The background of the cover is a photograph of five children running joyfully on a green field in front of the Stadium Merdeka. The children are wearing face masks and holding small Malaysian flags. They are dressed in traditional Malaysian attire: a woman in a yellow top and pink batik sarong, a boy in a red long-sleeved shirt and red pants, a girl in an orange top and batik sarong, a girl in a white lace dress, and a boy in a blue and yellow outfit. The stadium's facade is visible in the background, with the name 'STADIUM MERDEKA' written in large letters. The sky is blue with white clouds.

PNB

Permodalan Nasional Berhad

STADIUM MERDEKA

Responsible Investing

*Towards a Net
Zero Future*

Annual Report 2021

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Responsible Investing

Towards a Net Zero Future

At PNB, we are deeply committed to our mandate of enhancing the wealth of Bumiputera and all Malaysians through Responsible Investing that puts the interests of our unit holders first and foremost. This is our core approach to ensuring that we invest prudently and conscientiously to obtain sustainable outcomes.

Going forward, the launch of our Sustainability Framework will help us enhance and protect the value we create for our stakeholders while fulfilling our own sustainability aspirations.



Scan here for more information

About This Report

This Year's Reporting Journey

This is Permodalan Nasional Berhad's (PNB) Annual Report 2021, a document that we utilise to inform stakeholders regarding our performance in delivering on our mandate of enhancing the wealth of the Bumiputera community and all Malaysians.

The preparation of this report was guided by the requirements of relevant financial reporting standards, as well as the Malaysian Code on Corporate Governance (MCCG 2021). In terms of sustainability, we were guided by the Global Reporting Initiative Standards in preparation of the sustainability portion of this report.

SCOPE AND BOUNDARIES

This Report describes PNB's financial and non-financial performance during the period from 1 January 2021 to 31 December 2021. We discuss the performance of our investments, strategic asset allocation and provide updates regarding our investment portfolios. Apart from reporting on performance, the Report considers challenges to the business, and opportunities and risks that could impact our performance.

FEEDBACK

PNB values your feedback, comments and enquiries on this Report. Enquiries can be communicated to: info@pnb.com.my

We are PNB

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Organisational Structure	12

Who We Are

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:

Diversification

Continuing our diversification efforts across all asset classes and geographies

Value Creation

Increasing the value of our Strategic and Core Companies

Risk Management

Enhancing our approach to risk management and undertaking key initiatives to establish a strong risk culture

Organisational Transformation

Improving our core systems and enhancing services to unit holders through accelerated digital initiatives

Corporate Information

BOARD OF DIRECTORS

Tun Arifin Zakaria

*Group Chairman
(Appointed as Chairman with effect from 6 May 2021)*

Encik Ahmad Zulqarnain Onn

President & Group Chief Executive (PGCE)

Datuk Seri Asri Hamidin @ Hamidon

Tan Sri Datuk Zainun Ali

Datuk Dr. Mohd. Yaakub Haji Johari

Datu Haji Soedirman Haji Aini

Dato Dr. Nik Ramlah Nik Mahmood

Dato' Johan Ariffin

Datin Norazah Mohamed Razali

(Appointed as Director with effect from 6 May 2021)

RETIREMENT OF DIRECTOR

Tan Sri Dr. Zeti Akhtar Aziz

(Retired as Group Chairman with effect from 1 May 2021)

INVESTMENT COMMITTEE

Tun Arifin Zakaria

*Chairman
(Appointed as Chairman with effect from 19 May 2021)*

Encik Ahmad Zulqarnain Onn

Datuk Seri Dr. Nik Norzrul Thani N. Hassan Thani

Tan Sri Dr. Mohd. Daud Bakar

Dato' Johan Ariffin

*Tan Sri Dr. Zeti Akhtar Aziz
(Retired with effect from 1 May 2021)*

NOMINATION AND REMUNERATION COMMITTEE

Datu Haji Soedirman Haji Aini

*Chairman
(Redesignated as Chairman with effect from 17 September 2021)*

Datuk Dr. Mohd. Yaakub Haji Johari

*Datin Norazah binti Mohamed Razali
(Appointed with effect from 6 May 2021)*

Datuk Mohd. Anwar Yahya

(Appointed with effect from 17 September 2021)

Tan Sri Dr. Zeti Akhtar Aziz

*Chairman
(Retired with effect from 1 May 2021)*

APPEALS COMMITTEE

Tan Sri Datuk Zainun Ali

Chairman

Datuk Dr. Mohd. Yaakub Haji Johari

Datu Haji Soedirman Haji Aini

Dato Dr. Nik Ramlah Nik Mahmood

OUR 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

DISCLAIMER

The Master Prospectus of ASNB dated 1 February 2020, the First Supplementary Master Prospectus dated 20 October 2021, the Prospectus of ASN Imbang (Mixed Asset Balanced) 3 Global dated 16 September 2020, the First Supplementary Prospectus ASN Imbang (Mixed Asset Balanced) 3 Global dated 20 October 2021 and the Prospectus of ASN Equity Global dated 1 September 2021, ("Prospectuses"), have been registered with the Securities Commission Malaysia.

YPB
Yayasan Pelaburan Bumiputra

PNB
Permodalan Nasional Berhad

Holder of Capital
Markets Services
Licence for Fund
Management



ASN
Amanah Saham Nasional Berhad

Licensed
Unit Trust
Management
Company

**FIXED PRICE
UNIT TRUST FUNDS**



Amanah Saham Bumiputera
Amanah Saham Bumiputera 2
Amanah Saham Bumiputera 3
- Didik



Amanah Saham Malaysia
Amanah Saham Malaysia 2
- Wawasan
Amanah Saham Malaysia 3

**VARIABLE PRICE
UNIT TRUST FUNDS**



Amanah Saham Nasional
ASN Equity 2
ASN Equity 3
ASN Equity 5
ASN Equity Global
ASN Imbang (Mixed Asset Balanced) 1
ASN Imbang (Mixed Asset Balanced) 2
ASN Imbang (Mixed Asset Balanced) 3 Global
ASN Sara (Mixed Asset Conservative) 1
ASN Sara (Mixed Asset Conservative) 2

AUDIT COMMITTEE

Datuk Mohd. Anwar Yahya
Chairman

Datuk Seri Dr. Nik Norzrul Thani N. Hassan Thani

Dato Dr. Nik Ramlah Nik Mahmood

Datu Haji Soedirman Haji Aini
(Appointed with effect from 17 September 2021)

RISK MANAGEMENT COMMITTEE

Dato Dr. Nik Ramlah Nik Mahmood
Chairman

Datuk Seri Dr. Nik Norzrul Thani N. Hassan Thani

Datuk Mohd. Anwar Yahya

Datin Norazah Mohamed Razali
(Appointed with effect from 17 September 2021)

COMPLIANCE COMMITTEE

Tan Sri Datuk Zainun Ali
Chairman

Encik Ahmad Zulqarnain Onn

Dato Dr. Nik Ramlah Nik Mahmood

Datuk Dr. Mohd. Yaakub Haji Johari
(Appointed with effect from 17 September 2021)

TENDER COMMITTEE

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

Dato Dr. Nik Ramlah Nik Mahmood

Encik Ahmad Zulqarnain Onn

SHARIAH ADVISORY COMMITTEE

Tan Sri Dr. Mohd. Daud Bakar
Chairman

Dato' Haji Mohamad Shukri Mohamad

Dato' As-Sheikh Haji Nooh Gadot

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

Dr. Aida Othman

Encik Wan Abdul Rahim Kamil Wan Mohamed Ali
(Appointed with effect from 29 March 2021)

Prof. Dr. Mohamad Akram Laldin
(Appointed with effect 17 December 2021)

Dato' Idris Kechot
(Retired with effect from 9 March 2021)

Tan Sri Dato Seri Dr. Haji Harussani Haji Zakaria
(Passed away on 30 May 2021)

REGISTERED OFFICE

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

AUDITORS

Ernst & Young PLT

BANKERS

Maybank Islamic Berhad
Malayan Banking Berhad

C

Collaboration

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

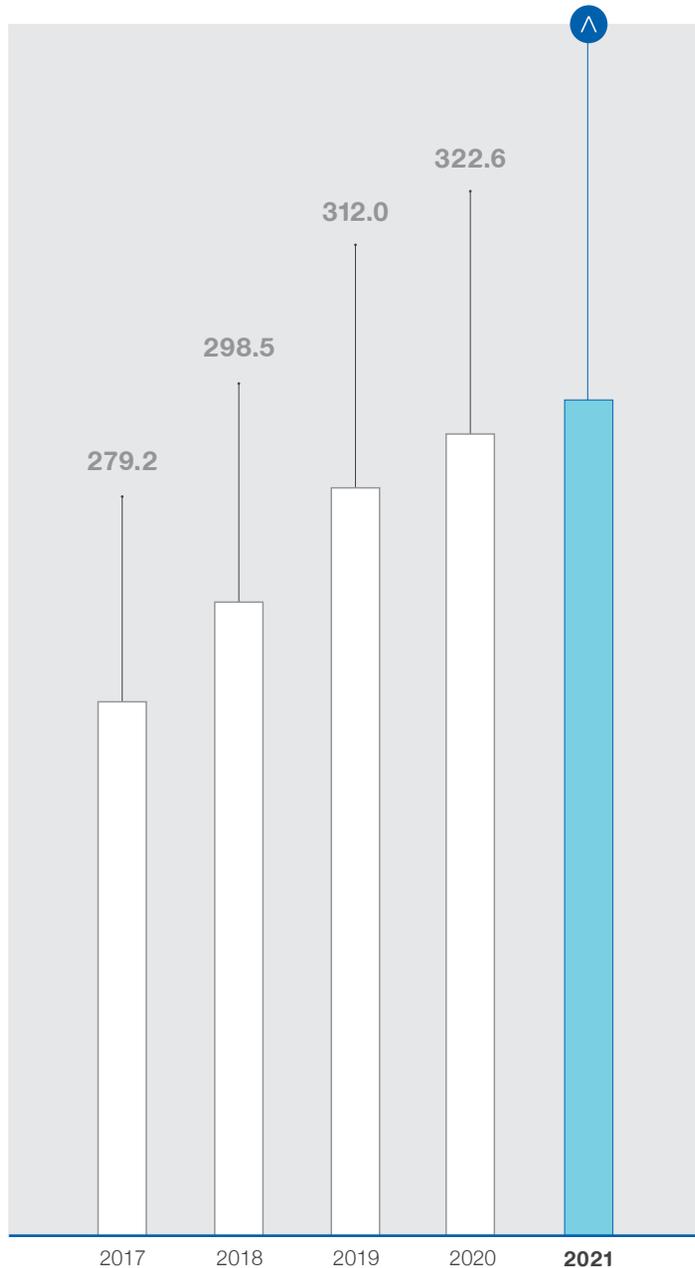
E

Excellence

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

Key Financial Highlights

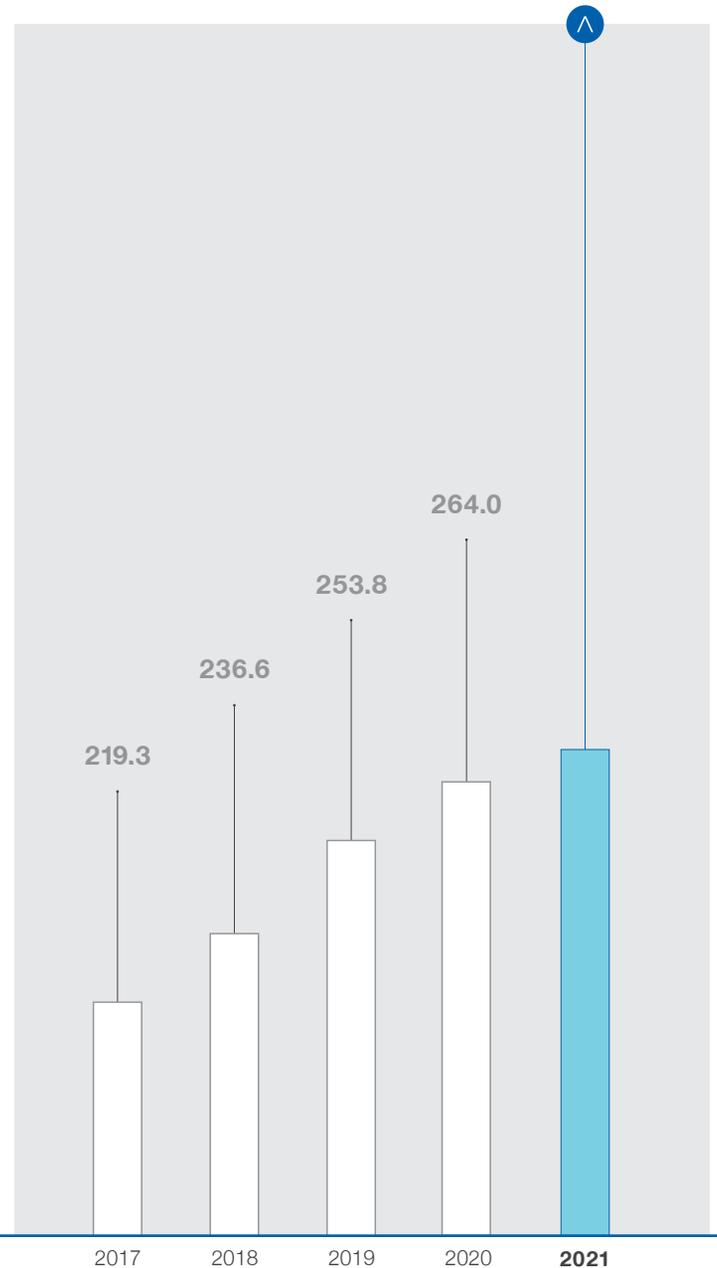
RM 336.7 billion



ASSETS UNDER
MANAGEMENT

(RM billion)

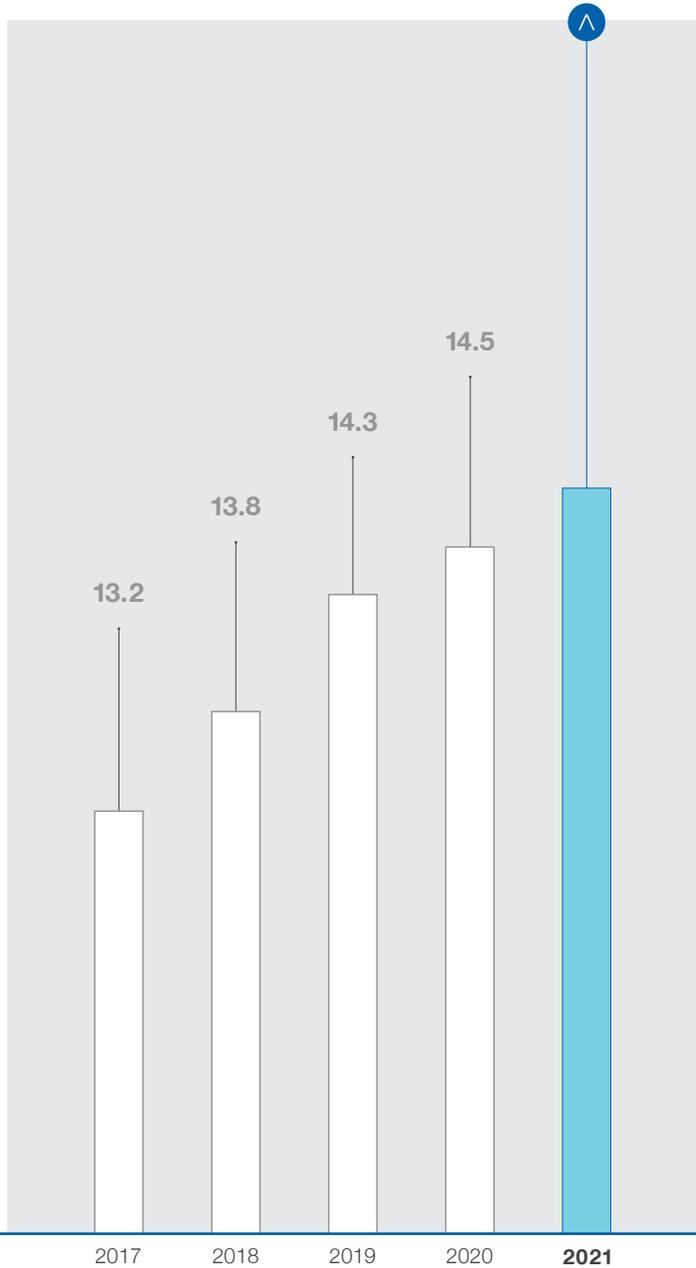
276.2 billion



UNITS IN
CIRCULATION

(billion)

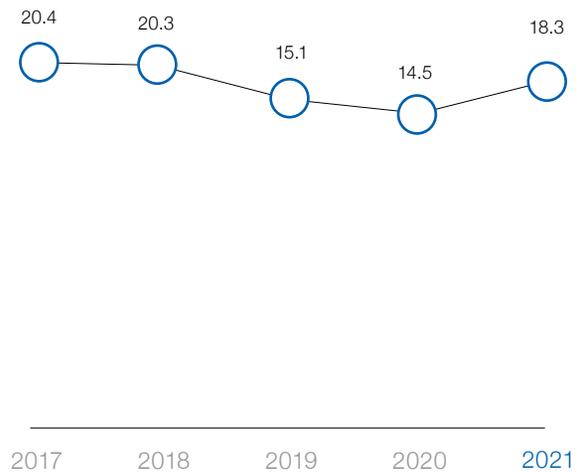
14.8 million



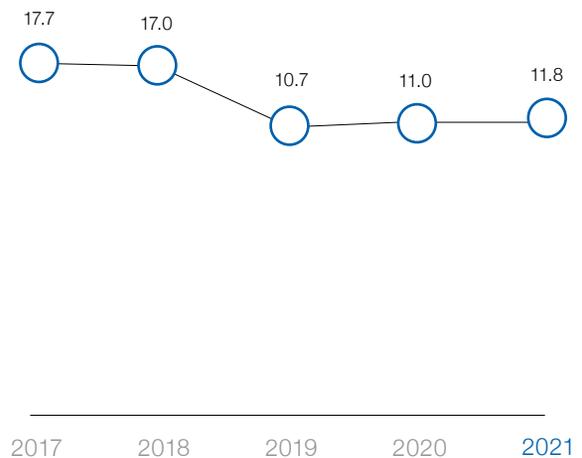
NUMBER OF ACCOUNTS

(million)

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

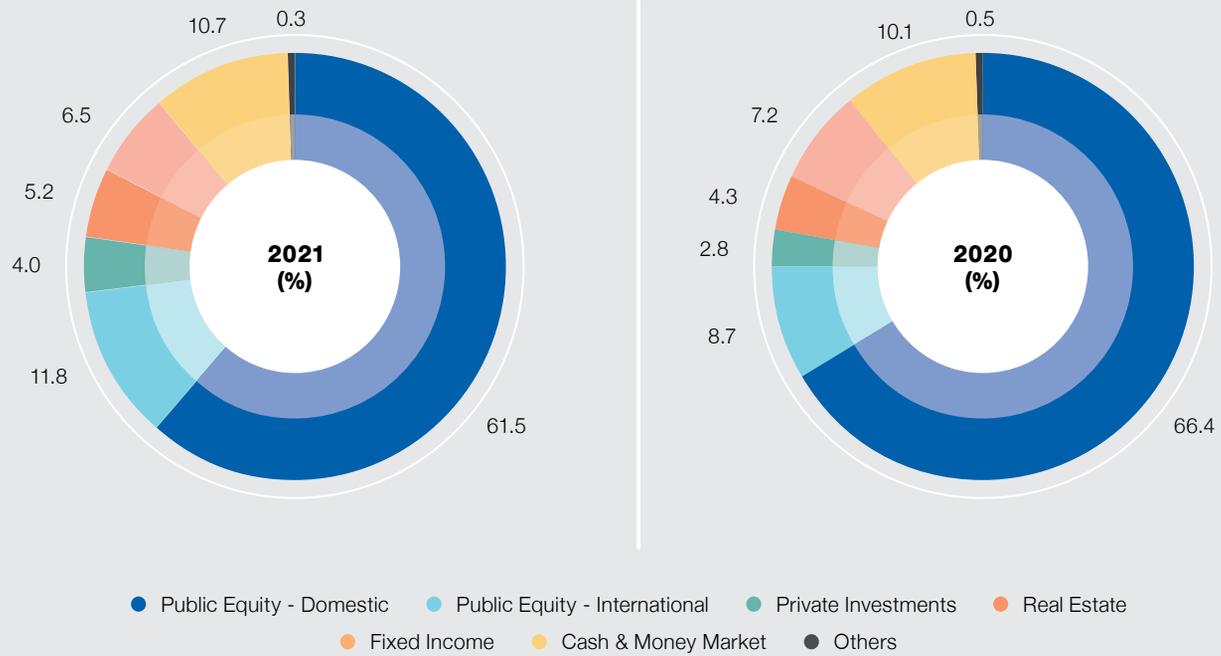


PNB GROUP 5-YEAR CONSOLIDATED COTERMINOUS PROFORMA NET INCOME (RM billion)

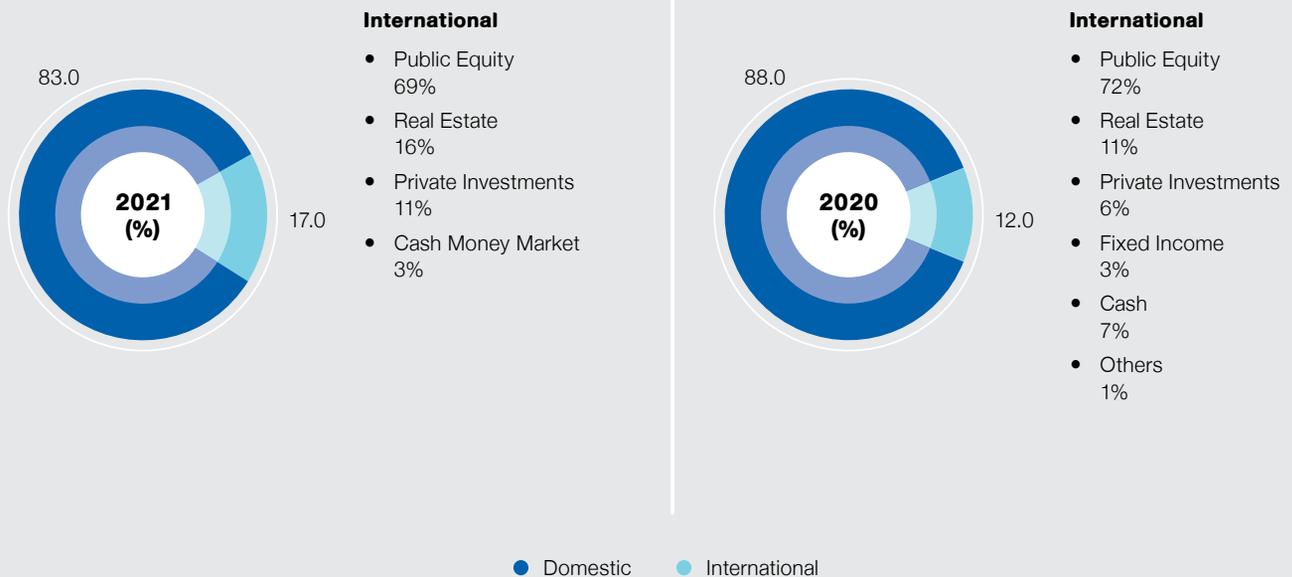


Key Financial Highlights

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)	5.00*	4.25	4.25	4.00	4.00	4.00
Net income (RM million)	6,936.1	496.8	298.2	838.6	926.8	583.1
Units in circulation FYE (billion units)	181.9	11.5	6.8	21.3	23.0	14.8

* Comprise an income distribution of 4.25 sen per unit and a bonus of 0.75 sen per unit

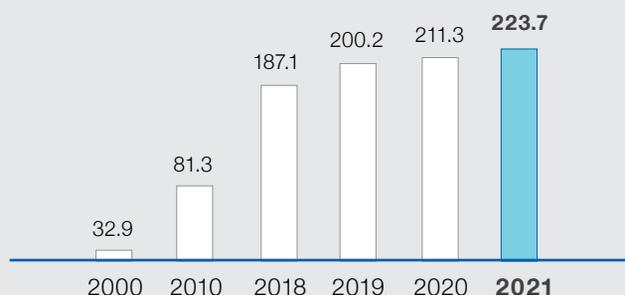
	Equity				Mixed Asset Balanced			Mixed Asset Conservative	
	 ASN	 ASN Equity 2	 ASN Equity 3	 ASN Equity 5	 ASN Imbang 1	 ASN Imbang 2	 ASN Imbang 3 Global	 ASN Sara 1	 ASN Sara 2
Financial Year End (FYE)	31 Dec	30 Jun	31 Mar	30 Sep	30 Nov	31 Mar	31 Dec**	31 Mar	30 Sep
Distribution yield (%)	2.63	3.47	3.96	2.99	2.88	3.36	1.23	3.14	2.77
Total return (%)	0.55	5.42	18.32	10.71	6.38	16.64	3.04	11.22	3.58
Net income*** (RM million)	33.7	24.6	77.5	12.1	30.7	49.1	20.5	95.0	49.6
Units in circulation FYE (billion units)	1.8	1.3	2.2	0.3	1.0	1.5	1.4	2.6	1.7

** For 16.9.2020 to 31.12.2021

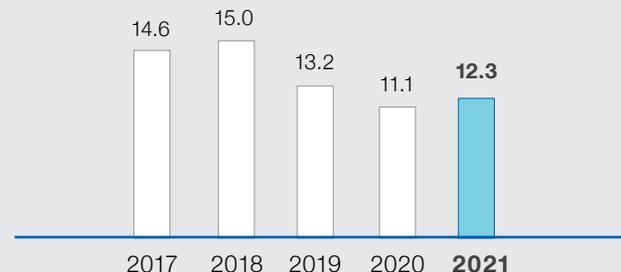
*** Realised portion of total comprehensive income, including Distribution Equalisation Reserve (DER)

INCOME DISTRIBUTION (RM BILLION)

Cumulative Income Distribution



Annual Income Distribution Payout

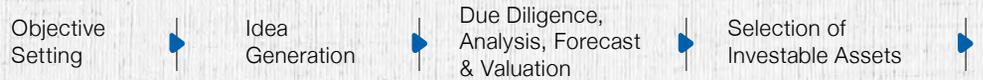


A Sustainable Value Chain

1 Unit holders invest in ASNB's products

2 PNB manages the investments of the unit trust funds

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



WITH AN EFFECTIVE GOVERNANCE OPERATING MODEL

Business Units

Leadership Team

Investment Committees



Fixed Price Unit Trust Funds



Variable Price Unit Trust Funds



President & Group Chief Executive

Asset Management Strategic Business Units

Proprietary Fund

Fixed Price Unit Trust Funds

Variable Price Unit Trust Funds

Group Assurance

Internal Assurance Department

Compliance Department

Risk Management Department

Unit Trust Fund Investment Committee

PNB Investment Committee

Compliance Committee

Audit Committee

Risk Management Committee

Other PNB Board Committees

External Auditor



Regulated By



Enabling the sharing of corporate wealth to unit holders

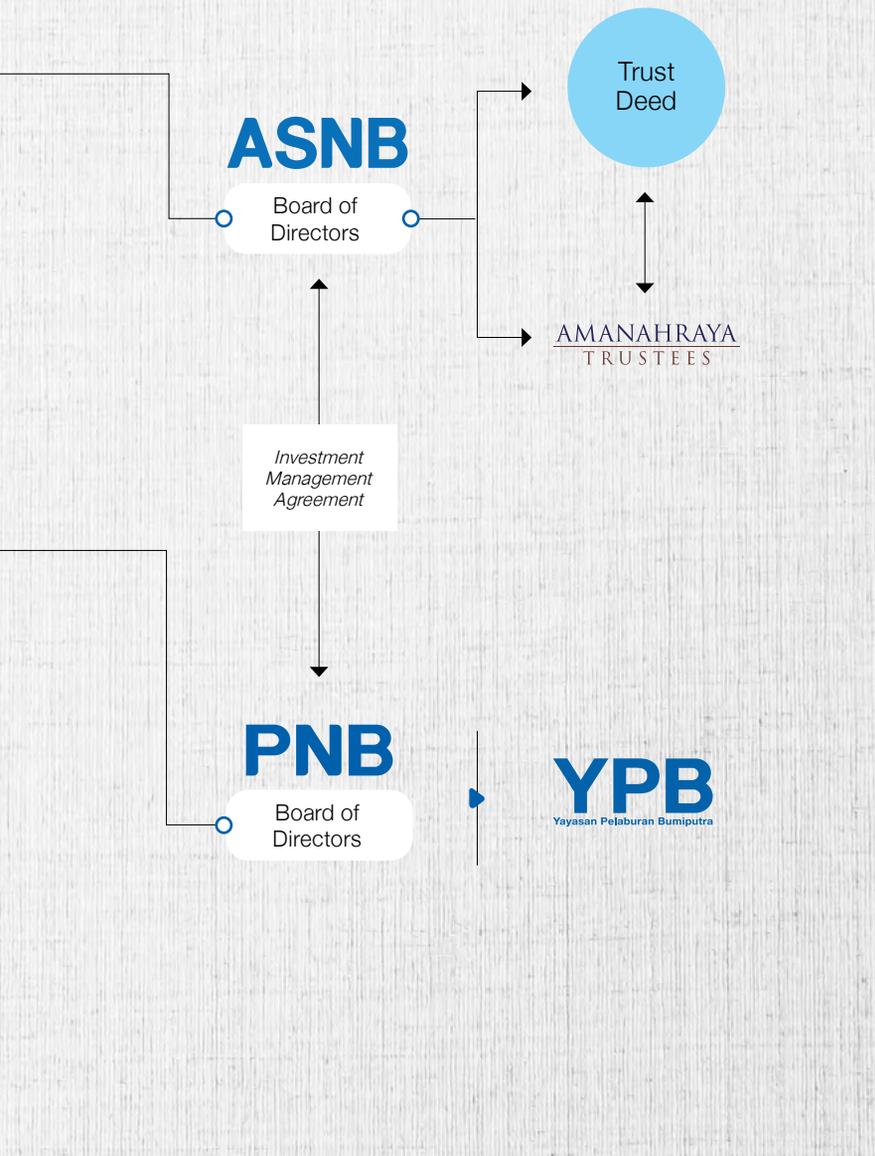
6

Annual income distribution to unit holders is derived from the performance of the portfolio

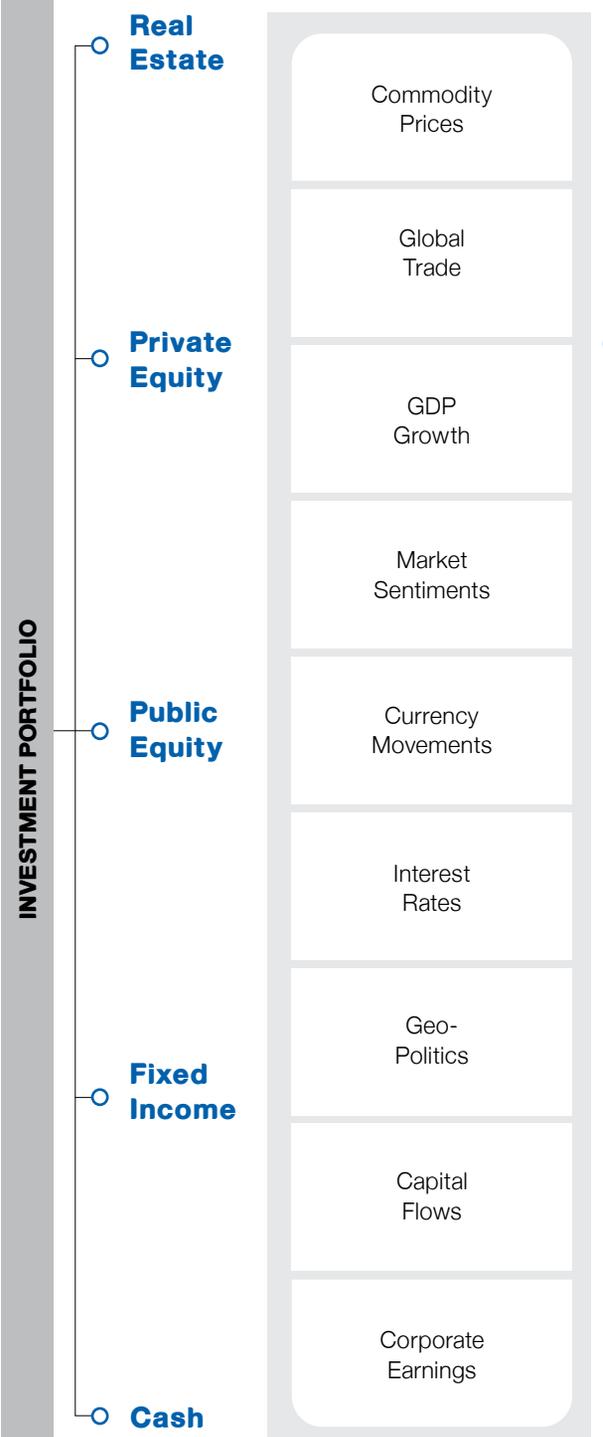
5

Portfolio Construction Executive & Active Management Monitoring Review, Rebalancing, Monetisation & Exit

Board



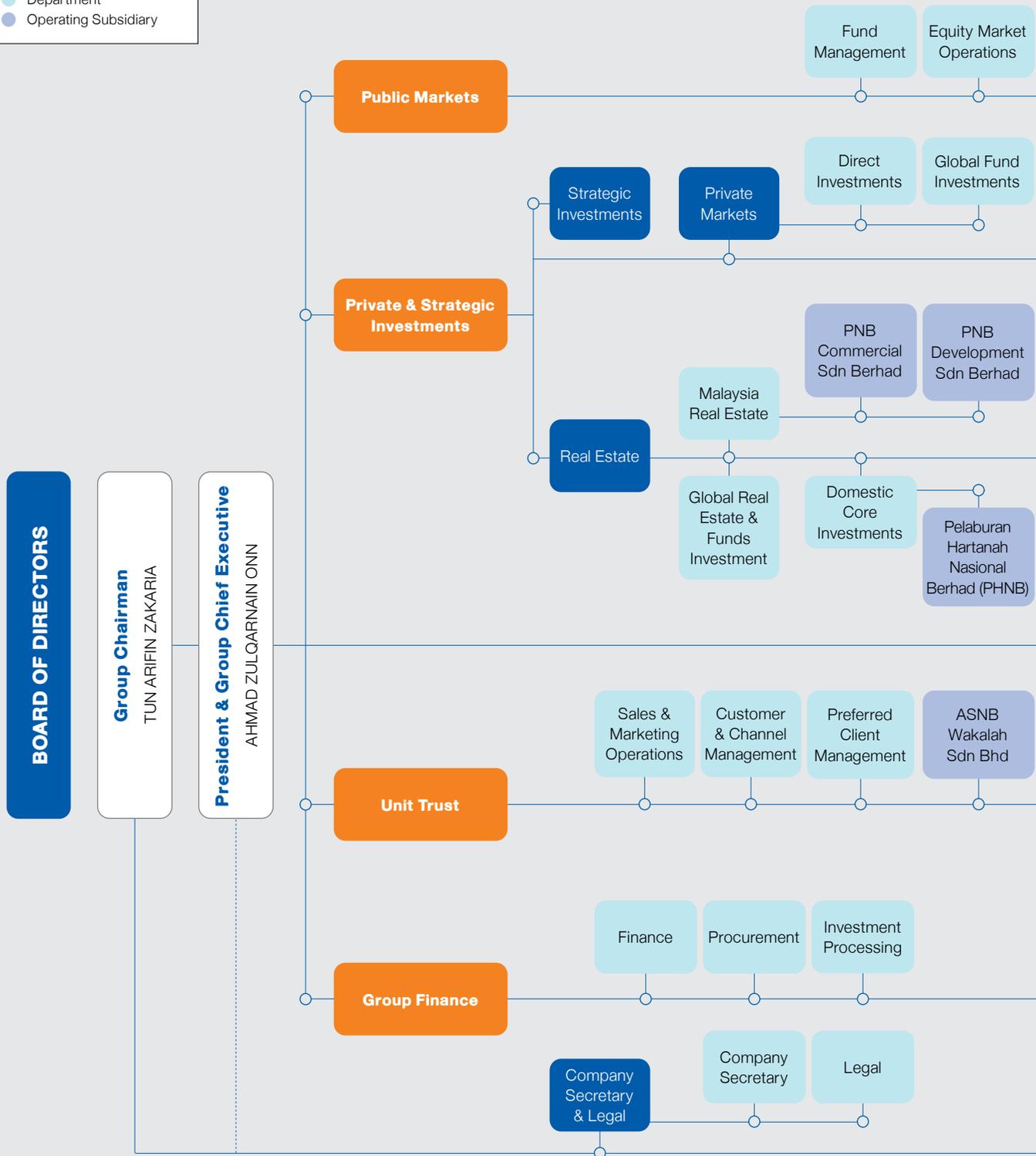
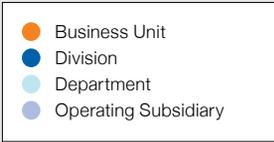
3 Investments are made across a diversified portfolio of asset classes and geographies to manage risk exposure

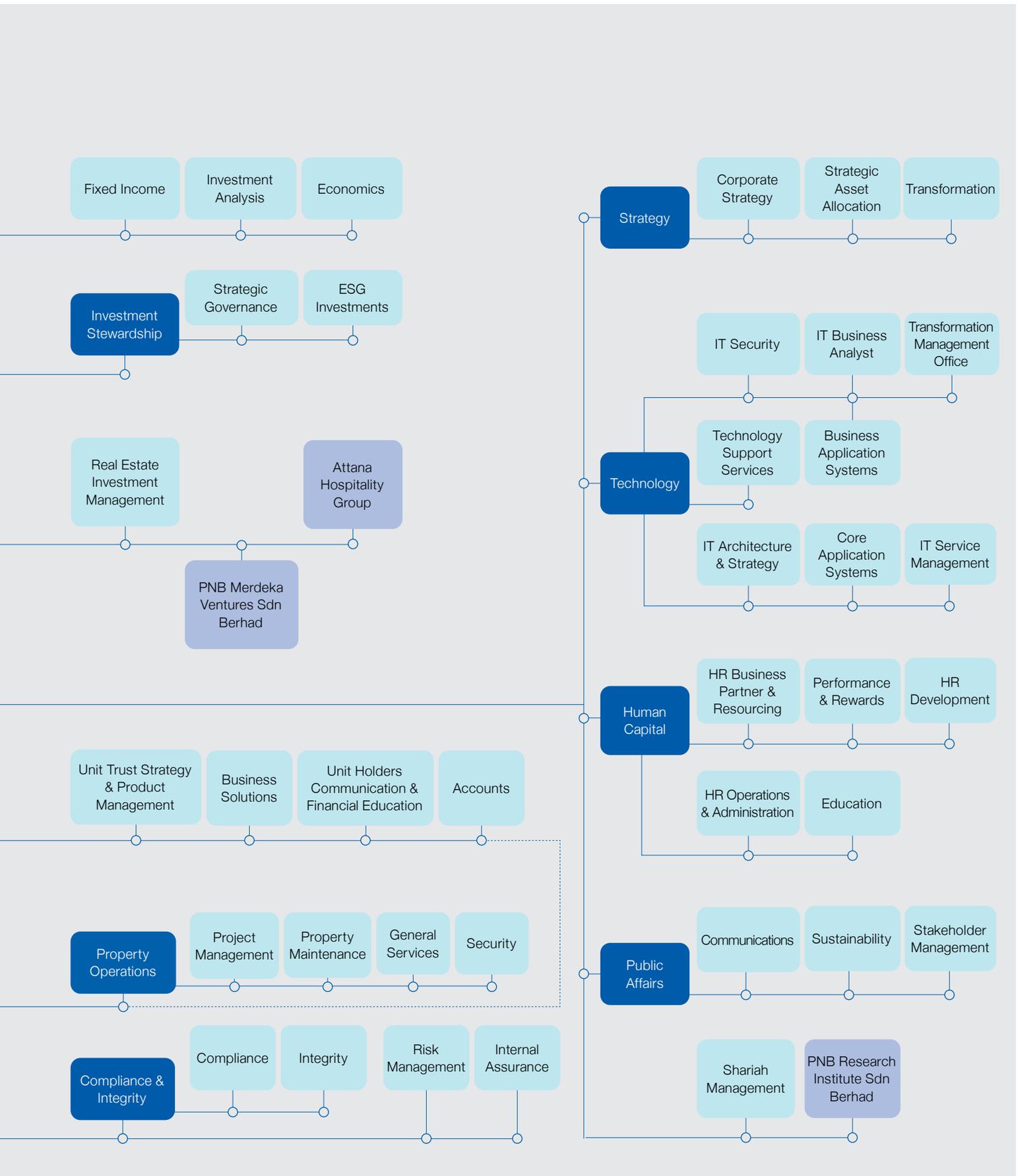


4 The returns of the portfolio are generated from realised capital gains and recurring income from each asset class

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

Organisational Structure





The Strength and Integrity of Our Guardianship

Board of Trustees of Yayasan Pelaburan Bumiputra

15

Board of Directors

16

Leadership Team

21

Board of Trustees of Yayasan Pelaburan Bumiputra



YAB DATO' SRI ISMAIL SABRI YAAKOB

*CHAIRMAN OF YPB/
PRIME MINISTER OF MALAYSIA*



**YB SENATOR TENGKU DATUK SERI UTAMA
ZAFRUL TENGKU ABDUL AZIZ**

*DEPUTY CHAIRMAN OF YPB/
MINISTER OF FINANCE*



YABHG TUN ARIFIN ZAKARIA

GROUP CHAIRMAN OF PNB



YBHG TAN SRI HAJI AMBRIN BUANG

Board of Directors



TUN ARIFIN ZAKARIA

Group Chairman
Non-Independent Non-Executive Director

Age | Nationality
72 | **Malaysian**

Date of Appointment
6 May 2021

Board Meetings



AHMAD ZULQARNAIN ONN

President & Group Chief Executive
Non-Independent Executive Director

Age | Nationality
49 | **Malaysian**

Date of Appointment
1 July 2020

Board Meetings



QUALIFICATION

- LLB (Hons) from the University of Sheffield, United Kingdom
- Master of Laws from the University of London, University College, United Kingdom
- Called to the English Bar at Lincoln's Inn
- Honorary Bencher of Lincoln's Inn Directorship

DIRECTORSHIP

- Chairman of Amanah Saham Nasional Berhad, Microlink Solutions Berhad and Vertice Berhad
- Trustee of Yayasan Pelaburan Bumiputra
- Chairman of the Advisory Council of the Asian International Arbitration Centre
- Chairman of the Advisory Council of the Asian International Arbitration Centre
- President of the Inns of Court Malaysia

WORKING EXPERIENCE

Tun Arifin bin Zakaria was appointed as the Group Chairman of Permodalan Nasional Berhad on 6 May 2021. Prior to the appointment, Tun Arifin had a long and highly distinguished career in the judicial and legal service. He served as the Chief Justice of Malaysia from November 2011 to April 2017. His illustrious legal career began when he joined the Malaysian Judicial and Legal Service in 1974, before being posted as Federal Counsel in the Advisory Division of the Attorney General's Chambers and later as Magistrate, Session Court Judge, Senior Assistant Registrar and Senior Federal Counsel in the Inland Revenue Department.

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 the 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 the 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.



DATUK SERI ASRI HAMIDIN @ HAMIDON

Independent Non-Executive Director

Age | Nationality
56 | **Malaysian**

Date of Appointment
23 July 2020

Board Meetings



TAN SRI DATUK ZAINUN ALI

Independent Non-Executive Director

Age | Nationality
70 | **Malaysian**

Date of Appointment
1 January 2019

Board Meetings



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, Danalnfra Nasional Berhad, GovCo Holdings Berhad, Perbadanan Insurans Deposit Malaysia (PIDM), Yayasan Amanah Hartanah Bumiputera

WORKING EXPERIENCE

Datuk Seri 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. Datuk Seri 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.

Datuk Seri 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.

QUALIFICATION

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

DIRECTORSHIP

- Allianz Malaysia Berhad

OTHER INFORMATION

- Member of the United Nations' Advisory Board of the Global Judiciary Integrity Network
- Appointed as Vice Chairman of Enforcement Agency Integrity Commission with effect from 1 July 2020
- Judge in the Administrative Tribunal of the Islamic Development Bank (IsDb) Group of Jeddah
- Consultant at Zain & Co
- Arbitrator registered with the Asian International Arbitration Centre Kuala Lumpur
- Member of the International Association of Women Judges based in Washington D.C.

WORKING EXPERIENCE

Tan Sri Datuk Zainun was appointed as a member of the Board of 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	Nationality
66	Malaysian

Date of Appointment
1 January 2017

Board Meetings


DATU HAJI SOEDIRMAN AINI
Independent Non-Executive Director

Age	Nationality
66	Malaysian

Date of Appointment
1 January 2017

Board Meetings


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 was the Chairman of IDS effective from 14 December 2020 and had relinquished the position with effect from 30 November 2021. On 1 April 2022, he was appointed as the Chairman of University College Sabah Foundation (UCSF) Board of Governors.

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 bin Aini, aged 66, was appointed as a member of the Board of Directors of Permodalan Nasional Berhad on January 1, 2017. He started his career with Petrolim Nasional Berhad in 1982, and after serving 13 years with the company, he 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.

Board of Directors



**DATO DR. NIK RAMLAH
NIK MAHMOOD**

Independent Non-Executive Director

Age | Nationality
66 | **Malaysian**

Date of Appointment
1 January 2019

Board Meetings



DATO' JOHAN ARIFFIN

Independent Non-Executive Director

Age | Nationality
63 | **Malaysian**

Date of Appointment
1 January 2019

Board Meetings



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.

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 and Etiqa Life Centre for Insurance (Cambodia) Plc
- Etiqa Family 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 Malayan Banking Berhad for nine years up to April 2018, and Sime Darby Property Berhad till June 2020. He was the Chairman of Battersea Project Holding Company Limited from September 2015 to September 2018.

Board of Directors



DATIN NORAZAH MOHAMED RAZALI
Independent Non-Executive Director

Age | Nationality
52 | **Malaysian**

Date of Appointment
6 May 2021

Board Meetings



QUALIFICATION

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

DIRECTORSHIP

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

OTHER INFORMATION

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

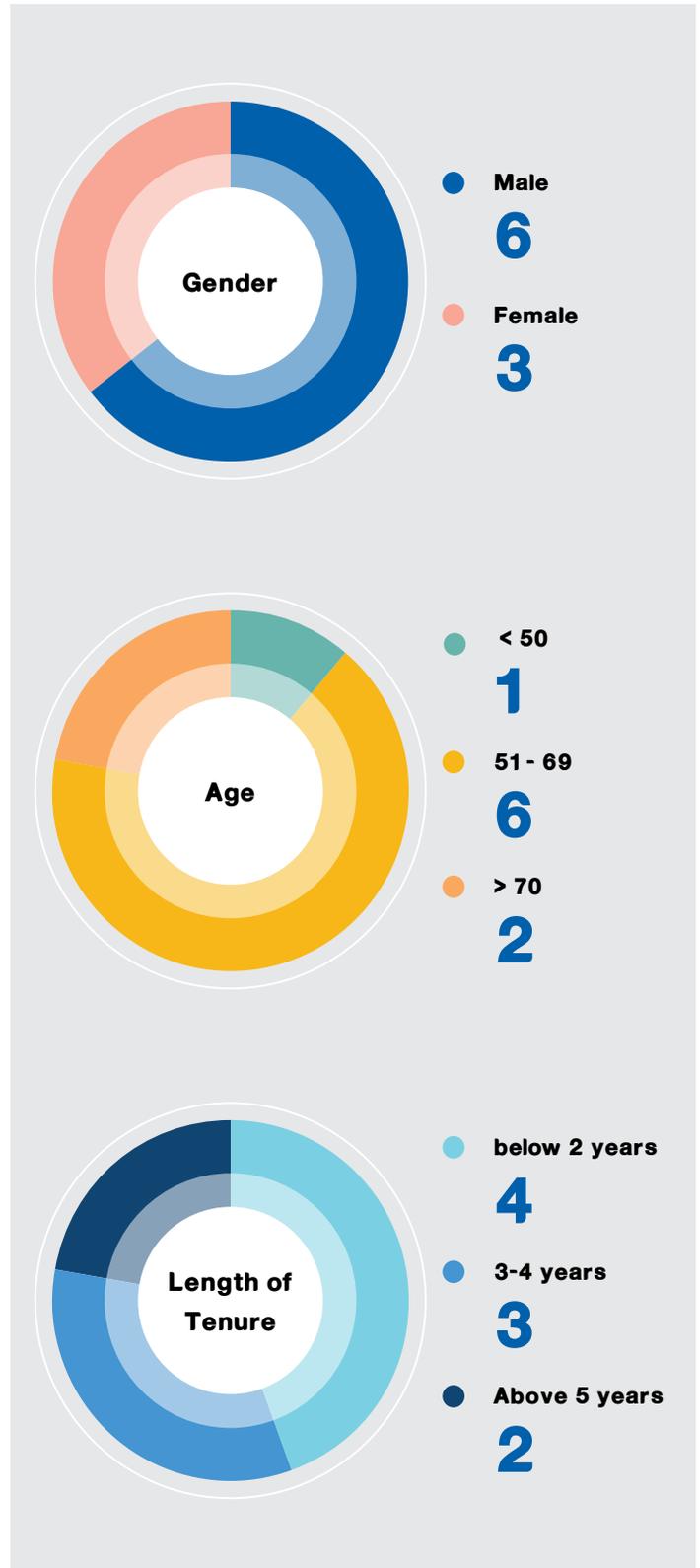
WORKING EXPERIENCE

Datin Norazah binti Mohamed Razali was appointed as the member of the Board of Directors of Permodalan Nasional Berhad on 6 May 2021.

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

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

While no longer a Partner and Managing Director at BCG, Datin Norazah remains as a Senior Advisor (Public Sector Practice, BCG Malaysia), a role she took on from August 2017. She has more than 20 years of experience advising private and public sector clients on transformation and growth, re-structuring as well as talent development.



Leadership Team



*Delivering Our Strategy,
Driving Performance*



Leadership Team

AHMAD ZULQARNAIN ONN

President & Group Chief Executive

1

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 unit holders, shareholders, employees and other stakeholders.

DATO' MOHD. NIZAM ZAINORDIN

Deputy President & Group Chief Financial Officer

2

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.

HANIZAN HOOD

Chief Investment Officer, Public Markets

3

Responsible for the overall 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 functions namely Fund Management, Fixed Income, Investment Analysis, Economics, Equity Market Operations, Treasury, and Investment Operations & Governance. Hanizan is also the Designated Fund Manager for the unit trust funds under management.

RICK RAMLI

Chief Investment Officer, Private & Strategic Investments

4

Spearheads overall investment and operational activities within four key areas namely Strategic Investments, Investment Stewardship, 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.

MOHAMMAD HUSSIN

Chief Executive Officer & Executive Director, ASNB

5

Leads ASNB in developing and executing overall business strategy to mobilise savings of Bumiputera community and Malaysians that enable the sharing of corporate wealth to unit holders. This is undertaken through comprehensive product and service offerings as well as an extensive range of channels throughout the country that aim to increase the reach of ASNB's products and services and enhance the experience of unit holders.

