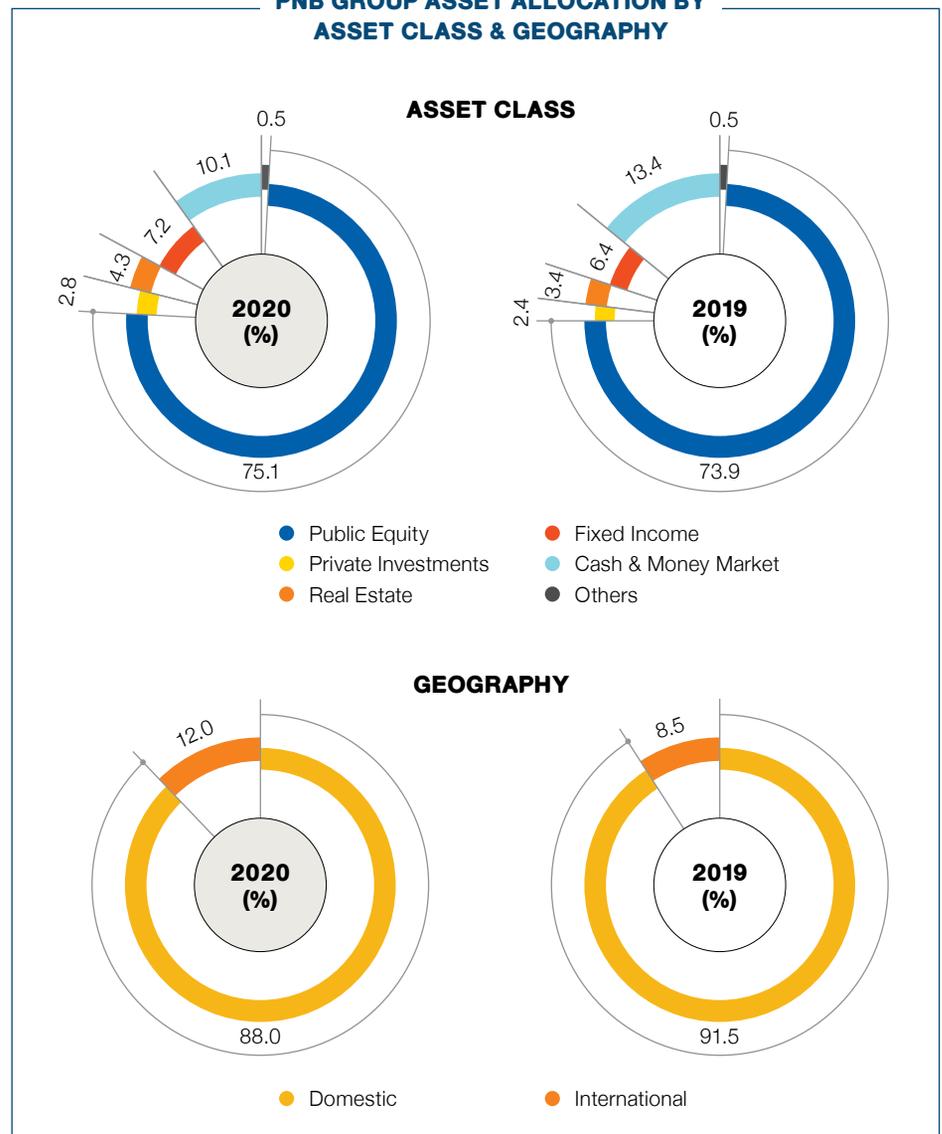
While we remain firmly focused on building portfolios which will generate sustainable growth over the long run, we are not immune from the complex global environment in which our funds operate. Hence, our long-term SAA targets are complemented by medium-term and shorter-term tactical tilts via the Dynamic Asset Allocation and Tactical Asset Allocation respectively, allowing flexibility in deliberate and meaningful but temporary shifts within the approved asset allocation ranges.

In addition, all aspects of our investment strategies, including the asset-mix selection and liquidity management, are underpinned by proactive risk management, ensuring resilience and sufficient liquidity at all times to meet any liabilities and to pursue suitable investment opportunities.

We constantly assess and review each fund's deployment path, and will continue doing so as we prudently chart our portfolio diversification journey forward, while being mindful of the market conditions and immediate liquidity needs.

Altogether, this allows our funds to be better positioned to maximise diversification benefits towards achieving the optimal risk-return balance, hence setting the stage for continuing, sustainable returns in the years to come.

PNB GROUP ASSET ALLOCATION BY ASSET CLASS & GEOGRAPHY



STRATEGIC INVESTMENTS

As part of our investment process, PNB exercises its stewardship responsibilities to ensure our investee companies practise good corporate governance to deliver sustainable long-term shareholder value. During the year under review, we published the PNB Stewardship Framework to share and provide an understanding of PNB's investment stewardship philosophy and expectations to our investee companies, the investing public and the general market.

The PNB Stewardship Framework complements the existing Strategic Investments Framework which guides PNB in playing its role as an active shareholder to add value and transform the performance of our investee companies.

During the year, as part of our stewardship responsibilities, several initiatives had been undertaken, including amongst others:

Refinement and publishing of the "Voting Guidelines" of PNB which serves as a guidance in exercising our shareholders' rights at the general meetings of our investee companies. The Voting Guidelines of PNB covers pertinent shareholders' matters including re-election and remuneration of directors, issuance of new shares, share repurchases and share incentive schemes, recurrent related party transactions, reappointment and payment to auditors, and approval of dividends.

Writing Shareholder's Letters to investee companies, outlining our views and aspirations.

Establishment of the Strategic Investments Council as a platform for PNB and its key investee companies to discuss views and common challenges.

Publishing the Malaysian Code for Institutional Investors (MCII) Compliance Statement of PNB.

As part of our asset diversification strategy to rebalance our portfolio, we divested our entire shareholding in Chemical Company of Malaysia Berhad in FY2020. This exercise is consistent with the efforts to continuously enhance value and deliver sustainable returns to our unit holders.

We continuously engaged with our investee companies as part of our investment monitoring activities. During the year, our engagements with the board and management of investee companies were mainly focused on performance improvement and ensuring sustainability, especially given the challenging operating environment as a result of the COVID-19 pandemic.

Long-term steward - but no excuse for weak performance

Clear expectations & KPIs, aligned to remuneration



Disciplined capital allocation



Accountability through transparency



Advocacy on behalf of investors



Complementary expertise



Platform for cross-pollination



Value-adding partner/investor

PNB STEWARDSHIP FRAMEWORK

Advocacy and expectations for investee companies



Investee Board Members



Investee Management

Engaged investor

Appropriate board representation and appointment rights



Clear and transparent voting guidelines



Board effectiveness assessment



Talent 'bench' for Board + CEO roles



Talent Strategy



Benchmarking organisational health



Talent-focused investor



STRATEGIC INVESTMENTS

STRATEGIC COMPANIES

Companies in which PNB holds the majority shareholding or controlling stake.

PATAMI: Profit After Tax and Minority Interest.
All Market Capitalisation and Shareholding
figures are as at 31 December 2020.

 MALAYAN BANKING BERHAD FYE20 31 December	Net Operating Income	RM24,763 mil	Market Capitalisation	RM95,102 mil
	PATAMI	RM6,481 mil	Shareholding	49%
 SIME DARBY PLANTATION BERHAD FYE20 31 December (unaudited)	Revenue	RM13,081 mil	Market Capitalisation	RM34,974 mil
	PATAMI	RM1,185 mil	Shareholding	58%
 SIME DARBY BERHAD FYE20 30 JUNE	Revenue	RM36,934 mil	Market Capitalisation	RM15,711 mil
	PATAMI	RM820 mil	Shareholding	53%
 SIME DARBY PROPERTY BERHAD FYE20 31 December (unaudited)	Revenue	RM2,063 mil	Market Capitalisation	RM4,520 mil
	PATAMI	(RM479) mil	Shareholding	59%
 S P SETIA BERHAD FYE20 31 December (unaudited)	Revenue	RM3,228 mil	Market Capitalisation	RM4,016 mil
	PATAMI	(RM321) mil	Shareholding	63%
 UMW HOLDINGS BERHAD FYE20 31 December (unaudited)	Revenue	RM9,555 mil	Market Capitalisation	RM3,972 mil
	PATAMI	RM205 mil	Shareholding	63%

STRATEGIC INVESTMENTS

 VELESTO ENERGY BERHAD FYE20 31 December (unaudited)	Revenue	RM547 mil	Market Capitalisation	RM1,140 mil
	PATAMI	(RM492) mil	Shareholding	57%
 DUOPHARMA BIOTECH BERHAD FYE20 31 December (unaudited)	Revenue	RM570 mil	Market Capitalisation	RM2,386 mil
	PATAMI	RM59 mil	Shareholding	52%
 MNRB HOLDINGS BERHAD FYE20 31 March	Revenue	RM2,552 mil	Market Capitalisation	RM764 mil
	PATAMI	RM133 mil	Shareholding	57%
 SAPURA ENERGY BERHAD FYE21 31 January (unaudited 9 months period ending 31 October 2020)	Revenue	RM3,904 mil	Market Capitalisation	RM1,997 mil
	PATAMI	RM55 mil	Shareholding	40%

Selected Core Companies Shareholding

Companies in which PNB has more than 10% shareholding or exposure of more than RM1 billion.

21%

Telekom Malaysia Berhad

19%

Axiata Group Berhad

19%

IJM Corporation Berhad

18%

Tenaga Nasional Berhad

18%

Gamuda Berhad

17%

BIMB Holdings Berhad

12%

CIMB Group Holdings Berhad

11%

Digi.Com Berhad

11%

Maxis Berhad

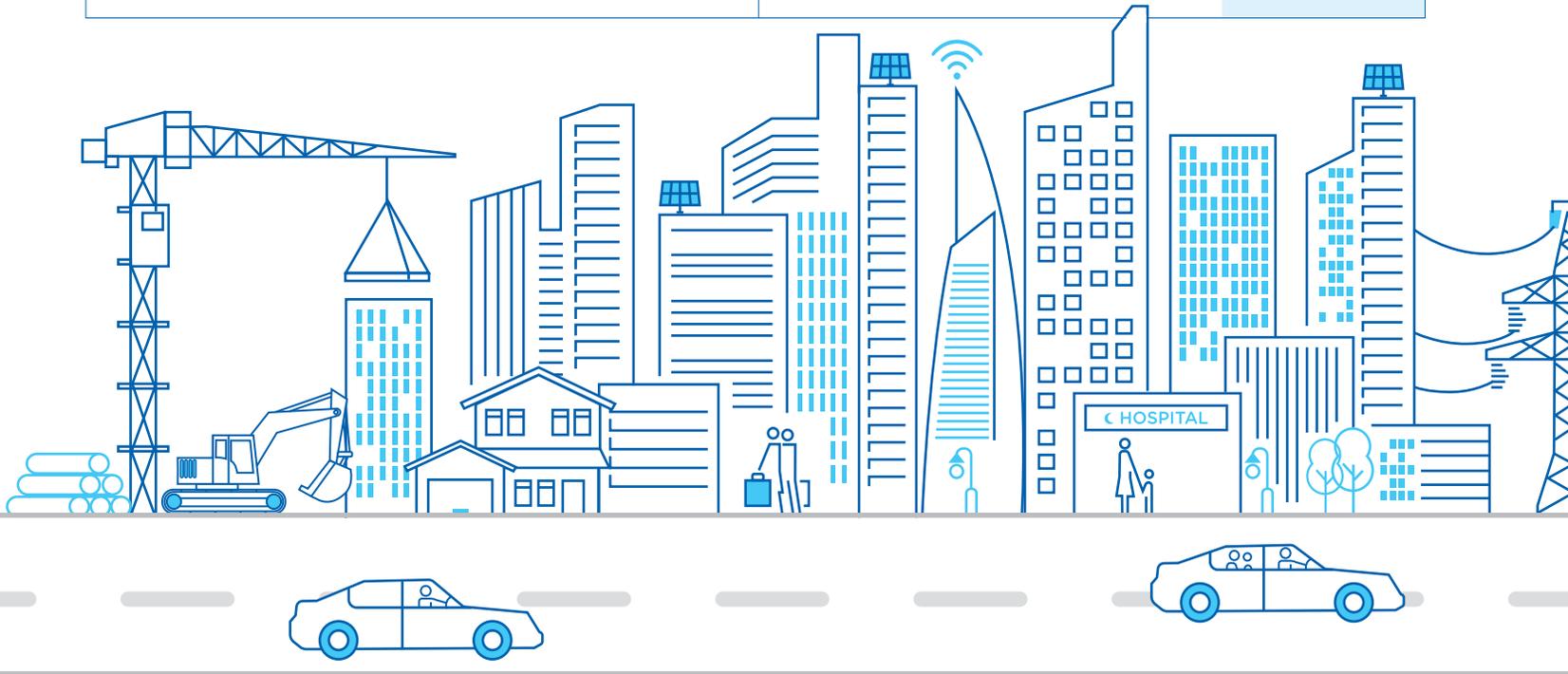
9%

Petronas Gas Berhad

STRATEGIC INVESTMENTS

Notwithstanding our diversification efforts to expand into global markets, PNB and the unit trust funds under PNB's management retain a sizeable exposure in the domestic equity market and remain as significant players in Bursa Malaysia. Through our shareholdings across major and strategic sectors in the Malaysian economy, PNB and its unit trust funds enable the participation in corporate equity ownership amongst all Malaysians.

FINANCIAL SERVICES		
 <ul style="list-style-type: none"> • Maybank was established in 1960, and today is the largest company by market capitalisation on the Malaysian Bourse (Bursa Malaysia). It is ranked first among listed Malaysian companies and among the top 500 companies in the Forbes Global 2000 leading companies of the world • The Maybank Group offers a comprehensive range of products and services that includes commercial banking, investment banking, Islamic banking, offshore banking, leasing and hire purchase, insurance, factoring, trustee services, asset management, stock broking, nominee services, venture capital and internet banking • Maybank's mission is to humanise financial services by providing convenient access to financing in both digital and physical environments, offering fair terms and pricing, advising customers based on their needs, prioritising customer experience using next generation digital technologies and always being at the heart of the community 	 <ul style="list-style-type: none"> • 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), Takaful Ikhlas General Berhad (Takaful IKHLAS General) and Malaysian Re (Dubai) Ltd • Malaysian Re is the largest national reinsurer (by assets) in the Southeast Asia region • Takaful IKHLAS Family and Takaful IKHLAS General serve almost two million policyholders 	 



CONGLOMERATES		PHARMACEUTICAL
 <ul style="list-style-type: none"> • Sime Darby Berhad is a partner of choice for some of the world's best brands in the Industrial and Motors sectors, with operations in 18 countries across Asia Pacific • Sime Darby Industrial, a subsidiary, is a major player in the global heavy equipment sector, partnering with one of the biggest names in the industry, Caterpillar, for over 90 years. Sime Darby Industrial is also associated with a comprehensive range of complementary products and industrial solutions throughout Asia Pacific • Sime Darby Motors, the automotive arm of Sime Darby Berhad, is involved in the retail, distribution, and assembly businesses, in nine markets across the Asia Pacific region. It represents luxury brands such as BMW, Jaguar, Land Rover, Porsche and Volvo, and super-luxury names such as Rolls-Royce, Lamborghini, Ferrari and McLaren, as well as broad-appeal market brands such as Ford and Hyundai • Through its joint-venture company, Ramsay Sime Darby Health Care, Sime Darby Berhad delivers award-winning private healthcare in Malaysia and Indonesia 	 <ul style="list-style-type: none"> • UMW Group is a leading conglomerate with diverse and global interests in the automotive, equipment, and manufacturing & engineering industries. UMW Group carries key brands including Toyota, Komatsu and Grantt - UMW Group's own homegrown lubricant brand - and a host of other leading brands 	 <ul style="list-style-type: none"> • One of the nation's largest providers of generic and over-the-counter pharmaceuticals

STRATEGIC INVESTMENTS

PROPERTY

Setia

- Ranked as Malaysia's No. 1 developer for an unprecedented 13 times for The Edge Top Property Developers Awards and the only developer in Malaysia to receive a record-breaking 12 FIABCI Prix d'Excellence Awards



Property

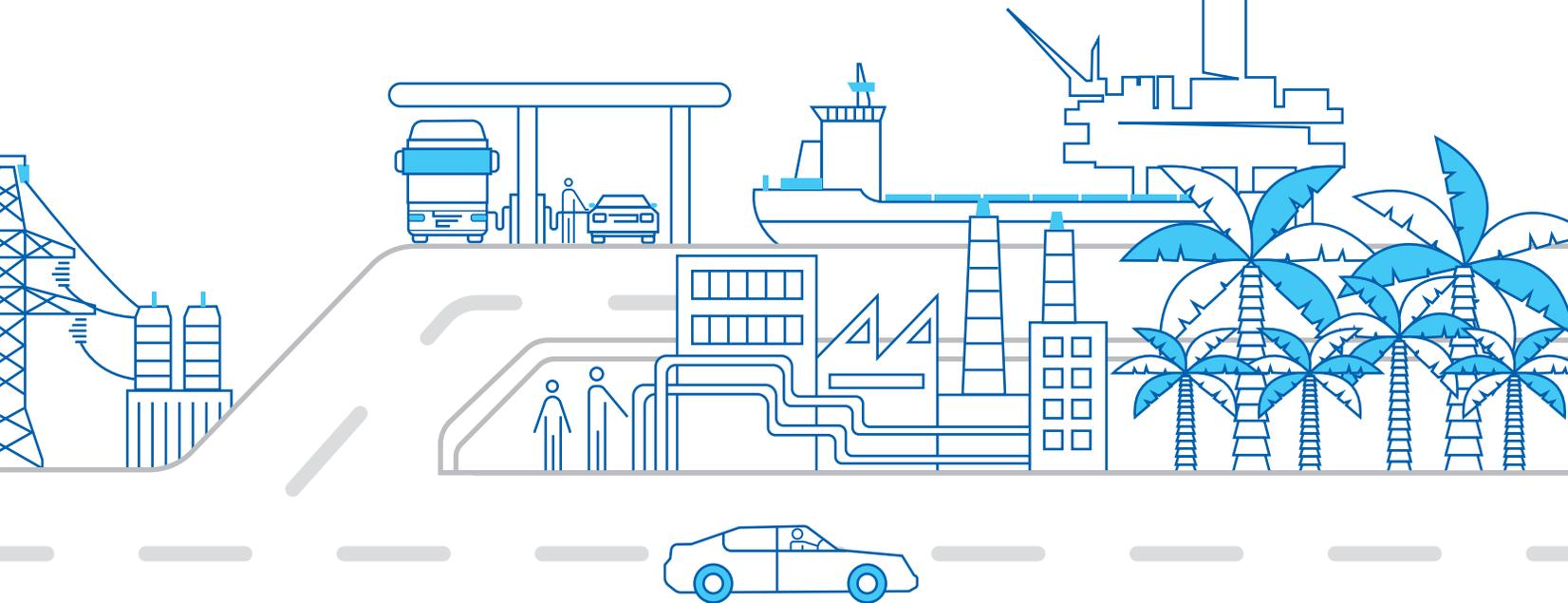
- The largest property developer in Malaysia in terms of land bank size with over 48 years of successful track record of building townships and developments that contribute to the country's nation-building efforts
- Sime Darby Property has been awarded Platinum at the Putra Brand Awards 2020 after winning Gold for 10 years in a row. The Group was also listed as the 2nd Top Property Developer in the country for The Edge Top Property Developers Awards 2020
- A leader in developing sustainable communities, Sime Darby Property has established its own Sustainability Model, Sustainability Strategic Framework and 2030 Sustainability Goals to guide its business operations in supporting the sustainability ecosystem, based on various international standards and instruments

PLANTATION



Plantation

- The world's largest oil palm plantation company by planted area
- The world's largest producer of Certified Sustainable Palm Oil (CSPO)



OIL & GAS

VELESTO
energy

- Malaysia-based service company with experience operating in other parts of Southeast Asia, providing drilling, workover, oilfield, and training services in the upstream oil & gas industry
- The largest Malaysian and regional jack-up drilling rig operator with a young fleet of seven premium jack-up rigs
- Recipient of multiple best and good rig performance awards from various national and international oil companies



- Sapura Energy Berhad is a global integrated oil and gas services and solutions provider operating across the entire upstream value chain. The Group's spectrum of capabilities covers exploration, development, production, rejuvenation, as well as decommissioning and abandonment
- With a highly skilled and technically capable workforce, strategic world-class assets, and strong project management capabilities, the Group today delivers its integrated solutions and expertise in over 20 countries
- In 2019, Sapura Energy was named APAC Company of the Year for the Energy Services, Offshore and Marine category by the Energy Council

TELECOMMUNICATIONS



CONSTRUCTION



INFRASTRUCTURE & UTILITIES



PRIVATE MARKETS

In 2020, PNB continued to deploy capital into the Private Equity asset class, in line with our asset allocation strategy to increase Private Equity allocation of overall AUM over the next five years. Marking the third year of the Private Investment Framework's implementation, the Direct Investments team continue to identify viable and potentially value accretive investments in companies that exhibit strong fundamentals, high growth potential and clear market positioning, and are supported by an experienced and competent management team. Additionally, PNB leverages on our network of global Private Equity fund managers to increase our exposure in Private Equity via global co-investment deals, in line with our efforts to diversify our Direct Investments portfolio.

PRIVATE INVESTMENT FRAMEWORK



As a newly restructured Private Markets Division comprising two new departments - Direct Investments and Global Fund Investments, we continue to enhance our investment focus and enable the adoption of best-in-class investment processes that are specific and unique to these two departments. As part of these ongoing improvements, a unit within the Private Markets Division was created in 2020 to manage and monitor our expanding portfolio in the Private Equity asset class.

DIRECT INVESTMENTS

Selected Controlled Investments		
 Malaysian Industrial Development Finance Berhad (MIDF)	 Projek Lintasan Kota Sdn Bhd (PROLINTAS)	
Selected Minority Investments		
 Goodyear Malaysia Berhad	 Maybank Asset Management Group Sdn Bhd	 BOH Plantations Sendirian Bhd
 Rahim & Co International Sdn Bhd	 Akzo Nobel Paints (M) Sdn Bhd	 Ansell N. P. Sdn Bhd
 Lam Soon (M) Berhad	 Perusahaan Otomobil Kedua Sdn Bhd	 Aspac Lubricants (Malaysia) Sdn Bhd

GLOBAL FUND INVESTMENTS

In addition to Direct Investments, Private Markets also focuses on outsourcing capital to renowned global Private Equity fund managers that we have identified based on a rigorous selection process and criteria.



FIXED INCOME

GLOBAL FIXED INCOME FRAMEWORK

Towards effective tactical investment in Global Fixed Income Instruments to achieve diversification and yield optimisation

Up to 5% Tactical Allocation

Optimising the mix of the instruments by type and geography to achieve opportunistic return



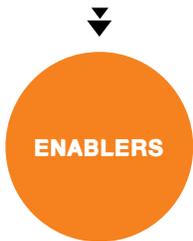
Participation Model
Determining the best method & approach to gain the desired exposures

In-house (Direct)	Active
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Universe Selection
Establishing a screening process to filter potential investments in each sub-asset class

Issuer Type	Geography
Credit Profile	Liquidity

Foreign Exchange (FX) & Hedging Policy
Establishing an FX framework to address currency risk with the intention to hedge between 0% to 50% of total global fixed income portfolio

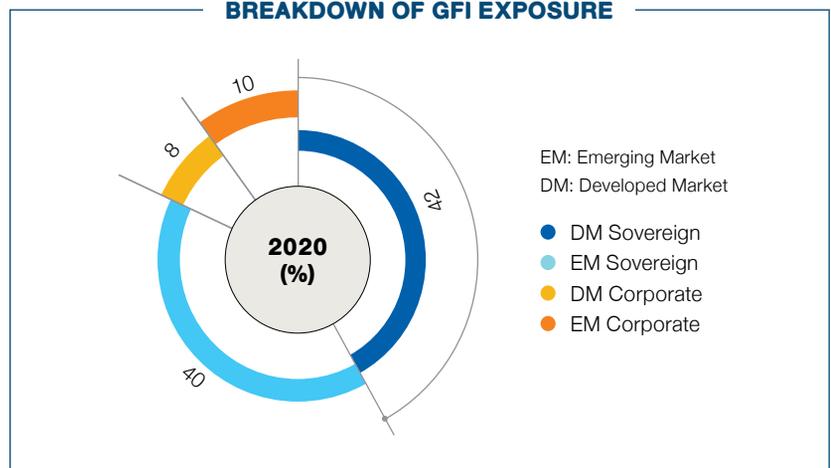


PANDEMIC'S RISK-OFF AVENUE

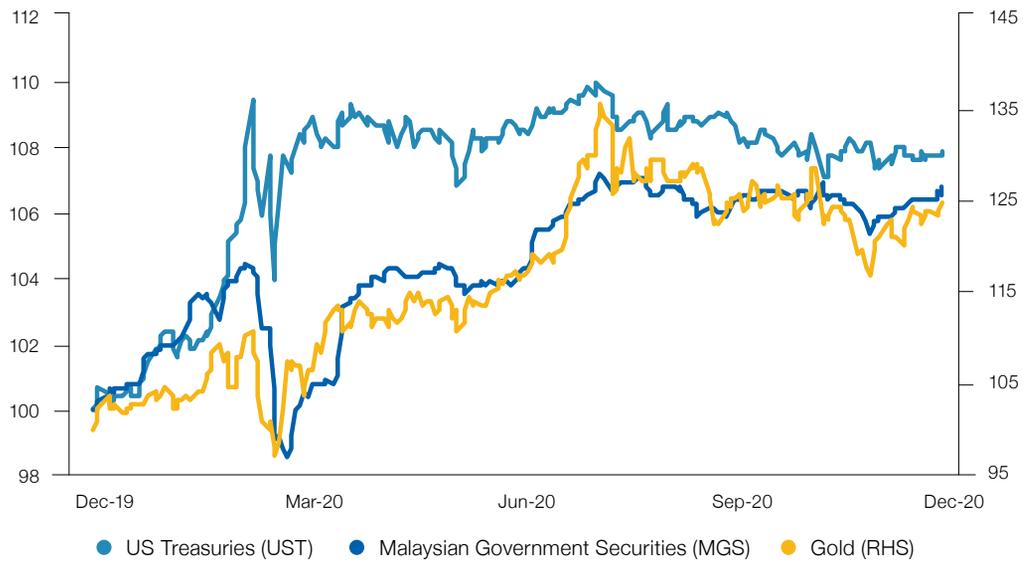
The COVID-19 outbreak at the start of 2020 brought an abrupt halt to global economic activity, consequently triggering a global recession. The shift in economic cycle lifted the prices of risk-free assets such as gold, US Treasuries (UST) and Malaysian Government Securities (MGS), whilst risk assets which include equity and crude oil suffered record losses.

PNB and its UTFs' foray into global fixed income securities is in line with PNB's Strategic Plan to diversify investments across regions and asset classes. The tactical allocation within the asset class enabled PNB and its UTFs to undertake timely investment pivots for return enhancement and to benefit from improved demand for liquid instruments during volatile periods.

BREAKDOWN OF GFI EXPOSURE



2020 RISK-FREE ASSETS PERFORMANCE

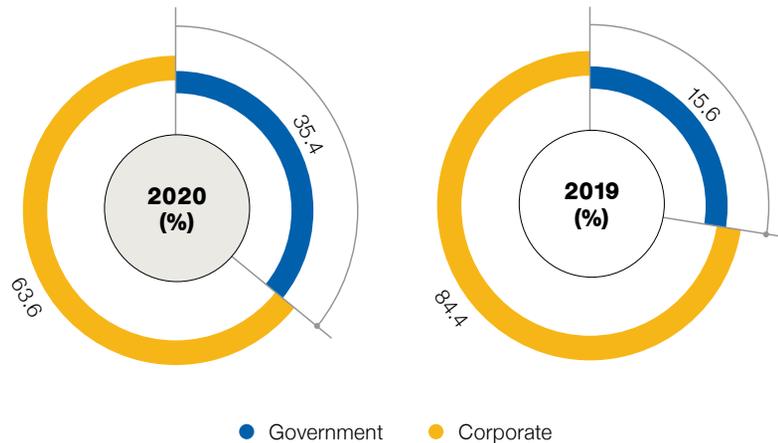


Source: Bloomberg, BPAM. All indices rebased to 100 at start of 2020

Investments in medium and long-term domestic fixed income over the years had led to a healthy portfolio mix, acting as buffer to other risk assets during turbulent times. PNB and its UTFs' allocation in government bonds preserves the liquidity needs of the funds, whilst investments in corporate bonds offer a stable income anchor.

Strategically, the investment approach is to remain selective with exposures concentrated in high quality fixed income instruments. Nevertheless, capital protection, income stability and liquidity requirements while managing duration risk remain PNB and the UTF's priorities in anticipation of changes in market conditions.

PORTFOLIO BREAKDOWN



REAL ESTATE

Year 2020 presented a whole different set of challenges to the global and domestic economies due to the COVID-19 pandemic. The impact has been significant on businesses across different industries, including real estate where it was especially apparent in the hotel and retail segments due to the movement restrictions.

Despite the global COVID-19 pandemic, 2020 saw us continuing our deployment into Global Real Estate Investment Funds for the unit trust funds under PNB's management. This was undertaken through a very structured approach and supported by a robust screening framework. We have been gradually deploying our investments globally to balance the domestic exposure in order to raise overall returns of the portfolio.

