

***For Immediate Release*****Hong Leong Financial Group announces final results:  
PRETAX PROFIT CROSSES RM3 BILLION MARK FOR THE FIRST TIME**

**KUALA LUMPUR, 26 AUGUST 2014** - Hong Leong Financial Group Berhad ("HLFG") today announced its final results for the year ended 30 June 2014 ("FY14").

- Pretax profit for FY14 came in at another record of RM3.01 billion, representing a 14.4% year-on-year ("y-o-y") increase.
- Insurance pretax profit increased by 90.5% y-o-y to RM350.4 million, representing 11.5% of Group pretax profit.
- Net profit after tax & minority interest increased by 14.7% y-o-y to an all-time high of RM1.71 billion, surpassing the previous high in FY11 which included M&A profits.

Hong Leong Financial Group's President & Chief Executive Officer, Mr Raymond Choong commented, *"We are pleased by the double digit earnings growth achieved this financial year given the challenging operating & business environment. The earnings growth was achieved across all three key businesses divisions; commercial banking, insurance and investment banking. Of note is the strong improvement in results achieved by our insurance division, in particular Hong Leong Assurance where we are now reaping the benefits of our strategy pursued over the last few years"*

**Commercial Banking**

- HLFG's Commercial Banking division, Hong Leong Bank Berhad ("HLB"), recorded a growth in pretax profit of 9.2% y-o-y or RM220.3 million in FY14 to RM2.61 billion.
- This was attributed to higher net interest & financing income (+RM148.6 million or 5.9% y-o-y) and a strong contribution from the Bank of Chengdu Co., Ltd and the Sichuan Jincheng Consumer Finance Limited Company joint venture whose total contribution increased by 42.0% to RM378.6 million in FY14. These two overseas units now comprise 14.5% of HLB's pretax profit.
- Despite a challenging back drop, HLB achieved a gross loan growth of 7.2% y-o-y in FY14.
- Annualised Return on Equity was 15.3% in FY14.
- Cost base trend was positive, with the Cost/ Income ratio decreasing by 1.7% y-o-y to 44.4% in FY14. Operating expenses decreased by 3.0% y-o-y despite continued wage inflation and higher operating costs reflecting the continuing efforts of cost & efficiency programs at the bank.
- Loan/ Deposit ratio increased by 1.4% y-o-y to 80.0% in FY14, reflecting the Group's effort to improve the deployment of its customer deposits.

- Asset quality remained strong with Net Impaired Loans Ratio improving to 0.36% as at 30 June 2014 which is amongst the lowest in the industry.

### Insurance

- HLA Holdings Sdn Bhd, HLFG's insurance division, recorded a pretax profit of RM350.4 million in FY14, an increase of 90.5% y-o-y or RM166.5 million.
- The impressive growth was due to strong growth at our life insurer Hong Leong Assurance Berhad ("HLA"), where the pretax profit increased by 130% y-o-y or RM162.2 million to RM286.6 million.
- The business & product strategy undertaken over a number of years and strong business/premium growth achieved in the last few years have produced increasingly better results at the bottom line.
- The focus remains on growing and improving the quality of its premium base, increasing profitability drivers as well as growth across multiple distribution channels.

### Investment Banking

- The Investment Banking division under Hong Leong Capital Berhad, recorded a growth in pretax profit of 16.2% y-o-y to RM78.9 million in FY14 helped by a strong performance from our stockbroking business which registered a 96% y-o-y increase in pretax profit.

In addition, we wish to announce that HLFG had declared a total single tier dividend of 38 sen per share in FY14 which is higher by 2 sen than FY13.

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

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