SHAHIN FAROUQUE JAMMAL AHMAD

Group Head, Strategic Investments

6

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.

MOHAMAD IDROS MOSIN

Group Head, Real Estate

7

Leads and oversees PNB's real estate investments and operations, which include land banking activities, developments projects, investment properties, hospitality, turnaround assets in the country, as well as in international property and real estate funds.

MOHD IRWAN AHMAD MUSTAFA@MUSTAFA

Group Head, Private Markets

8

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.

FADZIHAN ABBAS MOHAMED RAMLEE

Chief Strategy Officer

9

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.

MUZZAFFAR OTHMAN

Chief Technology Officer

10

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.

Leadership Team

NORHANIFAH A. JALIL

Chief Human Resource Officer

11

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

SUZANA AHMAD

Chief Risk Officer

12

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

NIMMI KAMAL

Group Head, Public Affairs

13

Responsible for bringing together the organisation's strategic communications, sustainability and stakeholder management. As the custodian of PNB's corporate brand, she upholds its reputation as a distinctive, world-class investment house and drives the formulation and execution of its branding initiatives. Further, she is the vanguard of the organisation's ESG practices, collaborating and integrating as the organisation leads its way towards a Net Zero Future.

HARTINI ZAINAL ABIDIN

Group Head, Company Secretary & Legal

14

Oversees and leads PNB's company secretarial functions and the provision of legal advisory to PNB and its group of companies, as well as administers the business processes of Company Secretary's Department and Legal Department.

FAIRUZ SUZANA HJ. KAMARUDDIN

Group Head, Compliance & Integrity

15

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.

NORAMLY BACHOK @ ABDUL AZIZ

Head, Internal Assurance

16

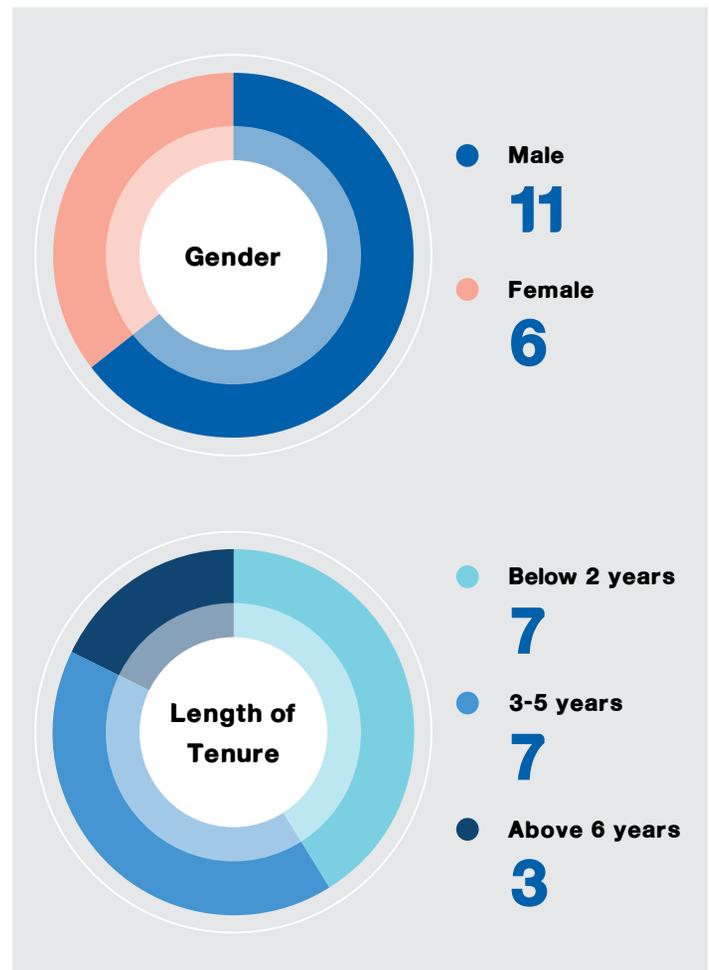
Leads the internal audit function to provide independent and objective assurance and consulting activity, by assessing the adequacy, efficiency and effectiveness of governance processes, risk management, internal controls and quality management systems within the Group.

DR. AHMAD BASRI IBRAHIM

Head, Shariah Management

17

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 ASNB's unit trust products.



Message from The Leadership

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MESSAGE FROM THE GROUP CHAIRMAN

*Dear
Unit Holders,*

As we close another year, my first as the Group Chairman, resilience and agility have once again been important highlights of our company's development. In what has been another challenging year, it is worth reflecting positively on how much has been achieved in shaping our business to meet both society's expectations of us and our own social mandate. That social mandate - to enhance the wealth of the Bumiputera community and all Malaysians - is a constant in all that we do and is far reaching in its influence. We stand for investing effectively, recognising the powerful impact of capital allocation on facilitating positive outcomes, not only for the communities around us, but also for the environment in which we live and the industries that will shape our future.



Tun Arifin Zakaria
Group Chairman

Message from the Group Chairman



PNB has continued to deliver reasonable returns to our unit holders, kudos to the hard work of our esteemed and committed colleagues.

DELIVERING STRATEGIC GROWTH

Despite the challenging financial environment, PNB has continued to deliver reasonable returns to our unitholders, kudos to the hard work of our esteemed and committed colleagues. Throughout the year, we have seen a marked improvement driven by the fund's ongoing diversification strategy, which has generated a strong performance from its global equity investments alongside a more subdued domestic equity market. For the year under review, PNB's international investments formed 17.0% of the portfolio as compared to 8.5% in 2019. Similarly, the investment in fixed income increased from 6.4% in 2019 to 6.5% while the investment in real estate increased from 3.4% in 2019 to 5.2% in 2021. There was a significant payoff from this diversification arising from the relatively better performance from these new investments. Going forward, this more diversified portfolio, including into new industries that have gained importance in the post-COVID-19 period and our enhanced risk management capabilities is set to enhance the potential for improved future performance.

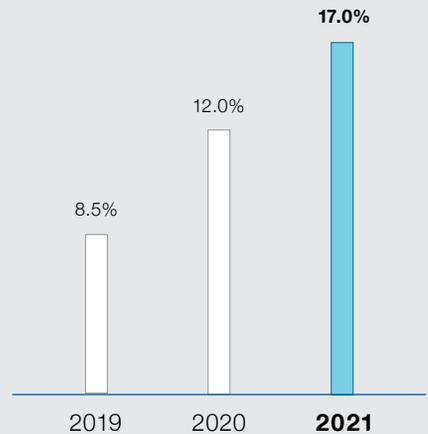
GENERATING FUTURE VALUE THROUGH SUSTAINABILITY AND STEWARDSHIP

We are committing ourselves towards adhering to Environment, Social and Governance (ESG) considerations in our entire operations. Our intentions are to align ESG systematically into all investment activities; to maintain transparent ESG communications with stakeholders; and to ensure our corporate behaviour exhibits strong ESG practices. In relation to this, we had launched our inaugural Sustainability Framework in April 2022 which stemmed from an extensive internal review, in our endeavour to understand issues that are important to our business and our stakeholders, which included our unit holders, employees, portfolio companies and the wider communities.

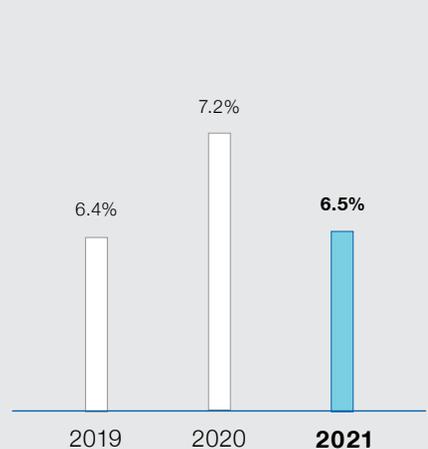
Along with strong underpinning governance, we see the greatest potential for PNB to make an impact in the areas of climate change, diversity and inclusion. These are the three pillars of our sustainability aspirations and I believe that continuously benchmarking ourselves against these pillars is critical for our business and for our stakeholder community. Alongside the three sustainability aspirations are our inaugural ten commitments, which will push us to become a Net Zero Enterprise by 2025, with a Net Zero Portfolio by 2050 and RM10 billion in new Green and Transition assets by 2030. In regard to Social perspective, we are committed to adopting Living Wage policy for our own employees, publishing a labour rights policy paper, driving at least 40% female participation in PNB leadership, and balancing profitability and social investment activities. Finally, we are advocating sound governance practices, by instituting a triple bottom line stewardship model, driving greater transparency in voting and ensuring our reporting disclosures are aligned with the Task Force on Climate Related Financial Disclosures (TCFD).

PNB has had a long-standing commitment to deliver sustainable financial returns as part of our mandate to enhance the wealth of Bumiputeras and all Malaysians and to increase their participation in the corporate sector. Yet, we recognise that what has brought us here is no longer enough to carry us into the future. In a world of rapid change with evolving systematic challenges, such as climate change, unsustainable resource use and inequalities, to name but a few, fulfilling our mandate and delivering returns have become increasingly challenging. These challenges not only pose risks to our portfolio, but also affect our communities and the environment we operate in. At PNB, we are looking to work hand-in-hand with our investee companies to develop value creation plans that would ensure sustainable growth of their operational and financial performance. There is tremendous pressure for companies to not just perform financially, but also to integrate ESG aspects into their business. PNB's stewardship and sustainability frameworks are two areas of focus in assisting to create value for our stakeholders.

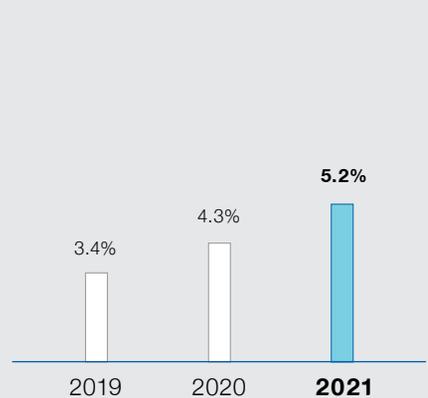
INCREASED INTERNATIONAL INVESTMENTS



INCREASED FIXED INCOME INVESTMENTS



INCREASED REAL ESTATE INVESTMENTS



Message from the Group Chairman



Launching of Minggu Saham Digital 2021.

We work in partnership with ministries, NGOs and government agencies that provide frontline services to our communities and were glad to be able to play a small part when our communities needed help this year. In 2021, we donated RM24.5 million to ensure those frontline services could continue to deliver their critical support to people in need. This included the Ministry of Health, the Fire and Rescue Department of Malaysia, the Malaysia Civil Defence Force, Jabatan Sukarelawan Malaysia (RELA), National Disaster Management Agency (NADMA), Yayasan Sejahtera and Yayasan Ikhlas and Ikatan Pengamal Perubatan Muslim Malaysia (I-MEDIK). Financial aid amounting to RM7.9 million was also directed to Flood Relief Programme in 2021.

MAINTAINING THE STRENGTH OF OUR BOARD

The long-term success of our business relies heavily on the way the Board fulfils its responsibilities to its stakeholders. This means operating in the interests not only of clients and shareholders, but also in a way that acknowledges the role we must play in the wider society. This includes matters concerning those in our employment and many groups and individuals more widely, from the need to foster the company's business relationships with suppliers, to the impact of our operations on our local communities.

In May, we welcomed Datin Norazah Mohamed Razali to the Board. Datin Norazah brings more than two decades of experience in leadership positions in consultancy, in particular from her time at the Boston Consulting Group. Joining the PNB Arts Committee during the year was Dato' Nafisah Radin and Cik Suridah Jalaluddin. New members to the Shariah Advisory Committee include Encik Wan Abdul Rahim Kamil Wan Mohamed Ali and Professor Dr. Mohamad Akram Laldin. Sadly, Tan Sri Dato' Seri Dr. Haji Harussani Haji Zakaria, who was a member of the Shariah Advisory Committee, passed away in 2021. We are indebted to Tan Sri Dato' Seri's many contributions to the Group and know that his legacy will live on. On behalf of the Board and shareholders, I would like to express our condolences to his family and thank him for his dedication and commitment throughout a transformational period in the company's history.

GIVING BACK TO THE COMMUNITY

Since inception, PNB has always played a significant role in nation-building. We invest time, expertise and funding into long-term programmes to help build more resilient and sustainable communities. With a proud heritage of making a difference and creating positive long-lasting impacts, we understand that it is important for PNB to be an active and engaged role player. Our Corporate Social Responsibility (CSR) pillars of Education, Community Upliftment, Financial Literacy and Knowledge Sharing have led to several programmes that are designed to deliver real and tangible benefits to our stakeholders as we address the needs of society.

We aim to break down barriers and create a world where everyone is given fair opportunities to maximise their potentials. Through the education pillar of our programme, we are helping communities to prepare for the future. Among these programmes are the PNB Global Scholarship and Yayasan Tun Ismail Awards, which produced more than 400 scholars since its inception. In addition, we offer scholarships through the PNB Chartered Accountant Initiative, PNB Employees' Children Scholarship Award, PNB-Kolej Ilmu Scholarship Programme and Bantuan Untuk Pendidikan (BUDI) programme.

At PNB, we believe that better financial literacy could help foster a more cohesive economic

development. Given the various market forces affecting the global economy and financial markets, becoming more well-versed in financial matters could empower Malaysians to make smarter financial decisions. Our inaugural Minggu Saham Digital (MSD) in 2020, which was a digital adaptation of Minggu Saham Amanah Malaysia (MSAM) was a resounding success, reaching 2.2 million views and garnering 7.5 million unique visits. MSD was driven on two overarching themes, that of the inclusion of educational goals in each programme to incorporate more financial literacy content and refining our content to target different layers of society in view of encouraging greater digital participation.

Beyond this, through ASNB, we organise programmes such as Fiesta Labur, Kuiz Pelaburan and Seminar 360. Each programme is mainly aimed at imparting knowledge about financial literacy and sharing information about ASNB's products and services. All three programmes were moved to online platforms due to COVID-19 restrictions but were nevertheless well received by the public.

PNB also hosted two knowledge forums in 2021. Each was held on virtual platforms and featured renowned local and international speakers. The forums covered the topics of 'Rising Above COVID-19: Reimagining Work in Malaysia and Beyond' and 'Climate Change: A New Green Deal for Malaysia'.

Message from the Group Chairman

OUR PEOPLE

PNB's success is built on our reputation and values, our diversified business model, our financial strength and above all on the quality, professionalism and commitment of our people. Although there is still much for us to do as an organisation as we confront high levels of disruption and market volatility, we could not have delivered these results or contributed to wider society in the way we have if our employees had not risen to the challenge of these extraordinary times. On behalf of the Board as a whole, I would like to thank them for what they have done and continue to do for PNB.

MERDEKA 118

The excitement of Merdeka 118 is reaching fever pitch during the year under review with the completion of the spire, the final piece of the tower's external structure. This significant milestone was celebrated at an official ceremony that was graced by Prime Minister YAB Dato' Sri Ismail Sabri Yaakob on 30 November 2021. Overall progress of the tower construction stands at 90% as at April 2022, with the tower on track for its targeted completion of Q4 of 2022. With its completion, Merdeka 118 takes its rightful place as Malaysia's new iconic landscape - more than just an office tower, it will be a differentiated development with a big tourist component (The View at 118) and a location next to the historical centre where the Nation declared its independence. Given that there are numerous components to Merdeka 118, we expect long-term sustainable returns from the overall development and foresee realisation of the investment over a 10 to 15-year period.

LOOKING AHEAD

We saw a glimmer of hope at the tail-end of 2021, after a challenging macro-economic landscape for the better part of the year. Economies around the region began to open on strong vaccination rates, bringing hope that they will not only remain open consistently throughout 2022 but will pave the way for the lifting of all border control restrictions globally.

Supply chains remain under strain as they are restructured for security of supply and as recovering demand exposes shortages of critical components, such as microchips. Inflationary

pressures abound in freight, logistics, energy and food processing to name but a few industries. Confidence that such inflationary pressures are transitory has receded in most countries, with expectations around the timing and number of interest rate rises brought forward.

We expect positive real global GDP growth in 2022, which will continue to be uneven across each region. Growth in major advanced economies (i.e. US, Eurozone, UK, Japan) is expected to moderate on the fading effects of huge monetary and fiscal stimulus programmes, tighter financial conditions, inflationary pressure and Ukraine conflict. In contrast, ASEAN-6 growth is expected to expand on broader and sustained economic recovery amid reopening of domestic economies and borders, continued expansion in global and domestic demand, and better than expected employment and income conditions supporting domestic spending.

The outlook is not universally bleak. Until the recent escalation in geopolitical turmoil, there were many encouraging signs. Much was learned during the pandemic around working practices, both for companies and individuals, that can drive the productivity needed to build the higher-wage economy that we desire.

But difficult times certainly lie ahead, and it is undoubtedly a time to be grateful for our capital strength. We enter this period with an invigorated leadership team aligned to our strategic focus and considerable human talent committed to supporting our unit holders, as they navigate through a new and unwelcome geopolitical landscape.

At Board level we remain committed to supporting the investment in the insight, innovation and talent needed to protect stakeholder interests and underpin the future growth that will deliver sustainable value over the long term.

TRIBUTE

In closing, I wish to express my sincere appreciation to fellow board members of PNB and ASNB for their wisdom in helping to steer the companies in ensuring a sustainable return to our unit holders. Similarly, I wish to put on record my gratitude to the management team under the stewardship of Encik Ahmad Zulqarnain Onn, the President & Group Chief Executive, for their hard work and unwavering commitment in successfully steering the companies during this challenging time. May the blessing of Allah be with us all.

TUN ARIFIN ZAKARIA



Prime Minister, YAB Dato' Sri Ismail Sabri Yaakob at the Merdeka 118 tower spire completion ceremony.

THE PRESIDENT & GROUP CHIEF EXECUTIVE'S REVIEW



Ahmad Zulqarnain Onn
President & Group Chief Executive

*Dear
Unit Holders,*

2021 has been a year of commendable growth despite unique external conditions.

While it has been a challenging year on so many fronts, these pressures have also caused enormous change. We have seen the tectonic shift towards digital adoption as a result of the pandemic changing consumer behaviour, in addition to the rapid acceleration in the importance of Environmental, Social and Governance (ESG) issues for consumers, investors and policy makers. Thus, in a year that was punctuated with change, PNB has responded with strength and resilience to deliver value for our stakeholders. We remained focused on the execution of our long-term strategy, which has yielded positive returns and resulted in greater income contribution from global investment assets and high dividends from domestic investments.

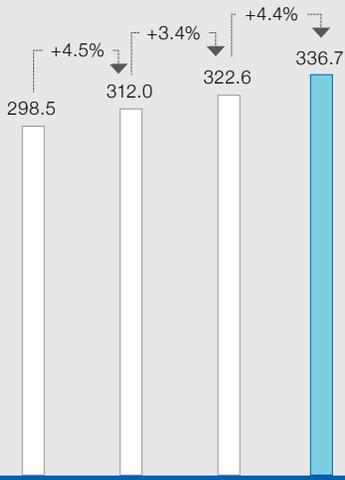
The President & Group Chief Executive's Review

Key Accomplishments in 2021

Our Assets Under Management (AUM) increased from RM322.6 billion in 2020 to RM336.7 billion in 2021. Units in circulation increased from 264 billion units to 276.2 billion units during the same period under review. The trust and confidence that Malaysians have in PNB is reflected in the increase in the total number of account holders of all 16 ASNB funds, from 14.5 million in 2020 to 14.8 million in 2021. PNB also continued to provide competitive returns to our unit holders in 2021, with a total payout of RM12.3 billion for all funds. Our fixed price Unit Trust Funds (UTFs) continue to perform above the benchmark of Maybank 12-month Fixed Deposit rates, whilst variable price UTFs recorded better total returns comparative to the KLCI annual price returns.

Assets Under Management currently at RM336.7 billion

Asset Under Management
(RM bil)

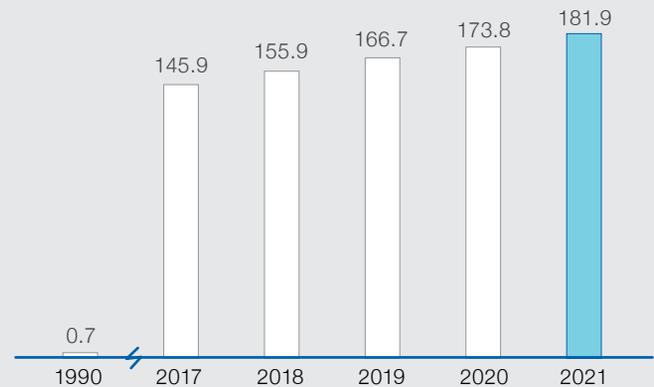


	2018	2019	2020	2021
Proprietary	46.9	47.9	49.6	51.3
UTFs	251.6	264.1	273.0	285.4

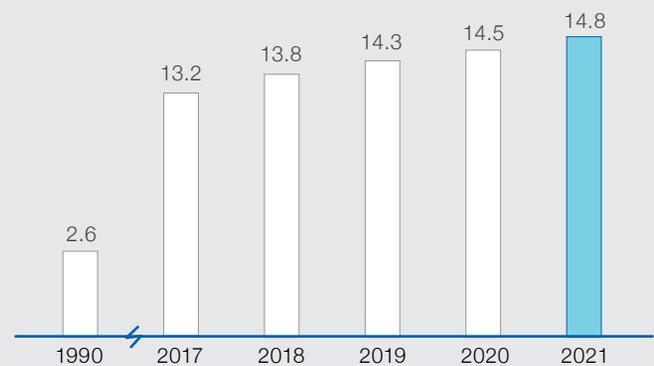
Our flagship fund, ASB, remains an essential savings and investment tool for Bumiputeras and serves as a basic necessity for financial planning, increased its units in circulation to 181.9 billion units, with the number of unit holders rising in tandem to 10.4 million. ASB continues to deliver sustainable and competitive returns, continually outperforming the benchmark of Maybank 12-month Fixed Deposit rates and the KLCI annual returns. As the global economy and markets rebound from a post-pandemic environment, ASB will continue to play a key role in building the wealth of the Bumiputeras and all Malaysians.

ASB's units in circulation grew to 181.9 billion units, with number of unit holders increasing to 10.4 million

Units in Circulation
(billion units)



Number of Account Holders
(million)



MAKING STRATEGIC PROGRESS THROUGHOUT THE YEAR

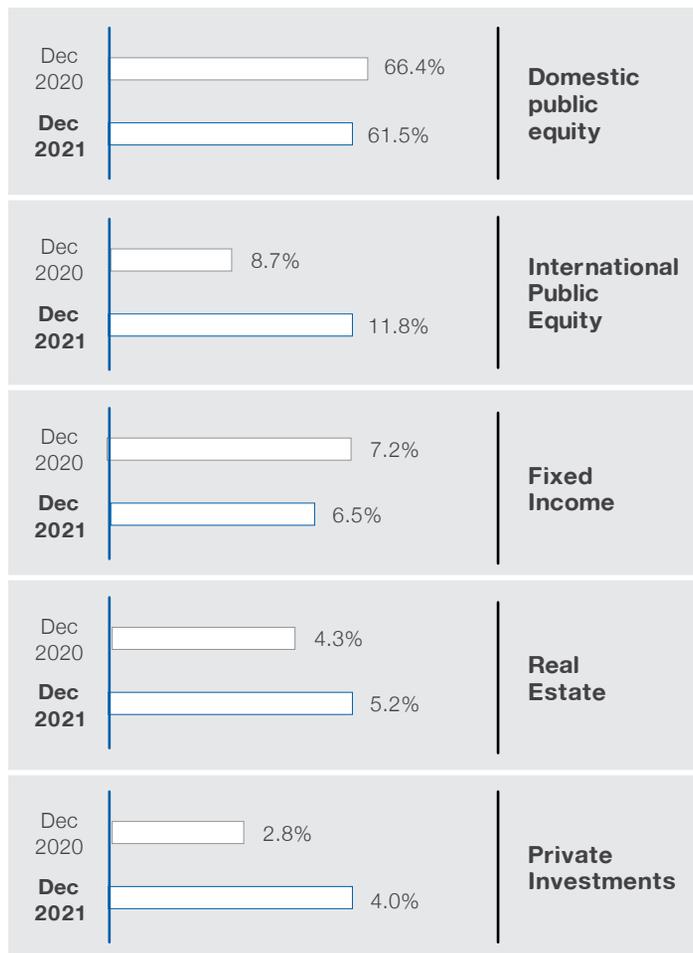
Diversification

We continued to execute our Focus 4 strategy by investing for strong, diversified growth. With a goal of ensuring an all-weather portfolio, our global diversification strategy has yielded positive results, with higher contributions from international equities.

Whilst our portfolio has traditionally been concentrated in domestic equities, we have made tremendous strides in expanding and diversifying our portfolio towards multiple geographies and broader asset classes in view of shielding our investments from volatile and uncertain market conditions.

The President & Group Chief Executive's Review

Our diversification strategy has been progressing well as planned:



In 2021, we participated in six international IPOs, which has enhanced the visibility of the PNB brand in international equity capital markets.

Our Global Fund Investment team partners with global Private Equity (PE) fund managers to further diversify and increase PNB's exposure through commitments into global Private Equity funds across various strategies and regions. The Private Markets Division has a targeted annual deployment and commitment of close to USD1 billion, with about 30% channelled through a Direct/Co-Investments Programme, and about 70% through fund commitments in a Global Fund Investments (GFI) Programme.

Since the implementation of the Private Investment Framework (PIF) in 2017, PNB has achieved significant milestones with committed investments across 28 funds and three Separately Managed Accounts (SMAs), as well as 14 direct and co-investments. The accelerated deployment efforts enabled effective diversification across North America, Europe, and Asia Pacific within various Private Equity strategies including Buyout, Growth, Secondaries, and Co-Investments. To date, exposure in the international public equity markets is well diversified across sectors in both Developed Markets (DM) and Emerging Markets (EM). Our international public equity exposure has doubled from 2020 to around 40% in 2021. In 2021, we committed around RM600 million into eight new funds together with eight renowned PE managers and also approved eight co-investments.

With a higher allocation of 5.2% in FY2021 from 4.3% in the preceding year, our Real Estate portfolio continued to deploy capital into global real estate funds in various countries and segments in line with our Real Estate Investment Framework. Approximately 12% is currently deployed in North America, 26% in Europe and 15% in Asia Pacific, excluding Malaysia, and in various real estate sectors, including logistics and offices where we have been seizing the opportunity by making forays into the supply chain and logistics real estate. In 2021, we committed about RM17.6 billion worth of investments into eight portfolios both domestically and around the world.

Whilst we have been focusing our investments on sustainable growth and defensive sectors that are able to provide stable, recurring yields to act as a cushion against any prevailing market uncertainties, we remain fully invested in our domestic markets. In building an all-weather portfolio, we consider the right asset allocation to generate sustainable returns. We continue to anchor most of the largest IPOs in Malaysia and invest in real estate plays, especially the logistics space which thrives on the momentum generated from e-commerce. In 2021, we participated as a cornerstone investor in two IPOs in Malaysia.

We are constantly pursuing attractive venture opportunities in Malaysia and look for companies with strong ESG credentials, that thrive on mega trends and that will benefit from the reopening of the economy. Additionally, we will explore Private Debt Securities (PDS) and Sukuks amongst other opportunities.

The President & Group Chief Executive's Review

VALUE CREATION

Under our second Focus 4 pillar, the Stewardship Framework which was launched in 2020 underlines our commitment to Shareholder activism. With an approach to investee communications which considers the areas of capital discipline, governance, organisational health as well as guidance on becoming a value adding investor, the Framework has yielded encouraging results thus far. Initiatives during the year under review included:

1

an Annual Shareholder's Letter to outline PNB's views and objectives;

2

periodic meetings amongst members of the Strategic Investments Council to share best practises and align interests;

3

communicating PNB's Voting Guidelines to promote a transparent and accountable environment; and

4

the production of the PNB Compliance Statement with the Malaysian Code for Institutional Investors in view of ensuring good standards of corporate governance.

ORGANISATIONAL TRANSFORMATION

In improving our core systems and enhancing services to unit holders through accelerated digital initiatives, we continued to introduce digital products and services to simplify investment processes and harness the power of digital technology to promote financial inclusion.

Since its launch in FY2020, our micro investing application, Raiz Malaysia, has paved 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. The application has successfully attracted more than 502,000 sign-ups and almost 2.32 million investment accounts at the end of FY2021. Total funds under management almost reached RM38.5 million, a commendable result from otherwise forgotten change.

The year under review also witnessed the launch of new mobile registration and onboarding features (e-KYC), as well as a goal-based investing function for the myASNB application. With more than 26,000 new unit holders creating new accounts and in excess of 45,000 existing unit holders creating myASNB accounts, achieving one's financial goals has never been made more seamless and convenient for all investing Malaysians.

Target Labour is a goal-based investing facility in the myASNB application which allows you to plan for various financial goals. The feature provides suggestions for monthly investment amounts based on goal targets and provide an overview of your progress towards your goals. Target Labour is open to all ASNB funds.

The President & Group Chief Executive's Review



The official launch of ASN Equity Global fund at Minggu Saham Digital 2021.

PROVIDING CHOICE AND ENHANCING OUR UNIT HOLDERS' EXPERIENCE

Enhancing our unit holders' experience and providing further choice shows our commitment to be responsive and proactive towards our Unit Holder's needs. During the period under review, PNB launched ASN Equity Global, the first ASNB fund entirely focused on global equities and Wakaf ASNB, which looks to open opportunities for ASNB investors to deliver charitable deeds through their ASNB unit trust funds.

ASN Equity Global is our effort in introducing a contemporary investment concept that provides options for investors who are inclined towards megatrend-based global investments and thematic stocks to generate long-term returns. For those Malaysian investors with a higher risk tolerance and seeking higher returns in the long-run, ASN Equity Global fits perfectly within their investment portfolios. I am pleased to report that to date, 836.75 million units have been subscribed by 16,355 investors.

In an institution such as ours, the very core of our existence lies in the trust which is placed on us - trust from all Malaysians and trust in our products and services. During the period under review, ASNB was appointed as a Mutawalli by the Federal Territory Islamic Religious Council (MAIWP), the first of its kind for a unit trust management institution. The significance of this appointment is noteworthy as ASNB is entrusted to manage the wakaf fund for the benefit of ummah and society, with committed levels of governance and professionalism.

Launched during our Minggu Saham Digital (MSD) event, Wakaf ASNB provides opportunities for ASNB investors to donate their unit trusts through Wakaf. These funds will be retained as the principal investment to generate annual potential returns. Subsequently, the returns from the principal investments are channelled to public interest projects annually, even after the investor passes on. The returns will be channelled to Wakaf projects in the health, education and community empowerment sectors as well as for humanitarian missions through a collective evaluation and selection process by the ASNB-MAIWP Joint Wakaf Distribution Committee.

DRIVING THE SUSTAINABILITY AGENDA

We believe that well-governed businesses, run in a sustainable way, will deliver better overall outcomes and provide stronger and more resilient returns for unit holders, and long-term benefits for society. That is why we give due consideration to Environmental, Social and Governance (ESG) risks and opportunities associated with the businesses, buildings and infrastructure which we invest in and manage.

However, the key to our long-term sustainability is not just about making a difference in what we do - it is also how we do it. This means being mindful of the way we run our own business, the impact we have on the planet and our communities, and the opportunity we have to influence others through leading by example. That is why our guiding beliefs around Sustainability involve:

- **ESG driving long-term values**

- Firstly, we believe that by integrating Environmental, Social and Governance (ESG) issues more systematically in our investing and operations, we will be better positioned to seize new opportunities while accounting for rapidly evolving risks in delivering sustainable returns to our unit holders and upholding our social mandate.

- **Responsible leadership**

- Secondly, we also believe that with our size and influence, especially within Malaysia and the greater Southeast Asia region, we have an important role to play to help address the systemic challenges facing our communities and stakeholders today.

- **Collective action and partnership**

- Thirdly, we are cognisant that we alone cannot solve these challenges. Only with collective action and greater partnership between private and public sectors we will be able to make an enduring real world impact and address these challenges effectively.

- **"Walk the talk"**

- Fourthly, to see change in others, we first have to change ourselves. Walk the talk, so to speak.

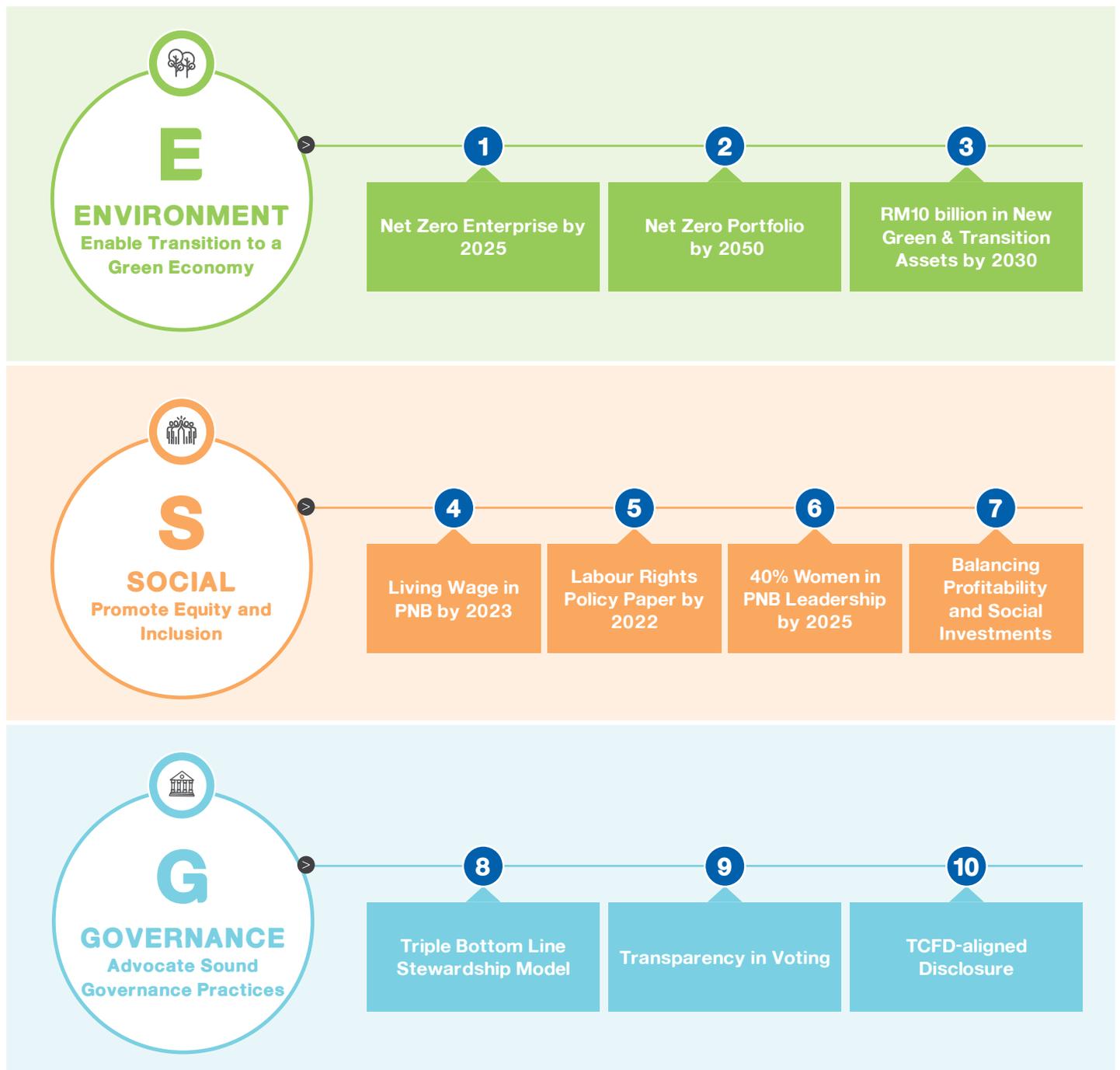
- **Progress over perfection**

- Last but not least, and above all, we believe in progress over perfection. As the science around climate change, a significant component of our Sustainability Framework, continues to evolve, that will not deter us to continue improving on our commitment.

The President & Group Chief Executive's Review

On 21 April 2022, we introduced our Sustainability Framework anchored on three ESG pillars that will drive our sustainability journey forward. These three pillars are further supported by 10 commitments that will see us pursuing a path of decarbonisation where we will prioritise achieving net zero emissions at the enterprise level, besides reducing our indirect emission contributions from our portfolio.

We will also prioritise labour rights, while being more transparent about our voting policies as well as the rationale for our voting intentions at the annual general meetings of our investee companies.



The President & Group Chief Executive's Review

We are committed to tackling climate change in two ways, firstly by demonstrating leadership in our operations and secondly by reducing the carbon emissions and intensity in our own portfolios with a focus on real world decarbonisation towards net zero. In our own operations we have set a target to be net zero by 2025 and have begun the process of measuring our own carbon emissions and charting out the paths needed to reduce those emissions. However, the biggest positive climate impact that we can have is through the portfolios that we manage. In order to enable a transition to a green economy, we will look to rebalance our portfolio such that portfolio emissions reduce over time. Further, we are committed to partnering with our invested companies to help them achieve their climate goals and, together, play our part in tackling climate change.

PNB has a proud heritage of making a difference and creating positive long-lasting impacts. We believe that it is important to be active and engaged, to make our business and society stronger and more resilient. We want our investment to have a sustainable benefit for our communities, our unit holders and our business. Thus, efforts through Corporate Social Responsibility (CSR) remain a cornerstone of our approach. Empowering society through education has been a core aspect of our CSR activities, sponsoring over 5,000 students both in Malaysia and internationally since inception, with the firm belief that education is a game changer for many students and their families. We have a significant part to play in making society more inclusive and resilient, and helping social mobility, so more people can live the lives they want. Our goal is to help empower people to build better futures for themselves, their families and their communities. To achieve this, we are providing upskilling programmes and incorporating the 'living wage' principles into our own compensation policies. We will have opportunities to improve internally as well, by creating greater flexibility in how one's career progresses. However, by far the greatest risk to our portfolio are labour rights issues which could impede the performance of the many Malaysian companies that rely on migrant labour. To mitigate this, our Group's stakeholder engagement agenda will have labour rights as the highest priority, alongside our commitment to decarbonisation.

In advocating sound governance practices, we are of the view that as a responsible and sustainable fund and asset manager, we combine a solid understanding of investment and risk fundamentals with a clear vision of environmental, social and governance factors. We believe that the key to successful investing is creating value; any enterprise that considers the interests of all stakeholders

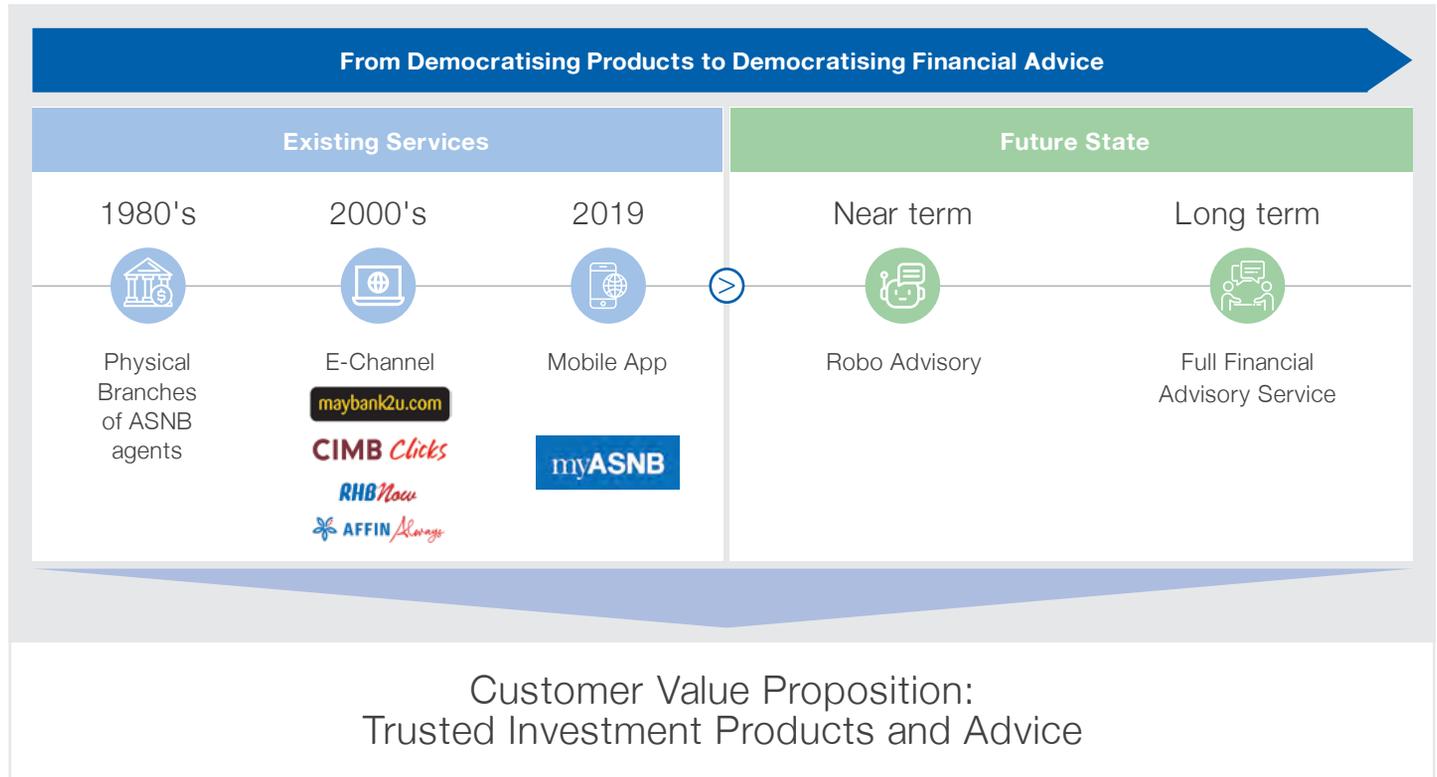
is a well-managed company, and therefore represents a natural investment proposition for long-term investors. We believe that a company's stakeholders are not just its investors, but also its employees, customers, suppliers, the community and the environment and companies earn their license to operate by taking into consideration their financial and non-financial interests. To this end, PNB will be making transparent both our voting policy and our actual votes at companies' general meetings. Our votes will be guided by our voting policy and will create a conduit of communication and engagement between PNB, the investee companies, management and Boards. Any changes to our voting policies will be clearly communicated to the public and investee companies. We have already been publishing our voting intentions ahead of the general meetings, together with our rationale. We believe this will provide valuable input to investee companies, allowing Boards to engage with PNB should parties disagree on a proposed resolution.

THE WAY FORWARD

Over the course of 2021, we have spent considerable time with investee companies, media and policy makers as we seek to communicate our ambitions for the future. Sentiment is starting to shift in a positive direction and we are all committed to taking our stakeholders with us on this exciting journey.

Our next wave of offering begins with democratising access to professional financial advice and planning for ordinary Malaysians, at a low base entry. Throughout our over 40-year history, we have democratised domestic investments by introducing products to Malaysians from all walks of life, with minimal initial investments of RM10 and additional investments of RM1. This same philosophy will be applied to financial advice and planning for all Malaysians, with the belief that every individual is deserving of the right mix of investment assets and portfolio. Tools will be provided to assist different types of investors and be inclusive for all Malaysians through numerous touchpoints. The ultimate aim is to have an advisory process that revolves around fostering a more holistic relationship with investors.

The President & Group Chief Executive's Review



We will continue to judiciously strengthen and diversify our portfolio. This will be supported by a recalibration of our portfolio supported through partnerships with some of the more prominent fund managers. The aim is to grow our AUM and target around 4-5% growth per year. With total market capitalisation of listed companies on Bursa Malaysia at around 9-10%, the headwinds we face revolve around a low interest environment, coupled with high asset valuations. Thus, the ability to determine the right asset allocation by geography and asset classes ensure the portfolio will continue to generate sustainable returns. In looking to create value, we currently employ the traditional methods of asset and stock picking, combined with a top-down perspective, which is informed by long-term macro views and optimal asset allocation targets, with a bottom-up fundamentals-driven approach in asset selection.

Our mid to long-term strategies look to broaden our portfolios and continue with diversification efforts to construct a resilient, all-weather portfolio that is able to counter and lower the portfolio risk as well as generate sustainable returns to our Unit Holders.

Finally, our transition towards an ESG agenda will present tremendous opportunities for PNB, in view of the upside potential from companies that will be valued positively by the market as they improve their metrics in ESG scoring.

ACKNOWLEDGEMENT

In closing, I would like to extend my appreciation to Tan Sri Dr Zeti Akhtar for her guidance and mentorship during her tenure as PNB's Group Chairman. In her place, I warmly welcome our new Group Chairman, Tun Arifin Zakaria, and thank him for steering the Group through a tough and challenging year. I am also grateful for the dedication and counsel given by the Board of Directors of PNB and ASNB who have helped us navigate yet another extraordinary year.

To the various Government Ministries, Agencies, Regulators, Fatwa Councils and Committees and to the leadership and staff of our investee companies, your support and engagement have helped to progress our ambitions and deliver our social mandate and for that, I am truly grateful.

I would like to conclude by paying tribute to our people who have gone above and beyond and kept our organisation going without missing a beat and delivering under extremely difficult circumstances.

AHMAD ZULQARNAIN ONN

A Sustainable Investment Portfolio

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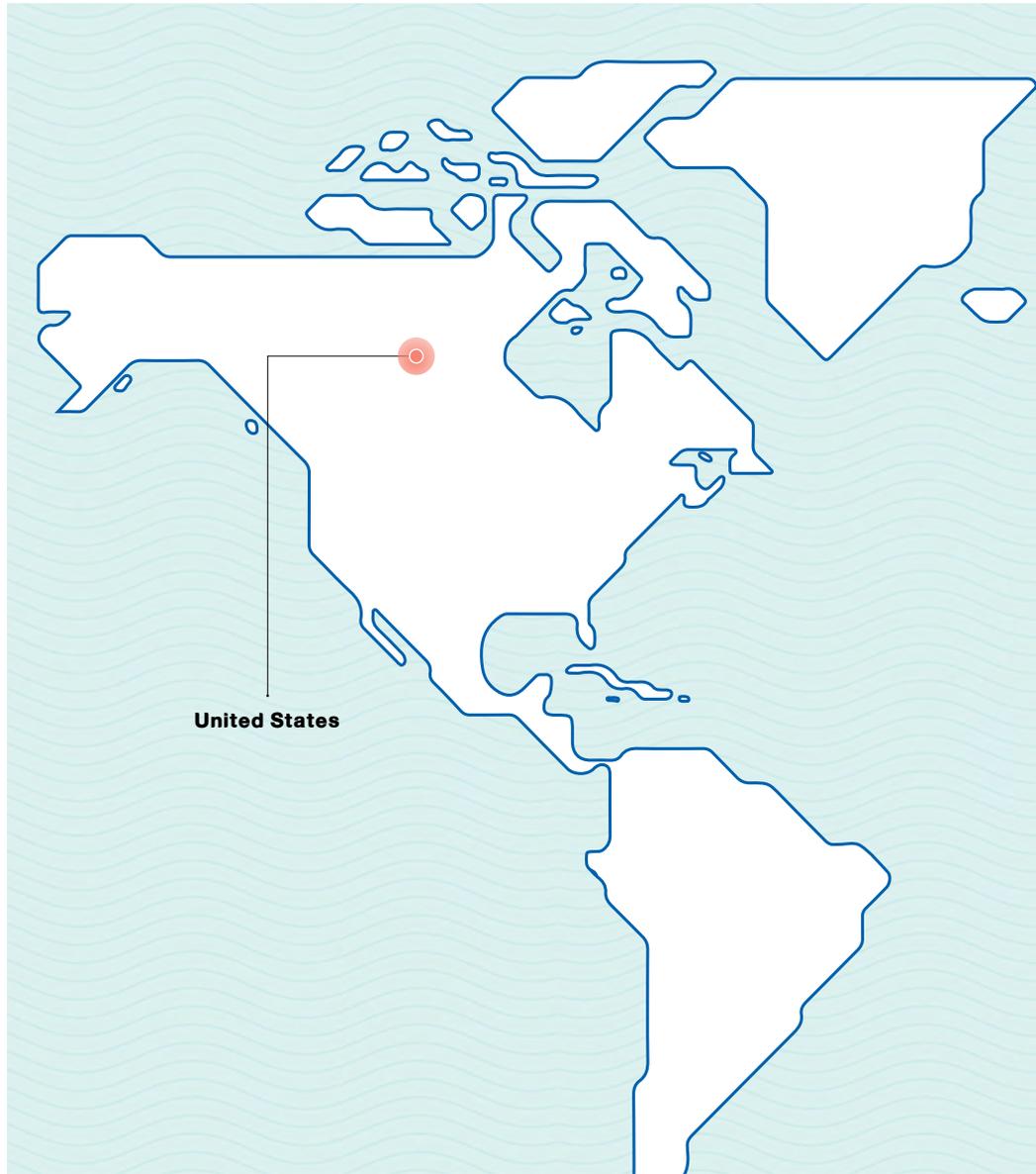
Global Footprint, Investment Philosophy and Process

INVESTMENT PHILOSOPHY

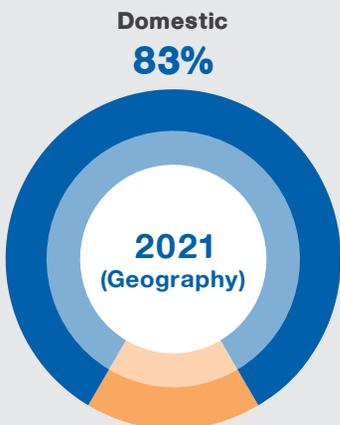
PNB, at its core, employs a value-based investment philosophy that balances various types of investment strategies in different asset classes: from long-term holdings in quality companies with steady recurring yields, to momentum-driven investments with capital gains through trading activities.

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 with a prudent risk profile in delivering sustainable returns to our unit holders.