On the domestic front, PNB entered a joint venture with KWEST Sdn Bhd and AREA Group of Companies for the development of Compass @ Kota Seri Langat, a freehold integrated industrial and logistic hub in Selangor in 2020. PNB had also recently completed the privatisation of its Amanah Harta Tanah PNB (AHP) by way of Selective Unit Redemption, to facilitate the restructuring and rebalancing of AHP's property portfolio whilst providing an opportunity to the unit holders to realise their investment at a premium to the prevailing market price.

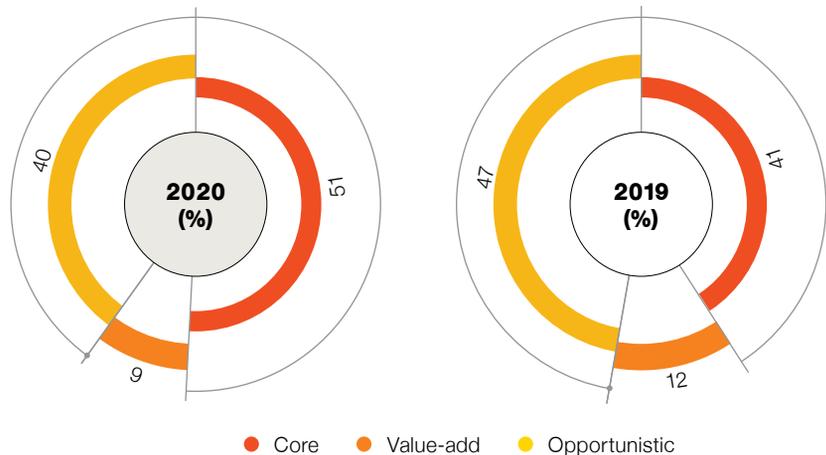
For the financial year under review, PNB's real estate portfolio diversified across 10 sub-asset classes covering the whole value chain of real estate. Amid the headwinds and challenges in the current year, we remain determined to achieve the goals and aspirations of portfolio growth, resilience and diversification moving forward.

REAL ESTATE INVESTMENT FRAMEWORK

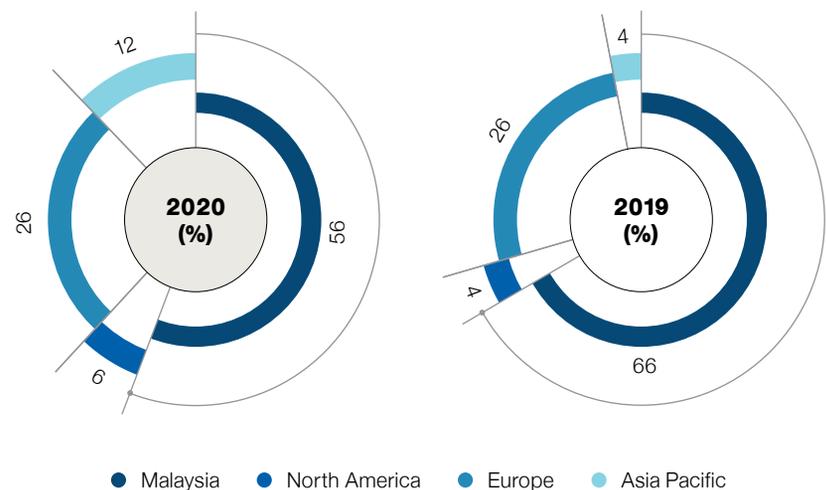
OBJECTIVES

Achieve attractive risk adjusted returns and diversification without compromising cash yields

RISK STRATEGY



GEOGRAPHIES



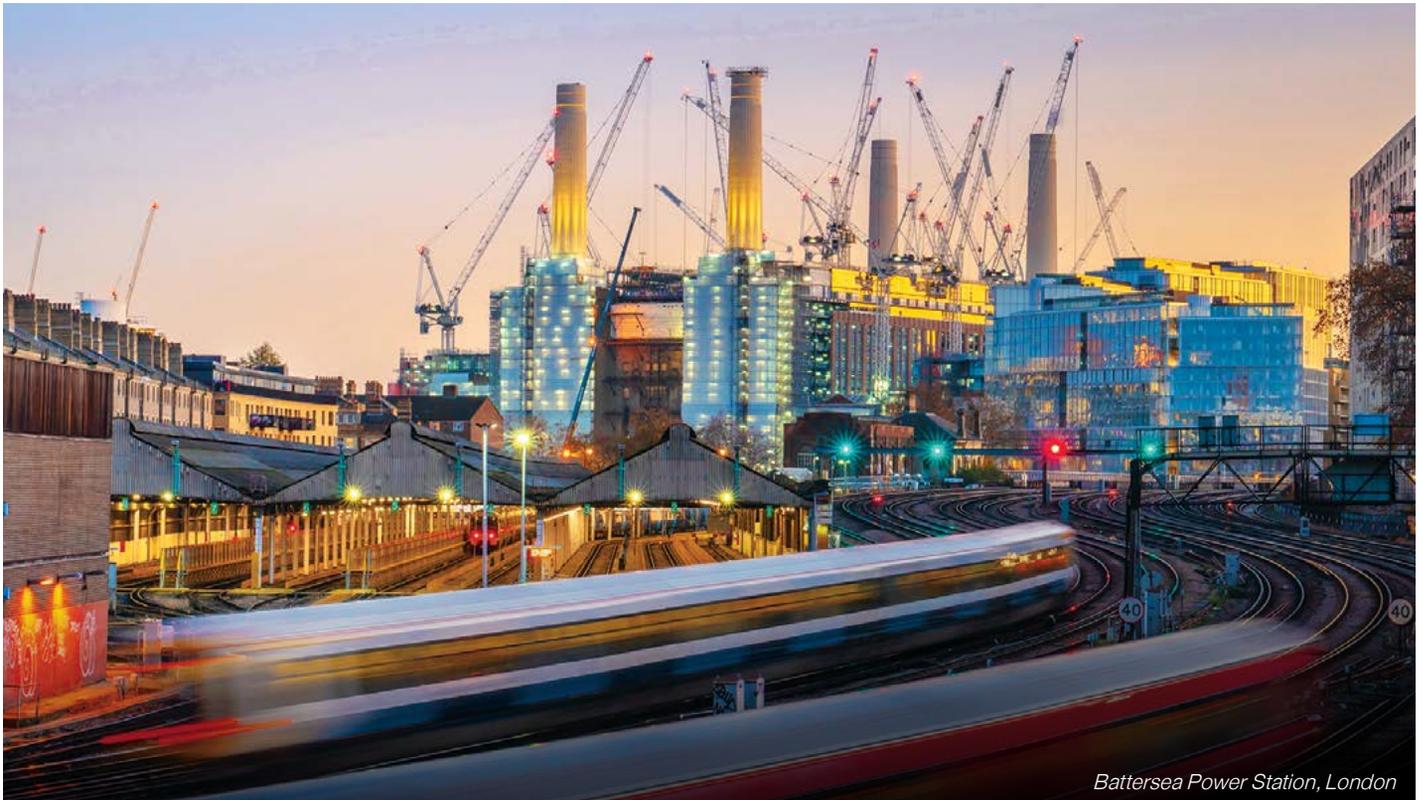
DIVERSIFICATION

- Vintage Year Policy
- Investment Firm Policy
- Direct Transaction Policy

INTERNATIONAL

12 INVESTMENT
PROPERTIES

13 REAL ESTATE
FUNDS



Battersea Power Station, London

DOMESTIC

32 INVESTMENT
PROPERTIES

HOSPITALITY

Managed by  **ATTANA**
HOTELS & RESORTS

7 HOTELS &
RESORTS

3 GOLF
COURSES

LANDBANK

>9,000 ACRES OF LAND
ACROSS MALAYSIA

MERDEKA 118

PROGRESS UPDATE

A PLACE OF CELEBRATION

Stadium Merdeka holds a significant historical value for the nation 64 years ago, it was the site where Malaysia's declaration of Independence took place on 31 August 1957. Our first Prime Minister, Tunku Abdul Rahman united all Malaysians to utter this historical proclamation at Stadium Merdeka.

Decades after the historical moment, Merdeka 118 is ready to take Stadium Merdeka and the surrounding area to the next step in its evolution as a precinct offering a single vision of work, retail, living and public space. The area that is rich in history and culture will soon become a new destination for Kuala Lumpur.

Upon completion, Merdeka 118 is testament to all Malaysians that the future can co-exist with the past. As the tower's spire mirrors the outstretched hand of Tunku Abdul Rahman whilst declaring Malaysia's independence, so too does it represent PNB's as well as all Malaysians' aspirations, towards being a developed nation, one that stands proud amongst the leading countries in Asia.

Spanning a total area of 40 acres, the Merdeka 118 precinct has many unique features, a prominent one being the 'Look at 118' café. Located at the far end of the 'Merdeka Boulevard at 118', this building has been well thought out for visitors to enjoy a cup of coffee as well as take a selfie or wefie at the dedicated viewing deck on the rooftop.

Nestled within the 'Look at 118' café will be the 'Merdeka Textile Museum', which promises visitors an interactive and enriching visual journey of the Malay world's textile and heritage. Other new features include 'Masjid Merdeka' and 'Little M - a PNB Childcare Centre'.

PROGRESS REPORT

As of March 2021, the floor slab has reached Level 118, with the tower façade at Level 99. The tower's progress was at 74%, which is on track for the targeted completion in the second quarter of 2022.



▲ An aerial view of the Merdeka 118 tower and its surrounding area on 24 December 2020

CELEBRATE COMMUNITY

Collaboration with Think City

In May 2020, PNB Merdeka Ventures Sdn. Berhad (PMVSB), a wholly-owned subsidiary of PNB, as well as the builder and owner of Merdeka 118, collaborated with Think City to create a framework of initiatives to foster integration with the existing community surrounding the precinct.

Think City is a social purpose organisation focused on urban rejuvenation and dedicated to making cities people-friendly by being a catalyst for change in the way cities are planned, curated, developed and celebrated.

The collaboration was a two-pronged approach with the following objectives:

To engage with the local communities surrounding the Merdeka 118 development and develop a plan to integrate with the community.

To highlight the heritage assets within the Merdeka 118 neighbourhood and convey the conservation efforts on Stadium Merdeka to a wider public.

Through the collaboration with Think City, a series of engagement sessions was held between PMVSB and the community surrounding the Merdeka 118 precinct. These included Focus Group discussions, one-on-one interviews and online surveys that were held from August to October 2020. This initiative is aligned with PMVSB's efforts to open channels of communication with the community, facilitate a tangible connection and understand Merdeka 118's surrounding neighbourhood better.



▲ Focus Group Discussion with Young Women's Christian Association (YWCA) Kuala Lumpur



▲ Focus Group Discussion with the Sports Community at the Olympic Council of Malaysia (OCM)

Stadium Merdeka Open Dialogue Session



▲ Open Dialogue participants at Stadium Merdeka

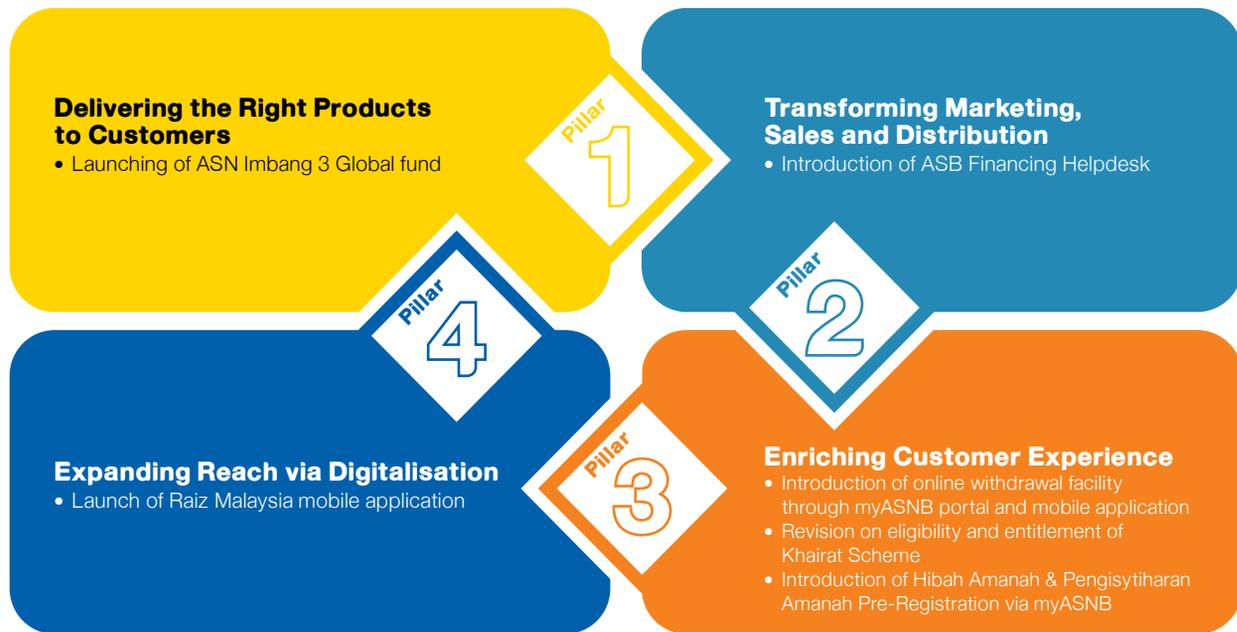
On 19 September 2020, PMVSB hosted an open dialogue session held at Stadium Merdeka with subject matter experts and stakeholders from the conservation, arts, cultural and real estate industries.

The engagement session aided the exchange of ideas on how to better integrate Merdeka 118 with the community and demonstrate that Stadium Merdeka has been restored to its original 1957 condition, attesting to PNB's commitment to conservation.

UNIT TRUST TRANSFORMATION

The year 2020 marked the third year of the ASNB Strategic Plan 2018-2022 implementation with a continued focus on delivering the right products to customers and enhancing unit holders' experience.

ASNB STRATEGIC PLAN 2018-2022



Other ASNB Initiatives in 2020

- ASB 30th Anniversary Celebration
- Continuous Financial Literacy Programmes

DELIVERING THE RIGHT PRODUCTS TO CUSTOMERS

LAUNCH OF ASN IMBANG 3 GLOBAL FUND



ASN Imbang 3 Global

- ASN Imbang 3 Global is ASNB's first unit trust product with global focus.
- It is a mixed asset balanced fund which aims to provide investors with capital growth and income by investing in a diversified portfolio, comprising primarily global equities and domestic fixed income securities and money market instruments.

Launch Date: 16 September 2020

Fund Type: Growth & Income

Fund Category: Mixed Asset Balanced

Investment Objective

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

Asset Allocation

- 35% - 65% of the fund's Net Asset Value (NAV) in equities
- Minimum 35% in fixed income securities and money market instruments inclusive of liquid assets

Performance Benchmark

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

TRANSFORMING MARKETING, SALES AND DISTRIBUTION



03-7730 8899

INTRODUCTION OF ASB FINANCING HELPDESK

- ASB Financing Helpdesk was introduced to assist unit holders who invest in ASB funds via ASB financing scheme, to review their financing structures in terms of financing rate or loan tenure in view of the cuts in the overnight policy rate throughout the year.
- ASB Financing Helpdesk can be contacted through the ASNB Customer Service Centre 03-7730 8899.

ENRICHING CUSTOMER EXPERIENCE

INTRODUCTION OF ONLINE WITHDRAWAL FACILITY AT MYASNB PORTAL AND MOBILE APPLICATION

- Effective from 20 April 2020, ASNB unit holders are able to perform online withdrawal transactions through myASNB portal, with a minimum amount of RM100 per transaction and a maximum of RM500 per month. To help unit holders manage their investments, the number of transactions allowed is limited to three times a month.
- The online redemption service is available for all ASNB funds, except for variable price funds with forward price feature.
- There is no service fee and the redeemed amount will be transferred directly to unit holders' registered bank account on the following business day.
- Beginning 27 April 2020, ASNB has extended the same to myASNB mobile application. With no physical contact involved, unit holders can now enjoy a fast and safe transaction experience with ASNB.

REVISION ON ELIGIBILITY AND ENTITLEMENT OF KHAIRAT SCHEME

PREVIOUS KHAIRAT SCHEME		NEW KHAIRAT SCHEME	
Holding (Units)	Holding Period	Holding (Units)	Khairat Benefit
0-4,999	n/a	0-999	RM200
5,000-9,999	1 year	1,000 or more	RM500
10,000 or more	1 year		
Registration Period	Khairat Benefit		
n/a	RM200		
3 years	RM1,000		
3 years	RM2,000		

- The base khairat (death) benefit is maintained at RM200 for all unit holders.
- Unit holders with a minimum holding of 1,000 units are now entitled to an additional RM300, bringing the total khairat benefit to RM500.
- The eligibility criteria have been simplified from 3 levels of holding brackets to 2 levels, meanwhile the minimum requirements for the holding period and registration period have been removed.

PRE-REGISTRATION OF HIBAH AMANAH (HA) & PENGISYTIHARAN AMANAH (PA)

- Unit holders who are registered as myASNB portal users, can pre-register their HA/PA and submit their application on the portal. They just need to fill up the following details:
 - The unit trust funds to be donated as hibah/trust;
 - The donees' particulars or registered guardians' particulars for minor donees; and
 - The percentage of distribution for each donee.
- After submission of the pre-registration, unit holders have 90 days to visit any ASNB or Maybank's branches (currently, only Maybank) with the required documents and to sign the deed.
- A resubmission in the portal is required once the 90-day period lapses.

UNIT TRUST TRANSFORMATION

EXPANDING REACH VIA DIGITALISATION

LAUNCH OF RAIZ MALAYSIA MOBILE APPLICATION



- Raiz Malaysia is a micro investing mobile application which utilises users' virtual spare change from rounding up everyday purchases to proactively invest into ASNB's variable price funds, based on personalised investment portfolios.
- The introduction of Raiz Malaysia is another initiative that leverages on the digital platform to encourage Malaysians to invest consistently.

Soft Launch to the Public:
1 June 2020

Official Launch:
23 July 2020

Number of downloads as at
31 December 2020:

162,813

Assets Under Management as at
31 December 2020:

RM9.6 million

OTHER ASNB INITIATIVES IN 2020

ASB 30TH ANNIVERSARY CELEBRATION

- ASNB's flagship unit trust fund, Amanah Saham Bumiputera (ASB), celebrated its 30th anniversary in 2020. The fund remains as the largest unit trust fund in the country with 10.2 million unit holders.
- To celebrate this milestone, a special logo "Trusting 30" was created to signify the trust of more than 10 million unit holders in ASB over 30 years, together with a tagline "Aspirasi Anda, Amanah Kami" (Your Aspirations, Our Entrustment).
- ASNB marked the occasion by holding a year-long anniversary celebration of contests and activities which were open to ASB investors and all Malaysians alike.
- In conjunction with ASB's 30th anniversary, PNB also announced a special EHSAN allocation of 0.75 sen per unit for the first 30,000 units for all ASB unit holders. This was an additional sum to the income distribution of 3.50 sen a unit and a bonus of 0.75 sen a unit for ASB during the financial year ended 31 December 2020.
- The ASB 30th Anniversary Celebration was aimed at:
 - i. Strengthening the ASB brand as the trusted Malaysian unit trust product and the preferred choice of savings instrument;
 - ii. Encouraging more people to register as new unit holders via various campaigns; and
 - iii. Tapping into the digitalisation of ASNB services, to encourage more transactions to be performed online, via various campaigns.

OTHER ASNB INITIATIVES IN 2020 (CONT'D)

ASB 30TH ANNIVERSARY CELEBRATION (CONT'D)

Short Video Contests

- Cerita Labur Si Cilik: 3 - 6 years old
- Cerita Labur Adik: 7 - 12 years old
- Detik Indah ASB: 18 years old & above
- Lights, Camera, Action!: Content creators in YouTube

Period: **1 July - 30 Sep**Total participation:
200 videos

Kumpul & Menang

- Open to all ASB unit holders who subscribed to additional units either over-the counter or online.
- For every RM30 investment, unit holders earned one entry.

Period: **1 Aug - 17 Dec***

Total Participants:

1.3 million Unit Holders

Digital Engagement:

4.0 million

Jom Auto Labur

- Open to all unit holders who are registered Auto Labur users.
- With minimum monthly deduction of RM30, unit holders were eligible for the contest.

Period: **1 Aug - 17 Dec***

Total Participants:

More than 8,000
Unit Holders

* December is not a full month due to ASB's suspension in the month for dividend computation.

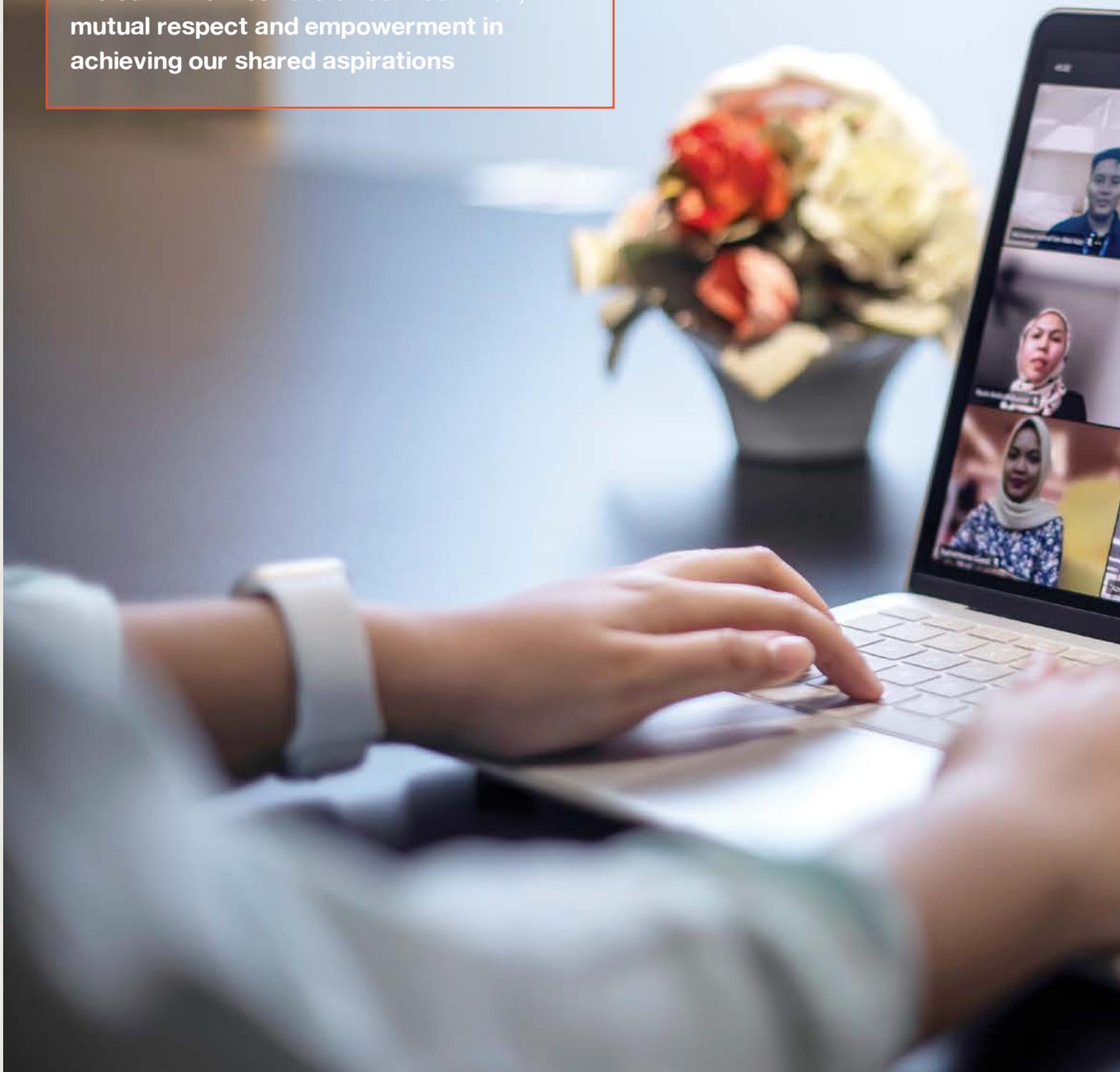
CONTINUOUS FINANCIAL LITERACY PROGRAMMES

Seminar 360**75**
SEMINARS**
held in 2020**5,778**
participants**Kuiz Pelaburan PNB****173,980**
participants
in 2020**764,346**
participants
since inception**Kelab Pelaburan Bijak PNB****300**
participants**160**
video submissions**20**
videos selected as
grand prize winners**Webinar - Sembang-Sembang ASNB****154**
WEBINARS
held in 2020**9,956**
participants

** Seminars were carried out until March 2020 only due to the nationwide Movement Control Order (MCO).

COLLABORATION

We cultivate a culture of collaboration, mutual respect and empowerment in achieving our shared aspirations



Meeting details ^





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Turn on captions



Present now



KEY STATISTICS: HUMAN CAPITAL

Number of Employees:

1,750

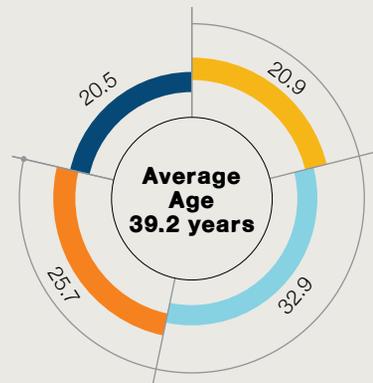


by Gender

Age Group
2020
%

Male (M)
50.9%
891

Female (F)
49.1%
859



● <30 ● 30 to 40 ● 40 to 50 ● >50

Staff Composition

Senior Management (G18-G24)	M 59 (71.1%) F 24 (28.9%)	83
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Middle Management (G15-G17)	M 243 (51.3%) F 231 (48.7%)	474
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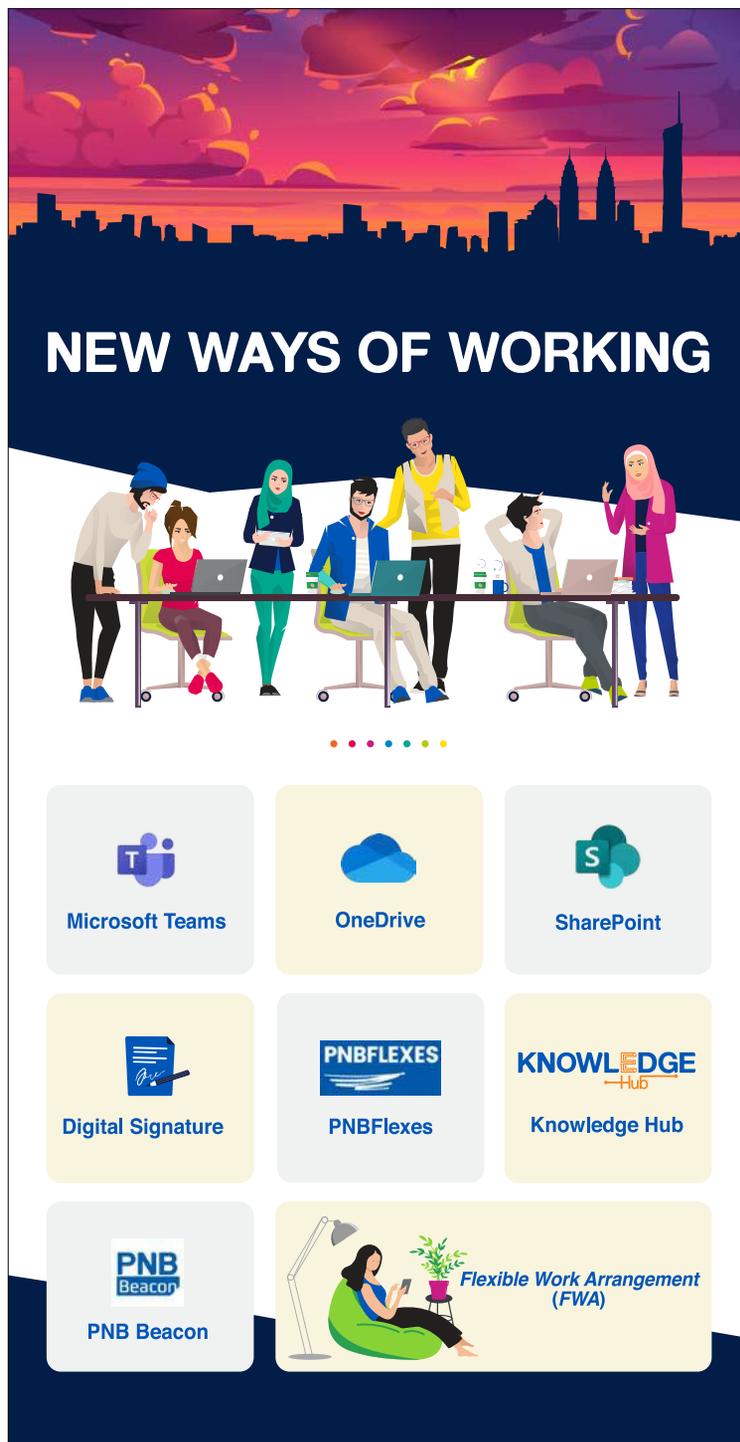
Junior Management (G10-G13)	M 392 (43.2%) F 516 (56.8%)	908
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Non-Executive (G6-G9)	M 197 (69.1%) F 88 (30.9%)	285
-----------------------	-------------------------------	------------

- **Senior Management**
President & Group Chief Executive, Deputy President, Executive Vice Presidents, Senior Vice Presidents and Vice Presidents
- **Middle Management**
Assistant Vice Presidents, Managers
- **Junior Management**
Associate Managers, Associates/Analysts, Executives and Chargeman
- **Non-Executives**
Supervisors, Senior Clerks, Clerks, Admin Assistants, Service Assistants, Drivers, Technicians, Auxiliary Police, etc.

