

PUBLIC BANK BERHAD

ABRIDGED MINUTES OF THE FIFTY-FOURTH ANNUAL GENERAL MEETING HELD VIRTUALLY AT THE BROADCAST VENUE AT 29TH FLOOR, MENARA PUBLIC BANK, 146 JALAN AMPANG, 50450 KUALA LUMPUR ON MONDAY, 29 JUNE 2020 AT 11.00 A.M.

PRESENT AT BROADCAST VENUE

Board of Directors:

Tan Sri Dato' Sri Dr. Teh Hong Piow	: Founder, Chairman Emeritus, Non-Independent Non-Executive Director and Adviser
Mr Lai Wan	: Independent Non-Executive Chairman
Tan Sri Dato' Sri Tay Ah Lek	: Managing Director/Chief Executive Officer
Mr Tang Wing Chew	: Non-Independent Non-Executive Director
Ms Lai Wai Keen	: Independent Non-Executive Director
Ms Cheah Kim Ling	: Independent Non-Executive Director
Mr Lee Chin Guan	: Non-Independent Non-Executive Director
Dato' Mohd Hanif bin Sher Mohamed	: Independent Non-Executive Director
Ms Tham Chai Fhong	: Independent Non-Executive Director

Company Secretary:

Dato' Chia Lee Kee

External Auditors:

Messrs Ernst & Young PLT : Represented by Mr Yap Seng Chong,
Engagement Partner

Member of Senior Management:

Ms Chang Siew Yen : Senior Chief Operating Officer

WELCOME BY CHAIRMAN ON BEHALF OF THE BOARD

The Chairman, Mr Lai Wan, on behalf of the Board, welcomed the shareholders and proxies who had logged-in to TIIH Online to participate in the Public Bank 54th Annual General Meeting (AGM) which was conducted, for the first time, on a virtual basis through live streaming and online remote participation and voting by shareholders and proxies, pursuant to Section 327(1) of the Companies Act, 2016.

The Chairman explained that as the turnout for past Public Bank AGMs had been in the region of 6,000 persons, it was not possible to conduct the Public Bank 54th AGM as a physical AGM as the Recovery Movement Control Order prohibited such large gatherings.

The Chairman informed that all the Members of the Board were present at the Broadcast Venue, and he introduced them one by one.

The Chairman informed that the Company Secretary, Dato' Chia Lee Kee, the Senior Chief Operating Officer, Ms Chang Siew Yen, and the representative from Messrs Ernst & Young PLT, Mr Yap Seng Chong, were also present at the Broadcast Venue.

QUORUM

The Chairman stated that as at the start of the Meeting at 11.00 a.m. on 29 June 2020, a total of 360 shareholders and proxies had registered and logged-in to TIIH Online to participate in the Public Bank 54th AGM.

There being a quorum, the Public Bank 54th AGM was duly convened.

NOTICE OF MEETING

The Notice convening the Meeting having been served on shareholders, was taken as read.

VOTING ON ALL RESOLUTIONS BY POLL

The Chairman informed that pursuant to the Company's Constitution and Bursa Malaysia Main Market Listing Requirements, all the resolutions set out in the Notice of Public Bank 54th AGM dated 29 May 2020 would be voted by poll.

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

The Chairman explained that the voting session had already commenced from the start of the Meeting at 11.00 a.m. and shareholders could therefore proceed to vote remotely on the resolutions until the close of the voting session which he would announce later.

He invited Tricor, the Poll Administrator to give a briefing on the procedures for online remote voting.

ORDINARY BUSINESS

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 AND REPORTS OF THE DIRECTORS AND AUDITORS

The Company's Audited Financial Statements for the financial year ended 31 December 2019 and the Reports of the Directors and Auditors were laid before the Company at this Meeting pursuant to Section 340(1)(a) of the Companies Act, 2016.

The Chairman explained that the Company's Audited Financial Statements for the financial year ended 31 December 2019 were for discussion only as it did not require shareholders' approval. Hence, it would not be put for voting.

