



Sustainable Finance



Sustainable finance is a cornerstone of the Public Bank Group's strategy to drive sustainable growth and support the transition to a low carbon economy. By integrating sustainability considerations into its business decisions, the Group helps its customers find sustainable pathways while managing long-term risks and opportunities. Through innovative financial solutions, the Group advances economic resilience and creates lasting value for society and the environment.

Key Highlights

- Mobilised over **RM77 billion** in sustainable finance since 2020
- Developed **Sustainable Financing Toolkit**

THE GROUP'S APPROACH

The Public Bank Group is committed to providing comprehensive sustainable financing solutions that align with economic, social, and environmental aspects for sustainable economic growth. Guided by its sustainable financing framework and guidelines and target to mobilise RM100 billion in sustainable finance by 2030, the Group continues to strengthen its offerings and partnerships to accelerate the transition journey.

Targets/Sub-targets

- Mobilise **RM100 billion in sustainable finance** from 2020 to 2030

To facilitate the mobilisation of sustainable finance, the Public Bank Group is guided by the following:

Sustainable Finance Framework



- Introduced in 2023, covering Public Bank and Public Islamic Bank to guide classification criteria of sustainable financing to ensure safeguards are in place to reduce the risk of greenwashing and social washing
- Supported by the Sustainable Products and Services Guideline, outlining eligible environmental and social economic activities for sustainable financing
- Developed with reference to global standards and principles (e.g. Loan Market Association ("LMA"), Loan Syndications & Trading Association ("LSTA") and the Asia Pacific Loan Market Association ("APLMA") Green, Social, & Sustainability-Linked Loan Principles)

 Read more at: <https://www.publicbankgroup.com/sustainability/sustainability-disclosures/>

High ESG Risk Sectors ("HERS") Position Statement



- Defines ESG expectations for specific HERS sectors deemed as having inherently elevated potential for negative environmental and social impact
- Provides a benchmark for good industry practices

 Read more at: <https://www.publicbankgroup.com/sustainability/sustainability-disclosures/>

Theme 1: Protecting the Environment

Sustainable Products and Services Guideline

- Supports implementation of the Sustainable Finance Framework by outlining eligible environmental and social economic activities for sustainable financing

Read more at: <https://www.publicbankgroup.com/sustainability/sustainability-disclosures/>

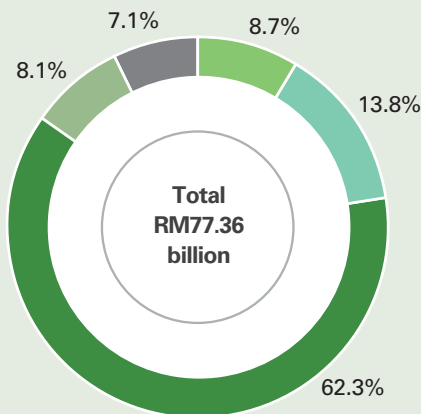
Sustainable Financing Toolkit

- Aims to guide branches and relationship managers in achieving the Group’s strategic objectives of expanding sustainable financing and accelerating portfolio decarbonisation
- Translates sustainable finance concepts into practical, business-relevant actions to support effective customer engagement while fulfilling regulatory and safeguard requirements

ADVANCING SUSTAINABLE FINANCE

Since 2020, the Public Bank Group has mobilised RM77.36 billion in sustainable finance, representing over 77% progress towards the Group’s target of mobilising RM100 billion by 2030. The majority of this financing has been directed towards supporting low emissions vehicles, affordable housing, and green financing initiatives, reflecting the Group’s commitment to advancing both environmental and social outcomes.

Progress of Sustainable Financing (2020 – 2025)



- Green Financing
- Social Agenda Financing
- Low Emissions Vehicle Financing
- Corporate Loans
- Sustainability-Linked Loans

Low Emissions Vehicle Financing:
RM48.13 billion

Social Agenda Financing:
RM10.69 billion

Green Financing:
RM6.73 billion

Corporate Loans:
RM6.30 billion

Sustainability-Linked Loans:
RM5.51 billion

The 2025 sustainable finance achievement has been internally audited. For more information on the Group’s sustainable finance, please refer to Sustainability Performance Data 2025 on Public Bank’s corporate website.