PNB Group Asset Allocation by Geography (2021)

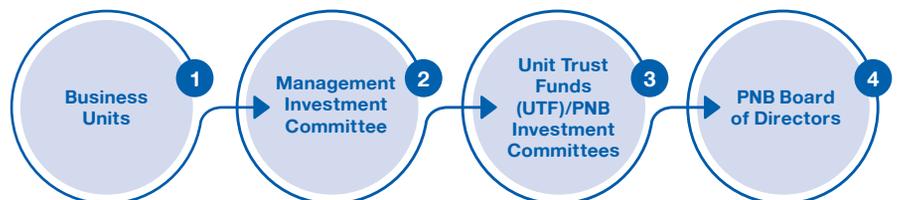


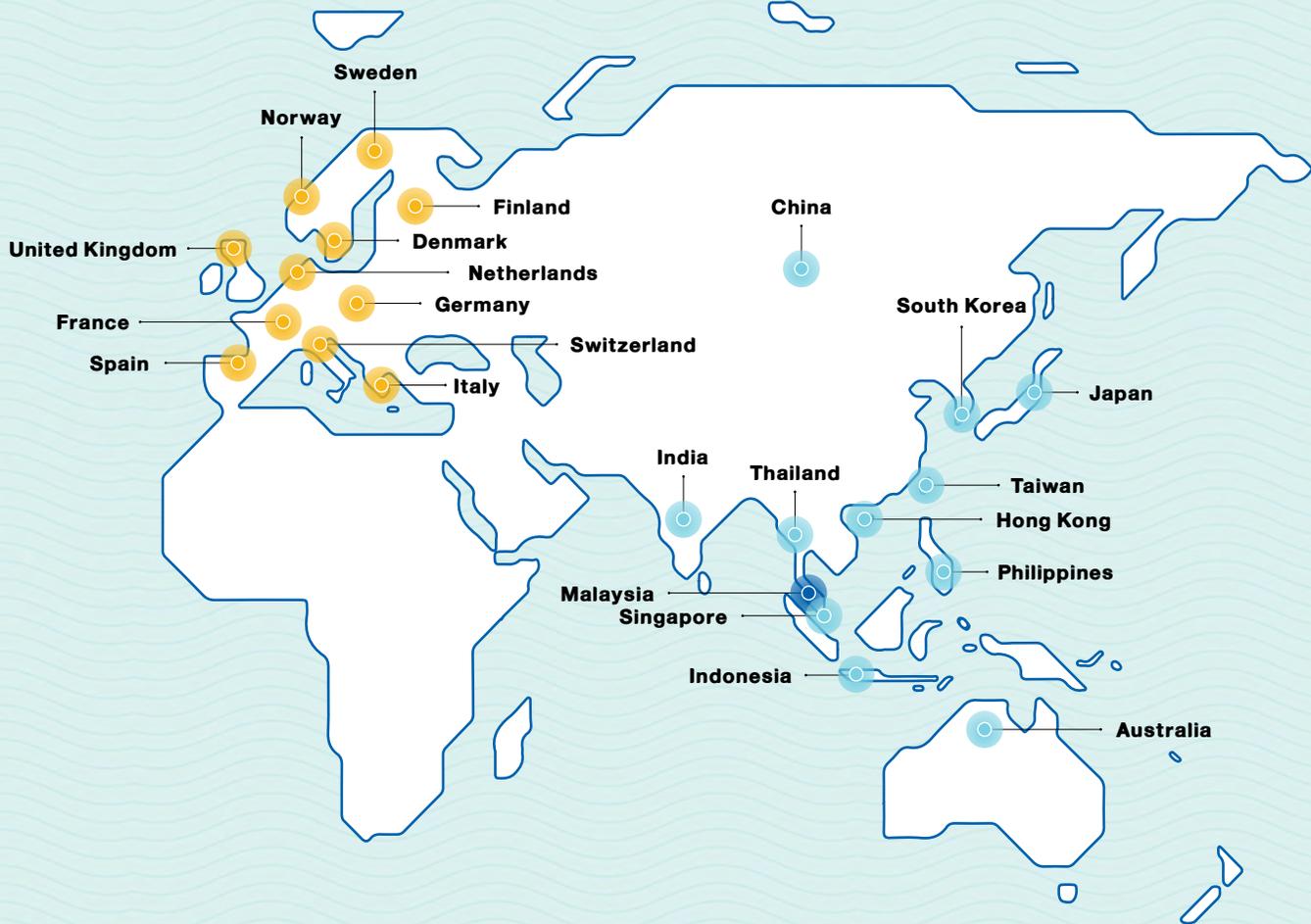
International
17%

Public Equity	69.3%
Real Estate	16.4%
Private Investments	11.2%
Cash & Money Market	3%

INVESTMENT GOVERNANCE

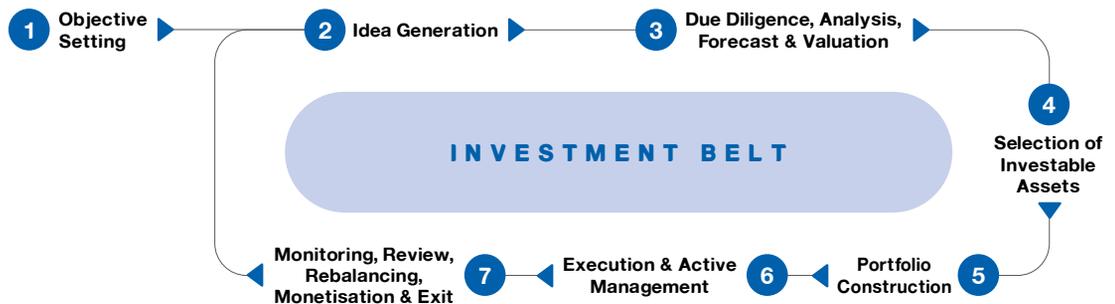
Investment recommendations go through a multi-layer governance process to facilitate effective decision-making through robust checks and balances





**INVESTMENT
PROCESS**

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



Strategic Asset Allocation



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 strategy to achieve better diversification of risk from its portfolio of investments across different asset classes.

Optimal SAA targets for each respective fund are customised to take into account the defined risk appetites, return targets, and investment constraints of the funds under PNB's management. These objectives are further supplemented by our view on the short and long-term outlooks, which include expectations of risk and return levels across the asset classes that we invest in.

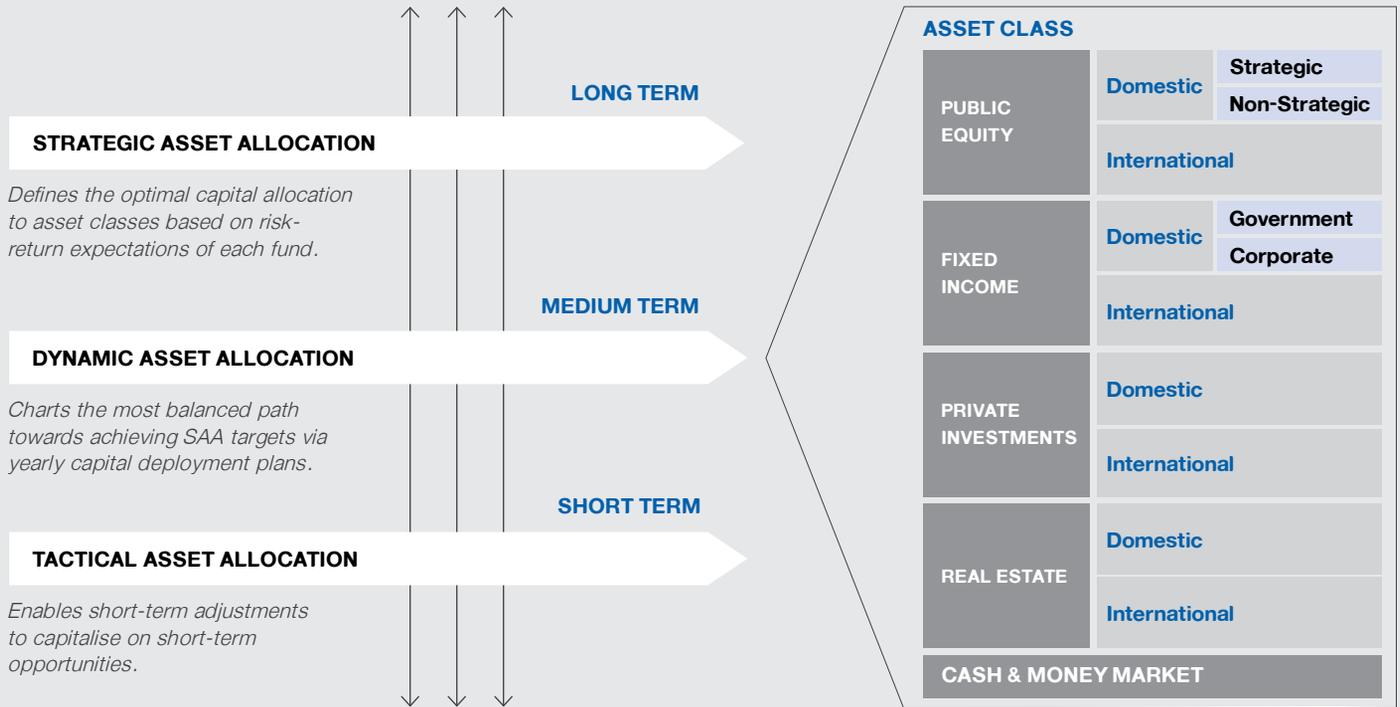
These inputs are developed through an SAA process built around our strong belief in a culture of cross collaboration and collective accountability across the organisation. This is essential in ensuring resources and skills are fully aligned and focused on fulfilling the objectives of our funds and ultimately 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 of our investments, leading to optimal long-term allocation decisions.

Nevertheless, while we remain firmly focused on building portfolios that 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 Dynamic Asset Allocation (DAA) and Tactical Asset Allocation (TAA) respectively, allowing flexibility in deliberate, 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 robust risk management policies which ensure resilience and sufficient liquidity at all times to meet any liabilities when pursuing suitable investment opportunities. We constantly assess and review each fund's deployment path as we prudently chart our portfolio diversification journey forward, while proactively managing the evolving market conditions and immediate liquidity needs.

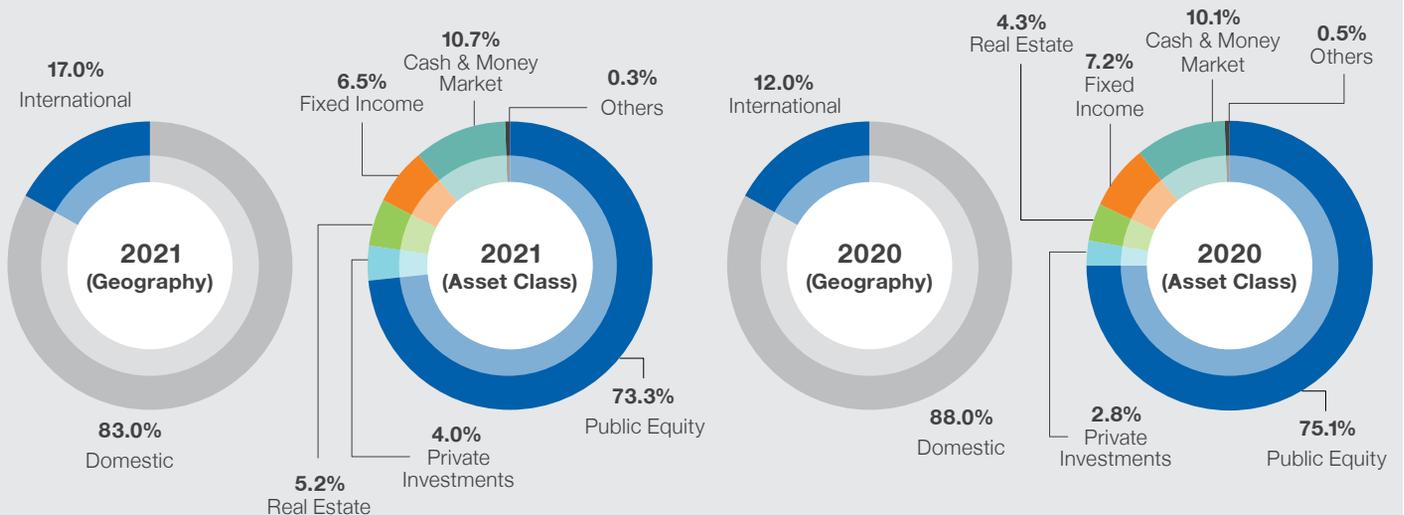
Since the introduction of the SAA Framework in 2017 and the mid-term review in 2019, we have continued to be steadfast in our commitment to accomplishing the objectives of our funds through our ongoing asset diversification strategy. This includes progressively increasing our fixed income and alternative exposures, and judiciously building up our investments in global assets for our current stable of one proprietary fund and 16 unit trust funds, to complement our existing domestic equity holdings. In conjunction with the end of the current SAA cycle by 2022, we also intend to undertake a comprehensive SAA review to set new targets for our growing funds and identify gaps for further improvement in our diversification journey.

Ultimately, our long-term ability to continue upholding our mandate is centered on how quickly we adapt to the evolving global environment. Given our standing and influence, we are cognisant of the important duty to invest responsibly and sustainably. Thus, we aim to further embed Environmental, Social, and Governance (ESG) considerations more systematically in our investment process. Altogether, this allows our funds to be better positioned to seize new opportunities and maximise diversification benefits towards achieving the optimal risk-return balance, hence setting the stage for continuing, sustainable returns in the years to come while also leaving a lasting positive impact on future generations.

SAA FRAMEWORK



PNB Group Asset Allocation by Asset Class & Geography (2021 & 2020)

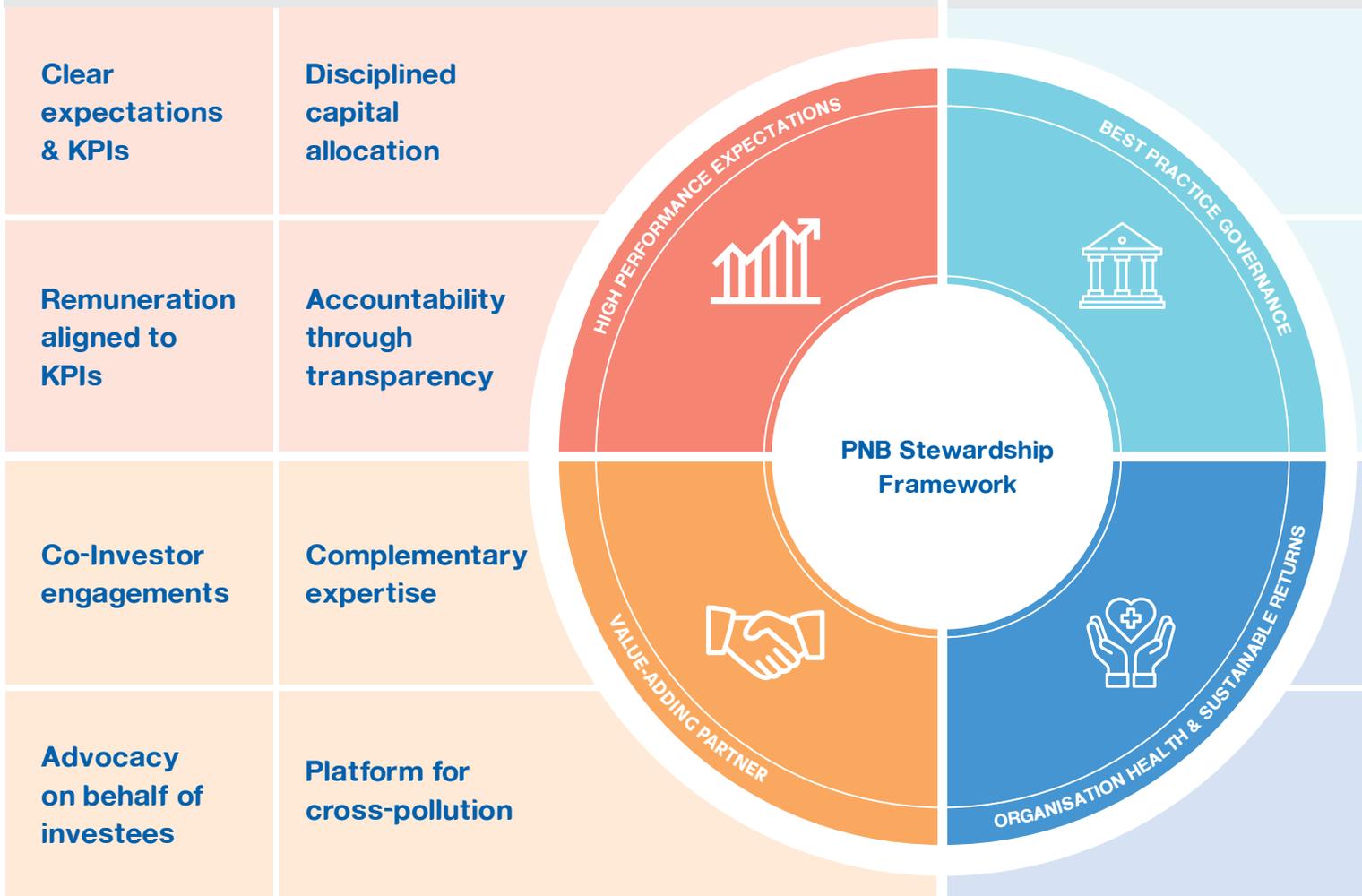


Strategic Investments

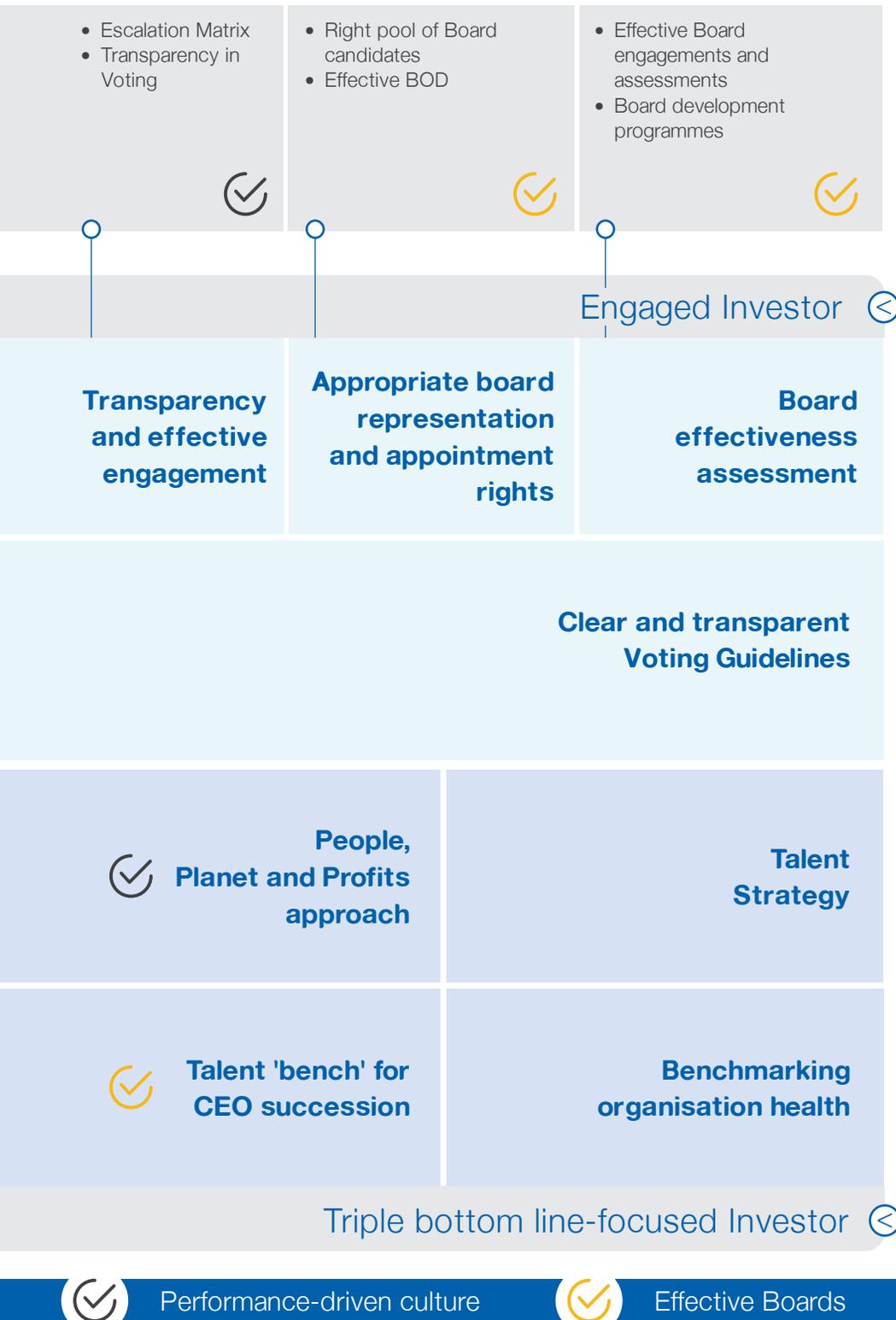
Guided by the PNB Stewardship Framework, we continue to exercise our stewardship responsibilities to ensure our investee companies practise good corporate governance and deliver sustainable, long-term shareholder value.

 New  Refinement

Long-term Steward



Value-adding partner/investor



In 2021, we enhanced the PNB Stewardship Framework to include four elements which involve Transparency in Voting & Escalation Matrix, Governance Effectiveness, Engagements with Co-Investors as well as Adoption of ESG.

The Strategic Investments Council (SIC) continues to drive critical but relevant agendas to Strategic, Core and Controlled companies of PNB, including on People and Sustainability via the People Sub-Committee and the Sustainability Sub-Committee of the SIC, respectively.

People Sub-committee

Drives the synergy among PNB Group of Companies in the area of Talent and Human Capital development, create greater opportunities for capability building through cross-company talent mobility, mentorship and sharing of best practices.

Sustainability Sub-committee

Drives the adoption of the PNB Sustainability agenda among PNB investee companies, creating a platform for sharing best practices and collaboration on sustainability efforts.

We continue to contribute towards the efforts to rebalance our portfolio and diversify across different asset classes and geographical markets.

We monetised about RM1.4 billion holdings in several Core Companies in 2021. These transactions enabled PNB to crystallise long-held investments and reinvest the proceeds, in line with PNB's investment strategy of greater diversification across multiple asset classes.

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 2021.

 MALAYAN BANKING BERHAD Audited FYE 31 December 2021	Revenue	RM25,448 mil	Market Capitalisation	RM98,592 mil
	PATAMI	RM8,096 mil	Shareholding	47%
 SIME DARBY BERHAD Audited FYE 30 June 2021	Revenue	RM44,483 mil	Market Capitalisation	RM15,799 mil
	PATAMI	RM1,425 mil	Shareholding	51%
 Plantation SIME DARBY PLANTATION BERHAD Unaudited FYE 31 December 2021	Revenue	RM18,695 mil	Market Capitalisation	RM26,003 mil
	PATAMI	RM2,257 mil	Shareholding	56%
 Property SIME DARBY PROPERTY BERHAD Unaudited FYE 31 December 2021	Revenue	RM2,220 mil	Market Capitalisation	RM4,047 mil
	PATAMI	RM137 mil	Shareholding	58%
 S P SETIA BERHAD Unaudited FYE 31 December 2021	Revenue	RM3,763 mil	Market Capitalisation	RM5,232 mil
	PATAMI	RM284 mil	Shareholding	61%
 UMW HOLDINGS BERHAD Unaudited FYE 31 December 2021	Revenue	RM11,061 mil	Market Capitalisation	RM3,470 mil
	PATAMI	RM268 mil	Shareholding	61%

Strategic Investments

 VELESTO ENERGY BERHAD Unaudited FYE 31 December 2021	Revenue	RM378 mil	Market Capitalisation	RM986 mil
	PATAMI	(RM91) mil	Shareholding	54%
 DUOPHARMA BIOTECH BERHAD Unaudited FYE 31 December 2021	Revenue	RM639 mil	Market Capitalisation	RM1,582 mil
	PATAMI	RM66 mil	Shareholding	51%
 MNRB HOLDINGS BERHAD Audited FYE 31 March 2021	Revenue	RM2,836 mil	Market Capitalisation	RM877 mil
	PATAMI	RM189 mil	Shareholding	55%
 SAPURA ENERGY BERHAD Unaudited 9 Months Period Ending 31 October 2020	Revenue	RM3,674 mil	Market Capitalisation	RM799 mil
	PATAMI	(RM2,282) mil	Shareholding	40%

Selected Core Companies Shareholding

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

19%	19%	18%	18%	17%
 Axiata Group Berhad	 IJM Corporation Berhad	 Tenaga Nasional Berhad	 Gamuda Berhad	 Telekom Malaysia Berhad
14%	12%	11%	11%	10%
 Bank Islam Malaysia Berhad	 CIMB Group Holdings Berhad	 Digi.Com Berhad	 Maxis Berhad	 Petronas Gas Berhad

Strategic Investments

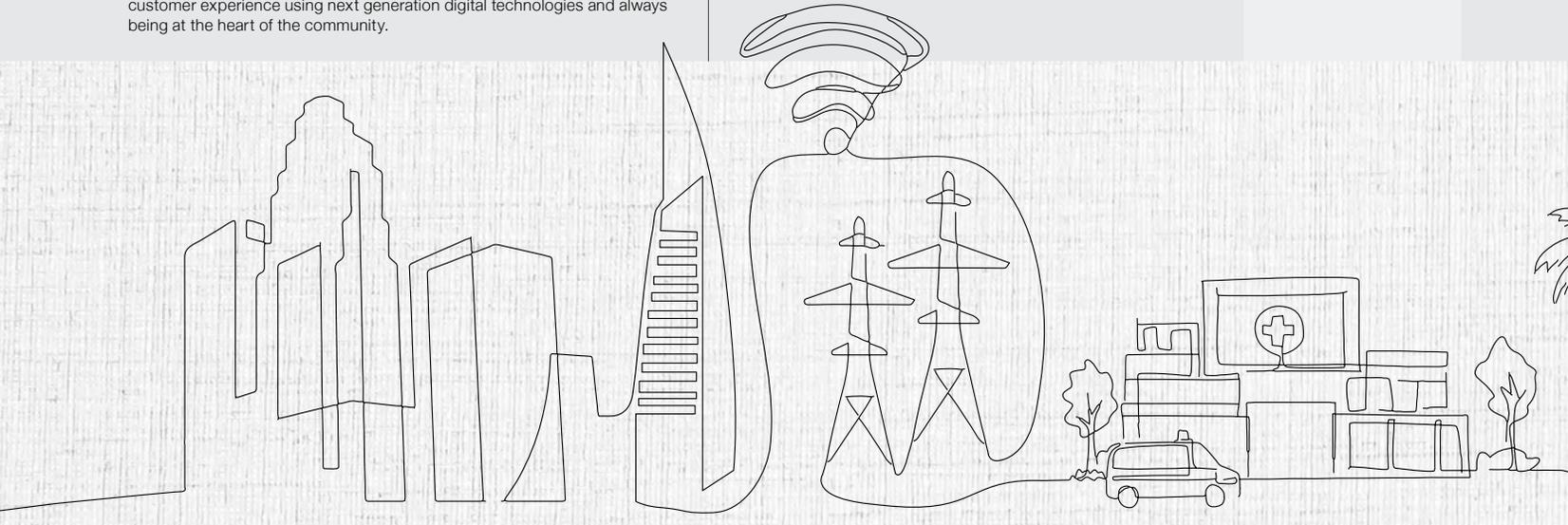
FINANCIAL SERVICES



- Maybank was established in 1960, and today is the largest company by market capitalisation on the Malaysian Bourse (Bursa Malaysia) 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, insurance and takaful, 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.



- 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 leading national reinsurer in Malaysia.
- Takaful IKHLAS Family and Takaful IKHLAS General serves almost 2 million policyholders.



PLANTATION



Plantation

- 200 years ago, enterprising colonials arrived in the Far East looking for fortune and adventure, and planted the seeds for a future beyond anything they could have envisioned. Today, Sime Darby Plantation Berhad stands tall as the largest producer of certified sustainable palm oil and one of the largest plantation companies in the world. With a planted hectareage approximately eight times the size of modern-day Singapore, it is fully integrated, vertically and horizontally, operating along the entire palm oil value chain. Throughout its plantation operations, five R&D centres and 11 refineries around the world, planters, scientists, technologists and refiners work side by side to develop and produce high-quality refined oils and fats products, oleochemicals, palm oil-based biodiesel, nutraceuticals, other palm oil derivatives and agriproducts.
- Supported by a workforce of over 80,000 people across 12 countries, Sime Darby Plantation serves a diverse range of customers in over 100 countries. Through its continuous pursuit of excellence in business, sustainability, research and innovation, Sime Darby Plantation is a partner of choice for its key stakeholders. It is also the first-ever Malaysian company to win the coveted Edison Award for GenomeSelect™ - a high yielding oil palm seed that reduces the need for more land and deforestation, developed over years of collaboration and research with the best minds in the field.

PROPERTY



Property

- Sime Darby Property is Malaysia's pioneering property developer with 50 years of success in the real estate industry. The Group has built over 100,000 homes in 25 townships and developments, with products spanning residential, commercial and industrial properties. Beyond township development, Sime Darby Property is also present across other real estate segments, including Investment & Asset management, as well as Leisure, where it owns the prestigious Kuala Lumpur Golf & Country Club, one of the top golf clubs in Southeast Asia. In the United Kingdom, Sime Darby Property is part of a consortium of Malaysian companies in the iconic Battersea Power Station redevelopment project in Central London.
- As at December 2021, the Group has over 16,000 acres of land bank located strategically on the west coast of Peninsular Malaysia, and a further 20,000 acres under call option agreements. Within its Investment & Asset Management business, the Group operates 5.2 million in net sq. ft. leasable area across commercial, retail, healthcare, education and industrial segments.
- The Group is committed to uphold ESG principles throughout its business and be a Force for Good, guided by its own 2030 Sustainability Goals which are aligned with the United Nation's Sustainable Development Goals. Sime Darby Property is a constituent of the MSCI ACWI Small Cap Index with MSCI ESG Rating of BBB and is rated by the Carbon Disclosure Project.
- In 2021, the Group continues to be recognised as a top property developer in 'The Edge Malaysia's Top Property Developers Awards', achieving the feat for the tenth year running. The Group was also named as 'EdgeProp Malaysia's Responsible Developer: Building Sustainable Development Award 2021', as well as the winner in PwC's 'Building Trust Awards 2021' under the FBM Mid 70 Index category.

Strategic Investments

CONGLOMERATES



- 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 their joint-venture company, Ramsay Sime Darby Health Care, Sime Darby Berhad also delivers award-winning private healthcare in Malaysia and Indonesia.

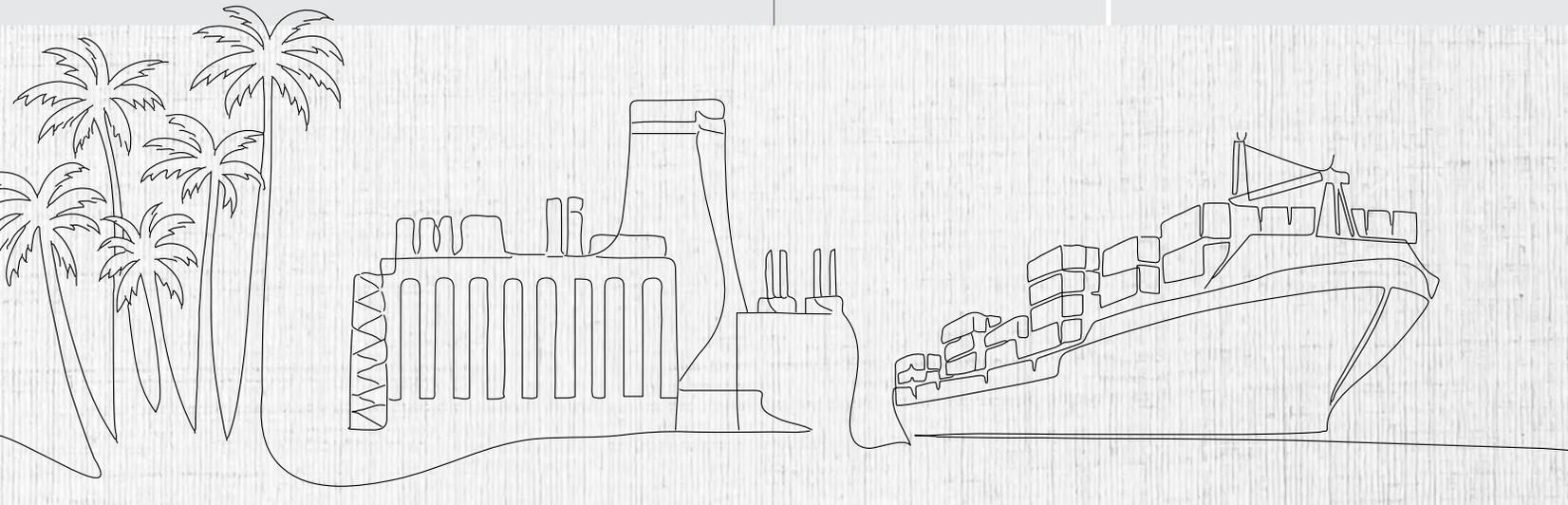


- UMW Group is a leading conglomerate with diverse and global interests in the Automotive, Equipment, Manufacturing & Engineering and Aerospace sectors. UMW Group carries market leading brands, which include Toyota, Komatsu and Grantt - UMW Group's own homegrown lubricant brand - and a host of other major brands.

PHARMACEUTICAL



- Malaysia's largest pharmaceutical company in terms of manufactured sales value and volume.



OIL & GAS



- S P Setia is the largest property developer, by sales, in Malaysia and has established a presence in 7 countries globally.
- The Group has a portfolio that encompasses townships, eco-sanctuaries, luxury enclaves, high-rise residences and niche developments. Its other businesses include construction, retail, wood-based manufacturing and soon to be healthcare and hospitality.
- It holds the record for winning both the coveted No.1 in The Edge Top Property Developer Awards and FIABCI Prix d'Excellence World Gold Awards 13 times.



- Malaysia-based service company with a track record of operating in South East Asia, providing drilling, workover, oilfield and training services to the upstream Oil & Gas industry.
- The largest Malaysian and regional jack-up drilling rig operator with a young fleet of six premium jack-up rigs.
- Recipient of multiple best and good rig performance awards from various national and international companies.



- Sapura Energy Berhad is a global integrated oil and gas services and solutions provider operating across the entire upstream value chain, including renewables. The Group's spectrum of capabilities covers exploration, development, production, rejuvenation, as well as decommissioning and abandonment.
- With a highly skilled and technically capable workforce, versatile strategic assets, and strong project management capabilities, the Group today delivers its integrated solutions and expertise in over 20 countries.

TELECOMMUNICATIONS



CONSTRUCTION



INFRASTRUCTURE & UTILITIES



Public Markets

What we do

THE PUBLIC MARKETS (PuMa) DIVISION OVERSEES THE OVERALL INVESTMENTS OF 16 ASNB UNIT TRUST FUNDS & PNB PROPRIETARY FUND, WITH TOTAL ASSETS UNDER MANAGEMENT (AUM) OF RM336.7 BILLION. IT IS DIRECTLY RESPONSIBLE FOR THE MANAGEMENT OF DOMESTIC PUBLIC EQUITY, INTERNATIONAL PUBLIC EQUITY AND FIXED INCOME ASSET CLASSES.

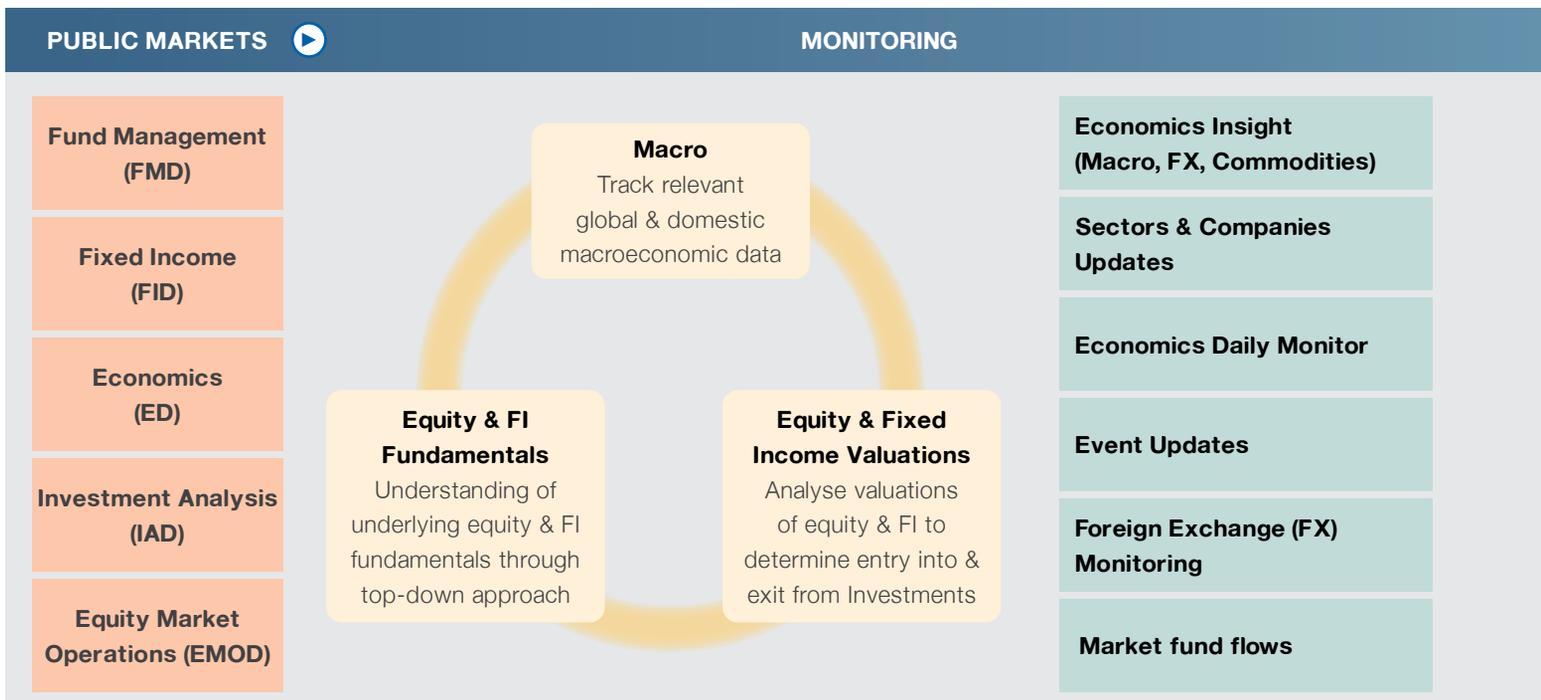


PuMa is one of the four core investment pillars in PNB. PuMa oversees the overall investments of PNB and its Unit Trust Funds (UTFs), whilst also directly managing Public Equity and Fixed Income asset classes, both domestically and internationally.



The division manages a total AUM of RM336.7 billion, comprising assets of 16 ASNB UTFs, which include six fixed-price funds and 10 variable-price funds, as well as PNB's Proprietary Fund.

PuMa IS UNDERPINNED BY A ROBUST, END-TO-END INVESTMENT



PuMa IS RESPONSIBLE FOR DELIVERING FUNDS' MANDATES AND RETURN MANDATES

- 1 PuMa is responsible for delivering the funds' respective mandates of annual income distributions above the 12 Months Fixed Deposit Rate for the fixed-price funds and competitive total returns for the variable-price funds.
- 2 In striving towards achieving the funds' objectives, PuMa is guided by PNB's investment philosophy which is based on long-term, diversified, fundamental-based investing and underpinned by a robust, end-to-end investment process.
- 3 PuMa is made up of several departments: Fund Management, Fixed Income, Economics, Investment Analysis and Equity Market Operations. The departments work as a team with each core component making its own contribution to the investment value chain.
- 4 The team provides global coverage with sector specialisations, underpinning PNB's house view and portfolio strategy. The team also ensures best execution and undertakes continuous monitoring, review and rebalancing of the funds' portfolio.
- 5 PuMa has undertaken various intradepartmental projects and initiatives as well as collaborations with other business units in PNB, to increase operational efficiency and to continuously deliver competitive returns. PuMa conforms to the highest standards of corporate governance with robust internal controls and regulatory oversight, which is internally monitored by the Investment Operations & Governance and Project Management Unit.

PROCESS TO ACHIEVE FUNDS' RESPECTIVE OBJECTIVES

▶ CROSS SPECIALISATION ▶ OUTLOOK, STRATEGY & IDEA GENERATION ▶ ACHIEVING TARGETS

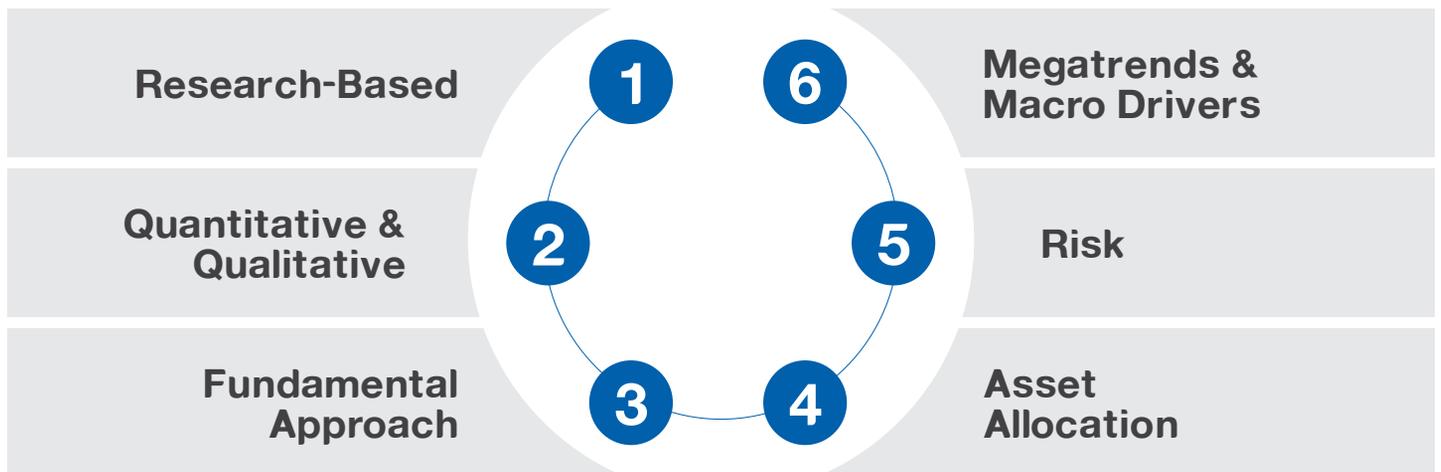


Public Markets

Investment Philosophy and Approach

PUBLIC MARKETS UPHOLD PNB'S INVESTMENT PHILOSOPHY APPROACH

PNB's Investment Philosophy Approach provides a strong foundation to PNB and its UTFs' investments in equity and fixed income, both domestically and internationally.



Investment decisions are guided by long-term, fundamental-based investing, combining both top-down and bottom-up approaches. Studies of macroeconomic indicators and megatrends drive top-down investment views that underpin region and sector weighting decisions. Comprehensive research across sectors and companies, guided by long-term fundamental parameters support investment decisions and recommendations in stock selections.

GLOBAL INVESTMENT APPROACH

Identifying Global Megatrends

In-depth study of global trends are made constantly to identify the ongoing and prospective Global megatrends

Fundamental Analysis

> 30 years of macroeconomics and capital markets experience, anchored on fundamental analysis

Investment Themes

Global megatrends are being drilled down to potential companies that may turn out as winners

Superior Stock Selection

Deploying stringent screening process and in-depth analysis to identify quality stocks with potential upside

Public Markets

Public Equity Asset Allocation

PUBLIC EQUITY IN PNB AND ITS UTFS' MAIN ASSET CLASS

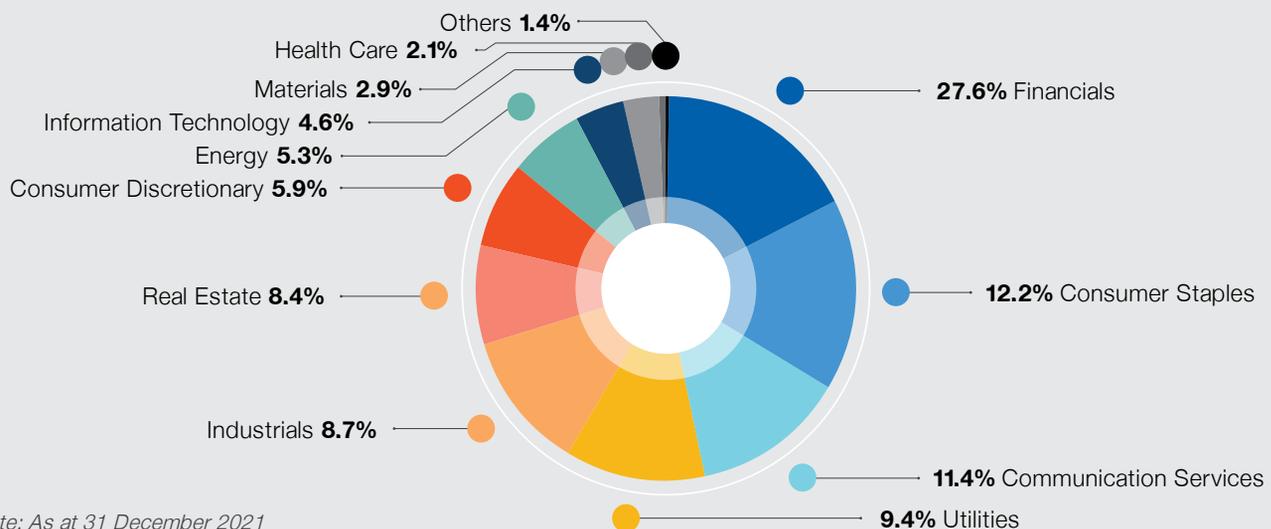
Public Equity remains the major asset class invested by PNB and its UTFs. Investments in Public Equity are guided by the Strategic Asset Allocation of the respective UTFs. Investments in Malaysia continue to be our mainstay, standing at 83% of PNB and its UTFs' total assets.

In the domestic space, PNB and its UTFs continue to be invested across all sectors, with a larger exposure in the financials, real estate, utilities, communication services and consumer staples sectors.

Domestic equity serves as the funds' long-term strategic and core investments.

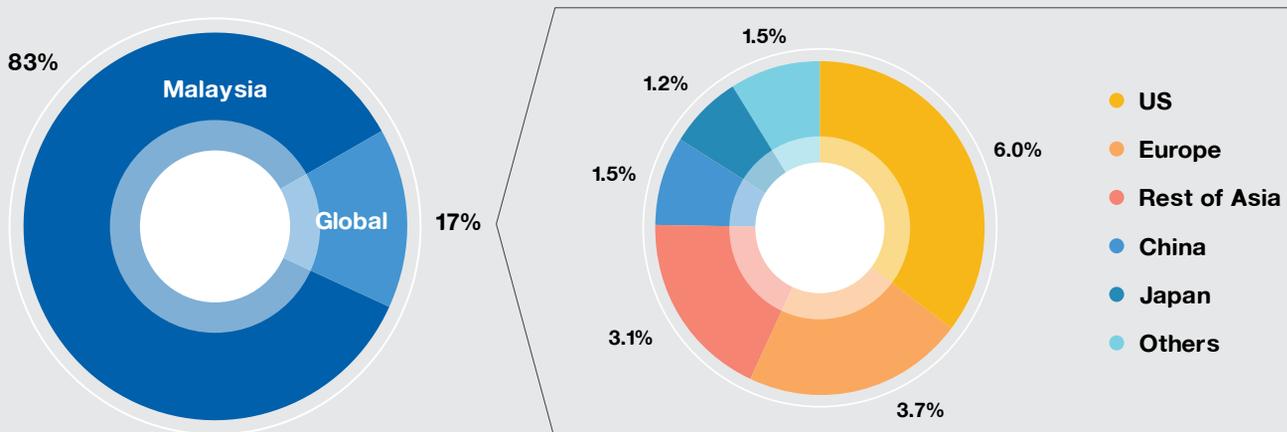
On the international front, PNB and its UTFs have taken on a more tactical and opportunistic investment approach. To date, exposure in the international public equity markets is well diversified across sectors in both Developed Markets (DM) and Emerging Markets (EM).

PNB AND UTFS TOTAL PUBLIC EQUITY SECTOR DIVERSIFICATION



Note: As at 31 December 2021

PNB AND UTFS GLOBAL PUBLIC EQUITY DIVERSIFICATION



Note: As at 31 December 2021

Public Markets

Equity Market Performance: 2021 Key Highlights

GLOBAL PUBLIC EQUITY MARKETS CONTINUED TO CLIMB HIGHER IN 2021

2021 has been an outstanding year for public equity returns globally. Global equity benchmark MSCI ACWI Islamic Index (MIWD) recorded a total return of 19.02% marking the onset of economic recovery post COVID-19 outbreak in 2020. Risk events such as new variants of concern such as Delta and Omicron, persistent inflation and the energy crunch did introduce volatility to the market. However, the reopening and recovery narrative managed to carry the optimism to year end.

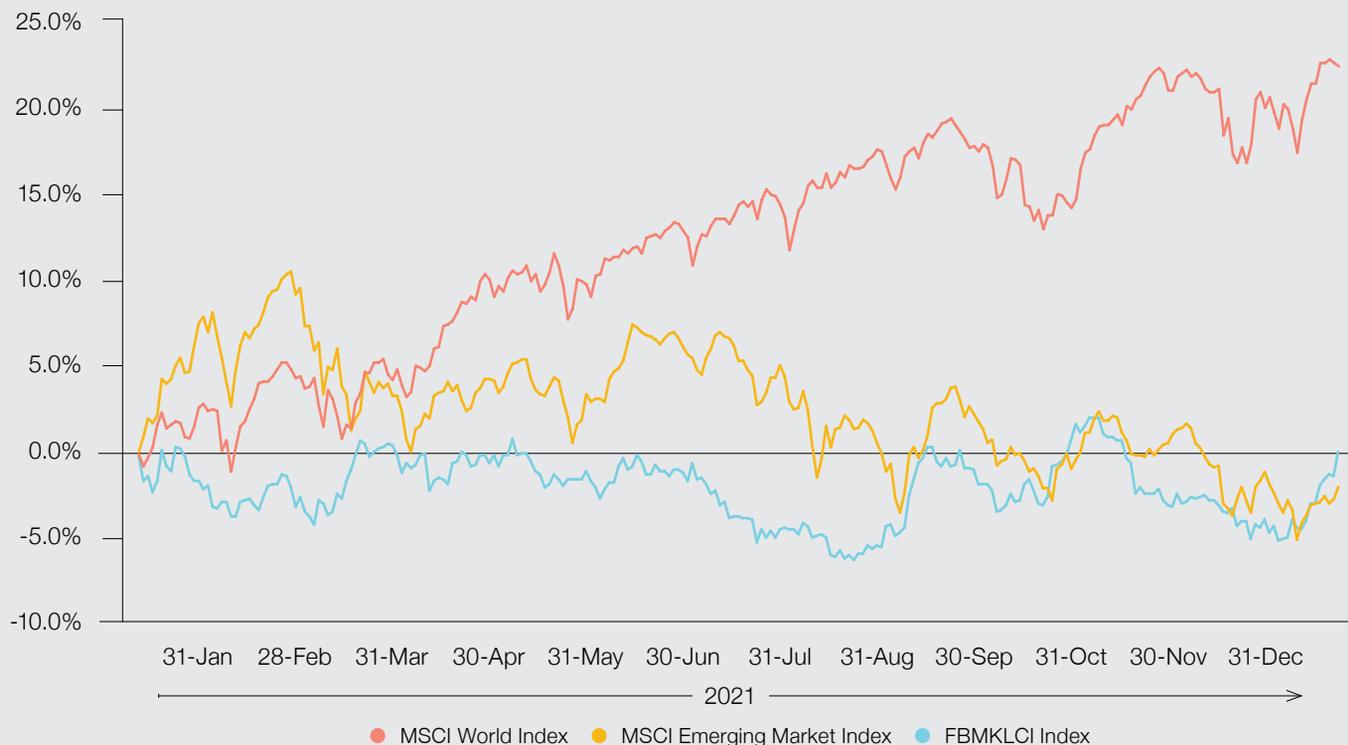
Returns have been mostly skewed to the Developed Markets (DM) with MSCI World Index recording a total return of 24.85%, given earlier vaccination and faster reopening of economies. On the other hand, MSCI Emerging Markets Index was left trailing at -2.47% return on concerns surrounding China's regulatory development and macroeconomic slowdown. All sectors returned positively with cyclical sectors such as Financials (22.0% YoY) and Energy (29.9% YoY) leading the outperformance.