FLEXIBLE WORK ARRANGEMENT (FWA)

Following the announcement on the Movement Control Order (MCO) in March 2020 as a result of escalating COVID-19 cases in the country, PNB had fully activated its Business Continuity Plan (BCP) to safeguard the well-being of all its employees whilst ensuring the continuation of its business operations.



Towards this end, PNB fortified its risk management of COVID-19 by deploying the Work in Absentia policy for all critical roles to ensure that PNB's high level priorities and minimum business continuity objectives would be maintained in any eventuality throughout the COVID-19 outbreak. Effective 18 March 2020, all employees proceeded to work from home, with the exception of those in certain critical core functions who operated between PNB's main office, alternate work site and home on a rotation basis.

Subsequently, effective from 1 May 2020 during the Conditional MCO (CMCO), PNB introduced the Flexible Work Arrangement (FWA) policy which provided the employees with the option to work-from-home (WFH) on an ad hoc or rotational basis in balancing their work and personal commitments.

The successful implementation of this policy is dependent on the trust between superiors and all employees, as they are expected to utilise this flexibility while maintaining the highest of standards in executing their respective tasks and responsibilities. Most importantly, this policy emphasises targeted outcomes and output by the team for which they must maintain regular lines of communication with their supervisors and fellow team members, either virtually or in person.

Heads of Divisions and Departments play an important role in this shift of policy, as they are the facilitators of this culture change, having to measure the performance of their subordinates by the outcome rather than hours clocked in the office. Cultivating a supportive and trusting environment is integral to making this flexibility work effectively and there has been an encouraging response to the FWA since its launch. This is indeed part of PNB's transformation process towards becoming more agile as the team embraces new ways of working in the run-up to PNB's impending move to Merdeka 118.

TRAINING & DEVELOPMENT

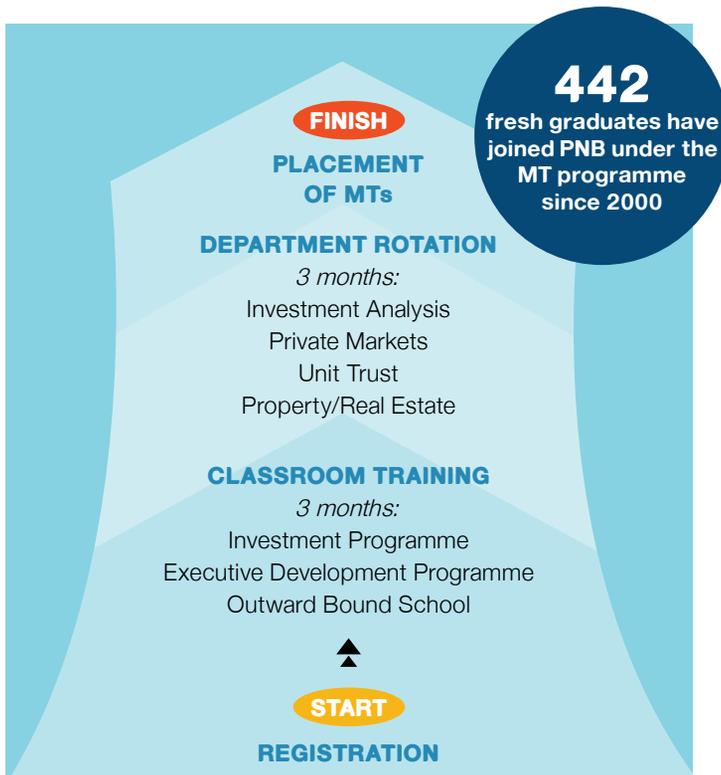
Human capital steers the organisation forward as it advances towards the future. To bring it closer towards its organisational transformation aspiration, human capital planning and development have been identified as crucial elements to achieve greater institutional effectiveness and excellence. PNB's Organisational Transformation aspiration has set forth 10 elements which are grouped into four interconnected areas: People & Culture, Governance & Process, Digital, and Structure & KPI.

Human capital development, which falls under the People & Culture pillar, emphasises talent acquisition, development and retention via a highly conducive working environment and talent management programme to promote well-being and career growth, whilst inculcating a more open culture with enhanced communications and outreach initiatives.

Ultimately, PNB aims to become an employer of choice, with a high-performing, highly adaptable and flexible workforce, who thrive in a working environment which leverages on digital technology and state of the art tools to produce the best outcome.

Management Trainee (MT) Programme

The main objective of the programme is to prepare new entrants for executive roles, develop essential investment skill and provide general knowledge on the company's operations that are relevant to their career at PNB. The MT Development Stairways are as follows:

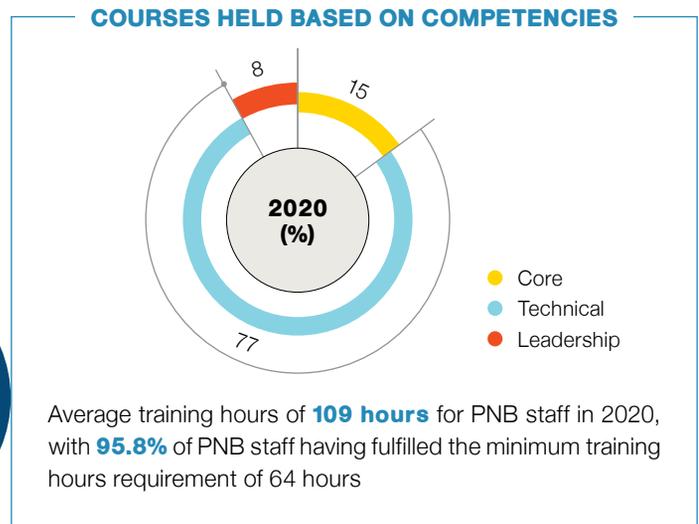


Staff Training

To compete successfully, PNB needs to attract, develop and retain highly-skilled, performance-driven talent with the mindset to excel and win despite any challenges. PNB aims to achieve this through structured talent development programmes targeted to strengthen professional and personal skill sets via three main competencies as below:

- Core Competencies - Required for excellent performance across all levels and functions.
- Technical Competencies - Success factors that distinguish functional groups.
- Leadership Competencies - Success factors that differentiate performance across levels or functions.

Despite the COVID-19 outbreak, PNB had successfully embraced and switched to online trainings for all its staff.



Licensing

The two major principal activities in PNB require the staff to be licensed with the Capital Market Services Representative's Licence (CMSRL) and the Federation of Investment Managers Malaysia (FIMM). These licences enable PNB's designated staff to carry out fund management duties in relation to portfolio management, as well as marketing and distributing unit trust products.

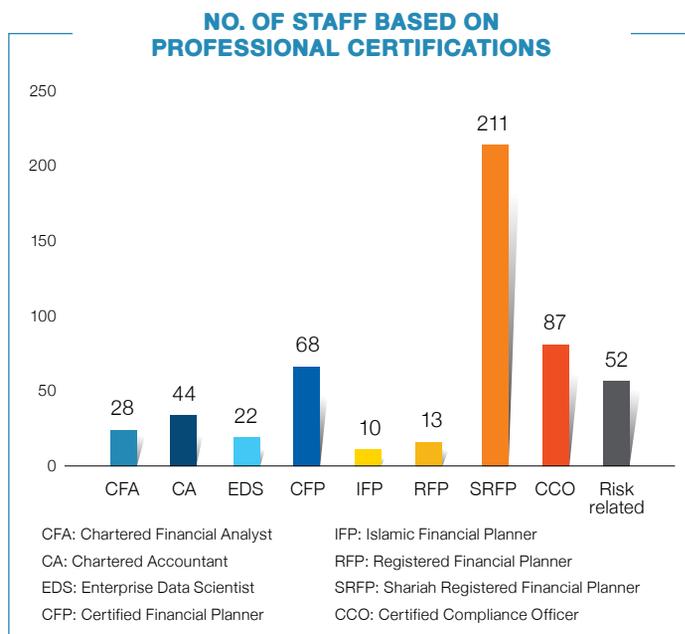


TRAINING & DEVELOPMENT

Professional Certifications

Professional certifications are integral to PNB as it seeks to develop more upskilled, energised and high-performing staff who will be able to deliver the organisational goals. PNB provides Professional Qualifications Allowance to staff who have acquired selected certifications which add value to the organisation.

Total 535 Staff based on Professional Certifications



Staff Education Sponsorship Programmes

As part of the company's effort to improve the education level and career enhancement of its talents, PNB sponsors staff to pursue or upgrade their qualifications. In 2020, PNB provided sponsorship for staff to pursue diploma, degree and master's programmes, as well as professional qualifications locally or overseas as follows:

5 full sponsorships for Master of Business Administration for Working Professionals at Asia School of Business (ASB), Kuala Lumpur

12 partial sponsorships for staff pursuing bachelor's degree and master's programmes

41 full sponsorships for professional qualification programmes such as Chartered Financial Analyst and Chartered Accountant Professional

Leadership Development

In 2020, PNB collaborated with Asia School of Business (ASB) in organising PNB Leadership Management & Regenesi Programme for the Management team. A total of 70 Heads from various divisions/ departments were involved in the programme. The programme was designed to re-ignite their passion and upskill their leadership capabilities to support PNB's evolution to the next level. It focuses on the topics surrounding the concept of leadership development, management and governance capabilities. The topics are as follows:

- Culture Proofing Organisations in the Digital Era** - focuses on culture, leadership and talent as intangibles that affect a company's valuation.
- Managing Stakeholders** - is the key to successful negotiations, change, transformation and team management. It forms the critical skill that leaders and teams must have to achieve a fluid high-performance organisation.
- Innovating Inside-Out** - challenges the status-quo belief that innovation and creativity are solely the domain of innovation and research divisions within a company. It is the function of a good leader and team head to be able to drive innovation on a daily basis for business and management practices to upskill and evolve.

70 Heads from various divisions/ departments who participated

292 Middle manager-level who participated

In addition, 292 middle manager-level staff participated in the leadership modules entitled:

Module 1	Module 2
Untapping PNB's Coaching Prowess: From Potential to Peak Performance	PNB's Mind & Skill Agility Matrix - Brain-based leadership - The Brain Initiative

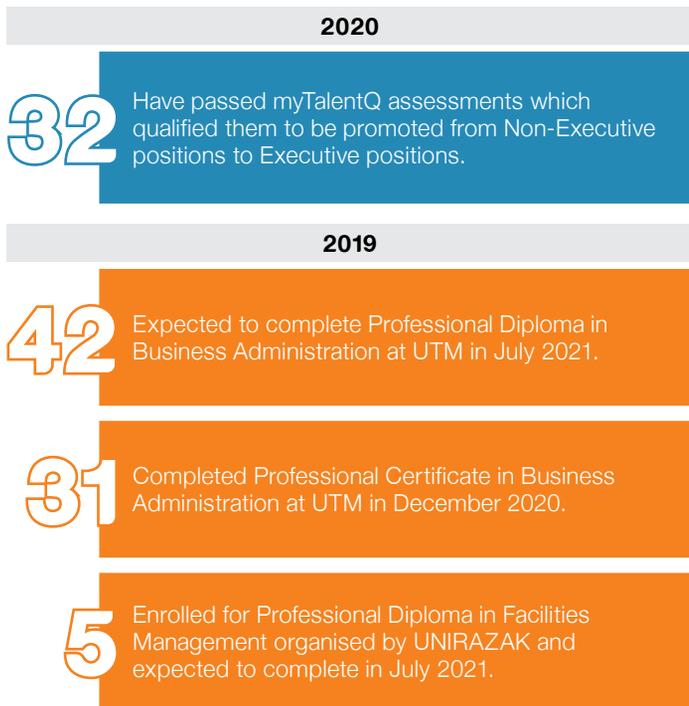
The objective of the programme is to equip PNB's middle managers on how to maximise potential and self-confidence in meeting organisational demands, focusing on how the brain influences leadership.

As ASB employs MIT Sloan's signature pedagogy in Action Learning-based project to enhance learning experience, various exercises are incorporated into the programme's learning design, covering both cognitive and tactical dimensions, to ensure optimal learning and application of concept.

TRAINING & DEVELOPMENT

Upward Mobility Scheme (UMS)

The objective of UMS is to assist the staff to have a smooth transition from Non-Executive to Executive position. The programme builds technical acumen and develops a deeper understanding of organisational and business skills. To meet this objective, PNB collaborates with local universities such as University of Malaya (UM), Universiti Teknologi Malaysia (UTM) and Universiti Tun Abdul Razak (UNIRAZAK) for the training modules.



Pre-Retirement

PNB provides its staff with the opportunity to attend a pre-retirement training programme to those who are close to their retirement age. This opportunity is for all staff who have served the company for at least five years. The key objective of the programme is to help them adjust to the transition from working life to retirement, as well as to enable them to acquire new skills and tools that they can apply during their retirement.



HUMAN CAPITAL DEVELOPMENT FOR THE NATION

Internship

This internship programme is designed to facilitate personal growth and develop skills of undergraduates from various fields such as Accounting, Finance, Marketing, Information Technology and other related fields to gain hands-on work experience across various areas while providing invaluable insights into the roles and daily operations of departments in PNB.



Corporate Fellows Programme (CFP)

PNB participated in the Corporate Fellows Programme under the Ministry of Youth and Sports. The programme provides young graduates and interns from public and private universities in Malaysia or abroad with opportunities to engage with and be coached by the industry.



PNB Graduate Executive Trainee (PNB GET)

The purpose of the PNB Graduate Executive Trainee (PNB GET) programme is to bridge the skill gaps between academic requirements and industry requirements. The programme consists of a two-month intensive development training and a six-month on-the-job training.



PROJECT MANAGEMENT

Projects embody the spirit of embarking on new strategies and operations as an organisation strives towards long-term transformation and improvement. In 2020, there were over 100 projects across the various business functions, each aligned to PNB's Strategic Plan for 2020-2022, also known as Focus 4.

With an overall view of these projects, PNB's Project Management Office (PMO) plays the crucial role in ensuring timely and effective delivery of all the projects' mandates to substantiate and achieve the organisation's overall objectives. Underpinning this is the project management mechanisms which ensure that these projects are managed and executed in a standardised, effective and efficient manner.

One of the four high impact areas in Focus 4, which is Organisational Transformation, emphasises the development of its people and their capabilities, and this has been reflected in a few critical projects. A systematic Knowledge Management framework aims to transform PNB into a knowledge-based organisation, with the underlying dimensions of Content, Process, Culture, Organisation and Technology.

WE ARE NOW LIVE!

YOU CAN NOW ACCESS PNB

KNOWLEDGE Hub

A centralised hub with information and latest updates at your fingertips!



- 1

It's just a click away (click here)

Alternatively, go to: mypnb.sharepoint.com/sites/PNBKBM_Sharepoint
- 2

Browse and explore

New to Knowledge Hub? Yes we heard you! Refer to the Knowledge Hub user guide attached for your reference.
- 3

Bookmark the Knowledge Hub page for quick access!

Stay updated on PNB's latest information wherever you are via your desktop PCs or mobile devices.



PNB
Permodalan Nasional Berhad

www.pnb.com.my

In August 2020, the Knowledge Hub was launched to promote a knowledge sharing culture and facilitate accessibility to information for all staff. A centralised platform that stores key organisational data and information, the Knowledge Hub provides updates on events and happenings, and enables quick access to other important links/websites that support PNB's staff in their day-to-day work. It is the first step in PNB's overall knowledge management journey to instil the culture of sharing and having the right content for its people.

Move@118 is another critical project that centres on organisational transformation, involving the meticulous planning and execution of the relocation to PNB's new home in Merdeka 118. Incorporating various elements such as design, space planning, WELL and technology, Move@118 is a holistic workplace transformation that endeavours to imbue new ways of working for our staff in line with our core values of **Prudence, Adaptability, Collaboration** and **Excellence**. Supporting this is a comprehensive change management and communications plan to ensure a smooth transition for our people.

PMO will continue to play its role in rendering the necessary support to ensure successful completion of all projects as part of PNB's efforts to build up the organisational capabilities en route to becoming a distinctive world class investment house.

CORPORATE SOCIAL RESPONSIBILITY REPORT

Since PNB's inception, 43 years ago, we have been a significant nation-building partner in Malaysia's socio-economic transformation as we deliver on our mandate of delivering sustainable long-term returns to our unit holders.



CORPORATE SOCIAL RESPONSIBILITY REPORT

Our contributions to the country and community are structured and delivered through PNB's Corporate Social Responsibility (CSR) agenda. Our CSR programmes are designed to deliver real and tangible benefits to our stakeholders as we address the needs of society.

PNB's CSR initiatives and programmes fall into four pillars:

EDUCATION



In this pillar, we look to create the next generation of high-calibre talented professionals for our country. Our programmes and initiatives contribute towards the development of human capital and talent by providing educational opportunities to the younger generation, who will become our highly-skilled workforce in the future.

Please refer to page 78

COMMUNITY UPLIFTMENT



In this pillar, our philanthropic contributions are channelled towards organisations and initiatives that provide social support and improve the lives of communities across the country.

Please refer to page 86

FINANCIAL LITERACY



Programmes and initiatives in this pillar aim to create a financially literate society that is able to save and invest towards achieving their life goals. By empowering communities to make financially-wise decisions, they can improve their standard of living and enhance their quality of life.

Please refer to page 81

KNOWLEDGE SHARING INITIATIVES



We look to facilitate sustainable national development and growth by providing knowledge-sharing platforms that encourage innovation, synergistic collaborations and sustainable development. Programmes in this pillar also look to enhance the country's knowledge base, especially within the investment, economic and leadership spheres.

Please refer to page 91

HOW WE MANAGE OUR CSR PROGRAMMES

Our CSR programmes are managed internally within PNB and Amanah Saham Nasional Berhad (ASNB), our wholly-owned unit trust management company. Our employees are front liners of these programmes, which also serve as engagement platforms to connect with our ecosystem of stakeholders such as our unit holders, communities, Government bodies, businesses and non-government organisations.

By establishing collaborations and partnerships with Government entities, agencies and corporations, and with participation from our Strategic Companies, we leverage on different synergies and skills to generate the best possible outcome for recipients of our programmes. By working as a team, we develop meaningful solutions that bring about positive change to contribute effectively towards Government efforts in addressing socioeconomic challenges in the country.

CORPORATE SOCIAL RESPONSIBILITY REPORT



EDUCATION



Total sponsorship since inception

RM324.7
million

Students since inception

5,069

Active students

1,333

Education has been a key pillar in PNB's CSR endeavours for many years. Our primary motivation behind this pillar is to contribute to the sustainable development of human capital in the nation. Our financial capacity is channelled via scholarships to deserving Malaysian students that are eager to attain their educational goals and fulfil their ambitions.

Underlying our efforts is a strong desire to build a stable pipeline of future leaders for PNB and Malaysia. Our scholarship programmes aim to contribute towards sustainable development of human capital, that is a talent pool with the right skills and capabilities, for the country.

Upon graduation, PNB scholars begin their corporate careers with us and participate in our equitable and inclusive wealth creation efforts.

Many PNB scholars have advanced in their career within the company and are currently holding senior positions with a crucial role in driving our value creation efforts. Others have chosen to advance their careers in other companies and are making meaningful contributions to their employers. We are contented to have played a role in developing their capabilities and potential, and that they now contribute to the overall development of Corporate Malaysia.

At the end of 2020, PNB had contributed a total of RM324.7 million to finance all scholarship programmes in this pillar. This amount has supported a total of 5,069 deserving young Malaysians by giving them an opportunity to further their education and contribute to Malaysia's economic development since 1996.

THE PNB GLOBAL SCHOLARSHIP AWARD AND THE YAYASAN TUN ISMAIL (YTI) PREMIER SCHOLARSHIP AWARD



Since inception more than 20 years ago, the PNB Global Scholarship Award and the Yayasan Tun Ismail Premier Scholarship Award have been regarded as among the most prestigious scholarships in the country. These scholarships provide an opportunity to students, who demonstrate excellent academic performance in the Sijil Pelajaran Malaysia (SPM) and the foundation examination i.e. A-Level, International Baccalaureate (IB) and equivalent, to pursue their tertiary education in selected academic fields at some of the best universities around the world. Our scholars are allowed to undertake all courses related to PNB's core business except medicine, dentistry, pharmacy, music, fashion and theology. At the end of 2020, a total of 425 scholarships has been awarded since inception of this programme.

425 scholarships awarded since inception of this scholarship programme

Eligible courses:

Accounting	Law	Finance
Mathematics	Actuarial Science	Engineering

Top Global Universities under PNB's Approved List



United Kingdom



United States of America



Australia



CORPORATE SOCIAL RESPONSIBILITY REPORT

PNB CHARTERED ACCOUNTANT INITIATIVE (PCA)

Malaysia's transition towards becoming a developed nation is supported by the rapid growth of its industries and sectors. Businesses are the crux of the country's economic growth and accountants play a central role in these companies. Demand for qualified accountants has grown exponentially in the past few years. We also recognise a need to ensure equitable diversity of Malaysia's talent pool and look to promote greater Bumiputera participation among professional accountants.

Since October 2016, PNB has been collaborating with Yayasan Peneraju Pendidikan Bumiputera (YPPB), INTEC Education College and Ernst & Young (EY) Malaysia to produce more qualified Bumiputera chartered accountants by 2022 via PNB Chartered Accountant Initiative (PCA). PCA provides students with scholarships to pursue their accounting studies at INTEC Education College, Sunway TES Centre for Accountancy and SENTRAL College Penang. At the end of 2020, a total of 1,025 scholarships has been awarded since inception of this programme.



Qualifications offered:

Certified Accounting Technician (CAT)	Association of Chartered Certified Accountants (ACCA)
Certificate in Finance, Accounting and Business (CFAB-ICAEW)	The Malaysian Institute of Certified Public Accountants (MICPA)

PNB EMPLOYEES' CHILDREN SCHOLARSHIP AWARD AND PNB-KOLEJ ILMU SCHOLARSHIP PROGRAMME

PNB has been offering scholarships to our employees' children to pursue foundation level studies, and diploma or bachelor's degree programmes at local public universities and selected private universities in Malaysia since 1998. As a caring employer, our aim is to support our employees in fulfilling their children's aspirations. Each employee is entitled to two scholarships for their children.

We have also been offering financial and educational support to former students of Kolej Ilmu PNB to further their studies in selected universities since 2005. These students primarily come from underprivileged families living in Kelantan, Terengganu, Pahang, Selangor and Negeri Sembilan. As at the end of 2020, a total of 1,051 young scholars have benefited from these two programmes.

PNB Employees' Children Scholarship Award

PNB-Kolej Ilmu Scholarship Programme



Local Universities	
21 Public universities	16 Private universities

BANTUAN UNTUK PENDIDIKAN (BUDI)

In 2019, PNB launched an education grant programme, Bantuan Untuk Pendidikan (BUDI), specifically for children from the B40 (Bottom 40%) income group households. This initiative is closely aligned with the Government's initiatives to assist the B40 group and reduce income disparities.

Through this programme, we fund the education of *Asnaf* (eligible zakat recipients) students from lower income families. They are given the opportunity to pursue their secondary education at Maktab Rendah Sains MARA (MRSM or MARA Junior Science College) throughout the country. Funds for students at MRSM are channelled through the BUDI PNB-MRSM programme. The programme is made available for students in Form One who satisfy PNB's eligibility criteria. Another programme under BUDI is BUDI PNB-UNIRAZAK, available for students to pursue a Bachelor's Degree in Accounting accredited by Certified Practising Accountant (CPA) Australia at Universiti Tun Abdul Razak (UNIRAZAK), who satisfy the criteria set by PNB.





FINANCIAL LITERACY



Financial literacy enables individuals to make sound investment decisions towards achieving their life goals and enhancing the standard of living for themselves and their families. However, financial literacy requires specific knowledge and skills that many Malaysians have yet to master.

The Government's Shared Prosperity Vision 2030 aims to create an equitable wealth distribution ecosystem in the country and PNB is committed to disseminating our knowledge as the country's premier investment institution. We have grown from our inaugural fund, Amanah Saham Nasional, launched in 1981, to become a prestigious and reputable investment house with a stable of 15 unit trust funds including a global mixed asset balanced fund, launched in 2020.

Our wholly-owned unit trust management company, Amanah Saham Nasional Berhad (ASNB), which manages our unit trust funds, has implemented PNB's financial literacy initiatives for over 40 years. ASNB is at the forefront in educating our target communities on unit trusts as an investment vehicle and their efforts contribute towards the development of a financially savvy society. ASNB has created greater awareness on how prudent investing decisions can generate a higher rate of return compared to savings accounts, especially if returns are allowed to compound over the long-term.

PNB continued to execute our structured financial education programmes in 2020, despite the global COVID-19 pandemic, by leveraging on virtual platforms to reach members of the public of all ages and from all walks of life. Our financial literacy programmes include

Minggu Saham Digital, Seminar Pelaburan 360 Hari, Webinar Sembang-Sembang ASNB, Kuiz Pelaburan PNB and Kelab Pelaburan Bijak PNB.

PNB is a member of the Financial Education Network (FEN), an inter-agency platform established in 2019, comprising institutions and agencies committed to improving the financial literacy of Malaysians. As a founding member of this platform, PNB will continue to expand and evolve our financial literacy initiatives to include programmes that enhance our communities' digital financial literacy aptitudes. This is in line with Bank Negara Malaysia's aim to develop an inclusive financial system through the use of financial technology (FinTech).

The provision of suitable, affordable and quality financial services to all segments of society contributes towards sustainable socio-economic growth and development. Moving forward, PNB will continue to collaborate with other FEN members to contribute towards sustainable digital financial empowerment of communities in tandem with the rapid digitalisation of society.

CORPORATE SOCIAL RESPONSIBILITY REPORT

MINGGU SAHAM DIGITAL



In 2020, PNB's well-known annual financial literacy event, Minggu Saham Amanah Malaysia (MSAM) was transformed into Minggu Saham Digital (MSD). The inaugural MSD was a resounding success with millions of Malaysians, across the nation, participating in this seven-day online event. Please turn to pages 84 to 85 for more information on MSD.

SEMINAR PELABURAN 360

Another initiative that raises the level of financial literacy across Malaysia is the daily seminars conducted by ASNB-certified financial planners. This initiative, known as Seminar Pelaburan 360 Hari, is held throughout the country and directed towards all segments of society.

Its objectives are to raise awareness on the importance of financial planning; to provide a comprehensive method for participants to draw up a financial roadmap towards achieving their short, medium and long-term financial goals; to educate the public on the importance of financial planning for their retirement and their children's education; to encourage financial planning as a way to provide for a comfortable retirement; and to help participants achieve peace of mind and financial freedom.

Seminar Pelaburan 360 Hari also introduces ASNB unit trust funds as a competitive investment vehicle that can form the basis of a financial plan.

In 2020, 75 seminars were carried out until the implementation of the first movement control order (MCO) in March.



Seminar Pelaburan 360 Hari in 2020

75 Seminars conducted before the MCO in March 2020

5,778 Participants

Since inception

7,595 Seminars conducted

718,035 Participants



WEBINAR SEMBANG-SEMBANG ASNB

When the MCO was implemented, we converted physical Seminar Pelaburan 360 sessions throughout the country to the virtual platform. The objectives of the Live Webinar Sessions with ASNB remain the same as those of the Seminar Pelaburan 360, with a special focus on financial planning, investments, the risk/return relationship, the compounding effects of returns over the long term and other related topics.

KUIZ PELABURAN PNB



Kuiz Pelaburan PNB in 2020

Since inception

In 2020, Kuiz Pelaburan PNB (PNB Investment Quiz) was held in conjunction with the Merdeka/Malaysia Day Celebrations and PNB's inaugural Minggu Saham Digital (MSD). Due to the COVID-19 pandemic and the nationwide lockdowns, all competitions were executed via a new digital format.

Between September and November, ASNB published five articles on financial literacy and six investment quizzes in two daily newspapers for five consecutive days. Answers to the questions in these quizzes could be found in these articles. Participants also had to identify five keywords from each article for every sixth question.

Submission for each quiz was via ASNB website at www.asnb.com.my. All published articles were also made available on this website until the closing dates for each category. The objective is to enhance public knowledge on investment.

KELAB PELABURAN BIJAK PNB



Kelab Pelaburan Bijak PNB in 2020

All physical activities for Kelab Pelaburan Bijak PNB (PNB Smart Investment Club) were restricted during the MCO and Conditional MCO. Nevertheless, ASNB successfully organised an Investment Video Competition. All 155 secondary schools which are members of Kelab Pelaburan Bijak PNB participated in this competition. KPBPNB aims to expose its members to financial literacy knowledge and inculcate the savings habit at an early age.

INAUGURAL MINGGU SAHAM DIGITAL (MSD)

Official
facebook
7.5 million
unique reach

Official
facebook YouTube
2.2 million
cumulated views

Official MSD website
1.3 million
visits
98,000
users



Garnered more than
540,000
submissions from over
27,000 participants



3,000
entries over 23 sessions

PASSTHEMIC
grand virtual concert
More than
87,000
views

In line with the digital transformation efforts undertaken, PNB hosted its first-ever fully virtual event, Minggu Saham Digital (MSD), which took place between 18th and 24th November 2020. Family-friendly programmes were broadcasted daily throughout the week, from 12.30pm to 10.30pm, on multiple online platforms such as Facebook, YouTube and Instagram. MSD has its own dedicated microsite, www.minggusahamdigital.com.my.