DELIVERING SUSTAINABLE FINANCING SOLUTIONS FOR CUSTOMERS

The Public Bank Group is committed to meeting the increasingly diverse needs of its customers for green and sustainable financing solutions, seizing significant business opportunities in green development and helping its customers move towards a green and low carbon transformation.

Green Financing

The Public Bank Group continued to expand its suite of green financing products designed to help individuals and businesses adopt sustainable practices. Through its green financing initiatives, the Group not only supports positive environmental impact but also strengthens its role in driving national sustainability ambitions.

Driven by new and ongoing green financing solutions, the Public Bank Group mobilised more than RM6 billion in green financing from 2020 to 2025.

Green Financing Facilities

Green financing facilities continue to lead the way in driving Public Bank Group's climate mitigation, transition, and adaptation initiatives. Available to both individuals and businesses, the facilities support economic activities, including financing of green-certified properties, solar panels, energy-efficient equipment, sustainable agro-technology, and capital raising for research and development ("R&D") in energy-saving technologies.

Impact in 2025: Mobilised over **RM2 billion** under green financing facilities, for more than **3,300** borrowers

Green Financing Campaigns in 2025

Public Bank launched the '*PB WISE Ecobiz Campaign*', leveraging the existing Government Guarantee Scheme MADANI 2 ("GGSM 2"), to offer working capital financing on a clean basis. The Campaign aims to support eligible small and medium enterprises ("SMEs") in the manufacturing sector where the intrinsic nature of the business/core business offerings creates positive environmental impacts.

In line with the national agenda to scale the electric vehicle ("EV") sector, Public Bank also launched the '*PB WISE EV Campaign*', to support businesses in the EV ecosystem. The campaign's main objective was to offer low-cost financing to accelerate the growth of the EV sector. The initiative was also implemented by Public Islamic Bank under the '*PIBB WISE Ecobiz Campaign*' and '*PIBB WISE EV Campaign*'.

Sustainable Financing Package ("SFP")

Since 2022, Public Bank has collaborated with leading developers such as Gamuda Land, EcoWorld and Sunway Property to offer the SFP for the purchase of residential, industrial and commercial properties which are green-certified or under the Low Carbon Cities Framework. The SFP provides competitive pricing, expedited approvals and financing options for eco-friendly household appliances, making sustainable property ownership more accessible to buyers.

Impact in 2025: Mobilised over **RM740 million** in financing under the package, for more than **950** borrowers

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▶ Low Carbon Transition Facility (“LCTF”)

Launched in June 2022 under Bank Negara Malaysia’s Fund for Small & Medium Enterprise (“BNM’s Fund for SME”), the LCTF supports SMEs in adopting sustainable practices to strengthen business resilience. Through this facility, SMEs can access up to RM10 million in financing with a financing term of up to 10 years, at competitive rates starting from 4.15% per annum.

Eligible financing purposes include green-related capital expenditures, the cost of sustainability-related employee training, and the cost of hiring an external sustainability consultant to advise and steer the business towards sustainable practices in low carbon operations.

The LCTF from BNM is also available to customers wishing to purchase a green-certified commercial or industrial building for their own business use. Favourable margin of financing up to 90% and financing tenure of up to 25 years (with the first ten years under BNM’s funds at an attractive fixed rate of 3.95% per annum) are offered under this non-guarantee scheme.

Impact in 2025: Mobilised over **RM18 million** in financing under the facility, for more than **70 SMEs**

2025 Highlight: Public Islamic Bank’s Solar Financing Initiatives

Key Outcomes:

- Facilitated **RM29.5 million** in solar financing in 2025
- Since 2011, solar financing initiatives have helped over **2,200 homeowners** install solar systems and reduce their electricity costs, avoiding about **1,785 tonnes** of CO₂ emissions annually

In support of Malaysia’s sustainability goals under the Thirteenth Malaysia Plan and the National Energy Transition Roadmap, Public Islamic Bank promotes renewable energy adoption through its dedicated solar financing initiatives. These efforts aim to encourage both individuals and businesses to embrace clean energy solutions while further advancing Malaysia’s sustainability goals.

