

Driving Sustainable Growth: The Key Success Factors of a Bank in Malaysia

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ARTICLE INFORMATION

Publication information

Research article

HOW TO CITE

Sin, L. G., Chien, N. W., Liu, J. X., Li, W. C., Zhang, L. X., Li, X. T., ..., & Kee, D. M. H. (2025). Driving sustainable growth: The key success factors of a bank in Malaysia. *International Journal of Accounting & Finance in Asia Pasific*, 8(1), 142-158.

DOI:

<https://doi.org/10.32535/ijafap.v8i1.3829>

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Received: 18 December 2024

Accepted: 20 January 2025

Published: 20 February 2025

ABSTRACT

In today's fast-paced era, it is very important to maintain the awareness of sustainable development, and this awareness is particularly important in the development of banks. Hong Leong Bank is a multinational bank in Malaysia and one of the top five banks in Malaysia. It currently has more than 300 branches in Malaysia. The bank is technology-focused and focused on financial capabilities to serve customers in five regions. To develop better, the Bank must consider sustainable development strategies. Our research surveys and data combine to explore what kind of sustainability strategy the company implements to enable successful sustainable development. Through a sample questionnaire survey, we investigated how more than 100 banks from all walks of life are sustainable. The survey shows that it should be discussed from the perspective of the customer. First, environmental and social responsibility, pay attention to integrity, cherish employees, and integrate into the community. Our study highlights the need for a sustainability strategy in banks and explores the key factors for the successful development of Hong Leong Bank, which will help to improve the company's future development and user experience.

Keywords: Customer Service; Focus on Integrity; Social Responsibility; Society Integration; Strategic Sustainability

INTRODUCTION

Hong Leong Bank is one of the most recognized banks in Malaysia and is part of the Hong Leong Financial Group, headquartered in Kuala Lumpur. Formerly known as Malayan Banking Berhad, Hong Leong Bank was renamed by the Hong Leong Group in 1994 through a merger and acquisition and was officially listed on the main board of Bursa Malaysia in October of the same year. The main research direction of this paper is the reasons for the success of Hong Leong Bank in sustainable development. According to [Long \(2019\)](#), the financial sector is recognized as a key pillar in promoting global sustainable development. As a bridge between capital and the needs of society, banks need to not only turn a profit but also take on the responsibility of promoting environmental protection and social equity. As a long-established financial institution in Malaysia, Hong Leong Bank is known for its digital innovation and customer-oriented services. In recent years, the bank has stepped up its investment in green projects while pursuing a business strategy that meets ESG (Environmental, Social, and Corporate Governance) standards. This paper argues that Hong Leong Bank has successfully accomplished a balance between sustainability and business growth through green financing, digital transformation, and customer engagement programs.

LITERATURE REVIEW

Preface

In today's market economy, the thinking of sustainable development in all walks of life has been raised to a new level ([Hong Leong Bank Berhad, 2024b](#)), and more attention has been paid to future sustainable development. This trend continues to cover all walks of life. Banks have also adapted to the current situation of social development and have made relevant sustainable development strategies and measures (Dama, 2018; [Darmansyah et al., 2024](#); [The Human Capital Hub, 2024](#)).

At present, many banks in Malaysia have also made changes as a result. Next, we will take Hong Leong Bank as an example to study the development process of this measure and explore the key success factors of Hong Leong Bank's sustainable development. We will observe that the bank has made a number of bank policy adjustments in recent years. And combined with current international financial trends and market requirements. This article will review from the perspectives of customer first, environmental and social responsibility, valuing integrity, cherishing employees, and integrating into the community, and explore the key factors for the success of Hong Leong Bank's sustainable development.

In today's society, the definition of sustainable development for this company is different, and the key factors that lead to the success of sustainable development also have different perspectives ([Hong Leong Bank Berhad, 2022](#)). Many scholars have cut in from different perspectives, so they do not get a single concept.

Hong Leong Bank's Past Achievements

Hong Leong Bank Berhad is a regional financial services company based in Malaysia with a presence in Singapore, Hong Kong, Vietnam, Cambodia, and China. The bank is a technology-focused bank ([Kaniadakis & Foster, 2024](#)) with a focus on developing financial capabilities to serve customers in five regions ([Mainardes & Freitas, 2023](#)). Headquartered in Kuala Lumpur, the bank is a strong and established bank in Malaysia. On 3 January 1994, the Hong Leong Group acquired Maybank through Hong Leong Credit Berhad (now Hong Leong Financial Group) and renamed it Hong Leong Bank Berhad. The bank was listed on the Kuala Lumpur Stock Exchange (now listed on the Main Board of Bursa Malaysia) on 17 October 1994 and has since grown rapidly, also

expanding its business through mergers and acquisitions. Today, Hong Leong Bank is the fifth largest banking group in Malaysia, with total assets of more than RM254.3 billion as of 30 June 2022, and is ranked fourth in terms of market capitalization as of 30 June 2022.

