



## **CHAIRMAN'S STATEMENT**

### **OPERATING PERFORMANCE**

In 2025, the operating environment was marked by global uncertainties and a declining benchmark interest rate cycle, which moderated our earnings. Despite this challenging context, we remained focused on disciplined balance sheet management, operational efficiency, and long-term strategic priorities. This enabled us to achieve a full-year net profit of S\$62.7 million.

Building on recent momentum, we made progress in digital transformation, growth initiatives, security, risk management, workforce development and sustainability, to enhance long-term value.

### **Digital Transformation**

As part of our multichannel approach, we leveraged technology and an integrated service model to meet the evolving needs of digitally savvy consumers, while maintaining the personalised service that we are known for.

A key milestone was the official launch of the HLF Digital application which provides customers with round-the-clock convenience for financial transactions. As at end 2025, HLF Digital recorded more than 18,000 sign-ups and approximately S\$1 billion had been digitally transacted through the platform. In line with our strategy, HLF Digital also contributed to deposit growth, improving funding efficiency.

Our vehicle loans digital platform was awarded 'Best Automobile Financing Product' at The Asian Banker Global Excellence in Retail Finance Awards, and the Singapore Business Review Technology Excellence Awards. By streamlining the loan application process for car dealers and customers, the platform has been our differentiator and strengthened our leading market position – including in the electric cars segment where we attained a 13% year-on-year increase in the amount of loans processed.

To tap a high-growth catchment area, we opened a new branch at Punggol Coast Mall in December 2025. Designed with privacy-enhanced teller booths and a dynamic digital LED art wall, the branch provides an elevated experience. This strategic branch opening caters to the rising demand for financial products and services driven by Punggol's population growth and developments such as the Punggol Digital District.

### **Growth Initiatives**

Guided by our commitment to customer-centric financing, we continued to broaden our suite of solutions to deliver greater value and convenience.

To better support the evolving needs of Small and Medium-sized Enterprises (SMEs), we introduced bundled financing that pairs Commercial Property Loans (CPLs) with Working Capital Loans. This provides SMEs with long-term property financing alongside short-term working capital liquidity within a single package, enhancing funding agility and enabling more sustainable business expansion. As interest rates moderate, SMEs can benefit from lower overall financing costs while strengthening day-to-day cashflow management, reinforcing our role as a trusted finance partner.

We also expanded our Medical Financing offerings with a new clinic and GST bridging loan bundled with our CPLs. This integrated package offers holistic support for practice expansion and cashflow needs.

To help SMEs to transition to greener practices, we enhanced our SME Green Finance Framework by introducing an additional category for eco-efficient and/or circular economy adapted products, production technologies and processes. This will further promote resource efficiency, innovation, and sustainability within the business community.

2025 also marked our admission as an Ordinary Member of the Singapore Clearing House Association, providing direct access to Singapore's national clearing and settlement systems. This enables us to process payments and deposits more efficiently and enhances transactional convenience for customers.

These initiatives reflect our dedication to putting customers at the centre of what we do. We are honoured to be conferred the 'ASEAN Finance Company of the Year' for the twelfth consecutive year by Asian Banking & Finance and a 'Top 100 Most Valuable Singaporean Brand' by Brand Finance for the eighth consecutive year.

### **Security and Risk Management**

With rising digital threats and financial crime, protecting our organisation and customers remained a key priority. We bolstered anti-scam policies, technology risk management and third-party risk oversight. In addition, we expanded staff training and drove community outreach with the Singapore Police, alongside customer education across multiple touchpoints.

In credit risk management, we introduced a rating model to guide lending decisions, enabling more consistent risk assessment and reinforcing portfolio quality.

### **Our People**

Our employees are pivotal to our success. We continued to build a culture of continuous learning for performance. Average learning hours per staff increased by about 40% year-on-year, with a focus on core areas such as compliance, risk awareness, digital literacy, and technical competencies. This will equip employees with the skills to thrive in a rapidly evolving environment.

To promote the well-being of employees, we continued to foster an inclusive and supportive workplace where every individual can contribute meaningfully to our success.

### **Sustainability**

Sustainability underpins our strategic priorities for responsible growth. HLF is committed to achieving Net Zero for operational Scope 1 and 2 emissions by 2050, aligning with Singapore's national low-carbon ambitions.

Our sustainability disclosures continued to be guided by global standards and 2025 marked the first year we referenced the IFRS S2 Climate-related Disclosures issued by the International Sustainability Standards Board and the SASB Financials Sector Standards on Consumer Finance. We also joined the Alliance for Sustainability Innovation, supporting cross-industry collaboration and knowledge exchange.

Affirming our transparency and contributions across people, society, governance, environment, and economic dimensions, we were conferred the 'Most Transparent Company (Big Cap Category)' at the SIAS Investors' Choice Awards 2025 and 'Company of Good' by the National Volunteer & Philanthropy Centre.

## **OUTLOOK**

The outlook for the global economy remains tempered by geopolitical uncertainties and trade-related frictions. At the same time, the continued acceleration of digitalisation brings heightened cybersecurity and operational risks.

Notwithstanding the challenges, we remain confident in our ability to deliver enduring value to our stakeholders. Our disciplined risk management and sustained investments in digital innovation, security and workforce capability provide a strong platform for continued growth. With a clear strategic direction and a resilient foundation, we have confidence in managing uncertainties and capturing opportunities ahead.

## **APPRECIATION**

I would like to express my appreciation to our valued customers, partners and shareholders for their trust and support. I extend my gratitude to our Board of Directors for their counsel and stewardship, and to our management team and employees for their dedication and commitment to excellence.

**KWEK LENG BENG**

**Chairman**

25 February 2026