Continuing with Minggu Saham Amanah Malaysia's (MSAM) objectives, MSD provides the opportunity for the Malaysian public to become acquainted with PNB and its investee companies through MSD's unique and informative live-programmes on financial literacy, cooking, science experiments, house ownership and even medical myth-busting.

With the content themed *#LaburBersama*, Malaysians of all ages participated in a wide range of edutainment programmes, from a series of informative webinars that focuses on the importance of investing and financial planning, to more entertaining segments such as the grand virtual concert



and casual talk shows featuring celebrities. Through digital livestream, audiences were able to participate on-air by competing in e-Sports with famous Malaysian gamers and even had the chance to win cool prizes in a series of competitions such as the daily live trivia gameshows that required participants to answer quizzes on companies or the 'Eh, Mana Kod?' grand contest, where contestants had to collect codes that were hidden in all of MSD's programmes.

RAKAN UTAMA



RAKAN PREMIER



RAKAN



Lepak Je! was a casual, late night segment where celebrities and influencers executed fun challenges while answering questions from the audience.

For the eSport fans, **GG Bro!** presented a chance for viewers to compete with Malaysia's top gamers in FIFA 21 fantasy league.

The host delved into the company history and explored the different business functions in **My Cerita**.

Grand prize winner for **Say What?** during Pass the Mic, Iffah Sorfina Mohamad Naim, won a Perodua Aruz.

Grand prize winner of **Eh, Mana Kod?** Linclon Sengalang Anak Juing, won a Ford Ranger 2.0L XLT Plus 4WD.



MINGGU SAHAM DIGITAL



Betul Ke, Doc? featured medical professionals correcting common health myths.

PNB President & Group Chief Executive, Ahmad Zulqarnain Onn announced the winners of the grand contests during **MSD's virtual closing ceremony**.

Abdul Kabir Hoyaeli is the second runner-up for **Eh, Mana Kod?**, and brought home a Yamaha R25 superbike.

The first runner-up for **Eh, Mana Kod?** is Mohammad Aliff Abd Rahman, who received a Toyota Vios 1.5G (AT).

Eh, MANA KOD?

Minister of Finance and Deputy Chairman of Yayasan Pelaburan Bumiputra (YPB), YB Senator Tengku Datuk Seri Zafrul Tengku Abdul Aziz, Group Chairman of PNB, Tan Sri Dr. Zeti Aziz, and President & Group Chief Executive of PNB, Ahmad Zulqarnain Onn, officiated **MSD in a virtual launch ceremony broadcasted live via MSD's Facebook page and YouTube channel.**

During the launch, PNB also introduced the new variable price fund of Amanah Saham Nasional Berhad (ASNB), **ASN Imbang 3 Global**, the first unit trust product to invest in overseas financial markets and open to all Malaysians.

Cikgu CEO, an easy-to-follow series where CEOs educate young minds on financial literacy through a class-like webinar, presented by PNB, Maybank and UMW Holdings Berhad's CEOs.

Makan Dulu programme was a laid-back talk show discussing topics such as finance, entrepreneurship and the economy with leaders of the industry, in a relaxed coffee shop setting.

A property and house tour series of exciting new real estate projects Setia Alamsari and Serini Melawati in the **Selesa** programme.



In collaboration with the Asia School of Business, **ASB-Iclif MBA Masterclass Series** featured world-class speakers that presented on economic, financial and entrepreneurial topics.

A 30-minute private session with consultants from ASNB, AmBank (M) Berhad, Bank Islam Malaysia Berhad, CIMB Bank Berhad and RHB Bank Berhad through *1-on-1 Advisor*.

Sembang-sembang ASNB featured industry experts who shared their tips and advice on finance and investment in an engaging and friendly discussion.

Jumpa di 118, focused on the iconic **Merdeka 118** skyscraper, which will be the tallest tower in Malaysia and Southeast Asia and as well as the second tallest in the world upon its completion.

The grand virtual concert, **Pass the Mic**, attracted more than 87,000 views through MSD's official Facebook livestream.

Dunia Kimia featured out-of-this-world experiments and interesting chemistry facts in a fun and engaging manner.

Live T
were
on

the host together with their guests talked about the latest cars and the automotive industry in the **Kereta Kita** segment.

Celebrities attempted to cook Malaysia's local cuisines using *Minyak Masak Sayuran Alif* by listening to their mother's instruction online in the **Masak Macam Mak** programme.

Lepak Jel! was a casual, late night segment where celebrities and influencers executed fun challenges while answering questions from the audience.

For the eSport fans, **GG Bro!** presented a chance for viewers to compete with Malaysia's top gamers in FIFA 21 fantasy league.

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Trivia and Live Trivia Bonanza are daily 15-minute gameshows hosted on MSD Facebook page with amazing e-voucher prizes to be won.

Knowledge sharing session on current Islamic finance topics during **Forum Kewangan Syariah**.

Betul Ke, Doc? featured medical professionals correcting common health myths.

PNB President & Group Chief Executive, Ahmad Zulqarnain Onn announced the winners of the grand contests during **MSD's virtual closing ceremony**.

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CORPORATE SOCIAL RESPONSIBILITY REPORT



COMMUNITY UPLIFTMENT



This pillar encompasses our financial support and contributions to non-profit/non-governmental organisations that provide services to empower communities. We also support environment and social initiatives that create positive impacts and develop robust communities.

PNB remains committed towards balancing profitability and social sustainability through a cycle that reinvests profits to uplift society. These are executed through a number of target-driven and scalable community upliftment programmes which are rigorously evaluated, executed in collaboration with our strategic partners, and systematically monitored for continuous improvement to ensure that they positively impact society.

Our contributions are allocated to three core areas: healthcare, community and education development. Funds are channelled to social and welfare organisations as well as partners with proven programmes that empower and uplift social-being, especially among communities that face numerous challenges and difficulties in their lives. In 2020, PNB had committed more than RM17.9 million in social contributions in three categories:

Healthcare Development
97.93%

Community Development
1.83%

Education Development
0.24%

HEALTHCARE DEVELOPMENT

In 2020, the spread and casualties of the global COVID-19 pandemic had a devastating impact on the economy, public health and social-being of the country on an unprecedented scale. This health pandemic destabilised many communities and profoundly affected the lives of millions of Malaysians.

At PNB, we are humbled to do our part by supporting the government in fighting the COVID-19 pandemic via various financial aids and programmes, which amounted to RM3.2 million for the year. Our key contributions include:

RM2.30 mil



GLC Disaster Response Network

Medical supplies, personal protective equipment (PPEs) and ventilators

Recipient: The Ministry of Health (MOH) via the Government-Linked Companies (GLCs) and Government-Linked Investment Companies (GLICs) Disaster Response Network (GDRN)

RM637,560

Four ventilator machines

Recipient: Hospital Sultan Ismail Petra in Kuala Krai, Kelantan



RM97,500

13 Air purifying respirator units

Recipient: Jabatan Kesihatan Negeri Sabah



RM170,076

Computer equipment

Recipient: Ministry of Health (MOH)'s Crisis Preparedness and Response Centre

RM20,000

Monetary donation

Recipient:



CORPORATE SOCIAL RESPONSIBILITY REPORT

HEALTHCARE DEVELOPMENT

A strong public health infrastructure supports healthy lives and promotes the well-being of Malaysians. As a responsible corporate entity, PNB pledges our commitment to respond to public health requirements through contributions in this pillar. To improve access to medical attention, especially in areas where many Malaysians are affected by illnesses, we financially supported the purchase of medical equipment for cardiology, ophthalmology and nephrology related medical issues.

In collaboration with the Medical Development Division, Ministry of Health (MOH), PNB donated RM11.16 million to purchase medical equipment for 23 government hospitals throughout the country. Our contributions are as follows:

RM4.96 mil

Cardiology equipment such as cell saver machines, high-end anaesthetic machines and dual chamber temporary pacemakers

Recipient: Hospital Queen Elizabeth II, Pusat Jantung Sarawak, Hospital Tengku Ampuan Afzan, Hospital Serdang and Hospital Pulau Pinang



RM4.2 mil

Ophthalmology equipment such as phacoemulsification, slit-lamps, table-top autoclaves and OT tables

Recipient: Hospital Tawau, Hospital Umum Sarawak, Hospital Miri, Hospital Sibul, Hospital Sultan Ismail Petra, Hospital Besut, Hospital Jitra, Hospital Melaka, Hospital Jasin and Hospital Alor Gajah

RM2 mil

Nephrology equipment such as haemodialysis machines, reprocessing machines and a reverse osmosis system

Recipient: Hospital Duchess of Kent, Hospital Beluran, Hospital Kinabatangan, Hospital Lahad Datu, Hospital Beaufort, Hospital Semporna, Hospital Betong and Hospital Lundu

The coronavirus outbreak highlighted the country's susceptibility to future pandemics and diseases. With this view, PNB identified immunology and virology as essential medical fields that required attention and support. We contributed laboratory equipment to the Institute for Medical Research (IMR), amounting to RM3.1 million to aid its efforts in improving the country's public health infrastructure.

RM2.55 mil

Various laboratory equipment such as a fluorescent microscope, multiplex LABSan 3D, thermal cycler, centrifuge concentrator, digital hot plate magnetic stirrer and others

Recipient: The Allergy and Immunology Research Centre (AIRC)

RM550,000

Laboratory equipment including a bio-safety cabinet, inverted microscope and a shaker vortex

Recipient: The Virology Unit, Infectious Disease Research Centre (IDRC)



COMMUNITY DEVELOPMENT

In 2020, PNB also supported numerous other programmes that reached out to various communities, with the aim of further improving their quality of life. Contributions were made to important causes such as the National Autism Society of Malaysia (NASOM) and Majlis Kebajikan dan Pembangunan Kebangsaan Malaysia (MAKPEM). Opportunities were also given to employees to be involved in these projects through our employee volunteerism programme. This is to nurture compassion and encourage the spirit of volunteerism among PNB's employees.

The National Autism Society of Malaysia (NASOM), located at Taman Salut Perdana, Kota Kinabalu, Sabah

We funded a programme which equips

22 autistic children

with the skills to enter mainstream schools.

Carbon Free Day organised by Majlis Perbandaran Batu Pahat, Johor

We supported this programme to create awareness and inculcate a sense of responsibility towards the

reduction of our carbon footprint.

Persons with Disabilities (PWD) organised by Majlis Kebajikan dan Pembangunan Kebangsaan Malaysia (MAKPEM)

PNB provided financial support to

10 participants in an

economic empowerment programme for PWDs.

They received seed capital to start a business.



Semai Orang Asli community at Perumahan Teratak Semai, Tapah, Perak

PNB's employees, in collaboration with the Faculty of Design and Architecture at Universiti Putra Malaysia,

built homes for this community.

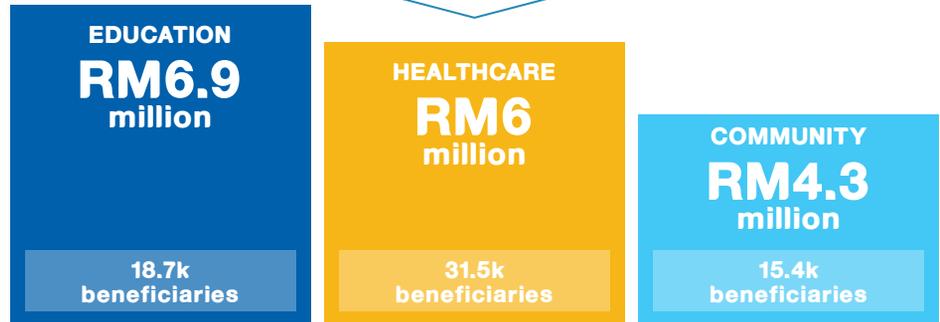
CORPORATE SOCIAL RESPONSIBILITY REPORT

PNB CSR ZAKAT DISTRIBUTION PROGRAMME

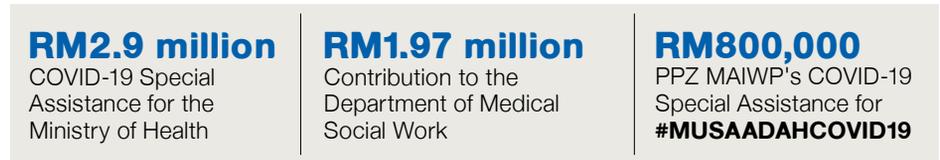
In 2020, PNB contributed a total of RM17.2 million through PNB's CSR Zakat Distribution Programme, which is managed by the Shariah Management Department. The zakat allocation is in accordance with the PNB CSR Zakat Framework, as approved by the PNB Board of Directors.

PNB continued to improve the livelihood of the underprivileged *Asnaf* community through our zakat distribution programme towards promoting better healthcare, enhancing education and providing financial and social support. Besides providing financial aid for the *Asnaf* community, we contributed towards the purchase of a van for a school, hearses for mosques and the restoration of welfare centres, mosques and schools.

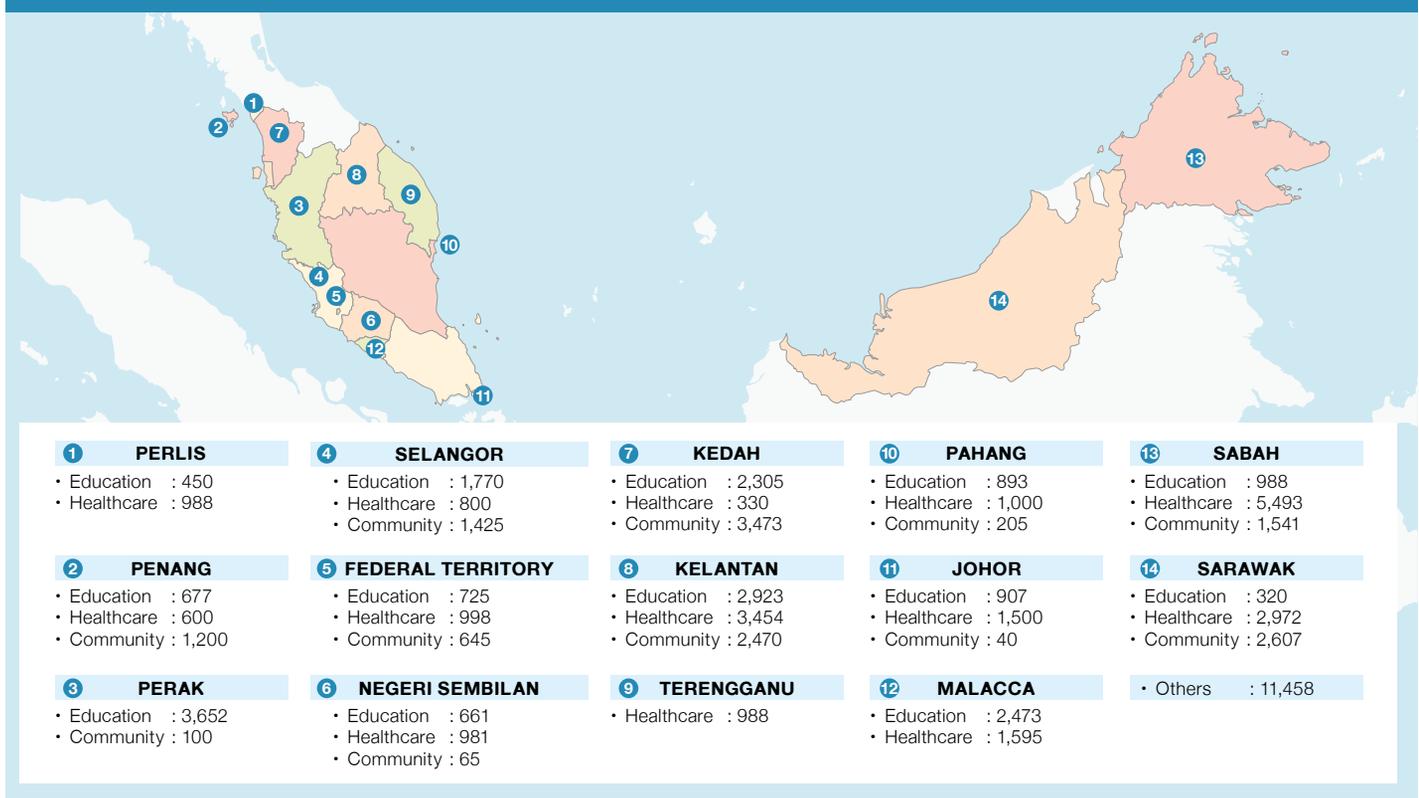
RM17.2 mil total distribution **65.6k** beneficiaries



In response to the COVID-19 pandemic, our zakat allocation was also presented to the Government's COVID-19 relief aid as follows:



NUMBER OF BENEFICIARIES OF PNB CSR ZAKAT DISTRIBUTIONS BY STATE





KNOWLEDGE SHARING INITIATIVES

PNB's knowledge sharing initiatives look for actionable and collaborative solutions that address important national issues. We look to encourage cross-sectoral discussions and deliberations among thought leaders in different fields of expertise.

PNB KNOWLEDGE SHARING INITIATIVE FORUM



The annual PNB Knowledge Sharing Initiative (KSI) forum, organised by PNB Research Institute, brings together members of the PNB network and stakeholders of corporate Malaysia, including industry practitioners, economists, policy makers, regulators, technology experts and institutional investors.

2020 marks the first time that this forum was held virtually. Organised on 26 November 2020 with the topic 'Malaysia

and ASEAN: Navigating US-China Relations in the 21st century', the forum shed light on the role of Malaysia and other ASEAN countries in the wake of an emerging China.

With a growing population of 650 million people, ASEAN is a force to be reckoned with and how this region navigates US-China relations in the 21st century is paramount.

The future is 'Asian', and Asian members are moving towards greater integration amidst the strained US-China relations.

In her welcome speech, our Group Chairman Tan Sri Dr. Zeti Aziz highlighted the need to discuss pertinent economic and financial issues to corporate Malaysia. The forum featured prominent panelists namely Richard Record of the World Bank Group, Professor Danny Quah of National University of Singapore and Kishore Mahbubani of Asia Research Institute. Melisa Idris of Astro Awani moderated the forum.

YAYASAN TUN ISMAIL MOHAMED ALI MEMORIAL LECTURE 2020

Yayasan Tun Ismail Mohamed Ali (YTI) undertakes initiatives and programmes which inculcate values that PNB's first chairman, Tun Ismail Mohamed Ali, believed to be vital for the sustainable development of corporate Malaysia.

In 2020, this foundation organised the first virtual edition of the YTI Memorial Lecture, held on 2 December 2020. This event, which is a joint effort by PNB and PNB Research Institute, attracted more than 400 participants including thought leaders, professionals, academicians and students.



The YTI Memorial Lecture 2020 was titled 'How Safe Are the Safe Haven Assets in Malaysia?, Lessons from COVID-19 Pandemic', a pertinent subject given the continuous period of high volatility across financial markets caused by the global health pandemic as well as other factors such as increasing trade tensions. This lecture provided insights on possible safe haven assets during the COVID-19 pandemic and compared the current environment with the Global Financial Crisis of 2008.

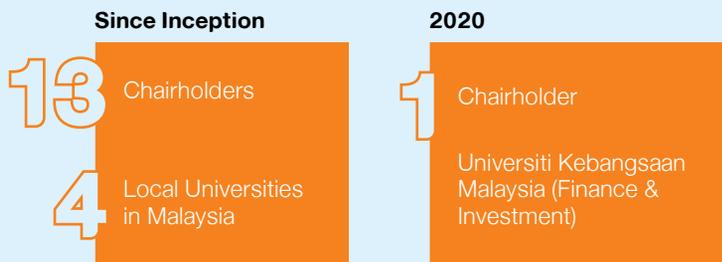
In her welcoming speech, our Group Chairman Tan Sri Dr. Zeti Aziz described PNB's strategic plan that diversifies its investment portfolio and builds the resilience needed to thrive in any situation.

Professor Dr. Robert Faff, YTI Chairholder in Finance and Investment at Universiti Kebangsaan Malaysia and Professor of Finance at the University of Queensland, Australia conducted this lecture. He shared relevant findings and studies on Malaysia's investment landscape and concluded with a Q & A session. It was moderated by Mohd Redza bin Abdul Rahman, Head of Investment Analysis and Officer-in-Charge for PNB Research Institute.

CORPORATE SOCIAL RESPONSIBILITY REPORT

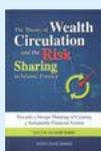
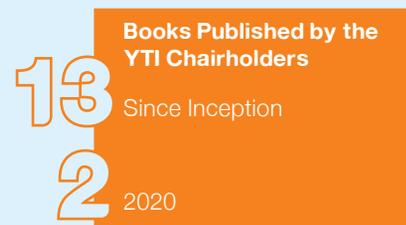
YTI ACTIVITIES SINCE INCEPTION AND 2020 ACTIVITIES AT A GLANCE

YTI PROFESSORIAL CHAIR PROGRAMME



Universiti Malaya (Corporate Law, Securities & Finance) - Since 2000	Universiti Kebangsaan Malaysia (Finance & Investment) - Since 2000	Universiti Sains Islam Malaysia (Islamic Finance & Banking) - Since 2012	Universiti Tun Abdul Razak (Leadership) - Since 2012
<ul style="list-style-type: none"> Prof. Dr. John H. Farrar (2007) Prof. Tuan Razeen Sappideen (2011-2013) 2 terms 	<ul style="list-style-type: none"> Prof. Dr. Abdul Mansur Mohammed Masih (2004) Prof. Dr. S. Ghon Rhee (2005) Prof. Dr. Erik S. Reinert (2013) 	<ul style="list-style-type: none"> Prof. Dr. Ben Jacobson (2015) Prof. Robert William Faff (2019-2020) 	<ul style="list-style-type: none"> Dr. Zamir Iqbal (2012-2013) Prof. Dr. Mohamed Obaidullah (2015) Datuk Dr. Mohd. Daud Bakar (2017 - Feb 2019) 2 terms
<ul style="list-style-type: none"> Prof. Dr. Erik van de Loo (2013-2015) 2 terms Prof. Dr. Nicholas H. Barker (2016-2017) 2 terms Prof. Catarina Tully (2017- Aug 2019) 			

KNOWLEDGE & EXPERTISE



The Theory of Wealth Circulation and the Risk Sharing in Islamic Finance (Vol. 5 YTI Lecture Series)

- Datuk Dr. Mohd. Daud Bakar (USIM) 2020



Islamic Finance in Digital Economy (Vol. 6 YTI Lecture Series)

- Editors: Datuk Dr. Mohd. Daud Bakar, Dr. Safeza Mohd Sapian, Dr. Muhammad Ridhwan Ab. Aziz (USIM) 2020

2013	(Lecture Booklet) Board Leadership and Integrity - Prof. Dr. Erik van de Loo (UNIRAZAK)
2015	Managing Philanthropy for Social Security and Economic Empowerment - Prof. Dr. Mohamed Obaidullah (USIM)
	The Shaking Foundations of Finance - Prof. Dr. Ben Jacobson (UKM)
	Corporate Governance and Boards - Prof. Dr. Erik van de Loo (UNIRAZAK)
2016	Critical Readings in Islamic Social Finance - Prof. Dr. Mohamed Obaidullah & Dr. Nurul Aini Muhamed (USIM)
2017	(Lecture Booklet) Critical Success and Failure Factors in the Islamic Financial Industry in the 21 st Century - Datuk Dr. Mohd. Daud Bakar (USIM)
2018	Extending the Boundaries in Islamic Finance - Datuk Dr. Mohd. Daud Bakar (USIM)
	Mainstreaming Islamic Finance Unveiling Critical Success & Failure Factors: An Insider and Global Perspective - Datuk Dr. Mohd. Daud Bakar (USIM)
2019	Crisis Leadership & Resilience - Prof. Dr. Nicholas H. Barker (UNIRAZAK)
	Entrepreneurial Leaders: Shaping the Malaysian Entrepreneurship Ecosystem - Prof. Dr. Nicholas H. Barker (UNIRAZAK)
	Rethinking Higher Education in Malaysia - Strategic Foresight - Prof. Dr. Catarina Tully (UNIRAZAK)

UPLIFTING THE BUMIPUTERA COMMUNITY



Since our inception, PNB has looked to broaden and enhance Bumiputera involvement in Corporate Malaysia. This is based on our mandate to holistically enhance the lives of Bumiputeras and we look to achieve this through financial wealth creation initiatives that address income disparities, provide educational opportunities, nurture human capital development and encourage entrepreneurship. Our work in these areas form the crux of our nation building efforts towards realising the national vision of empowering Bumiputeras.

WEALTH



RM269.9 billion
assets under management for
Bumiputera holdings



RM21.5 billion
worth of property holdings including
property abroad and in Malaysia

HUMAN CAPITAL

>90%

Bumiputera Staff, Nominee Directors,
CEOs/Managing Directors of PNB
Controlled and Strategic Companies

ENTREPRENEURSHIP

>55%

- Carve-out commitment to Bumiputera vendors for PNB's mega projects
- Procurement allocation for Bumiputera vendors

EDUCATION & HUMAN CAPITAL DEVELOPMENT



**118 new scholarships worth
RM29.5 million**



371

Graduate Executive Training
at PNB (PNB GET)

FINANCIAL LITERACY



5,778
participants of physical
events in 2020



154
webinars in 2020
9,956
participants



173,980
participants from uniformed bodies,
Teacher Education Institutes (IPG),
Higher Education Institutions (IPT)
and secondary schools in 2020



14,392
secondary school
students

STATEMENT ON CORPORATE GOVERNANCE

PNB believes that a culture of transparency, accountability and integrity is paramount to ensuring its commitment towards becoming a Distinctive World Class Investment House. The present challenging volatile market conditions have made it more vital for PNB to ensure conformance to the highest standard of Corporate Governance through the effective formulation and application of its internal policies and processes. With that in mind, although PNB is not a public listed company, the company nonetheless endeavours to achieve the intended outcomes of the three key principles of good corporate governance which form the foundation of the Malaysian Code on Corporate Governance (the Code):

THE BOARD'S PRINCIPAL RESPONSIBILITIES

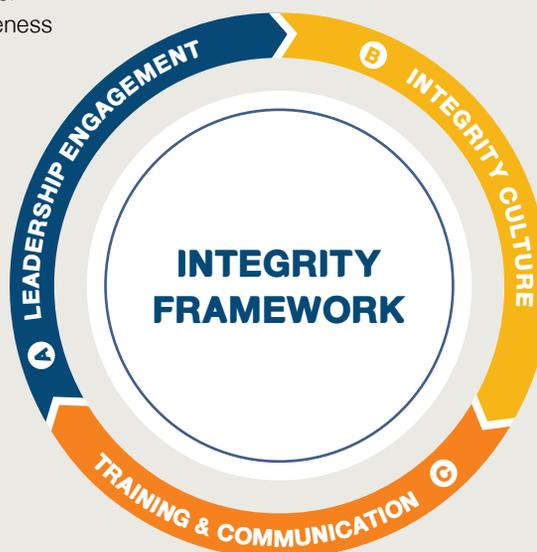
The sustainability and growth of PNB will always depend on the proper execution of the Board's fundamental roles, which include to:

- Set and monitor the Group's strategic business objectives;
- Review policies and procedures to ensure that its corporate conduct is in line with the principles of integrity and accountability;
- Review the adequacy of the Group's system of internal control management information system, and compliance with applicable laws;
- Monitor the performance of the management and review succession planning; and
- Assess the implementation of the risk management system.

Additionally, the Board takes cognisance of the enforcement of Section 17A of the Malaysian Anti-Corruption 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 also in place.

Various initiatives have been undertaken in creating awareness on this new provision by organising talks and seminars by local and international speakers to 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 including, amongst others, the Anti-Bribery Management System, Corruption Risk Management and Code of Business Ethics.

INTEGRITY CHARTER AND FRAMEWORK OF THE PNB GROUP



STATEMENT ON CORPORATE GOVERNANCE



INTEGRITY FRAMEWORK

Corruption Risk Assessment

- Proactively assess corruption risk and integrity-related obligations
- Continuously reassess level of corruption risk based on:
 - New or changed activities, product or services
 - New or revised obligations
 - Findings from audit reviews done internally or by regulators

1

Corruption Risk Management

- Establish and ensure effective policies, processes and internal controls are in place to mitigate corruption risk
- Communicate policies and procedures to staff members

2

Corruption Risk Monitoring

- Oversee and ensure controls are operating effectively
- Regularly assess effectiveness of integrity programme and determine areas for improvement where necessary

3

Integrity Reporting

- Ensure the necessary reports are submitted accurately and on-time
- Ensure appropriate corrective actions are taken to resolve non-compliance issues in a timely manner

4

Integrity Governance

- Proactively assess critical corruption risks and obligations relating to integrity
- Advise on the risk impact of corrupt practices and the necessary actions to be taken to mitigate them

5

BOARD OF DIRECTORS

A healthy Board culture which promotes and upholds good governance practices will ensure that our stakeholders' interests and the mandate from Government are protected. It is important for the Board of Directors (Board) to have a clear understanding of their roles and responsibilities. The Board is led by the Chairman of the Board 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, providing leadership and ensuring effectiveness of the Board. The respective responsibilities of the Chairman and PGCE, as well as the Board, its Committees and management, are clearly demarcated in the Board Charter.

BOARD COMPOSITION

Currently, the Board consists of eight (8) members, comprising one (1) Non-Independent Director, one (1) Non-independent Executive Director, and six (6) Independent Non-Executive Directors. The current Board composition provides an adequate mix of knowledge, skills and expertise, and the strong presence of a majority of Independent Non-Executive Directors provides effective checks and balances in the decision making of the Board. The Board members are able to carry out their duties to provide an unfettered and unbiased independent judgement towards promoting good corporate governance.