DOMESTIC MARKET RETURNED FLAT IN 2021

In contrast to the DMs, the domestic equity benchmark FBMKLCI Index (KLCI) returned flat, with a total return of 0.33% for 2021. The strict movement control order (MCO) throughout the year dampened market performance.

The market saw a rebound in October but was short-lived upon the announcement of Cukai Makmur and potentially higher stamp duty cost impacting earnings growth and sentiment. The FBMKLCI gained ground again late in the fourth quarter of 2021, as an expected stronger economic recovery and increasing yield environment would underpin better 2022 earnings prospect for sectors such as Financials, which account for the highest sector exposure in FBMKLCI.

MAJOR BENCHMARK INDEX TOTAL RETURN PERFORMANCE 2021



Public Markets

Participation in Capital Markets

PNB AND ITS UTFs ACTIVELY TRADE IN THE MALAYSIAN PUBLIC EQUITY MARKET AS WELL AS IN PRIMARY MARKETS

In 2021, PNB and its UTFs continued to be active in the Malaysian market, participating actively in daily trades on Bursa Malaysia as well as in primary deals via placements, blocks and IPOs. PNB continued to be a significant market player with 10% participation rate in the domestic market which translated to total transactional value amounting to RM22.5 billion, actively supporting the domestic market both as a buyer and seller in 2021.

PNB and its UTFs participated in the largest domestic IPO offering in 2021, the RM1.2 billion deal of CTOS Holdings. CTOS is a credit reporting agency with a 71.2% market position in Malaysia, with outstanding growth and adoption by both individuals and businesses. PNB continues to heed investment opportunities that offer growth particularly relating to new technologies and innovations.

GREATER PARTICIPATION IN GLOBAL IPOs, EXPLORING NEW TERRITORIES WITH PIPE AND PRE-IPOs INVOLVEMENT

PNB and its UTFs have also actively participated in global IPOs, taking advantage of a record year in IPO announcements and listings globally. 2021 saw a total of USD437 billion (2020: USD264 billion) in offer size with 1,240 deals done (2020: 811 deals) across the global market. PNB assessed 18 primary deals globally and invested RM2.92 billion in IPOs across various regions. Key focus areas for PNB were megatrend-driven investment opportunities, banking on rapid adoption such as electric vehicles, e-commerce, and super-apps.

PNB and its UTFs also participated in major Private Investment in Public Equity (PIPE) and Pre-IPO deals involving ASEAN decacorns in support of the new internet economy within the region. PIPE and Pre-IPO are new territories underpinning PNB's commitment to innovate to provide robust, long-term returns for our investors.

PNB AND ITS UTFs HAVE HIGH PARTICIPATION RATE OF 10% IN MALAYSIA'S PUBLIC EQUITY MARKET

		2021
Market	Average Volume Traded (mil shares)	5,711
	Year-on-year % change	-22.00%
	Average Daily Value Traded (RM mil)	3,544
	Year-on-year % change	-15.91%
	Value/Trade (RM) PNB & UTFs	0.62
PNB & UTFs	Average Daily Trades (RM mil)	91.8
	Participation Rate (vs val KLCI)	10.0%

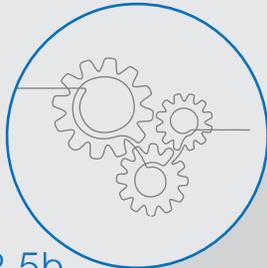
Public Markets

PNB REMAINS AN ACTIVE PARTICIPANT IN THE CAPITAL MARKETS BOTH DOMESTIC AND GLOBAL



Supporting Domestic Market

PNB continues to actively support the domestic market both as buyer and seller in 2021. With a total transactional value of RM22.5 billion, PNB and UTFs continue to have a high participation rate in the domestic market, representing 10% of the KLCI.

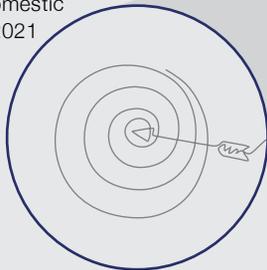


RM22.5b

Total transaction value

RM1.2b

Largest domestic IPO in 2021



Domestic IPO Participation

PNB participated in the largest domestic IPO offering of CTOS Holdings (CTOS) in 2021. CTOS is a leading credit reporting agency revolutionising the personal finance industry in Malaysia.



Greater Participation in Global IPO(s)

PNB assessed 19 deals globally and invested RM2.82 billion in Global IPOs across various regions. Key focus areas for PNB are megatrend driven investment opportunities that are currently experiencing rapid consumer adoption.



18

Primary global deals assessed

USD35b

Value of ASEAN Decacorn



SPAC-PIPE and Pre-IPO

PNB and its UTFs participated in major Private Investment in Public Equity (PIPE) and Pre IPO deals involving ASEAN decacorns in support of the new internet economy within the region.



Public Markets

EFM Progress and Deployment

2021 MARKED UTFS' FIRST OUTSOURCING JOURNEY IN GLOBAL PUBLIC EQUITY

PNB had started the outsourcing of its Proprietary Fund back in 1995, for the Asset Manager to deliver a Total Return mandate under Separately Managed Accounts (SMA) arrangement. The Asset Manager continues to be a valuable long-term partner of PNB, with a partnership that began over 30 years ago.

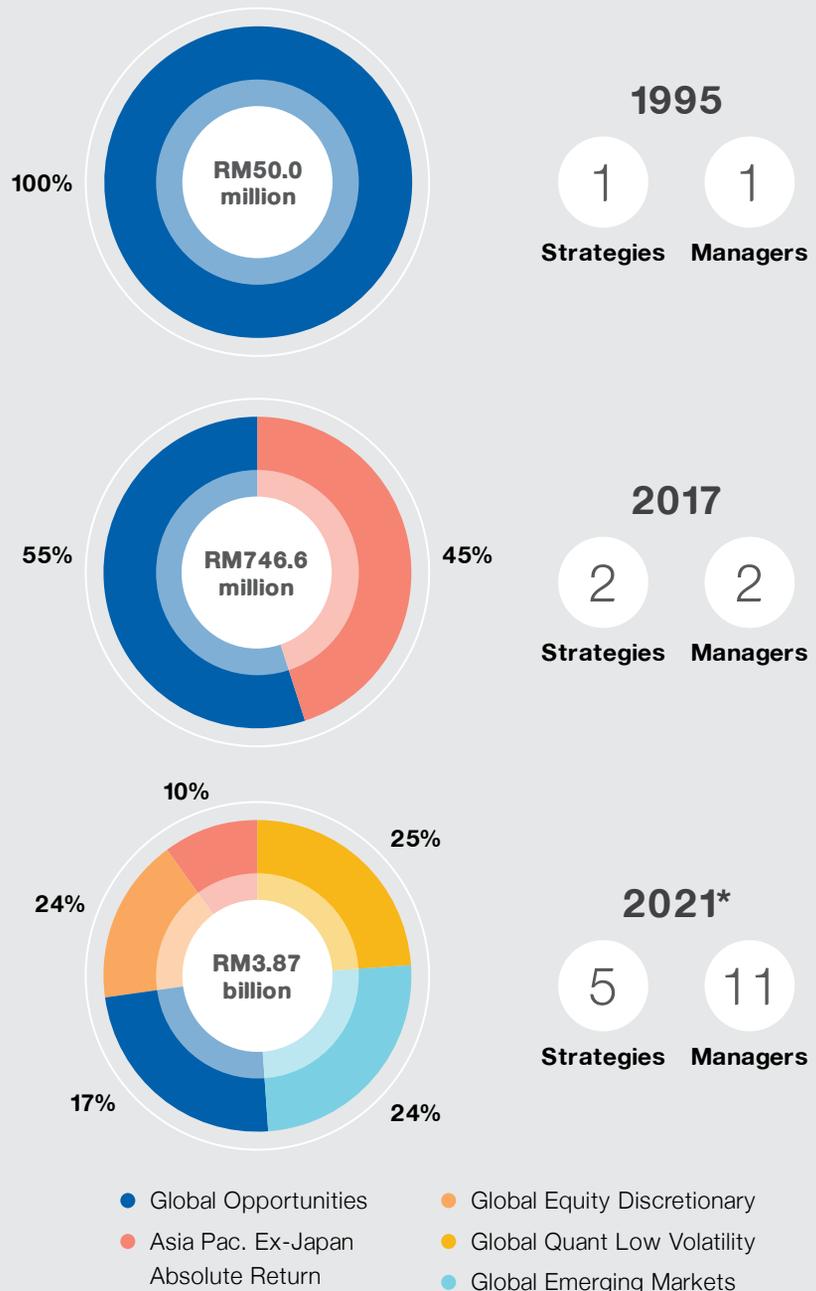
Fast forward to 2021, PNB achieved another major milestone in its outsourcing journey through the implementation of its Global Public Equity Outsourcing Framework for PNB and its UTFs, as part of the funds' main objective of delivering competitive annual distribution income. Other key objectives of the framework are:

- Diversification of risk and alpha generation sources across asset managers;
- Performance benchmarking against leading global asset managers;
- Optimising internal resources and expertise; and
- Learning and growth from best-in-class asset managers.

As at December 2021, PNB and its UTFs had deployed a total of USD\$675 million (RM2.81 billion) into three strategies namely Global Equity Discretionary, Global Quant Low Volatility and Global Emerging Markets. A total of nine (9) External Fund Managers (EFMs) have been appointed under Global Public Equity Outsourcing to deliver Return on Investment (ROI) mandate for PNB and its UTFs.

PNB envisions the Global Public Equity Outsourcing programme to reach 40% of its public equity in international markets over a five-year period. In 2021, PNB and its UTFs successfully achieved 11% within the first year of the programme.

PNB AND ITS UTFS TOTAL PUBLIC EQUITY SECTOR DIVERSIFICATION



Note:* As at 31 December 2021

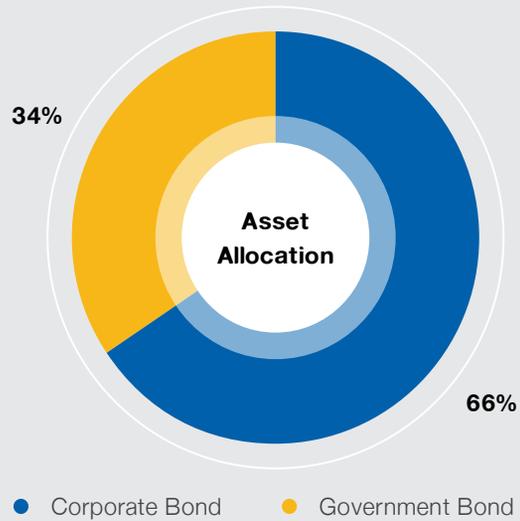
Public Markets

Fixed Income Asset Allocation

Well-Diversified Fixed Income Investments

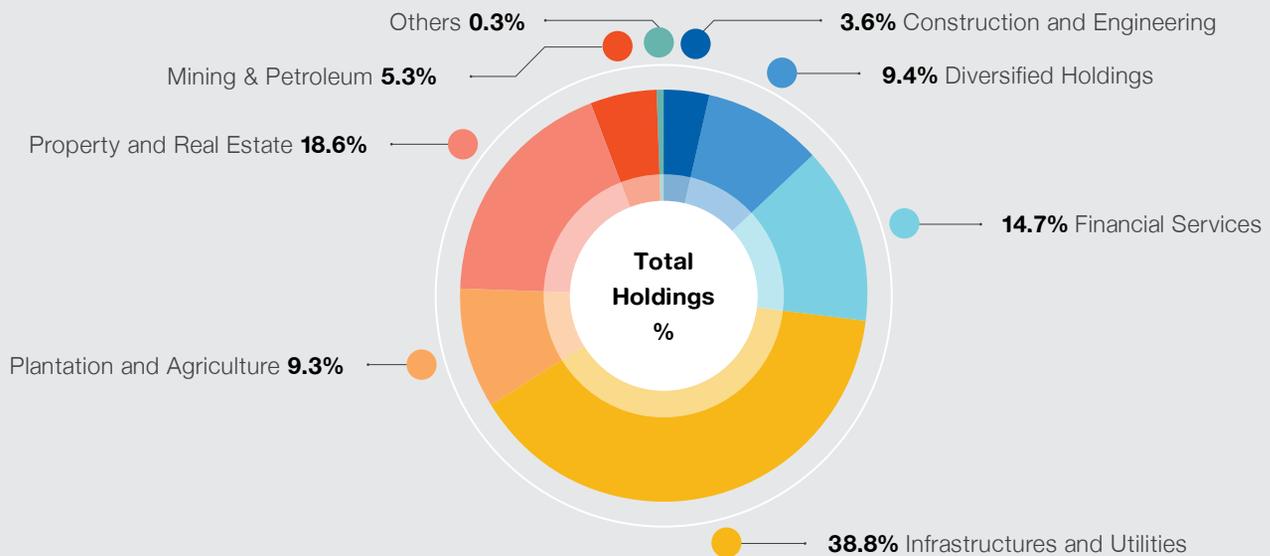
In 2021, investments in corporate and government bonds stood at 66% and 34% of total fixed income investments respectively. In the domestic corporate bond space, PNB and its UTFs continue to be invested across a variety of sectors with larger exposures in infrastructure and utilities, property and real estate, followed by financial services.

PNB AND UTFS FIXED INCOME DIVERSIFICATION



Note: As at 31 December 2021

PNB AND UTFS FIXED INCOME SECTOR DIVERSIFICATION



Note: As at 31 December 2021

Public Markets

Fixed Income (FI) Market Performance: 2021 Key Highlights

THE OPTIMISM IN EARLY 2021 WAS DAMPENED BY THE THREAT OF COVID-19 VARIANTS ON THE GLOBAL ECONOMY

- The 2021 economic recovery was both bumpy and uneven. The factors affecting growth included anticipation over the US Federal Reserve's tapering of its quantitative easing programme, concerns over rising inflation both at home and abroad, and the emergence of COVID-19 variants such as Delta and Omicron.
- The bond market index performance over 2021 as tracked by the Bond Pricing Agency Malaysia (BPAM) All Bond Index recorded a total return of -0.85%. Other global indices including Bloomberg Global Aggregate Index and Bloomberg Treasuries Index recorded total return of -4.71% and -6.60%, respectively.
- On the domestic market front, cash markets remained stable throughout the year as markets did not anticipate any movement by Bank Negara Malaysia to increase rates. Bond yields, in contrast, trended higher on better risk sentiment, tracking of higher US Treasury yields, and larger domestic bond supply. The Malaysian bond market, however, was well supported throughout 2021 evidenced by encouraging government bond auctions and successful corporate bond issuances. In late 1Q21, demand for Malaysian Government Securities (MGS) increased following the decision made by FTSE Russell to retain Malaysia in the World Bond Index (WBI). This decision was received positively by the market and was a key factor in Malaysia's ability to attract foreign participation for both Ringgit government bond and corporate bonds.
- The MGS yields at the end of the year rose across the curve by up to 103 basis points with 5-, 10-, 15- and 30-year bonds traded at 3.18%, 3.63%, 3.98% and 4.19% respectively. The Malaysian Government Investment Issue (MGI) sukuk exhibited similar movement to their corresponding MGS of the same tenure.
- In global fixed income, 1Q21 saw yields move higher on the back of an increase in global COVID-19 vaccination rates and fiscal stimulus plans by governments worldwide. This was followed by risk-off trading in 2Q21 when the narrative changed due to the emergence of the COVID-19 Delta variant and a return of lock-down fears in 3Q21. In October, news of the Omicron variant emerged, dampening hope of a fast return to economic normalcy.

MALAYSIAN GOVERNMENT BONDS TRACKED US TREASURIES CLOSELY IN 2021

10 year MGS and UST yields Movement in 2021



Public Markets

Annual Public Markets Dialogue

THE INAUGURAL PUBLIC MARKETS DIALOGUE WITH FINANCIAL INTERMEDIARIES WAS HELD IN 2021

In 2021, PNB successfully held its first Public Markets Dialogue as a platform to interact with 69 financial intermediaries which provide services in equity, fixed income, money market and foreign exchange. Panel intermediaries play an important part in supporting PNB and its UTFs. They support the PuMa team in keeping abreast of the domestic macro and capital market developments, whilst expanding reach and knowledge as PNB diversifies into public equity, fixed income, private investments and real estate in various global markets.

The objective of the two-way dialogue and the engagement sessions was to continue to build rapport with the representatives from the financial intermediaries. The PuMa team shared PNB's global aspirations for the year, not only in terms of diversification of investment in global equity but also in building PNB's image in the global capital markets. The team also gave feedback on the respective services provided by the intermediaries covering Research & Knowledge Sharing, Deals & Engagements, Execution and Settlement.

PNB'S FINANCIAL INTERMEDIARIES



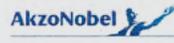
Private Markets



The Private Markets Division comprises two key departments - Direct Investments and Global Fund Investments.

DIRECT INVESTMENTS

The Direct Investments team identifies viable and potentially value accretive investments in companies, both domestically as well as co-investments globally alongside reputable Private Equity fund managers, that exhibit strong fundamentals, high growth potential and clear market positioning, and are supported by experienced and competent management team.

Selected Controlled Investments	Selected Minority Investments		
 Malaysian Industrial Development Finance Berhad (MIDF)	 Goodyear Malaysia Berhad	 Maybank Asset Management Group Sdn Bhd	 BOH Plantations Sendirian Berhad
 Projek Lintasan Kota Sdn Bhd (PROLINTAS)	 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

Meanwhile, the Global Fund Investments team partners with global Private Equity fund managers to diversify and increase PNB's exposure in Private Equity via commitment into global Private Equity funds across various strategies and regions.

PE FUND SELECTION CRITERIA			
Fit with PNB Strategy <ul style="list-style-type: none"> Fund Type Geography Sectors 	Track Record <p>Excellent track record emphasising on:</p> <ul style="list-style-type: none"> Prior fund's top quartile performances Outsized net returns and distributions 	Team Capabilities <p>Stable team with strong capabilities, among others in:</p> <ul style="list-style-type: none"> Deals sourcing Value creation Realisation and track records 	Governance and Alignment of Interest <p>Strong alignment of interest in terms of:</p> <ul style="list-style-type: none"> Managers' commitment Strong governance Competitive fee structures

We will continuously enhance our investment focus and adopt best-in-class investment processes that are specific and unique to these two departments towards helping PNB achieve its investment objectives.

Private Markets



In 2021, the Private Markets Division continued to deploy capital into the Private Equity asset class, as guided by the Private Investment Framework (PIF). The PIF outlines the investment structure, priority areas, and critical success factors, as well as a five-year asset allocation strategy. Our target is to increase the Private Equity allocation from about 4.0% currently, to 6% - 7% of assets under management (AUM), in line with PNB's portfolio diversification strategy to generate enhanced returns.

<h3>Vision</h3>	<p>To meaningfully participate in attractive Private Equity (PE) asset class, thereby enhancing returns for the PNB Group</p>	
<h3>Priorities</h3>	<p>Buyouts - Global Scalability, core risk-return profile of PE asset class</p>	<p>Growth - Global Emerging economies, new age industries</p>
	<p>Secondaries - Global Complementary cash profile to Private Investments portfolio</p>	<p>Direct - Malaysia Alpha generating capabilities domestically</p>
	<p>Co-Investments - Global Alpha generating capabilities globally</p>	<p>Venture Capital (VC) - Global Opportunities, alongside top-tier VC firms</p>
<h3>Enablers</h3>	<p>Talent Reorganised Private Markets team in line with targeted portfolio</p>	<p>Governance To accommodate the cadence and nuances of PE investing</p>
	<p>Process Best-in-class practices to enable efficient execution</p>	<p>Risk PE-specific risk framework</p>

The Private Markets Division has a targeted annual deployment and commitment of close to USD1 billion, with about 30% to be channelled through a Direct/Co-Investments Programme, and about 70% through fund commitment in a Global Fund Investments (GFI) Programme.

Private Markets

Since the implementation of PIF, PNB achieved a significant milestone with committed investments across 28 funds and three (3) Separately Managed Accounts (SMAs), as well as 14 direct and co-investments. The accelerated deployment efforts enabled effective diversification across North America, Europe, and Asia Pacific within various Private Equity strategies including Buyout, Growth, Secondaries, and Co-Investments.

Summary of Private Investment Framework (PIF) Programme as at 31 December 2021

PIF aims to achieve further international diversification for PNB across various regions



Note: The above are cumulative since inception of the PIF programme.

Private Markets

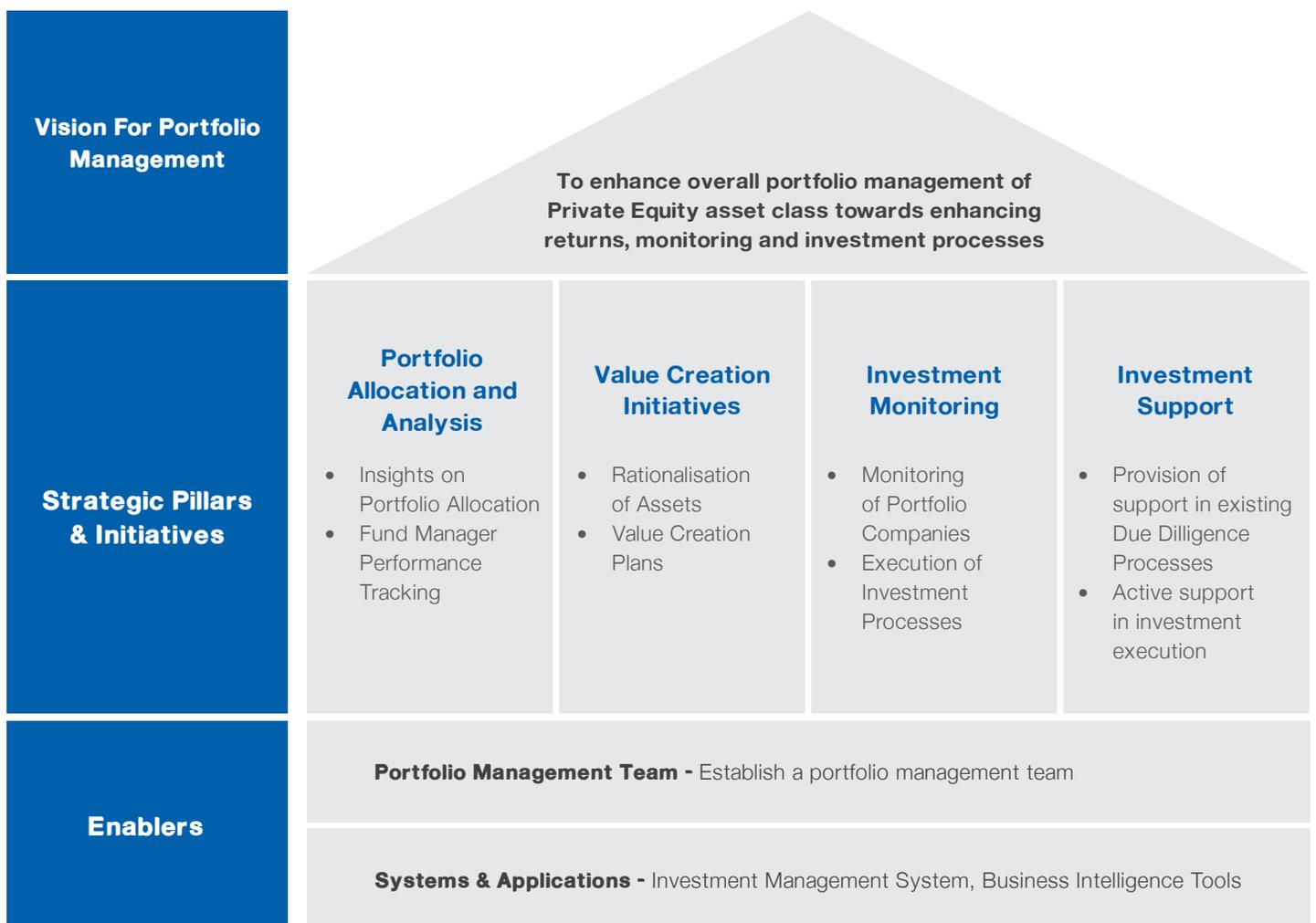
In terms of market value, approximately 57% of our Private Markets Division portfolio in FY2021 was composed of domestic investments. Meanwhile, approximately 43% was global investments conducted primarily through the PIF Programme, up from approximately 22% in the previous year, consistent with our diversification effort into global investments.

The Portfolio Management unit within the Private Markets Division has ramped up its efforts to manage, monitor and add value to the expanding portfolio in the Private Equity asset class. The unit also conducted further analysis on portfolio allocation and analysis to provide greater depth and input towards the performance of the portfolio.

This unit also developed the Portfolio Management Framework to serve as a guide for the Division's key investment initiatives and processes.

Portfolio Management Framework

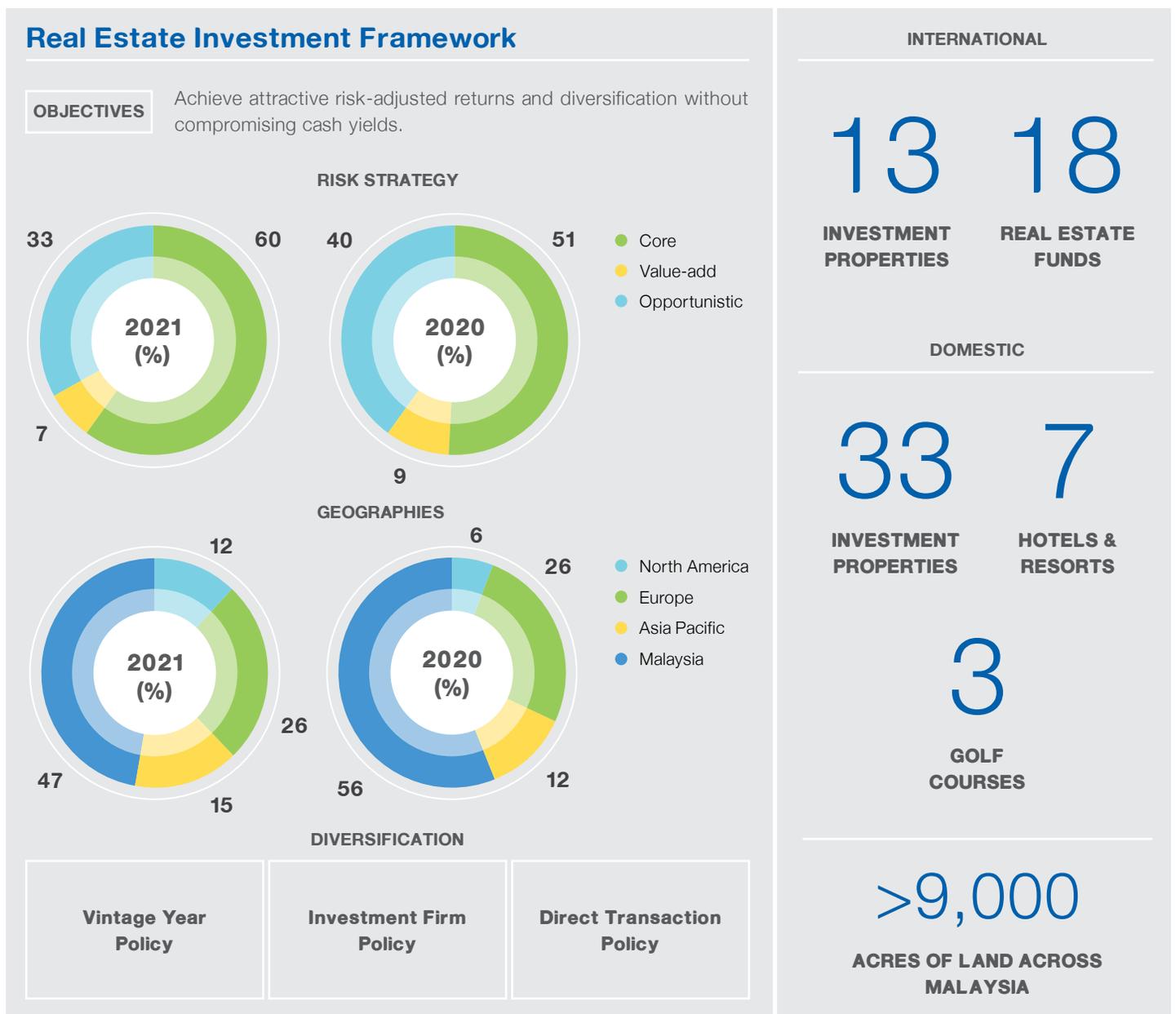
Vision, Strategic Pillars & Initiatives



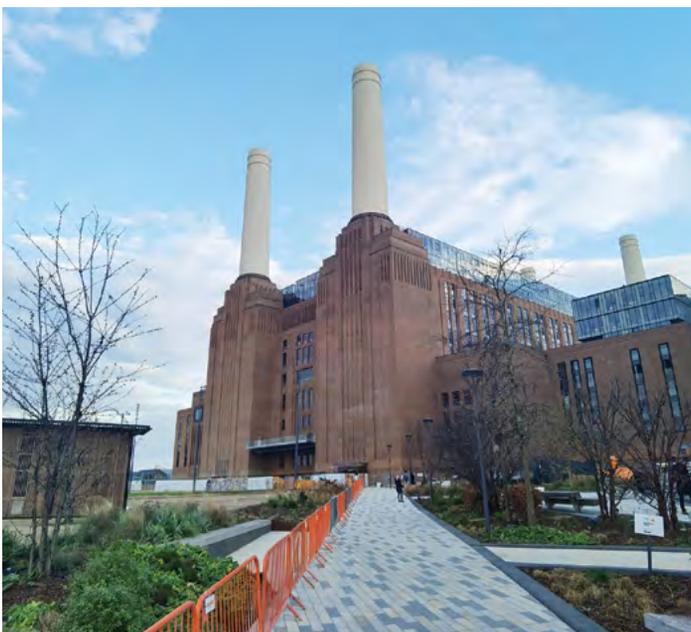
To further diversify our asset base and possibly provide early yield, the newly established Infrastructure unit in the Private Markets Division is now exploring new investment opportunities into the Global Infrastructure asset class to supplement the risk and return profile for PNB's investment portfolio beginning 2022.

Real Estate

Despite the unprecedented challenges posed by the COVID-19 pandemic, PNB has still managed to deliver its strategic asset allocation targets for the real estate through a diversified portfolio of sectors and geographies. Our prime focus in 2021 was deployment into global real estate, guided by the PNB Real Estate Investment Framework. Europe remains our biggest exposure, followed by Asia Pacific and North America with a total deployment in global funds of approximately over RM3.3 billion throughout the year.



Real Estate



Over in the United Kingdom, the construction of Phase 2 of the Battersea Power Station has reached 96% with full completion expected by 1H 2022. This project was jointly acquired in 2018 together with the Employees Provident Fund (EPF). The new Northern Line Extension (NLE) which was opened in September 2021 promises to be a major boost for the regeneration of the Battersea Power Station.

Back home in the domestic market, PNB is actively undertaking capital recycling activities through selective monetisation of assets in 2021, including the disposal of FEC warehouse in Shah Alam and Balai Berita in Bangsar. The sale proceeds would be channelled to pursue new investments and development projects to create a robust and balanced real estate portfolio.

Moving forward, PNB is poised to be significantly active in exploring opportunities in value added investments, in addition to our focus on core real estate asset investments. Although growth is foreseen to be challenging, we remain positive and optimistic in pursuing attractive returns from our real estate investment activities.

Merdeka 118 Progress Update

MERDEKA 118

Celebrate Progress

Merdeka 118 has come a long way from the early stages of planning to the current phase of final construction of the tower. Merdeka 118 achieved two very important milestones in 2021. In June, the Merdeka 118 tower safely topped out with the completion of the final roof slab and reached its peak at Level 118. Following this engineering milestone, the tower celebrated another key achievement in November with the completion of the spire, which is the final piece of the tower's external structure.

The Merdeka 118 tower has now reached its final height of 678.9 meters, officially making the tower the second tallest in the world and the tallest in Southeast Asia. This milestone was commemorated by YAB Dato' Sri Ismail Sabri Yaakob, Prime Minister of Malaysia as well as YABhg. Tun Arifin Zakaria, Group Chairman and Encik Ahmad Zulqarnain Onn, President & Group Chief Executive of PNB at an event held at the Merdeka 118 construction site.



As of 31 December 2021, the floor slab of the Merdeka 118 tower had reached Level 118, with the installation of the glass façade at Level 114. With the overall progress of the tower construction at 90% as at April 2022, the tower is on track for its targeted completion in Q4 of 2022.

Merdeka 118 Progress Update

CELEBRATE COMMUNITY

Merdeka 118 is located within a historical enclave in the heart of Kuala Lumpur, where many long-standing neighbours make up the historical fabric of this precinct. In honouring the historical significance and the rich heritage of the area, PNB Merdeka Ventures, PNB's wholly owned subsidiary who is the builder of the precinct, has embarked on a three-pronged initiative in collaboration with Think City to integrate the development with its surrounding community.

Merdeka 118 Community Grants Programme

In June 2021, Merdeka 118 launched its community grants programme focusing on five key locations within the precinct, namely the precincts around Petaling Street, Jalan Hang Tuah, Kampung Attap, and Pudu as well as the Sports Quadrant (Stadium Merdeka, Stadium Negara, Malaysia Association of Basketball (MABA), Chin Woo Stadium, The Olympic Council of Malaysia and Sports Museum). The grants programme aims to focus on four areas namely the development of community, sports, arts and heritage and entrepreneurship activity.

From a total of 138 submissions received from across the nation, six projects were selected through a rigorous evaluation process.

The **Kampung Attap Collective**, which aims to support the arts and heritage scene within the precinct through diverse creative programmes;

The **Eat, Pray, Love project by Kaki Jelajah Warisan**, which celebrates the history and national landmarks on Petaling Street and its vicinity through heritage guidebooks and guided heritage walks and talks;

The upgrading of a basketball court on **Jalan Hang Jebat** to encourage a healthier and more active lifestyle among youths;

Vocational training for disadvantaged women to provide them with culinary and baking skills;

Smart Stingless Beekeeping, which offers a novel approach to building business resiliency within the precinct through commercialisation and consumption of stingless bee products; and

The Economic Empowerment Programme by Sinergi Aspirasi Global, which aims to uplift livelihoods and increase household incomes of the B40 community through entrepreneurship and digital skills.

GRANT AREAS



SPORTS

Enriching fitness and wellness activities within Downtown Kuala Lumpur to develop healthy lifestyles and empowered communities.



EDUCATION

Providing access to educational support for children and the youth through a wide-range of tools, resources and skills for learning.



ARTS

Creating opportunities for artisans and cultural workers to be creative and to deliver high quality content in Downtown Kuala Lumpur.



BUSINESS COMMUNITY

Enhancing traditional and new businesses within Downtown Kuala Lumpur to be more resilient in facing future challenges.

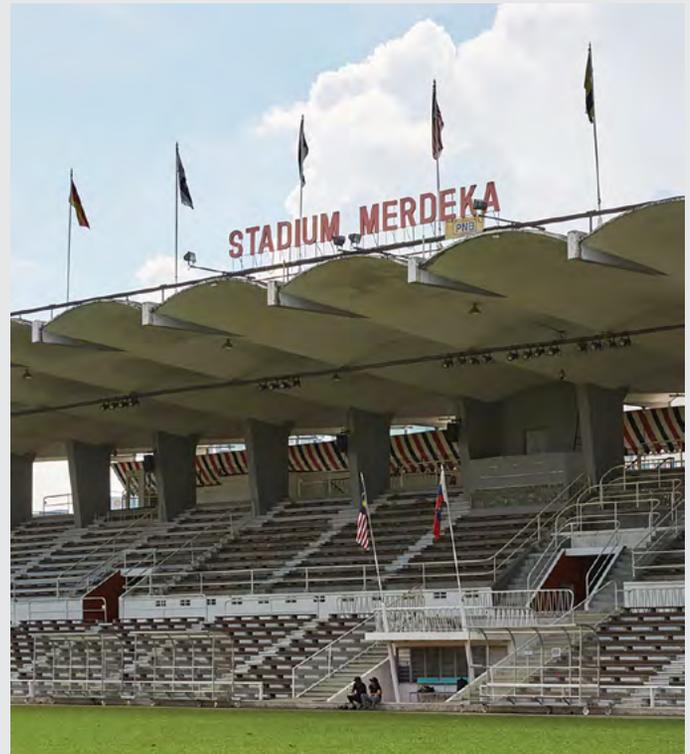
Merdeka 118 Progress Update

STADIUM MERDEKA ENHANCEMENT PROGRAMME

Attesting to PNB's commitment to conservation, a workshop was conducted in June 2021 to gather ideas on a reactivation framework for Stadium Merdeka. The plan aims to bring back excitement and inclusivity within the community through various sporting, family, community and lifestyle activities in Stadium Merdeka.

Moderated by PNB Merdeka Ventures and Think City, subject matter experts such as Prof. Ar. Laurence Loh, the conservation architect behind the restoration of Stadium Merdeka, Richard A. Engelhart from UNESCO APAC, as well as Francesco Siravo and Cameron Rashti from the Aga Khan Trust for Culture, participated in the workshop.

In October 2021, the Merdeka Heritage Trust Board of Trustees visited Stadium Merdeka to witness the conservation works that had been done to restore the stadium to its 1957 form. The Merdeka Heritage Trust was established in 2006 to ensure the protection and preservation of Stadium Merdeka and Stadium Negara to further promote culture, sports, arts and heritage in Malaysia.



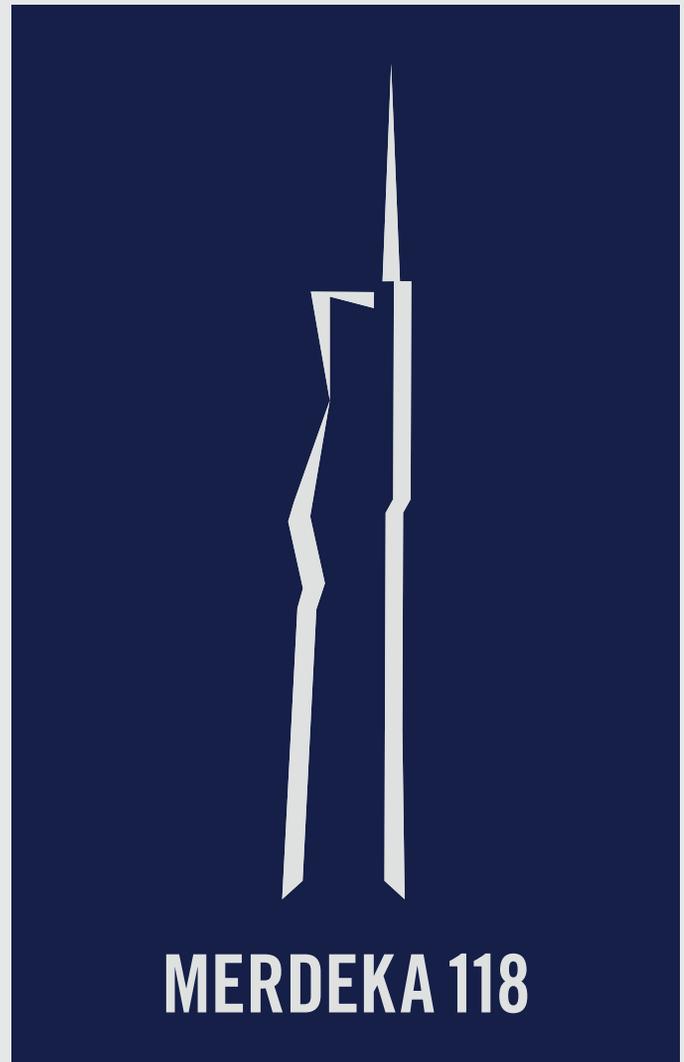
Merdeka 118 Progress Update

PUBLIC REALM IMPROVEMENT PROGRAMME

As part of the community initiatives, PNB Merdeka Ventures aims to further increase connectivity and walkability around the Merdeka 118 precinct through the Public Realm Improvement Programme. This programme targets to provide safer, walkable spaces with improved public areas for the surrounding communities as well as local and international visitors coming into the area.

In April 2021, a site walkabout was held to assess the comfort, accessibility and sociability of the surrounding area as well as ascertain the public areas and access points that need to be enhanced. This was followed by multiple engagement sessions with the community from Jalan Hang Tuah and the Residents Association to establish a stronger understanding of public perceptions on the surrounding connectivity.

In the long term, these initiatives will facilitate more footfall to the Merdeka 118 precinct as well as to the surrounding area which will contribute to the economic development of the neighbouring communities. This in turn will further enhance the liveability of the precinct and, most importantly, support local livelihoods.



The ASN/B Strategic Plan

Unit Trust Transformation

••

The year 2021 saw the continuation of ASNB Strategic Plan 2018-2022, with a continued focus on delivering the right products to customers and enriching unit holders' experience. Various Financial Literacy Programmes were conducted throughout the year as part of ASNB's efforts to educate Malaysians on the various aspects of financial planning, whilst at the same time continuing to enhance customer experience and introducing new products and services.

DELIVERING THE RIGHT PRODUCTS TO CUSTOMERS

Launch of ASN Equity Global

- Available since 1 September 2021.
- First ASNB fund to focus entirely on investment in global equities.
- Generate long-term returns for investors who are more inclined towards megatrend-based global investments and thematic stocks.



ASN Equity Global

Launch Date: **1 September 2021**

Fund Type: **Growth**

Fund Category: **Equity**

Investment Objective:

To provide capital growth opportunities through investment in securities primarily in the global equity market

Asset Allocation:

The Fund will invest 75% to 99% of its NAV in global equities and equity-related securities, while the balance may be invested in money market and fixed income instruments

Performance Benchmark:

90% MSCI ACWI and 10% Maybank 1 Month Fixed Deposit

Introduction of Wakaf ASNB



- Wakaf ASNB is a newly launched service for ASNB unit holders to *wakaf* their unit trust investment to enable them to do charitable act through continuous benefits from their *wakaf* contribution.
- The wakaf fund will be retained as the principal investment to generate potential annual returns. The returns will then be channelled to wakaf projects in the health, education, community empowerment and humanitarian mission.

Your Unit Trust Investment

Adherence to the concept of Wakaf Muabbad which is permanent in feature and cannot be re-claimed by the wakaf donor

Wakaf Aqad

MAIWP as Trustee

MAIWP (Majlis Agama Islam Wilayah Persekutuan) is the trustee of the endowed unit trusts. ASNB Wakalah Sdn Bhd (AWSB) is the manager of the wakaf fund

Investment returns from the wakaf fund

Ummah Development Initiatives

Investment returns from the wakaf fund will be distributed to identified sectors

In the coming years, with a strategic plan to navigate towards 2030, ASNB will prioritise the following areas:

- i. **Advisory** - To foster a sustainable and holistic relationship with our investors and to expand our horizons, capacity and capability in providing advice to those who require it. Initiatives in this journey will combine the usage of various tools, technology and human touch to promote efficiency and staying true to our mandate.
- ii. **Product** - To expand our product shelf that will further enable our investors to meet their needs, including enabling the ability to build a suitable investment portfolio that is customised to investor's profile.
- iii. **Channels** - The overarching theme is to revamp and grow our digital presence to achieve optimisation in providing value to

investors. We will look into expanding our touchpoints with investors through new channels and partnerships, upgrading our digital channels and rejuvenating our direct physical and agency channels. More digitally infused branches will also be introduced.

- iv. **Data** - To capitalise on data analytics and automation to generate insights that will unlock the value from data-driven decision making and ultimately enhance investors experience, holistically.

At the same time, ASNB will leverage on industry dynamics surrounding the likes of super apps and fintech players while building and mobilising identified key enablers towards the aforementioned vision.

TRANSFORMING MARKETING, SALES AND DISTRIBUTION

Collaboration between ASNB and Boost

• Benefits and Advantages of Wakaf ASNB:

1. Continuous benefits of wakaf fund
 - A combination of investments and wakaf concepts where the wakaf fund will continuously generate investment returns which will be channelled to wakaf projects.
2. Recognition as a Mutawalli
 - AWSB is a wakaf management institution recognised as a Mutawalli by MAIWP which functions as a corporate wakaf company. AWSB manages and administers the wakaf fund end-to-end, starting from collecting, managing and governing the wakaf fund, identifying and distributing to wakaf projects.
3. Transparency and Good Governance
 - Wakaf donors will receive annual reports containing information on the accumulated wakaf fund, investment returns from the wakaf fund and distribution of wakaf to charitable projects. Wakaf donors will also receive annual statements containing information on their own wakaf fund and its investment returns. All wakaf contribution projects are transparent and undergo a due diligence process.
4. Updates on wakaf will continue to be provided to their next of kin/ appointed notice recipient
 - Wakaf donors can appoint their next of kin/notice recipient who will receive regular updates on their wakaf contributions upon their death.
5. Easy application
 - ASNB provides online channels on the myASNB portal & mobile app as well as at all branches nationwide for the registration of ASNB Wakaf.

- Observing the growth of e-wallet service providers and the increase in transaction via e-wallets in Malaysia, ASNB has developed a strategic partnership with an e-wallet service provider to further enhance the service offering to its unit holders.
- Boost, a homegrown lifestyle e-wallet and currently one of the major e-wallet players in the market, was chosen to pioneer the collaboration between ASNB and an e-wallet service provider.
- On 1 June 2021, Boost e-wallet was successfully onboarded as an alternative payment gateway for myASNB users.
- As of December 2021, there was a total of 30,576 transactions via Boost e-wallet by active myASNB users, with a total amount funds subscription of RM14.8 million.

Unit Trust Transformation

ENRICHING CUSTOMER EXPERIENCE

Digitally Focused Branch

Investment Objective:

1

In line with ASNB's aim to continuously enhance our unit holders experience, ASNB branches will gradually transform from a transactional and operational format to a Sales, Advisory and Services format. Four of our 32 branches have so far undertaken this transformation and we expect the transformation of all of our branches to be completed by 2028.

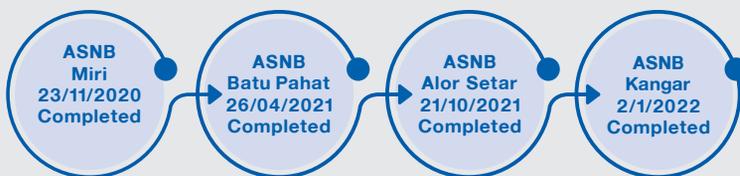
2

The modern ASNB branch is designed to encourage the adoption of ASNB's digital offering while creating an environment that is conducive for advisory services to be provided to walk-in customers at the respective branches.

3

The new layout is redesigned with the target market in mind; the increasingly digital savvy mass-market retail and the emerging affluent segments that form more than 35% of the Malaysian population.

Milestones:



Q4 2022: 4 branches (including new branch at Merdeka 118)

ASNB Kiosk Transaction at Digitally Focused Branch (January December 2021)

Branch	Balance	CIF		Registration	Link	Total
	Inquiry	Update	Feedback		myASNB	
Miri	14,242	4,173	15,285	786	-	34,486
Batu Pahat	5,853	717	5,552	477	43	12,642
Alor Setar	12,403	1,622	11,092	1,069	652	26,838
Kangar	7,351	1,094	7,998	545	35	17,023

Introduction of Zakat Calculator

- In November 2021, ASNB zakat calculator was introduced via the myASNB Portal and Mobile App. This tool assists myASNB users to calculate their zakat obligation from ASNB unit trust funds (including their children's accounts) based on the zakat calculation endorsed by Majlis Agama Islam Wilayah Persekutuan (MAIWP).

- The features of ASNB Zakat calculator are as follows:

i. Zakat calculation rate

2.5% of the total investment balance (in RM)

ii. Calculation method

The investment in ASNB fund(s) has been at least 12 months from each calendar year to fulfil the 'haul' period requirement. The total value of investment (based on ending balance as at 31 December) will be validated against the nisab amount issued by MAIWP, to determine the eligibility of unit holders to pay zakat. However, investments in the form of ASB/ASB2 financing, Hibah (block amount of RM 1,000 only), EPF-MIS and blocked units are excluded.

iii. Zakat statement

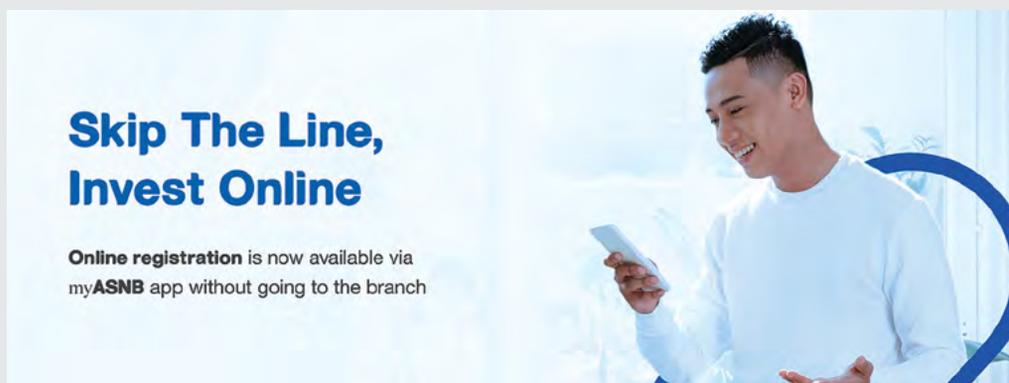
ASNB zakat calculator will enable myASNB users to access and download their zakat obligation investment statement for the past three years.

- As at 31 December 2021, 38,433 zakat statements had been accessed by myASNB users on the zakat calculator.

Unit Trust Transformation

Launch of e-KYC

- This new mobile onboarding feature allows Malaysians to open ASNB accounts via the myASNB app without visiting ASNB branches or its agents and in the comfort of their homes.



Launch Date:
26 September 2021

Number of e-KYC users*:
67,498 applicants

* As of 31 Dec 2021



Launch of Target Labur

- This is an app-based goal calculator and tracking tool that facilitates myASNB users to invest based on their desired financial goals.
- The feature provides various pre-set goals that can assist users in determining the appropriate monthly investment to achieve the set financial target.

Launch Date:
11 October 2021

Number of users*:
8,241 users

Number of goals*:
10,230 goals

* As of 31 Dec 2021

Unit Trust Transformation

CONTINUOUS FINANCIAL LITERACY PROGRAMMES



Webinar - Sembang-Sembang ASNB

ASNB also organised strategic collaborations with several government and private-sector agencies such as Ministry of Education, The National Population and Family Development Board, Universiti Malaya, Univeristi Kebangsaan Malaysia and Universiti Pendidikan Sultan Idris in educating their employees and students on financial planning. These live sessions were done through their respective FB accounts.

