

INVESTOR PRESENTATION

First Half Results ended 31 December 2022

28 February 2023



Contents

- ❖ **1H23 Financial Highlights**
- ❖ **HLFG Key Performance Trends**
- ❖ **Highlights:**
 - **Banking Division**
(Please refer to HLB's IR slides)
 - **Insurance Division**
 - **Investment Banking & Fund Management Division**

1H23 Financial Highlights

HLFG

- HLFG's results remained robust and resilient in 1H23.
- Net Profit Attributable To Shareholders at RM1.5 bn, +21.0% yoy.
- Book Value per share increased 7.6% yoy to RM22.28
- Interim dividend per share: 17.0 sen, +2 sen yoy.

HLB

- Net Profit was RM2.02 bn, +27% yoy.
- Loans grew 7.6% yoy, better than market.
- Low cost to income ratio of 36.4%
- Solid asset quality with Gross Impaired Loan ("GIL") ratio stood at 0.49%.

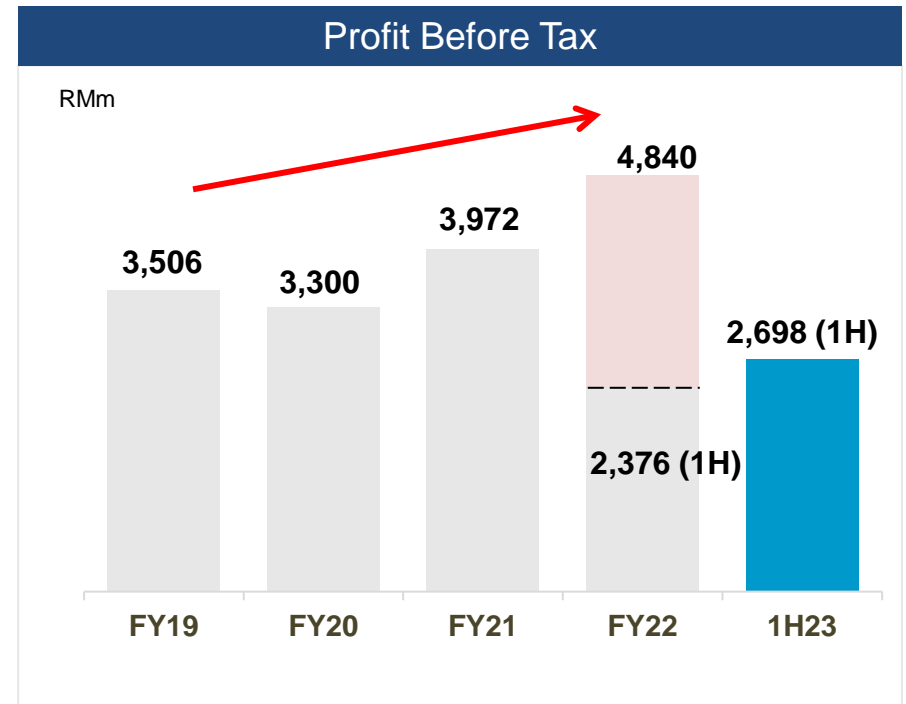
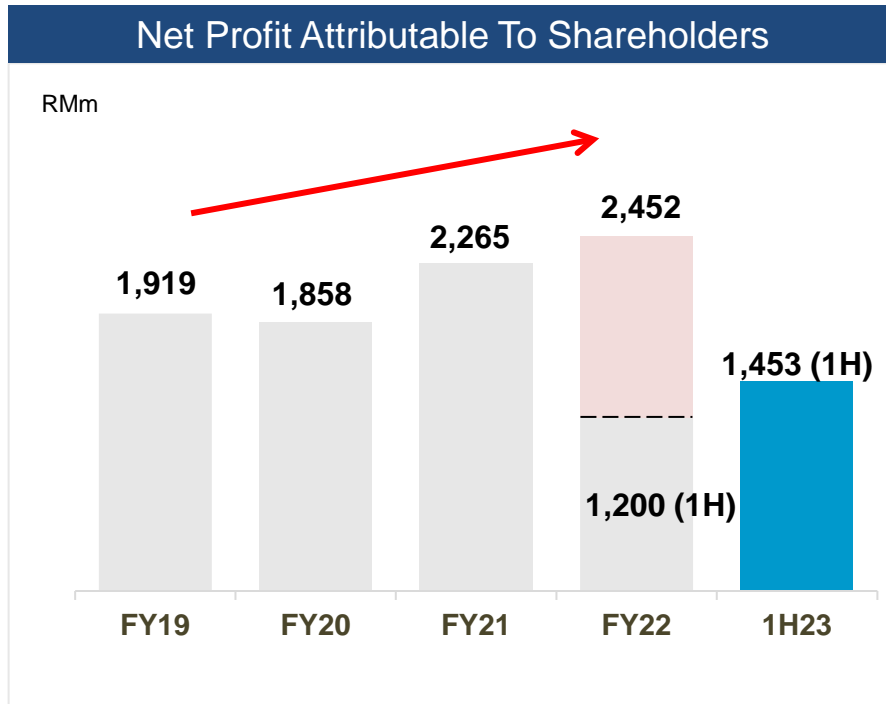
HLA