STATEMENT ON CORPORATE GOVERNANCE

APPOINTMENT OF DIRECTORS

The Nomination and Remuneration Committee (NRC) is responsible for the nomination of candidates for directorships. The selection of individuals with the required mix of skills and experience is paramount, in order for the Board to be able to provide a clear and effective leadership whilst inculcating healthy governance practices. Potential candidates are selected from diversified 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 several committees to assist it in discharging its oversight function and to ensure appropriate checks and balances are in place when dealing with specific functions or areas.



These committees have separate and defined written terms of reference, detailing the scope of their authority and responsibilities, which have been approved by the Board. The Chairman of each committee reports to the Board on the items discussed and actions taken at their meetings following each meeting. Each committee reviews its own terms of reference 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.

BOARD OF DIRECTORS MEETINGS

In order to discharge their responsibilities effectively, the Board convenes meetings on a quarterly basis. Additional special meetings are conducted should circumstances warrant such meetings be held, to approve corporate proposals, strategic business plans and direction, or any other matters that require the Board's decision. For matters requiring urgent Board's 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.

BOARD ASSESSMENT

PNB adopts Board assessments as part of its on-going commitment to upholding the highest standards of corporate governance in line with the recommendation of Malaysian Code on Corporate Governance. On 5 December 2020, the Board of Directors of PNB had approved the implementation of an internal assessment on Directors/Committees of the Board in ensuring that their roles and responsibilities are executed effectively.

CONDUCT OF MEETINGS

At each meeting, the Chairman of the Board and the respective Board Committees brief and outline the agendas for the meetings. The Board members deliberate on 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.

DISTRIBUTION OF MEETING MATERIALS

Presently, the Board meetings are conducted on a paperless basis with the use of the BoardPac System. The system has enabled the Company Secretary to

STATEMENT ON CORPORATE GOVERNANCE

furnish the Board and Committee members with immediate access to the material of the meetings prior to each Board meeting. This paperless system enables Board meetings to be efficiently managed and for members of the Board to be instantly updated of any revision to any paper pertaining to the meeting.

ACCESS TO INFORMATION AND ADVICE

The Board and its Committees have unrestricted access to the advice and services of the officers and employees of PNB and may engage independent third parties as deemed necessary, in discharging their duties and fulfilling their obligations, at the expense of the Group.

CONFLICT OF INTEREST

The Board and its Committees have disclosed to the Board/Committee (through the Company Secretary) any actual or potential conflict of interest in directorship or shareholdings and duly restricted/abstained themselves from voting where relevant.

GROUP COMPANY SECRETARY

The Group Company Secretary is suitably qualified 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.

BOARD ATTENDANCE

Particulars of the Board Meetings held in FY2020 are set forth below:

Date	Total Board Members	Attendance by Board Members
15 January 2020	8	7/8
5 March 2020	8	7/8
14 May 2020	7	7/7
15 June 2020	7	6/7
25 August 2020	8	8/8
19 October 2020	8	8/8
18 November 2020	8	8/8
4 December 2020	8	8/8
7 December 2020	8	7/8

COMPOSITION AND ATTENDANCE

A record of the Directors' attendance at the meetings of the Board during the financial year is set out below:

Members of the Board	Status	Attendance
Tan Sri Dr. Zeti Akhtar Aziz	Group Chairman/ Non-Independent Non-Executive	9/9
Encik Abdul Jalil bin Abdul Rasheed <i>(Resigned with effect from 16 June 2020)</i>	President & Group Chief Executive/ Non-Independent Executive	3/4
Encik Ahmad Zulqarnain Onn <i>(Appointed with effect from 1 July 2020)</i>	President & Group Chief Executive/ Non-Independent Executive	5/5
Dato' Asri bin Hamidin @ Hamidon <i>(Appointed with effect from 23 July 2020)</i>	Independent Non-Executive	3/5
Tan Sri Ahmad Badri bin Mohd. Zahir <i>(Resigned with effect from 1 May 2020)</i>	Independent Non-Executive	0/2
Tan Sri Datuk Zainun binti Ali	Independent Non-Executive	9/9
Datuk Dr. Mohd. Yaakub bin Haji Johari	Independent Non-Executive	9/9
Datu Haji Soedirman bin Haji Aini	Independent Non-Executive	9/9
Dato Dr. Nik Ramlah binti Nik Mahmood	Independent Non-Executive	9/9
Dato' Johan bin Ariffin	Independent Non-Executive	9/9

STATEMENT ON CORPORATE GOVERNANCE

The key functions of each committee as well as the membership and attendance at meetings during FY2020 are set out below.

NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee identifies and recommends 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 appointment as Presidents/Managing Directors/Chief Executive Officers of PNB, Operating Subsidiary Companies, Strategic and Controlled Investee Companies, as well as key management of PNB. In selecting candidates, the Committee follows an established policy and process whereby it considers, among others, the integrity, skills, knowledge and experience of the candidate.

In addition, the Committee assists the Board to ensure the remuneration of Directors and senior management of PNB and its Operating Subsidiary Companies is fair and competitive whilst giving due regard to the interests of all stakeholders. The Committee also 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
Tan Sri Dr. Zeti Akhtar Aziz	Group Chairman/ Non-Independent Non-Executive	7/7
Datuk Dr. Mohd. Yaakub bin Johari	Independent Non-Executive	7/7
Datu Haji Soedirman bin Haji Aini	Independent Non-Executive	7/7

INVESTMENT COMMITTEE

This Committee assists the Board to formulate plans and strategies and to approve the selection of investments for the investment portfolio of PNB and its unit trust funds, subject to the limits of authority given by the Board. The Committee also considers any proposal for mergers and acquisitions.

Members	Status	Attendance
Tan Sri Dr. Zeti Akhtar Aziz (Chairman)	Non-Independent Non-Executive	12/12
Encik Abdul Jalil bin Abdul Rasheed <i>(Resigned with effect from 16 June 2020)</i>	Non-Independent Executive	3/3
Encik Ahmad Zulqarnain Onn <i>(Appointed with effect from 6 July 2020)</i>	Non-Independent Executive	7/7
Datuk Seri Dr. Nik Norzrul Thani bin N. Hassan Thani	Independent Non-Executive	11/12
Datuk Dr. Mohd. Daud bin Bakar	Independent Non-Executive	11/12
Dato' Johan bin Ariffin	Independent Non-Executive	12/12

AUDIT COMMITTEE

The main function of the Committee is to review the quality and effectiveness of the entire accounting and internal control system. The Committee 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 the Management and accepted by external auditors are reviewed periodically to ensure conformance to the applicable Accounting Standards. Further details on the composition and activities of the Audit Committee are set out in the Audit Committee Report on pages 116 to 118 of this Annual Report.

STATEMENT ON CORPORATE GOVERNANCE

RISK MANAGEMENT COMMITTEE

This Committee reviews and recommends to the Board the risk management philosophies, policies and mitigation strategies as proposed by the Management to manage the principal risks of the PNB Group and to oversee and approve the development and maintenance of the integrated risk management framework of the PNB Group. Further details on the composition and attendance of members of the Risk Management Committee are set out in the Statement of Risk Management and Internal Control on pages 103 to 111 of this Annual Report.

COMPLIANCE COMMITTEE

This Committee was set up to determine, approve, review and monitor the Compliance and Integrity Work Plans of the Compliance Department and Integrity Department. The Committee convenes quarterly to evaluate and review the findings of the compliance report and to make recommendations in respect thereof. The structure of the overall compliance function of the PNB Group is reviewed as and when it is deemed necessary. Further details of the composition and attendance of members of the Compliance Committee and PNB's Compliance Programmes are set out in the Statement on Corporate Compliance and Integrity on pages 112 to 115 of this Annual Report.

TENDER COMMITTEE

The Tender Committee assists the Board to consider tenders and quotations for all assets, supplies and services for the PNB Group valued above RM2 million.

Members	Status	Attendance
Datuk Seri Dr. Nik Norzrul Thani bin N. Hassan Thani (Chairman)	Independent Non-Executive	3/3
Encik Abdul Jalil bin Abdul Rasheed <i>(Resigned with effect from 16 June 2020)</i>	Non-Independent Executive	1/1
Encik Ahmad Zulqarnain Onn <i>(Appointed with effect from 25 August 2020)</i>	Non-Independent Executive	2/2
Dato Dr. Nik Ramlah binti Nik Mahmood	Independent Non-Executive	3/3

PROPERTY INVESTMENT COMMITTEE

The main objective of this Committee is to implement certain duties and responsibilities delegated by the Board pertaining to property-related investment activities and to act as the monitoring body for the Board to ensure that investments are undertaken in accordance with the investment mandate and in line with all relevant rules, laws and regulations.

Members	Status	Attendance
Tan Sri Dr. Zeti Akhtar Aziz (Chairman)	Non-Independent Non-Executive	10/10
Encik Abdul Jalil bin Abdul Rasheed <i>(Resigned with effect from 16 June 2020)</i>	Non-Independent Executive	3/3
Encik Ahmad Zulqarnain Onn <i>(Appointed with effect from 6 July 2020)</i>	Non-Independent Executive	6/6
Datuk Seri Dr. Nik Norzrul Thani bin N. Hassan Thani	Independent Non-Executive	10/10
Datuk Dr. Mohd. Daud bin Bakar	Independent Non-Executive	9/10
Dato' Johan bin Ariffin	Independent Non-Executive	10/10

STATEMENT ON CORPORATE GOVERNANCE

APPEALS COMMITTEE

The function of the Appeal Committee is to hear appeals of staff members who are found guilty of misconduct and to determine whether sentences meted out by the Disciplinary Committee commensurate with the respective misdeeds. The Committee also considers appeals from staff members pertaining to the determination of their salaries and promotions.

Members	Status	Attendance
Tan Sri Datuk Zainun binti Ali (Chairman)	Independent Non-Executive	1/1
Tan Sri Ahmad Badri bin Mohd. Zahir <i>(Resigned with effect from 1 May 2020)</i>	Independent Non-Executive	-
Dato Dr. Nik Ramlah binti Nik Mahmood <i>(Appointed with effect from 7 December 2020)</i>	Independent Non-Executive	1/1
Datuk Dr. Mohd. Yaakub bin Johari	Independent Non-Executive	1/1
Datu Haji Soedirman bin Haji Aini	Independent Non-Executive	1/1

SHARIAH ADVISORY COMMITTEE

This Committee was set up in order to give advice as well as opinions and guidance on matters pertaining to Shariah compliance issues for the investments made by PNB, and to assist PNB to always comply with Shariah principles.

Members	Status	Attendance
Datuk Dr. Mohd. Daud bin Bakar (Chairman)	Independent Non-Executive	4/4
Tan Sri Dato' Seri (Dr.) Haji Harussani bin Haji Zakaria	Independent Non-Executive	0/4*
Dato' Haji Mohamad Shukri bin Mohamad	Independent Non-Executive	4/4
Dato' As-Sheikh Haji Nooh bin Gadot	Independent Non-Executive	3/4
Professor Emeritus Dato' Dr. Mahmood Zuhdi bin Abdul Majid	Independent Non-Executive	3/4
Dato' Idris bin Kechot	Independent Non-Executive	4/4
Dr. Aida binti Othman	Independent Non-Executive	4/4

* *Tan Sri Dato' Seri (Dr.) Haji Harussani has been indisposed.*

STATEMENT ON CORPORATE GOVERNANCE

COMMUNICATION WITH STAKEHOLDERS

The Board recognises the importance of ensuring that its stakeholders are well informed and updated on the Group's developments. PNB discloses quarterly updates on its investment activities, including its overall asset allocation, assets under management, 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.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board maintains a reliable system of risk management and internal control to safeguard the interests of PNB and its unit holders. The Statement on Risk Management and Internal Control is set out on pages 103 to 111 of this Annual Report.

WHISTLE BLOWING AND CHINESE WALL POLICY

In line with the Whistleblower Protection Act 2010, and good corporate governance practices, PNB encourages all concerned parties to highlight any improper conduct without fear of detrimental action, victimisation or discriminatory treatment to promote a greater level of transparency and accountability. PNB's

Whistleblowing Policy facilitates disclosures of improper conduct relating to wrongdoings, malpractices, misdemeanours, illicit dealings, offensive behaviour, indiscipline, violation of established practices or procedures, or any action harmful to the reputation and interest of PNB.

The Chinese Wall Policy is intended, inter alia, to shield and protect the Group against committing an insider trading offence. It is therefore imperative that secrecy arrangements be implemented through the Chinese Wall. Directors, Investment Committee Members and all staff of the PNB Group are required to sign a Declaration of Interest with respect to acquisition/purchase/sale of Securities of Companies in a prescribed Declaration of Interest form.

TRAINING AND DEVELOPMENT OF DIRECTORS

The Board acknowledges the importance of continuing education for its Directors to ensure they are equipped with the necessary skills and knowledge to perform their functions and meet specific industry challenges, and therefore continually assesses the training needs of each Director. During the financial year, all the Board members had attended numerous training programmes and workshops on various current issues relevant to PNB, to update themselves on new legal and regulatory developments.

Training programmes, conferences and forums attended by the Directors for FY2020 are as follows:

Category	Training Programme Attended
Banking	<ul style="list-style-type: none"> • Conversation on Central Banking: Central Bank Independence, organised by Asia School of Business • Central Banking in the COVID-19 Era - Global Liquidity and International Lender of Last Resort, organised by Columbia University • Conversations on Central Banking - Building Resilience and Policy Framework, organised by Asia School of Business • Conversations on Central Banking - Managing Macro-Financial Crises, organised by Asia School of Business
Leadership	<ul style="list-style-type: none"> • The Board and Sustainable Leadership for the Decade of Action, organised by Sime Darby Property Berhad
Financial	<ul style="list-style-type: none"> • Financing for Development in the Era of COVID-19 and Beyond, organised by United Nations' Economic and Social Commission for Asia and the Pacific (UN ESCAP) • Financial Times Global Boardroom Virtual Forum: Shaping the Recovery, organised by FT Global • 2020 IIF Global Debt and Financial Stability Roundtable, organised by Institute of International Finance
Corporate Management	<ul style="list-style-type: none"> • Webinar on Next After COVID-19: Business Dilemma - How to Convert Challenge to Opportunity, organised by Malaysian Productivity Council
Economy	<ul style="list-style-type: none"> • WIEF Roundtable on Economic Rejuvenation: The Path to Growth, organised by World Islamic Economic Forum Foundation • Workshop on Natural Gas Roadmap for the 12th Malaysia Plan, organised by the Ministry of Economic Affairs • Central Banks: Navigating in Turbulent Times, "Communication in Times of Crisis", organised by Asia School of Business-Iclif Executive Education Center

STATEMENT ON CORPORATE GOVERNANCE

Category	Training Programme Attended
Economy	<ul style="list-style-type: none"> • Rethinking the Roles of Islamic Economics and Finance in Post-Pandemic Era, organised by Bank Indonesia Institute • Navigating the Pandemic: A Multispeed Recovery in Asia Virtual Roundtable, organised by International Monetary Fund • Understanding the Importance of Financing in the Context of the COVID-19 South-East Asia recovery and the 2030 Agenda for Sustainable Development, organised by UN ESCAP • Conversations on Central Banking - How Can the Integrated Policy Framework Benefit Emerging Economies?, organised by Asia School of Business • Economic Conditions in Malaysia - Surviving the Storm by World Bank, organised by Perbadanan Insurans Deposit Malaysia (PIDM) • Economic Conditions in Malaysia: Malaysia's Economic Recovery by Bank Negara Malaysia, organised by PIDM • Malaysia and ASEAN: Navigating US-China relationship in 21st Century, organised by PNB Research Institute Sdn. Berhad • Property Industry Outlook: Panel Discussion: COVID-19 - What is the Reality for the Malaysian Property Industry, organised by Sime Darby Property Berhad • Strategy & Transformation in Real Estate: What are the Trends Affecting the Real Estate Space Globally, organised by Sime Darby Property Berhad • Macroeconomic Outlook: Impact of the Pandemic on Malaysia's Economy and our Journey towards Recovery, organised by Sime Darby Property Berhad • Economic Recovery: Reflecting 1997 Financial Crisis, organised by Malaysia Digital Economy Corporation (MDEC) • BFA Asia-Europe Cooperation Dialogue Panel: Will Globalisation Survive COVID-19?, organised by Boao Forum for Asia & the Reinventing Bretton Woods Committee • AMEU Economics Summit 2020, organised by Association of Malaysian Economics Undergraduates • YTI Memorial Lecture 2020 - "How Safe Are the Safe Haven Assets in Malaysia? - Lessons from COVID-19 Pandemic, organised by PNB
Crisis Management	<ul style="list-style-type: none"> • Managing your Fraud Risk: Are You Doing Enough?, organised by PwC Malaysia • Financial Support in Times of Crisis by Prof. Hans Genberg, organised by Asia School of Business-Iclif Executive Education Center • Central Banks' Dilemma in a Time of Crisis: Independence, Subservience or Co-Dependence with the Government?, organised by Asia School of Business-Iclif Executive Education Center • AIIB in 2021 and Beyond: Shifting from Crisis Response to Sustainable Recovery, organised by Asian Infrastructure Investment Bank
Information Technology	<ul style="list-style-type: none"> • Data Breaches - Are You Ready?, organised by Securities Industry Development Corporation (SIDC) • Data Privacy Training, organised by Axiata, Zul Rafique and Partners, and Herbert Smith Freehills
Risk Management	<ul style="list-style-type: none"> • Risk Landscape Workshop 2020, organised by Etiqa Insurance & Takaful • Annual Board Risk Workshop 2020, organised by Maybank Berhad • OMFIF's 10th Anniversary Asset and Risk Management Seminar, organised by Official Monetary and Financial Institutions Forum (OMFIF)
Audit	<ul style="list-style-type: none"> • Audit Committee Institute Virtual Roundtable 2020, organised by KPMG
Corporate Governance	<ul style="list-style-type: none"> • Independent Directors: The Missing Piece Virtual Forum, organised by SIDC and Centre for Islamic Banking, Finance and Management (Brunei) • The Quiet Transformation of Corporate Governance, organised by Sime Darby Property Berhad
Legal & Compliance	<ul style="list-style-type: none"> • Raising Defences: Section 17A, MACC Act, organised by Asia School of Business • Section 934 - Anti Money Laundering, Anti-Terrorism Financing & Corporate Liability under the MACC Act, organised by Nature of Life Training • Capital Market Directors Programme, organised by SIDC • Malaysian Anti-Corruption Commission (MACC) 2009 (Amendments) Sec 17A Briefing, organised by Etiqa Insurance & Takaful • Compliance Workshop 2020, organised by Etiqa Insurance & Takaful • Malaysian Anti-Corruption Commission Awareness Training, organised by Mitraland Group

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

1.0 STATEMENT ON RISK MANAGEMENT

OVERVIEW

Global events in 2020 have significantly hampered the progress and growth of the world's economy, bringing it to a near standstill throughout the year. The high level of uncertainty created by pressing factors such as the COVID-19 pandemic, geopolitical tensions and heightened volatility in the markets have led to structural changes to the economy and the financial sector. In turn, the emerging risks arising from this challenging landscape warranted the need to strengthen existing risk management processes in safeguarding the interests of PNB's stakeholders, particularly the unit holders.

During the year, the PNB Group had activated its Business Continuity Plan (BCP) which forms part of the Enterprise Risk Management (ERM) framework, to ensure that all critical business functions were able to continue its operations during the COVID-19 pandemic. At the same time, the company continues to build and enhance its operational resilience by strengthening its governance structure through constant

reviewing and refining of its ERM framework to ensure that it is in tandem with PNB's business strategies, regulatory requirements and best practices.

The independence of the risk management function and its close alignment to the business ensures consistent and effective risk oversight via:

- A robust risk management system that is relevant and resilient in dealing with an ever-changing risk landscape, ensuring that risks are managed effectively within the organisation;
- A holistic risk management process that provides a framework for building organisational resilience in ensuring critical business functions are able to continue operating in challenging times; and
- A proactive risk culture embedded within the Group, with the right skill sets and competencies.

2.0 RISK GOVERNANCE STRUCTURE

PNB has established clear lines of responsibility and accountability for the risk management process by adopting the Three Lines of Defence Model as shown below.

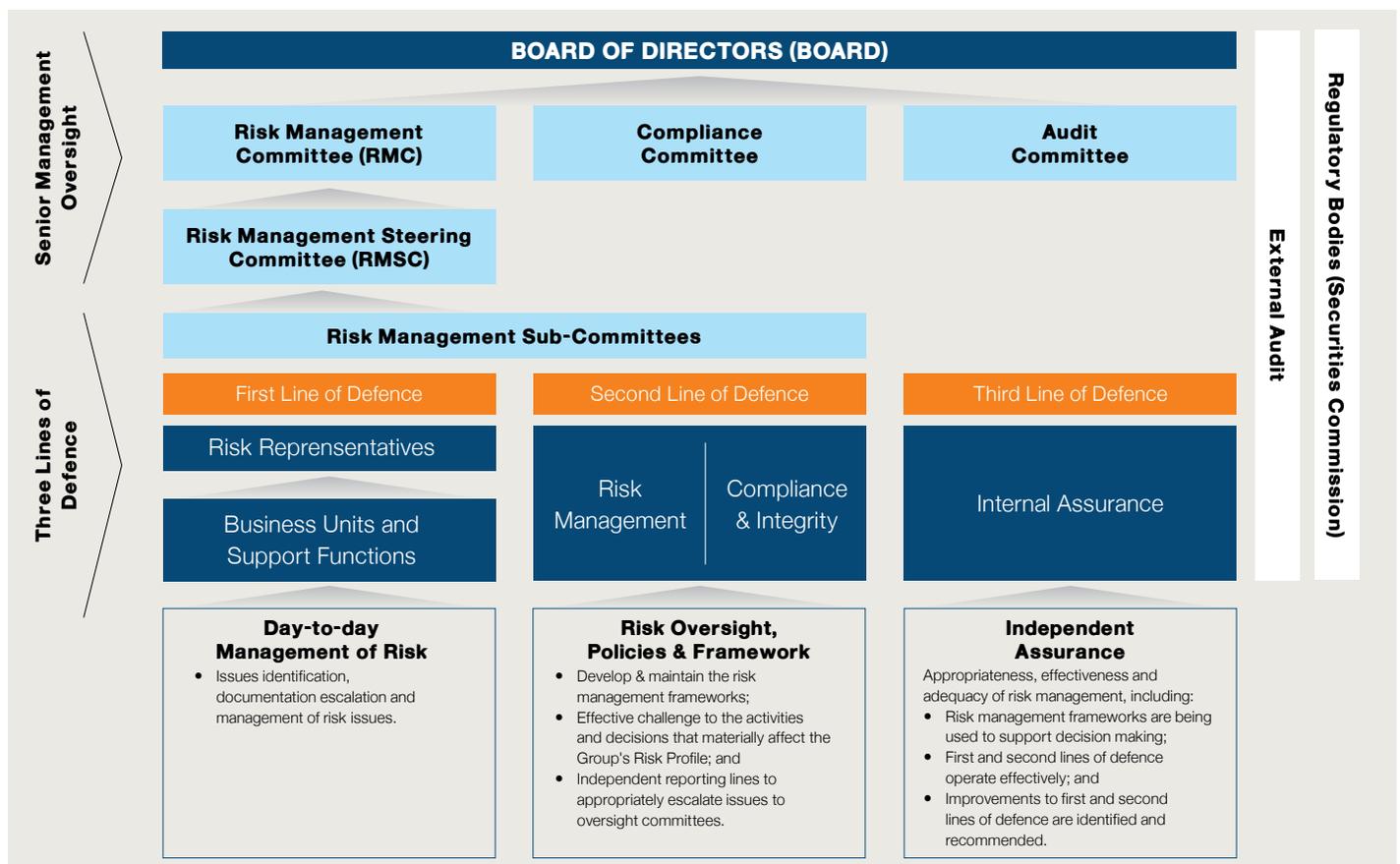


Diagram 1: PNB Group Three Lines of Defence Model

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

2.1 SENIOR MANAGEMENT OVERSIGHT**2.1.1 Board of Directors**

The Board of Directors (Board) is responsible for setting the objectives and policies on risk management and sets the tone from the top to foster a sound risk management environment and a risk management function that is influential and respected. The Board will ensure that the system of risk management within the Group is adequately robust to respond to changes in the business environment and to support PNB in achieving its objectives.

The Board has delegated its responsibilities to the Risk Management Committee (RMC), which is assisted by the Risk Management Steering Committee (RMSC). Notwithstanding this, the Board recognises its overall responsibility for the establishment and oversight of PNB's Enterprise Risk Management (ERM) framework.

2.1.2 Risk Management Committee (RMC)

The RMC is responsible to assist the Board by overseeing and approving the on-going development and maintenance of all risk management frameworks and activities. The RMC is delegated with the responsibility to assess, identify, measure and monitor the overall risk exposure of the Group and ensure that a sufficient level of risk mitigation is in place.

Composition and Attendance

The RMC shall comprise a maximum number of five and a minimum number of three Board members of the PNB Group, all of whom shall be Non-Executive Directors, with a minimum ratio of Independent Non-Executive Directors set at one-third of the Committee. Currently, the Committee comprises three members, all of whom are Independent Non-Executive Directors.

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. As at 31 December 2020, a total of four meetings was held during the year under review.

The composition of the RMC and the record of their attendance are as follows:

Members	Status	Attendance
Dato Dr. Nik Ramlah binti Nik Mahmood (Chairman)	Independent Non-Executive	4/4
Datuk Seri Dr. Nik Norzrul Thani bin N. Hassan Thani	Independent Non-Executive	4/4
Datuk Mohd. Anwar bin Yahya	Independent Non-Executive	4/4

2.1.3 Risk Management Steering Committee (RMSC)

The RMSC is a management committee chaired by the President & Group Chief Executive (PGCE). The RMSC is directly responsible for endorsing, co-ordinating and monitoring all risk management programmes of the Group, as delegated by the RMC. The RMSC also forwards any recommendations to the Board, through the RMC, on all matters regarding the risk management activities under its purview or as directed by the Board.

In improving efforts towards inculcating a sound risk culture and integrated risk management practices across the company, the RMSC is further assisted by the Risk Management Sub-Committees. These Sub-Committees were established among the working group level to identify, discuss and/or evaluate risk related matters and to provide solutions that cut across departments or business units. Pertinent risk-related matters are escalated to the RMSC for further deliberation.

3.0 PNB ENTERPRISE RISK MANAGEMENT (ERM) FRAMEWORK

The ERM framework outlines the process for identifying, assessing, monitoring and managing risks within the PNB Group. This ensures that PNB optimises its returns on risk-taking activities within PNB's Risk Appetite as approved by the Board.

3.1 Risk Management Process

The key elements of an effective ERM are as follows:

- Risk Assessment Process: The overall process of risk identification, analysis and evaluation as documented in the Risk Register.
- Risk Monitoring and Review: The Risk Register and Key Risk Indicators (KRIs) are used by the Management as a tool to monitor and manage changes in risk exposures over time.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

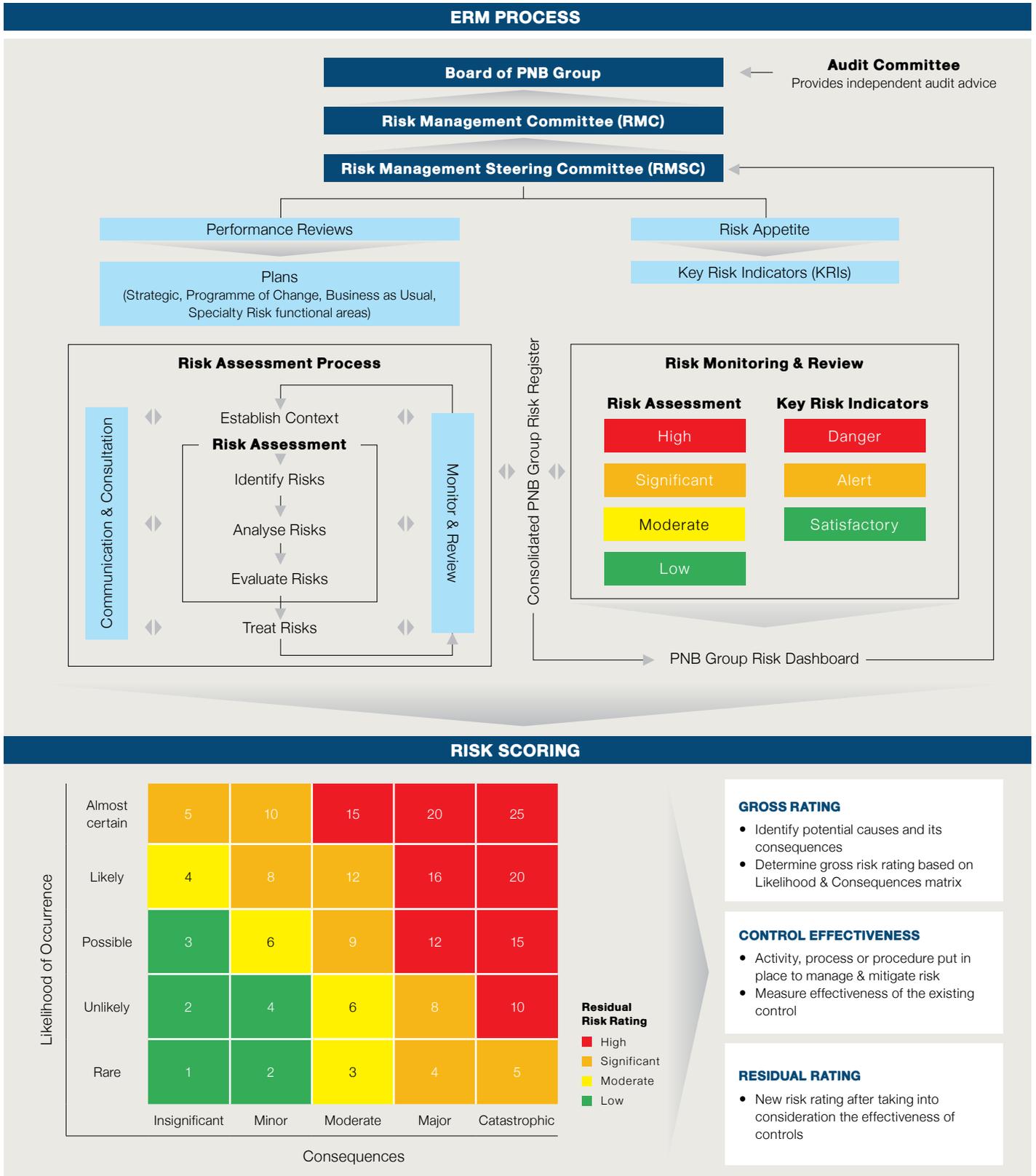


Diagram 2: PNB Risk Management Process

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

3.2 Risk Management Framework

The key objectives of establishing a structured and integrated ERM framework are outlined below:

- Identifying, analysing and understanding each of the material risks at all levels of the Group;
- Ensuring risks are managed in line with PNB'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.