ASNB webinars' aim is to communicate and educate the Malaysian public from different segments of society on financial planning, investment, risk and return relationship, compounding effects and many others. The financial education journey plays an important role in ASNB's operations and will be continued in FY2022 and beyond.

Objectives:

- To create the sense of urgency on the importance of financial planning among the participants.
- To raise awareness and provide a comprehensive method to manage and draw up a financial roadmap to help one achieve short, medium and long-term financial goals.
- To provide continuous education to the public on the importance of financial planning for retirement, child education needs and other investment objectives.
- To inculcate the right attitude on the importance of saving, investment and financial planning.
- To assist participants to achieve peace of mind and financial freedom; and
- To introduce and promote ASNB unit trust funds and ASNB services to the general public with the aim of creating awareness, instilling confidence and building long term relationships.

Year	Physical Seminar (Seminar 360)		Online Webinar (Sembang-Sembang ASNB)		No. of Views	Total Participants
	No. of Activities	Total Participants	No. of Activities	Total Participants		
2008-2019	7,520	712,257				
2020	75	7,252	154	9,956		
2021	1	70	299	25,117	97,179	
Total	7,596	719,579	453	35,073	97,179	132,252

Since the outbreak of COVID-19, the physical seminars have been replaced with the webinars where the audience varies from ASNB investors, students from Public and Private Higher Learning Institutes, secondary school students, as well as government and private-sector employees.

These webinars are also open for the public every Friday via Zoom and ASNB Facebook Live, where subject matter experts speak about various topics such as investment scams, cryptocurrency, insurance, inheritance, funding your retirement and others. Webinar recordings are also uploaded on Youtube ASNB - ASNBmy.



Sembang-sembang ASNB - Talk show at RTM

In 2021, Sembang-sembang ASNB also went on air as a new talk show programme. The 12 episode programme covers topics including financial management, investment, personal cash flow, insurance and estate management through discussions with panelists from the field of finance, investment and other related fields.

Premier and
Rerun - TV1

Rerun TV Okey

1.602 million viewers
Source: RTM

Unit Trust Transformation



Fiesta Labur PNB Online

Fiesta Labur PNB is an annual programme organised by ASNB to reach out to the masses to share information about ASNB products, services, and financial literacy knowledge.

However due to COVID-19 which restricted the implementation of on-ground events, in 2021, Fiesta Labur PNB was held online for three days via Facebook Amanah Saham Nasional Berhad and Facebook Sembang-sembang ASNB.

The event, which was filled with talk shows, contests and campaigns, attracted almost 35,000 viewers and almost 20,000 participants for trivia contents that were specifically held during the event.

Among the panelists and celebrities featured were Youtuber FinancialFaiz, Licensed Financial Planner Encik Alwi Adam and celebrities Haiza, Ajak Shiro and Bell Ngasri. Among the topics discussed were ASB Financing, ASNB Variable Price Unit Trust, ASNB Wakaf and investment strategy in various segments namely Borak - Borak Je, ASNB Kongsis and Diva Labur.

ASNB agents such as Maybank and RHB Bank were also invited to share their digital services which make it easier for the public to invest in ASNB products at their platforms.

'Special Coaching' programmes were also introduced during Fiesta Labur PNB as part of ASNB's advisory approach in educating the public on financial planning. In every session, the coach helped to provide in-depth guidance to participants on how to strategise and to reach their financial goals instead of normal sharing information approach.



Kuiz Pelaburan PNB

Kuiz Pelaburan PNB was introduced in 2001 as part of PNB/ASNB financial education initiatives to reach out to the public. Since inception, it has successfully attracted 1,026,916 participants from various segments.

The main objective of Kuiz Pelaburan PNB is to educate the public on investment and financial planning and at the same time, to promote and introduce ASNB products and services.

In year 2021, Kuiz Pelaburan PNB continued to garner public interest with 262,570 participants, a 50% increase from 173,980 participants in 2020.

The General Category managed to attract 209,054 participants while the Teenage Category managed to attract 53,516 participants.

Kuiz Pelaburan PNB 2021 was conducted on-line with the introduction of a new concept and mechanism to make it more interesting and challenging. Prizes worth RM68,500 were offered for 280 winners.

Participants need to answer Five questions which were developed based on financial planning, investment and ASNB products and was presented in a crossword puzzle format.

An article related to investment and financial planning was also published in selected newspapers to help participants to answer the questions and at the same time to educate them about investment and financial planning.



Kelab Pelaburan Bijak PNB

As of December 2021, ASNB has managed to organise three main programmes for Kelab Pelaburan Bijak PNB (KPBPNB) which attracted almost 4,000 participants who were teachers and students from 155 KPBPNB schools.

This brings the total number of participants in KPBPNB programmes to 1,082,321 since its inception in 2001.

All programmes under KPBPNB were endorsed by Kementerian Pendidikan Malaysia (KPM) and ASNB managed to secure Sijil Peringkat Kebangsaan for two programmes namely, Webinar Remaja dan Ringgit: Urus Wang dengan Bijak and Bengkel Kewangan dan Kecemerlangan SPM' while under the 'Train The Trainer' programme, the teachers were granted training points for their participation.

In all KPBPNB programmes for students, the two main important elements of financial planning knowledge and school-based topics were combined to attract the participation of students' participation and teachers.

ASNB will continue to be persistent in our efforts to strengthen all programmes under KPBPNB to help disseminate information and knowledge related to investment and financial planning among youth.

Moving Forward Together

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Our Approach to Sustainability



At PNB, our mission is to enhance the economic wealth of all stakeholders, for the prosperity of the Nation. We recognise we have a responsibility to manage environmental and social risks, and to proactively identify opportunities that will help secure the wealth of the Nation for generations to come.

Achieving this means focusing on doing the right thing and being transparent about our progress and performance. Our Sustainability Framework recognises the interconnectedness of investment, operational, environmental, and social matters against the backdrop of changing community expectations. We will routinely review our Framework to ensure it continues to deliver value to all our stakeholders.

OUR SUSTAINABILITY ASPIRATIONS AND COMMITMENTS

We believe that conducting our business in a responsible way and making meaningful contributions to our community is critical to delivering balanced and sustainable stakeholder outcomes. The Sustainability Framework is designed to allow for scalability while remaining focused on impact. The areas of focus will evolve over time to reflect the changing environmental and social context, community expectations and to account for new regulatory settings.

Our Approach to Sustainability



Guiding Principles and Values

Our approach to sustainability matters is underpinned by the following guiding principles:

- Managing and seeking to improve the impact of our operations on the environment and community;
- Continuing to strengthen the integration of environmental and social risk management into business practices and procedures;
- Seeking to mitigate environmental and social risks through dedicated products and services;
- Aligning our behaviours, decisions and actions to the Group's Code of Conduct and Values;
- Taking a risk-based approach to environmental and social matters;
- Leveraging our relationship with our investee companies to mitigate environmental and social impacts;
- Staying abreast of the changing regulatory landscape and adapting to new requirements as necessary; and
- Continually improving governance of, and assurance over, adherence to our environmental and social commitments with the government's sustainability ambitions.

Our Approach to Sustainability

OUR SUSTAINABILITY ASPIRATIONS AND COMMITMENTS

We define sustainability as the delivery of long-term value in financial, environmental, social and ethical terms, for the benefit of our unit holders, employees and communities. As one of the Nation's largest asset managers, we play an important role in ensuring an orderly and just transition to a more sustainable future.

Our sustainability aspirations consists of three pillars: enabling a transition to a green economy, promoting equity and inclusion and advocating sound governance practices.

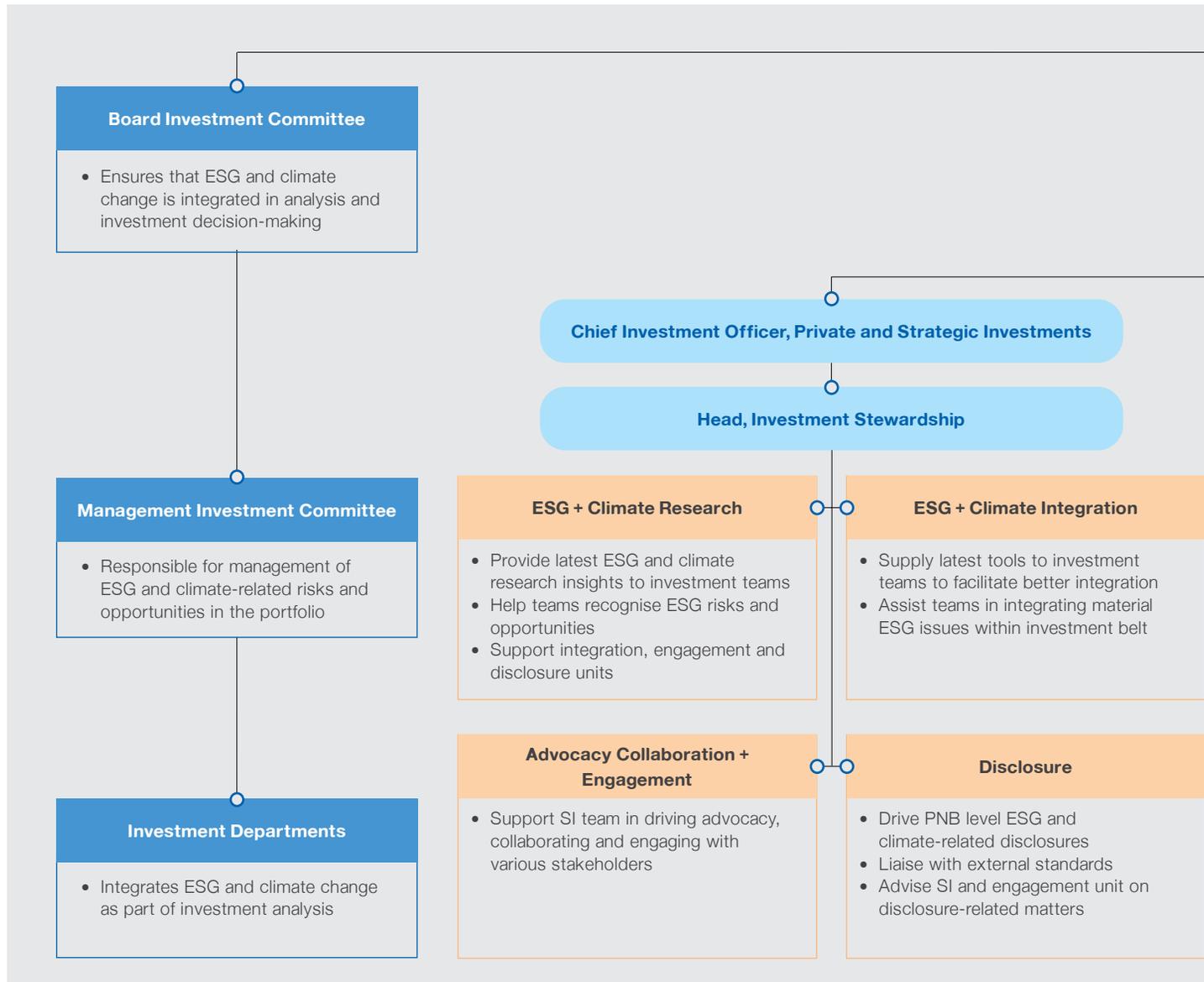


Governing Our Sustainability Aspirations

••

To make business a force for good, all decisions and processes across the organisation need to pull in the same direction. This requires carefully considered business governance. The way we organise and govern our sustainability work ensures transparency and accountability.

We want sustainability and integrity to be integrated into processes and decision-making across our organisation. PNB's Board of Directors is the highest authority to oversee our sustainability work, while the Senior Management team is accountable for our sustainability programmes, with support from appointed committees. The chart below shows where and how sustainability is governed at PNB.



Management Sustainability Committee

Objective

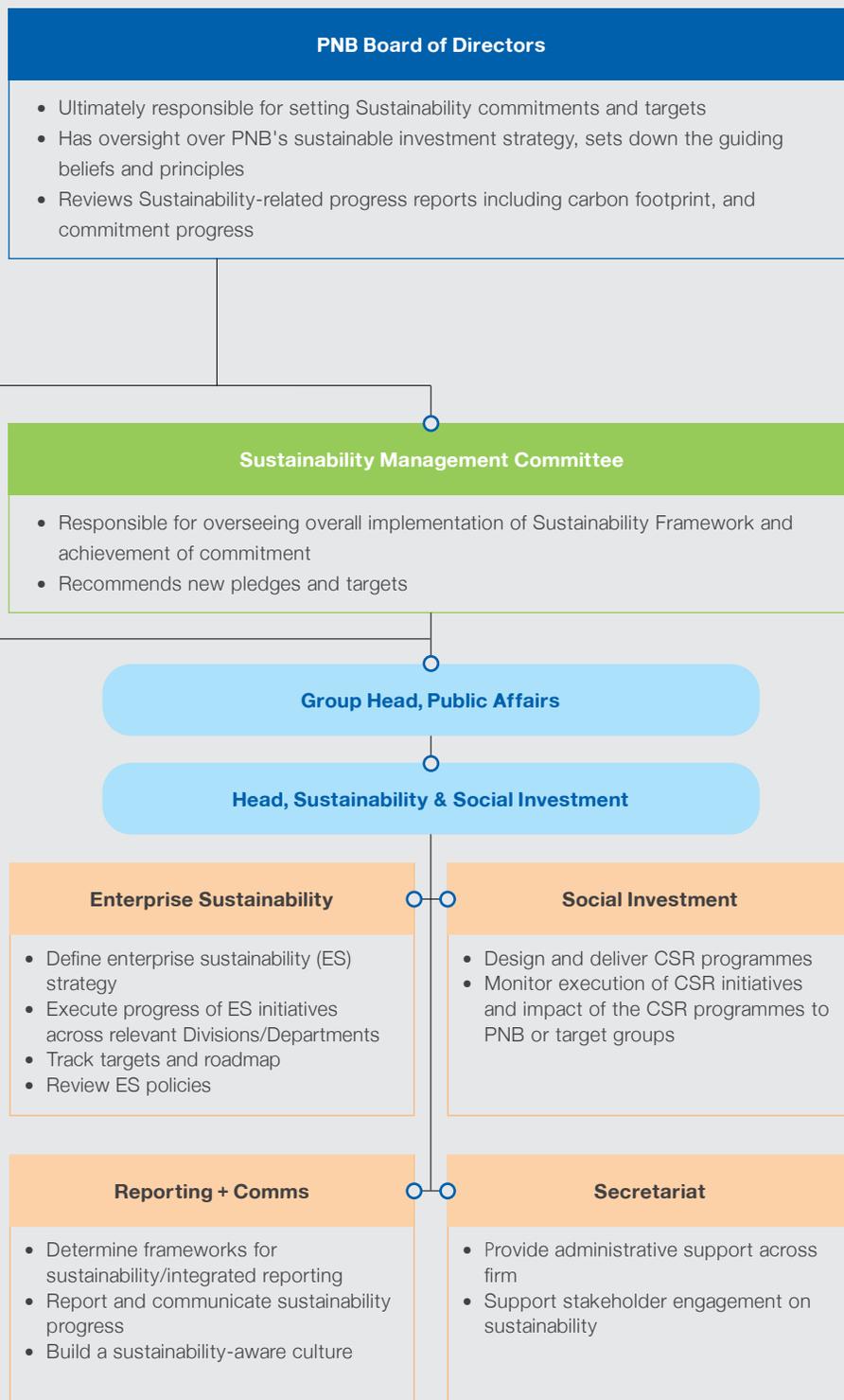
- **Develop, recommend and implement Sustainability policies** across enterprise level, including new pledges and targets
- **Provides centralised oversight** and strategic guidance across business units and functions
- **Monitor implementation** of Sustainability policy approved by the Board

Frequency

- **Every month**, or whenever deemed necessary or as required by Chairman

Composition

- **Chair:** President & Group Chief Executive
- **Permanent members:** Chief Investment Officers, Deputy President & Group Chief Financial Officer, Group Head, Public Affairs, Chief Executive Officer and Executive Director of ASNB
- **Permanent invitees:** Head, Sustainability & Social Investment, Head, Investment Stewardship
- **Other invitees:** Heads from PNB/ASNB departments
- **Secretariat:** Sustainability Department



Governing Our Sustainability Aspirations

Under each of our pillars, we have identified the ESG commitments that will drive our sustainability aspirations and establish common standards across the Group.

Our sustainability commitments are:



Engaging With Our Stakeholders

Maintaining an open and constructive dialogue with stakeholders is essential for business. It is how we understand community expectations, identify issues, and discover opportunities to serve our unit holders and help our communities prosper. Our approach to stakeholder engagement is set out below. In all interactions with stakeholders, we are committed to being respectful, responsive, open and authentic in our engagement on issues of mutual importance.

Our key stakeholders include:



Connecting with our many and varied stakeholders is an important part of our strategy. Maintaining an open and constructive dialogue with our stakeholders helps us to identify emerging issues, contributes to risk management, and allows us to discover opportunities to improve our performance. It also helps us understand community expectations, and explore opportunities to collaborate with our partners on issues of mutual interest.

Determining Materiality



Our approach to materiality is guided by our Sustainability Framework. We use these principles to evaluate the environmental, social and governance (ESG) issues that are most material to our company. In developing our Sustainability Framework, we conducted a materiality validation process to determine a foundation set of Material Sustainable Issues.

The process began with a peer-to-peer assessment of comparative material issues, alongside assessments against ESG frameworks to guide our disclosures. ESG frameworks include: Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). We then applied an internal lens through our risk management principles and a particular focus on climate change and inclusion and equality. The result is a dynamic, ongoing process to weigh this information and produce a view on how various priorities are ranked in terms of importance to core business success and importance to external stakeholders. For clarity, we grouped issues as Environment, Social and Governance and aligned them with our Sustainability pillars. The results of our Materiality Assessment as well as our ongoing approach to materiality will assist to guide our ESG reporting and disclosures and to ensure we have the right initiatives in place to mitigate our prioritised materiality risks and opportunities.

ENVIRONMENT

- **Climate-related Risks and Opportunities**

Advocating decarbonisation efforts not just within our own organisation but also through our investee companies as well.

SOCIAL

- **Social Impact**

This includes the development of and increased access to financial products and services, including through technology solutions, for unbanked and underbanked segments and different customer demographics, such as the aging population. Also includes strategic lending, investing and philanthropy to support community economic development and addresses consumer financial security, through financial literacy programmes, and products and services designed to improve financial security.

- **Diversity and Inclusion**

This includes efforts to ensure the company workforce reflects its global business and efforts to ensure workplace practices reflect a commitment to equity and inclusion. Also includes efforts to provide a decent wage and a healthy and safe work environment.

- **Talent Management**

This includes the company's ability to attract and retain top talent and its efforts to promote professional growth and measure and improve employee satisfaction.

GOVERNANCE

- **Responsible Investing**

The explicit inclusion of ESG analysis into traditional financial analysis and investment decisions based on a systematic process and in all asset classes.

- **Governance and Ethics**

This includes the promotion of high standards of ethics in business behavior and with business partners and working against corruption and bribery in all markets in which the Group operates or does business.

- **Transparent Information and Fair Practice**

This includes efforts to provide clear and comparable business and sustainability information in an accessible manner. Additionally, includes ensuring the marketing and communications of products and services is honest, transparent and fair while managing customer risks.

Human Capital Management

At PNB, we build on our roots established more than 40 years ago. The principles that guided us are translated in our corporate values and make us who we are today. Our employees, who live those values, are at the heart of our success story and feel valued and appreciated for their contribution in a diverse and inclusive environment.

To achieve success in rapidly changing international markets, a qualified and fully committed workforce is vital. To attract the best talent while fulfilling its social responsibility, the Group emphasises fair and secure working conditions and an attractive, inclusive, and agile work environment. To unlock the full performance potential of its employees, the Group also offers in-depth training and development and a strong corporate culture based on our P.A.C.E values. Ultimately, the Group wants to empower talents to create value for our unit holders, the company, themselves, their local communities, and the entire planet.

KEY INITIATIVES

Outbreak Plan

Key Initiatives	Description
Outbreak Plan & SOP (Pandemic)	SOP & Guidelines completed in March 2020, including <ul style="list-style-type: none"> • routine & non-routine business activities • health screening • outbreak control & response plan • case/incident monitoring • equipment, chemical & PPE readiness
SOP on Return to Work (RTW) Moving to Endemic	Establishment of RTW SOP, to include:- <ul style="list-style-type: none"> • all staff members who are required to be WIO at Menara PNB are mandatory to undergo self tests and provide results before entering the building. • Distribution of test kits since 14 October 2021. • Self-testing screening and online results update.
Ergonomic Awareness on Working from Home training	To provide food packs, hygiene kits, supply of medical & non-medical items.

Employee Wellness

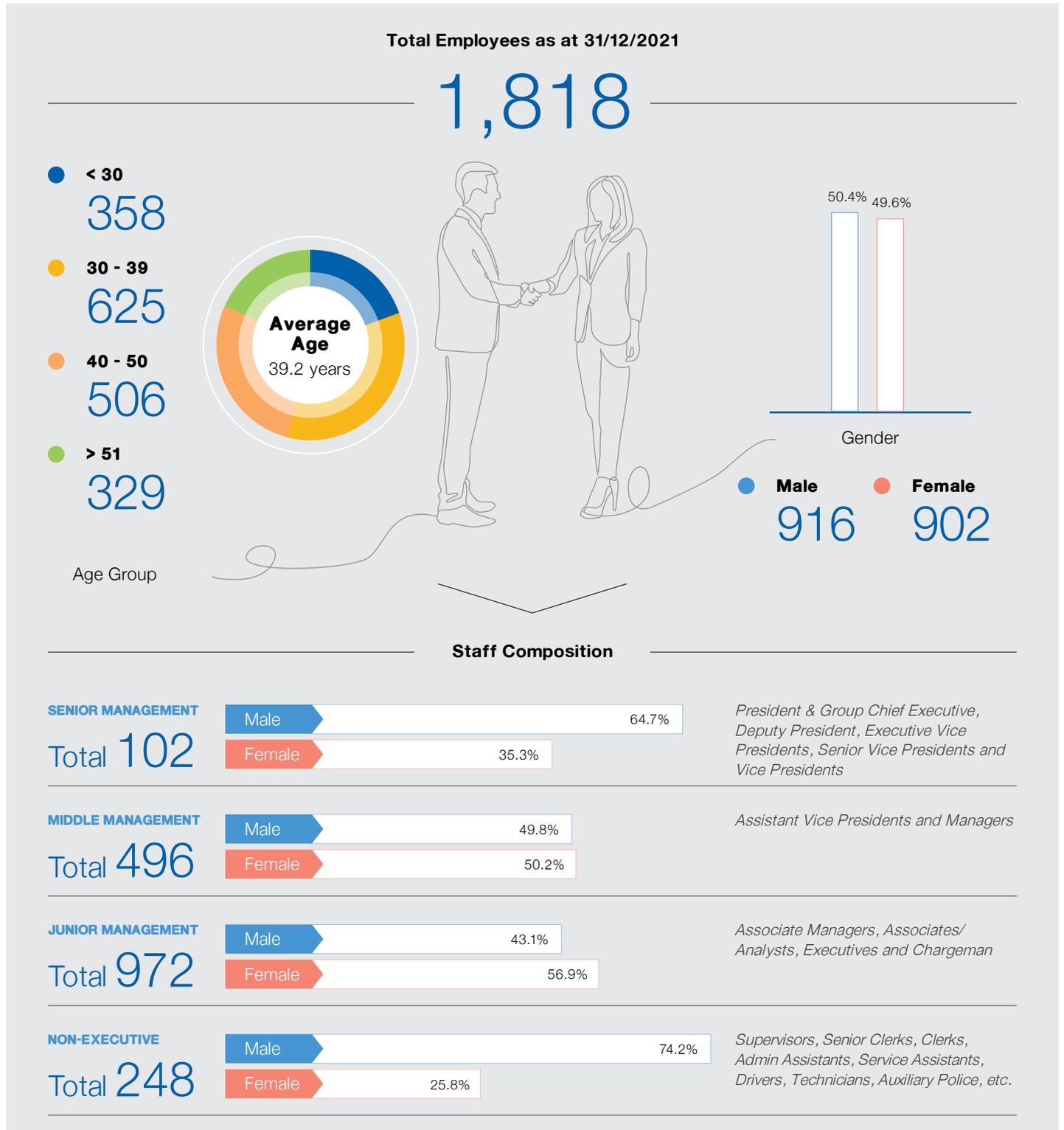
Key Initiatives	Description
Employee Wellbeing Programmes	<p>Core elements:-</p> <ul style="list-style-type: none"> • FITEat: Food & Nutrition • GO-FITBeat: Physical fitness • LiveFIT4People: Integration between mental and physical health and other elements of wellbeing • LiveFIT4Family: Similar wellbeing support extended to staff dependents • People Managers Series <p>Arising from Employee Wellness Survey (EWS) in Dec 2020:-</p> <ul style="list-style-type: none"> • Wellbeing issues: WFH fatigue & burnout; virtual fatigue; physical & mental health; poor work-life boundaries; family-role conflicts; ergonomic health; productivity & engagement; managing hybrid team e.g. communication; team dynamic; supervision & subordinate development (especially for junior level & new hires). • Psychosocial risks context is no longer limited to workplace setting; now inclusive of WFH environment & challenges. • The need for short-term & long-term People strategy.

Employee Engagement

Key Initiatives	Description
Digital Onboarding	<ul style="list-style-type: none"> • First Phase completed in April 2021, which involves the inclusion of Onboarding Kit and Onboarding Deck with uploaded Onboarding Page in PNB Knowledge Hub. • Second Phase is ongoing, which involves the UAT and Training for Onboarding Buddy.
Employee Engagement Programmes	<ul style="list-style-type: none"> • Virtual Townhalls – organised four times • PNB 2021 Awards Ceremony • Special Schooling Aid 2022

Human Capital Management

KEY STATISTICS - HUMAN CAPITAL



Human Capital Management

FLEXIBLE WORK ARRANGEMENT (FWA)



In tandem with the resurgence of the pandemic and the country moving in and out of lockdowns, PNB continued to keep its Business Continuity Plan (BCP) in place to safeguard the wellbeing of all its employees whilst ensuring the continuation of its business operations.



All employees continued 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 rotational basis. The Flexible Work Arrangement (FWA) policy also continued to be in place, providing employees with the option to Work-From-Home (WFH) on an ad hoc or rotational basis in balancing their work and personal commitments.

This policy has been largely successful as both employees and their superiors utilised this flexibility while maintaining the highest of standards in executing their respective tasks and responsibilities. In addition, we rolled out digital onboarding of new employees by providing onboarding kits and decks through the PNB Knowledge Hub.

With the prolonged pandemic situation, PNB implemented a number of wellness programmes to mitigate WFH fatigue and burnout. This included programmes that addressed food and nutrition, physical fitness and mental wellbeing. Towards the end

of 2021 and as the country moved towards the endemic stage, we prepared Return-To-Work guidelines that required employees who needed to Work-In-Office to test themselves for COVID-19 and to update their results online before entering the office.

Throughout 2021, the various teams in PNB continued to meet their targeted outcomes and outputs by maintaining regular lines of communication with their supervisors and fellow team members, either virtually or in person. Heads of Divisions and Departments have played an important role in this shift of policy, facilitating this culture change, by measuring the performance of their subordinates by the outcome rather than hours clocked in the office.

We have cultivated a supportive and trusting environment to enable the success of the FWA and have seen encouraging response to the FWA since its launch in May 2020. 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.

Human Capital Management

CAPACITY BUILDING

Leadership Development

In this era of change and uncertainty, leaders are tasked with finding short-term solutions while providing a long-term view as employees look for direction and empathy. The PNB Growth Series Online, a collaboration leadership programme with Asia School of Business aimed to equip PNB leaders to approach the present times with authenticity and agility and to draw out the best in themselves and their team in making the right moves. For 2021, a total of 84 leaders from various divisions/departments participated in the programme. The programme incorporated the following topics of leadership, management and personal skills development:-

People, Purpose & Performance (How to Design Effective Organisations)

- Points to how the organisation was designed and seamlessly blends with the people who will determine its success.

Values, Ethics & Corporate Accountability

- Creates a conscience-based way of making decisions anchored on principles governed by social, economic and political considerations plus values.

Empathetic Leadership: The Power of 3

- Managing the 'known' and leading the 'possible', the transition from being a good leader to an enlightened leader.

In addition, 460 Managers and Assistant Vice Presidents participated in the leadership modules. The objectives of the programme are to equip the staff on how to maximise potential and self-confidence in meeting organisational demands and focus on how the brain influences leadership.

Untapping PNB's Coaching Prowess: From Potential to Peak Performance

- Identify personal roadblocks related to coaching and employ a range of tactics to overcome them.

PNB's Mind & Skill Agility Matrix - Brain-based leadership - The Brain Initiative.

- Demonstrate how the brain works and the factors that influence how we perceive the world and understand why resistance to change happens.

Empathetic Leadership: The Power of 3

- Focus on understanding group dynamics, aligning roles and responsibilities, developing team communication and decision-making processes.

Negotiating Win-Win Solutions

- Develop the confidence to resolve conflicts not only amicably but also creating a win-win outcome for both parties.

Human Capital Management

Pre-Retirement

PNB provides a pre-retirement training programme to those 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 enabling them to acquire new skills and tools that they can apply during their retirement.

In 2021, 21 staff members went for various pre-retirement training programmes based on their area of interest.

Tertiary Education and Professional Programmes

As part of the company's effort to improve the education level and career enhancement, PNB provides sponsorship for staff members to pursue diploma, degree and master programmes, as well as professional qualifications locally or overseas as follows:

3

full sponsorships for Masters of Business Administration for Working Professionals Program (MBA-WP) at The Asia School of Business (ASB), in collaboration with Massachusetts Institute of Technology (MIT) Sloan School of Management, USA.

1

full sponsorship sponsored by the Chevening Sponsorship Award for Master of Science in Urbanisation and Development with London School of Economics & Political Science (LSE)

3

partial sponsorships for Master programmes (70:30 policy)

30

full sponsorships for professional qualification programmers (such as Chartered Financial Analyst (CFA) and Chartered Accountant Professional Program)

BUILDING PEOPLE

Staff Training

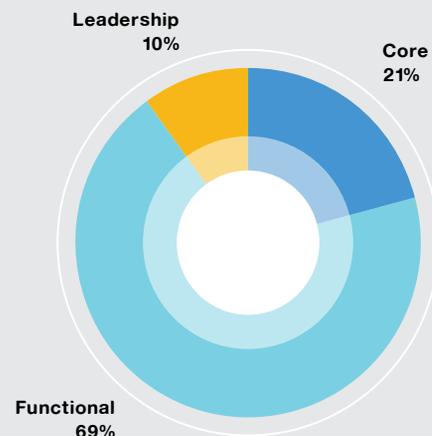
To compete successfully, PNB needs to attract, develop and retain highly-skilled, performance driven talent with the mindset to excel and win despite any challenges. This is achieved through the structured talent development programmes targeted to strengthen professional and personal skills sets via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

- Core Competencies - Required for excellent performance across all level and function
- Functional Competencies - Success factors that distinguish functional groups, based on Job Family
- Leadership Competencies - Building leadership capabilities based on targeted PNB Leadership DNA

For the year 2021, 69% of courses conducted were for Functional competencies, followed by Core competencies at 21% and Leadership competencies at 10%. Employees are also being trained in functional competencies to ensure they acquire the technical skills they need to perform their jobs successfully.

PNB has successfully embraced and switched to online training for all employees. In 2021, the average training hours was 114, where 98.8% of employees fulfilled the minimum training hours requirement of 64.

Course Held Based On Competencies

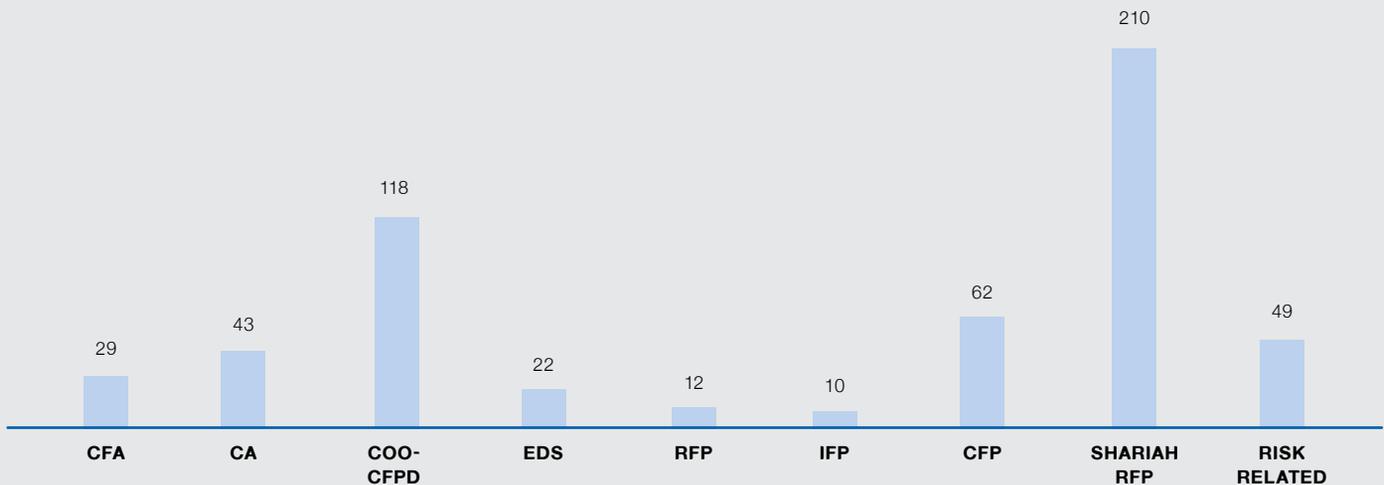


Human Capital Management

Professional Certification

PNB continuously encourages employees to pursue professional certifications. Among the professional certifications which PNB employees are enrolled in 2021 are Chartered Financial Analyst (CFA), Chartered Accountant (CA), Enterprise Data Scientist (EDS), Certified Financial Planner (CFP), Islamic Financial Planner (IFP), Registered Financial Planner (RFP), Shariah Registered Financial Planner (SRFP), Certified Anti-money Laundering / Counter Financing Of Terrorism & Regulatory Compliance Officer (CCO-CFPD), and risk related certifications.

No. of Staff Based on Professional Certification



In recognition of its commitment to talent development for its employees through CFA qualifications, PNB was recognised by the CFA Society Malaysia as its Premium Employment Partner for 2021.

Licensing

CMSRL

The license which permit authorised designated PNB employees to carry out fund management duties in relation to portfolio management.

FIMM

PNB employees who are registered with the Federation of Investment Managers Malaysia to market and distribute Unit Trust

Licensing	Applicable to	No. of Staff
Capital Markets Services Representative's Licence (CMSRL)	Fund Manager	137
Federation of Investment Managers Malaysia (FIMM)	Unit Trust Consultant	803

The two major principal activities in PNB require employees to be licensed with CMSRL and FIMM.

Human Capital Management

Upward Mobility Scheme (UMS)

UMS was initiated as part of PNB's initiatives in upgrading the skills and knowledge of its employees. The main objective of UMS is to assist employees who were promoted from non-executive to executive positions to build their technical acumen and develop deeper understanding of organisational and business skills.

To meet this objective, PNB collaborates with local universities such as Universiti Malaya (UM), Universiti Teknologi Malaysia (UTM) and Universiti Tun Abdul Razak (UNIRAZAK) for the training modules. To-date, the Upward Mobility Scheme has progressed as follows:

Batch	No. of Staff	Remarks
UMS 2017	17	<ul style="list-style-type: none"> 17 staff completed Professional Diploma in Business Administration from UTM in August 2019. 9 of them have attended the UTM Graduation Ceremony at Dewan Sultan Iskandar, UTM Skudai, Johor on December 20, 2021.
UMS 2018	75	<ul style="list-style-type: none"> 46 staff completed Professional Diploma in Business Administration from UTM in September 2020. 28 staff completed Professional Certificate in Business Administration from UTM in November 2019. 1 opted for early retirement before the classes started. Pending graduation ceremony.
UMS 2019	78	<ul style="list-style-type: none"> 42 staff completed Professional Diploma in Business Administration from UTM in July 2021. 31 staff completed Professional Certificate in Business Administration from UTM in December 2020. 5 staff completed Professional Diploma in Facilities Management from UNIRAZAK in March 2021. Pending official transcript and graduation ceremony.
UMS 2020	32	<ul style="list-style-type: none"> 15 staff expected to complete Professional Diploma in Business Administration from UTM in July 2022. 17 staff completed Professional Certificate in Business Administration from UTM in December 2021.
UMS 2021	40	<ul style="list-style-type: none"> List of 40 staff who scored above average norm was sent to Human Resource Operations & Administration Department (HROAD).

On 20 December 2021, 9 out of the 17 UMS 2017 participants attended their Professional Diploma in Business Administration at UTM convocation. The event, which was held at UTM main campus at Skudai, Johor was also attended by PNB Chief Human Resource Officer (CHRO), Puan Norhanifah A.Jalil.

All of the UMS 2017 participants have demonstrated tremendous effort in completing their Professional Diploma as shown by their excellent CGPA of 3.0 and above. The highest CGPA was 3.97. Allahyarham Ghazali Lebai Idris was awarded Anugerah Anumerta with CGPA of 3.95.



Human Capital Management

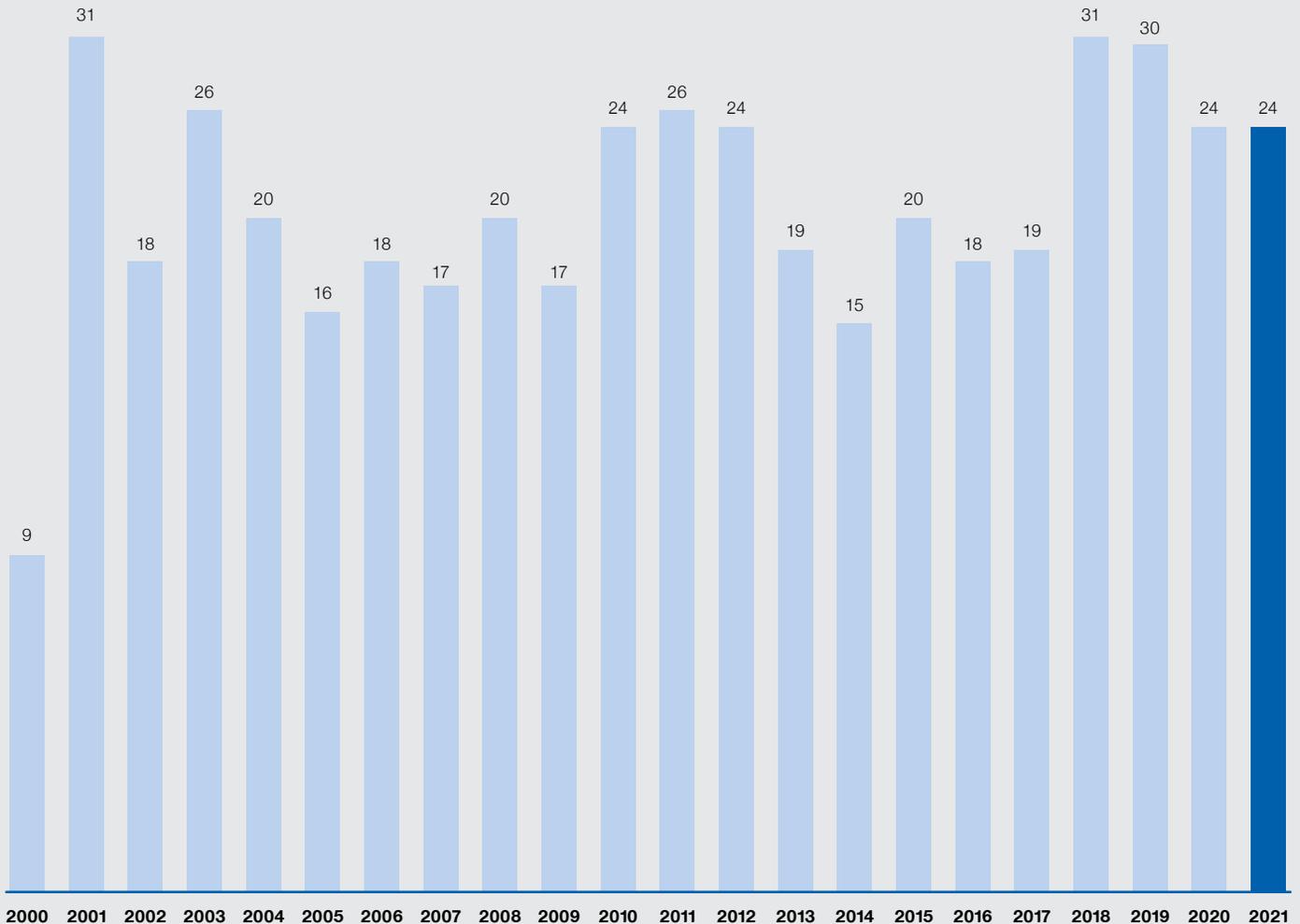
Management Trainee Programme (MT)

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



Summary of Management Trainees (2000 - 2021)

Total: **466**

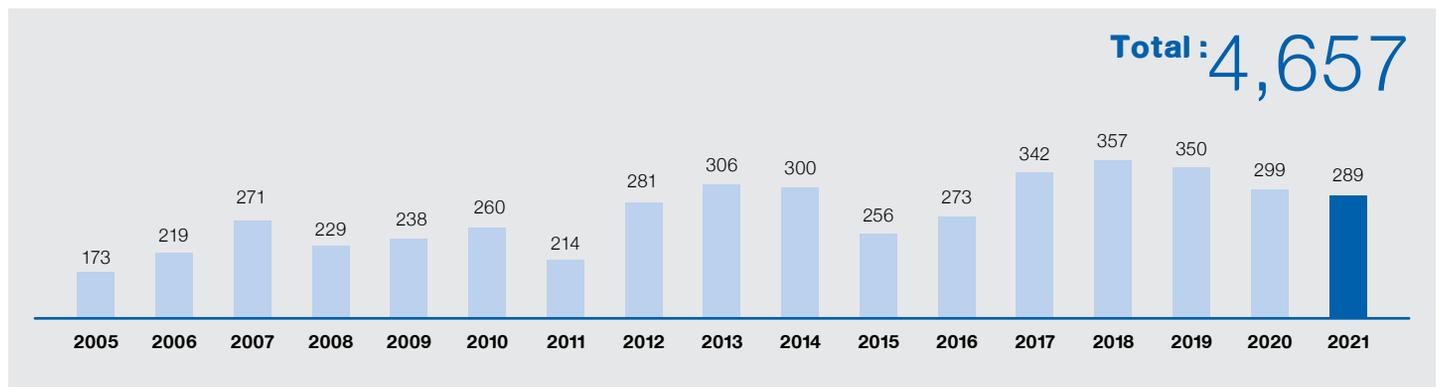


Human Capital Management

NATION'S HUMAN CAPITAL

Internship

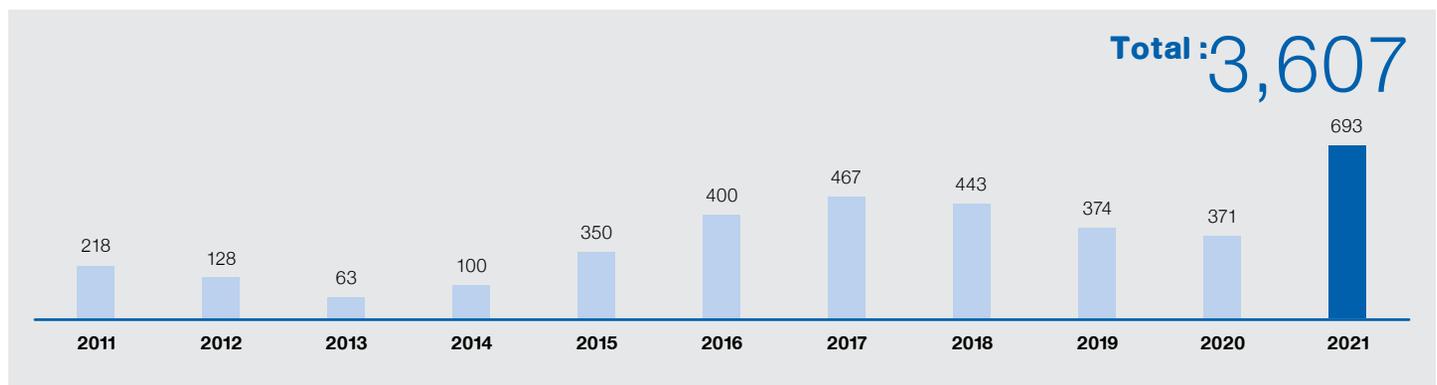
This internship programme is designed to facilitate personal growth and develop skills of talented graduates from various fields such as Accounting, Finance, Economics, Marketing, Information Technology, Risk Management, Human Resource and other related fields to gain hands-on work experience across various areas while providing invaluable insights into the roles and daily operations of departments in PNB. Since its inception, PNB has trained 4,657 interns under the programme. The summary is as follows:



PNB Graduate Executive Trainee-MySTEP (PNB GET-MySTEP)

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

Since the programme began in 2011, PNB has trained 3,607 unemployed graduates. The summary is as follows:-



For the six-month on-the-job training, there are several companies that have participated in supporting the training needs of the trainees. The list of companies are as follows:-

PERMODALAN NASIONAL BERHAD (PNB)	AMANAH SAHAM NASIONAL BERHAD (ASNB)	PNB MERDEKA VENTURES SDN BERHAD	PNB RESEARCH INSTITUTE SDN BERHAD	ASNB WAKALAH SDN BERHAD	ATTANA HOTELS & RESORTS SDN BERHAD	PNB COMMERCIAL SDN BERHAD
PNB DEVELOPMENT SDN BERHAD	RAIZ MALAYSIA SDN BERHAD	MNRB HOLDINGS BERHAD	TAKAFUL IKHLAS BERHAD	MMC CORPORATION BERHAD	CHEMICAL COMPANY OF MALAYSIA (CCM) BERHAD	PROJEK LINTASAN KOTA HOLDINGS SDN BERHAD

Human Capital Management

PROJECT MANAGEMENT

An organisation's success depends on its ability to deliver its mandate, and ensuring PNB achieves this mandate are critical projects that support and add value to four focus areas directly aligned with our strategic plan. In 2021, there were more than 130 projects across the organisation, each with its own objective and scope, but collectively striving to achieve the same organisational goal.

Central to this is PNB's Project Management Office (PMO), which played a vital role in overseeing all projects and ensuring they are delivered in an effective and timely manner. Underpinning this is the project management structure and mechanisms, as well as constant engagement and collaboration, which is a shared value.

One key focus area of PNB's Strategic Plan was Digital Transformation, which emphasises the importance of accelerating digital initiatives in line with industry and global practices to drive and improve organisational performance and capability while increasing value to unit holders. The digital agenda was also supported and furthered by the five-year IT Blueprint that acted as a mechanism to drive and execute technological strategies in key functions across the organisation.

This was translated in various successfully implemented initiatives such as e-KYC (know-your-customer) in the myASNB app, a milestone in digitalising unit holders' onboarding journey which facilitated the opening of ASNB accounts without the need to physically visit branches or agents; Malaysians could now open ASNB accounts via their myASNB app. Goal-based investment tool was another project that was launched in 2021 as part of PNB's digital transformation agenda. This tool encourages Malaysians to invest based on their desired financial goals, with pre-determined features and goals to easily assist and guide investors as they enhance their wealth and financial literacy. Other critical projects encompassed improving internal systems and IT security as part of PNB's commitment to delivering value to our unit holders.

Aside from digital transformation, another area that has garnered interest globally is sustainability, and PNB's Sustainability Framework is testament to the commitment in this endeavour. With three overarching pivotal pillars, Environment, Social, and Governance (ESG), work has commenced to incorporate these aspects of sustainability in the various facets of the organisation, such as investment and operations. While the Sustainability

Framework remains a work in progress, the sustainability agenda has been imbued in multiple projects across PNB, notably the Merdeka 118 tower, which aims to achieve a triple platinum certification - Leadership in Energy and Environmental Design (LEED), Green Real Estate (GreenRE), and Green Building Index (GBI).

As PNB strives towards a sustainable future whilst delivering its mandate to all unit holders, PMO continues to play its part in ensuring all critical projects achieve their objectives, which then translates to an accomplishment of the focus areas outlined in the strategic plan.

PNB's Digital Transformation Initiatives

Digital Signature
Finalising processes that require approval via digital signatures

Automation
Manual and repetitive work will be automated

E-Learning Platform
Launching of an online platform to promote learning on demand

Digitisation
Digitisation of records to reduce paper usage

Smart Office Technology
Improving user experience that will be introduced at Merdeka 118

- Visitor Experience
- Unified Communications
- Booking System
- Access Management and Control for Staff and Visitors
- Seamless Video Conferencing Facilities
- Follow Me Printer

Our Social Advocacy Commitments



As one of the largest fund management companies in Malaysia, PNB has grown significantly since its establishment 43 years ago. We have been instrumental in transforming Malaysia socio-economic development and we continue to strive in our delivery of sustainable long-term returns to our unit holders.

We continue to be guided by PNB's Corporate Social Responsibility (CSR) agenda in our initiatives to the community and the nation. Our CSR programmes are organised to fulfill the needs of those around us and to benefit all our stakeholders.

Our CSR initiatives and programmes encompass the following four pillars:



We seek to inspire, motivate and enable the next generation of talents for PNB. Programmes and initiatives carried out under this pillar provide educational opportunities and skills to brilliant, young minds who will eventually become the future of PNB.



We believe that it is our responsibility to empower the community to be financially literate in saving, investing and making the right financial decisions. This will enable our community to raise their standard of living and achieve their goals in the long run.



We provide support to further improve the lives of communities around us through community initiatives and philanthropic contributions made to organisations.



We strive to develop sustainability for the nation by providing knowledge-sharing platforms that promote innovation, collaborations and sustainable development. Through this pillar we are also able to increase our knowledge on trends and influences on investment, economic and leadership.



HOW WE MANAGE OUR CSR PROGRAMMES

Our CSR programmes are managed within PNB in collaboration with Amanah Saham Nasional Berhad (ASNB), our wholly owned unit trust management company. Organised and executed by our dedicated employees, the programmes also serve as an important platform for us to connect and engage with our stakeholders including unit holders, communities, Government bodies, businesses, and non-governmental organisations.

Through our collaborations with Government bodies, agencies and corporations, we are able to gain leverage on various skills in a concerted effort to produce the best possible outcome for beneficiaries in our programmes. Collectively, we can bring about positive change while playing our role as a corporation to support the Government's efforts in improving the nation's economy and giving aid to those who need assistance.

Our Social Advocacy Commitments



01 EDUCATION



Education has been one of PNB's focal points in its many CSR initiatives over the years as we believe in empowering the future generation to create long-term sustainable value. We have invested heavily through the provision of scholarships to deserving Malaysian students who are keen to further their education and attain their aspirations.

Our company aims to build an extensive team of capable leaders for the future growth of the nation and PNB. We want to elevate the sustainable development of human capital through the contribution of our scholarship programmes that will equip our talent pool with the right aptitude and capabilities. Once our scholars have completed their

studies and graduated, they will begin their corporate journey with us and ensure the company achieves its goals and business objectives.