- Net Profit recorded at RM169 mil, -6% yoy.
- Gross premiums decreased -4% to RM1.55 bn in 1H23 while new business regular premiums decreased -16%.

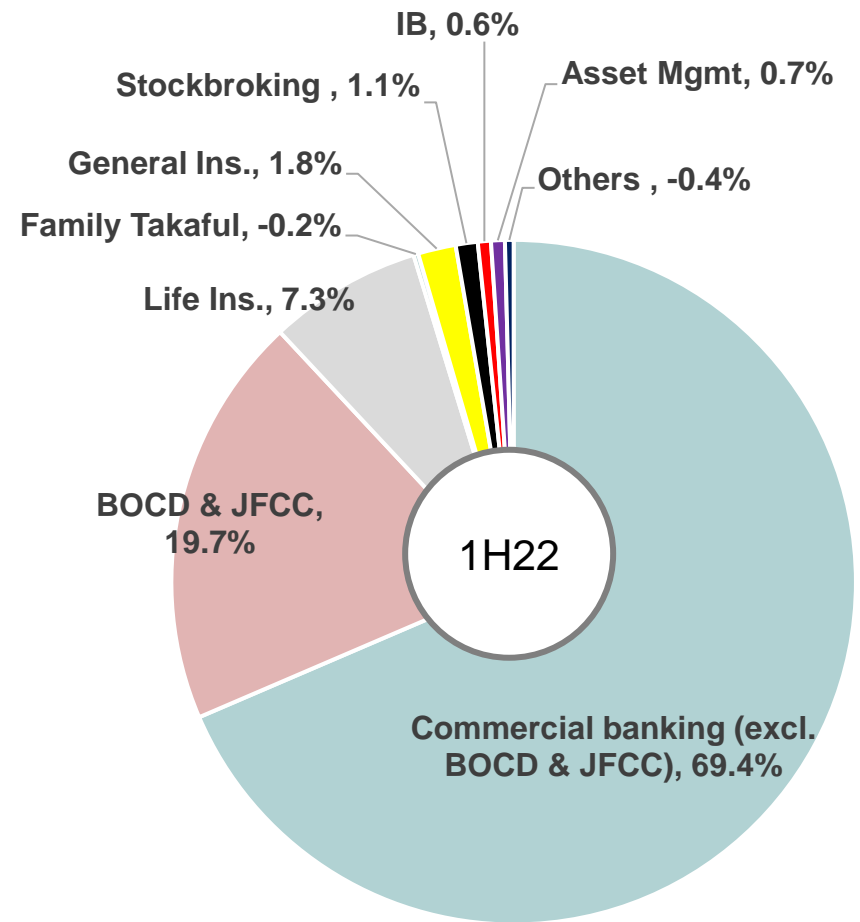
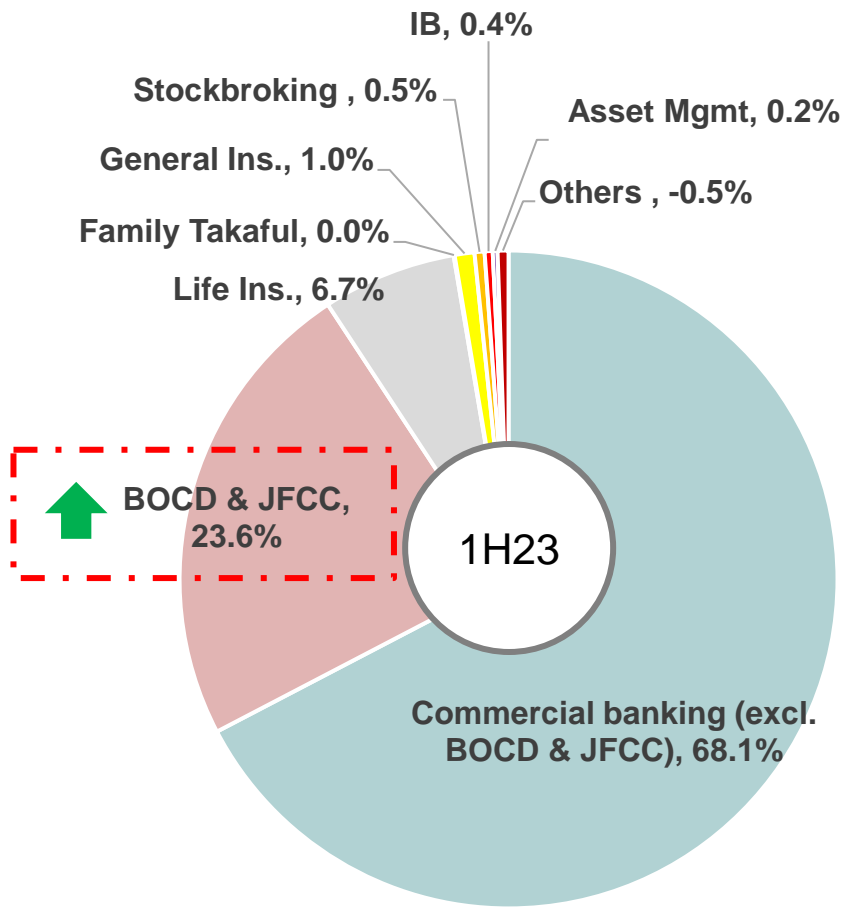
HLCB