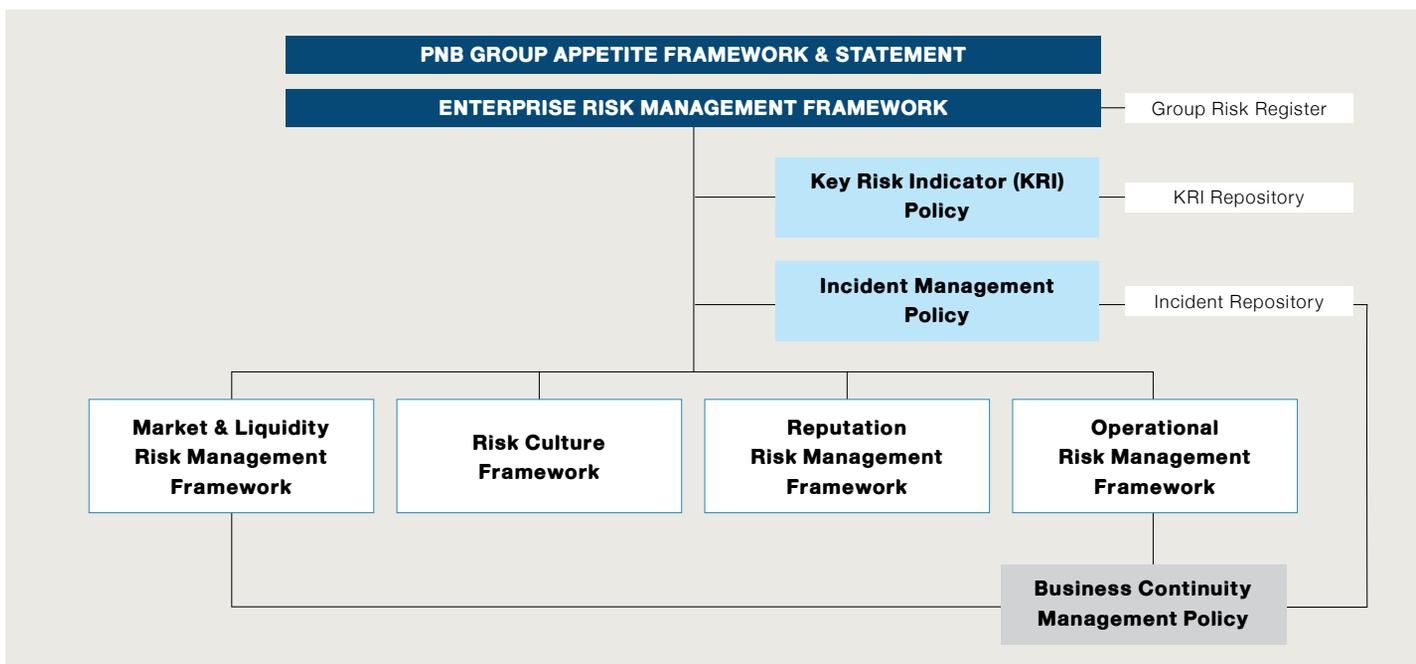


Diagram 3: PNB Enterprise Risk Management Framework

The 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:

- Guidelines on Unit Trust Funds issued by the Securities Commission Malaysia;
- International Organisation of Standardisation (ISO) 31000:2018 Risk Management;
- International Organisation of Standardisation (ISO) 22301:2012 for Business Continuity Management System; and
- Bursa Malaysia Main Market Listing Requirements.

3.3 PNB Risk Appetite Framework

Risk appetite is the amount of and types of risks that PNB is willing to accept in pursuit of its business objectives. The framework is utilised to articulate PNB's Risk Appetite Statements (RAS) with recommended measures and methodologies. Subsequently, the RAS measures are embedded into the company's risk management structure and integrated into the business objectives and operations with the aim:

- To express the type and quantum of risk PNB is exposed to, based on its core values, strategy, risk management competencies and shareholder's expectations;
- To formulate risk sensitive limits which cascade down to business level and risk type; and
- To set aside adequate risk buffers to support stress scenarios in line with PNB's risk appetite.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

3.4 Key Risk Indicators (KRI) Policy

KRIs are used by the Management as a tool to monitor and manage changes in key risk exposures over time. It provides insight into business operations' risk exposure as well as operational and control weaknesses through the monitoring of main drivers of exposure associated with the key risk. KRIs mainly act as early warning signals for potential risks and control issues that may arise in the current business environment.

The Enterprise and Departmental KRI dashboards, which monitor key risks that may lead to serious concerns or issues, are periodically presented to the RMSC and RMC by the Risk Management Department.

3.5 Incident Management Policy (IMP)

PNB's IMP outlines the minimum requirements and the process for identifying, capturing, reporting and managing incidents within PNB. The objectives of the IMP are:

- To minimise impact, exposure to loss, and disruption caused by incidents that affect the Group; and
- To ensure that all key stakeholders are adequately informed and involved in the resolution of any such incidents.

An "incident" is defined as an operational risk or compliance event resulting from a breakdown of internal processes, people, systems, or external events that have the potential to cause a financial, reputational or regulatory impact on PNB. This includes near-miss events that could result in a financial loss.

The IMP is linked to the Business Continuity Management (BCM) Policy. All incidents depending on the severity level, are escalated to the respective Management Committees on an immediate basis.

The Crisis Management Team will be activated to centrally manage and co-ordinate strategic response to minimise the loss and interruptions to the business operations.

3.6 Market & Liquidity Risk Management (MLR) Framework

A sound MLR framework provides a process for PNB and its funds under management to measure, assess, monitor and manage its market and liquidity risks. This process involves periodic reporting to the Board of Directors and respective Management Committees.

Market risk is the risk of loss from changes in the value of portfolio for PNB and its funds under management arising from fluctuations in market price. A robust approach towards market risk management involves a continuous review of various risk methodologies and metrics, as well as periodic reports to monitor risks at fund and asset class level. This is conducted based on industry-wide risk measurement and approaches, among others but not limited to, value-at-risk, information ratio and other risk adjusted metrics, and stress testing to ensure that the risks are adequately identified and assessed. Appropriate mitigation plans are then put in place to minimise losses during adverse market conditions.

Liquidity risk relates to the inability of PNB and its funds under management to obtain the funds needed to meet its obligations or to fund increases in assets. Liquidity risk is managed via strategically allocating a minimum of 5% of the funds' assets in money market placements and up to 15% of the funds' assets in liquid investments which include money market placements, Government related fixed income securities and public equities. Continuous monitoring and review to the liquidity risk metrics, among others but not limited to, the liquidity coverage ratios and periodic reporting of liquidity risk dashboard to the Management are performed to adequately assess the funds' liquidity level against the projected unit net redemption.

The key elements of MLR framework are as follows:

3.6.1 Stress Testing

As part of on-going monitoring, PNB performs regular stress tests designed to quantify the impact of potential market stress events on PNB and its funds under management. The stress tests approach incorporates risk-based perspectives that consider possible outcomes based on hypothetical and highly adverse market scenarios.

3.6.2 Contingency Funding Plan

The Contingency Funding Plan was developed to recognise both internal and external factors that could affect the liquidity of PNB and its funds under management. It sets out strategies for addressing liquidity shortfalls in crisis situations, establishes clear lines of responsibility, delineates clear invocation and escalation procedures. The plan is regularly tested and updated, to ensure it is operationally robust in line with PNB's Business Continuity Management Plan.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

3.7 Reputational Risk Management Framework

The PNB Group defines reputational risk as a risk where its reputation is damaged by one or more events as reflected by negative publicity about its business practices, conduct or financial performance. This negative publicity may impair the confidence of unit holders and various other stakeholders of the Group. Key areas of reputational risk for the PNB Group are represented by reputational risk drivers and the level of reputational risk is measured via the Reputational Risk Composite Index (RRCI).

3.8 Risk Culture Framework (RCF)

The RCF outlines key focus areas for improvements, based on gaps and challenges identified, to further strengthen risk culture efforts towards inculcating a risk intelligence culture. This includes ensuring rapid escalation, detection and effective management of risks at the enterprise level by anticipating and managing challenges. Interdependency between the First and Second Lines of Defence is crucial to ensure risk monitoring tools and platforms are being implemented effectively and successfully in elevating the risk culture maturity level.

PNB implements the RCF with the following objectives:

- To enhance the level of risk function competencies and capacities across the organisation;
- To instil a culture where everyone is responsible in ensuring integrity, accountability and transparency; and
- To recognise and reward individuals/departments/leaders who demonstrate good governance behaviours.

3.9 Operational Risk Management (ORM) Framework

The key elements of the ORM framework are as follows:

- Operational Risk Management; and
- Business Continuity Management (BCM) Policy.

3.9.1 Operational Risk Management (ORM)

The ORM outlines the process for identifying, assessing, monitoring and managing operational risks within PNB. Against this background, the ORM framework contributes to the management of performance outcomes and supports decision making in the business. The ORM measures the risk of loss

from inadequate or failed internal processes, people and systems, or from external events. Operational losses are actual financial losses arising from operational risk.

PNB utilises the ORM with the following objectives:

- To manage operational risks in line with its Risk Appetite Statements;
- To drive business improvements through effective operational risk management; and
- To identify and manage risks that may impede its ability to achieve its business objectives.

The ORM framework covers, among others, the areas of human resource, technology, outsourcing and vendor management, compliance and integrity, physical and people security, financial crime, business continuity, safety and health, and project risk management.

3.9.2 Business Continuity Management (BCM) Policy

PNB has established a robust and effective BCM programme to ensure the continuity of core business functions in the event of significant business disruption or unforeseen circumstances.

The BCM Policy outlines the process, minimum requirements and roles and responsibilities for BCM within the PNB Group. PNB implements the BCM Policy with the following objectives:

- To sustain organisational survival during a crisis by protecting human life and facilitating the resumption of critical business processes in a timely manner;
- To ensure that the provisioning of key business operations, services and products continues to be maintained at an acceptable level; and
- To safeguard the reputation and image of the Group.

The BCM Policy and its integrated plans are continuously reviewed, enhanced and communicated to all levels to ensure that the Group is prepared in the event of a crisis.

A BCM Simulation exercise is conducted on a regular basis to identify gaps and assess the effectiveness and robustness of PNB's crisis plans, processes and capabilities.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

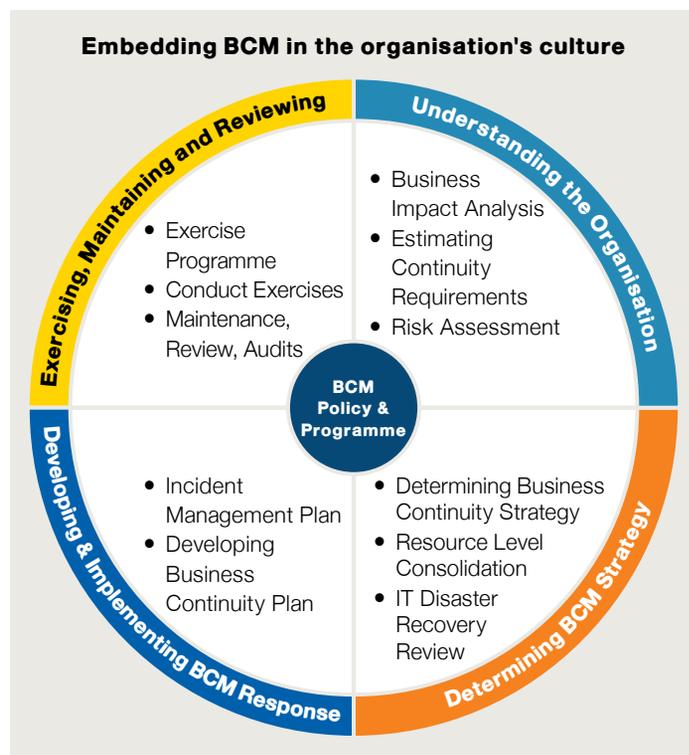


Diagram 4: PNB BCM Policy and Programme

KEY INITIATIVES IMPLEMENTED IN 2020

In providing continuous support towards PNB's objectives and Strategic Plan 2020-2022 also known as Focus 4, key risk management initiatives which were implemented include the following:

4.1 Risk Governance Process Improvement

Promotion of good corporate governance initiatives by heightening PNB's commitment in cultivating a proactive risk culture across the organisation guided by the ERM framework. These initiatives ensure significant risks are identified and assessed, and appropriate measures are in place to mitigate such risks. Towards this effort, the company has also successfully automated its risk monitoring and reporting process via an integrated risk management solution.

4.2 Refinement of Existing Frameworks, Policies and Plans

Building and enhancing the organisation's resilience against potential threats by refining the existing frameworks, policies, plans and approaches to be in line with the organisation's business strategies, regulatory requirements and leading best practices. Some of the significant milestones achieved by the organisation include:

4.2.1 Sustainability Management

The initiation of Sustainability Management targeted to be completed in 2021, which focuses on three main areas namely, Environment, Social and Governance (ESG). This is aligned with the Sustainable and Responsible Investment (SRI) Roadmap issued by the Securities Commission Malaysia which aims to create a facilitative SRI ecosystem and in driving Malaysia's sustainable development.

4.2.2 Integrity Policies - Pursuant to Section 17A of Malaysian Anti-Corruption Commission Act 2009 (MACC Act)

Operationalisation of the various integrity policies pursuant to Section 17A of Malaysian Anti-Corruption Commission Act 2009 (MACC Act) namely, the Code of Business Ethics, the Anti-Bribery and Anti-Corruption Policy Statement and the Procurement Integrity Pact and Due Diligence Process; execution of Employee Integrity Declaration by all employees as well as the process enhancement of the Whistleblowing Policy to ensure adherence to the best practices and regulatory requirements.

4.2.3 Technology Risk Management

Strengthening technology risk capabilities as PNB embarks on its Digital Transformation journey via a continuous assessment of various IT enablement measures and mitigation strategies. These include, amongst others, enhancing security features, building up system reliability, improving resiliency and enhancing technology governance to heighten PNB's agility to adapt to the challenging environment, whilst effectively managing technology and cyber security risks. These also include cyber simulation exercises and continuously building awareness at the enterprise level.

4.2.4 Risk Culture Framework (RCF)

The establishment of the RCF to support the company's efforts towards inculcating a sound risk culture by enhancing existing risk function competencies and capabilities across the organisation via a structured risk programme which is aligned to the business needs. The Risk Management Sub-Committee was established to foster collaboration and knowledge sharing to manage and provide solutions to common risks that cut across divisions/departments within PNB to strengthen governance oversight and social risk culture within the organisation.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

4.2.5 Benchmarking against Best Practices

Benchmarking against industry's leading practices, and achieving organisational sustainability by assessing the level of maturity of enterprise risk management practices to withstand both domestic and global challenges.

5.0 MOVING FORWARD FOR 2021

The Risk Management Department will continue to support PNB in its mission to strengthen the company's risk management approach through a heightened commitment in cultivating a pro-active risk culture across the entire organisation. The Department will still focus on the implementation of its five-year ERM Blueprint journey and continue to focus on the following areas to support PNB in achieving the Focus 4 objectives:

- Enhancing risk governance by fostering innovation and strengthening social risk culture via a unified risk strategy with the aim to effectively manage risk exposure and continuously elevating risk culture efforts in PNB;
- Leveraging robust data analytics in investment risk reporting to support risk monitoring process and provide real-time insights for fast decision making, which is part of Digital Transformation initiatives; and
- Enhancing existing risk function competencies and capabilities across the organisation via a structured risk programme to support overall initiatives on human capital value chain.

INTERNAL AUDIT FUNCTION

The Internal Assurance Department (IAD) reports directly to the Audit Committee (AC) of the Board of Directors of PNB and is independent of the activities and operations of the business and other support units.

The principal responsibility of the IAD is to provide independent, reasonable and objective assurance as well as consulting services designed to add value and improve the efficiency of the PNB Group's operations.

In assisting the Group to achieve its objectives, the IAD employs a systematic and disciplined approach to assess the adequacy, efficiency and effectiveness of risk management, internal controls and governance processes.

The IAD develops a risk-based annual audit plan which sets out the audit engagements within the PNB Group for the year. The audit plan, which is reviewed and approved by the AC, is revised accordingly to incorporate significant changes to the key risks and indicators which may impact the audit engagements.

The IAD reports are deliberated at the senior management level and action plans are put in place to complete the necessary preventive and corrective actions. The IAD's findings and the Management's responses are also tabled to the AC to ensure that the Management undertake the agreed remedial actions. Subsequently, the IAD conducts follow-up audits on the respective departments or business units to ensure that the necessary action plans are carried out to achieve the intended results.

The IAD's audit practices conform to the International Professional Practices Framework (IPPF) published by the US Institute of Internal Auditors Inc and relevant regulatory guidelines. The IAD is also a corporate member of the Institute of Internal Auditors Malaysia (IIAM) and subscribes to the standards issued by the IIAM.

Its scope of coverage encompasses all PNB's business and support units, including its subsidiaries. In June 2020, a new unit within the IAD was established, namely the Quality Assurance and Special Projects (QASP). This unit is responsible for conducting the quality assurance activities within the IAD in accordance with the IPPF and also undertakes special projects.

Subsequently in August 2020, the responsibilities of the IAD have expanded with the inclusion of the Internal Quality Audit (IQA) Unit. The principal objective is to provide an independent assessment and assurance towards the certified entities within the PNB Group, designed to add value and improve the degree of compliance to the documentation and requirements of the respective International Organisation for Standardisation (ISO) Standards. At present, there are two (2) ISO certifications maintained which are the ISO 9001:2015 Quality Management Systems and MS 1900:2014 Shariah-Based Quality Management Systems.

The same audit methodology is implemented in carrying out the Internal Quality Audits as with non-Internal Quality Audits, which includes audit planning, test of control, substantive procedures, reporting and follow-up on remedial actions.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The IAD is headed by Noramly bin Bachok @ Abdul Aziz, who is a Member of the Malaysia Institute of Accountants (MIA) and the IIAM. He is also a permanent invitee to the Management Compliance Committee, Risk Management Committee, Technology Committee and OSHA Committee in PNB. The IAD comprises 34 staff, who are segregated into six units which are:

PNB & Subsidiaries	1	Information Technology	4
Investment	2	Internal Quality Audit	5
Unit Trust	3	Quality Assurance and Special Projects	6

STANDARD OPERATING PROCEDURES

Standard Operating Procedures (SOPs) are developed to achieve efficiency, quality output, and standardisation of performance, while reducing non-compliance with regulatory requirements. They 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 system of internal control.

By incorporating the risk-based approach as required in ISO 9001:2015, the departmental-level SOPs established by PNB are in line with the policies approved by the PNB Board, and have efficaciously met the prerequisite requirements towards good corporate governance for all its departments. These risk-based SOPs help employees to be more aware and mindful of the risks associated with their jobs.

The refinement of existing SOPs and the creation of new SOPs are also a crucial element of the implementation phase of Business Process Re-engineering projects, with these SOPs forming the foundation of a successful handover to business owners at the end of each project. PNB has also established an electronic Business Process Database (eBPD) to ensure proper documentation of all SOPs. SOPs used in the eBPD will be adequately protected, and accessible to and understood and implemented by staff members within PNB.

ASSURANCE FROM PGCE AND GROUP CHIEF FINANCIAL OFFICER (GCFO) ON INTERNAL CONTROL AND RISK MANAGEMENT

The Board has been assured by the PGCE and GCFO that the Company's risk management and internal control systems are operating adequately and effectively in all material aspects for the financial year under review and up to the date of approval of this Statement.

STATEMENT ON CORPORATE COMPLIANCE AND INTEGRITY

In line with PNB's vision to be a Distinctive World Class Investment House, PNB aims to achieve the highest standards of governance and compliance with the requirements of the law and regulatory authorities. Licensed with the Securities Commission Malaysia (SC) under the Capital Markets and Services Act 2007 (CMSA), PNB is governed by the rules and guidelines set by the SC, the provisions of the Deed, the Malaysian Code on Corporate Governance, and any other relevant laws. In carrying out its responsibilities, PNB is committed to upholding and safeguarding the interest of its stakeholders, whilst also advocating high standards of transparency and accountability that are fundamental to the preservation of its reputation.

PNB continues to have a systematic and clearly defined approach with robust testing and monitoring mechanisms to ensure compliance with all relevant laws, regulations and guidelines, internal policies and procedures, and ethical standards.

COMPLIANCE GOVERNANCE STRUCTURE

Board Compliance Committee

This Committee was set up to determine, approve, review and monitor the Compliance and Integrity Work Plan of the Compliance Department and Integrity Department respectively. The Board Compliance Committee convenes quarterly to evaluate and review the findings of the compliance report and to make recommendations in respect thereof. The structure of the overall compliance functions of the PNB Group will be reviewed as and when it is deemed necessary. Further details of the composition and attendance of the Board Compliance Committee and PNB's Compliance and Integrity Programmes are set out in this Statement.

The Board is responsible for PNB's compliance with all laws, regulations and guidelines. The Board has established a Board Compliance Committee to oversee the implementation and operation of the Compliance and Integrity Programmes by the Compliance Department and Integrity Department, and which also supervises the Compliance Officer and Chief Integrity Officer. The Compliance Officer assumes the key responsibility for PNB's compliance functions which include to establish, implement, operate and monitor the Compliance Programme for the PNB Group while the Chief Integrity Officer assumes the four key functions of Integrity Department namely complaint management, detection and verification, governance and integrity strengthening as well as, the implementation of the Integrity Programme. Reporting of the progress of Compliance and Integrity Programmes is directly made to the Board Compliance Committee.

Composition and Attendance of the Board Compliance Committee

The Board Compliance Committee shall comprise at least three members, and at least one-third of its total members shall be Independent members. Currently, the Board Compliance Committee comprises three members, the majority of whom are Independent Non-Executive Directors. The Committee shall meet at least four times a year. Additional meetings may be called at any time at the discretion of the Chairman of the Committee. As at 31 December 2020, a total of four (4) meetings were held during the year under review.

The composition of the Board Compliance Committee and the record of their attendance are as follows:

Members	Status	Attendance
Tan Sri Datuk Zainun binti Ali (Chairman)	Independent Non-Executive	4/4
Encik Abdul Jalil bin Abdul Rasheed <i>(Resigned with effect from 16 June 2020)</i>	Non-Independent Executive	2/2
Dato Dr. Nik Ramlah binti Nik Mahmood	Independent Non-Executive	4/4
Encik Ahmad Zulqarnain Onn <i>(Appointed with effect from 6 July 2020)</i>	Non-Independent Executive	2/2

Scope of the Board Compliance Committee

The Board Compliance Committee has the authority, and acts on behalf of the Board, to oversee among others, the following:

- The proper supervision and effective compliance monitoring of the relevant laws, regulations, guidelines, licensing conditions and rules; and
- The provision of advice, guidance and direction in relation to the implementation of the Compliance Charter and Framework, and the Integrity Charter and Framework of the PNB Group, as well as the Work Plans of the Compliance Department and Integrity Department.

Functions of the Board Compliance Committee

In general, the functions or duties of the Board Compliance Committee are as follows:

- Determine, approve, review and monitor the respective Work Plans of the Compliance Department and Integrity Department;
- Evaluate and review the findings of the compliance report presented by the Compliance Department and Integrity

STATEMENT ON CORPORATE COMPLIANCE AND INTEGRITY

Department and to make the necessary recommendations when required;

- Evaluate compliance/integrity breaches, recommend actions to address those breaches, and establish the necessary disciplinary actions, if any;
- Review and approve the structure of the overall compliance/integrity functions of the PNB Group, delegate compliance/integrity responsibilities and authorities to the relevant parties, and assist the Board in ensuring that a competent Compliance Officer and Chief Integrity Officer are appointed and provided with appropriate standing, authority, and independence;
- Address and take appropriate action on matters, recommendations and concerns expressed by the Compliance Officer and Chief Integrity Officer, regulators and auditors in relation to internal control weaknesses, client complaints and non-compliance issues;
- Recommend appropriate compliance and integrity policies to ensure the 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 deem necessary or appropriate; and
- Promote, together with Senior Management, a sound compliance and integrity culture within PNB Group which emphasises high standards of ethical behaviours that create and support compliance.

Activities of the Board Compliance Committee in 2020

In line with the terms of reference of the Board Compliance Committee, the following activities were carried out during the year under review:

- Approved, reviewed and monitored the Work Plans and Key Performance Indicators of the Compliance Department and Integrity Department;
- Evaluated and reviewed the findings of the compliance report presented by the Compliance Officer and made the necessary recommendations when required;
- Evaluated compliance breaches, recommended actions to be taken to address the breaches and established such necessary actions;
- Reviewed the adequacy of resources and competencies of the staff of the Compliance Department and Integrity Department to execute their Work Plan, and the results of their work;
- Reviewed the structure of the overall compliance and integrity functions of the PNB Group;
- Reviewed matters relating to clients' complaints and integrity reports;
- Reviewed the Board Compliance Committee's Terms of Reference; and
- Made recommendations for Board's approval on Integrity policies namely Code of Business Ethics of PNB Group, PNB Group Anti-Bribery and Anti-Corruption Policy Statement, and Procurement Integrity Pact of PNB Group and Due Diligence Process.

OVERVIEW OF COMPLIANCE AND INTEGRITY PROGRAMMES

A Compliance Programme has been established and implemented based on the fundamental elements described in the "Guidelines on Compliance Function for Fund Management Companies" issued by the SC. It is designed to foster compliance with applicable laws and regulations, the CMSA, and other requirements relevant to PNB's business, while driving efficiencies and synergies through harmonising processes and approaches in the programme. As our Compliance Programme is dynamic, we regularly review and enhance it to meet the evolving change in compliance standards and industry practices. Essentially, our Compliance Programme encompasses policies, procedures and standards of conduct to prevent and detect violations to the rules, regulatory requirements and applicable laws.

As part of our continuous efforts in ensuring that the compliance and corruption risks are effectively managed to support business growth in line with the aspiration and risk appetite of the PNB Group, we are committed to establishing and implementing a comprehensive compliance and integrity programmes which are aligned with industry best practices and international standards. With the supervision and guidance of the Board, the Compliance Department and Integrity Department aim to be at the forefront of key compliance and integrity areas towards fulfilling the following aspirations:

- To achieve zero non-compliance target by ensuring compliance to all the relevant laws and regulatory requirements of the SC and other relevant agencies;
- To ensure a business environment free from any forms of bribery and corruption, and a commitment to take a stern stance against any such acts;
- To increase the capability and visibility of the Compliance Department and Integrity Department in providing advice vis-à-vis operational activities to effectively function as a second line of defence; and
- To instil a strong compliance and integrity culture by promoting compliance and integrity in PNB's working culture.

STATEMENT ON CORPORATE COMPLIANCE AND INTEGRITY

ONGOING COMPLIANCE AND INTEGRITY PROGRAMMES

During the period under review, the Compliance Department and Integrity Department have completed all its activities as per the approved workplans. In accomplishing the above aspirations, our compliance and integrity programmes in 2020 focused on the following activities:

1. Strengthening the Roles and Responsibilities of Compliance through Implementation of the Compliance Charter and Framework

There were 14 recommendations under the Compliance Charter and Framework, which have been proposed in 2020 to strengthen the Compliance Department's effectiveness in performing its functions, roles and responsibilities with a view to achieve best practices in local and international standards. The recommendations emphasised areas for improvement, and provided efficient solutions towards mitigating and eliminating the gaps across PNB's business and operations.

These recommendations include:

- A revised vision and mandate for the Compliance Department that is aligned with PNB's overall business strategy and which clearly outlines the scope of coverage for compliance as well as compliance roles and responsibilities;
- A sound and robust governance and reporting framework to enable effective compliance oversight and monitoring through appropriate processes, including escalation processes and the supporting infrastructure to effectively enable delivery of the compliance mandate;
- A fit-for-purpose organisation design and structure with clearly defined roles and responsibilities, capacity and capabilities to deliver the compliance mandate;
- Clearly defined Key Performance Indicators and consequence management framework; and
- Commitment and involvement from key stakeholders to support, champion and reinforce compliance objectives.

With the above implementations, PNB has also shifted towards a more comprehensive compliance mandate and embraced a risk management approach in its programme, which encapsulates the methodology for systemic identification, prioritisation and mitigation of compliance risk.