We have many employees in our midst who started out as PNB scholars and are currently holding senior positions, while others have moved on to advance their careers in other companies. We remain content to have played a supporting role in developing their capabilities and unlocking their potential as they still contribute to the overall development of Corporate Malaysia.

In the year under review, PNB contributed a total of RM359.6 million to fund all scholarship programmes under Education. These funds benefitted a total of 5,196 deserving young Malaysians since 1996 in providing them the opportunity to advance their education and contribute to the nation's economic growth.

Our Social Advocacy Commitments

PNB Global Scholarship Award/YTI Premier Scholarship Award



For over 20 years, the PNB Global Scholarship Award and the Yayasan Tun Ismail Premier Scholarship Award has been renowned as one of the most esteemed in the country.

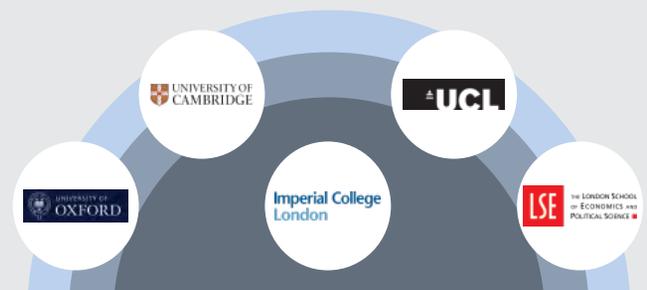
These scholarships pave the way for students with excellent academic abilities to pursue their tertiary education in the field of their choice at some of the outstanding universities worldwide. Our scholars can choose to specialise in courses from a wide range of fields that are related to the core businesses that PNB are involved in, but excludes medicine, dentistry, pharmacy, music, fashion and theology. As at the end of 2021, a total of 454 scholarships have been awarded under these programmes.



454
scholarships awarded since inception of this scholarship programme

Top Global Universities under PNB's Approved List

United Kingdom



United States of America



Australia



Our Social Advocacy Commitments



01 EDUCATION

PNB Chartered Accountant Initiative (PCA)

The demand for qualified, well-skilled accountants has never diminished as they play a significant role in ensuring the economic growth in companies. At PNB, we also want to encourage diversity by providing opportunities to Bumiputera students who are interested to be professional accountants.

PNB has been in partnership with Yayasan Peneraju Pendidikan Bumiputera (YPPB), INTEC Education College and Ernst & Young (EY) Malaysia since October 2016 to produce more certified Bumiputera Chartered Accountants by 2022 via the PNB Chartered Accountant Initiative (PCA). With PCA, students are given scholarships to pursue their accounting studies at INTEC Education College, Sunway TES Centre for Accountancy and SENTRAL College Penang. As at the end of 2021, a total of 1,025 scholarships have been awarded.

1,025

Scholars
since inception

462

Active
students

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

As a caring employer, we invest in the future of our employees' children through PNB Employees' Children Scholarship Award and PNB-Kolej Ilmu Scholarship Programme. Since 1998, PNB has provided scholarships to its employees' children to help them fulfil their children's aspirations. Every employee at PNB is granted two scholarships for their children. This allows them to pursue foundation studies, diploma or bachelor's degree programmes at public universities and selected private universities throughout Malaysia.

In addition, since 2005, we have also been providing financial backing and educational support to former students of Kolej Ilmu PNB to advance their studies in selected universities. These students are predominantly from underprivileged families. As at the end of 2021, a total of 1,097 students have benefited from these two programmes.

PNB Employees' Children Scholarship Award

733

Scholars since inception

PNB-Kolej Ilmu Scholarship Programme

364

Scholars since inception

Local Universities

21

Public universities

16

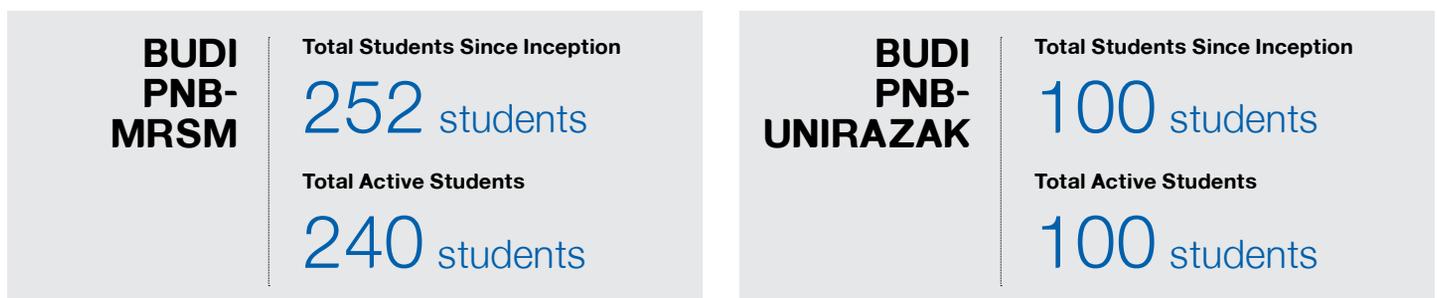
Private universities

Our Social Advocacy Commitments

Bantuan Untuk Pendidikan (BUDI)

Bantuan Untuk Pendidikan (BUDI) is an education grant programme, launched by PNB since 2019. This programme, is closely aligned with the Government's initiatives to assist the Asnaf (B40) group, has benefited 352 students.

Through this BUDI PNB-MRSM programme, we are helping the underprivileged students to pursue their secondary education at selected Maktab Rendah Sains MARA (MRSM), while BUDI PNB-UNIRAZAK is available for students pursuing Bachelor's Degree in Accounting with Certified Practising Accountant (CPA) at Universiti Tun Abdul Razak (UNIRAZAK).

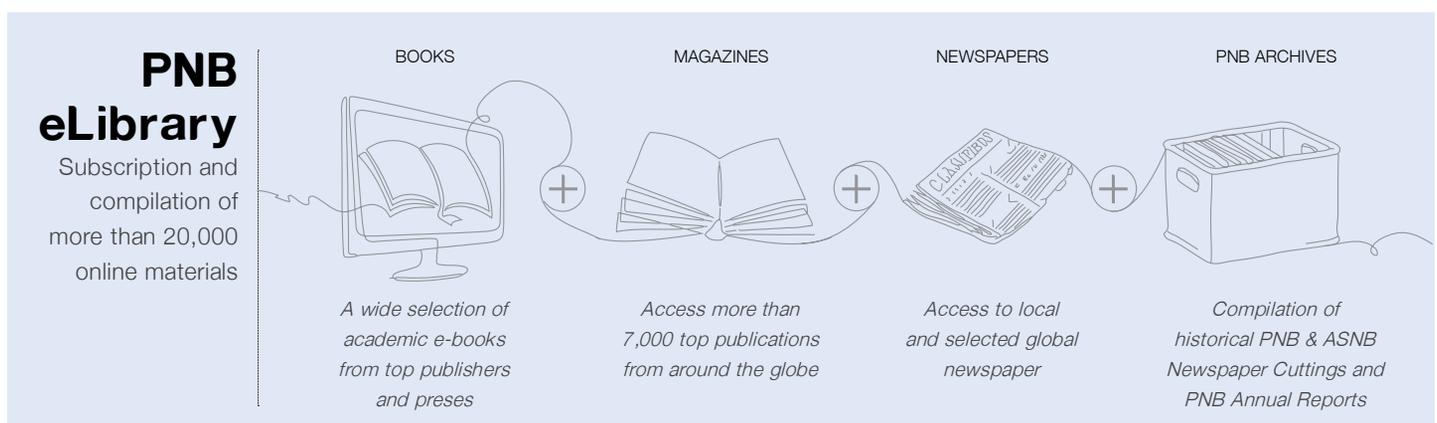


Through the programme, these students managed to achieve excellent results with the majority of them meeting the academic requirement set by PNB. More than 60% of MRSM students achieved CGPA of 3.50 and more than 6As while 95% of UNIRAZAK students managed to maintain their CGPA of 3.50 and above.

ORGANISATIONAL CAPABILITY - PROJECT MANAGEMENT-PNB KNOWLEDGE HUB

eLibrary on KM Hub

Following the establishment of PNB Knowledge Management (KM) Hub, eLibrary was created in December 2021 to enable a wider ecosystem for knowledge sharing and learning in MS SharePoint platform. The eLibrary features various online materials that will complement the PNB KM Hub's goals in promoting effective knowledge sharing that will promote efficiency in delivering information to PNB staff.



Our Social Advocacy Commitments



02 FINANCIAL LITERACY

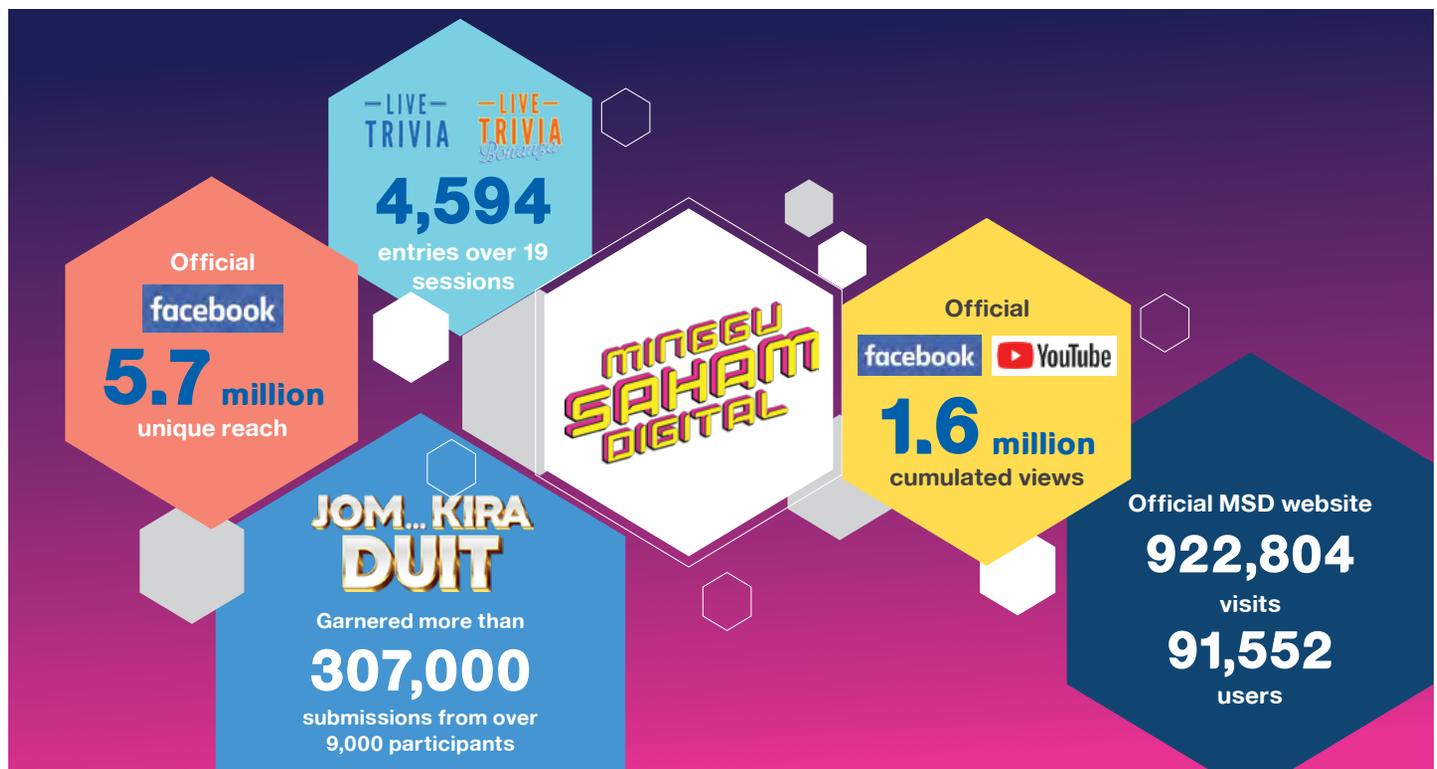
MINGGU SAHAM DIGITAL 2021 CLOSSES ON POSITIVE NOTE - One of Malaysia's biggest financial literacy events

PNB's annual financial literacy flagship programme Minggu Saham Digital (MSD) recorded more than 1.5 million views over seven days, and more than 5 million engagements across its social media channels. The MSD event is an opportunity for the Malaysian public to become acquainted with PNB and its investee companies through MSD's unique and informative programmes on financial literacy. The week-long edutainment event, themed #laburbersama, was geared towards enhancing financial literacy amongst Malaysians of all ages, through various online activities. The official MSD website was frequented close to one million times with the Jom... Kira Duit contest receiving more than 307,000 submissions from over 9,000 participants. Millions of viewers were provided the opportunity to win prizes worth more than RM500,000 by participating in contests held before and during MSD.

● ●

“ I would like to convey our utmost gratitude to everyone involved, especially participants who made MSD 2021 a most enjoyable event. All of our programmes throughout the week continue to be available on MSD's Facebook and YouTube channels. We hope that participants have managed to gain new knowledge from their experience with us and continue to support our financial literacy efforts. ”

Ahmad Zulqarnain Onn, President & Group Chief Executive



Further information on the financial literacy programmes, such as Sembang-Sembang ASNB and Kuiz Pelaburan PNB can be found on page 74 and 75.

Our Social Advocacy Commitments



03 COMMUNITY UPLIFTMENT



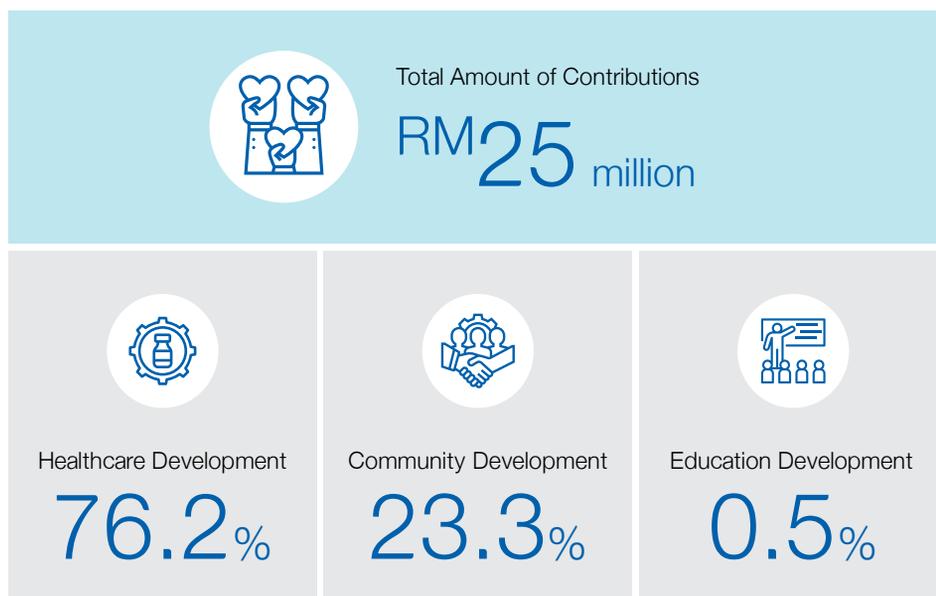
PNB strives to empower communities by offering financial aid and support to non-profit/non-governmental organisations with initiatives that assist underprivileged communities.

We also advocate environmental and social initiatives that have positive impacts on both the environment and society. We remain steadfast in our commitment to ensuring profitability and social sustainability is maintained by financing several target-driven and scalable community upliftment programmes. These programmes are carefully evaluated, implemented with our strategic partners, and monitored for continuous improvement to ensure that they are beneficial to people.

OBJECTIVES

- Provide financial support to organisations that provide services that contribute to the upliftment of communities.
- Centre on social interventions that fulfil the needs of the communities in overcoming the challenges and difficulties in their lives.

LIST OF ACTIVITIES IN 2021



Some of our notable contributions include:

- Support the government in fighting the pandemic via direct contributions and donations to relevant Ministries, Government agencies and third-party NGOs.
- National 100 Million Tree Planting Campaign by Yayasan Hijau Malaysia.
- Flood Relief Mission 2021 in Selangor, Pahang and Kuala Lumpur.
- Net-Zero Emissions Pathway for Malaysia by 2050 Study by World Wide Fund for Nature Malaysia (WWF Malaysia).
- Contribution of used personal computers to selected schools in Selangor.
- Refurbish and purchase of new equipment for speech therapy and sensory room for the National Autism Society of Malaysia (NASOM) in Malacca & Kuala Lumpur.
- Procurement and preparation of the teaching room facilities and skills training for children with down syndrome for the Down Syndrome Association of Malaysia.

Our Social Advocacy Commitments



03 COMMUNITY UPLIFTMENT

Healthcare Development

SUPPORTING THE GOVERNMENT IN THE FIGHT AGAINST THE COVID-19 PANDEMIC (RM19.1 million)

COVID-19 continued its onslaught in the FY2021, and many were affected by the pandemic as it adversely impacted the economy, health and wellbeing of Malaysians. As a corporate entity that deeply cares for its community, PNB responded in its commitment through financial contributions in healthcare and continued to support the Government's fight against COVID-19.

Key Focus Areas

Healthcare & Medical Development Support	
Ministry/Agencies	Description
Ministry of Health (MOH)	To purchase medical and non-medical equipment in order to support the Emergency & Trauma Department at 29 hospitals throughout Malaysia.
National Disaster Funds: National Disaster Management Agency (NADMA)	To provide financial aid to those who suffered from loss of income due to being quarantined and direct relatives of COVID-19 victims as well as food item distribution at Enhanced Movement Control Order (EMCO) areas.
Third Party NGOs	To provide food packs, hygiene kits, supply of medical & non-medical item, etc.

Enforcement Activities	
Ministry/Agencies	Description
Enforcement Bodies: <ul style="list-style-type: none"> The Fire and Rescue Department of Malaysia (JBPM) Malaysia Civil Defence Department (APM) The Malaysia Volunteers Corps Department (RELA) 	To purchase personal protective equipment (PPE) such as Splash Suit Level C, three-ply face mask, face shield, disposable glove/apron and other safety/rescue equipment.

Community Development

FLOOD RELIEF MISSION 2021 (RM5 million)

In December 2021, many parts of Malaysia including Pahang, Selangor and Kuala Lumpur were hit by floods that not only resulted in loss of homes and material possessions but also affected livelihoods and displaced many people. As such, PNB provided financial assistance to non-governmental organisations providing immediate flood relief and conducting rescue missions as well as providing support in a post-flood recovery programme.

Phase 1

IMMEDIATE FLOOD RELIEF & RESCUE MISSION

Malaysian Islamic Economic Development Foundation/Yayasan Pembangunan Ekonomi Islam Malaysia (YaPEIM)

- Cash assistance
- Replacement of household items
- Home repair and restoration service



Mercy Malaysia

- Water, sanitation & hygiene, and cleaning & restoration
- Healthcare support
- Learning & endurance capacity support
- Logistics and operational support

Phase 2

POST-FLOOD RECOVERY PROGRAMME

Jabatan Pendidikan Negeri (JPN) Selangor, JPN Wilayah Persekutuan Kuala Lumpur and JPN Pahang

- Replacement or refurbishment of damaged school equipment
- Purchase of uniforms, shoes, bags, etc. for affected students
- Financial assistance to affected JPN personnel

Yayasan Sejahtera

- Income recovery programme (micro business in F&B, agriculture and skilled-based services)

Our Social Advocacy Commitments

OTHER CONTRIBUTIONS



Net-Zero Emissions Pathway for Malaysia by 2050 Study by World Wide Fund for Nature Malaysia (WWF Malaysia)



National 100 Million Tree Planting Campaign. To create awareness on the importance of green lungs and to inculcate appreciation of forests to the public.



Procurement and preparation of the teaching room facilities and skills training for children with down syndrome for the Down Syndrome Association of Malaysia.



600 units of refurbished desktop computers for selected schools in Selangor.



Distribution of devices to 100 secondary school students in Kedah to help them with the home-based teaching and learning.



The Community Farm Programme at PPR Lembah Subang 2, Selangor.



The National Autism Society of Malaysia (NASOM): refurbish and purchase of new equipment for speech therapy and sensory room in Malacca & Titivangsa, Kuala Lumpur.



Food Infak Programme For Form 5 students who were sitting for the Sijil Pelajaran Malaysia (SPM) 2020 examination.



Food Bank 3.0 Programme: Benefited the B40 group and university students who were impacted by the prolonged COVID-19 pandemic.



New clothing donation programme targeting orphans and the poor in several primary and secondary schools around Kota Kinabalu, Sabah.

Our Social Advocacy Commitments



03 COMMUNITY UPLIFTMENT

PNB Zakat CSR Distribution Programme

In 2021, PNB contributed a total of RM9.1 million through PNB Zakat CSR Distribution Programme managed by the Shariah Management Department. The zakat has been allocated in accordance with the PNB Zakat CSR Framework approved by the PNB Board of Directors.

PNB continued its commitment to improve the livelihood of the Asnaf community through our Zakat distribution which focuses on promoting better healthcare, enhancing education, and providing financial support for the underprivileged community. These included financial aid for Asnaf, assistance for COVID-19 victims, medical equipment to fight COVID-19 and financial aid for restoration of welfare centres, mosques and schools.

Distribution overview

Total Distribution

RM9.1 million

Total Beneficiaries

77,526

By categories

Education

RM172,400

Healthcare

RM3.5 million

Community Upliftment

RM5.4 million

Key contributions

Financial aid via the Flood Relief Programme:

- Contribution to four states which were badly affected by the floods in 2020 and 2021 namely Kelantan, Terengganu, Pahang and Johor amounting RM836,000
- In collaboration with Yayasan Ikhlas, Pusat Kutipan Zakat Pahang and Majlis Agama Islam dan Adat Melayu Terengganu (MAIDAM)
- Benefitting approximately 8,025 flood victims

Financial aid for the poor and underprivileged patients:

- Contribution to 35 hospitals nationwide amounting RM2.08 million
- In collaboration with the Department of Medical Social Work
- Benefitting approximately 6,933 underprivileged patients

From the total of over RM26 million that PNB had contributed to help Malaysia's fight against COVID-19, RM5.44 million came from the allocation of PNB Zakat CSR managed by the Shariah Management Department. The detail contributions are as follows:

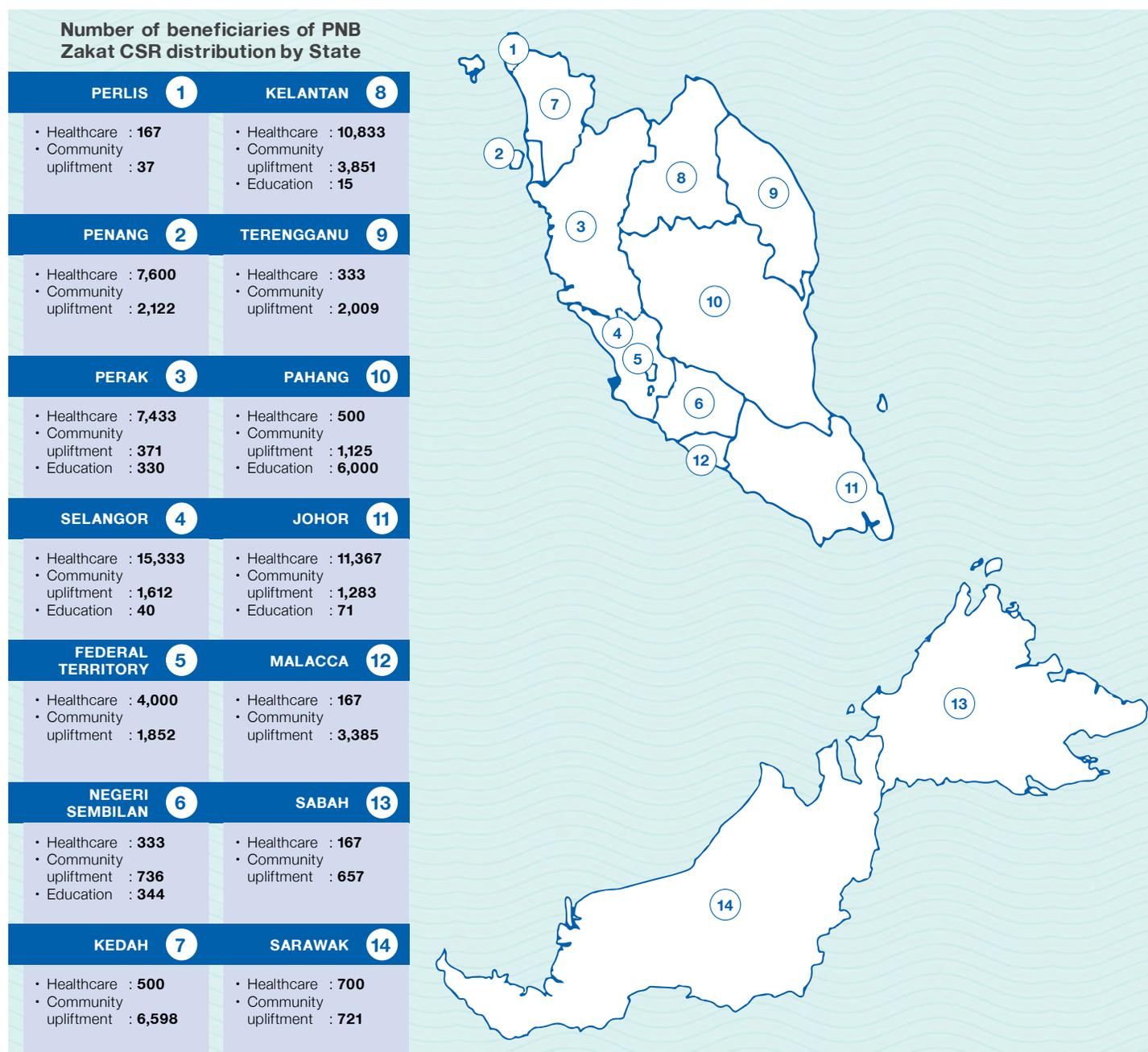
- Contribution to Yayasan Ikhlas amounting RM1.45 million for Projek Bantuan Wira COVID untuk Petugas Barisan Hadapan:
 - In collaboration with Ikatan Pengamal Perubatan dan Kesihatan Muslim Malaysia (i-Medik), an alliance of Muslim health practitioners
 - Purchase of 51,000 sets of personal protective equipment (PPE) and 15,000 clinical masks
 - Benefitting over 25,000 frontliners in 18 hospitals in seven states: Kedah, Selangor, Kuala Lumpur, Kelantan, Johor, Perak and Penang
- Financial aid amounting to RM3.98 million for Malaysians who were affected by the COVID-19 pandemic:
 - In collaboration with 13 state religious councils
 - Donation in the form of cash and food assistance
 - Benefitting over 32,000 beneficiaries comprising those from the B40 income group, Asnaf, daily-wage workers, small-time hawkers, laid-off/retrenched workers, among others.

Our Social Advocacy Commitments

BENEFICIARIES

COVID-19 contributions

RM5.4 million (20.4%) from PNB's overall total contribution of RM26 million to support the COVID-19 recovery and relief efforts for Healthcare and Community purposes, benefiting 25,750 and 32,548 beneficiaries, respectively.



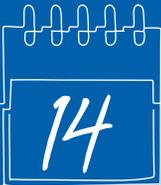
Our Social Advocacy Commitments



04 KNOWLEDGE SHARING

Through our knowledge sharing initiatives, we seek to contribute towards finding actionable and collaborative solutions that address pressing national issues. Our knowledge sharing platforms are designed to encourage cross-sectoral discussions and deliberations among thought leaders from various fields of expertise.

PNB KNOWLEDGE FORUM I:



14 JULY 2021

Topic:

RISING ABOVE COVID-19: REIMAGINING WORK IN MALAYSIA & BEYOND



The first PNB Knowledge Forum was held on 14 July 2021 with the topic 'Rising Above COVID-19: Reimagining Work in Malaysia & Beyond'. The COVID-19 pandemic has been challenging with unprecedented risks and disruptive effects on many facets of our life. At the same time, the pandemic has presented opportunities for needed innovative and transformative changes to ensure sustainable livelihoods. In the employment sector, all stakeholders namely government, businesses, employers and employees have to assume a role and responsibility to protect lives, livelihood and productivity in the new normal.

Organised by PNB Research Institute (PNBRI) on a fully virtual platform, the forum featured international and local speakers namely Professor Charles Fine of Asia

School of Business, Frank Michael Breitling from Boston Consulting Group, New York, Wan Nadiah of TMC Life Sciences Berhad and Nadhir Ashafiq from The Lorry. Charmaine Augustin of Asia School of Business moderated the session.

In his welcome address, PNB Group Chairman, Tun Arifin Zakaria, cited how the pandemic has completely upended life as we know it, and interestingly resulted in an abundance of creativity and innovation at the national, institutional and individual levels globally. President & Group Chief Executive of PNB, Ahmad Zulqarnain Onn, echoed this when he succinctly said "Necessity is the mother of reinvention".

The forum attracted more than 400 participants comprising members of PNB

network and stakeholders of Corporate Malaysia, including industry practitioners, policy makers and regulators. The forum had provided invaluable insights and great food for thought on how best to reimagine and reshape work and life in the COVID-19 world and beyond.

400

participants comprising members of PNB network and stakeholders of Corporate Malaysia, including industry practitioners, policy makers and regulators.

Our Social Advocacy Commitments

PNB KNOWLEDGE FORUM II:

25

OCTOBER 2021

Topic:

CLIMATE CHANGE: A NEW GREEN DEAL FOR MALAYSIA

The second PNB Knowledge Forum with the topic “Climate Change: A New Green Deal for Malaysia” was held on 25 October 2021 on a virtual platform.

Organised by PNBRI, the forum deliberated on the climate change, its impacts to the world - the environment, the people and the economy, and the urgency for climate action. More often than not, climate change has unequal impacts and repercussions on nations and societies; given that ones with resources are more prepared to address climate change issues. Vulnerable and disadvantaged groups including those with limited mobility and less accessibility to services due to regional disparities, and those who principally depend on agriculture and fisheries for sustenance are more prone to greater risks and impacts.

In his welcome address, PNB Group Chairman, Tun Arifin Zakaria, emphasised on the collective responsibility of all - the government, private sector, NGOs, and other stakeholders to address climate change. He called for all to adopt an enabling mindset and environment, and to actively engage all stakeholders especially scientists, businesses, and citizens in meaningful partnerships. This will keep us agile in tapping into the right opportunities as the world transits to a low-carbon future.

To adopt an enabling mindset and environment, and to actively engage all stakeholders especially scientists, businesses, and citizens in meaningful partnerships

In a way, COVID-19 has magnified the importance of transformation, resilience, and cohesion in societies to overcome the unprecedented economic and health crises. Coupled with the threat of climate change, it is indeed an opportune time for Corporate Malaysia to speed up the transition into Environmental, Social and Governance-embedded, driven initiatives.

The forum featured prominent panelists namely Dr. Julia Kim of Gross National Happiness Centre Bhutan, Datin Seri Sunita Rajakumar of World Economic Forum Malaysia Chapter, Climate Governance Initiative and Agus Purnomo of Golden Agri Resources Ltd, Indonesia. Hamdan Abdul Majeed of Think City, moderated the forum.

Our Social Advocacy Commitments



04 KNOWLEDGE SHARING

YAYASAN TUN ISMAIL MOHAMED ALI (YTI)

Established on 10 October 1999, Yayasan Tun Ismail Mohamed Ali (YTI) was set up to commemorate Tun Ismail Mohamed Ali's contributions as the first Chairman of PNB, and to the nation as a whole. The foundation undertakes various programmes and activities in line with its Deed of Trust including:

- Providing scholarships to outstanding students who have a placement in prestigious universities abroad;
- Establishing Professorial Chairs in Tun Ismail Mohamed Ali's name at endowment universities namely Universiti Kebangsaan Malaysia (UKM) and Universiti Malaya (UM);
- Organising Public Lectures and publication of books as part of its knowledge sharing initiative with civil society; and
- Contribution to other educational activities from time to time as approved by Board of Trustees.

YTI Professorial Chair Programme by Universities



2

FRAMEWORKS



6

UNIVERSITIES



15

CHAIRHOLDERS



1

VISITING PROFESSOR

In 2021, YTI has introduced Grant Framework to be implemented together with Endowment Framework for YTI Professorial Chair Programme (YTIPCP) as illustrated below. The programme aims to produce high-quality research among local universities as part of PNB's continuous engagements with the universities.

Endowment Framework:

No. of grants awarded

Two endowments since year 2000 (UM & UKM)

Cycles

Grant cycle specified.

Research areas

Corporate Law, Securities & Finance

Finance & Investment

No. of Universities

Universiti Malaya Since 2000

Universiti Kebangsaan Malaysia Since 2000

Grant Framework:

No. of grants awarded

Three grants subject to bidding and pitching process.

Cycles

Grant cycle specified. Up to 24 months of research duration per grant cycle.

Research areas

Expanded research areas in line with the emerging priorities of YTI, PNB and its strategic and core companies and Malaysia in general.

3 Universities

Universiti Sains Islam Malaysia
Duration: 2021-2023

UCSI University
Duration: 2021-2023

University of Nottingham Malaysia
Duration: 2021-2023

Research title

Application of Maqasid al-Shariah and Maslahah in Responsible Investment and Practices towards Environmental, Social and Governance Concern Environment: Evidence of PNB Investment

An Automated Intelligent Portfolio Management System for Strategic Planning and Investment Decision Making using Artificial Intelligence, Machine Learning, Fuzzy Logic and Genetic Algorithms

Vehicle-in-the-loop Safety Testing Platform for Autonomous Vehicle using Malaysian Road and Traffic Environment

Our Social Advocacy Commitments

Endowment Framework

UCSI University

2021-2023



Prof. Dr. Ajith
Abraham
(2021-2023)

Universiti Malaya

Corporate Law, Securities & Finance | 2000

Prof. Dr. John
H. Farrar
(2007)

Prof. Tuan Razeen
Sappideen
(2011-2013)

Universiti Kebangsaan Malaysia

Finance & Investment | 2000

Prof. Dr.
Abdul Mansur
Mohammed Masih
(2004)

Prof. Dr.
S. Ghon Rhee
(2005)

Prof. Dr. Erik
S. Reinert
(2013)

Prof. Dr. Ben
Jaconson
(2015)

Prof. Robert
William Faff
(2019-2020)

Prof. Dr.
Naoyuki
Yoshino
(2016)

Grant Framework

Universiti Sains Islam Malaysia

Islamic Finance & Banking | 2012-2020 | 2021-2023



Dr. Zamir Iqbal
(2012-2013)

Prof. Dr. Mohamed
Obaidullah
(2015)

Tan Sri Dr. Mohd.
Daud Bakar
(2017-Feb 2019)
2 terms

Prof. Dr. Fauzias
Mat Nor
(2021-2023)

Universiti Tun Abdul Razak

Leadership | 2012-2019

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)

University of Nottingham Malaysia

(2021-2023)

- No appointment of Chairholder

Our Social Advocacy Commitments



04 KNOWLEDGE SHARING

YTI Professional Chairs Programme

Since Inception

2021

15

CHAIRHOLDERS

1

VISITING
PROFESSOR

6

LOCAL UNIVERSITIES

2

CHAIRHOLDERS

- Universiti Sains Islam Malaysia
- UCSI University

**Universiti Malaya
(Corporate Law,
Securities &
Finance)**
- Since 2000

- Prof. Dr. John H. Farrar (2007)
- Prof. Tuan Razeen Sappideen (2011-2013) 2 terms

**Universiti
Kebangsaan
Malaysia (Finance
& Investment)**
- Since 2000

- Prof. Dr. Abdul Mansur Mohammed Masih (2004)
- Prof. Dr. S. Ghon Rhee (2005)
- Prof. Dr. Erik S. Reinert (2013)
- Prof. Dr. Ben Jacobson (2015)
- Prof. Robert William Faff (2019-2020)

Visiting Professor

- Prof. Dr. Naoyuki Yoshino (2016)

**Universiti Sains
Islam Malaysia
(Islamic
Finance &
Banking)**
- Since 2012

- Dr. Zamir Iqbal (2012-2013)
- Prof. Dr. Mohamed Obaidullah (2015)
- Datuk Dr. Mohd. Daud Bakar (2017-Feb 2019) 2 terms
- Prof. Dr. Fauzias Mat Nor (2021-2023)

**Universiti Tun
Abdul
Razak
(Leadership)**
- Since 2012

- 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)

**UCSI
University**

- Prof. Dr. Ajith Abraham (2021-2023)

**University of
Nottingham
Malaysia**

- No appointment of Chairholder

Knowledge & Expertise

2013

- (Lecture Booklet) Board Leadership and Integrity
- Prof. Dr. Erik van de Loo (UNIRAZAK)

Managing Philanthropy for Social Security and Economic Empowerment

- Prof. Dr. Mohamed Obaidullah (USIM)

2015

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)

(Lecture Booklet) Critical Success and Failure Factors in the Islamic Financial Industry in the 21st Century

- Tan Sri Dr. Mohd Daud Bakar (USIM)

2017

Extending the Boundaries in Islamic Finance

- Tan Sri Dr. Mohd Daud Bakar (USIM)

2018

Mainstreaming Islamic Finance Unveiling Critical Success & Failure Factors:

- An Insider and Global Perspective
- Tan Sri Dr. Mohd Daud Bakar (USIM)

Crisis Leadership & Resilience

- Prof. Dr. Nicholas H. Barker (UNIRAZAK)

Entrepreneurial Leaders: Shaping the Malaysian Entrepreneurship Ecosystem

- Prof. Dr. Nicholas H. Barker (UNIRAZAK)

2019

Rethinking Higher Education in Malaysia - Strategic Foresight

- Prof. Dr. Catarina Tully (UNIRAZAK)

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

- Tan Sri Dr. Mohd Daud Bakar (USIM)

2020

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

- Editors: Tan Sri Dr. Mohd Daud Bakar, Dr. Safeza Mohd Sopian, Dr. Muhammad Ridhwan Ab. Aziz (USIM)

Our Social Advocacy Commitments

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.



Committed to Strong Governance

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Corporate Governance Overview Statement



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):

PRINCIPLE A	Board Leadership and Effectiveness
PRINCIPLE B	Effective Audit and Risk Management
PRINCIPLE C	Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

THE BOARD'S PRINCIPAL RESPONSIBILITIES

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

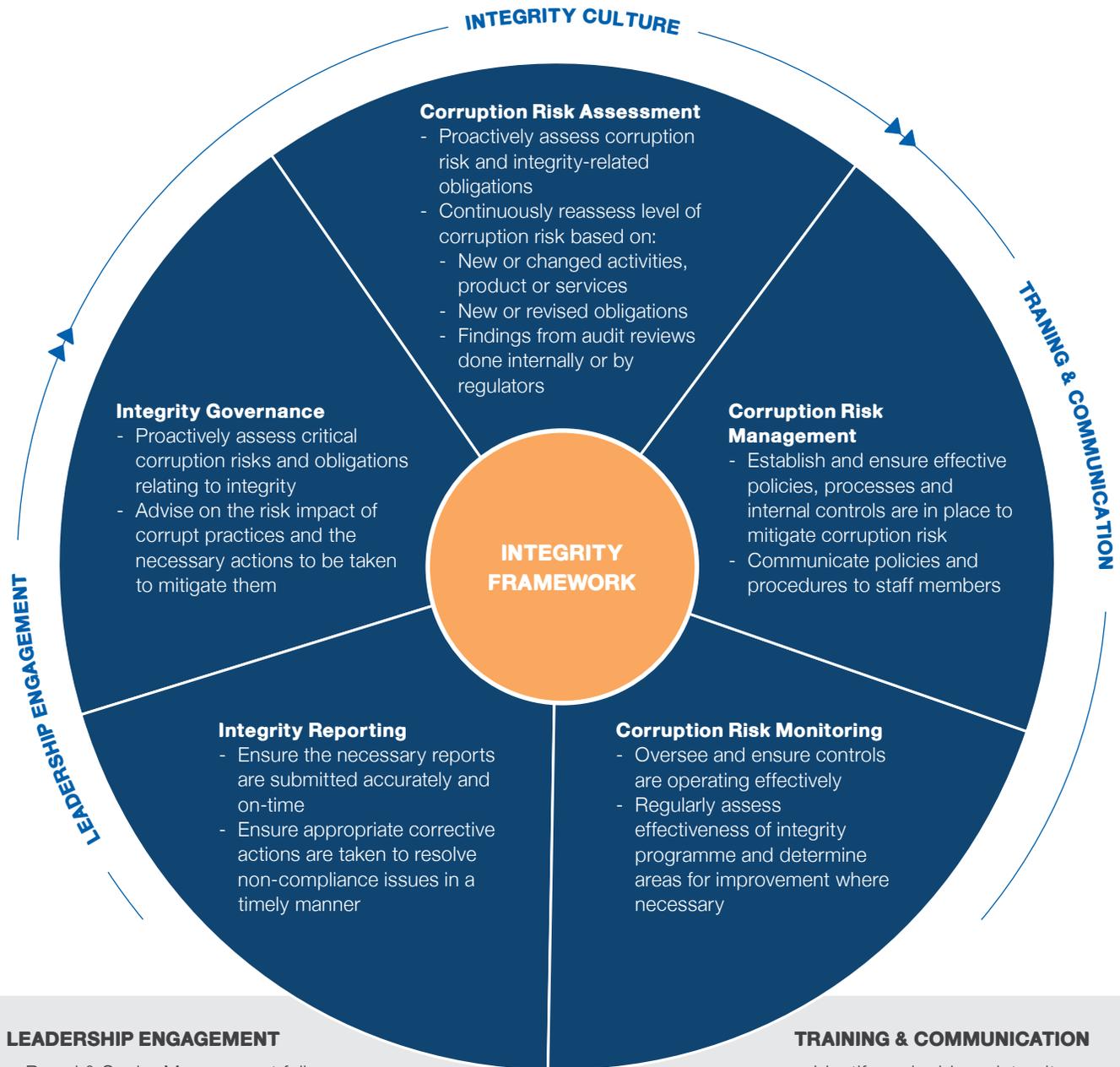
- set and monitor the Group's strategic business objectives;
- review policies and procedures to ensure that its corporate conduct is in line with the principles of integrity and accountability;
- review the adequacy of the Group's system of internal control, management information system, and compliance 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 of this new provision by organising talks and seminars featuring local and international speakers for the Board, Senior Management and staff members. PNB has also established the Whistleblowing Policy, and the Integrity Charter and Framework. As part of its continuous efforts in ensuring full compliance with this provision under the MACC Act, PNB is strengthening its policies and procedures involving Anti-Bribery Management System, Corruption Risk Management and Code of Business Ethics, amongst others.

Corporate Governance Overview Statement

INTEGRITY CHARTER AND FRAMEWORK OF THE PNB GROUP



LEADERSHIP ENGAGEMENT

- Board & Senior Management fully committed to ensure corruption risks are managed effectively
- Management at all levels engaged in developing integrity culture
- Adequate resources are allocated for integrity awareness programme

INTEGRITY CULTURE

- Promote a strong culture of integrity within the PNB Group
- Encourage integrity behaviour
- Zero tolerance policy on corruption

TRAINING & COMMUNICATION

- Identify and address integrity competency and training needs for the PNB Group
- Communicate and reinforce integrity knowledge to staff member

Corporate Governance Overview Statement

BOARD OF DIRECTORS

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

BOARD COMPOSITION

Currently, the Board consists of nine (9) members, comprising one (1) Non-Independent Non-Executive Director, one (1) Non-Independent Executive Director, and seven (7) Independent Non-Executive Directors. The current Board composition provides 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 and provide an unfettered and unbiased independent judgement to promote good 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. There are eight Committees under the purview of the Board, as follows:



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 on the items discussed and actions taken at their meetings to the Board 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 any matters requiring urgent Board decision and approvals during the intervals between Board meetings, circular resolutions are submitted to the Directors together with all relevant information and explanation required for an informed decision to be made.

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 the Code. Pursuant to the decision of the Board, in ensuring a high performing Board, the assessment of the performance of the Board for the financial year 2021 has been undertaken by an external consultant in 2022.

Corporate Governance Overview Statement

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 upon and in the process, assess 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/Committee meetings are conducted on a paperless basis with the use of the BoardPac System. The system has enabled the Company Secretary to furnish the Board and Committee members with immediate access to the material of the meetings prior to each Board/Committee meeting. This paperless system enables Board/Committee meetings to be efficiently managed and for the Board and Committee members 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

Any actual or potential conflict of interest in directorship or shareholdings will be disclosed by the Board/Committee members to the Board/Committee through the Company Secretary. In the event of any conflict of interest, the members of the Board/Committee will abstain from participating in the decision making thereof.

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 during the year under review are set forth below:

Financial Year Ended 31 Dec	Total Board Members	Attendance by Board Members
13 January 2021	8	
4 March 2021	8	
23 March 2021	8	
22 April 2021	8	
3 May 2021	7	
17 May 2021	9	
29 June 2021	9	
24 August 2021	9	
17 September 2021	9	
18 November 2021	9	
6 December 2021	9	
20 December 2021	9	

Corporate Governance Overview Statement

DETAILS OF 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 binti Aziz <i>(Retired with effect from 1 May 2021)</i>	Group Chairman/Non-Independent Non-Executive	4/4
Tun Arifin bin Zakaria <i>(Appointed with effect from 6 May 2021)</i>	Group Chairman/Non-Independent Non-Executive	7/7
Encik Ahmad Zulqarnain Onn	President & Group Chief Executive/ Non-Independent Executive	12/12
Datuk Seri Asri bin Hamidin @ Hamidon	Independent Non-Executive	8/12
Tan Sri Datuk Zainun binti Ali	Independent Non-Executive	12/12
Datuk Dr. Mohd. Yaakub bin Haji Johari	Independent Non-Executive	11/12
Datu Haji Soedirman bin Haji Aini	Independent Non-Executive	12/12
Dato Dr. Nik Ramlah binti Nik Mahmood	Independent Non-Executive	12/12
Dato' Johan bin Ariffin	Independent Non-Executive	12/12
Datin Norazah binti Mohamed Razali <i>(Appointed with effect from 6 May 2021)</i>	Independent Non-Executive	7/7

Note: With the changes to the composition of the Board, effective thereon the composition of the Board is as follows:

Members of the Board	Status
Tun Arifin bin Zakaria	Group Chairman/ Non-Independent Non-Executive
Encik Ahmad Zulqarnain Onn	President & Group Chief Executive/ Non-Independent Executive
Datuk Seri Asri bin Hamidin @ Hamidon	Independent Non-Executive
Tan Sri Datuk Zainun binti Ali	Independent Non-Executive
Datuk Dr. Mohd. Yaakub bin Haji Johari	Independent Non-Executive
Datu Haji Soedirman bin Haji Aini	Independent Non-Executive
Dato Dr. Nik Ramlah binti Nik Mahmood	Independent Non-Executive
Dato' Johan bin Ariffin	Independent Non-Executive
Datin Norazah binti Mohamed Razali	Independent Non-Executive

Corporate Governance Overview Statement

The key functions of each Committee as well as the membership and attendance at meetings during the financial year are set out below:



NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee (NRC) 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 the appointment of 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 NRC follows an established policy and process whereby it considers, among others, the integrity, skills, knowledge and experience of the candidate.

In addition, the NRC assists the Board to ensure the remuneration of Directors and management of PNB and its Operating Subsidiary Companies is fair and competitive whilst giving due regard to the interests of all stakeholders. The NRC 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 of the Board	Status	Attendance
Tan Sri Dr. Zeti Akhtar binti Aziz <i>(Retired with effect from 1 May 2021)</i>	Group Chairman/Non-Independent Non-Executive	3/3
Datu Haji Soedirman bin Haji Aini <i>(Redesignated as Chairman with effect from 17 Sept 2021)</i>	Independent Non-Executive	9/9
Datuk Dr. Mohd. Yaakub bin Johari	Independent Non-Executive	9/9
Datin Norazah binti Mohamed Razali <i>(Appointed with effect from 6 May 2021)</i>	Independent Non-Executive	5/5
Datuk Mohd. Anwar bin Yahya <i>(Appointed with effect from 17 Sept 2021)</i>	Independent Non-Executive	2/2

Note: With the retirement of Tan Sri Dr. Zeti on 1 May 2021, the composition of the NRC is as follows:

Members	Status
Datu Haji Soedirman bin Haji Aini <i>(Chairman)</i>	Independent Non-Executive
Datuk Dr. Mohd. Yaakub bin Johari	Independent Non-Executive
Datin Norazah binti Mohamed Razali	Independent Non-Executive
Datuk Mohd. Anwar bin Yahya	Independent Non-Executive

Corporate Governance Overview Statement



INVESTMENT COMMITTEE

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

Members of the Board	Status	Attendance
Tan Sri Dr. Zeti Akhtar binti Aziz (Chairman) (Retired with effect from 1 May 2021)	Non-Independent Non-Executive	4/4
Tun Arifin bin Zakaria (Chairman) (Appointed with effect from 19 May 2021)	Non-Independent Non-Executive	11/11
Tan Sri Dr. Mohd. Daud bin Bakar	Independent Non-Executive	14/15
Datuk Seri Dr. Nik Norzrul Thani bin N. Hassan Thani	Independent Non-Executive	15/15
Dato' Johan bin Ariffin	Independent Non-Executive	15/15
Encik Ahmad Zulqarnain Onn	Independent Non-Executive	15/15

Note: With the retirement of Tan Sri Zeti on 1 May 2021, the composition of the Investment Committee is as follows:

Members	Status
Tun Arifin bin Zakaria (Chairman)	Non-Independent Non-Executive
Tan Sri Dr. Mohd. Daud bin Bakar	Independent Non-Executive
Datuk Seri Dr. Nik Norzrul Thani bin N. Hassan Thani	Independent Non-Executive
Dato' Johan bin Ariffin	Independent Non-Executive
Encik Ahmad Zulqarnain Onn	Non-Independent Executive

Corporate Governance Overview Statement



AUDIT COMMITTEE

The main function of the Audit 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 Committee are set out in the Audit Committee Report on pages 142 to 146 of this Annual Report.



RISK MANAGEMENT COMMITTEE

The Risk Management Committee (RMC) 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 RMC are set out in the Statement of Risk Management and Internal Control on pages 125 to 134 of this Annual Report.



COMPLIANCE COMMITTEE

The Compliance 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 will be 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 135 to 141 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 of the Board	Status	Attendance
Datuk Seri Dr. Nik Norzrul Thani bin N. Hassan Thani (Chairman)	Independent Non-Executive	6/6
Dato Dr. Nik Ramlah binti Nik Mahmood	Independent Non-Executive	6/6
Encik Ahmad Zulqarnain Onn	Non-Independent Executive	6/6

Corporate Governance Overview Statement



APPEALS COMMITTEE

The function of the Appeals 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 of the Board	Status
Tan Sri Datuk Zainun binti Ali (Chairman)	Independent Non-Executive
Dato Dr. Nik Ramlah binti Nik Mahmood	Independent Non-Executive
Datuk Dr. Mohd. Yaakub bin Johari	Independent Non-Executive
Datu Haji Soedirman bin Haji Aini	Independent Non-Executive



SHARIAH ADVISORY COMMITTEE

The Shariah Advisory 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 the unit trust funds under its management, and to assist PNB to comply with Shariah principles.