Regionally, Hong Leong Bank became a strategic investment partner of Chengdu Bank Co., Ltd. (also known as "Chengdu Bank") in 2008, becoming the first Malaysian bank to enter the Chinese banking industry with an 18% stake in the bank. Hong Leong Bank became not only the first Malaysian bank but also the first Southeast Asian bank to be approved to register and operate a 100% wholly-owned commercial bank in Vietnam. The bank officially commenced operations in October 2009, with a branch and transaction office in Ho Chi Minh City and a branch each in Binh Duong and Hanoi. Since 2010, Hong Leong Bank has invested in Sichuan Jincheng Consumer Finance Co., Ltd., a licensed consumer finance company established in Chengdu. Subsequently, in 2013, Hong Leong Bank's 100% owned commercial bank also opened in Cambodia.

Regarding innovation based on [Guang-Wen and Siddik \(2023\)](#), Hong Leong Bank has launched a comprehensive online banking service for corporate finance, commercial finance, and SME finance and assists customers in conducting business smoothly through comprehensive solutions. Hong Leong Bank continuously optimizes and integrates electronic and digital facilities and processes to improve the customer experience in handling transactions. The latest developments regarding Hong Leong Bank's online banking are that from December 10, 2024, Hong Leong Bank will fully implement new measures for online transactions. The OTP verification code will no longer be sent via SMS but will be received by the Hong Leong Bank APP, further enhancing transaction security and user experience ([Oriental Daily News, Malaysia, 2024b](#)).

In the 2023 financial report, it can be observed that Hong Leong Bank's ROE is 11.8%, while Public Bank's is as high as 13%. Other targets include increasing the non-interest income (NOII) ratio to more than 25%, which is 19.9% in the 2023 financial year; increasing the current poor account (CASA) ratio to 35%, which is 30.8% in the 2023 financial year; ensuring that the cost-to-income ratio remains at 40%, which is 39.3% in the 2023 financial year; and ensuring that the deposit lock-in ratio is at a low level.

Regarding the changes in bank personnel, we can find that in 2024, Hong Leong Bank's new CEO, Lim Sai Yok, said in an exclusive interview with financial weekly The Edge ([Tay, 2024](#)) that his joining will not only allow the fifth largest bank in the country to operate as usual but will take it to the next level and lead the bank to become the best bank in the country.

Therefore, after leading Hong Leong Bank for several months, Lim Sai Yok launched a "transformative" 3 to 5-year goal, looking forward to achieving a return on equity (ROE) of more than 12.5% by 2026. From the data, we can see that Hong Leong Bank is developing steadily and sustainably ([Oriental Daily News, Malaysia, 2024a](#)). In the first quarter of the financial year 2025 (ending September 30), Hong Leong Bank's net profit was RM1.08996 billion, up 5.84% year-on-year from RM1.02978 billion in the same period last year; revenue was RM1.59787 billion, up 14.62% year-on-year from RM1.39412 billion in the same period last year. Loan expansion led to a 10% increase in net interest income, a 14.3% increase in financial net profit, and a 27.5% decrease in net profit. Although two trends are rising and one is falling, Hong Leong Bank still made a profit of 5.84% more in the first quarter, which shows the correctness of the execution strategy. It also benefited from continuous loan expansion, a good current and savings account (CASA) ratio, strong asset quality, and prudent financing and liquidity. The

above is some specific data that reflects the development speed of Hong Leong Bank, and the following are some general development descriptions.

In recent years, Hong Leong Bank has made remarkable achievements in the fields of sustainable development and innovation, mainly in the following five aspects: First, digital transformation. The bank actively promotes digital transformation and launches a number of innovative digital services, such as enhanced mobile banking applications and seamless online payment platforms, to provide customers with convenient financial services. Second, green finance and sustainable development. Hong Leong Bank actively participates in green finance, supports environmental protection projects such as renewable energy projects and environmental protection enterprise financing, and has formulated environmental protection policies to reduce the impact of operations on the environment. For example, a classic example is to reduce carbon emissions and paper use. Third, customer experience optimization. Through a customer-centric strategy, Hong Leong Bank has improved service quality, such as providing personalized financial solutions and expanding service channels to meet the diverse needs of customers. Fourth, employee benefits and talent training. Hong Leong Bank focuses on employee development, providing employees with training programs and career growth opportunities, thereby promoting workplace diversity and inclusion. Fifth, social responsibility and community building. Hong Leong Bank supports several social welfare activities, such as education, medical, and poverty alleviation projects, actively giving back to the community and promoting social progress.

In summary, Hong Leong Bank has made continuous achievements in the past, and in the future, the sustainable development of the strategy will promote the bank's continuous development.