Through its solar financing packages, Public Islamic Bank provides Shariah-compliant options to make renewable energy solutions more attainable. The facilities offered include Solar Plus BAE Personal Financing-i, Solar BAE Term Financing-i, the Low Carbon Transition Facility-i, and a 0% monthly instalment plan via Public Bank and Public Islamic Bank credit cards for up to five years.



▶ Financing for Low Emissions Vehicles

The Public Bank Group offers automotive financing solutions to support the adoption of low emissions vehicles, including EVs, reinforcing its commitment to promoting sustainable mobility. To strengthen its market position in this growing segment, the Group continues to collaborate with car dealers and distributors, establish exclusive partnerships, and implement interest subsidy programmes and targeted promotional campaigns that make low carbon transportation more accessible and attractive to customers.

Impact in 2025: Mobilised over **RM2 billion** in financing for low emissions vehicles, for more than **15,500** hire purchasers

2025 Highlight: Accelerate EV Adoption



Public Bank and Stellantis Malaysia have joined forces to champion sustainable mobility through the 'Paint the Town Green with Electric Vehicle Financing' initiative in 2025. This strategic collaboration highlights Public Bank's exclusive 'Paint the Town Green' campaign, offering attractive financing solutions, including Preferential Interest Rates, to accelerate EV adoption in Malaysia.

The campaign underscored Public Bank and Stellantis Malaysia's shared vision of promoting a cleaner and more sustainable automotive landscape, reflecting both organisations' commitment to environmental responsibility and long-term sustainability goals. Supporting the growing momentum of EV adoption in Malaysia, Public Bank had an EV financing market share of 34.8% as at the end of 2025.

Key Outcome:

- Supported EV adoption momentum, with an overall disbursed amount of about **RM1.6 million** in 2025

During the year, the Public Bank Group's approved and accepted sustainable financing is expected to result in 21,898 tCO₂e of avoided emissions.

<p>Solar Financing 2,766 tCO₂e</p>	<p>Low Emissions Vehicle Financing 9,638 tCO₂e</p>	<p>Green Building Financing 9,494 tCO₂e</p>
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Social Agenda Financing

The Public Bank Group actively promotes social agenda financing initiatives that enhance access to affordable home ownership and support customers in the B40 and M40 income segments, in line with its commitment to financial inclusion and equitable growth.

Since 2020, the Public Bank Group mobilised over RM10.69 billion in social agenda financing. These financing initiatives promote strong social values and positive social impact, such as the purchase of affordable homes, and promote home ownership for individuals within the B40 and M40 income segments.

Impact in 2025: Mobilised about RM1.71 billion of social agenda financing

Supporting Greater Homeownership



In 2025, Public Bank launched the First Home Mortgage Guarantee Programme (“FHMGP”) with a portfolio size of RM1 billion in collaboration with Cagamas SRP Berhad (“CSR”) to promote greater homeownership among the B40 and M40 income segments. This initiative reinforces the Bank’s long-standing commitment to financial inclusion and its role in advancing equitable access to home financing.

Under the FHMGP, CSR provides a guarantee on Public Bank’s net clean exposure, enabling the Bank to extend mortgage financing with a margin of up to 105%, inclusive of Mortgage Reducing Term Assurance to assist eligible homebuyers in securing their dream home.

Sustainability-Linked Loans

Guided by its Sustainable Finance Framework, the Public Bank Group has mobilised over RM5.51 billion in Sustainability-Linked Loans from 2020 to 2025, demonstrating its continued efforts to drive sustainability adoption and embed responsible financing practices across its loan portfolio.

The Public Bank Group encourages customers to reduce their carbon footprint by incentivising the adoption of sustainable practices with performance targets to be achieved as part of its broader sustainable finance approach. Through active customer engagement and sustainability-focused discussions, the Group supports customers in integrating sustainability considerations into financing structures, thereby helping to translate sustainability commitments into measurable outcomes.