Members of the Board	Status	Attendance
Tan Sri Dr. Mohd. Daud bin Bakar (Chairman)	Independent Non-Executive	4/4
Tan Sri Dato' Seri (Dr.) Haji Harussani bin Haji Zakaria (Passed away on 30 May 2021)	Independent Non-Executive	0/4
S.S. Dato' Haji Mohamad Shukri bin Mohamad	Independent Non-Executive	4/4
As-Sheikh Dato' (Dr.) Haji Nooh bin Gadot	Independent Non-Executive	4/4
Professor Emeritus Dato' Paduka Dr. Mahmood Zuhdi bin Haji Ab. Majid	Independent Non-Executive	4/4
Dato' Idris bin Kechot (Retired with effect from 9 March 2021)	Independent Non-Executive	1/1
Dr. Aida binti Othman	Independent Non-Executive	4/4
Encik Wan Abdul Rahim Kamil bin Wan Mohamed Ali (Appointed with effect from 29 March 2021)	Independent Non-Executive	3/3
Professor Dr. Mohamad Akram bin Laldin (Appointed with effect from 17 Dec 2021)	Independent Non-Executive	-

Note: With the demise of Tan Sri Dato' Seri (Dr.) Haji Harussani and the resignation of Dato' Idris, the new composition of the Shariah Advisory Committee is as follows:

Corporate Governance Overview Statement

Members	Status
Tan Sri Dr. Mohd. Daud bin Bakar (Chairman)	Independent Non-Executive
S.S. Dato' Haji Mohamad Shukri bin Mohamad	Independent Non-Executive
As-Sheikh Dato' (Dr.) Haji Nooh bin Gadot	Independent Non-Executive
Professor Emeritus Dato' Paduka Dr. Mahmood Zuhdi bin Haji Ab. Majid	Independent Non-Executive
Dr. Aida binti Othman	Independent Non-Executive
Encik Wan Abdul Rahim Kamil bin Wan Mohamed Ali	Independent Non-Executive
Professor Dr. Mohamad Akram bin Laldin	Independent Non-Executive

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. In recent years, PNB has also begin sharing news and updates via social media channels namely, Instagram, Facebook and LinkedIn to reach different segments of society.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board maintains a reliable system of risk management and internal control to safeguard the interest of PNB and unit holders. The Statement on Risk Management and Internal Control is set out on pages 125 to 134 of this Annual Report.

WHISTLEBLOWING AND CHINESE WALL POLICY

In line with the Whistleblower Protection Act 2010, and good corporate governance practices, PNB encourages all concerned parties to highlight any improper conduct without fear of detrimental action, victimisation or discriminatory treatment to promote a greater level of transparency and accountability. PNB's Whistleblowing Policy facilitates disclosures of improper conduct relating to wrongdoings, malpractices, misdemeanours, illicit dealings, offensive behaviour, indiscipline, violation of established practices or procedures, or any action harmful to the reputation and interest of PNB.

The Chinese Wall Policy is intended, inter alia, to shield and protect the PNB Group against committing an insider trading offence. It is therefore imperative that secrecy arrangements be implemented through the Chinese Wall. Directors, 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.

Corporate Governance Overview Statement

Training programmes, conferences and forums attended by the Directors for the financial year 2021 are as follows:

BANKING

- MBB Investment Bank & Bursa Malaysia's ESG in Investment: The Time is Now
- BNM-FIDE FORUM Dialogue on the Role of Independent Directors in Embracing Present and Future Challenges
- JC3 Flagship Conference 2021: #FinanceforChange - The Time is Now: Choose a Brighter Future Case Studies of Failed Digital Banks

RISK MANAGEMENT

- FY2021 Etiqa Risk Landscape
- Corruption Risk Management
- BNM-FIDE FORUM Dialogue with Senior Leaders: Risk-Based Capital Framework for Insurers and Takaful Operators
- Qualified Risk Director Programme:
 - Establishing an Empowered Board Risk Committee
 - Directors Guide to Enterprise Risk Management and ISO 31000
- Axiata Risk and Compliance Conference

CORPORATE MANAGEMENT

- ICDM Powertalk Series 2021 - A Boardroom Simulation: Corporate Strategy Beyond the Crisis
- MKE Captains Speak - Special Edition: Singapore: Recovering & Transforming
- A World Authority on Corporate Responsibility and Sustainable Future of Capitalism Called "Green Swans" by Mr. John Elkington SCRUM Training for EFTB and EGTB Board of Directors: Building a Resilient Organisation in Uncertain Time

LEADERSHIP

- PNB ASNB Board Offsite - ASNB Transformation
- Capital Market Directors Programme
- Townhall Session with Staff
- PNB Knowledge Forum 2021 - Rising Above COVID-19: Reimagining Work in Malaysia & Beyond
- PNB Management Virtual Retreat: 2021 Kick-Off
- Investor Engagement Between Senior Leadership Teams of Maybank Group and PNB
- Responsible Investments and the Sustainability Agenda
- EES 2021 - Leadership Action Workshop by Korn Ferry
- PNB - Sustainability Framework 2021
- Khazanah Megatrends Forum
- Invest Malaysia 2021 - Panellist: GLICs; Refreshed Mandate, Recharged Capabilities
- ASNB Townhall with PGCE
- PNB Knowledge Forum 2021 - Climate Change: A New Green Deal for Malaysia
- Business Plan 2022: Investment Offsite Day 2
- Visit to Stadium Merdeka by Trustees of Merdeka Heritage Trust
- YB Minister of Finance's Official Working Visit to Kedah and Perlis in conjunction with the Misi Prihatin 2021
- Deferred 2020 Board Strategy Retreat at One&Only Desaru Coast
- MOF 2022 Budget Retreat at Westin Desaru
- YB Minister of Finance's Tour Programme in Johor in line with Budget 2022 Preparation Directors' Training Programme: Transformative Innovation - Reshaping Business Realities in Extraordinary Times
- YB Minister of Finance's Tour Programme in Penang in line with Budget 2022 Preparation Directors' Training Programme: 9th Government in Procurement Conference 2021: Procurement Digitalisation for the Future
- Special Position of Sabah and Sarawak in the Federal Constitution
- Board Room Workshop for Directors: Inspiring for Board Performance
- International Women's Day Celebration 2021 - IWD Flagship Programme
- Nomination and Remuneration Committees - Beyond Box-Ticking & Enhancing Effectiveness
- Director's Induction Programme (Day 1)
- Director's Induction Programme (Day 2)
- Director's Induction Programme (Day 3)
- Director's Induction Programme (Day 4)
- Etiqa's Directors Training Programme Module 1 - Series #2
 - Corporate Overview of Etiqa: Its Dynamic Organisation, People, Process and Product
 - Industry Updates/Market Landscape
 - Brief Overview of Key Pillars
- Etiqa's Directors Training Programme Module 1 - Series #2
 - Introduction to Insurance and Takaful
- Directors Training Programme - Module 1 (Orientation/On-Boarding Session), Series #2
- Sime Darby Property Berhad's Board Retreat - Transforming Through the Crisis
- Collaboration in the Boardroom: Behavioural and Relationships
- Masterclass: Board Behavioural Dynamics
- Launch of the 2020 Malaysian Board Practices Review Report
- Pre-Board Strategy Engagement
 - Technology and Innovation: Designing for the Future of Construction
 - Productising Funds: Keppel Capital's Journey
 - The Rise of Industrial and Logistics Development
 - Addressing the Challenges and Untapped Opportunities in Affordable Housing
- MISC Directors Training 2021
 - Reputation & Crisis Management
 - Overview on the Malaysian Code of Corporate Governance 2021 and the SC Guidelines on Conduct of Directors of Listed Issuers and Their Subsidiaries
 - Climate Governance Principles
 - Implementing TCFD and Driving Towards Net Zero
 - Related Party Transactions - Their Implications to the Board of Directors, the Audit Committee and Management
- United Nations Framework Convention on Climate Change (UNFCCC COP-26) in Glasgow, United Kingdom
- Sustainable Reset: Role of NRC in a Post-Pandemic World

Corporate Governance Overview Statement

ECONOMY

- Global Economic Outlook for 2021 and on the Challenges Facing the Financial World by Mr. Nouriel Roubini
- Virtual Invest Malaysia 2021 Series 1: The Capital Market Conversation Economic Reform
- 2022 Post-Budget Debate
- MAP Market Outlook 2021: Offshore Oil & Gas Business Outlook
- MAP Market Outlook 2021: Offshore Wind Industry Outlook
- MAP Market Outlook 2021: Oil Tankers, LNG Carriers and Marine Repair Markets Outlook
- MAP Market Outlook 2021: LNG and LNG Shipping Markets Outlook
- MAP Market Outlook 2021: Digitisation and Decarbonisation in the Maritime Industry
- MAP Market Outlook 2021: Global Energy Market Outlook and Trends
- Capital Market Director Programme for Fund Management
 - Directors as Gatekeepers of Market Participants
 - Emerging and Current Regulatory Issues in the Capital Market
 - Business Challenges and Regulatory Expectations - What Directors Need to Know (Fund Management)
- COVID-19, NPLs and Financial Challenges in Asian Development Bank's Economic Condition in Malaysia

TECHNICAL

- PNB Onboarding Programme
- PNB Knowledge Forum - Rising from COVID-19: Reimagining Work in Malaysia and Beyond
- PNB & Astro Awani Joint Dialogue Programme: The 2020's Dividend is getting lower, is it worth it to continue investing in ASB to build up savings?
- UEM Group Visit to Merdeka 118
- 2021 Credit Suisse Asian Investment Conference: Panellist: Whose money is it anyway? Why ESG? Insights from Government-Linked Investment Companies
- UT Strategy - Final Management Workshop & Engagement (ASNB Diagnostic & Strategy)
- Sharing Session with Group Chairman
- Private Investment Framework Programme 2 Training Session (Management Investment Committee)
- Sustainability Framework Visioning Workshop
- CEO Conversations: PNB's Digital Journey
- Morning Plenary - Singapore Sustainable Investing & Financing Conference 2021
- Evening Plenary - Singapore Sustainable Investing & Financing Conference 2021
- PNB Knowledge Forum 2021: Beyond COVID-19: Reimagining the Future of Work

INFORMATION TECHNOLOGY

- Cyber Security Awareness Programme for Board of Directors and Leadership Team
- In-House Cyber Risk Training

SHARIAH

- 14th Muzakarah Penasihat Syariah Kewangan Islam
- 2nd Kedah International Zakat Conference 2021 (i-KEIZAC 2021)
- PNB Knowledge Forum 2021 Shariah Awareness: Strengthening Shariah Culture

CORPORATE GOVERNANCE

- MIA International Accountants Conference 2021 - Navigating a Sustainable Future with Agility and Resilience
- BNM-FIDE FORUM MASB Dialogue MFRS17 Insurance Contacts: What Every Director Must Know

LEGAL & COMPLIANCE

- Online Integrity Training for Chief Secretary (KSU) and State Government Secretaries (KUSN): You Are Integrity Champion
- iRAC Week 2021 - Upholding Good Governance in a Challenge Environment
- iRAC Week 2021 - Opening
- iRAC Week 2021: Track 3 - Global Risk Outlook and Emerging Trends
- Briefing on the Corporate Liability Provision under Section 17A of the MACC Act 2009
- 766 Anti Money Laundering & Financial Crime in the Age of COVID-19
- Maybank Annual Risk Workshop 2021 - Compliance Session - Managing Financial Crime in Emerging Markets
- Business Law and the Transition to a Net Zero Carbon Economy
- Intentional Integrity: How Smart Companies Can Lead an Ethical Revolution
- Arbitration: Talk on Essentials of Arbitration
- Anti-Corruption and AMLA Measures - What next in Malaysia

CRISIS MANAGEMENT

- The Board's Role and Responsibilities in Crisis Communication

AUDIT

- MIA International Accountants Conference 2021 - Navigating a Sustainable Future with Agility and Resilience
- BNM-FIDE FORUM MASB Dialogue MFRS17 Insurance Contacts: What Every Director Must Know

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

- Environmental, Social and Governance (ESG) Related Training by EY

Statement On Risk Management And Internal Control

OVERVIEW



The year 2021 saw both global and domestic economic growth facing uncertainties resulting from pertinent factors such as waves of COVID-19 outbreak with new variants, higher inflation rate than expected, the ongoing geopolitical risks and rising commodity prices. On the local front, the weakening of Ringgit against the US Dollar amid continued political instability had influenced the market sentiment.

PNB was not spared the impact; however, the continuous planning and significant strategic adjustments to its business operations have ensured the company's performance remained resilient. In turn, the emerging risks arising from this challenging landscape warranted the need to strengthen the existing risk management practices and processes in safeguarding the interests of PNB's stakeholders, particularly the unit holders. In navigating the uncertainties of 2021, PNB has also demonstrated its resilience and commitment to maintaining a high degree of effectiveness in risk management to mitigate the impact of the pandemic and other unprecedented challenges.

PNB has in place an Enterprise Risk Management (ERM) framework which creates a strong control environment through the implementation of appropriate systems and risk assessment processes to manage risks in line with key and relevant guidelines, regulatory requirements and best practices. The framework enables PNB to integrate a strategic and uniform risk strategy in managing all key risks across the organisation. Simultaneously, PNB continues to strengthen its governance structure and improve operational resilience by constantly assessing and refining its ERM framework to ensure that it is in tandem with PNB's business strategy. The company strives to develop new ways of working to ensure its suitability and effectiveness in mitigating business disruption risks.

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.

Statement On Risk Management And Internal Control

RISK GOVERNANCE STRUCTURE

PNB believes that a sound governance structure is important to ensure a consistent and effective implementation of risk management practices throughout the organisation. 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:

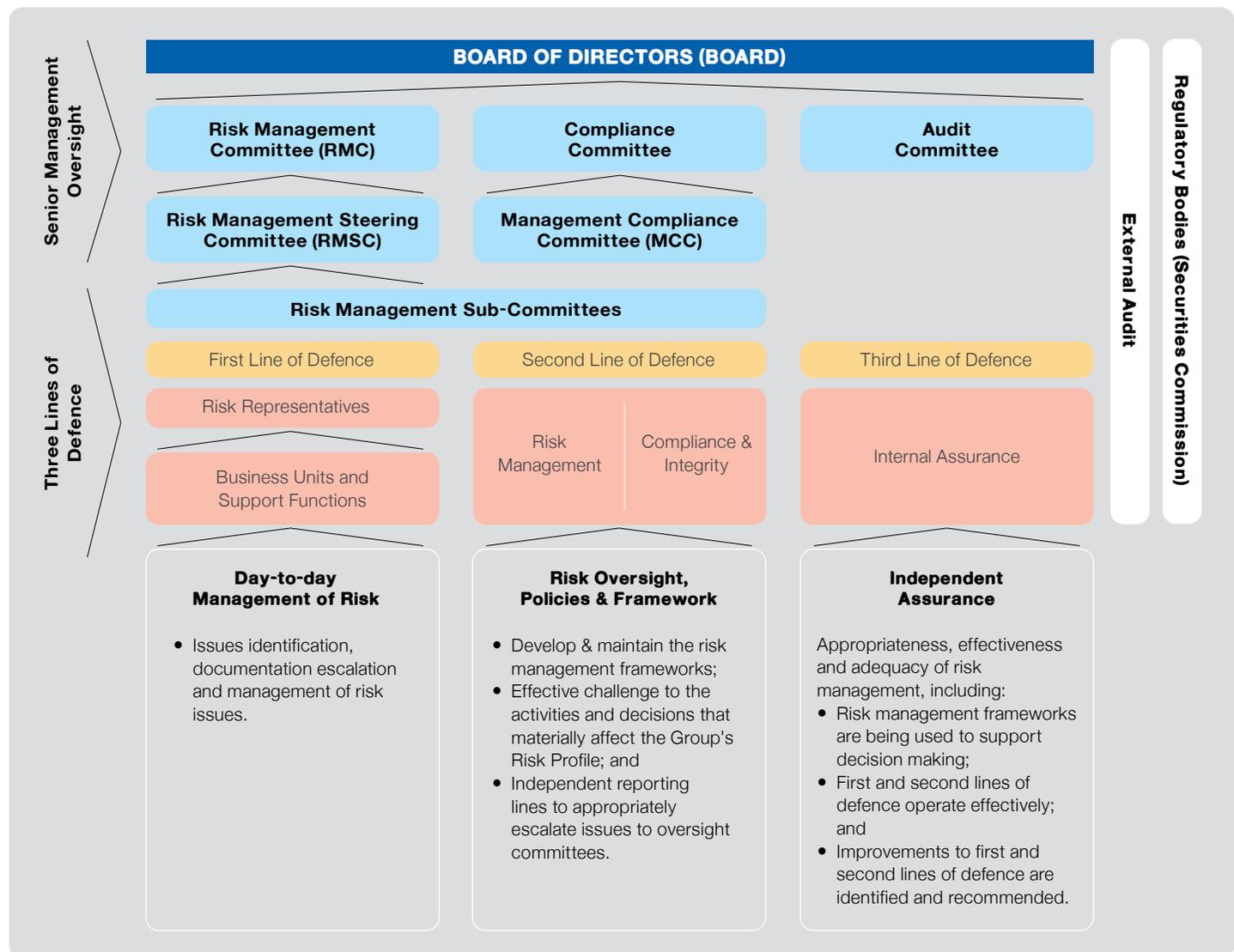


Diagram 1: PNB Group Three Lines of Defence Model

Statement On Risk Management And Internal Control

SENIOR MANAGEMENT OVERSIGHT

Board Of Directors (BOARD)

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 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.

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 four 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 2021, a total of four meetings were held during the year under review.

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

Members of the Board	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
Datin Norazah binti Mohamed Razali	Independent Non-Executive	1/4

Note: Datin Norazah was appointed as the new member of RMC with effect from 17 September 2021.

Risk Management Steering Committee (RMSC)

The RMSC is a management committee chaired by the President & Group Chief Executive (PGCE). The RMSC is 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 our 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 are established among the working group level to foster collaboration in identifying, discussing and/or evaluating 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.

PNB ENTERPRISE RISK MANAGEMENT (ERM) FRAMEWORK

The ERM framework outlines the process for identifying, assessing, monitoring and managing risks within the PNB Group. This serves as a measure for PNB to optimise its returns on risk taking activities within PNB's Risk Appetite as approved by the Board.

Statement On Risk Management And Internal Control

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 the 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.

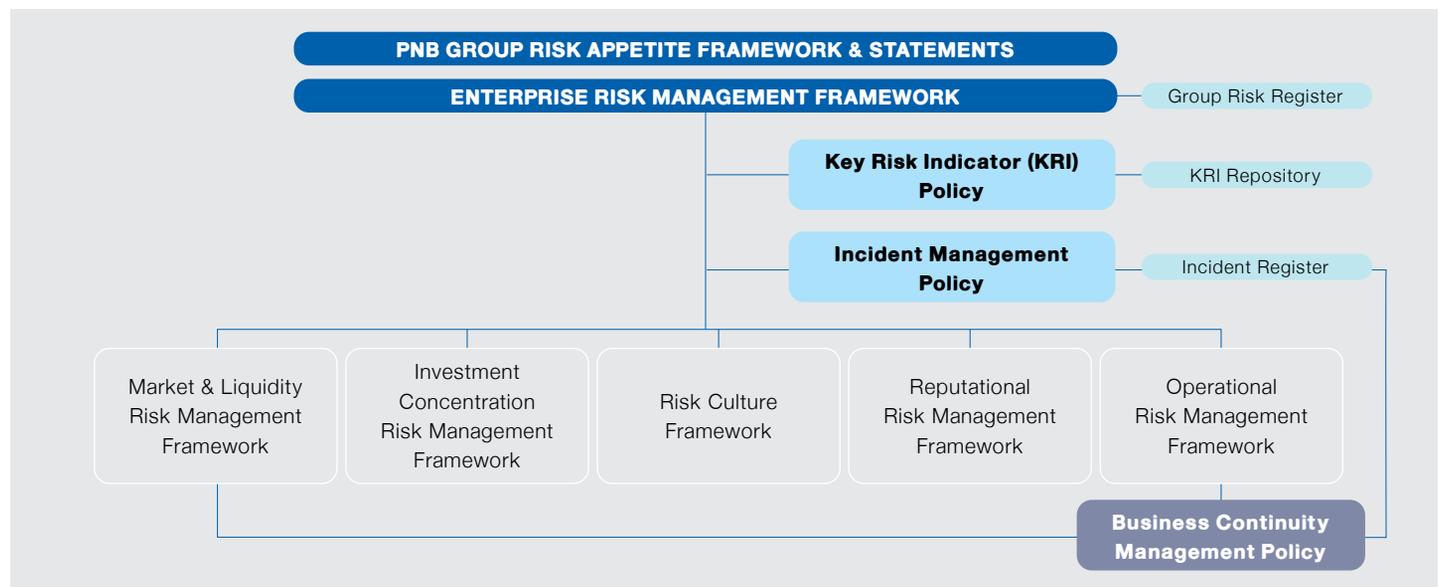


Diagram 2: PNB Enterprise Risk Management Framework

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 international guidelines such as:

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

Risk Management Process

The key elements of an effective ERM are as follows:

- **Risk Assessment Process:**
The overall process of risk identification, risk analysis and risk evaluation as documented in the Risk Register.
- **Risk Monitoring and Review:**
The Risk Register 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

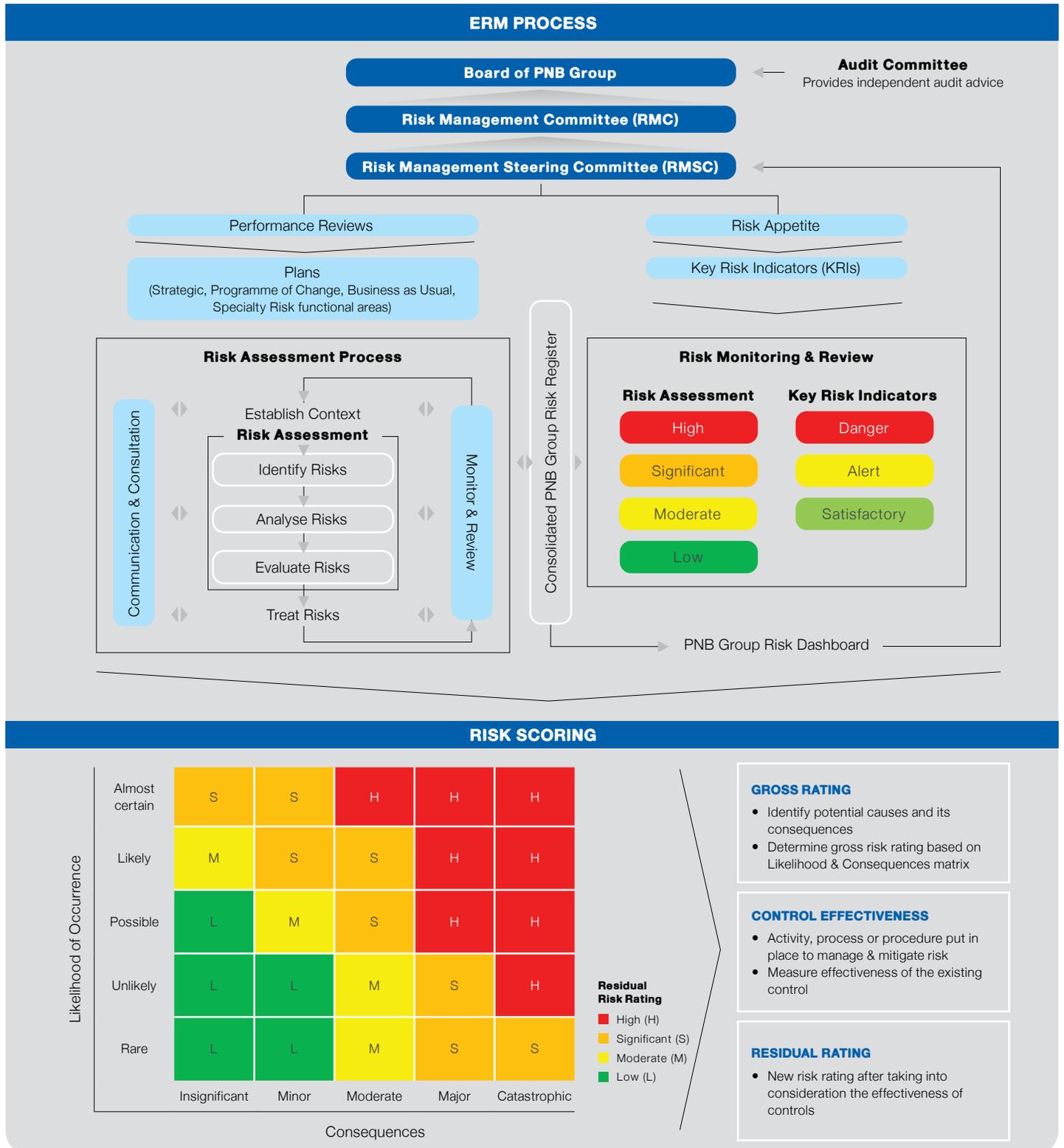


Diagram 3: PNB Risk Management Process

Statement On Risk Management And Internal Control

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 PNB's risk management structure and integrated into PNB's 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;
- formulate risk sensitive limits which cascade down to business level and risk type; and
- set aside adequate risk buffers to support stress scenarios in line with PNB's risk appetite.

Key Risk Indicators (KRIs) 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.

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
- 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.

Market & Liquidity Risk Management (MLR) Framework

The objective of the MLR framework is to ensure that PNB and its unit trust funds (UTFs) exposure to market and liquidity risks are within the risk appetite. A sound MLR framework provides a process for PNB and its UTFs to systematically identify, measure, assess, monitor and manage its market and liquidity risks. This process involves periodic reporting to the Board and respective Management Committees to promote oversight and effective decision making.

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 prices or rates. A robust approach towards market risk management involves 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, which includes, among others, value-at-risk, scenario-based stress testing as well as other risk adjusted metrics to ensure that the risks are identified and assessed. Appropriate mitigation plans shall be deliberately 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 sufficient funding sources to meet its financial obligations. 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 including money market placements, Government related fixed income securities and public equities. Continuous monitoring and review of the liquidity risk metrics and tools, which include among others, the liquidity coverage ratios, contingency funding plan as well as periodic reporting of liquidity risk dashboard to the Management are performed to assess the funds' liquidity level against the projected unit net redemption.

The key elements of MLR framework are as follows:

Stress Testing

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

Contingency Funding Plan (CFP)

The CFP is developed to recognise both internal and external factors, via a set of indicators, 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, and delineates clear invocation and escalation procedures. It is regularly tested and updated to ensure it is operationally robust and in line with PNB's Business Continuity Management Plan.

Statement On Risk Management And Internal Control

Investment Concentration Risk Management (ICRM) Framework

The ICRM manages investment concentration risk faced by PNB and its UTFs, with the objective of enhancing its ability to divest its exposures in a timely manner to minimise losses and to further strengthen the liquidity health of all funds. The framework outlines, among others, the principal approach, governance, methodology as well as the established internal limits in mitigating concentration risk which provide a holistic view of concentrated exposures based on security size and market liquidity.

This framework would be continuously enhanced to include approaches of managing concentration risk for all asset classes and regularly updated to ensure its robustness and alignment with PNB's investment allocations and objectives.

Reputational Risk Management (RRM) Framework

The PNB Group defines reputational risk as a risk where its reputation is damaged by one or more events as reflected by negative perceptions regarding PNB's business practices, conduct or financial performance. Negative perceptions may damage the confidence of unit holders and various other stakeholders of the Group. Key areas of reputational risk for the Group are represented by its respective reputational risk drivers while the level of reputational risk is measured via the Reputational Risk Composite Index (RRCI) and Reputational Risk Indicators (RRIs).

Risk Culture (RC) Framework

The framework outlines key focus areas to further strengthen risk culture efforts towards inculcating a risk intelligent culture. This includes ensuring rapid escalation, detection, and effective management of risks at the enterprise level by anticipating and managing challenges. In addition, 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 risk culture maturity level.

PNB implements the RC framework 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.

A yearly survey is conducted to gauge an organisation's risk culture maturity level in adopting risk management policies and practices and to ascertain focus areas to elevate risk culture throughout the organisation.

Operational Risk Management (ORM) Framework

The key elements of the ORM framework are as follows:

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

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

PNB utilises the ORM with the following objectives:

- To manage operational risks in line with PNB's Risk Appetite Statements;
- To drive business improvements through effective operational risk management; and
- To identify and manage risks that may impede PNB's 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.

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.

Statement On Risk Management And Internal Control

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.

Embedding BCM in the organisation's culture



Diagram 4: PNB BCM Policy and Programme

KEY INITIATIVES IMPLEMENTED IN 2021

In providing continuous support towards PNB's objectives and strategy, key risk management initiatives which were implemented during the year under review include the following:

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.

IRAC Week - Foster Collaboration Between Governance Bodies Within PNB as Part Of Risk Culture Activities

In line with PNB's effort to enhance enterprise-wide risk function competencies and capabilities, a risk representatives convention was conducted as part of the annual iRAC Week event. The aim is to highlight and discuss emerging risks arising from challenging landscapes that requires PNB to strengthen its risk controls. The event was attended by the Senior Management team and risk representatives.

More information on the iRAC Week event is presented on page 147 of this report.

Assessment on Organisation-Wide Technology Governance & Processes

The review covers, among others, the technology framework and strategy, vendor management and key risk areas. This is to ensure a strong governance practice is in place in delivering services to all business units within the PNB Group. The assessment also includes a benchmarking study against industry's leading practices on the existing technology approaches/metrics to meet PNB's overall technology strategy.

Operational Governance Streamlining

The review aims to further strengthen the operational governance by emphasising responsibility and accountability for operational matters via authority delegation for the respective Management Committees. This includes streamlining approval levels and processes by leveraging on digital solutions.

Statement On Risk Management And Internal Control

Enhance Business Operation Resilience by Refining Existing Framework, Policies, Programme 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:

Investment Concentration Risk Management (ICRM) Framework

The establishment of the ICRM framework is to manage concentration risk via internal concentration limits based on security size and market liquidity. Furthermore, this framework is introduced with the objective of enhancing PNB and its UTFs' ability to divest its exposures in a timely manner.

Project Risk Management (PRM) Framework

The enhancement of the PRM framework is to provide a comprehensive approach in managing project risks and its performance (regardless of its type and magnitude) that will enhance PNB's ability in providing insights and better decision making. This framework serves as a guideline for all business units, to elevate risk management resilience relating to project risks and ultimately assist business units towards a seamless project delivery.

Outsourcing And Vendor Risk Management (OVRM) Framework

The review and enhancement of the OVRM framework is carried out to align with relevant regulatory requirements and best practices adopted by industry's leading players. The framework outlines the processes, and standard controls to guide all business units within the Group to manage third-party arrangements. It also outlines the risks across PNB via appropriate risk identification, assessment, mitigation and monitoring to heighten PNB's agility to address business disruption risk, whilst effectively managing outsourcing and vendor risk management.

Technology & Cybersecurity Risk Management

The technology-enabled work environment and digitalisation journey exposes PNB to higher cyber threats and crime. To manage these risk exposures, PNB continuously strengthens its existing risk controls via regular assessments of various technology enablement measures/tools. These include, amongst others, enhancing cybersecurity tools and features, building up system reliability, improving resiliency, enhancing technology governance and conducting cyber simulation.

Sustainability Framework

Sustainability has increasingly become an important agenda globally. Recognising this, the PNB Sustainability Framework is being established to set the sustainability foundation for PNB and provide a roadmap for further progress in achieving its strategic objectives and mandates. The framework focuses on three (3) main pillars, consisting of Environment, Social and Governance.

KEY INITIATIVES FOR 2022

The Risk Management Department will continue to support PNB in its mission to strategise and strengthen its risk management approach through a heightened commitment in cultivating a proactive risk culture and forward-looking risk practices 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 strengthening its strategy:

- Continuously building and enhancing the organisation's resilience towards emerging risks and potential threats by reviewing and refining the existing risk framework in line with organisational business strategies, regulatory requirements, and leading best practices;
 - Integrating sustainability risk management into PNB ERM Framework in line with PNB's overall effort to ensure effective enterprise-wide risk assessment and proactive measures in managing sustainability matters;
 - Assessing risk from various aspects including security management, crisis management and business continuity, as PNB will be relocated to the new corporate office at the Merdeka 118; and
 - Reviewing human resource risk management framework to support PNB's objectives in building up enterprise competencies as PNB embraces digital transformation across organisation
- Enhancing enterprise-wide risk function competencies and capabilities across the organisation by promoting risk engagement programmes and cultural refinement to support overall initiatives in cultivating risk talent, guided by the Risk Culture Framework;
- Leveraging on robust data analytics in risk reporting to support risk monitoring process and provide real-time insights for fast decision making; and
- Enhancing risk governance by fostering innovation via a unified risk strategy with the aim to effectively manage the risk exposure and continuously elevating risk culture efforts in PNB.

INTERNAL AUDIT FUNCTION

The Head of Internal Assurance Department (IAD) is a member of the Malaysian Institute of Accountants (MIA) and the Institute of Internal Auditors Malaysia (IIAM). He is also a permanent invitee to the Management Compliance Committee, Risk Management Committee, Technology Committee, OSHA Committee, Risk Management Steering Committee, Business Continuity Management Committee and Whistle Blowing Committee in PNB.

Statement On Risk Management And Internal Control

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

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 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 and internal controls. In addition, IAD conducts investigations, special and/or ad-hoc reviews or assessments on internal controls as and when requested by the Management and/or the Audit Committee.

The IAD's scope of coverage encompasses all PNB's business and support units, including its subsidiaries.

The responsibilities of the IAD includes Internal Quality Audit (IQA) which aims to provide an independent assessment and assurance towards the International Organisation for Standardisation (ISO) certified entities within the PNB Group. It is designed to add value and improve the degree of compliance to the documentation and requirements of the respective ISO Standards. At present, there are three (3) ISO Management Systems certifications maintained in the PNB Group which are ISO 9001:2015 Quality Management Systems (QMS), MS 1900:2014 Shariah-based Quality Management Systems and ISO 37001:2016 Anti-Bribery Management System (ABMS).

Standards of Practice

The IAD's processes and activities are guided by the Audit Charter and governed by the relevant regulatory guidelines and mandatory guidance established under the International Professional Practices Framework by The Institute of Internal Auditors (IIA). The IAD is also a corporate member of the Institute of Internal Auditors Malaysia (IIAM) and subscribes to the standards issued by the IIAM.

For Internal Quality Audits, the practice conforms to the following standards:

- (a) ISO 9001:2015 Quality Management Systems;
- (b) MS 1900:2014 Shariah-Based Quality Management Systems; and
- (c) ISO 37001:2016 Anti-Bribery Management System (ABMS).

Annual Audit Plan

The IAD 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 agile and revised accordingly to incorporate significant changes to the key risks and indicators which may impact the PNB Group operations.

Communicating Results

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

Quality Assurance Improvement Programme

The IAD has established a structured quality assurance and improvement programme to cover all aspects of audit activities and continuously monitor its effectiveness. The Department engages an independent external party to perform an external assessment at least once every three years, of which the latest assessment was performed in 2021.

IAD's activities are detailed on page 145 of this annual report.

STANDARD OPERATING PROCEDURES

Standard Operating Procedures (SOPs) are developed to achieve efficiency, quality output, and standardisation of performance, while reducing non-compliance with regulatory requirements. SOPs provide instructions and guidelines for employees to perform their jobs precisely and consistently in order to achieve end-results with the desired quality and are a crucial element in PNB's internal control system.

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 Board and have efficaciously met the prerequisite requirements towards good corporate governance for all its departments. These risk-based SOPs help staff members to be more aware and mindful of the risks associated with their jobs.

The refinement of the 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 are adequately protected, and accessible to and understood and implemented by staff members within PNB.

ASSURANCE FROM PRESIDENT & GROUP CHIEF EXECUTIVE (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.

Statement On Corporate Compliance And Integrity



In line with its vision to become 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. As a licensed entity 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 Malaysian Code on Corporate Governance, and any other relevant laws. In carrying out its responsibilities, the company 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 for integrity.

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 AND INTEGRITY GOVERNANCE STRUCTURE

Board Compliance Committee

This Committee was established to ensure that there are effective compliance and corruption risk management in place for the PNB Group in order to comply with the relevant laws, regulations and guidelines.

The Board is responsible to ensure the PNB Group's compliance with all laws, regulations and guidelines. The Board has established the Board Compliance Committee to oversee the implementation and operations of the Compliance and Integrity Programmes by the Compliance Department and Integrity Department. It also supervises the Compliance Officer and Chief Integrity Officer in discharging their responsibilities. The Compliance Officer assumes the key responsibility for the PNB Group's compliance functions which include to establish, implement, operate and monitor the Compliance Programmes for the Group. Meanwhile, the Chief Integrity Officer assumes four key responsibilities of the Integrity Department namely, complaint management, detection and verification, governance and integrity strengthening as well as

implementing the Integrity Programmes. Reporting on the progress of Compliance and Integrity Programmes is directly made to the Board Compliance Committee.

To meet the objectives above, the Committee is responsible to set the direction and strategy for compliance and integrity. This includes establishing the compliance and integrity frameworks and policies for the management of compliance and corruption risks. The Committee convenes quarterly meeting to evaluate and review the findings of the compliance and integrity reports and to make recommendations in respect thereof.

The structure of the overall compliance and integrity functions of the PNB Group will be reviewed as and when it is deemed necessary. Further details of the composition of the Committee and the PNB Group's Compliance and Integrity Programmes are set out in this Statement.

Statement On Corporate Compliance And Integrity

Composition and Attendance of the Board Compliance Committee

The Committee shall comprise at least three members, and at least one-third of its total members shall be Independent members. Currently, the Committee comprises four members, a 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. A total of six meetings were held during the year under review.

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

Members of the Board	Status	Attendance
Tan Sri Datuk Zainun binti Ali <i>(Chairman)</i>	Independent Non-Executive	6/6
Dato Dr. Nik Ramlah binti Nik Mahmood	Independent Non-Executive	6/6
Encik Ahmad Zulqarnain Onn	Non-Independent Executive	6/6
Datuk Dr. Mohd. Yaakub bin Haji Johari <i>(Appointed with effect from 17 September 2021)</i>	Independent Non-Executive	1/2

Scope of the Board Compliance Committee

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

- The proper supervision and management of compliance and corruption risks;
- Assist the Board in discharging its responsibilities towards fulfilment of the requirements of the relevant laws, rules, regulations and licensing conditions;
- Assist the Board in supervising all integrity related issues to ensure adoption of best practices and highest ethical standards; and
- Provide 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.

Statement On Corporate Compliance And Integrity

Functions of the Board Compliance Committee

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

- Provide oversight in the implementation of the Compliance and Integrity policies and frameworks including but not limited to the Compliance Charter and Framework, Integrity Charter and Framework, all other initiatives and workplans;
- Formulate, review and approve all matters with regard to the operations and activities of the Compliance Department and Integrity Department;
- Evaluate and review the findings of the compliance and integrity reports presented by the Compliance Department and Integrity Department;
- Evaluate compliance/integrity breaches, recommend actions taken to address those breaches, and establish necessary disciplinary actions, if any;
- Review and approve the structure of the overall compliance and integrity functions of the PNB Group, and to delegate compliance/integrity responsibilities and authorities to the relevant parties, as it may deem necessary or appropriate;
- Assist the Board in ensuring that a competent Compliance Officer and/or Chief Integrity Officer are/is 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/integrity governance issues;
- Recommend appropriate compliance and integrity policies to ensure the PNB Group's on-going compliance with relevant legal and regulatory requirements for Board's approval;
- Review its own terms of reference and recommend any changes to the Board for approval;
- Perform other activities consistent with the terms of reference, relevant laws, regulations, guidelines, licensing conditions and rules as the Committee or the Board deems necessary or appropriate; and
- Promote, together with Senior Management of the PNB Group, a sound compliance and integrity culture within the PNB Group which emphasises high standards of ethical behaviours that create and support compliance and integrity.

Activities of the Board Compliance Committee in 2021

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

- Reviewed the structure of the overall compliance and integrity functions of the PNB Group;
- Reviewed the Committee's terms of reference;
- Reviewed the adequacy of resources and competencies of the staff of the Compliance Department and Integrity Department to execute their Work Plans, and the results of their work;
- Approved the Work Plans and Key Performance Indicators of the Compliance Department and Integrity Department;
- 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 necessary recommendations as required;
- Evaluated compliance breaches, recommended actions to be taken to address the breaches and established such necessary actions;
- Reviewed matters relating to clients' complaints and integrity reports;
- Reviewed and evaluated matters arising from Whistleblowing complaints;
- Made recommendations for the Board's approval on Compliance and Integrity policies and statement process namely the PNB Group's:
 - Personal Trading Policy;
 - Anti-Money Laundering Counter Financing Terrorism and Targeted Financial Sanctions Framework;
 - Chinese Wall Policy;
 - Conflicts of Interest Policy;
 - Code of Business Ethics;
 - Whistleblowing Policy;
 - Anti-Bribery and Anti-Corruption Policy Statement; and
 - Procurement Integrity Pact and Due Diligence Process.

Statement On Corporate Compliance And Integrity

OVERVIEW OF COMPLIANCE AND INTEGRITY PROGRAMMES

Compliance and Integrity Programmes have been established and implemented based on the fundamental elements described in the “Guidelines on Compliance Function for Fund Management Companies” and “Guidelines on Unit Trust Funds” issued by the SC as well as Guidelines on Adequate Procedures issued by the Prime Minister’s Department. It is designed to foster effective compliance and corruption risks management towards compliance with applicable laws and regulations, and other regulatory requirements relevant to the Group’s business, while driving efficiencies and synergies through harmonising processes and approaches throughout the programmes. As the Compliance and Integrity Programmes are dynamic, they are regularly reviewed and enhanced to address the emerging compliance, integrity and corruption risks. Essentially, PNB’s Compliance and Integrity Programmes encompass policies, procedures and standards of conduct to prevent and detect violations to the rules, regulatory requirements, applicable laws and ethical standards.

As part of the company’s continuous efforts in ensuring that the regulatory compliance risks, and corruption risks are effectively managed to support the business growth in line with the aspiration and risk appetite of the Group, the Compliance and Integrity Division is committed to establishing and implementing 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 and Integrity Division aims to be at the forefront of key compliance and integrity areas towards fulfilling the following aspirations:

- To ensure full compliance with all relevant laws and regulatory requirements of the SC and other relevant regulatory bodies;
- To ensure a business environment free from any form of financial crimes, bribery and corruption, and a commitment to take a stern stance against any such acts;
- To increase the capability and visibility of the Compliance Department and Integrity Department in providing advice vis-a-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.

ONGOING COMPLIANCE AND INTEGRITY PROGRAMMES

During the period under review, the Compliance and Integrity Division completed all its activities as per the approved Work Plans. In accomplishing the above aspirations, the Compliance and Integrity Programmes during the year under review focused on the following activities:

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

In adopting local and international standards and best practices to strengthen the Compliance and Integrity Division’s effectiveness in performing its functions, roles and responsibilities, the Division continues to ensure that it has in place the following, as required under the Charter and Framework:

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

The Group has also embraced and implemented a more comprehensive compliance and corruption risks management in its programmes, which encapsulates the methodology for systemic identification, prioritisation and mitigation of compliance and corruption risk.

Statement On Corporate Compliance And Integrity

Pursuant to compliance and corruption risks assessment that was conducted for all business areas, the Compliance and Integrity Division has embarked on the automation of compliance and corruption risks management via the Enterprise Risk Management System (ERMS), a system for risk reporting utilised by the Risk Management Department of PNB. The initiative commenced in 2021 and is expected to be completed in 2022.

Towards ensuring effective role-based participation by the staff members of PNB, the appointment of compliance and integrity representatives from all business units which was formalised before, has been strengthened to support and enhance co-ordination between the Compliance and Integrity Division and business units for the purpose of compliance and integrity monitoring. During the year under review, the role of compliance representatives was further strengthened by the introduction of a process for compliance representative periodic review and reporting on anti-money laundering activities by the compliance representatives to the Compliance Department. Engagement with the representatives was also conducted from time to time not only to provide awareness on the policies and regulatory updates, but also to educate and inculcate the importance of a good compliance and integrity culture among them.

2. 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 PNB in relation to anti-corruption matters. During the year under review, in further strengthening its business conduct and in realising its utmost commitment to a Corruption-Free Business Environment pledge, the following initiatives were undertaken by PNB:



The ISO 37001:2016 ABMS Award Presentation ceremony held on 16 February 2022.

- **Successful ISO 37001:2016 Anti-Bribery Management Systems Certification**

In April 2021, PNB had successfully obtained its ISO standards certification in Anti-Bribery Management Systems (ABMS) from SIRIM QAS International Sdn Bhd. The ISO 37001:2016 ABMS certification for the provision of fund management operations or activities solidifies PNB's commitment in eradicating potential corruption activities in the organisation and its relentless effort to cultivate values of integrity and ethical conduct at all various levels within the organisation.

In December 2021, ASNB had also successfully received the same ISO 37001:2016 ABMS certification for the provision of anti-bribery unit trust management covering the marketing and processing of unit trust funds, payment and customer service to unit holders. This momentous achievement formalised the PNB Group's commitment in upholding anti-bribery and securities laws that apply to the Group, including without limitation, the Malaysian Anti-Corruption Act 2009 (MACC Act) as well as the Capital Markets and Services Act 2007 (CMSA), and in performing continual improvement of its policies and procedures pertaining to bribery and corruption matters.

- **Revisions to PNB Group's Anti-Bribery and Anti-Corruption Policies and Their Implementation**

In an effort to further strengthen the business conducts of the Board, employees, stakeholders including business associates, the Board had approved the revisions made to the Anti-Bribery and Anti-Corruption (ABC) policies, comprising the Group's Integrity Charter and Framework, Whistleblowing Policy, Code of Business Ethics and Anti-Bribery, and Anti-Corruption Policy Statement.

The revisions, among others, included the establishment of the Management Whistleblowing Committee together with its Terms of Reference and other pertinent amendments to the ABC Policies to ensure the policies continue to reflect the updated changes made to the requirements of the relevant laws and regulations. The revisions will be used as a compass that provides guidance towards a healthy and ethical business environment for the Board and employees whilst discharging their duties, as well as a guiding principle for the Group's customers, business associates and other stakeholders.

Statement On Corporate Compliance And Integrity

- **Corruption Risk Assessment and Identification**

In further complying with the requirements of the Guidelines on Adequate Procedures pursuant to Section 17A of the MACC Act 2009, the PNB Group continues its efforts to perform a corruption risk assessment in line with its Integrity Charter and Framework. Additionally, as part of the requirements of the ISO 37001:2016 ABMS certification, the Integrity Department in collaboration with various other business units within the Group had conducted the corruption risk assessment and identification involving the key areas namely, investment management, strategic investments, unit trust operations and the support functions comprising 29 business units in PNB and ASNB.

3. Enhancing Operations through Information Technology System

Compliance functions have adopted innovation-fuelled strategies in 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 that employees are able to obtain updated laws, regulations, guidelines and policies applicable in performing their daily operations.

In line with the regulatory changes in relation to the 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 19 August 2021 revised its Anti-Money Laundering and Counter-Financing Terrorism Framework to align with the regulatory changes. Accordingly, the anti-money laundering activities (AML) system was also enhanced to facilitate the Group on the following scopes:

- Fulfilling the screening requirement towards potential and existing unit holders by introducing an enhanced algorithm in the screening engine of the AML system. The system is now able to filter out possible false positives to ensure the final returned results are as precise as possible;
- Establishing a specific module in the AML system to process and monitor law enforcement agencies' requests and directions in a timely and efficient manner, as well as facilitating better unit holders' risk assessment;

- Assisting the Group in managing the on-boarding (know-your-client) process diligently through effective data consolidation and data gathering process for a comprehensive analysis;
- Initiating, evaluating and submitting Suspicious Transaction Report to Bank Negara Malaysia; and
- Promoting a safe and secure record-keeping environment to safeguard unit holders' sensitive information.

4. Intensifying Compliance and Integrity Literacy and Awareness Programme

We believe that training is key to create awareness and inculcate a compliance culture among the PNB Group's employees. This is a critical aspect in ensuring that all new and existing employees of the company are reminded of their behaviours, roles and responsibilities in upholding compliance, integrity and an ethical code of conduct.

- **Compliance Strengthening Programmes**

During the year under review, various initiatives were undertaken under a structured and robust compliance communications and awareness programmes. The initiatives were established under the Compliance Charter and Framework, with increased focus on educating and facilitating compliance awareness via an online platform that is accessible to all employees.

Periodic briefings, talks and seminars on key compliance areas will continue to be conducted to highlight updates on regulatory changes to impacted business units and where relevant, highlighting impact to the roles of the employees. During the year, a total of 26 briefing sessions were conducted by the Compliance Department, of which 23 sessions were conducted as part of the inaugural Compliance Roadshow which was held from 22 October to 1 December 2021. The Roadshow briefing sessions were attended by all staff from key business units, where they were briefed on the latest revision of the Group's compliance policies, including the revised AML/CTF framework.

Statement On Corporate Compliance And Integrity

Greater efforts were made to organise specific and customised briefings, as well as one-on-one engagement sessions with the compliance representatives of the business units to equip them with the necessary skills and knowledge to perform their functions effectively and meet the SC's expectations. Among others, these sessions included operationalisation workshops to enhance key business units regulatory change capability in the respective areas of concerns, while ensuring proper adherence and adequate resources to comply with the relevant requirements.

In addition to all the above activities, the summary of regulatory updates continued to be highlighted via email blasts to all staff to update them on the relevant changes of the laws, regulatory requirements and guidelines, or new regulatory developments. During the year under review, a total of 18 regulatory updates were disseminated to ensure that staff and business units are aware of and comply with the latest regulatory requirements.

- **Integrity Strengthening Programme**

With the enforcement of Section 17A of the MACC Act on corporate liability provision which took effect on 1 June 2020, the PNB Group via the Integrity Department continued its enterprise-wide exercise to provide on-going training on the above provision to the Board, employees and business associates during the year.

The on-going efforts to cultivate ethical values and integrity through education, training and awareness also included other external parties that maintain business dealings with the Group. In this regard, the Integrity Department has established a close cooperation with the Group's relevant business partners and associates through a more systematic awareness programme designed to meet the industry's needs whilst at the same time supporting Government efforts to eradicate bribery and corruption in Malaysia.

To this end, the Integrity Department had collaborated with MACC and PwC Consulting Associates (M) Sdn Bhd (PwC) to conduct virtual training sessions for staff members, vendors, business partners, stockbrokers, professional services providers, suppliers and consultants on the importance of Adequate Procedures requirements, corporate liability provision of Section 17A of the MACC Act 2009 and exposures to the Group's various Anti-Bribery and Anti-Corruption (ABC) policies.

Other integrity awareness initiatives conducted during the year under review included 16 Integrity Virtual Roadshow sessions which involved more than 1,400 staff members which were conducted from July to August 2021 in an effort to provide exposure on and enhance awareness of the Group's ABC policies.

There were also monthly email blasts that included four video messages from MACC and PNB to all employees to inculcate and promote a culture of integrity among staff. Issues addressed in the email blasts included awareness of the Whistleblowing Policy, updates on relevant sections of the MACC Act that are applicable to Group, introduction to the establishment and operationalisations of Code of Business Ethics, the ABC Policy Statement and the Procurement Integrity Pact & Due Diligence.