Blank In the Existing Literature

There is a gap in the successful factors of the sustainable development of Hong Leong Bank, which requires further exploration. Previous literature reviews have not explored this topic extensively, as this view has slowly been appreciated in recent years since the outbreak. In addition, all walks of life attach great importance to sustainable development and various forms of measures. Therefore, a further study of this factor is necessary. Given the wide coverage of these factors, the authors developed a research model and made the following assumptions:

- H1: Customer education and environmental advocacy have a beneficial impact on sustainable development.
- H2: Cost issues, lack of technology or resources, and lack of awareness among employees and customers negatively impact sustainability.
- H3: Corporate attitude towards social responsibility positively impacts sustainable development.
- H4: Hong Leong Bank's green financial products positively impact sustainable development.
- H5: Hong Leong Bank's collaboration with stakeholders positively impacts sustainable development.
- H6: Corporate attitude towards sustainable development has a significant positive impact on brand reputation.

Figure 1. The Research Model

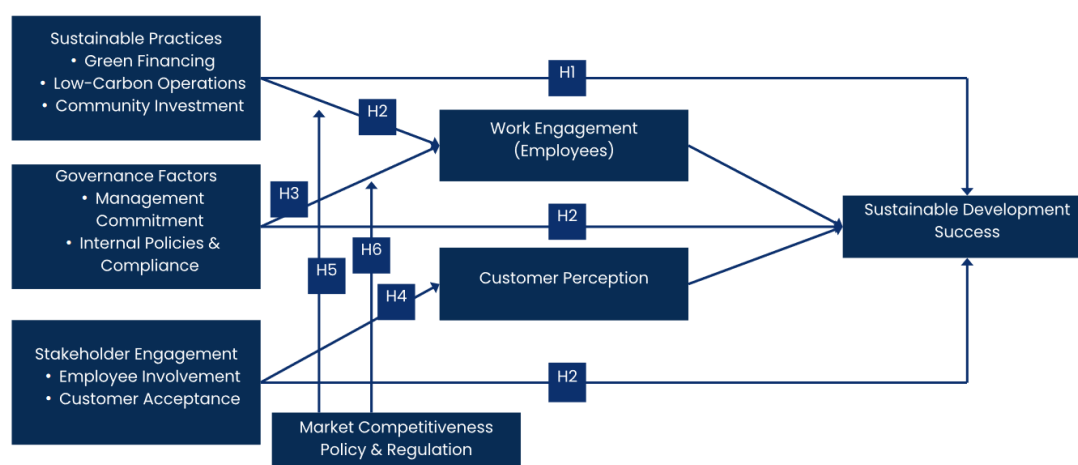


Figure 1 in the hypothesis constitutes the basis of the author's analysis research model, and for the success of the sustainable development of the bank put forward assumptions, play the role of guiding ideas building framework, also because this table can know this article focuses on the following five points, customer first, environmental and social responsibility, pay attention to integrity, cherish the staff, into the perspective of the community.

RESEARCH METHOD

The study used a mixed survey approach, both quantitative and qualitative. The quantitative method is mainly based on the sampling survey method, which collects as many people at different levels through multiple channels (through network social media, WhatsApp, WeChat, and Instagram) and collects 162 valid questionnaires by issuing questionnaires. On the one hand, the data is collected more quickly, and then the data are made more reliable and ensured informed consent and data confidentiality.

The questionnaire included six variables of the study model that measured the consent for these questions on the Likert scale (1-5). The test ensures clarity and reliability. The results were interpreted according to the study objectives and presented as tabular. The collected data were analyzed using SPSS 27 to ensure their significance and reliability. Time constraints and geographical constraints lead to a degree of limitations, and while efforts to ensure the problem are clear enough, understanding differences and interpreting difficulties can affect the results to some extent. The researchers completed the study by designing the results as simple as possible.

RESULTS

Descriptive statistical analysis

Table 1. H1 Customer Education and Environmental Advocacy Have a Beneficial Impact on Sustainable Development

Category	Frequency	Percentage	Cumulative Percent
Customer education and environmental advocacy	74	45.7%	45.7%
Efficient resource management	25	15.4%	61.1%
Innovative green financial services	21	13.0%	74.1%
Others	9	5.6%	79.6%
Support and training of employees	33	20.4%	100%

Total	162	100.0%	100%
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According to the statistical results in [Table 1](#), the selection frequency of customer education and environmental protection advocacy among the 162 respondents was 74 people, accounting for 45.7%. This was a factor with the highest selection ratio of all options, indicating that respondents generally agreed that customer education and environmental advocacy were the most successful factors in achieving sustainability. The data suggest that nearly half of respondents saw client education and environmental advocacy as key factors in achieving sustainability. This is highly consistent with hypothesis H1, indicating that there is broad public consensus on its importance. Other options had significantly lower support ratings, with an efficient resource management of 15.4%. Innovative green financial services, 13.0%. Support and training of staff of 20.4%. This gap further highlights the importance of client education and environmental advocacy in the minds of respondents.