- Net Profit decreased to RM29 mil, -35% yoy mainly due to weaker stockbroking earnings.
- Asset management earnings decreased by -59% yoy. The average AUM decreased by -41% yoy due to outflow in money market funds.

HLFG Key Performance Trends



PBT Contribution from business segments

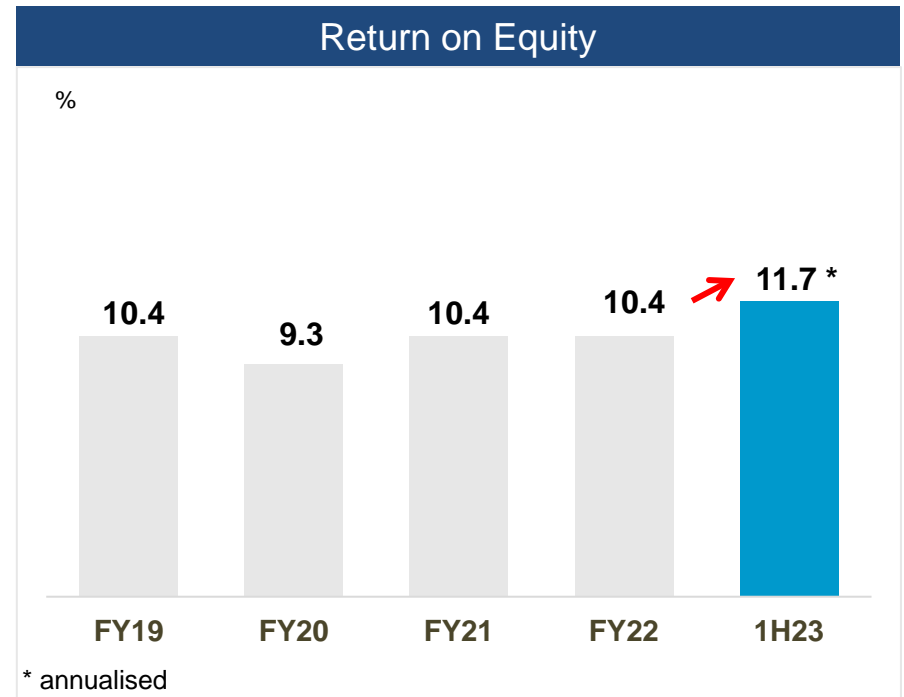
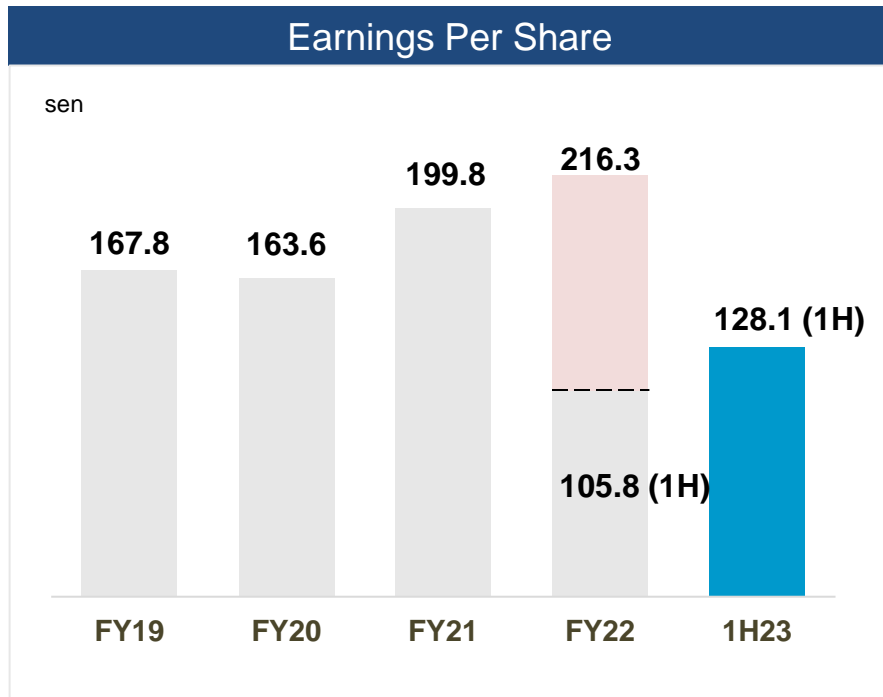