Under Public Bank’s Sustainability-Linked Loans Framework, customers are also required to obtain independent and external verification of their performance against each Sustainability Performance Target (“SPT”) on an annual basis. Such verification is conducted by credible and qualified external providers, ensuring transparency, accountability and integrity of sustainability outcomes.

Impact in 2025: Mobilised about RM1.44 billion in Sustainability-Linked Loans

MANAGING ESG AND CLIMATE-RELATED RISKS THROUGH THE CREDIT PROCESS

The Public Bank Group aims to ensure that its financing activities are free of material environmental or social risks while supporting customers in their transition towards a sustainable and low carbon economy. To achieve this, the Group has established the following processes and procedures to manage ESG and climate-related risks arising from its financing activities, as well as to guide relationship managers and credit processing officers:

Conduct **ESG due diligence** and **CCPT assessment** to identify and assess potential ESG and climate-related risks, as well as opportunities for sustainable financing



Apply the **ESG Exclusion List**, which specifies economic activities that the Group refrains from financing, in alignment with the Group’s Sustainable Finance Framework

Use **Sectoral RAC Checklists for high ESG risk industries** – such as palm oil and construction & infrastructure – to guide ESG assessment during onboarding and annual review process



Commit to **No Deforestation, No New Peat and No Exploitation (“NDPE”)** principles across all financing activities, whereby customers applying for loans are required to declare their non-involvement in activities on the ESG Exclusion List, CCPT’s GP5 on Prohibited Activities or those inconsistent with the Group’s NDPE principles



Implement a **Due Diligence Questionnaire in Assessing CCPT Guiding Principle 3 and 4 (“CCPT DDQ”)** to classify financing and investment exposures into ‘Climate Supporting’, ‘Transitioning’ or ‘Under Watchlist’ categories

Nurturing Customers Towards Sustainable and Climate-Resilient Practices



Public Bank adopts a progressive engagement approach to help customers transition to sustainable and climate-resilient operations. For customers classified under the CCPT “Watchlist” categories (C4, C5a, or C5b), a standard advisory note is included in credit decisions to guide Branches in working closely with these customers to identify practical transition measures.

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SUPPORTING CUSTOMERS IN THEIR TRANSITION TO A LOW CARBON ECONOMY

The Public Bank Group recognises that supporting customers in their transition to a low carbon economy is essential to achieving collective climate goals. The Group plays a pivotal role not only as a financial institution, but also as a partner in helping customers navigate the challenges and opportunities of decarbonisation.

To further drive customer transition support, the Public Bank Group has implemented several strategic initiatives in 2025:

- Launched in January 2025, PB Sustain serves as a centralised platform designed to strengthen the Public Bank Group's capacity to support customers' sustainability journeys. The platform focuses on capacity building, sustainable finance products, sustainability impact calculators and data collection for borrowers, accessible via the website at <https://pbsustain.com/>.
- Engaged with key customers in the palm oil and construction sectors to explore opportunities for decarbonisation and discuss potential for sustainable financing. To support customers' transition, the Public Bank Group offers customised sustainable financing solutions and engages external providers to offer solutions in GHG accounting and ESG reporting, technical advisory and implementation of decarbonisation initiatives, sustainability-related training, sustainability certification, etc.
- The Public Bank Group has selected eight SME customers, who demonstrate a solid foundational understanding of ESG principles and a strong commitment to integrating sustainability into their business operations, to participate in BNM's Joint Committee on Climate Change ("JC3") SME Focus Group Climate Conference. Participation in the conference enables them to gain deeper insights and practical guidance on managing sustainability expectations from regulators, supply chain partners and international buyers.

Impact on the Group:
Generated over **160 leads** for sustainable finance opportunities in its first year

Impact on the Group:
Grow **sustainable finance** portfolio and improve access to **better ESG data**

Impact on the Group:
Strengthen the Group's role as an **enabler of sustainable growth** within the SME sector

Additionally, the Public Bank Group identified two SME customers to be featured on JC3 SFG's Jumpstart Portal under the "Featured SME of the Month 2025" segment. This highlights SMEs that have effectively adopted greener practices and demonstrated leadership in sustainability. The platform provides these businesses with valuable visibility while encouraging other SMEs to integrate ESG principles into their operations.

