

For Immediate Release

**HONG LEONG BANK ANNOUNCES FY2026 RESULTS:
DELIVERING RESILIENT PERFORMANCE WITH STRONG LOANS/FINANCING
EXPANSION AND HIGHER DIVIDEND PAYOUT**

Kuala Lumpur, 27 August 2026 - Hong Leong Bank Berhad ("Bank" or "HLB"), (BM: HLBANK) today announced its results for the financial year ended 30 June 2026 ("FY2026").

- ***Commendable gross loans/financing growth of 7.7% year-on-year ("y-o-y") to RM226.3 billion with solid gross impaired loan ("GIL") ratio of 0.57%.***
- ***CASA maintained its robust upward trajectory, expanding 11.3% y-o-y to RM87.4 billion, improving CASA ratio to 34.7%.***
- ***Operating profit before allowances for FY2026 increased 6.6% y-o-y to RM4,179 million and profit after tax registered growth of 6.0% y-o-y to RM4,531 million.***
- ***The Board declared a higher final dividend of 80.0 sen per share.***

Kevin Lam, Group Managing Director and Chief Executive Officer of HLB commented, "By adopting a balanced approach navigating global uncertainty with domestic agility, we have successfully advanced our 3-5 Year Transformative Plan, earning external recognition when HLB was named Best Managed Bank in Malaysia at The Asian Banker ("TAB") Global Leadership Achievement Awards 2026. I am pleased to announce that we have concluded FY2026 with a resilient financial performance, achieving a profit after tax of RM4,531 million, driven by sustained top-line growth, strategic cost management and solid asset quality.

Gross loans/financing registered robust growth of 7.7% y-o-y underpinned by expansion in key segments while upholding solid asset quality with a GIL ratio of 0.57%. Our focus remains firmly on providing customer-centric banking solutions and ensuring continued access to financing for households and SMEs. We remain deeply committed to providing tailored customer support initiatives to assist customers as they navigate these times."

Resilient Operating Performance

- ***Total income*** for FY2026 recorded a 4.6% y-o-y growth to RM6,693 million, with *net interest margin ("NIM")* prudently managed at 1.84% as a result of loans/financing portfolio expansion and strategic funding cost management. Non-interest income maintained its momentum, increasing 9.3% y-o-y on the back of scaling wealth management business and global markets franchise sales, improving the non-interest income ratio to 24.0%.
- ***Operating expenses*** for FY2026 were effectively managed, yielding positive JAWS through our continuous emphasis on Artificial Intelligence ("AI") integration and strategic cost management initiatives, achieving a sustainable cost-to-income ratio ("CIR") of 37.6%.
- ***Consequently, operating profit before allowances*** was higher by 6.6% y-o-y to RM4,179 million, while *profit before tax* grew 2.2% to RM5,480 million. The moderation in growth rate was attributable to lower profit contribution from associated company, Bank of Chengdu Co., Ltd ("BOCD") following the natural dilution of the Bank's stake in BOCD with the completion of its convertible bonds' conversion, alongside FX translation impact from a stronger ringgit.

Facilitating Continued Access to Loans/Financing

- *Gross loans, advances and financing* continued its strong growth momentum, increasing 7.7% y-o-y to RM226.3 billion, driven by expansion in our key segments of mortgage, auto loans, SME and commercial banking, as well as key overseas markets.
- *Domestic loans/financing* expanded 7.1%, outpacing industry growth rate of 5.5% y-o-y.
- *Residential mortgages* rose 6.6% y-o-y to RM107.1 billion, supported by a healthy loans/financing pipeline. Our *transport vehicle loans/financing portfolio* grew 5.5% y-o-y to RM25.5 billion, capitalising on the Bank's active expansion of its dealer coverage and collaboration with established automotive brands and electric vehicle manufacturers.
- *Loans to domestic business enterprises* recorded a growth of 7.8% y-o-y to RM76.7 billion. We remained committed in our unwavering support for SME customers, with SME loans/financing portfolio expanding 9.9% y-o-y to RM44.6 billion. Our community SME banking initiative, within the SME segment continued to see an impressive increase of 12.9% y-o-y to RM17.1 billion, reflecting our steadfast commitment to digital innovation and offering tailored financial solutions that meet customer's banking needs.
- Loans from overseas operations, particularly Singapore and Vietnam had a robust growth of 27.8% and 17.6% in local currency terms respectively.

Solid Funding and Liquidity Positions

- *Loans to deposits ratio ("LDR")* stood at 88.7% as at 30 June 2026, with the rolling 12 months average *liquidity coverage ratio ("LCR")* at 127.0%, well above regulatory requirements. The Bank prudently manages these ratios to ensure the Bank is at a healthy funding and liquidity position.
- *Customer deposits* for FY2026 increased 5.5% y-o-y to RM252.1 billion while CASA grew at a faster pace of 11.3% y-o-y to RM87.4 billion. Accordingly, CASA ratio was higher at 34.7%, supported by the Bank's community deposit acquisition initiatives and the offering of innovative cash management solutions.
- The Bank continued to maintain its solid funding base with higher individual deposit portfolio of 3.4% y-o-y to RM125.9 billion, representing an individual deposit mix of 49.9%.