The Chairman then invited Tan Sri Dato' Sri Tay Ah Lek, the Managing Director/Chief Executive Officer, to present the highlights of Public Bank Group's performance in 2019, and to brief on the questions that were raised by the Minority Shareholder Watch Group (MSWG) and the replies provided to them.

The Managing Director/Chief Executive Officer presented the highlights of Public Bank Group's performance in 2019 as follows:

2019 Financial Performance

Despite the challenging business environment in 2019, the Public Bank Group sustained stable profitability with pre-tax profit and net profit of RM7.13 billion and RM5.51 billion respectively in 2019 as compared to RM7.10 billion and RM5.59 billion respectively in 2018. Earnings per share stood at 142.0 sen in 2019.

In 2019, the Group achieved healthy growth performance in its lending and deposit-taking businesses. The Group's total gross loans and financing grew by 4.1% to RM330 billion in 2019. The Group's customer deposits also increased by 4.2% to RM353 billion. The Group continued to sustain its leading market position in retail consumer and small-and medium enterprises (SME) lending, with market shares of 20.0% in residential property financing, 29.0% in passenger vehicles financing and 21.0% in SME lending.

The Public Bank Group also continued to maintain its competitive edge in terms of profitability, asset quality and cost efficiency. The Group remained the most cost-efficient bank in the industry with the lowest cost to income ratio of 34.4%, which was well below the industry's average cost to income ratio of 44.7%. The Group's gross impaired loans ratio of 0.5% was the lowest among its peers and was significantly better than the industry's average of 1.5%. The Group's net return on equity of 13.6% was also above the industry's average net return on equity of about 9%.

The Group's wholly-owned unit trust management company, Public Mutual, remained a major contributor to the Group's non-interest income. In 2019, Public Mutual maintained its dominant position in the retail private unit trust industry, capturing an overall retail market share of 35.0%, with 156 unit trust funds under its management. Public Mutual's total assets under management expanded by 10% in 2019 to stand at RM87 billion.

The Group's capital position remained healthy and stable, with Common Equity Tier (CET 1) and total capital ratios standing at 13.5% and 16.8% respectively as at the end of 2019. The Group always seeks to maintain sufficient liquidity buffer and this is reflected in the Group's healthy liquidity coverage ratio of 133.5%.

In view of the Public Bank Group's stable performance in 2019, a second interim dividend of 40 sen was paid on 20 March 2020. Together with the first interim dividend of 33 sen paid in September 2019, shareholders have received a total dividend of 73 sen per share for 2019, which was higher than the 69 sen paid for 2018. This amounted to a dividend payout of RM2.83 billion, representing 51.4% of the Group's net profit for 2019.

Challenges Ahead in 2020 Arising from COVID-19 Pandemic

The first quarter of 2020 had passed. The year had turned out very different from Public Bank's earlier expectations. Public Bank could not have expected the widespread impact of the COVID-19 pandemic.

The operating environment will continue to be very challenging for the rest of the year, as both businesses and the labour market are impacted by the lingering effects of the COVID-19 pandemic and slump in global oil prices. This year, the banking industry is facing the twin challenges of economic contraction and reductions in Overnight Policy Rate. This is expected to lead to moderating revenue, net interest margin compression and potential deterioration in asset quality for the banking sector.

Given the significant challenges in the operating environment and current weak economy, Public Bank's strategy will be focused on managing revenue growth and optimising operating cost. More importantly, preserving asset quality will be a top priority to ensure the Group's resilience and long term sustainability. In this aspect, the Group's strong asset quality and current large reserves for loan loss of more than 260.0%, which is the highest in the industry, should provide a strong buffer to weather the challenges ahead.

In light of the economic challenges brought about by the COVID-19 outbreak, Public Bank is actively engaging and assisting customers who face cashflow constraints due to the unexpected situation. Besides offering moratorium on loans and financing as well as loan restructuring and rescheduling, Public Bank is also working closely with Bank Negara Malaysia to offer the Special Relief Facility for SMEs, providing the much needed cash flow reliefs to tide businesses over this challenging period.