Table 2. H2 Cost Issues, Lack of Technology or Resources, and Lack of Awareness Among Employees and Customers Negatively Impact Sustainability

Category	Frequency	Percentage	Cumulative Percent
Disagree	3	1.9%	1.9%
Neutral	22	13.6%	15.4%
Agree	74	45.7%	61.1%
Strongly Agree	63	38.9%	100%
Total	162	100.0%	100%

It can be seen in [Table 2](#) that 74 respondents, 45.7%, selected Agree, and 63 respondents, 38.9% selected Strongly Agree. Combined, these two categories account for a total of 84.6%, indicating that the majority of respondents believe cost issues significantly hinder sustainable development. Meanwhile, 22 respondents 13.6% remained neutral, and three respondents 1.9% disagreed. These findings support H2, suggesting that cost-related challenges and lack of consciousness are widely recognized as key barriers to sustainability efforts.

Table 3. H3 Corporate Attitude Towards Social Responsibility Positively Impacts Sustainable Development

Category	Frequency	Percentage	Cumulative Percent
Disagree	3	1.9%	1.9%
Neutral	22	13.6%	15.4%
Agree	74	45.7%	61.1%
Strongly Agree	63	38.9%	100%
Total	162	100.0%	100%

According to [Table 3](#), the combined agreement levels of 84.6% highlight that corporate responsibility is a nearly universally accepted factor in driving sustainable development. This demonstrates a clear consensus among the majority of respondents. The high percentage of agreement strongly supports H3, suggesting that respondents believe corporate attitudes towards social responsibility play a pivotal role in fostering sustainable practices. These findings emphasize the need for organizations, including Hong Leong Bank, to continue emphasizing and expanding their social responsibility initiatives. By aligning their strategies with these expectations, organizations can strengthen both their sustainability efforts and their public image. The 13.6% neutral responses indicate an area for further exploration. This group may benefit from clearer communication about how corporate responsibility translates into tangible sustainability outcomes. The small dissenting group 1.9% could reflect skepticism or a lack of awareness about specific corporate actions in this area. These findings align with H3,

suggesting that corporate commitment to social responsibility is widely regarded as a key driver for achieving sustainability.

Table 4. H4 Hong Leong Bank's Green Financial Products Positively Impact Sustainable Development

Category	Frequency	Percentage	Cumulative Percent
Disagree	1	0.6%	0.6%
Neutral	28	17.3%	17.9%
Agree	62	38.3%	56.2%
Strongly Agree	71	43.8%	100%
Total	162	100.0%	100%

Based on [Table 4](#), a combined 82.1% of respondents agreed or strongly agreed that Hong Leong Bank's green financial products support sustainable development. This indicates strong public recognition of the bank's efforts in this area. Only 0.6% of respondents disagreed, highlighting a nearly universal positive perception of these financial products. 17.3% of respondents were neutral, suggesting that some individuals may lack awareness or clarity about the impact of green financial initiatives. These findings strongly validate H4 that Hong Leong Bank's green financial products contribute positively to sustainable development. This analysis reflects a widespread acknowledgment of the role of green financial products in fostering sustainability, with opportunities to address the neutral respondents through targeted communication and awareness initiatives.

Table 5. H5 Hong Leong Bank's Collaboration with Stakeholders Positively Impacts Sustainable Development

Category	Frequency	Percentage	Cumulative Percent
Disagree	4	2.5%	2.5%
Neutral	26	16.0%	18.5%
Agree	78	48.1%	66.7%
Strongly Agree	54	33.3%	100%
Total	162	100.0%	100%

Based on [Table 5](#), a total of 81.4% of respondents agreed or strongly agreed that Hong Leong Bank's collaboration with stakeholders such as NGOs, government agencies, and other institutions effectively promotes sustainable development. 48.1% selected Agree. 33.3% selected Strongly Agree. 16.0% of respondents were neutral, suggesting that while they do not actively disagree, they may require more evidence or awareness of the impact of these collaborations. Only 2.5% of respondents disagreed, indicating a very low negative perception of the effectiveness of these collaborations. The findings strongly support H5 that Hong Leong Bank's green collaborations significantly contribute to sustainable development goals. Address the 16.0% neutral responses through targeted communication about the measurable outcomes of these collaborations. Use specific examples or case studies of effective green collaborations to further reinforce positive perceptions. Continue strengthening partnerships with NGOs, government agencies, and institutions to enhance alignment with sustainability goals.

Correlation Test

Table 6. H6 Corporate Attitude Towards Sustainable Development Has a Significant Positive Impact on Brand Reputation

Variables	1	2	Cronbach's Alpha	Mean	Std. Dev.
1 Focus on Hong Leong Bank's sustainability issues	1.000	0.434**	0.820	4.25	0.75

2	Satisfaction with the bank's sustainability and social practices	0.434**	1.000	0.850	4.10	0.72
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Notes: N = 162; *p<0.05, **p<0.01, ***p < 0.001. Cronbach's Alpha coefficients indicate internal consistency.

