

For Immediate Release**Hong Leong Financial Group Records a Net Profit
Attributable To Shareholders of RM1.7 Billion for its Nine
Months Financial Results as at 31 March 2021**

KUALA LUMPUR, 27 MAY 2021 - Hong Leong Financial Group Berhad (“HLFG” or the “Group”) today announced its results for the nine months ended 31 March 2021 (“9MFY21”).

- The Group recorded a net profit attributable to shareholders of RM1.7 billion, an increase of 27.0% year-on-year (“y-o-y”) for the period due to solid contributions from all its operating businesses; the commercial banking division, Hong Leong Bank Berhad (“HLB”), the insurance division, HLA Holdings Sdn Bhd (“HLAH”) and the investment banking division, Hong Leong Capital Berhad (“HLCB”).
- Our efforts on our Islamic financial services continue to show results; net income from our Islamic banking and Takaful businesses for the period was RM734 million, an increase of 12.4% y-o-y. The contribution of the Islamic businesses to HLFG Group’s profit before tax was 13.9%.
- Book value per share increased from RM18.43 as at 30 June 2020 to RM19.50 as at 31 March 2021.

Hong Leong Financial Group’s President & Chief Executive Officer, Tan Kong Khoon commented, “Despite the on-going COVID-19 pandemic and movement control measures, the Group was able to deliver a commendable performance across all the core operating businesses in 9MFY21. We anticipate a gradual recovery of the Malaysian economy underpinned by the vaccination rollout under National COVID-19 Immunisation Programme. However, with the resurgence of COVID-19 cases and tighter containment measures, we shall continue to prudently manage our key business risks and ensure our business continuity plans remain in place. We expect the Group to remain resilient and draw on our strength in terms of liquidity, capital and credit discipline whilst maintaining our strong focus on risk management.

I am pleased to inform that the Group was recently recognised by The Asian Banker for its sustained financial strength and response to the challenges posed by the pandemic last year. HLFG topped The Asian Banker’s ranking of Strongest Banks by Balance Sheet in Malaysia and ranked 12th in the Asia Pacific in 2020. This award is testimony to the efforts of our entire Group and a reflection of our commitment to diligently execute our business and digital strategies in building sustainable value for our shareholders.”

Commercial Banking

- HLB recorded a net profit after tax of RM2,171 million for the period, increased 12.8% y-o-y, supported by double-digit topline growth, prudent cost control and robust contributions from associates.
- The Bank's operating expenses ("Opex") remained tightly controlled with Cost-to-Income ratio improving to 37.4%. The lower Opex was contributed by the Bank's digitalisation efforts and effective cost management.
- Loans grew by 7.3% y-o-y to RM152.8 billion. The Bank's domestic loans growth continues to outperform the industry; growing by 7.4% y-o-y, while domestic loans to business enterprises expanded strongly by 14.4% y-o-y to RM46.4 billion. The Bank's community banking initiative focusing on the SME segment continued its solid performance with a 31.3% y-o-y loan growth.
- Asset quality positions remained stable with a Gross Impaired Loans ratio of 0.53% as at 31 March 2021. Loan Impairment Coverage ("LIC") ratio as at 31 March 2021 improved to 205%. Inclusive of regulatory reserve, the Bank's LIC ratio stood at 274%.
- The Bank focus on maintaining strong funding and liquidity positions to help clients through their recovery journey. The prudent Loan-to-Deposit ratio of 83.6% was maintained whilst Liquidity Coverage ratio increased from 130.3% as at 31 March 2020 to 147.7% as at 31 March 2021.
- Capital position remained robust, with Common Equity Tier 1, Tier 1 and Total Capital Ratios at 13.0%, 13.5% and 15.7% respectively as at 31 March 2021.

Insurance

- HLAH recorded a net profit after tax of RM285 million, an increase of more than two-fold compared to last year. The result was mainly contributed by higher premiums, higher fair value gain on equities and lower actuarial liabilities due to increasing MGS rates offset by fair value losses on bonds.
- In respect to business, Hong Leong Assurance Berhad ("HLA"), our key insurance operating subsidiary, continues to grow its gross premiums and new business regular premiums ("NBRP"). For 9MFY21, its gross premiums increased 12.1% y-o-y to RM2,308 million while NBRP grew 29.6% y-o-y to RM564 million.
- Our Takaful operating subsidiary, Hong Leong MSIG Takaful Berhad, also showed a robust business growth trajectory with a 10.5% y-o-y increase in its gross contribution.

Investment Banking

- HLCB's reported net profit after tax increased 128.7% y-o-y to RM132 million, supported by higher profit contribution from its stockbroking division and investment banking division. The two divisions contributed 82% of HLCB Group's profit before tax.
- Our stockbroking division continued to benefit from higher market activity for the period ended 31 March 2021, with transaction volume increasing by 159% y-o-y. The better performance of the investment banking division was underpinned by stronger revenue from treasury and markets, as well as improved deal flows from the debt and equity markets during the period.
- Hong Leong Asset Management Berhad ("HLAM"), a fund management subsidiary of HLCB, has recently won 9 individual Refinitiv Lipper Fund awards and a highly coveted Best Equity Group Award - Malaysia Provident for its stellar performance.

End

About Hong Leong Financial Group

Hong Leong Financial Group Berhad, as the listed financial services arm of Hong Leong Group, is a leading provider of financial services through its subsidiaries and associate companies.

The Group's financial services companies provide a broad spectrum of financial services – commercial and Islamic banking, treasury, insurance and Family Takaful, investment banking, 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 or www.bursamalaysia.com, and for further clarification, please contact:

Investor Relations

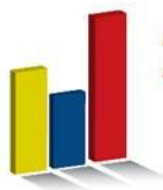
Teh Tiong Khim
Group Chief Financial Officer
Tel: +603 2080 9888

Email: cfo-hlfg@hongleong.com.my

Media

Vivian Tan
General Manager, Corporate Communication & CSR
Tel: +603 2081 8888 Extn 61914

Email: capr@hlbb.hongleong.com.my



/// **THE STRONGEST BANK IN MALAYSIA**
/// **12TH STRONGEST BANK IN ASIA PACIFIC**
BY BALANCE SHEET, 2020

THE ASIAN BANKER

THANK YOU FOR THE TRUST SHOWN IN US