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FOR IMMEDIATE RELEASE

14 May 2026

Pre-Tax Profit of RM2.32 Billion for the First Quarter of 2026; Strong Commitment to Fully Support Customers Affected by the Middle East Conflict

Highlights of Results for the First Quarter 2026:

- Pre-tax profit and net profit recorded RM2.32 billion and RM1.75 billion respectively
- Total loans and deposits expanded at annualised growth rate of 5.7% and 5.3% respectively
- Net return on equity at 12.0%
- Cost-to-income ratio at 35.5%
- Gross impaired loans ratio at 0.51%
- Loan-to-fund and equity ratio at 84.2%
- Common Equity Tier 1 capital ratio at 13.7% and total capital ratio at 16.4% respectively

For the first quarter ended 31 March 2026, the Public Bank Group reported a pre-tax profit of RM2.32 billion and net profit attributable to shareholders of RM1.75 billion, increasing by 0.1% and 0.4% respectively as compared with the corresponding quarter in 2025.

Profit was supported by continued expansion in the loan and deposit portfolios, which grew at annualised growth rate of 5.7% and 5.3% respectively, complemented by non-interest and non-financing income, which grew by 3.7%.

The Group continued to maintain sound asset quality with a low gross impaired loans ratio of 0.51%. Domestically, the gross impaired loans ratio was lower at 0.35%, which was significantly better than the industry's impaired loans ratio of 1.40%. Loan provisions remained prudently managed, with the loan loss coverage ratio standing at 147.0% and at 251.2% taking into account regulatory reserves.

Tan Sri Dato' Sri (Dr) Tay Ah Lek, Managing Director & Chief Executive Officer of Public Bank commented, ***“The Public Bank Group’s latest financial performance remained supported by its strong fundamentals. Asset quality stayed resilient and the balance sheet remained solid, underpinned by strong capital and liquidity positions. The Group continued to sustain its leading position in the domestic banking industry, with a commendable net return on equity of 12.0%, most efficient cost-income ratio of 35.5% and best asset quality with gross impaired loans ratio of 0.51%.”***

Loans and Deposits Businesses

The Public Bank Group posted total loans of RM452.1 billion as at the end of March 2026, with 5.7% annualised loan growth for the first quarter of 2026.

On the domestic front, loans grew by an annualised rate of 6.3% to RM427.7 billion. The Group maintained its strong presence in key retail consumer and SME financing segments. Domestic SME financing, residential properties financing and hire purchase financing achieved annualised growth of 11.2%, 4.4% and 8.4% respectively. These key segments continued to command strong leading market shares of 19.0%, 20.1% and 33.1% respectively.

On the funding side, total customer deposits grew in line with loan growth, registering an annualised growth rate of 5.3% to RM453.1 billion. Meanwhile, the Public Bank Group's domestic customer deposits increased at an annualised growth rate of 5.1% to RM424.4 billion, led mainly by core deposits and money market deposits.

Non-interest and Non-financing Income

The Public Bank Group posted non-interest and non-financing income of RM825.9 million for the first three months of 2026, an increase of 3.7% as compared with the corresponding period last year, mainly due to higher income from unit trust, general insurance business and bancassurance.

Public Mutual, a wholly-owned unit trust company of the Public Bank Group, generated a first quarter pre-tax profit of RM216.5 million. This represents a growth of 4.1% as compared with the previous corresponding period and constituted 9.3% of the Group's pre-tax profit. Supporting this performance was its market-leading position, with a retail market share of 43.2% in the domestic retail private unit trust industry (excluding money market funds) and RM103.8 billion in net asset value of funds under management across 185 unit trust funds as at end-March 2026.

Capital and Funding Position

The Public Bank Group's capital position remained well-capitalised with Common Equity Tier 1 capital ratio, Tier 1 capital ratio, and total capital ratio standing at 13.7%, 13.7% and 16.4% respectively, as at the end of March 2026. This has not taken into account the potential surplus of 1% arising from the Basel III reforms. The Group plans to return the available surplus to shareholders in the next three years.

On liquidity, the Group's deposit franchise continued to support a healthy liquidity and funding position, as reflected by the gross loan-to-fund and equity ratio of 84.2% as at end-March 2026.

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

With the ongoing Middle East conflict, the Public Bank Group is cognisant of its potential impact on people and the economy. In light of the unprecedented headwind, the Group is mindful that individuals and businesses may face difficulties in their loan and financing repayment.

Tan Sri Tay said, ***“Public Bank is strongly committed to offering assistance to customers who have been affected by the conflict. The Bank has been closely monitoring the latest development and is ready to fully support customer needs.”***

Group’s Prospects

For year 2026, global economic growth is expected to remain uneven across regions amidst significant headwinds. Risks are tilted to the downside, arising from uncertainty over trade tariffs, geopolitical tensions in the Middle East and concerns over financial market valuations. However, supportive macro policies as well as ongoing investments in technology and digitalisation will continue to underpin global economic growth.

On the domestic front, while external headwinds will remain a challenge for the Malaysian economy, growth is likely to remain on a positive trajectory, albeit at a more moderate pace. Resilient domestic demand, ongoing investment expansion, stable external demand and tourism activity will continue to support the domestic economy.

“Against this backdrop, the Public Bank Group is in a strong position to weather the challenges, leveraging its long-standing solid fundamentals and prudent management. Nonetheless, as the Group stays vigilant, it will remain agile and forward-looking in pursuit of synergistic business growth.” Tan Sri Tay concluded.



Tan Sri Dato' Sri (Dr) Tay Ah Lek
Managing Director & Chief Executive Officer
Public Bank