According to the results of the correlation analysis in [Table 6](#), there is a significant positive correlation between the sustainable development attitude and the brand reputation. The Pearson correlation coefficient (r) = 0.434, indicating a positive correlation of moderate strength between the two variables. The p-value = 0.000, or 0.01 below the significance level ($p < 0.01$), indicates that this correlation is statistically significant. As enterprises' attitude towards sustainable development strengthens, consumers' brand recognition and reputation evaluation will also improve. This result highlights the importance of companies in fulfilling their social responsibility and promoting sustainable development, especially their positive role in enhancing brand loyalty and customer satisfaction. The results of this analysis are highly consistent with the hypothesis of H6 that the sustainability practices and attitudes of enterprises have a significant positive impact on brand reputation. Enterprises should further strengthen the sustainable development strategy, especially to highlight the commitment to sustainable development in brand communication, in order to consolidate the brand image.

DISCUSSION

Hong Leong Bank's Sustainable Development Policy

Sustainability Pillar: Customers First

In its fiscal year 2024 report ([Hong Leong Bank Malaysia, 2024a](#)), Hong Leong Bank demonstrated the results of its comprehensive digital transformation. Hong Leong Bank Connect The mobile banking platform has introduced a new interface and functions, including multi-currency management tools, to help customers achieve more convenient cross-border payments and transactions. AI-driven service upgrades improve customer service efficiency while reducing operating costs through AI voice assistants (such as Sophia and Amelia). For example, the cost of AI-assisted collection calls is 86% and 15 times more efficient. These technological innovations not only simplify the customer experience but also improve the customization and response speed of the services.

Hong Leong Bank is committed to building long-term partnerships with the community, emphasizing support for small and medium-sized enterprises (SMEs) and individual customers. SME lending grew by 13.6% in fiscal year 2024, indicating that banks have invested significant resources in supporting the financing needs of SMEs. Provide exclusive services to different customer groups through facilities such as priority banking centers (Priority Banking Center). And actively promote the sustainable financial framework, clarify the compliance standards for green projects, and promote environmentally friendly financial practices ([The World Bank, 2020](#)). This approach not only enhances customer recognition of their social responsibility but also attracts more corporate customers with sustainable development awareness. Through AI and big data analysis, Hong Leong Bank can more accurately understand customers' behaviors and predict their needs so as to provide personalized advice to customers. This technology-driven decision support improves customer satisfaction while optimizing resource allocation.

The 2024 data show that about 31% of retail banking transactions have been completed through digital platforms, reflecting the significant progress banks have made in encouraging customers to use online channels. At the same time, it also provides customers with the convenience of accessing banking services anytime and anywhere. Hong Leong Bank's "customer first" is not only reflected in its business but also

recognized in the industry. In 2024, it was named Best SME Bank in Malaysia by Asian Banking & Finance, highlighting its outstanding performance in customer service and business support ([Kartajaya et al., 2019](#)). Through a full range of customer interaction and digital experience, the bank continues to win customer loyalty and market share.

In its development goals for fiscal year 2025, Hong Leong Bank clearly proposes to continuously enhance customer value by further optimizing customer experience, improving digital capabilities, and advancing community development initiatives ([Hong Leong Bank Malaysia, 2024b](#)). This shows that it will continue to focus on "customer first" to promote business innovation and customer satisfaction. Therefore, the "customer first" of Hong Leong Bank is not only a concept but also its concrete implementation in financial services through digital transformation, community deep cultivation, and sustainable development practice, showing a deep insight and commitment to customer needs.

The subsequent analysis focuses on the specific benefits associated with Hong Leong Bank. The first one is the advantages of the Hong Leong Bank Connect platform. Its powerful functions integrate a wide range of banking functions to provide comprehensive service support for customers. Multi-currency account management: customers can manage and operate transactions in up to 12 currencies on the platform, suitable for international payments and foreign exchange exchange. Seamless operation of the mobile terminal, from daily transfer to credit card bill payment, all operations can be quickly completed through the mobile terminal, greatly improving the convenience of users. Digital deposits and expenditures: with Hong Leong Bank Connect, customers can easily manage time deposits, savings accounts, and payment needs for online shopping. This feature integration meets the needs of customers to complete multiple bank transactions on one platform, saving time and energy. Second, personalized service. Hong Leong Bank Connect provides personalized service to customers through data analysis and technological innovation. Transaction classification and consumption insight: the platform can intelligently analyze customer transaction records, generate consumption pattern reports, and help customers better manage their finances. Customize recommendations based on the customer's consumer behavior, Hong Leong Bank Connect recommends products and services that meet individual needs, such as loan options, investment opportunities, or insurance plans. This personalized experience increases user engagement and satisfaction with the platform.