In 2020, a compliance risk assessment for all business areas was conducted which comprised identification and assessment of regulatory risks applicable to business areas, controls to mitigate such risks, and assessment on risk ratings for each regulatory requirement that is commensurate with the nature of the business and operations of the business units.

In pursuing an effective role-based participation by the staff, the appointment of compliance representatives of the business units was formalised during the year. This supports and enhances co-ordination between the Compliance Department and the business units for the purpose of compliance monitoring.

2. Enhancing Operations through Information Technology System

Compliance functions have adopted innovation-fuelled strategies in performing its functions and delivering the outcomes required in an era of digital transformation, especially during the COVID-19 pandemic. The existing PNB Compliance System continues to be enhanced from time to time to ensure staff members are able to obtain updated laws, regulations, guidelines and internal policies applicable in performing their daily operations.

In line with the regulatory changes in relation to management of Money Laundering and Terrorism Financing risk, and consistent with PNB's effort to manage end-to-end Money Laundering and Terrorism Financing risk effectively, PNB had on 25 August 2020 revised its Anti-Money Laundering and Counter-Financing Terrorism Framework. Accordingly, the AMLA System, was also enhanced to facilitate the PNB Group on the following scopes:

- Fulfilling the regulatory requirement on risk-based approach/relationship-based assessment which includes risk profiling of unit holders and application of risk management and mitigation control measures;
- Assisting the PNB Group in managing the on-boarding (Know Your Client) process diligently through effective data consolidation and data gathering process for a comprehensive analysis and customer screening;
- Performing on-going monitoring through alert triggering analysis, initiating Suspicious Transaction Report evaluation and submission to Bank Negara Malaysia; and
- Promoting a safe and secure record-keeping environment to safeguard unit holders' sensitive information.

3. Intensifying Compliance Literacy and Awareness Programme

We believe that education and training are the key components in inculcating a compliance culture among the staff. This is a critical aspect in ensuring that all new and existing employees are reminded of their behaviours, roles and responsibilities in upholding integrity and an ethical code of conduct. With a more structured and robust compliance communications and awareness programme in place under the Compliance Charter and Framework, educating and facilitating compliance awareness has been more effective.

STATEMENT ON CORPORATE COMPLIANCE AND INTEGRITY

Periodic briefings on key compliance areas will continue to be conducted to highlight updates on regulatory changes to impacted business units and where possible, highlighting the impact to the roles of the staff. Further to the briefings, the summary of regulatory updates are highlighted via email blasts to all staff. In 2020, 19 relevant regulatory updates and their impacts to the relevant business units were disseminated to ensure that all employees and business units are aware of and comply with the latest regulatory requirements.

4. Anti-Corruption and Anti-Bribery Statement

As part of its commitment in ensuring that all business dealings are conducted in an honest and ethical manner whilst maintaining the highest standard of integrity and corporate governance, various efforts have been undertaken by the PNB Group in relation to corruption matters. In further strengthening the business conducts of its Board of Directors, staff members, stakeholders as well as business associates, the Code of Business Ethics (CoBE) of the PNB Group was established in May 2020. This CoBE is one of the built-in integrity instruments established at the PNB Group to be used as a compass that provides guidance towards a healthy and ethical business environment for its Board of Directors and employees whilst discharging their duties, as well as a guiding principle for its customers, business partners and stakeholders.

With the enforcement of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (MACC Act) on corporate liability provision which took effect on 1 June 2020, the PNB Group had also, since the beginning of the year, embarked on an enterprise-wide exercise by providing training and awareness on the said new provision to its senior management and staff. From April to May 2020, 18 virtual training sessions were conducted for more than 1,500 employees of the PNB Group, whereby upon completing the training sessions, PNB's staff signed off the Employee Integrity Declaration to state their understanding and due compliance with the requirement of Section 17A of MACC Act.

In preparing for full compliance with the Guidelines on Adequate Procedures (Adequate Procedures) pursuant to Subsection (5) of Section 17A under the MACC Act, the PNB Group has also continuously reviewed, revised and established the relevant anti-corruption policies, procedures and controls to prevent the occurrence of corrupt practices in relation to its business activities.

In this regard, the Anti-Bribery and Anti-Corruption Policy Statement (ABC Policy Statement) was established in August 2020. It formalised and solidified the PNB Group's commitment in upholding anti-bribery laws and securities laws that apply to PNB Group, including without limitation, the MACC Act as well as the CMSA, and in performing continual improvement of its policies and procedures pertaining to bribery and corruption matters. The ABC Policy Statement

also states the PNB Group's principle of ensuring a bribery and corruption free business environment.

In the furtherance of complying with the Adequate Procedures, a corruption risk assessment was conducted on key focus areas namely investment management, strategic investments and the support functions involving 18 business units in PNB with 62 identified processes. Subsequently, respective action plans required to mitigate the potential corruption risk on those processes were also addressed. The exercise was also part of the efforts undertaken by PNB in fulfilling the requirement to obtain certification under ISO 37001:2016 Anti-Bribery Management Systems.

These on-going efforts are crucial in helping to eradicate corruption in the organisation. It also cultivates values and integrity through education, training and awareness at various levels. To this end, PNB has established a closer cooperation with the relevant authorities and agencies through a more systematic coordination designed to meet industry needs whilst at the same time supporting Government efforts to eradicate bribery and corruption in Malaysia.

To encourage and enable staff and the public to raise any concern on its conduct in accordance with the Whistleblowing Policy, the PNB Group is committed in creating a conducive environment and has improved the whistleblowing channels with further enhancement to the system. Additionally, in compliance with the requirements of the "Guideline for the Management of Integrity and Governance Unit of Government-Linked Companies" issued by MACC, the Chief Integrity Officer of PNB had completed the Certified Integrity Officer Programme at MACC Academy in October 2020.

As an additional initiative undertaken to comply with the Adequate Procedures, PNB had also established the Procurement Integrity Pact of the PNB Group and Due Diligence Process (Integrity Pact & Due Diligence Process) in December 2020 which acts as a preventive control and defence mechanism against corporate liability offence under Section 17A of MACC Act. This policy establishes appropriate and sound procurement processes and infrastructure by increasing transparency to effectively prevent and safeguard against corruptive conduct. Consistent commitment and continuous involvement from key stakeholders in supporting and championing this initiative are critical to the overall success in achieving its objective.

Other integrity awareness initiatives conducted during the year under review included monthly email blasts to all employees in an effort to inculcate and promote a culture of integrity. Issues addressed in the email blasts included awareness of the Whistleblowing Policy, updates on relevant provisions of the MACC Act that are applicable to PNB, as well as an introduction to the establishment and operationalisation of the CoBE, ABC Policy Statement, and Integrity Pact & Due Diligence Process.

AUDIT COMMITTEE REPORT

COMPOSITION

The Audit Committee (AC) shall comprise a minimum number of three and a maximum number of six Board members who shall be Non-Executive Directors of the Board of Directors of the PNB Group, the majority of whom are Independent. Currently, the AC comprises three members, all of whom are Independent Non-Executive Directors.

The AC shall meet at least four times a year. Additional meetings may be called at any time at the discretion of the Chairman of the AC. The composition of the AC is as follows:

Members	Status
Datuk Mohd. Anwar bin Yahya (Chairman)	Independent Non-Executive
Dato Dr. Nik Ramlah binti Nik Mahmood	Independent Non-Executive
Datuk Seri Dr. Nik Norzrul Thani bin N. Hassan Thani	Independent Non-Executive

This is in line with the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia) and the Malaysian Code of Corporate Governance, which prescribes that the AC must consist of at least three members, with the Chairman and the majority of the members being independent non-executive directors.

The primary role and responsibilities of the AC is to monitor and evaluate the effectiveness of internal controls and to ensure that the financial statements comply with the Malaysian Financial Reporting Standards.

TERMS OF REFERENCE

In performing its duties and discharging its responsibilities, the AC is guided by the Terms of Reference where the membership of the AC shall fulfil the following criteria:

- Each AC member shall be required to have:
 - An understanding of the industry in which the PNB Group operates;
 - An understanding of financial statements;
 - An understanding of key business, financial risks, related controls and control processes; and
 - An understanding of business, financial reporting, and regulatory requirements.
- Appointment of Committee members and Chairman of the Committee are to be approved by the Board of Directors of PNB.

Scope/Responsibilities of Committee

- The Committee is authorised to investigate any matter within the Terms of Reference of the AC, to obtain the resources which it needs to do so, and to have full access to information;

- The Committee is authorised to form and delegate authority to sub-committees, which shall be subject to its own Terms of Reference as approved by the AC; and
- The Committee shall provide greater emphasis on the audit functions by increasing the objectivity and independence of external and internal auditors, and providing a forum for discussion that is independent of the Management.

Functions

To review, appraise and report on the following:

- The quality and effectiveness of the entire accounting and internal control system;
- The adequacy and integrity of the audit efforts by both the external and internal auditors;
- The propriety of accounting policies adopted by the Management and accepted by the external auditors, where alternatives are also acceptable;
- The adequacy of the disclosure of information essential to a fair and full presentation of the financial affairs of the PNB Group;
- Any significant difficulty encountered or material discovery made by the external or internal auditors;
- The effects of any change in accounting principles or of any development taking place in the accounting profession or any statutory authority; and
- The external auditors firm retained by the PNB Group and the AC's recommendation to retain or replace it for the ensuing year.

AUDIT COMMITTEE REPORT

Other functions of the Committee

1. To meet the Group Chief Financial Officer of PNB to discuss on the following:
 - the quality and effectiveness of existing accounting policies;
 - the implementation of recommendations made by the external auditors;
 - internal controls and procedures;
 - provisions that are required to be made or to be written off on investments and fixed assets; and
 - other matters raised either by the AC or the Group Chief Financial Officer of PNB.
2. To monitor controls to ensure compliance with corporate policies and to prevent significant conflicts of interest on the part of executives or other employees;
3. To monitor compliance with corporate codes or policies governing ethical behaviour of employees in business activities;
4. To review and approve the annual internal audit plan of the Group; and
5. To review the ISO Internal Quality Audit and third-party audit findings and to ensure corrective measures are undertaken for the effective implementation of the PNB Group's quality management system.

Principle Business of Audit Committee Meetings

1. Before the commencement of the annual statutory audit, the following shall be undertaken:
 - a. To discuss in general terms the scope of the audit examination and to ensure that adequate tests to verify the accounts and procedures of the PNB Group are performed;
 - b. To inquire into the adequacy of the number of staff and the competence of the external auditors in performing their work;
 - c. To review the fees proposed for payment to the external auditors for audit work to be performed;
 - d. To discuss any significant problem that may be foreseen; and
 - e. To discuss the impact of any proposed change in accounting principles on future financial statements.
2. After the completion of the statutory audit, the AC will undertake the following:
 - a. To review the results and findings of the audit, with attention to the adequacy of accounting, financial and operating controls, and to monitor the implementations and recommendations made;
 - b. To review the draft financial statements and audit report, and any significant adjustment required as a result of the audit;

- c. To review the nature and impact of any change in accounting policies adopted by the PNB Group during the year; and
 - d. To review and recommend the draft financial statements to be presented to the Board of Directors for approval.
3. To arrange for meetings with the Head of Internal Assurance Department of PNB to discuss the following:
 - a. To review and inquire into the adequacy of the proposed programmes of the Internal Assurance Department of PNB;
 - b. To inquire into the effectiveness of the internal audit procedures of the PNB Group;
 - c. To consider significant findings of the internal auditors during the year; and
 - d. To make an assessment of the adequacy in the number and the quality of staff performing the internal auditing functions.
4. To consider any special review or investigation deemed necessary by the Board of Directors of PNB.

ACTIVITIES

As at 31 December 2020, a total of 13 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 Director	13/13
Dato Dr. Nik Ramlah binti Nik Mahmood	Independent Non-Executive Director	13/13
Datuk Seri Dr. Nik Norzrul Thani bin N. Hassan Thani	Independent Non-Executive Director	12/13

The President & Group Chief Executive and the Head of the Internal Assurance Department (IAD) are permanent invitees and attend the AC meetings to brief and provide clarification to the Committee on their areas of responsibility. Other members of the Management are also invited for specific agenda items to support detailed discussions during the Committee's meetings.

External auditors are invited to attend the AC meetings to discuss and review the annual audited financial statements of PNB, Amanah Saham Nasional Berhad (ASNB) and its unit trust funds, and the PNB Group.

The Chairman of the AC makes a report on each meeting to the Board and minutes of each meeting are kept and distributed to each member of the AC.

AUDIT COMMITTEE REPORT

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the year under review, the AC in discharging its duties and functions, had carried out the following activities:

- i. Reviewed the adequacy and effectiveness of the system of internal control through internal audit activities and compliance monitoring to ensure that the approved policies and procedures were adhered to and risk areas were adequately mitigated;
 - ii. Reviewed the adequacy of the scope and objectives of the internal auditor, and deliberated on the audit plans, which were approved by the AC;
 - iii. Reviewed with the internal auditor the presented internal audit reports and ensured that the agreed action plans were implemented by the Management in a timely and effective manner;
 - iv. Reviewed with the external auditor the financial statements, audit issues and matters arising for the PNB Group of Companies;
 - v. Reviewed the performance, independence and fees of the external auditors;
 - vi. Reviewed annual reports and interim reports of unit trust funds before presenting to the Board of Directors for approval;
 - vii. Reviewed and noted the Corporate Governance Disclosures for the Permodalan Nasional Berhad 2020 Annual Report;
 - viii. Reviewed the Securities Commission Malaysia's Report on Anti-Money Laundering, Anti-Terrorism Financing & Proceeds of Unlawful Activities Act 2001 (AMLATFPUAA) on concerns raised by the SC on compliance to AMLA, AMLA policies and quality of audit;
 - ix. Reviewed and approved the Key Performance Indicator achievement for 2020 and Proposed Key Performance Indicator for 2021; and
 - x. Reviewed and approved the Annual Audit Work Plan 2021 and adequacy of resources.
- II. IT audits:
 - IT General Controls;
 - Disaster Recovery Test and Simulation Test;
 - Cyber-Security Management;
 - IT Infrastructure Management; and
 - Assessment on the Income Distribution for twelve (12) ASNB unit trust funds.
 - III. Follow-up audits:
 - Follow up on reports issued prior to year 2020.
 - IV. Surprise Cash Counts:
 - ASNB branches; and
 - Hotels under Attana Hotels and Resorts Sdn. Bhd.
 - V. Control Self-Assessment:
 - ASNB branches; and
 - Attana Hotels and Resorts Sdn. Bhd.
 - VI. Quality Management System audits:
 - Pelaburan Hartanah Nasional Berhad (PHNB);
 - PNB Real Estate and Property Operations;
 - Perdana Kuala Lumpur City Centre;
 - Public Markets and Related Areas (PNB PMRA); and
 - Perdana Kota Bharu.
 - VII. Special Reviews:
 - Conducted special reviews upon request from the Management.
 - VIII. Non-audit tasks:
 - Attended the Annual General Meeting of PHNB as verifier and to certify that the minimum quorum was met;
 - Attended tender activities as an observer; and
 - Verified fixed asset disposals by the Procurement Department.

- Other key initiatives conducted include trainings for all IAD staff on:
- Audit Command Language (ACL), which is an audit tool used for the purpose of analysing big data; and
 - Internal Quality Audit (IQA) process.

SUMMARY OF ACTIVITIES & INITIATIVES OF THE INTERNAL ASSURANCE DEPARTMENT

In the year 2020, the IAD completed a total of 145 internal audit and internal quality audits assignments, which exceeds the plan for 140 assignments. These are summarised as follows:

- I. Business process audits:
 - Functions such as Human Resource, Education, Unit Trusts, Investments;
 - Anti-Money Laundering and Counter Financing of Terrorism process;
 - Subsidiaries operations such as Pelaburan Hartanah Nasional Berhad (PHNB), Attana Hotels and Resorts Sdn. Bhd. and PNB Merdeka Ventures Sdn. Berhad; and
 - ASNB branches and Attana Hotels operations.

In 2021, the IAD is planning to conduct 118 internal audits and internal quality audits assignments, comprising business process audits, IT audits, follow-up audits, Surprise Cash Counts, Control Self-Assessments and Quality Management Systems Audits.

Other planned key initiatives include:

- To embark on digitalisation via utilisation of online tools for Control Self-Assessment exercise and automating the IAD's internal processes;
- To enhance usage of data analytics via ACL, aimed to identify potential exceptions / irregularities for Management's further action; and
- To conduct Internal Quality Audit on the new certification in PNB, which is the ISO 37001 on Anti-Bribery Management System (ABMS). ABMS is aimed as part of the internal control system to manage, handle, enforce, evaluate and improve anti-corruption measures within PNB.

SHARIAH ADVISORY COMMITTEE REPORT

The Shariah Advisory Committee (SAC) was set up in order to give advice as well as opinions and guidance on matters pertaining to Shariah compliance issues for the investments made by PNB, and to assist PNB to always comply with Shariah principles. The SAC convenes every quarter to review PNB's investment status, as well as discuss and approve the proposals on matters pertaining to Shariah requirements.

The Shariah Advisory Committee (SAC) comprises the following members:

Members	Status
Datuk Dr. Mohd Daud bin Bakar (Chairman)	Independent Non-Executive
Tan Sri Dato' Seri (Dr.) Haji Harussani bin Haji Zakaria	Independent Non-Executive
Dato' As-Sheikh Haji Nooh bin Gadot	Independent Non-Executive
Prof. Emeritus Dato' Dr. Mahmood Zuhdi bin Haji Ab Majid	Independent Non-Executive
Dato' Haji Mohamad Shukri bin Mohamad	Independent Non-Executive
Dato' Idris bin Kechot	Independent Non-Executive
Dr. Aida binti Othman	Independent Non-Executive

SAC COMMITMENTS

PNB believes in the importance of upholding Shariah principles in every aspect of its operations and business activities through its products and services offered and its continuous effort in increasing Shariah compliance requirements. After acquiring the permissible or '*Harus*' fatwa from all State Fatwa Councils in 2017, PNB continued to focus on implementing more Shariah initiatives during the year under review.

SAC Declaration

PNB's SAC hereby declares that the products listed below which are being managed by ASNB, a wholly owned unit trust management company of PNB, conform to the requirements of Shariah, based on *Maqasid Shariah* and *Siyasah Shar'iyah* principles.

Fixed Price Funds

Amanah Saham Bumiputera (ASB)	1
Amanah Saham Bumiputera 2 (ASB 2)	2
Amanah Saham Bumiputera 3-Didik (ASB 3 Didik)	3
Amanah Saham Malaysia (ASM)	4
Amanah Saham Malaysia 2 Wawasan (ASM 2 Wawasan)	5
Amanah Saham Malaysia 3 (ASM 3)	6

Variable Price Funds

Amanah Saham Nasional (ASN)	1
ASN Equity 2	2
ASN Equity 3	3
ASN Equity 5	4
ASN Imbang (Mixed Asset Balanced) 1, (ASN Imbang 1)	5
ASN Imbang (Mixed Asset Balanced) 2, (ASN Imbang 2)	6
ASN Imbang (Mixed Asset Balanced) 3 Global, (ASN Imbang 3 Global)	7
ASN Sara (Mixed Asset Conservative) 1, (ASN Sara 1)	8
ASN Sara (Mixed Asset Conservative) 2, (ASN Sara 2)	9

This report is made based on the information provided and disclosed to us in reports entitled Status Pelaburan PNB dan Dana Unit Amanah Dalam Sekuriti Patuh Syariah Atas Dasar Maqasid Al-Syariah dan Siyasah Syar'iyah during the SAC meetings held in 2020 as follows:

5 February 2020	11 August 2020
15 May 2020	3 November 2020

SHARIAH ADVISORY COMMITTEE REPORT

SHARIAH INITIATIVES 2020

PNB aspires to move forward with more notable achievements through continuous implementation of its initiatives to help promote stability and growth of the Islamic investment industry in Malaysia. Guided by these objectives, PNB is committed to generating sustainable returns for its stakeholders while at the same time proactively playing its part in maintaining public confidence in its Shariah-compliant investment operations.

Upholding Shariah-Compliant Investment according to Securities Commission Malaysia (SC)'s Shariah Screening Methodology and PNB Maqasid Al-Shariah Screening Methodology

All PNB's investments through ASNB are classified as permissible or '*Harus*' by the National Fatwa Council and all State Fatwa Councils. PNB is committed to ensure all ASNB unit trust funds remain Shariah-compliant in accordance with Shariah principles and the Shariah screening method which has been approved by the PNB's SAC.

In 2020, based on the Shariah screening method adopted by the PNB's SAC, its investment has successfully achieved a 75% Shariah-compliance according to SC's Shariah screening methodology while the other 25% is Shariah-compliant according to the PNB's Maqasid Al-Shariah screening methodology. This achievement helps to strengthen PNB's position as a trusted investment house in Malaysia with shariah-compliant products.

Dynamic Engagements

PNB actively engages with all its stakeholders including the regulatory bodies, States' religious institutions, Government agencies, Government-linked investment companies (GLICs), and other related institutions. Through all these dynamic engagements, PNB has managed to deepen its understanding of the respective stakeholders' requirements which enable it to further enhance its Shariah-compliant products.

Among the engagement sessions held in 2020:

- 1) Regulatory bodies and States' religious institutions
 - Securities Commission Malaysia
 - Majlis Agama Islam Wilayah Persekutuan (MAIWP)
 - Majlis Agama Islam dan Adat Istiadat Melayu Kelantan (MAIK)

- Majlis Fatwa Negeri Selangor
- Jabatan Wakaf, Zakat dan Haji (JAWHAR)
- Jabatan Kemajuan Islam Malaysia (JAKIM) Negeri Sabah
- Jabatan Mufti Negeri Selangor
- Jabatan Mufti Wilayah Persekutuan

- 2) Government agencies, GLICs, financial institution and other associations.
 - Jabatan Pengangkutan Jalan (JPJ)
 - Hospital Raja Perempuan Zainab II, Kelantan
 - Perbadanan Wakaf Selangor
 - Employees Provident Fund (EPF)
 - Hong Leong Islamic Bank Berhad
 - Bursa Suq Al-Sila'
 - Bursa Malaysia
 - Alumni Akademi Audit Negara, Putrajaya
- 3) Higher Educational Institutions
 - Universiti Malaysia Kelantan (UMK)
 - Universiti Teknologi Mara (UiTM)
 - Universiti Islam Antarabangsa Malaysia (UIAM)
 - Universiti Malaya (UM)
 - Kolej Islam Antarabangsa Sultan Ismail Petra (KIAS)

Memorandum of Understanding (MOU) between PNB & UiTM

On 1 October 2020, Universiti Teknologi Mara (UiTM) through its Academy of Contemporary Islamic Studies (ACIS) signed a memorandum of understanding (MoU) with PNB. The collaboration aims to produce a smart co-operation in inter-disciplinary and cross-disciplinary aspects between PNB and ACIS-UiTM.

The MoU was signed by the Vice Chancellor of UiTM, Prof. Emeritus Datuk Ir. Dr. Mohd Azraai Kassim while signing on behalf of PNB was the Deputy President and Group Chief Financial Officer of PNB, Dato' Mohd Nizam Zainordin. Present to witness the MoU were Dean of ACIS-UiTM, Prof. Dr. Nurhidayah Muhammad Hashim and PNB's Head of Shariah Management, Dr. Ahmad Basri Ibrahim. This collaboration is a joint platform to enhance financial literacy knowledge among UiTM students, improve their soft and interpersonal skills, and enhance their job employability upon their graduation.

SHARIAH ADVISORY COMMITTEE REPORT

Maqasid Al-Syariah Awareness Programme

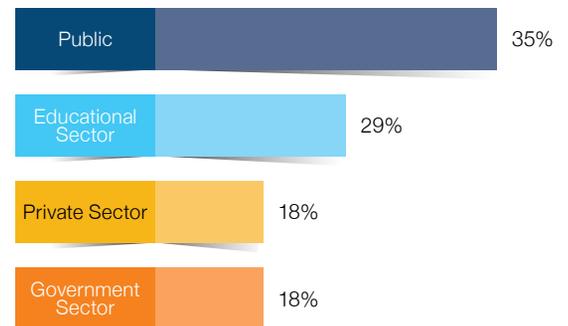


PNB's Maqasid awareness programme at Hospital Raja Perempuan Zainab II Kota Bharu, Kelantan

Our Maqasid awareness programme is a Shariah investment literacy-programme which aims to educate our stakeholders on PNB's Maqasid screening process and provide assurance on the Shariah status of ASNB's unit trust funds. Despite the Movement Control Order restrictions, we have successfully managed to organise 17 Maqasid Al-Syariah Programme which benefited a total of 4,538 participants.

4,538

Participants who attended the programme



PUBLIC UNDERSTANDING OF PNB'S SHARIAH INITIATIVES

Through the Maqasid Al-Syariah Awareness roadshows, we managed to gauge the level of understanding amongst participants towards PNB's Shariah Initiatives.

98%

All states Majlis Fatwa in Malaysia have classified that investment in ASB/ASN and others as permissible (*harus*) investments.

99%

ASNB's unit trust products are deemed "harus" (permissible in accordance with the Shariah requirements).

99%

PNB is constantly stepping up its efforts to achieve Shariah-compliant status.

94%

Most of PNB funds are invested in Shariah-compliant companies.

99%

The main objective of the establishment of PNB is to enhance the economic wealth of the Bumiputera community and all Malaysians.

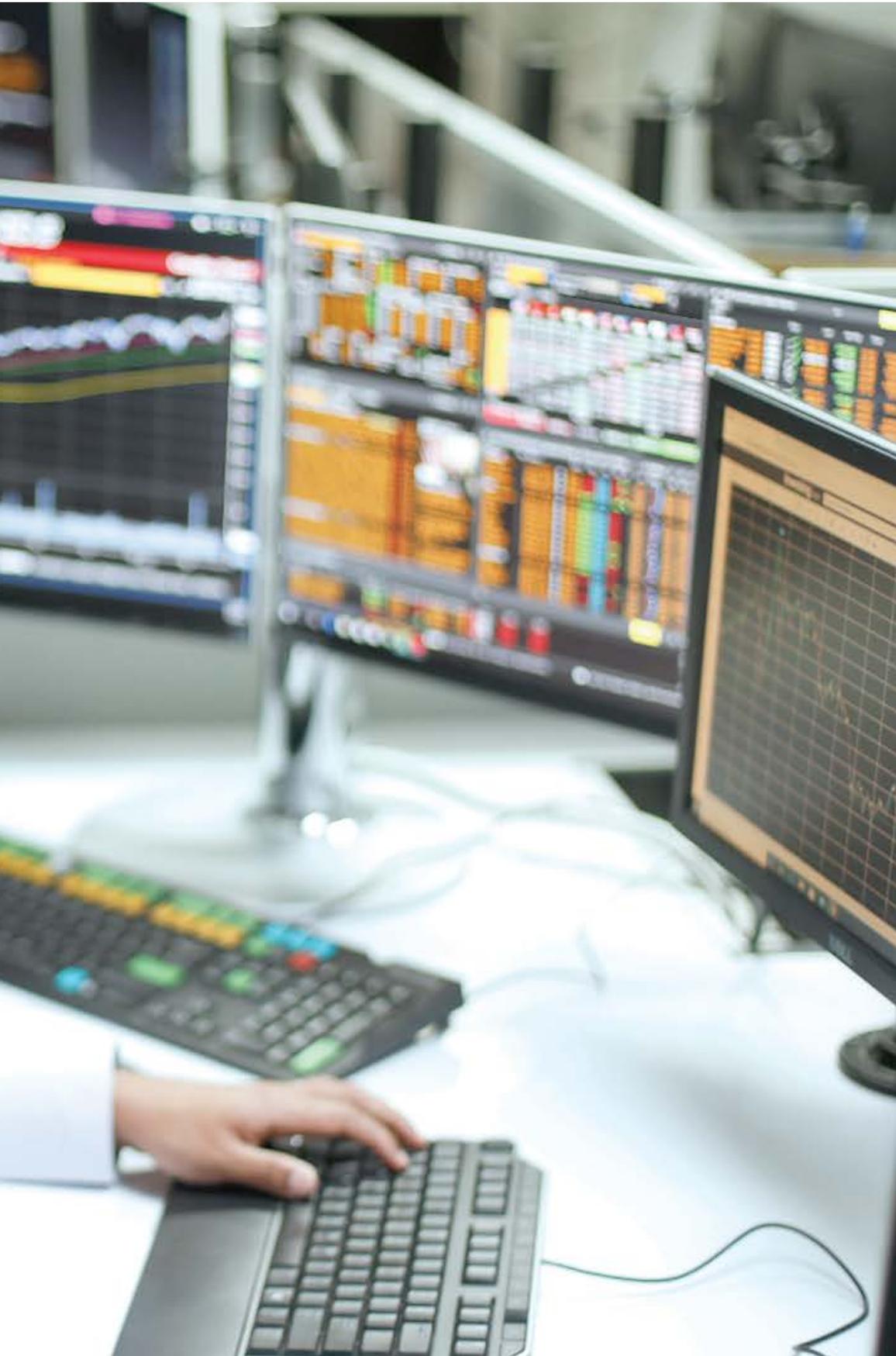
EXCELLENCE

We continually strive to achieve excellence through competent execution of our mandate



Meeting details ^





FINANCIAL STATEMENTS

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PNB GROUP 5-YEAR CONSOLIDATED COTERMINOUS PROFORMA FINANCIALS

FOR THE YEAR ENDED 31 DECEMBER

	2016 RM million	2017 RM million	2018 RM million	2019 RM million	2020 RM million
Gross Income ¹	17,534	20,350	20,307	15,121	14,451
Net Income ¹	15,160	17,710	17,009	10,732	11,018
Total Assets ²	266,412	279,232	298,517	312,005	322,642
Return on Assets ³	6.0%	6.7%	6.0%	3.5%	3.5%

Note:

- 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.
- 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.
- Return on Assets = Net Income divided by monthly average total assets.

