

*For Immediate Release***Hong Leong Financial Group Achieves Profit Before Taxation of RM1.18 billion in First Half FY16**

**KUALA LUMPUR, 23 FEBRUARY 2016** - Hong Leong Financial Group Berhad (“HLFG” or “the Group”) today announced its first half results for the six months ended 31 December 2015 (“1H16”).

- Excluding Hong Leong Bank Berhad’s (“HLB”) one-off Mutual Separation Scheme (“MSS”) cost of RM172 million, HLFG would have recorded a pretax profit of RM1,356 million in 1H16.
- HLFG’s insurance contribution continued to grow with pretax profit increasing 17.7% y-o-y to RM131.1 million in 1H16.
- Book value per share increased from RM12.48 as at 30 June 2015 to RM13.05 as at 31 December 2015.
- Both HLFG and HLB successfully completed their respective rights issues in December 2015; strengthening their capital positions in advance of regulatory requirements.

**Commercial Banking**

- HLFG’s Commercial Banking division, HLB recorded a pretax profit of RM1,051 million in 1H16. Excluding the effect of the MSS, HLB would have recorded a pretax profit of RM1,223 million in 1H16.
- Non-interest income improved by RM131.4 million y-o-y in 1H16, mainly due to higher forex gains.
- Gross loans grew by 9.9% y-o-y to RM118 billion whilst customer deposits grew by 9.5% y-o-y to RM145 billion.
- HLB continues to maintain a strong financial position. The Loan/Deposit ratio remained strong at 81.5% as at 31 December 2015, among the lowest in the industry amidst an environment of increasing competition for deposits.
- Asset quality remained good with Net Impaired Loans Ratio at 0.39% as at 31 December 2015, which is amongst the lowest in the industry. Loan loss coverage remains ample at 126%.

**Insurance**

- HLA Holdings Sdn Bhd, HLFG’s insurance division, recorded a pretax profit of RM131.1 million in 1H16, an increase of 17.7% or RM19.8 million y-o-y, largely due to lower actuarial reserves arising from higher interest rates.

- The underlying longer-term insurance business indicators continued to improve. Hong Leong Assurance Bhd's gross premiums grew by 5% y-o-y to RM1,297 million in 1H16 and its Non Par/Par product mix has shown a further improvement over the last 12 months.
- The focus remains on growing and improving the quality of our premium base, increasing profitability drivers as well as growth across multiple distribution channels.

### **Investment Banking**

- The Investment Banking division under Hong Leong Capital Berhad, maintained its pretax profit at RM34.3 million in 1H16.

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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, stockbroking 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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