Notes:

- General Insurance incl. MSIG
- Others (incl. consolidation entries)

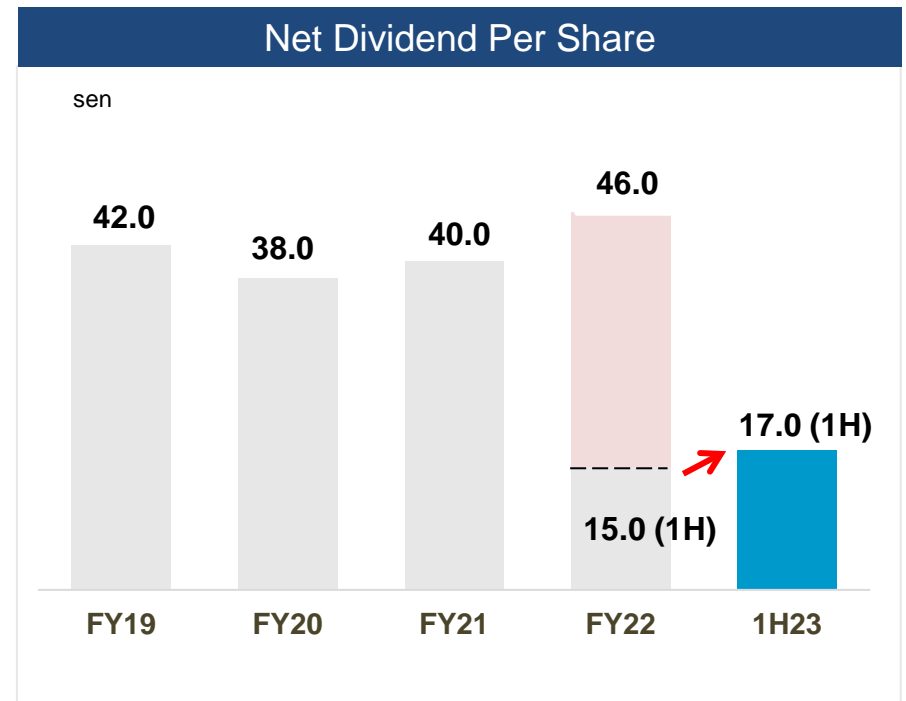
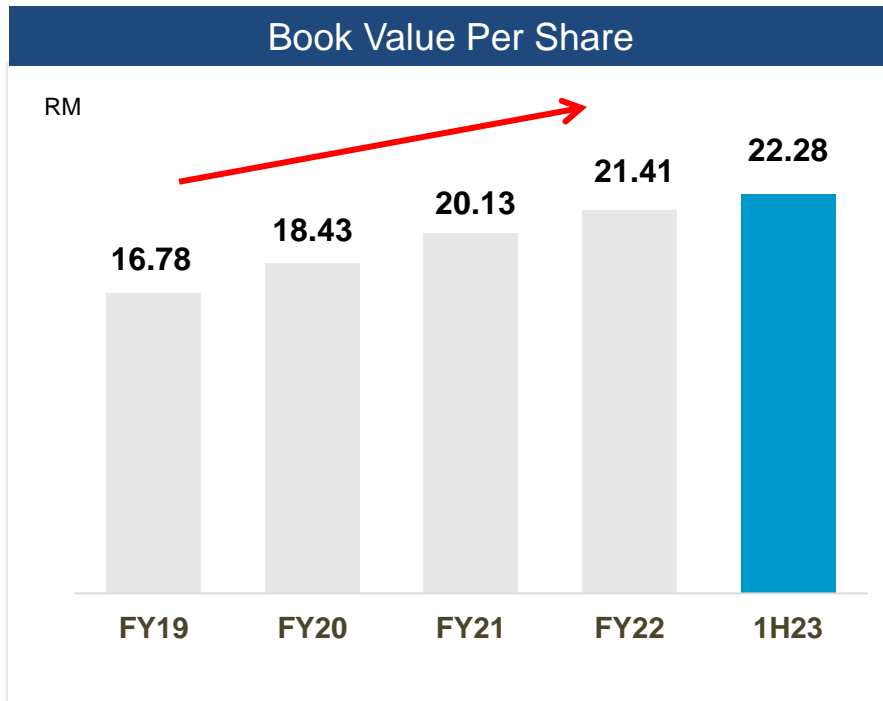
HLFG Key Performance Trends