To ensure business continuity and the delivery of uninterrupted banking services to customers, Public Bank had activated its Business Continuity Plan during the Movement Control Order. At the same time, Public Bank has also taken all necessary precautionary measures to protect the safety and well-being of its customers and employees.

In recent months, COVID-19 has brought forth a new normal, from staff adapting to working from home to changing customer behaviour as more banking activities are carried out through digital channels in the wake of social distancing measures. This digitalisation trend is set to continue, and given that technology will shape the future of banking, Public Bank is putting in additional effort to further enhance digital initiatives to meet future needs.

With the significant challenges ahead, Public Bank will remain very focused on its strategy in ensuring the long term sustainability of the Group's earnings. Public Bank is confident that with the Group's strong fundamentals as well as its capital and liquidity strength, the Group has the capacity to ride out the current challenging economic conditions. Public Bank will also continue to adopt a prudent growth strategy and be ready to pursue business growth and new opportunities when business conditions improve.

The Managing Director/Chief Executive Officer then proceeded to present the questions which MSWG had raised in their letter to the Board dated 24 June 2020 and Public Bank's reply to them on 26 June 2020.

The presentation slides on Public Bank Group's performance in 2019 can be viewed from Public Bank's website at www.publicbankgroup.com/Investor-Relations/Annual-General-Meeting.

The questions from MSWG and answers provided by Public Bank can be viewed from Public Bank's website at www.publicbankgroup.com/Investor-Relations/Annual-General-Meeting.

After presenting the questions from MSWG and Public Bank's reply to them, the Managing Director/Chief Executive Officer handed the Chair back to the Chairman, Mr Lai.

The Chairman proceeded to the next agenda items on the proposed Ordinary Resolutions 1 to 7.

The proposed Ordinary Resolutions 1 to 7 had been proposed by Dato' Chang Kat Kiam and seconded by Dato' Chia Lee Kee, who were both shareholders of the Company.

The Chairman explained that Ordinary Resolutions 1 to 4 pertained to the proposed re-election of 4 Directors. The Nomination and Remuneration Committee had conducted the fitness and propriety assessments and had recommended the re-election of the 4 Directors as they remain effective in their contributions to the Board. Bank Negara Malaysia's approvals for their re-election are in place.

ORDINARY RESOLUTION 1

RE-ELECTION OF MS THAM CHAI FHONG WHO RETIRED PURSUANT TO CLAUSE 105 OF THE COMPANY'S CONSTITUTION

The Chairman informed that Ms Tham Chai Fhong, being newly appointed on 1 June 2019, would be retiring pursuant to Clause 105 of the Company's Constitution, and being eligible, had offered herself for re-election.

The profile of Ms Tham Chai Fhong was set out on page 51 of the Public Bank 2019 Annual Report.

ORDINARY RESOLUTION 2

RE-ELECTION OF TAN SRI DATO' SRI DR. TEH HONG PIOW WHO RETIRED BY ROTATION PURSUANT TO CLAUSE 107 OF THE COMPANY'S CONSTITUTION

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

The profile of Tan Sri Dato' Sri Dr. Teh Hong Piow was set out on pages 42 to 43 of the Public Bank 2019 Annual Report.

ORDINARY RESOLUTION 3

RE-ELECTION OF MR TANG WING CHEW WHO RETIRED BY ROTATION PURSUANT TO CLAUSE 107 OF THE COMPANY'S CONSTITUTION

The Chairman informed that Mr Tang Wing Chew would be retiring by rotation pursuant to Clause 107 of the Company's Constitution, and being eligible, had offered himself for re-election.

The profile of Mr Tang Wing Chew was set out on page 46 of the Public Bank 2019 Annual Report.

ORDINARY RESOLUTION 4

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

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

The profile of Ms Cheah Kim Ling was set out on page 48 of the Public Bank 2019 Annual Report.

ORDINARY RESOLUTION 5

PAYMENT OF DIRECTORS' FEES, BOARD COMMITTEES MEMBERS' FEES, AND ALLOWANCES TO DIRECTORS AMOUNTING TO RM5,281,442 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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

The Chairman clarified that the proposed rates of Directors' fees for the financial year ended 31 December 2019 were unchanged from the rates paid for the financial year ended 31 December 2018.