2025 Highlight: Enabling Renewable Energy Adoption for a Malaysian SME

Key Outcome:

- **Lower emissions** and **improved energy cost savings**

Public Bank supported a mid-sized Malaysian manufacturer in the polymer solutions sector with tailored financing to install solar energy systems as part of its wider sustainable transformation. The investment enabled the company to reduce emissions, improve energy efficiency and advance its long-term sustainability goals.



2025 Highlight: SME Engagement



Key Outcomes:

- Over **180** SME customers attended the seminar
- Findings from the survey provided valuable insights into the current state of sustainability awareness and adoption among SMEs

In October 2025, a one-day green seminar was held in Kuala Lumpur under the theme *'Embracing Sustainable Manufacturing: Building Resilience, Unlocking Opportunities'*. The seminar provided insightful information on the evolving climate landscape and underscored the urgency for the business community to address climate change through sustainable practices and responsible resource management.

Presentations by key expert speakers, including PricewaterhouseCoopers Malaysia, SIRIM Berhad and GreenRE provided SMEs with practical tips and guidance on sustainable manufacturing, green certification, and the importance of embedding sustainability principles into core business strategies.

During the seminar, a survey was conducted to better understand SME customers' sustainability needs and expectations. The survey aimed to identify opportunities to advance sustainable practices among SMEs customers while exploring ways for Public Bank to enhance its products, services and advisory support. Insights gathered from the survey contribute to shaping the Bank's engagement profile, enabling more targeted initiatives that promote sustainability for both SME customers and the Bank.

EMPLOYEE CAPABILITY BUILDING

Recognising that customers' sustainability needs are evolving, the Public Bank Group remains resolute in staying ahead by equipping its employees – especially customer-facing officers – with the knowledge and tools to support customers on their decarbonisation journey. To achieve this, the Group is actively developing the infrastructure and resources needed to build employee capacity and foster a Net Zero mindset. This approach ensures the Group can effectively link lending and financing opportunities to transition while meeting customers' needs in a dynamic and increasingly sustainability-driven business landscape.

To support the implementation of sustainability due diligence, a series of training sessions were conducted during the year to equip branches with the knowledge and tools to conduct Climate Change and Principle-based Taxonomy ("CCPT") and Due Diligence Questionnaire ("DDQ") assessments. Among others, the training was attended by customer-facing officers, aligning the approach for the assessment.

Over **800** customer-facing officers nationwide attended the training on CCPT DDQ in 2025

Knowledge sharing sessions by industry experts and certification bodies from the real estate and palm oil sectors were also attended by business units to understand sector-specific sustainability best practices.

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SUPPORTING SUSTAINABLE DEVELOPMENT ACROSS THE REGION

Aligned with the Public Bank Group's broader sustainability agenda, the Group's overseas banking entities continue to expand and diversify sustainable financing activities, channelling funds towards projects and activities that support environmental and social progress.

Hong Kong



Public Bank (Hong Kong) Limited continues to enrich its green finance products and services to support its customers' transition to a greener future.

- Green Mortgage Plan**
 Mortgage loan application for purchasing residential properties that have received the Building Environmental Assessment Method ("BEAM") Plus Platinum or Gold rating issued by the Hong Kong Green Building Council.
- Green Business Financing Plan**
 Financing for corporate customers in the purchase of green equipment, machine or installation expenditure. This financing plan is also applicable to unsecured or secured loans for green projects. A Green Bonus is offered to customers as an incentive to encourage transit to green operations.
- Private and Commercial Vehicle Financing**
 Financing for the purchase of EV private vehicles.

Cambodia



Campu Bank offers financing for affordable homes and EVs, enabling greater access to sustainable living and cleaner transportation options. In addition, the Bank provides financing to private utility producers to support the expansion of the power grid and water supply infrastructure. The Bank also extends financing to support the expansion and upgrading of schools, thereby increasing access to quality education.