Stable Asset Quality and Capital Positions

- The Bank maintained a solid asset quality position with GIL ratio of 0.57% while *loan impairment coverage ("LIC") ratio* stood at 79.5% as at 30 June 2026. Inclusive of the value of securities held against our GIL, the Bank's LIC ratio was well-managed at 149.5%, whilst with regulatory reserve, the coverage ratio was comfortably at 244.1%.
- The Bank's capital position was healthy with *CET 1*, *Tier 1* and *Total Capital ratios* at 12.9%, 13.8% and 16.2% respectively as at 30 June 2026.

Dividend

- The Board has declared a final dividend of 80.0 sen per share, bringing the total dividend to 110.0 sen per share for FY2026, an uplift of 14 sen compared to the previous year. This translates to a higher dividend payout ratio of 50.4%.

Driving Wealth Management as a Key Growth Engine

- HLB has received four significant industry accolades, including being named the **Best Private Bank / Wealth Manager in Malaysia and Singapore** at the WealthBriefingAsia Awards.
- **HLB Private Bank** has also announced that it will be providing Malaysian investors with direct access to global private markets and funds, allowing clients to diversify their portfolios with high-quality international private equity and private credit.

Innovation in Payment Cards Portfolio

- HLB has announced Malaysia's first **Visa Infinite Privilege** credit card, becoming the first bank in Malaysia to provide customers access to Visa's prestigious, newly launched tier.
- The Bank has also introduced the **HLB Sutera Platinum Credit Card x Spider-Man: Brand New Day**, alongside two distinct **Debit Card** designs.

Excellence in Business & Corporate Banking

- HLB's Business & Corporate Banking segment has received four major accolades at the Asian Banking & Finance Awards, including being named **Best SME Bank in Malaysia** for the fifth consecutive year.
- The Bank continues to facilitate access to the **SME Stabilisation Relief Facility**, designed to offer financial relief to MSMEs that are experiencing temporary disruptions to operations and cash flow challenges resulting from the Middle East conflict.

Business Outlook

Kevin Lam commented, "The Malaysian economy is expected to stay resilient despite prevailing uncertainties from the ongoing geopolitical conflicts in the Middle East. The Malaysian economy should expand at a moderate pace of 4.0%-5.0% in 2026, upheld by domestic consumption and AI demand driven exports. Domestic demand will be supported by proactive government programmes, continuous rollout of investment initiatives under various masterplans such as the 13th Malaysia Plan, demand for AI components and electrical and electronics products, continuous investments into data centres as well as favourable commodity prices.

Driven by our aspiration to become the Best Run Bank in Malaysia, the Bank continues to execute the 3-5 Year Transformative Plan, adopting a balanced approach to navigate global uncertainty with domestic agility. Guided by our brand promise of "Built Around You", we will continue to innovate our products and services to provide customers with a seamless banking experience across all touchpoints, while standing ready to support our customers as they manage through a complex and shifting global landscape.

Looking ahead, the Bank will pursue growth opportunities with prudent risk management and balance sheet discipline as our foundation. We will continue to invest in our digital and AI capabilities, alongside strategic alliances that enhance our business strengths and broaden our offerings. Sustainability remains an integral part of our long-term strategy, with environmental, social and governance considerations integrated into our business practices as we strive to create enduring value for our customers, communities and stakeholders."

About Hong Leong Bank Berhad

Hong Leong Bank Berhad is one of the leading financial services organisations in Malaysia. With a heritage of more than 120 years, it provides comprehensive financial services covering consumer banking, business banking and trade finance, treasury, branch and transaction banking, wealth management, private banking and Islamic financial services. Hong Leong Bank, which has won awards for its innovations in the financial services space, also has one of the largest service and distribution network of branches and business centres in Malaysia.

With a proven track record in value creation and a highly recognised brand, Hong Leong Bank has also been extending its footprint in the region, with branches in Singapore and Hong Kong and wholly owned subsidiaries in Vietnam and Cambodia. In China, the Bank is a substantial shareholder in Bank of Chengdu Co., Ltd., Sichuan.

Hong Leong Bank is a subsidiary of Hong Leong Financial Group Berhad, the financial services arm of the Hong Leong Group. Apart from banking, Hong Leong Financial Group is involved in the provision of insurance and takaful, as well as investment banking, unit trust, fund management and stock broking services.

For further information, please visit www.hlb.com.my or contact:

Media:

Vivian Tan

General Manager, Corporate Communication & CSR

DID: 03-2081 8888 ext 61914

Email: VivianTan@hlbb.hongleong.com.my

Investor Relations:

John Han

Head, Corporate Finance & Investor Relations

DID: 03-2081 2974

Email: IR@hlbb.hongleong.com.my