Additionally, in compliance with the requirements of the "Guideline for the Management of Integrity and Governance Unit of Government-Linked Companies" issued by MACC, a representative from the Integrity Department had attended the Certified Integrity Officer Programme at MACC Academy.

- **Integrity, Risk, Assurance & Compliance (iRAC) Week**

The iRAC Week 2021 was a collaborative effort between the Compliance & Integrity Division with the Risk Management and Internal Assurance departments respectively. More information on this event is presented on page 147 of this report.

Audit Committee Report



COMPOSITION

The Audit Committee (AC) shall comprise of 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, a majority of whom are Independent.

Also, a former partner of the external audit firm of the PNB Group shall observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee.

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.

Currently, the AC comprises four members, all of whom are Independent Non-Executive Directors. The Chairman is not the Chairman of the Board of PNB. The composition of the AC is as follows:

Members of the Board	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
Datu Haji Soedirman bin Haji Aini	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 a 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

The AC is governed by its own terms of reference, with the latest revision approved by the Board in November 2021. The appointment of Committee members and Chairman of the Committee are to be approved by the Board. Members of the AC are not allowed to appoint any alternate member.

The AC has the authority to:

- Investigate any matter within these Terms of Reference;
- Have full and unrestricted access to any information and documents/resources pertaining to the PNB Group;
- Have direct communication channels with the internal and external auditors or both, without the attendance of other executive directors and employees of the PNB Group whenever deemed necessary;
- Have the authority to seek any information it requires from any employee of the Group and all employees are directed to co-operate with any request made by the AC;

- e) Have the authority to form and delegate authority to sub-Committees, which shall be subject to its own terms of reference as approved by the AC;
- f) Be able to obtain, at the expense of PNB, external legal or other independent professional advice it considers necessary; and
- g) Secure the resources (i.e. staff and material) in order to perform its duties as set out in these Terms of Reference.

The duties and responsibilities of the AC includes the following:

a) Financial Reporting

- i. Ensure fair and transparent reporting and prompt publication of financial statements;
- ii. Understand the method used to account for any complex and unusual transactions where their treatment may be open to different approaches and any significant accounting policy issues or audit adjustments recommended by external auditors (those agreed by the Senior Management of the PNB Group and those waived);
- iii. Assess PNB's financial position/condition and considering the question of going concern;
- iv. Review the interim (half yearly results) and year-end financial statements, before the approval by the Board; and
- v. Provide the Board with assurance on the quality and reliability of financial information used by the Board and of the financial information issued publicly by the Group.

b) Risk Management and Internal Control

- i. Review the adequacy and effectiveness of the establishment and implementation of risk management, internal controls, anti-corruption, whistle blowing and governance processes of the Group based on audit reports prepared by the company's Internal Assurance Department (IAD);
- ii. Review the adequacy of the Corporate Governance disclosures in relation to the preparation of the PNB Group Annual Report, before approval by the Board; and
- iii. Review third-party opinions on the design and effectiveness of the internal control framework of the PNB Group.

c) Internal Audit

- i. Review, approve and report to the Board as and when required the audit plan, audit reports, audit charter, appointment, remuneration, performance evaluation, removal and redeployment of the Head of the IAD;
- ii. Review and approve the performance and effectiveness of the internal audit function on an annual basis;
- iii. Noting significant disagreements between the Head of Internal Assurance Department of PNB and the Senior Management of the PNB Group, irrespective of whether these have been resolved, in order to identify any impact, the disagreements may have on the audit process or findings: and
- iv. Review the ISO Internal Quality Audit and third-party audit findings and to ensure corrective measures are undertaken for the effective implementation of the Group's quality management system.

d) External Audit

- i. Review, approve and report to the Board the audit plan, audit reports, system of internal controls, audit fees, appointment/re-appointment, resignation and dismissal of the external auditors; and
- ii. Assess and monitor the performance, suitability, objectivity and independence of the external auditors.

e) Related Party Transactions

Review and report to the Board any Related Party Transactions and conflict of interest situation which may arise within PNB and/ or the Group, including any transaction, procedure or course of conduct that raises questions on corporate governance and integrity of the Group's Management.

Audit Committee Report

Other functions of the Committee

- a) To discuss with the Deputy President and Group Chief Financial Officer (GCFO) of PNB on the following:
 - the quality and effectiveness of existing accounting policies;
 - implementation of recommendations made by the external auditors;
 - internal controls and procedures;
 - provisions that are required to be made or to be written off on investments and fixed assets; and
 - other matters raised either by the AC or the GCFO of PNB.
- b) To monitor controls to ensure compliance with corporate policies and to prevent or control significant conflicts of interest on the part of the Group's Senior Management or other employees;
- c) To monitor compliance with corporate codes or policies governing ethical behaviour of employees in business activities;
- d) To consider any special review or investigation of any matter deemed necessary within these Terms of Reference by the Board;
- e) To ensure co-ordination between internal and external auditors; and
- f) To review any other reports issued by the Group, which relates to the responsibilities of the AC.

ACTIVITIES

A total of 18 meetings were held during the year under review. Details of meeting attendance are set out below:

Members of the Board	Status	Attendance
Datuk Mohd. Anwar bin Yahya <i>(Chairman)</i>	Independent Non-Executive	18/18
Dato Dr. Nik Ramlah binti Nik Mahmood	Independent Non-Executive	18/18
Datuk Seri Dr. Nik Norzrul Thani bin N. Hassan Thani	Independent Non-Executive	18/18
Datu Haji Soedirman Haji Aini <i>(Appointed with effect from 17 September 2021)</i>	Independent Non-Executive	4/4

The President & Group Chief Executive, the Deputy President & Group Chief Financial Officer and the Head of 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 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 Group.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

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

Financial Reporting:

- Reviewed annual reports and interim reports of unit trust funds before presenting to the Board for approval.

Risk Management and Internal Control:

- Reviewed the Corporate Governance Disclosures which includes Corporate Governance Overview Statement, Statement on Risk Management and Internal Control, Statement on Corporate Compliance and Integrity, Audit Committee Report and Shariah Advisory Committee Report in relation to the preparation of the PNB Annual Report 2021, before approval by the Board.

Audit Committee Report

External Audit:

- Reviewed the external auditor's audited financial statements, audit issues and matters arising for the PNB Group of Companies; and
- Reviewed the performance, independence and fees of the external auditors.

Internal Audit:

- Reviewed and approved the IAD's Annual Audit Plan 2021 and adequacy of resources;
- Reviewed the internal audit reports and ensured that the agreed action plans were implemented by the Management in a timely and effective manner;
- Reviewed and approved the Key Performance Indicators achievement for 2020 and Proposed Key Performance Indicator for 2021; and
- Reviewed the report on the Quality Assurance Review (QAR) of the IAD, presented by the external assessor.

Internal Assurance Department

In discharging its responsibilities, the Audit Committee is assisted by the Internal Assurance Department (IAD). The IAD comprises 33 staff, who are segregated into six units as below:

PNB & Subsidiaries

Responsible for the execution of internal audit assignments for PNB's operations namely, Group Finance, Procurement, Human Capital, Property and PNB's subsidiaries namely Attana Hotels & Resorts Sdn. Bhd., Projek Lintasan Kota Holdings Sdn. Bhd (Prolintas), Pelaburan Hartanah Nasional Berhad (PHNB), and PNB Merdeka Ventures Sdn. Berhad, to name a few.

Investment

Responsible for the execution of internal audit assignments for PNB's strategy and investment-related business units (Public Markets, Private & Strategic Investments) and Governance (Compliance, AML/CFT, Treasury, Risk Management, Shariah).

Unit Trust

Responsible for the execution of internal audit assignments for ASNB's operations/functions and ASNB branch operations.

Information Technology (IT)

Responsible for the execution of internal audit assignments for IT audits on PNB, ASNB and PNB subsidiaries, income distribution verifications and system development initiatives undertaken by PNB and subsidiaries;

Internal Quality Audit (IQA)

Responsible for the execution of ISO Management Systems audit of the ISO 9001 QMS, MS 1900 Shariah-based QMS and ISO 37001 ABMS for certified business units and entities namely, PNB, ASNB, Public Markets & related areas, Real Estate & Property Operations, Perdana Kuala Lumpur City Centre, Perdana Kota Bharu, Vilea Rompin Resort & Golf and Espira Kinrara.

Quality Assurance and Special Projects

Responsible for the execution of Quality Assurance Improvement Programme, special projects and non-audit activities.

Summary of IAD's Activities & Initiatives

During the year under review, the IAD completed a total of 121 internal audit and internal quality audit assignments, which exceeded the plan for 118 assignments. These are summarised as follows:

I. Business process audits:

- Functions such as Finance, Procurement, Compliance, Unit Trusts, Investments, Corporate Governance, Shariah Management, Risk Management;
- Subsidiaries operations such as Prolintas, Attana Hotels & Resorts Sdn. Bhd. and PNB Merdeka Ventures Sdn. Berhad;
- ASNB branches operations;
- Business Solutions Department, ASNB; and
- Federation of Investment Managers Malaysia (FIMM)'s Annual Compliance Review on ASNB.

II. IT audits:

- Disaster Recovery Simulation Test 2021;
- IT Service Management;
- Income Distribution for 15 ASNB unit trust funds; and
- IT Governance

III. Follow-up:

- Follow up on reports issued prior to year 2021

Audit Committee Report

IV. Surprise Cash Count and Cash Management:

- ASNB branches; and
- Hotels under Attana Hotels & Resorts Sdn. Bhd.

V. Control Self-Assessment:

- ASNB branches; and
- Hotels under Attana Hotels & Resorts Sdn. Bhd.

VI. Quality Management System review on:

- PNB Real Estate and Property Operations Division;
- PNB Public Markets and Related Areas (PMRA);
- ASNB;
- Perdana Kuala Lumpur City Centre;
- Perdana Kota Bharu;
- Villea Rompin Resort and Golf;
- Espira Kinrara; and
- Anti-Bribery Management System (ABMS) on PNB and ASNB

VII. Special Reviews:

- Conducted special reviews requested by the Management.

VIII. Non-audit tasks:

- Attended tender activities as an observer;
- Verified fixed asset disposals by the Procurement Department;
- Verified PNB Development Value Homes applicants documentations; and
- Verified ASNB quizzes and the PNB Group events.

Other key initiatives conducted:

- Organising the inaugural **Integrity, Risk, Assurance & Compliance (iRAC) Week 2021** which aims to raise awareness on the importance of governance across the PNB Group. This is in collaboration with the Risk Management, Compliance and Integrity Departments.
More information on this event is presented on page 147 of this report.
- **Audit Command Language (ACL) 201 - Application**, which is an audit tool used for the purpose of analysing big data; and
- **Cybersecurity Be Aware, Be Secure** which was aimed to educate the IAD's staff about potential risks, provide hands-on knowledge of how cybercrime and the relevant management and prevention protocols.

In 2022, the IAD is planning to conduct 128 internal audits and internal quality audit assignments, comprising business process audits, IT audits, follow-up, Surprise Cash Count and Cash Management, Control Self-Assessment and Quality Management Systems Audits.

Other on-going and planned key initiatives include:

- Digitalisation of Control Self-Assessment exercise via utilisation of automated tools;
- Digitalisation of internal audit process from planning to reporting utilising an Audit Management Software;
- Enhancing the usage of data analytics via ACL to identify potential exceptions/irregularities for the Management's attention and action;
- Enhancing staff knowledge and skills via training in the areas of Environment, Social & Governance (ESG), ACL audit methodologies and professional certifications such as Certified Fraud Examiner (CFE) and Certified Information Systems Auditor (CISA); and
- Organising the annual Integrity, Risk, Assurance & Compliance (iRAC) Week 2022.

Integrity, Risk, Assurance & Compliance (iRAC) Week

This is an inaugural annual event which foster collaboration between governance related departments within PNB, namely:

Compliance & Integrity Division

Risk Management Department

Internal Assurance Department

The event aimed to raise awareness in upholding good governance culture and embracing high ethics, values and standards within the PNB Group.

iRAC Week was conducted virtually via Teams and/or Zoom and open to all staff and the Board of Directors of PNB Group.

A snapshot of the iRAC Week 2021



When

22 - 24 March 2021 (three days)



Organising Departments



Activities leading to and throughout the event:

1. VLOGs by Senior Management of PNB:

A series of campaigns were organised leading up to the event, of which includes the VLOG by the Senior Leadership of PNB. The iRAC VLOGs mainly shares about the leadership's aspiration on the good governance practices within the PNB Group.

The Senior Leaderships who participated in the VLOG sessions were:

Encik Ahmad Zulqarnain Onn, PGCE

Puan Suzana Ahmad, Chief Risk Officer

Cik Fairuz Suzana Kamaruddin, Group Head, Compliance & Integrity; and

Encik Noramly Bachok, Head, Internal Assurance

2. Key speakers and webinar sessions

The three-day programme was filled with webinar sessions with interesting topics surrounding the risk management, ethics, digitalisation, governance, corruptions in corporate sector and three lines of defence model. The webinar sessions were attended by various staff at all levels within PNB. The sessions were conducted by industry experts from various organisations such as PwC, Deloitte, Institute of Internal Auditors Malaysia (IIAM) and Malaysian Anti-Corruption Commission (MACC).

The following are several key speakers and topics presented during the event.

Speaker	Topics
Opening day keynote speaker YBhg Tan Sri Abu Kassim Mohamed, former Director General Governance, Integrity and Anti-Corruption Centre (GIACC) Malaysia	Upholding Good Governance in A Challenging Environment
Closing day speaker Encik Zainal Akbar S. K. MD. Abdul Kader, President of Institute of Internal Auditors Malaysia	The new Three Lines Model: An Update to the IIA's Three Lines of Defence Model.
Webinar Session Encik Mohd Nur Lokman, Head of the Private Sector Branch Community Education Division of MACC.	Corruption in the Corporate Sector

3. iRAC Award

The closing of the event was commemorated with the iRAC Employee Recognition Awards ceremony. A total of 13 staff within the PNB group were selected as the recipients of the awards, in recognition of their contribution in promoting and demonstrating good governance practices in their respective departments/business units.

The awards were presented to the winners by the President & Group Chief Executive and the Deputy President & Group Chief Financial Officer.

Shariah Advisory Committee Report

••

The Shariah Advisory Committee (SAC) was set up 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 and to discuss and approve the proposals according to Shariah requirements matters.

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

Members of the Board	Status
Tan Sri Dr. Mohd Daud bin Bakar (Chairman)	Independent Non-Executive
As-Sheikh Dato (Dr.) Haji Nooh bin Gadot	Independent Non-Executive
Professor Emeritus Dato' Paduka Dr. Mahmood Zuhdi bin Haji Ab. Majid	Independent Non-Executive
S.S. Dato' Haji Mohamad Shukri bin Mohamad	Independent Non-Executive
Dr. Aida binti Othman	Independent Non-Executive
Encik Wan Abdul Rahim Kamil bin Wan Mohamed Ali	Independent Non-Executive
Professor Dr. Mohamad Akram bin Laldin	Independent Non-Executive
Dato' Idris bin Kechot (Retired with effect from 9 March 2021)	Independent Non-Executive
Tan Sri Dato' Seri (Dr.) Haji Harussani bin Haji Zakaria (Passed away on 30 May 2021)	Independent Non-Executive

SAC COMMITMENTS

PNB upholds Shariah principles in every aspect of its operations and business activities. After acquiring the permissible or "Harus" fatwa from all State Fatwa Councils in 2017, PNB has continuously implemented more Shariah initiatives over the years including the year under review.

SAC ACKNOWLEDGEMENT

The SAC hereby acknowledges 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 Al-Syariah principles.

Fixed Price Funds

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

Variable Price Funds

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

This report is made based on the information provided and disclosed to us every quarter entitled Status Pelaburan PNB dan Dana Unit Amanah Dalam Sekuriti Patuh Syariah Atas Dasar Maqasid Al-Syariah during the SAC meetings held in 2021 as follows:

8 March 2021	15 July 2021
7 May 2021	19 November 2021

SHARIAH INITIATIVES 2021

PNB is enthused to move forward with more remarkable accomplishment by initiating various Shariah measures aim to strengthen comprehensive Shariah compliance and to ensure the integrity and continuity of Islamic investment industry in Malaysia. Guided by these objectives, the company 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.



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

PNB upholds Shariah principles in every aspect of its operations and business activities through the creation and increased Shariah compliance requirements in the company. PNB is committed to ensuring all ASNB unit trust funds remain Shariah-compliant in accordance with Shariah principles and the Shariah screening methodology which has been approved by the SAC. All funds have been classified as 'Harus' or permissible by National State Fatwa Council and all State Fatwa Councils.

During the year under review, PNB's investments had successfully achieved more than 77% (2020: 75%) Shariah-compliant status according to the SC's Shariah screening methodology. Meanwhile, the remaining 23% of the company's total investments is Shariah-compliant according to the company's Maqasid Al-Syariah screening methodology. This achievement strengthens PNB's position as a trusted investment house in Malaysia with Shariah-compliant products.

Continuous Involvement

PNB's commitment to stakeholder engagement is built upon the understanding that knowledge-sharing, widening of experiences and adopting a learner mindset will help the company to understand the needs of the Muslim investing communities as well as to measure impact of its programmes and thereafter make the necessary enhancements. 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 to deepen its understanding of the respective stakeholders' requirements to further enhance its Shariah-compliant products.

Shariah Advisory Committee Report

Among the engagement sessions held in 2021:

- 1) Regulatory bodies and States' religious institutions
 - Majlis Agama Islam Wilayah Persekutuan (MAIWP);
 - Jabatan Wakaf, Zakat dan Haji (JAWHAR);
 - Jabatan Mufti Negeri Selangor;
 - Majlis Fatwa Negeri Selangor; and
 - Lembaga Zakat Negeri Kedah (LZNK).
- 2) Government agencies, GLICs, Financial Institutions and other associations
 - Bursa Malaysia Berhad;
 - Bank Islam Malaysia Berhad (BIMB);
 - The Association of Shariah Advisors in Islamic Finance (ASAS); and
 - Lembaga Hasil Dalam Negeri (LHDN).
- 3) Higher Educational Institutions
 - Universiti Teknologi Mara (UiTM);
 - Universiti Sains Islam Malaysia (USIM); and
 - Universiti Selangor (UNISEL).

Bolstering MoU with UiTM

Following PNB's Memorandum of Understanding (MoU) with Universiti Teknologi Mara (UiTM) in 2020, to produce a smart collaboration in inter-disciplinary and cross-disciplinary aspects, PNB organised a series of online Maqasid Al-Syariah awareness programme with UiTM campus in Shah Alam as well as the northern and east coast regions.

Sponsorships to Strengthen Contemporary Islamic Studies

In line with PNB's Shariah commitment to support the development of the Islamic investment industry, the company participated as the main sponsor of the International Conference on Contemporary Islamic Studies (ICIS) 2021 on 8 June 2021. The primary objective of the ICIS 2021 was to address and discuss contemporary issues on Islamic studies at both the national and global levels. The conference highlighted numerous new scientific and technological developments, each with its own advantages and challenges to the ummah. In addition, PNB provided a RM50,000 research grant in the area of "Hibah Amanah", and financial aid to Islamic Banking and Fiqh Muamalat students through PNB's Zakat programme.

PNB Shariah Governance Framework (PNB SGF)

Recognising the significance of achieving good shariah governance, PNB affirms its full commitment to ensure a solid shariah compliance and control is put in place. The establishment of PNB Shariah Governance Framework (PNB SGF) ultimately aids in enhancing and protecting PNB value; whilst adhering to our company's policies to ensure that all investments undertaken by the company and the unit trust funds under its management shall adhere to the PNB Shariah manual, PNB Shariah Advisory Committee's resolutions, Shariah principles and its requirements.

Notwithstanding the fact that there is no requirement for PNB to implement any Shariah governance framework, as a publicly known institution whose investments are Shariah-compliant, the adoption of this framework is crucial to further enhance the Shariah compliant investment processes systematically. A comprehensive compliance with Shariah requirements will strengthen the public's confidence in the credibility of PNB Group investment operations.

In preparing the PNB SGF, PNB used the "Shariah Governance Framework for Islamic Financial Institutions" manual, issued by Bank Negara Malaysia in 2010. The framework plays a critical role in supporting the development of the Islamic financial industry in a structured manner to ensure continuous and comprehensive Shariah compliance.

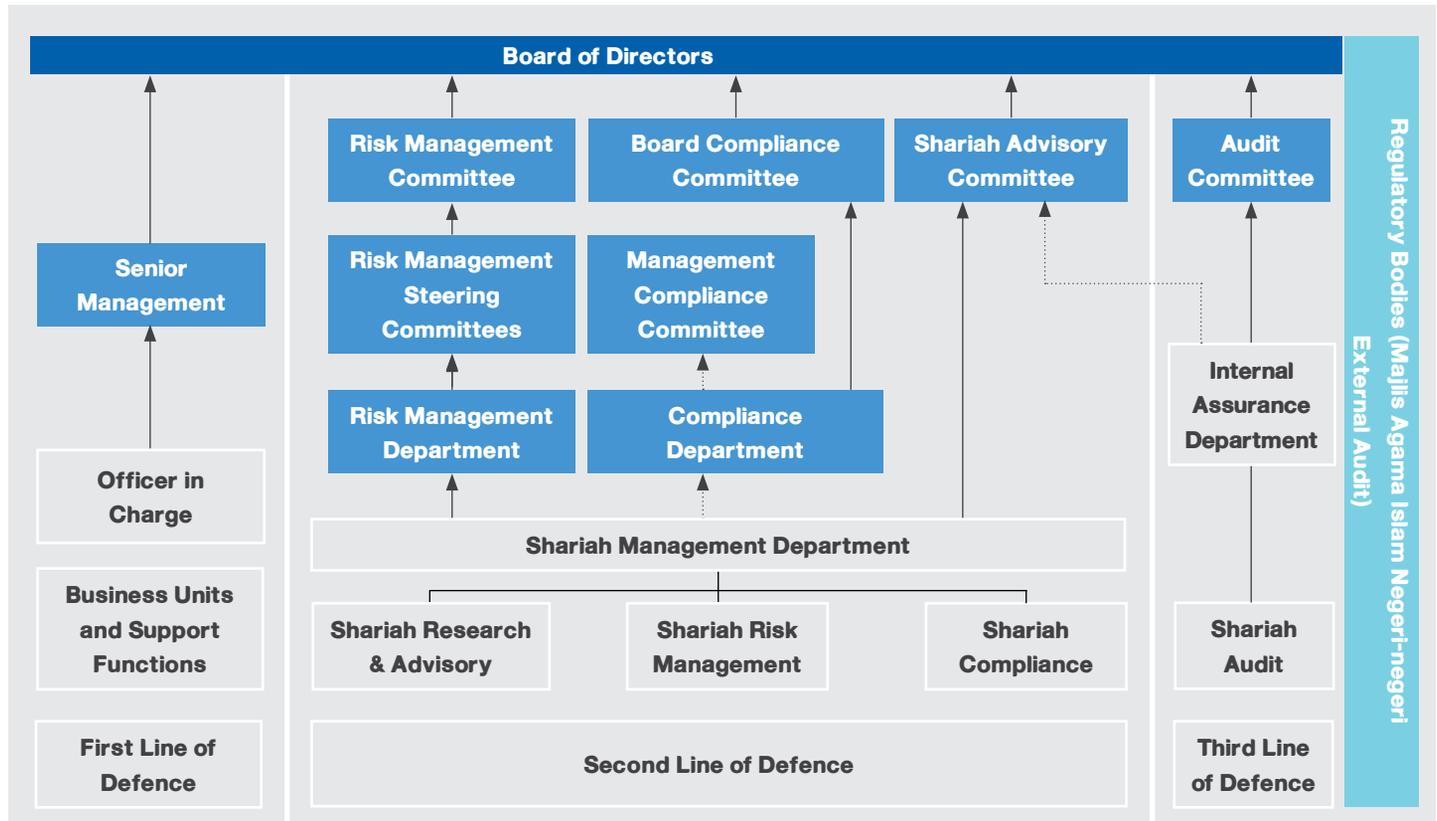
During the year under review, a series of training on PNB SGF was conducted to facilitate its implementation in 2023. The terms of reference of the SAC were also revised in accordance with current practices. PNB SGF outline: -

- i. The process of decision-making, accountability, and independence of the Shariah governance of the PNB Group;
- ii. The enhancements to the Shariah compliance functions, whereby an internal Shariah audit review process would be introduced, supported by Shariah non-compliance risk management and Shariah research capability; and
- iii. The strengthening of the Board of Directors' and SAC's respective functions.

Shariah Advisory Committee Report

PNB SGF STRUCTURE

The adoption of the PNB Group's Three Lines of Defence Model in Managing Shariah Non-Compliance Risks



Four main functions of PNB SGF

	Shariah research and advisory	Responsible for conducting Shariah research and providing Shariah advice.
	Shariah risk management	Responsible for ensuring efficient and effective management of Shariah non-compliance risks.
	Shariah compliance review	Responsible for Shariah compliance monitoring and review for the purpose of continuous assessment in accordance with the Shariah Manual and SAC's resolutions.
	Shariah audit	Responsible for Shariah auditing for the purpose of independent periodical assessment and objective assurance on the degree of Shariah compliance.

Shariah Advisory Committee Report

PNB SGF STRUCTURE

The implementation of PNB SGF would benefit PNB through the followings:

- **Structured governing process**

The SGF enables PNB to further enhance its Shariah-compliant investment processes and strengthen the oversight function on Shariah matters which includes Shariah risks, Shariah audit, Shariah research and advisory and Shariah compliance review would be much clearer.

- **PNB as Islamic Investment House**

This would enhance public confidence in its corporate objectives, management and business operations.

- **ASNB unit trust funds would be more widely accepted as Shariah-compliant funds**

This would strengthen public perception of the credibility of PNB's investment operations in managing the ASNB unit trust funds to comply with Shariah principles

Maqasid Al-Syariah Awareness Programme

PNB's Maqasid Al-Syariah awareness programme is a Shariah investment literacy-programme which aims to educate its stakeholders on the company's Maqasid screening process and provide assurance on the Shariah status of ASNB's unit trust funds. Despite the movement control orders due to the COVID-19 pandemic, the company had successfully organised nine Maqasid Al-Syariah Awareness during 2021 which benefited a total of 10,905 participants.

9

Maqasid Awareness
Programme organised
in 2021



10,905

Participants attended
the programme

Target Audience	No. of Audience (Zoom)	No. of Audience (FB Live)
Public	85	2,200
Lembaga Hasil Dalam Negeri	350	NA
UiTM Pahang Campus	72	417
Staff of PROLINTAS	65	NA
Universiti Selangor (UNISEL)	142	NA
UiTM Kelantan, Terengganu & Pahang Campuses	83	1,400
Jabatan Mufti Negeri Selangor	50	110
Minggu Saham Digital	300	1,000
Public	131	4,500

Creating Financial Value

PNB Group 5-Year Consolidated Coterminous Proforma Financials

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PNB GROUP 5-YEAR

CONSOLIDATED COTERMINOUS PROFORMA FINANCIALS

FOR THE YEAR ENDED 31 DECEMBER

	2017 RM million	2018 RM million	2019 RM million	2020 RM million	2021 RM million
Gross Income ¹	20,350	20,307	15,121	14,451	18,309
Net Income ¹	17,710	17,009	10,732	11,018	11,785
Total Assets ²	279,232	298,517	312,005	322,642	336,684
Return on Assets ³	6.7%	6.0%	3.5%	3.5%	3.6%

Note:

¹ Income figures based on proforma aggregate gross and net income respectively of PNB and its unit trust funds, adjusted to be coterminous according to year ended 31 December.

² Total Assets (Assets under Management) based on proforma aggregate of PNB's gross investment assets, the Value of Fund (before distribution) of the fixed price funds and Net Asset Value (before distribution) of the variable price funds.

³ Return on Assets = Net income divided by monthly average total assets

Independent Auditors' Report

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 2019, 2020 and 2021 |
| 2. | Amanah Saham Bumiputera 2 | 31 March 2019, 2020 and 2021 |
| 3. | Amanah Saham Bumiputera 3 - Didik | 30 June 2019, 2020 and 2021 |
| 4. | Amanah Saham Malaysia | 31 March 2019, 2020 and 2021 |
| 5. | Amanah Saham Malaysia - 2 Wawasan | 31 August 2019, 2020 and 2021 |
| 6. | Amanah Saham Malaysia 3 | 30 September 2019, 2020 and 2021 |
| 7. | Amanah Saham Nasional | 31 December 2019, 2020 and 2021 |
| 8. | ASN Equity 2 | 30 June 2019, 2020 and 2021 |
| 9. | ASN Imbang (Mixed Asset Balanced) 1 | 30 November 2019, 2020 and 2021 |
| 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 2019, 2020 and 2021 |
| 11. | ASN Equity 5 | 30 September 2019, 2020 and 2021 |
| 12. | ASN Sara (Mixed Asset Conservative) 2 | 30 September 2019, 2020 and 2021 |
| 13. | ASN Imbang (Mixed Asset Balanced) 3 Global | 31 December 2021 |

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 156 to 170.

SUMMARY FINANCIAL INFORMATION

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

THE AUDITED FINANCIAL STATEMENTS AND OUR REPORT THEREON

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

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

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

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

DIRECTORS' RESPONSIBILITY FOR THE SUMMARY FINANCIAL INFORMATION

The Directors are responsible for the preparation of the summary financial information in accordance with the basis described on pages 30 to 31.

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
3 March 2022
Kuala Lumpur

Unit Trust Funds



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

Notes:

1. Source: Fund Annual Report 2021.

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.

FUND SNAPSHOT

Financial Year Ended 31 Dec	2019	2020	2021
Units in Circulation (million units)	167,159	173,829	181,909
Number of Accounts	10,023,988	10,190,534	10,367,645

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 31 Dec (RM'000)	2019	2020	2021
Total investment income	7,698,567	7,280,724	10,394,590
Total expenses	1,877,076	905,698	3,458,504
Net income before taxation	5,821,491	6,375,026	6,936,086
Less: Taxation	-	-	-
Net income after taxation	5,821,491	6,375,026	6,936,086
Other comprehensive income	-	-	-
Total Comprehensive Income	5,821,491	6,375,026	6,936,086

FUND PERFORMANCE

Financial Year Ended 31 Dec	2019	2020	2021
Income Distribution (RM million)	8,136.74	5,902.81	7,510.24
Income Distribution (sen per unit)	5.00	3.50	4.25
Bonus (sen per unit)	0.50	0.75	0.75
Special Bonus (sen per unit)*	-	0.75	-
Benchmark Return (%)	3.18	2.18	1.85

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 31 Dec	2019	2020	2021
Equity	78.83	81.98	80.61
Fixed Income	5.25	7.74	7.15
Others	15.92	10.28	12.24
TOTAL	100.00	100.00	100.00



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

Notes:

1. Source: Fund Annual Report 2021.

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	2019	2020	2021
Units in Circulation (million units)	10,372	10,978	11,488
Number of Accounts	408,124	439,543	459,416

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 31 Mar (RM'000)	2019	2020	2021
Total investment income	659,606	556,211	601,597
Total expenses	48,777	41,111	104,825
Net income before taxation	610,829	515,100	496,772
Less: Taxation	-	-	-
Net income after taxation	610,829	515,100	496,772
Other comprehensive income	-	-	-
Total Comprehensive Income	610,829	515,100	496,772

FUND PERFORMANCE

Financial Year Ended 31 Mar	2019	2020	2021
Income Distribution (RM million)	603.70	514.22	482.01
Income Distribution (sen per unit)	6.00	4.75	4.25
Benchmark Return (%)	3.37	3.04	1.95

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 31 Mar	2019	2020	2021
Equity	81.96	82.07	78.08
Fixed Income	8.51	12.29	8.85
Others	9.53	5.64	13.07
TOTAL	100.00	100.00	100.00

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

Notes:

1. Source: Fund Annual Report 2021.

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 Jun	2019	2020	2021
Units in Circulation (million units)	6,188	6,512	6,785
Number of Accounts	292,541	298,560	302,672

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 30 Jun (RM'000)	2019	2020	2021
Total investment income	296,455	343,522	338,838
Total expenses	62,697	51,878	40,669
Net income before taxation	233,758	291,644	298,169
Less: Taxation	-	-	-
Net income after taxation	233,758	291,644	298,169
Other comprehensive income	-	-	-
Total Comprehensive Income	233,758	291,644	298,169

FUND PERFORMANCE

Financial Year Ended 30 Jun	2019	2020	2021
Income Distribution (RM million)	296.57	273.74	284.92
Income Distribution (sen per unit)	4.85	4.25	4.25
Bonus (sen per unit)	0.40	-	-
Benchmark Return (%)	3.31	2.81	1.85

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 30 Jun	2019	2020	2021
Equity	81.20	81.72	84.61
Fixed Income	11.85	12.57	10.45
Others	6.95	5.71	4.94
TOTAL	100.00	100.00	100.00

Unit Trust Funds



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

Notes:

1. Source: Fund Annual Report 2021.

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	2019	2020	2021
Units in Circulation (million units)	19,502	20,544	21,279
Number of Accounts	541,571	553,188	559,222

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 31 Mar (RM'000)	2019	2020	2021
Total investment income	1,239,597	1,001,275	1,030,329
Total expenses	162,878	260,199	191,775
Net income before taxation	1,076,719	741,076	838,554
Less: Taxation	-	-	-
Net income after taxation	1,076,719	741,076	838,554
Other comprehensive income	-	-	-
Total Comprehensive Income	1,076,719	741,076	838,554

FUND PERFORMANCE

Financial Year Ended 31 Mar	2019	2020	2021
Income Distribution (RM million)	1,069.06	869.58	850.12
Income Distribution (sen per unit)	5.50	4.25	4.00
Benchmark Return (%)	3.38	3.04	1.95

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 31 Mar	2019	2020	2021
Equity	73.08	79.04	79.09
Fixed Income	14.59	13.43	8.48
Others	12.33	7.53	12.43
TOTAL	100.00	100.00	100.00

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

Notes:

1. Source: Fund Annual Report 2021.
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 Aug	2019	2020	2021
Units in Circulation (million units)	21,678	22,586	23,031
Number of Accounts	883,140	890,038	897,145

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 31 Aug (RM'000)	2019	2020	2021
Total investment income	1,095,952	1,046,150	1,171,876
Total expenses	228,918	180,057	245,027
Net income before taxation	867,034	866,093	926,849
Less: Taxation	-	-	-
Net income after taxation	867,034	866,093	926,849
Other comprehensive income	-	-	-
Total Comprehensive Income	867,034	866,093	926,849

FUND PERFORMANCE

Financial Year Ended 31 Aug	2019	2020	2021
Income Distribution (RM million)	1,051.26	901.71	919.06
Income Distribution (sen per unit)	5.00	4.00	4.00
Benchmark Return (%)	3.27	2.60	1.85

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 31 Aug	2019	2020	2021
Equity	79.64	79.82	82.49
Fixed Income	14.00	12.04	9.95
Others	6.36	8.14	7.56
TOTAL	100.00	100.00	100.00

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

Notes:

1. Source: Fund Annual Report 2021.

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	2021
Units in Circulation (million units)	13,692	14,314	14,826
Number of Accounts	491,956	513,720	525,038

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 30 Sep (RM'000)	2019	2020	2021
Total investment income	886,370	732,637	830,587
Total expenses	154,985	181,612	247,454
Net income before taxation	731,385	551,025	583,133
Less: Taxation	-	-	-
Net income after taxation	731,385	551,025	583,133
Other comprehensive income	-	-	-
Total Comprehensive Income	731,385	551,025	583,133

FUND PERFORMANCE

Financial Year Ended 30 Sep	2019	2020	2021
Income Distribution (RM million)	670.48	567.79	589.31
Income Distribution (sen per unit)	5.00	4.00	4.00
Benchmark Return (%)	3.25	2.50	1.85

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 30 Sep	2019	2020	2021
Equity	82.01	82.86	85.76
Fixed Income	9.13	9.85	6.89
Others	8.86	7.29	7.35
TOTAL	100.00	100.00	100.00

Unit Trust Funds



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 2021.

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	2019	2020	2021
Units in Circulation (million units)	1,783	1,801	1,755
Number of Accounts	1,217,821	1,214,483	1,213,161

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 31 Dec (RM'000)	2019	2020	2021
Total investment income	70,809	60,659	29,574
Total expenses	14,967	13,169	16,075
Net income before taxation	55,842	47,490	13,499
Less: Taxation	-	-	-
Net income after taxation	55,842	47,490	13,499
Other comprehensive loss	(34,486)	(31,371)	(4,458)
Total Comprehensive Income	21,356	16,119	9,041

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

Realised	49,295	36,948	32,938
Unrealised	(27,939)	(20,829)	(23,897)
	21,356	16,119	9,041

Summarised Statements of Financial Position as at 31 Dec (RM'000)	2019	2020	2021
Investments	1,171,529	1,144,435	1,074,728
Other Assets	8,915	10,768	21,070
Total Assets	1,180,444	1,155,203	1,095,798
Liabilities	(52,274)	(37,788)	(29,312)
Unit Holder Capital/NAV	1,128,170	1,117,415	1,066,486

FUND PERFORMANCE

Financial Year Ended 31 Dec	2019	2020	2021
Distribution Yield (%)	4.35	3.26	2.63
Total Return (%)	1.74	1.25	0.55
Benchmark Return (%)	(1.66)	3.53	(2.96)
Financial Year Ended 31 Dec	1 Year	3 Years	5 Years
Annualised Total Return (%)	0.55	1.18	2.21
Benchmark Return (%)	(2.96)	(0.40)	0.42

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 31 Dec	2019	2020	2021
Equity	89.84	90.09	88.14
Fixed Income	8.83	5.27	2.93
Others	1.33	4.64	8.93
TOTAL	100.00	100.00	100.00

Unit Trust Funds



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

Notes:

1. Source: Fund Annual Report 2021.
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 Jun	2019	2020	2021
Units in Circulation (million units)	1,548	1,471	1,299
Number of Accounts	32,477	33,277	34,577

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 30 Jun (RM'000)	2019	2020	2021
Total investment income	40,310	30,200	61,024
Total expenses	10,979	9,604	12,574
Net income before taxation	29,331	20,596	48,450
Less: Taxation	-	-	-
Net income after taxation	29,331	20,596	48,450
Other comprehensive income/(loss)	(18,530)	(74,715)	12,075
Total Comprehensive Income/(loss)	10,801	(54,119)	60,525

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

Realised	42,472	29,531	24,268
Unrealised	(31,671)	(83,650)	36,257
	10,801	(54,119)	60,525

Summarised Statements of Financial Position as at 30 Jun (RM'000)	2019	2020	2021
Investments	888,252	767,542	662,255
Other Assets	23,554	5,840	37,263
Total Assets	911,806	773,382	699,518
Liabilities	(51,824)	(40,936)	(40,362)
Unit Holder Capital/NAV	859,982	732,446	659,156

FUND PERFORMANCE

Financial Year Ended 30 Jun	2019	2020	2021
Distribution Yield (%)	5.04	4.02	3.47
Total Return (%)	1.20	(6.77)	5.42
Benchmark Return (%)	(0.14)	(7.77)	4.05
Financial Year Ended 30 Jun	1 Year	3 Years	5 Years
Annualised Total Return (%)	5.42	(0.18)	1.91
Benchmark Return (%)	4.05	(1.41)	0.17

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 30 Jun	2019	2020	2021
Equity	86.36	89.26	86.83
Fixed Income	7.07	7.78	3.15
Others	6.57	2.96	10.02
TOTAL	100.00	100.00	100.00

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 2021.

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	2019	2020	2021
Units in Circulation (million units)	2,565	2,414	2,164
Number of Accounts	90,703	89,327	86,306

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 31 Mar (RM'000)	2019	2020	2021
Total investment income	54,027	53,696	134,816
Total expenses	28,440	27,485	26,895
Net income before taxation	25,587	26,211	107,921
Less: Taxation	-	-	-
Net income after taxation	25,587	26,211	107,921
Other comprehensive income/(loss)	(170,554)	(286,803)	253,390
Total Comprehensive Income/(Loss)	(144,967)	(260,592)	361,311

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

Realised	98,456	97,345	76,834
Unrealised	(243,423)	(357,937)	284,477
	(144,967)	(260,592)	361,311

Summarised Statements of Financial Position as at 31 Mar (RM'000)	2019	2020	2021
Investments	2,397,089	1,916,021	1,979,369
Other Assets	76,407	55,011	33,294
Total Assets	2,473,496	1,971,032	2,012,663
Liabilities	(107,408)	(81,020)	(84,015)
Unit Holder Capital/NAV	2,366,088	1,890,012	1,928,648

FUND PERFORMANCE

Financial Year Ended 31 Mar	2019	2020	2021
Distribution Yield (%)	4.44	4.15	3.96
Total Return (%)	(6.27)	(11.62)	18.32
Benchmark Return (%)	(8.33)	(15.41)	18.73
Financial Year Ended 31 Mar	1 Year	3 Years	5 Years
Annualised Total Return (%)	18.32	(0.67)	2.01
Benchmark Return (%)	18.73	(2.72)	0.19

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 31 Mar	2019	2020	2021
Equity	79.71	81.92	85.99
Fixed Income	4.07	8.17	6.75
Others	16.22	9.91	7.26
TOTAL	100.00	100.00	100.00

Unit Trust Funds



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 2021.

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	2021
Units in Circulation (million units)	402	414	344
Number of Accounts	10,473	11,036	11,202

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 30 Sep (RM'000)	24.9.2018 to 30.9.2019	2020	2021
Total investment income	11,506	23,162	22,897
Total expenses	4,437	5,590	7,913
Net income before taxation	7,069	17,572	14,984
Less: Taxation	-	-	-
Net income after taxation	7,069	17,572	14,984
Other comprehensive income/(loss)	(17,891)	(21,658)	23,839
Total Comprehensive Income/(Loss)	(10,822)	(4,086)	38,823
Total comprehensive income/(loss) for the year is made up of the following:			
Realised	11,936	13,520	12,017
Unrealised	(22,758)	(17,606)	26,806
	(10,822)	(4,086)	38,823

Summarised Statements of Financial Position as at 30 Sep (RM'000)	2019	2020	2021
Investments	381,698	378,550	328,194
Other Assets	5,916	13,304	13,267
Total Assets	387,614	391,855	341,461
Liabilities	(16,060)	(24,741)	(13,225)
Unit Holder Capital/NAV	371,554	367,114	328,236

FUND PERFORMANCE

Financial Year Ended 30 Sep	2019	2020	2021
Distribution Yield (%)	4.06	3.49	2.99
Total Return (%)	(3.89)	(0.56)	10.71
Benchmark Return (%)	(7.95)	(2.00)	3.01
Financial Year Ended 30 Sep	1 Years		Since inception
Annualised Total Return (%)		10.71	1.89
Benchmark Return (%)		3.01	(2.40)

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 30 Sep	2019	2020	2021
Equity	77.33	88.23	88.44
Fixed Income	8.43	4.24	-
Others	14.24	7.53	11.56
TOTAL	100.00	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 2021.

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	2019	2020	2021
Units in Circulation (million units)	1,312	1,222	1,002
Number of Accounts	46,815	46,156	44,752

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 30 Nov (RM'000)	2019	2020	2021
Total investment income	74,098	71,804	53,215
Total expenses	14,428	14,334	13,710
Net income before taxation	59,670	57,470	39,505
Less: Taxation	-	-	-
Net income after taxation	59,670	57,470	39,505
Other comprehensive income/(loss)	(14,930)	(38,032)	29,972
Total Comprehensive Income	44,740	19,438	69,477

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

Realised	54,107	41,321	30,688
Unrealised	(9,367)	(21,883)	38,789
	44,740	19,438	69,477

Summarised Statements of Financial Position as at 30 Nov (RM'000)	2019	2020	2021
Investments	1,261,432	1,156,866	978,414
Other Assets	23,795	25,090	8,571
Total Assets	1,285,227	1,181,956	986,985
Liabilities	(57,038)	(58,090)	(33,818)
Unit Holder Capital/NAV	1,228,189	1,123,866	953,167

FUND PERFORMANCE

Financial Year Ended 30 Nov	2019	2020	2021
Distribution Yield (%)	4.54	3.61	2.88
Total Return (%)	3.62	1.75	6.38
Benchmark Return (%)	(0.91)	2.49	(0.45)
Financial Year Ended 30 Nov	1 Year	3 Years	5 Years
Annualised Total Return (%)	6.38	3.90	2.73
Benchmark Return (%)	(0.45)	0.37	1.31

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 30 Nov	2019	2020	2021
Equity	52.76	60.08	59.83
Fixed Income	40.13	33.46	34.44
Others	7.11	6.46	5.73
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

Notes:

1. Source: Fund Annual Report 2021.
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	2019	2020	2021
Units in Circulation (million units)	1,301	1,627	1,460
Number of Accounts	79,282	86,426	85,147

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 31 Mar (RM'000)	2019	2020	2021
Total investment income	23,094	32,497	169,266
Total expenses	13,511	15,944	17,765
Net income before taxation	9,583	16,553	151,501
Less: Taxation	-	-	-
Net income after taxation	9,583	16,553	151,501
Other comprehensive income/(loss)	(35,636)	(121,130)	73,282
Total Comprehensive Income/(Loss)	(26,053)	(104,577)	224,783

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

Realised	50,838	53,093	49,054
Unrealised	(76,891)	(157,670)	175,729
	(26,053)	(104,577)	224,783

Summarised Statements of Financial Position as at 31 Mar (RM'000)	2019	2020	2021
Investments	1,234,200	1,347,866	1,374,038
Other Assets	15,243	44,253	24,284
Total Assets	1,249,443	1,392,119	1,398,322
Liabilities	(57,704)	(59,093)	(48,124)
Unit Holder Capital/NAV	1,191,739	1,333,026	1,350,198

FUND PERFORMANCE

Financial Year Ended 31 Mar	2019	2020	2021
Distribution Yield (%)	4.59	4.27	3.36
Total Return (%)	(2.25)	(6.68)	16.64
Benchmark Return (%)	(4.03)	(8.77)	12.32
Financial Year Ended 31 Mar	1 Years	3 Years	Since inception
Annualised Total Return (%)	16.64	2.09	3.91
Benchmark Return (%)	12.32	(0.55)	1.46

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 31 Mar	2019	2020	2021
Equity	57.46	51.66	58.87
Fixed Income	32.95	38.62	28.96
Others	9.59	9.72	12.17
TOTAL	100.00	100.00	100.00

Unit Trust Funds



**ASN Imbang 3
Global**

Launch Date : 16 September 2020

Fund Type : Growth & Income

Fund Category : Mixed Asset Balance

Investment Objective

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

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 2021.

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	2021
Units in Circulation (million units)	1,380
Number of Accounts	29,378

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 31 Dec (RM'000)	16.9.2020 to 31.12.2021
Total investment income	25,828
Total expenses	19,095
Net income before taxation	6,733
Less: Taxation	-
Net income after taxation	6,733
Other comprehensive loss	(1,375)
Total Comprehensive Income	5,358
Total comprehensive income/(loss) for the year is made up of the following:	
Realised	13,397
Unrealised	(8,039)
	5,358

Summarised Statements of Financial Position as at 31 Dec (RM'000)	2021
Investments	1,394,369
Other Assets	29,263
Total Assets	1,423,632
Liabilities	(18,689)
Unit Holder Capital/NAV	1,404,943

FUND PERFORMANCE

Financial Year Ended 31 Dec	2021
Distribution Yield (%)	1.23
Total Return (%)	3.04
Benchmark Return (%)	16.70
Financial Year Ended 31 Dec	Since inception
Annualised Total Return (%)	2.35
Benchmark Return (%)	12.73

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 31 Dec	2021
Equity	55.18
Fixed Income	14.84
Others	29.98
TOTAL	100.00

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

Notes:

1. Source: Fund Annual Report 2021.
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	2019	2020	2021
Units in Circulation (million units)	1,603	2,043	2,609
Number of Accounts	53,050	69,872	85,776

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 31 Mar (RM'000)	2019	2020	2021
Total investment income	75,776	77,934	220,710
Total expenses	17,831	22,417	31,091
Net income before taxation	57,945	55,517	189,619
Less: Taxation	-	-	-
Net income after taxation	57,945	55,517	189,619
Other comprehensive income/(loss)	(51,457)	(90,613)	66,370
Total Comprehensive Income/(Loss)	6,488	(35,096)	255,989

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

Realised	67,694	86,674	89,024
Unrealised	(61,206)	(121,770)	166,965
	6,488	(35,096)	255,989

Summarised Statements of Financial Position as at 31 Mar (RM'000)	2019	2020	2021
Investments	1,799,533	2,160,885	2,973,011
Other Assets	36,813	57,749	45,229
Total Assets	1,836,346	2,218,634	3,018,240
Liabilities	(81,804)	(95,832)	(94,487)
Unit Holder Capital/NAV	1,754,542	2,122,802	2,923,753

FUND PERFORMANCE

Financial Year Ended 31 Mar	2019	2020	2021
Distribution Yield (%)	4.57	4.38	3.14
Total Return (%)	0.13	(0.90)	11.22
Benchmark Return (%)	(1.08)	(4.15)	8.13
Financial Year Ended 31 Mar	1 Year	3 Years	5 Years
Annualised Total Return (%)	11.22	3.34	4.31
Benchmark Return (%)	8.13	0.84	2.18

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 31 Mar	2019	2020	2021
Equity	24.06	28.16	29.25
Fixed Income	56.85	61.14	56.5
Others	19.09	10.70	14.25
TOTAL	100.00	100.00	100.00

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 2021.

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	2021
Units in Circulation (million units)	1,113	1,702	1,712
Number of Accounts	27,964	39,589	42,860

FUND FINANCIALS

Summarised Statements of Comprehensive Income for the year ended 30 Sep (RM'000)	24.9.2018 to 30.9.2019	2020	2021
Total investment income	44,341	72,237	59,949
Total expenses	8,583	15,715	21,628
Net income before taxation	35,758	56,522	38,321
Less: Taxation	-	-	-
Net income after taxation	35,758	56,522	38,321
Other comprehensive income/(loss)	(15,641)	7,348	24,255
Total Comprehensive Income	20,117	63,870	62,576

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

Realised	35,123	48,254	48,738
Unrealised	(15,006)	15,616	13,838
	20,117	63,870	62,576

Summarised Statements of Financial Position as at 30 Sep (RM'000)	2019	2020	2021
Investments	1,126,987	1,735,688	1,750,478
Other Assets	18,529	38,023	28,807
Total Assets	1,145,516	1,773,711	1,779,285
Liabilities	(47,865)	(68,073)	(49,700)
Unit Holder Capital/NAV	1,097,651	1,705,638	1,729,585

FUND PERFORMANCE

Financial Year Ended 30 Sep	2019	2020	2021
Distribution Yield (%)	4.26	3.59	2.77
Total Return (%)	2.79	5.31	3.58
Benchmark Return (%)	(0.99)	1.04	2.40

Financial Year Ended 30 Sep	1 Years	Since inception
Annualised Total Return (%)	3.58	3.87
Benchmark Return (%)	2.40	0.80

ASSET ALLOCATION

(% of Net Asset Value)

Financial Year Ended 30 Sep	2019	2020	2021
Equity	25.80	29.35	37.46
Fixed Income	45.54	46.98	50.35
Others	28.66	23.67	12.19
TOTAL	100.00	100.00	100.00



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