Next, the discussion focuses on security and technical strengths. Hong Leong Bank Connect uses multi-level technical protection to secure customer data and transactions. Strong encryption technology, using multi-factor authentication (MFA) and advanced encryption technology, to ensure the security of customer accounts and transactions. Real-time notification of all account activities will be made to customers through real-time notification to help guard against fraud and unauthorized transactions. This security setting not only protects the interests of customers but also enhances their trust in the platform.

Seamless user experience, Hong Leong Bank Connect provides an efficient and convenient digital experience by optimizing the user interface and operation process. Its simple and intuitive design makes the user interface optimized, easy to navigate, and suitable for customers of different ages. There is also 24/7 service, the platform supports 24/7 operations, and customers can complete transactions without having to rely on working hours at physical banks. This seamless experience reduces the time cost of customers in banking services, improves efficiency, and enables customers to enjoy a comfortable service process.

Finally, with a highly integrated ecosystem, Hong Leong Bank Connect is not only a bank trading platform but also integrates a variety of value-added services. Cross-channel access: customers can access the same account through their mobile phone, tablet, or computer, and data synchronization is seamless. The community service function platform also supports the cash management function of enterprise customers, especially for SMEs, to provide customized solutions for enterprise accounts. This highly integrated ecosystem enhances the attractiveness of the platform, covering a wider user population. Hong Leong Bank is also constantly promoting the formation of customers' digital habits. Through the continuous improvement of service functions, we will actively guide customers to get used to using digital banking services. Hong Leong Bank regularly upgrades the functions of the platform, such as the new foreign exchange conversion interface, to help customers achieve more accurate trading operations.

In my opinion, the advantages of the Hong Leong Bank Connect platform are its comprehensive features, experience-friendliness, security, and personalized service capabilities. This digital service model not only improves customer satisfaction but also provides strong support for the business growth of Hong Leong Bank. Other banks can learn from the successful experience of this platform and enhance the depth and breadth of customer service through digital transformation. The "customer first" concept of Rich Bank of Malaysia not only improves its own business capabilities but also provides the global banking industry with valuable experience in sustainable development, digital transformation, and customer service innovation. Such a strategy is affecting the global banking sector to develop in a more inclusive, environmentally friendly, and efficient direction, making an important contribution to global economic and social sustainability.

Sustainability Pillar: Environmental and Social Responsibility

Hong Leong Bank is committed to providing fair and inclusive financial services to all individuals and communities. To achieve this, the bank will focus on enhancing digital accessibility by investing in user-friendly digital platforms that cater to underserved populations, including those in rural areas and the elderly. Additionally, Hong Leong Bank will expand its microcredit programs, offering tailored financial products to SMEs, low-income individuals, and marginalized groups to support their economic independence. To empower individuals with the knowledge to make informed financial decisions, Hong Leong Bank will also conduct seminars and training programs aimed at improving financial literacy.

Recognizing the importance of collaboration in driving meaningful change, Hong Leong Bank plans to strengthen strategic partnerships to amplify its impact. The bank will work closely with non-governmental and nonprofit organizations to expand the reach of community projects focused on environmental and social initiatives. Collaboration with government and regulatory agencies will ensure that Hong Leong Bank's sustainable development efforts align with national policies, while partnerships with scientific and research institutions will foster the development of innovative sustainable practices.

Transparency and accountability are central to Hong Leong Bank's sustainable development strategy. The bank will regularly monitor and report on its environmental and social performance through detailed Sustainable Development Reports, sharing progress, challenges, and future goals with stakeholders. Specific Key Performance Indicators (KPIs) will be used to measure areas such as energy consumption, carbon emissions, community impact, and employee diversity. Hong Leong Bank will also actively seek stakeholder feedback to refine its strategies and enhance its overall impact.

Looking ahead, Hong Leong Bank is focused on innovation, collaboration, and stakeholder engagement to drive sustainable growth. Key priorities include developing

green financing solutions to integrate environmental, social, and governance (ESG) factors into all decision-making processes, improving digital inclusivity to ensure underserved groups have access to financial services, and deepening partnerships to create lasting, systemic change. By advancing the goals of its sustainable development framework, Hong Leong Bank aims to promote a more equitable and sustainable future, demonstrating that entrepreneurial success and social well-being are deeply interconnected.

Sustainability Pillar: Pay attention to integrity

Hong Leong Bank Credit Framework

Hong Leong Bank recognizes that honesty is a cornerstone for the growth and success of any organization. As the third pillar of its sustainable development framework, Hong Leong Bank places a high value on honesty and ethical behavior, committing to promoting transparency, accountability, and integrity across all its operations. This commitment ensures that the company adheres to high management standards, complies with regulatory requirements, and strengthens stakeholder confidence.