ORDINARY RESOLUTION 6

PAYMENT OF REMUNERATION AND BENEFITS-IN-KIND (EXCLUDING DIRECTOR'S FEE AND BOARD MEETING ALLOWANCE) AMOUNTING TO RM20,000,000 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 TO THE CHAIRMAN EMERITUS, DIRECTOR AND ADVISER, TAN SRI DATO' SRI DR. TEH HONG PIOW

The Chairman explained that the proposed payment of remuneration and benefits-in-kind (excluding Director's fee and Board meeting allowance) amounting to RM20,000,000 for the financial year ended 31 December 2019 to the Chairman Emeritus, Director and Adviser, Tan Sri Dato' Sri Dr. Teh Hong Piow was in deep appreciation and recognition of his continuous invaluable contributions to Public Bank Group's success.

ORDINARY RESOLUTION 7

RE-APPOINTMENT OF AUDITORS

The Chairman informed that the Auditors, Messrs Ernst & Young PLT had indicated their willingness to be re-appointed as Auditors of the Company. Bank Negara Malaysia had on 9 March 2020 granted approval for the proposed re-appointment of Messrs Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2020.

SUMMARY OF QUESTIONS SUBMITTED BY SHAREHOLDERS AND ANSWERS PROVIDED

There were questions received from shareholders before the AGM as well as questions received online during the course of the AGM.

The Chairman and Managing Director/Chief Executive Officer addressed the questions submitted by shareholders.

Upon conclusion of addressing questions submitted by shareholders, the Managing Director/Chief Executive Officer handed the Chair back to Mr Lai.

The summary of questions submitted by shareholders and answers provided by the Chairman and the Managing Director/Chief Executive Officer can be viewed from Public Bank's website at www.publicbankgroup.com/Investor-Relations/Annual-General-Meeting.

NO OTHER BUSINESS

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

CONTINUATION OF REMOTE POLL VOTING

The Chairman announced at 12.35 p.m. that the online remote voting which had commenced since the start of the Meeting, would continue for another 10 minutes.

CONCLUSION OF REMOTE POLL VOTING

At 12.45 p.m, the Chairman announced that the online remote voting session had closed and the Meeting would resume immediately upon conclusion of the Scrutineers' validation of the votes cast, for the announcement of poll results.

POLL RESULTS

After the conclusion of the Scrutineers' validation of the votes cast, Mr Anthony Tai from Deloitte announced the results of the poll as reflected in the attachment.

DECLARATION RESOLUTIONS CARRIED

The Chairman declared that based on the poll results, all the 7 Ordinary Resolutions as set out in the Notice of Public Bank 54th AGM dated 29 May 2020 were duly passed.

CLOSE OF MEETING

The Meeting concluded at 1.20 p.m. with a vote of thanks to the Chair.

PUBLIC BANK BERHAD

(196501000672 (6463-H))

54th Annual General Meeting

29th Floor, Menara Public Bank, 146 Jalan Ampang,

50450 Kuala Lumpur.

On 29-June-2020 at 11:00AM

Result On Voting By Poll

Resolution(s)	Vote For		Vote Against		Total Votes	
	No of Units	%	No of Units	%	No of Units	%
Ordinary Resolution 1	2,800,017,805	99.941	1,656,318	0.059	2,801,674,123	100.000
Ordinary Resolution 2	2,761,153,608	99.431	15,810,599	0.569	2,776,964,207	100.000
Ordinary Resolution 3	2,727,694,916	97.451	71,339,273	2.549	2,799,034,189	100.000
Ordinary Resolution 4	2,613,177,811	99.937	1,656,318	0.063	2,614,834,129	100.000
Ordinary Resolution 5	2,770,282,941	99.886	3,154,050	0.114	2,773,436,991	100.000
Ordinary Resolution 6	2,102,013,991	75.770	672,186,291	24.230	2,774,200,282	100.000
Ordinary Resolution 7	2,792,844,441	99.772	6,381,417	0.228	2,799,225,858	100.000

