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FOR IMMEDIATE RELEASE

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Public Bank Group Achieved Pre-Tax Profit of RM4.71 Billion for the First Half of 2026 and Declared 10.5 Sen First Interim Dividend

Highlights of Results for the First Half of 2026

- Pre-tax profit and net profit up 1.3% and 2.0% respectively
- Non-interest and non-financing income rose 12.2%
- Total loans and deposits recorded annualised growth rates of 5.9% and 4.7% respectively
- Net return on equity at 12.2%
- Cost-to-income ratio at 35.1%
- Gross impaired loans ratio at 0.54%
- Loan-to-fund and equity ratio at 83.9%
- Common Equity Tier 1 capital ratio at 13.9% and total capital ratio at 16.5%
- First interim dividend of 10.5 sen per share

For the first half of 2026, the Public Bank Group reported a pre-tax profit of RM4.71 billion, up 1.3% from the corresponding period in 2025. Net profit attributable to shareholders rose 2.0% to RM3.58 billion.

Operating profit increased by 3.4%, mainly underpinned by strong growth of 12.2% in non-interest and non-financing income. Net interest and financing income growth moderated to 0.5% in a highly competitive loan and deposit market. For the first half of 2026, the Group's total loans and deposits posted annualised growth rates of 5.9% and 4.7% respectively.

Operating expenses remained well managed, with an efficient cost-to-income ratio of 35.1%. Asset quality remained sound with the gross impaired loans ratio standing at 0.54%, well below the banking industry's average impaired loan ratio of 1.43%. Loan loss coverage remained at a prudent level of 138.9%, exceeding the 81.3% industry loan loss coverage ratio. With sound fundamentals, net return on equity for the first half of 2026 remained stable at 12.2%.

Tan Sri Dato' Sri (Dr) Tay Ah Lek, Managing Director & Chief Executive Officer of Public Bank, is pleased to announce, ***"The Board of Directors of Public Bank has declared an interim dividend of 10.5 sen per share, supported by the Group's resilient earnings and healthy capital position. This represents a total payout of RM2.04 billion."*** The first interim dividend is scheduled for payment on 23 September 2026, with the dividend entitlement date on 11 September 2026.

Loans and Deposits Businesses

The Public Bank Group's total loans for the first half of 2026 rose by an annualised rate of 5.9% to RM458.9 billion. The domestic loans expanded by 6.2% on an annualised basis to RM434.1 billion, outperforming the Malaysian banking industry's annualised loan growth of 5.5%.

The Group maintained its market strengths in the key retail consumer and SME financing segments. Domestic SME financing, residential properties financing and hire purchase financing achieved annualised growth rates of 12.1%, 4.3% and 6.5% respectively, while continuing to command leading market shares of 19.6%, 20.1% and 33.2% respectively.

Total customer deposits posted an annualised growth rate of 4.7% to RM457.6 billion. Domestic customer deposits expanded by an annualised growth rate of 4.7% to RM428.9 billion, with core deposits growing by 3.1% annualised rate to RM359.6 billion.

Non-interest and Non-financing Income

For the first six months of 2026, non-interest and non-financing income recorded a strong growth of 12.2% to RM1.80 billion, as compared with the corresponding period last year. This was driven primarily by commendable growth of 28.6% in the unit trust business, 16.6% in the foreign exchange business and 5.4% in the general insurance business.

Public Mutual, a wholly-owned subsidiary of the Public Bank Group that manages its unit trust business, continued to be a key contributor, registering a healthy pre-tax profit growth of 16.6% to RM470.5 million in the first half of 2026 and accounting for 10.0% of the Group's overall pre-tax profit.

As at the end of June 2026, Public Mutual retained its leading retail market share of 44.6% in the domestic retail private unit trust industry (excluding money market funds), with a total of 185 unit trust funds and a net asset value of funds under management of RM119.1 billion.

Capital and Funding Position

In the first half of 2026, the Group continued to uphold a strong capital position, with the Common Equity Tier 1 capital ratio, Tier 1 capital ratio, and total capital ratio standing at 13.9%, 13.9%, and 16.5% respectively.

The Public Bank Group continued to maintain a healthy funding position, with a gross loan to fund and equity ratio of 83.9% as at the end of June 2026.

Strong Commitment to Fully Support Customers Affected by the Middle East Conflict

The Public Bank Group continues to provide timely support and assistance to customers who have been affected by the ongoing conflict in the Middle East. The Bank will closely monitor the situation and take appropriate measures to support customers as circumstances evolve. Loan and financing customers who are affected by the Middle East conflict can request for repayment assistance.

Tan Sri Tay said, *“As global uncertainties remain, the Bank is mindful of the potential impact that could affect customers through energy prices, inflation as well as consumer and business sentiments. Public Bank remains fully committed to standing by the customers during this challenging period.”*

Group’s Prospects

Going forward in 2026, higher inflationary pressure and energy prices will remain a key concern for global economic growth. On a positive note, resilient labour markets and pro-growth policy measures in key economies will continue supporting the global economy. Nonetheless, the outlook remains uncertain due to the Middle East conflict.

Supported by resilient domestic demand, the Malaysian economy is expected to grow positively with the sound economic fundamentals and the Government’s supportive policy measures continuing to cushion the impact of negative shocks.

Tan Sri Tay concluded, *“Against the significant global headwinds, the Public Bank Group will remain vigilant in its business approach. Meanwhile, the Group continues to see growing opportunities stemming from the resilient domestic economy and will continue to build on its core competencies to optimise stakeholder value.”*