The foundation of Hong Leong Bank's ethical framework is its Code of Conduct and Moral Standards, which provide clear guidelines for employees, managers, and executives on acting ethically and responsibly. These guidelines address critical areas such as conflicts of interest, confidentiality, fair trade, and the proper use of bank resources. To reinforce these principles, Hong Leong Bank conducts regular training programs to educate employees on ethical standards and prepare them to handle potential ethical dilemmas. Additionally, the bank maintains a zero-tolerance policy toward fraud, corruption, and embezzlement, enforcing strict measures against any violations.

Hong Leong Bank's anti-corruption framework further underscores its commitment to integrity. The bank adheres to both local and international regulations, such as the Malaysian Anti-Corruption Commission (MACC) Act, and extends these standards to third-party transactions, ensuring that suppliers and partners uphold the same ethical principles. To encourage accountability, Hong Leong Bank has established a confidential reporting system that allows employees and stakeholders to report unethical behavior without fear of retaliation.

Governance and transparency are central to Hong Leong Bank's operations, as they are essential for building trust and accountability. The bank's management practices are designed to ensure compliance, transparency, and the protection of stakeholder interests. Integrity is deeply embedded in Hong Leong Bank's corporate culture, with the bank actively promoting ethical behavior through its core values, leadership examples, and employee engagement initiatives. Leaders at Hong Leong Bank are expected to lead by example, making decisions and taking actions that reflect honesty and integrity, while managers are tasked with fostering ethical behavior and addressing ethical concerns promptly.

To further enhance ethical awareness among employees, Hong Leong Bank cultivates a value-driven culture centered on trust, respect, and responsibility. The bank also recognizes and rewards employees who demonstrate exceptional integrity, reinforcing the importance of ethical conduct. In the digital age, Hong Leong Bank prioritizes data integrity and online security, employing advanced technologies to safeguard systems and data. The bank has also developed robust response protocols to address network issues swiftly and efficiently.

Looking ahead, Hong Leong Bank is committed to strengthening its governance

framework to adapt to evolving challenges, enhancing stakeholder engagement to build trust and collaboration, and leveraging technology to improve transparency and ethical standards. By upholding these principles, Hong Leong Bank aims to maintain its reputation as a responsible and reliable financial institution, ensuring long-term success and sustainable development for all stakeholders.

Sustainability Pillar: Value the Workforce

Hong Leong Bank stands out by prioritizing long-term support for its employees. The development policy shows that Hong Leong Bank recognizes the importance of its workforce as a key resource for achieving long-term success. Hong Leong Bank provides a comprehensive benefits package for employees, such as diverse leave options, financial assistance, as well as study and scholarship awards ([Hong Leong Bank Berhad, 2024a](#)). For example, a half day of paid leave for birthdays, employee housing and auto loans at preferential rates, an employee study award, and 10 days of paid leave for their first legal marriage.

The bank also focuses on physical, mental, and emotional well-being through health programs. The bank provides medical coverage and annual medical examinations for employees to enhance their productivity and efficiency in the workplace. Malaysia's turnover rate reached 17.40% in 2020 ([Murad, 2021](#)). Financial administration showed the greatest turnover rate at 18.3%. High personnel turnover can have a detrimental impact on the corporation's goals ([Nagarajah & Kumar, 2022](#)). Thus, Hong Leong Bank promotes work-life balance through remote work and flexible hours to reduce the risk of burnout and help employees recharge.

Besides that, Hong Leong Bank's culture prioritizes diversity and inclusion, which is significant for maintaining an innovative and sustainable business. It is important to foster an inclusive culture where individuals from all demographics, ages, and backgrounds feel valued and empowered. Hong Leong Bank stands against any form of discrimination by developing an anti-discrimination policy. Hong Leong Bank normally has extensive rules in place to avoid workplace gender discrimination and harassment. These policies are intended to make all employees, regardless of gender, feel comfortable, appreciated, and capable of performing at their peak without fear of bias or discrimination. For example, Hong Leong Bank ensures that female and male employees are compensated fairly and equally for performing the same tasks and holding the same positions. Moreover, females are given equal opportunities to compete on the same level as males in the workplace.

Sustainability Pillar: Integrate with the Community

A key component of Hong Leong Bank International's larger strategy for sustainability and corporate responsibility is community integration. It focuses on how the company interacts with and benefits the communities where it works, as a company's involvement in benefiting local communities is an investment that pays off in the long run ([Murawska, 2020](#)).

Hong Leong Bank has established connections with the communities by contributing to local charities, volunteer work, or collaborating with local organizations. For example, Hong Leong Bank provides flood victims with up to a 6-month loan and financing deferment during the flood that happened in 2022 to reduce the financial burden faced by the victims ([Hong Leong Bank Berhad, 2021](#)).

