

*For Immediate Release*

**HLFG achieves 20.6% Growth in Profit After Tax and Minority Interest  
for the Financial Year ended 30 June 2013**

**Kuala Lumpur, 27 August 2013** - Hong Leong Financial Group Berhad (“HLFG”) announced its results for the financial year ended 30 June 2013 (“FY13”), as released to Bursa Malaysia today. HLFG Group achieved another record profit before tax of RM2.63 billion for FY13, an increase of 9.9% year-on-year (“y-o-y”). This level of profitability has overtaken the previous high set in FY11 when HLFG booked a one-off RM619 million gain from the sale of Hong Leong Assurance Berhad’s (“HLA”) general insurance business to MSIG Insurance (Malaysia) Berhad (“MSIG”). The growth in earnings was achieved amidst a background of further integration at Hong Leong Bank Berhad (“HLB”) as well as ongoing branch transformation and consolidation. Profit after tax increased at a rate of 16.8% y-o-y and **Profit After Tax and Minority Interest increased by 20.6% y-o-y to RM1,488 million in FY13.**

HLFG’s Commercial Banking division, HLB, achieved a growth in profit before tax of 7.0% y-o-y in FY13 to RM2,393 million. This was attributed to higher non-interest income (+RM210.1 million y-o-y) and a higher share of the Bank of Chengdu Co., Ltd’s (“BOCD”) earnings, of which HLFG’s 20% share grew by 21.7% y-o-y to RM264.0 million. HLFG indicated that the integration efforts with ex-EON Bank were progressing well and HLB’s cost/income ratio has fallen markedly from 49.6% in FY12 to 46.1% in FY13. Gross impaired loans ratio improved from 1.7% in FY12 to a record low of 1.4% in FY13. Loan loss coverage stands at 131%, amongst the highest in the industry. HLB has also established a commercial banking operation in **Cambodia** this year as part of its strategy to expand its footprint in the region.

On 1 July 2013, HLB announced the appointment of Mr Tan Kong Khoon as Group Managing Director/Chief Executive Officer. He is a seasoned banker with a wide breadth of professional experience and a strong track record in leading and managing large and complex banking businesses. We are confident that he will be able to lead the Bank to continue its growth trajectory and transformation.

HLA Holdings Sdn Bhd, HLFG’s insurance division, recorded a profit before tax of RM183.9 million in FY13, a decrease of 11.9% y-o-y or RM24.9 million. The lower earnings were largely due to a reduction at HLA, where profit before tax fell by 22.7% y-o-y or RM36.5 million. This was due to the effect of new business strains as well as higher actuarial provisions due to a lower interest rate environment. HLFG’s 30% share of MSIG’s general insurance earnings amounted to RM58.5 million in FY13, representing growth of 12.5% y-o-y as compared to the RM52.0 million recorded in FY12.

The underlying business performance at HLFG’s 70%-owned life insurance subsidiary, HLA, continued to improve. Gross premiums increased by 20.7% y-o-y to another record of RM2 billion. HLA’s agency force is approaching the 10,000 mark and we are now able to compete more effectively with the industry leaders on distribution.

The Investment Banking division, held under Hong Leong Capital Berhad recorded stellar growth in profit before tax of 31.8% y-o-y to RM67.9 million. Hong Leong Investment Bank Berhad (“HLIB”) achieved marked progress in the last few years in growing the investment banking earnings, increasing market presence in niche areas, league table positioning and first-to-market initiatives. HLFG is pleased to announce that HLIB has been nominated in 2013 as the ‘Best Investment Bank in Malaysia’ by *World Finance*.

HLFG’s earnings per share (“EPS”) increased by 20.3% y-o-y to 142.7 sen in FY13, a record in terms of recurring EPS. Net assets per share increased from RM8.56 as at 30 June 2012 to RM9.66 as at 30 June 2013.

HLFG has also declared and paid a total single-tier dividend per share of 36 sen in FY13, **an increase of 44%** over the previous year’s 25 sen per share and a record for the Company.

*“We are encouraged by the growth in our net profits, achieved amidst a backdrop of continued integration results at HLB as well as its on-going branch transformation programs. We have consolidated last year’s impressive gains and brought new leadership into our enlarged bank. We are looking forward to take our core businesses to the next level.”* said Mr Raymond Choong, President & CEO of HLFG.

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**About Hong Leong Financial Group**

Hong Leong Group is a leading provider of financial services through the subsidiaries and associate companies of Hong Leong Financial Group Berhad.

The Group's Financial Services companies provide a broad spectrum of financial services – commercial banking, treasury, insurance, investment banking, capital markets, stock-broking and asset management throughout Malaysia, Singapore, China, Hong Kong, Vietnam and Cambodia. Based in Kuala Lumpur, our products and services are distributed via a diverse range of distribution channels.

Our vision is to be an integrated financial services group that consistently meets our customers' needs. Our goal is to become a leader in the financial services industry; a leader in each of the markets that we operate in.

**For further details, visit [www.hlf.com.my](http://www.hlf.com.my) or [www.bursamalaysia.com](http://www.bursamalaysia.com), and for further clarification, please contact:**

Chew Seong Aun  
Chief Financial Officer  
Tel: +603 2164 8228  
Email: [cfo-hlf@hongleong.com.my](mailto:cfo-hlf@hongleong.com.my)