Vietnam



Public Bank Vietnam remains committed to advancing the environmental agenda through its sustainable financing offerings, including financing for solar panel installations and EV purchases.

The Public Bank Group has embedded ESG considerations into its credit assessment process during customer onboarding. The Group's overseas banking operations in Hong Kong, Cambodia and Vietnam have also implemented the Group's ESG-friendly business and economic sectors, and the ESG Exclusion List, ensuring alignment with sustainable financing across key markets.

SUSTAINABLE INVESTMENT ADVISORY

Public Investment Bank ("PIVB") remains guided by the Securities Commission's Sustainable and Responsible Investment ("SRI") Sukuk Framework, which integrates ESG aspects in financial decisions to achieve sustainable returns. In line with this, PIVB provides advisory services for issuers of sustainable financing instruments via the issuance of SRI Sukuk and Bonds structured under the ASEAN Green, Social and Sustainability Bond Standards.

To promote responsible financing and investment practices, PIVB embeds ESG and climate risk considerations into its credit assessment and investment decision making processes. PIVB also adopts an ESG Exclusion List and RAC Checklists to ensure financing and investment activities align with sustainability objectives.

SUSTAINABLE AND RESPONSIBLE INVESTING

As the premier private unit trust and Private Retirement Scheme (“PRS”) provider in Malaysia, Public Mutual aims to deliver long-term value to all its stakeholders by integrating ESG factors in its business direction and building a better financial future for investors. The responsible investing approach is structured around two key strategies:

- 1 Incorporate ESG considerations in the investment process of unit trusts and PRS funds; and
- 2 Offering SRI products to cater to investors’ preference for sustainability-focused funds.

Public Mutual has the SRI Framework in place, that outlines its approach to incorporating ESG considerations into the investment process. Public Mutual’s SRI funds incorporate ESG considerations and invest in qualified ESG securities based on whether the companies are constituents of relevant ESG indices or meet minimum ESG grades based on ratings provided by ESG data providers or an internal evaluation.

In line with its commitment towards responsible investing, Public Mutual became a signatory of the Malaysian Code for Institutional Investors (“MCII”) in 2021. Public Mutual incorporates the key stewardship principles under the MCII in managing its unit trust and PRS funds, and publishes the Statement of Compliance with the MCII on its corporate website, highlighting the monitoring, engagement and voting policies of Public Mutual.

In 2025, Public Mutual became a member of the BNM’s JC3 Sub-committee 3, focusing on Product and Innovation. This sub-committee facilitates the development of financial products and services that support the nation’s transition to a low carbon economy and address climate-related risks.

Public Mutual Highlights of 2025



- The largest Islamic fund manager in the private retail unit trust industry with 66 Shariah-compliant funds and an aggregate net asset value (“NAV”) of RM49.48 billion as at the end of 2025
- The largest SRI fund manager in the private retail unit trust industry with eight SRI funds and an aggregate NAV of RM2.73 billion as at the end of 2025
- Recognised as the Islamic Asset Manager of the Year – Asia Pacific (Retail) at The Asset Triple A Islamic Finance Awards 2025
- Won five fund awards under the Islamic funds category and one asset class group award for the bond category at the Global Islamic LSEG Lipper Fund Awards 2025
- Public Islamic U.S. Sustainable Equity Fund won the Gold award for the Best E, S and G Pillars (Environmental) in the fund category at The Edge Malaysia ESG Awards 2025

SUSTAINABLE AND RESPONSIBLE INSURANCE

LPI Capital Bhd (“LPI”) Group, a subsidiary of the Public Bank Group, following the completion of a corporate exercise in 2024, recognises its responsibility as an insurer to drive the shift towards a low carbon economy and enable its customers to advance in their sustainability journeys. LPI Group is dedicated to delivering green insurance solutions tailored for environmentally friendly and sustainability-focused assets. Simultaneously, LPI Group is shifting towards sustainable investments, aligning with its stakeholders’ sustainability agendas, and exploring sustainable industries for investment opportunities.