Besides that, Hong Leong Bank promotes education and skill development to help bridge gaps in knowledge and skills, especially in underserved communities. Hong Leong Bank offers academic excellence incentive promotion to individuals who perform well in SPM

results. The Bank works to address urgent social and economic issues while generating long-term value for communities through initiatives including student scholarships and investments in sustainable infrastructure. Hong Leong Bank Duit Smart financial literacy and scam awareness workshops have also been conducted to educate students and community members ([Hong Leong Bank Berhad, 2024b](#)). In Malaysian schools and rural communities, the Hong Leong Bank@School and Hong Leong Bank@Kampung programs seek to advance financial awareness and accelerate the transition to a cashless society. The overall objectives of these programs provide students with a vital understanding of how to handle money and close the nation's social divide.

Furthermore, Hong Leong Bank aims to develop strong connections with both public and commercial organizations that strive for a common goal. As a result, Hong Leong Bank can maximize its influence and contribute to constructive social change through collaboration ([Hong Leong Bank Berhad, 2022](#)). Hong Leong Bank offers its assistance to regional SMEs through specialized financial products, consulting services, and digital platforms created to facilitate business growth. Initiatives such as "Hong Leong Bank Jumpstart" give aspiring business owners the tools they need to transform their concepts into profitable endeavors, promoting regional economic growth.

Sustainability Pillar: Digital at the Core

The rapid adoption of digital technology has transformed how Hong Leong Bank customers interact with financial services. To meet these shifting needs, Hong Leong Bank has adopted a comprehensive strategy that includes developing innovative digital solutions, establishing strategic alliances, and modernizing its digital infrastructure. These strategies help to produce long-term value for all stakeholders, increase efficiency, strengthen their competitiveness, and move forward to become a successful company.

Hong Leong Bank has empowered SMEs through digitalization by collaborating with businesses to help them implement digital transformation plans, boosting resilience and competitiveness in a digital economy. For example, Hong Leong Bank partnered with PayNet to transform Sekinchan into the country's first cashless kampung. It helps the business community capture more opportunities to grow their business by accepting cashless payments. Hong Leong Bank also launched the Hong Leong Bank BizBuddy app, which allows businesses to take consumer payments via a variety of QR code alternatives, monitor transactions in real-time, and immediately reimburse any same-day purchase cancellations.

Moreover, Hong Leong Bank focuses on transforming the customer experience by using data analytics to offer the best products and services that match customers' interests and behaviors. By integrating data analytics and modern technology, Hong Leong Bank ensures that its products stay user-centric, efficient, and sensitive to changing behaviors. Hong Leong Bank is always leading the way in Malaysia's shift to cashless transactions through its innovative digital payment solutions. The bank provides a range of options to suit different lifestyles and preferences, including mobile wallets, QR code payments, and contactless payments using Near Field Communication (NFC) technology. Hong Leong Bank makes investments in cutting-edge technology to enhance operations and services, including robotics, blockchain, and artificial intelligence (AI). These technologies allow Hong Leong Bank to offer innovative services that improve efficiency and customer experience, such as automated loan approvals, predictive financial insights, and tailored investment advice.

The bank creates a cooperative ecosystem that propels the co-creation of innovative solutions suited to changing consumer expectations and market demands by interacting

with fintechs, startups, and technology leaders. In addition to adopting technology, the cooperative strategy aims to produce significant, scalable, and long-lasting financial breakthroughs by utilizing the talents, knowledge, and inventiveness of various partners. For example, collaborations with cybersecurity companies or cloud computing behemoths help the bank expand operations, protect client information, and deliver smooth digital experiences. By collaborating with these pioneers, Hong Leong Bank is also able to include next-generation technologies, such as voice-activated transactions and IoT-enabled banking, and keep ahead of technological changes.

CONCLUSION

Bank of Hong Leong's practice has proved that sustainable development is not only a manifestation of social responsibility and protection of the environment but also an important strategy to improve competitiveness, especially green financing, which can become a core tool for financial institutions to work together for sustainable development and competitiveness. These strategies of Hong Leong Bank are not only reflected in the economic benefits brought by sustainable development but also highlight the potential and responsibility of the financial industry in the field of sustainable development. In addition, Hong Leong Bank's commitment to sustainability includes developing a thriving team of employees and integrating with the local community, creating an inclusive and empowering work environment through employee benefits, anti-discrimination policies, and equal opportunity initiatives, which are essentially sustainability initiatives that not only enhance the bank's reputation but also contribute to the CV of a more sustainable, equitable and connected society. Social environment, in line with the bank's vision of sustainable development. In the future, Banco de Hong León can further expand its impact on sustainable development by continuously internationalizing existing initiatives and developing new and innovative financing instruments. At the same time, the success of the Bank of Hong Leong in sustainable development shows that the financial sector also plays an important role in sustainable development and that the Bank of Hong Leong's initiatives have a guiding effect on the future sustainable development of the financial sector.

ACKNOWLEDGMENT

N/A

DECLARATION OF CONFLICTING INTERESTS

The authors declared no potential conflicts of interest.

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