INDEPENDENT AUDITORS' REPORT

to the Board of Directors of Permodalan Nasional Berhad
(incorporated in Malaysia)

OPINION

The summary financial information which comprises the statements of financial position as at the respective financial year ends and the statements of comprehensive income for the financial years then ended for the unit trust funds listed below, are derived from the complete audited financial statements of these unit trust funds for the respective financial years then ended:

1.	Amanah Saham Bumiputera	31 December 2018, 2019 and 2020
2.	Amanah Saham Bumiputera 2	31 March 2018, 2019 and 2020
3.	Amanah Saham Bumiputera 3 - Didik	30 June 2018, 2019 and 2020
4.	Amanah Saham Malaysia	31 March 2018, 2019 and 2020
5.	Amanah Saham Malaysia - 2 Wawasan	31 August 2018, 2019 and 2020
6.	Amanah Saham Malaysia 3	30 September 2018, 2019 and 2020
7.	Amanah Saham Nasional	31 December 2018, 2019 and 2020
8.	ASN Equity 2	30 June 2018, 2019 and 2020
9.	ASN Imbang (Mixed Asset Balanced) 1	30 November 2018, 2019 and 2020
10.	ASN Umbrella (the umbrella fund for ASN Imbang (Mixed Asset Balanced) 2, ASN Equity 3, and ASN Sara (Mixed Asset Conservative) 1)	31 March 2018, 2019 and 2020
11.	ASN Equity 5	30 September 2019 and 2020
12.	ASN Sara (Mixed Asset Conservative) 2	30 September 2019 and 2020

In our opinion, the accompanying summary financial information is consistent, in all material respects with the respective audited financial statements, in accordance with the basis described on pages 125 to 139.

SUMMARY FINANCIAL INFORMATION

The summary financial information for Amanah Saham Bumiputera, Amanah Saham Bumiputera 2, Amanah Saham Bumiputera 3 - Didik, Amanah Saham Malaysia, Amanah Saham Malaysia - 2 Wawasan and Amanah Saham Malaysia 3 does not contain all the disclosures required by the Malaysian Financial Reporting Standards as modified by applicable specific prescription issued 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 Umbrella, ASN Equity 5 and ASN Sara (Mixed Asset Conservative) 2 does not contain all the disclosures required by the Malaysian Financial Reporting Standards and International Financial Reporting Standards. Reading the summary financial information and the auditors' report thereon, therefore, is not a substitute for reading the audited financial statements and the auditors' report of these unit trust funds.

THE AUDITED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on those audited financial statements in our reports for the respective financial years then ended. The audited financial statements and the summary financial information do not reflect the effects of the events that occurred subsequent to the date of our reports on the audited financial statements.

INFORMATION OTHER THAN THE SUMMARY FINANCIAL INFORMATION AND AUDITORS' REPORT THEREON

The Directors are responsible for the other information. The other information comprises the general information of the fund, fund snapshot, fund performance and asset allocation of the unit trust funds and do not include the summary financial information and our auditors' report thereon.

Our opinion on the summary financial information does not cover the other information and we do not express any form of assurance and conclusion thereon.

DIRECTORS' RESPONSIBILITY FOR THE SUMMARY FINANCIAL INFORMATION

The Directors are responsible for the preparation of the summary financial information in accordance with the basis described on pages 126 to 139.

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

4 March 2021
Kuala Lumpur

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 unit holders 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

FUND SNAPSHOT

Financial Year Ended 31 Dec	2018	2019	2020
Units in Circulation (million units)	155,879	167,159	173,829
Number of Accounts	9,664,241	10,023,988	10,190,534

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 31 Dec (RM'000)	2018	2019	2020
Total investment income	10,868,721	7,698,567	7,280,724
Total expenses	1,038,758	1,877,076	905,698
Net income before taxation	9,829,963	5,821,491	6,375,026
Less: Taxation	-	-	-
Net income after taxation	9,829,963	5,821,491	6,375,026
Other comprehensive income	-	-	-
Total Comprehensive Income	9,829,963	5,821,491	6,375,026

FUND PERFORMANCE

Financial Year Ended 31 Dec	2018	2019	2020
Income Distribution (RM million)	9,837.45	8,136.74	5,902.81
Income Distribution (sen per unit)	6.50	5.00	3.50
Bonus (sen per unit)	0.50	0.50	0.75
Special Bonus (sen per unit)*	-	-	0.75
Benchmark Return (%)	3.35	3.10	2.18

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 31 Dec	2018	2019	2020
Equity	73.58	78.83	81.98
Fixed Income	4.64	5.25	7.74
Others	21.78	15.92	10.28
TOTAL	100.00	100.00	100.00

Notes:

1. Source: Fund Annual Report 2020.
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.

* For balances up to 30,000 unit only.

**ASB 2****Launch Date** : 2 April 2014**Fund Type** : Income**Fund Category** : Mixed Asset**Investment Objective**

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

Asset Allocation

- Up to 90% of its Value of Fund (VOF) in equities
- Up to 50% of its VOF in other asset classes such as variable and fixed income securities
- Minimum 5% of its VOF in cash or cash equivalent

Performance Benchmark

Maybank 12-Month Fixed Deposit

FUND SNAPSHOT

Financial Year Ended 31 Mar	2018	2019	2020
Units in Circulation (million units)	9,354	10,372	10,978
Number of Accounts	348,574	408,124	439,543

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 31 Mar (RM'000)	2018	2019	2020
Total investment income	625,858	659,606	556,211
Total expenses	48,015	48,777	41,111
Net income before taxation	577,843	610,829	515,100
Less: Taxation	-	-	-
Net income after taxation	577,843	610,829	515,100
Other comprehensive income	-	-	-
Total Comprehensive Income	577,843	610,829	515,100

FUND PERFORMANCE

Financial Year Ended 31 Mar	2018	2019	2020
Income Distribution (RM million)	562.92	603.70	514.22
Income Distribution (sen per unit)	6.75	6.00	4.75
Benchmark Return (%)	3.61	3.35	2.60

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 31 Mar	2018	2019	2020
Equity	80.76	81.96	82.07
Fixed Income	5.61	8.51	12.29
Others	13.63	9.53	5.64
TOTAL	100.00	100.00	100.00

Notes:

1. Source: Fund Annual Report 2020.
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**

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 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

FUND SNAPSHOT

Financial Year Ended 30 Jun	2018	2019	2020
Units in Circulation (million units)	5,846	6,188	6,512
Number of Accounts	291,286	292,541	298,560

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 30 Jun (RM'000)	2018	2019	2020
Total investment income	439,785	296,455	343,522
Total expenses	126,193	62,697	51,878
Net income before taxation	313,592	233,758	291,644
Less: Taxation	-	-	-
Net income after taxation	313,592	233,758	291,644
Other comprehensive income	-	-	-
Total Comprehensive Income	313,592	233,758	291,644

FUND PERFORMANCE

Financial Year Ended 30 Jun	2018	2019	2020
Income Distribution (RM million)	357.87	296.57	273.74
Income Distribution (sen per unit)	6.25	4.85	4.25
Bonus (sen per unit)	-	0.40	-
Benchmark Return (%)	3.35	3.10	2.10

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 30 Jun	2018	2019	2020
Equity	77.57	81.20	81.72
Fixed Income	12.64	11.85	12.57
Others	9.79	6.95	5.71
TOTAL	100.00	100.00	100.00

Notes:

1. Source: Fund Annual Report 2020.
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**

Launch Date : 20 April 2000

Fund Type : Income

Fund Category : Mixed Asset

Investment Objective

To provide unit holders 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 Value of Fund (VOF) in equities
- Up to 50% of VOF in other asset classes
- Minimum 5% of VOF in cash or liquid assets

Performance Benchmark

Maybank 12-Month Fixed Deposit

FUND SNAPSHOT

Financial Year Ended 31 Mar	2018	2019	2020
Units in Circulation (million units)	18,358	19,502	20,544
Number of Accounts	541,107	541,571	553,188

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 31 Mar (RM'000)	2018	2019	2020
Total investment income	1,373,526	1,239,597	1,001,275
Total expenses	315,630	162,878	260,199
Net income before taxation	1,057,896	1,076,719	741,076
Less: Taxation	-	-	-
Net income after taxation	1,057,896	1,076,719	741,076
Other comprehensive income	-	-	-
Total Comprehensive Income	1,057,896	1,076,719	741,076

FUND PERFORMANCE

Financial Year Ended 31 Mar	2018	2019	2020
Income Distribution (RM million)	1,144.59	1,069.06	869.58
Income Distribution (sen per unit)	6.25	5.50	4.25
Benchmark Return (%)	3.69	3.35	2.60

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 31 Mar	2018	2019	2020
Equity	75.20	73.08	79.04
Fixed Income	13.28	14.59	13.43
Others	11.52	12.33	7.53
TOTAL	100.00	100.00	100.00

Notes:

1. Source: Fund Annual Report 2020.
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**

Launch Date : 28 August 1996

Fund Type : Income

Fund Category : Mixed Asset

Investment Objective

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

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

FUND SNAPSHOT

Financial Year Ended 31 Aug	2018	2019	2020
Units in Circulation (million units)	19,773	21,678	22,586
Number of Accounts	871,503	883,140	890,037

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 31 Aug (RM'000)	2018	2019	2020
Total investment income	1,475,185	1,095,952	1,046,150
Total expenses	321,702	228,918	180,057
Net income before taxation	1,153,483	867,034	866,093
Less: Taxation	-	-	-
Net income after taxation	1,153,483	867,034	866,093
Other comprehensive income	-	-	-
Total Comprehensive Income	1,153,483	867,034	866,093

FUND PERFORMANCE

Financial Year Ended 31 Aug	2018	2019	2020
Income Distribution (RM million)	1,180.38	1,051.26	901.71
Income Distribution (sen per unit)	6.00	5.00	4.00
Benchmark Return (%)	3.35	3.10	2.60

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 31 Aug	2018	2019	2020
Equity	79.39	79.64	79.82
Fixed Income	10.85	14.00	12.04
Others	9.76	6.36	8.14
TOTAL	100.00	100.00	100.00

Notes:

1. Source: Fund Annual Report 2020.
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**

Launch Date : 5 August 2009

Fund Type : Income

Fund Category : Mixed Asset

Investment Objective

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

Asset Allocation

- Up to 90% of its Value of Fund (VOF) in equities
- Up to 50% of its VOF in other asset classes such as variable and fixed income securities
- Minimum 5% of its VOF in cash or liquid assets

Performance Benchmark

Maybank 12-Month Fixed Deposit

FUND SNAPSHOT

Financial Year Ended 30 Sep	2018	2019	2020
Units in Circulation (million units)	12,763	13,692	14,314
Number of Accounts	447,607	491,956	513,720

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 30 Sep (RM'000)	2018	2019	2020
Total investment income	914,650	886,370	732,637
Total expenses	206,324	154,985	181,612
Net income before taxation	708,326	731,385	551,025
Less: Taxation	-	-	-
Net income after taxation	708,326	731,385	551,025
Other comprehensive income	-	-	-
Total Comprehensive Income	708,326	731,385	551,025

FUND PERFORMANCE

Financial Year Ended 30 Sep	2018	2019	2020
Income Distribution (RM million)	749.62	670.48	567.79
Income Distribution (sen per unit)	6.00	5.00	4.00
Benchmark Return (%)	3.35	3.10	2.50

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 30 Sep	2018	2019	2020
Equity	73.50	82.01	82.68
Fixed Income	10.99	9.13	9.85
Others	15.51	8.86	7.47
TOTAL	100.00	100.00	100.00

Notes:

1. Source: Fund Annual Report 2020.
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

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 unit holders through a diversified portfolio of investments.

Asset Allocation

- 70% - 90% of the fund's Net Asset Value (NAV) in equities
- Minimum 10% of its NAV in fixed income securities and money market instruments, inclusive of liquid assets

Performance Benchmark

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

Notes:

1. Source: Fund Annual Report 2020.
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 SNAPSHOT

Financial Year Ended 31 Dec	2018	2019	2020
Units in Circulation (million units)	1,837	1,783	1,801
Number of Accounts	1,225,979	1,217,821	1,214,483

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 31 Dec (RM'000)	2018	2019	2020
Total investment income	12,454	70,809	60,659
Total expenses	18,570	14,967	13,169
Net income/(loss) before taxation	(6,116)	55,842	47,490
Less: Taxation	-	-	-
Net income/(loss) after taxation	(6,116)	55,842	47,490
Other comprehensive loss	(118,178)	(34,486)	(31,371)
Total Comprehensive Income/(Loss)	(124,294)	21,356	16,119

Total comprehensive income/(loss) for the year is made up of the following:

Realised	63,870	49,295	36,948
Unrealised	(188,164)	(27,939)	(20,829)
	(124,294)	21,356	16,119

Summarised Statements of Financial Position as at 31 Dec (RM'000)	2018	2019	2020
Investments	1,236,341	1,171,529	1,144,435
Other Assets	47,141	8,915	10,768
Total Assets	1,283,482	1,180,444	1,155,203
Liabilities	(91,705)	(52,274)	(37,788)
Unit Holder Capital/NAV	1,191,777	1,128,170	1,117,415

FUND PERFORMANCE

Financial Year Ended 31 Dec	2018	2019	2020
Distribution Yield (%)	5.01	4.35	3.26
Total Return (%)	(8.95)	1.74	1.25
Benchmark Return (%)	(6.74)	(1.66)	3.53
Financial Year Ended 31 Dec	1 Year	3 Years	5 Years
Annualised Total Return (%)	1.25	(2.11)	3.02
Benchmark Return (%)	3.53	(1.71)	0.78

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 31 Dec	2018	2019	2020
Equity	81.24	89.84	87.26
Fixed Income	3.54	8.83	5.27
Others	15.22	1.33	7.47
TOTAL	100.00	100.00	100.00

UNIT TRUST FUNDS



ASN Equity 2

Launch Date : 9 June 1999

Fund Type : Growth

Fund Category : Equity

Investment Objective

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

Asset Allocation

- 70% - 90% of the fund's Net Asset Value (NAV) in equities
- Minimum 10% in fixed income securities and money market instruments, inclusive of liquid assets

Performance Benchmark

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

FUND SNAPSHOT

Financial Year Ended 30 Jun	2018	2019	2020
Units in Circulation (million units)	1,512	1,548	1,471
Number of Accounts	29,826	32,477	33,277

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 30 Jun (RM'000)	2018	2019	2020
Total investment income	38,401	40,310	30,200
Total expenses	12,431	10,979	9,604
Net income before taxation	25,970	29,331	20,596
Less: Taxation	-	-	-
Net income after taxation	25,970	29,331	20,596
Other comprehensive loss	(38,211)	(18,530)	(74,715)
Total Comprehensive Income/(Loss)	(12,241)	10,801	(54,119)

Total comprehensive income/(loss) for the year is made up of the following:

Realised	43,052	42,472	29,531
Unrealised	(55,293)	(31,671)	(83,650)
	(12,241)	10,801	(54,119)

Summarised Statements of Financial Position as at 30 Jun (RM'000)	2018	2019	2020
Investments	910,897	888,252	767,542
Other Assets	9,030	23,554	5,840
Total Assets	919,927	911,806	773,382
Liabilities	(47,925)	(51,824)	(40,936)
Unit Holder Capital/NAV	872,002	859,982	732,446

FUND PERFORMANCE

Financial Year Ended 30 Jun	2018	2019	2020
Distribution Yield (%)	5.38	5.04	4.02
Total Return (%)	(1.28)	1.20	(6.77)
Benchmark Return (%)	(2.38)	(0.14)	(7.77)
Financial Year Ended 30 Jun	1 Year	3 Years	5 Years
Annualised Total Return (%)	(6.77)	(2.34)	0.54
Benchmark Return (%)	(7.77)	(3.48)	(0.77)

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 30 Jun	2018	2019	2020
Equity	69.35	86.36	89.26
Fixed Income	2.65	7.07	7.78
Others	28.00	6.57	2.96
TOTAL	100.00	100.00	100.00

Notes:

1. Source: Fund Annual Report 2020.
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

Launch Date : 17 March 2003

Fund Type : Growth & 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 unit holders and/or their children and/or charges to continuously meet their ongoing medical requirements in the long term.

Asset Allocation

- 70% - 90% of the fund's Net Asset Value (NAV) in equities
- Minimum 10% in fixed income securities and money market instruments, inclusive of liquid assets

Performance Benchmark

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

Notes:

1. Source: Fund Annual Report 2020.
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 SNAPSHOT

Financial Year Ended 31 Mar	2018	2019	2020
Units in Circulation (million units)	1,912	2,565	2,414
Number of Accounts	74,063	90,703	89,327

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 31 Mar (RM'000)	2018	2019	2020
Total investment income	79,363	54,027	53,696
Total expenses	23,594	28,440	27,485
Net income before taxation	55,769	25,587	26,211
Less: Taxation	-	-	-
Net income after taxation	55,769	25,587	26,211
Other comprehensive income/(loss)	93,277	(170,554)	(286,803)
Total Comprehensive Income/(Loss)	149,046	(144,967)	(260,592)

Total comprehensive income/(loss) for the year is made up of the following:

Realised	89,584	98,456	97,345
Unrealised	59,462	(243,423)	(357,937)
	149,046	(144,967)	(260,592)

Summarised Statements of Financial Position as at 31 Mar (RM'000)	2018	2019	2020
Investments	2,063,877	2,397,089	1,916,021
Other Assets	9,071	76,407	55,011
Total Assets	2,072,948	2,473,496	1,971,032
Liabilities	(107,189)	(107,408)	(81,020)
Unit Holder Capital/NAV	1,965,759	2,366,088	1,890,012

FUND PERFORMANCE

Financial Year Ended 31 Mar	2018	2019	2020
Distribution Yield (%)	5.06	4.44	4.15
Total Return (%)	8.18	(6.27)	(11.62)
Benchmark Return (%)	6.01	(8.33)	(15.41)
Financial Year Ended 31 Mar	1 Year	3 Years	5 Years
Annualised Total Return (%)	(11.62)	(3.59)	(1.91)
Benchmark Return (%)	(15.41)	(6.32)	(3.68)

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 31 Mar	2018	2019	2020
Equity	75.73	79.71	81.92
Fixed Income	5.89	4.07	8.17
Others	18.38	16.22	9.91
TOTAL	100.00	100.00	100.00



ASN Equity 5

Launch Date : 24 September 2018

Fund Type : Growth

Fund Category : Equity

Investment Objective

To provide an investment opportunity which generates a reasonable level of capital appreciation and income distribution to unit holders through a diversified portfolio of investments.

Asset Allocation

- 70% - 90% of the fund's Net Asset Value (NAV) in equities
- Minimum 10% in fixed income securities and money market instruments, inclusive of liquid assets

Performance Benchmark

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

Notes:

1. Source: Fund Annual Report 2020.
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 SNAPSHOT

Financial Year Ended 30 Sep	2019	2020
Units in Circulation (million units)	402	414
Number of Accounts	10,473	11,036

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 30 Sep (RM'000)	24.9.2018 to 30.9.2019	2020
Total investment income	11,506	23,162
Total expenses	4,437	5,590
Net income before taxation	7,069	17,572
Less: Taxation	-	-
Net income after taxation	7,069	17,572
Other comprehensive loss	(17,891)	(21,658)
Total Comprehensive Income	(10,822)	(4,086)

Total comprehensive loss for the year is made up of the following:

Realised	11,936	13,520
Unrealised	(22,758)	(17,606)
	(10,822)	(4,086)

Summarised Statements of Financial Position as at 30 Sep (RM'000)

	2019	2020
Investments	381,698	378,550
Other assets	5,916	13,304
Total Assets	387,614	391,855
Liabilities	(16,060)	(24,741)
Unit Holder Capital/NAV	371,554	367,114

FUND PERFORMANCE

Financial Year Ended 30 Sep	2019	2020
Distribution Yield (%)	4.06	3.49
Total Return (%)	(3.89)	(0.56)
Benchmark Return (%)	(7.95)	(2.00)

Financial Year Ended 30 Sep	1 Year	Since inception
Annualised Total Return (%)	(0.56)	(2.22)
Benchmark Return (%)	(2.00)	(4.98)

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 30 Sep	2019	2019
Equity	77.33	88.23
Fixed Income	8.43	4.24
Others	14.24	7.53
TOTAL	100.00	100.00

UNIT TRUST FUNDS



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 Net Asset Value (NAV) in equities
- Minimum 35% in fixed income securities, money market instruments and other instruments, inclusive of liquid assets

Performance Benchmark

50% FTSE Bursa Malaysia 100 (FBM100): 50% Maybank 12-Month Fixed Deposit

Notes:

1. Source: Fund Annual Report 2020.
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 SNAPSHOT

Financial Year Ended 30 Nov	2018	2019	2020
Units in Circulation (million units)	1,302	1,312	1,222
Number of Accounts	46,122	46,815	46,156

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 30 Nov (RM'000)	2018	2019	2020
Total investment income	36,918	74,098	71,804
Total expenses	16,534	14,428	14,334
Net income before taxation	20,384	59,670	57,470
Less: Taxation	-	-	-
Net income after taxation	20,384	59,670	57,470
Other comprehensive income/(loss)	(69,799)	(14,930)	(38,032)
Total Comprehensive Income/(Loss)	(49,415)	44,740	19,438

Total comprehensive income/(loss) for the year is made up of the following:

Realised	60,954	54,107	41,321
Unrealised	(110,369)	(9,367)	(21,883)
	(49,415)	44,740	19,438

Summarised Statements of Financial Position as at 30 Nov (RM'000)	2018	2019	2020
Investments	1,254,657	1,261,432	1,156,866
Other Assets	41,538	23,795	25,090
Total Assets	1,296,195	1,285,227	1,181,956
Liabilities	(65,641)	(57,038)	(58,090)
Unit Holder Capital/NAV	1,230,554	1,228,189	1,123,866

FUND PERFORMANCE

Financial Year Ended 30 Nov	2018	2019	2020
Distribution Yield (%)	5.03	4.54	3.61
Total Return (%)	(3.85)	3.62	1.75
Benchmark Return (%)	(0.57)	(0.91)	2.49

Financial Year Ended 30 Nov	1 Year	3 Years	5 Years
Annualised Total Return (%)	1.75	0.46	1.63
Benchmark Return (%)	2.49	0.33	1.58

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 30 Nov	2018	2019	2020
Equity	53.52	52.76	60.08
Fixed Income	33.16	40.13	33.46
Others	13.32	7.11	6.46
TOTAL	100.00	100.00	100.00

UNIT TRUST FUNDS



ASN Imbang 2

Launch Date : 17 March 2003

Fund Type : Growth & 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 unit holders and enable them to fulfil the financial planning needs for their education and/or their children.

Asset Allocation

- 35% - 65% of the fund's Net Asset Value (NAV) in equities
- Minimum 35% in fixed income securities and money market instruments inclusive of liquid assets

Performance Benchmark

50% FTSE Bursa Malaysia 100 (FBM100);
50% Maybank 12-Month Fixed Deposit

FUND SNAPSHOT

Financial Year Ended 31 Mar	2018	2019	2020
Units in Circulation (million units)	1,135	1,301	1,627
Number of Accounts	74,163	79,282	86,426

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 31 Mar (RM'000)	2018	2019	2020
Total investment income	46,793	23,094	32,497
Total expenses	13,009	13,511	15,944
Net income before taxation	33,784	9,583	16,553
Less: Taxation	-	-	-
Net income after taxation	33,784	9,583	16,553
Other comprehensive income/(loss)	31,828	(35,636)	(121,130)
Total Comprehensive Income/(Loss)	65,612	(26,053)	(104,577)

Total comprehensive income/(loss) for the year is made up of the following:

Realised	44,232	50,838	53,093
Unrealised	21,380	(76,891)	(157,670)
	65,612	(26,053)	(104,577)

Summarised Statements of Financial Position as at 31 Mar (RM'000)	2018	2019	2020
Investments	1,160,886	1,234,200	1,347,866
Other Assets	8,396	15,243	44,253
Total Assets	1,169,282	1,249,443	1,392,119
Liabilities	(57,103)	(57,704)	(59,093)
Unit Holder Capital/NAV	1,112,179	1,191,739	1,333,026

FUND PERFORMANCE

Financial Year Ended 31 Mar	2018	2019	2020
Distribution Yield (%)	4.90	4.59	4.27
Total Return (%)	7.00	(2.25)	(6.68)
Benchmark Return (%)	5.66	(4.03)	(8.77)
Financial Year Ended 31 Mar	1 Year	3 Years	5 Years
Annualised Total Return (%)	(6.68)	(0.81)	0.26
Benchmark Return (%)	(8.77)	(2.56)	(1.18)

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 31 Mar	2018	2019	2020
Equity	63.67	57.46	51.66
Fixed Income	21.55	32.95	38.62
Others	14.78	9.59	9.72
TOTAL	100.00	100.00	100.00

Notes:

1. Source: Fund Annual Report 2020.
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**

Launch Date : 17 March 2003

Fund Type : Growth & 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 unit holders and/or their children and/or charges to meet part or all of their retirement needs.

Asset Allocation

- 20% - 80% of the fund's Net Asset Value (NAV) in fixed income securities and money market instruments, inclusive of liquid assets
- Minimum 20% in equities

Performance Benchmark

30% FTSE Bursa Malaysia 100 (FBM100); 70% Maybank 12-Month Fixed Deposit

FUND SNAPSHOT

Financial Year Ended 31 Mar	2018	2019	2020
Units in Circulation (million units)	1,119	1,603	2,043
Number of Accounts	37,364	53,050	69,872

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 31 Mar (RM'000)	2018	2019	2020
Total investment income	37,543	75,776	77,934
Total expenses	11,233	17,831	22,417
Net income before taxation	26,310	57,945	55,517
Less: Taxation	-	-	-
Net income after taxation	26,310	57,945	55,517
Other comprehensive income/(loss)	23,026	(51,457)	(90,613)
Total Comprehensive Income/(Loss)	49,336	6,488	(35,096)

Total comprehensive income/(loss) for the year is made up of the following:

Realised	24,253	67,694	86,674
Unrealised	25,083	(61,206)	(121,770)
	49,336	6,488	(35,096)

Summarised Statements of Financial Position as at 31 Mar (RM'000)	2018	2019	2020
Investments	1,328,827	1,799,533	2,160,885
Other Assets	11,081	36,813	57,749
Total Assets	1,339,908	1,836,346	2,218,634
Liabilities	(60,395)	(81,804)	(95,832)
Unit Holder Capital/NAV	1,279,513	1,754,542	2,122,802

FUND PERFORMANCE

Financial Year Ended 31 Mar	2018	2019	2020
Distribution Yield (%)	4.50	4.57	4.38
Total Return (%)	6.76	0.13	(0.90)
Benchmark Return (%)	4.97	(1.08)	(4.15)

Financial Year Ended 31 Mar	1 Year	3 Years	5 Years
Annualised Total Return (%)	(0.90)	1.94	1.93
Benchmark Return (%)	(4.15)	(0.16)	0.64

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 31 Mar	2018	2019	2020
Equity	41.45	24.06	28.16
Fixed Income	32.10	56.85	61.14
Others	26.45	19.09	10.70
TOTAL	100.00	100.00	100.00

Notes:

1. Source: Fund Annual Report 2020.
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

Launch Date : 24 September 2018

Fund Type : Conservative

Fund Category : Mixed Asset

Investment Objective

To provide unit holders with liquidity and regular income stream with potential long term capital growth.

Asset Allocation

- 20% - 80% of the fund's Net Asset Value (NAV) in fixed income securities and money market instruments, inclusive of liquid assets
- Minimum 20% in equities

Performance Benchmark

30% FTSE Bursa Malaysia 100 (FBM100): 70% Maybank 12-Month Fixed Deposit

Notes:

1. Source: Fund Annual Report 2020.
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 SNAPSHOT

Financial Year Ended 30 Sep	2019	2020
Units in Circulation (million units)	1,113	1,702
Number of Accounts	27,964	39,589

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 30 Sep (RM'000)	24.9.2018 to 30.9.2019	2020
Total investment income	44,341	72,237
Total expenses	8,583	15,715
Net income before taxation	35,758	56,522
Less: Taxation	-	-
Net income after taxation	35,758	56,522
Other comprehensive income/(loss)	(15,641)	7,348
Total Comprehensive Income	20,117	63,869

Total comprehensive income/(loss) for the year is made up of the following:

Realised	35,123	48,254
Unrealised	(15,006)	15,616
	20,117	63,870

Summarised Statements of Financial Position as at 30 Sep (RM'000)	2019	2020
Investments	1,126,987	1,735,688
Other assets	18,529	38,023
Total Assets	1,145,516	1,773,711
Liabilities	(47,865)	(68,073)
Unit Holder Capital/NAV	1,097,651	1,705,638

FUND PERFORMANCE

Financial Year Ended 30 Sep	2019	2020
Distribution Yield (%)	4.26	3.59
Total Return (%)	2.79	5.31
Benchmark Return (%)	(0.99)	1.04

Financial Year Ended 30 Sep	1 Year	Since inception
Annualised Total Return (%)	5.31	4.01
Benchmark Return (%)	1.04	0.02

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 30 Sep	2019	2020
Equity	25.80	29.35
Fixed Income	45.54	46.98
Others	28.66	23.67
TOTAL	100.00	100.00

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