- Earnings Per Share +21.1% yoy to 128.1 sen.
- Return on Equity increased to 11.8% (annualised).



HLFG Key Performance Trends

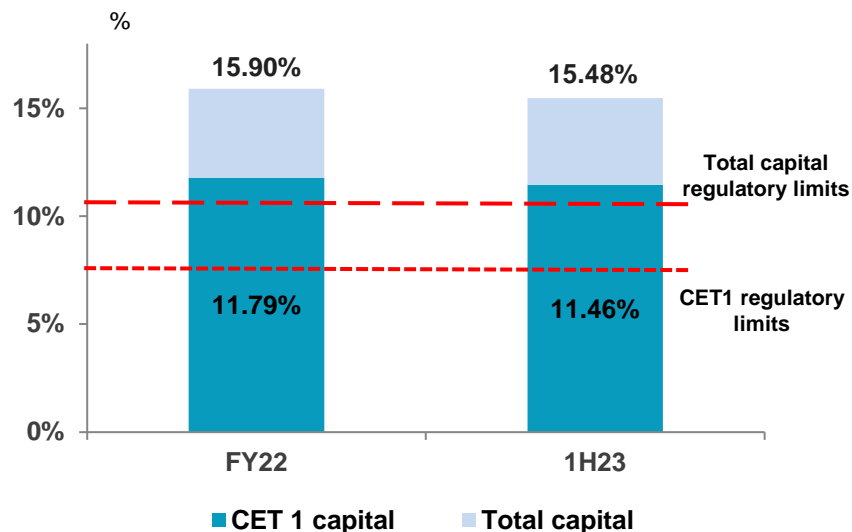
- Book value per share +4.1% to RM22.28 (+7.6% yoy).
- DPS +2 sen yoy to 17.0 sen in 1HFY23



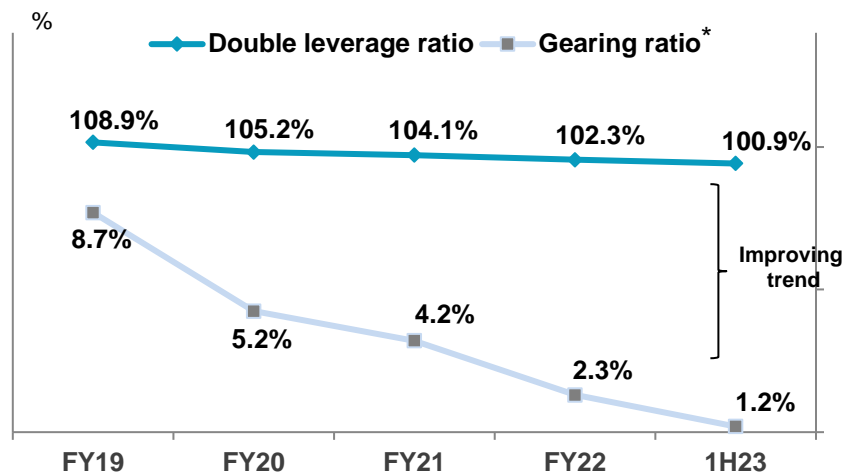
HLFG Key Performance Trends

- Capital positions remained robust and sound to support our business.
- Our Group consolidated capital position stayed above regulatory limits.

Capital Position



Debt to Equity & Double Leverage



* Borrowing is net of cash and cash equivalent

Note:

For back-to-back issuances, Hybrid Capital (AT1 & T2) are excluded from both double leverage and gearing computations based on RAM's methodology

RAM

Corporate Credit Ratings: **AA1/Stable/P1**
Rating Outlook: **Stable**

Highlights: Banking Division (HLB)

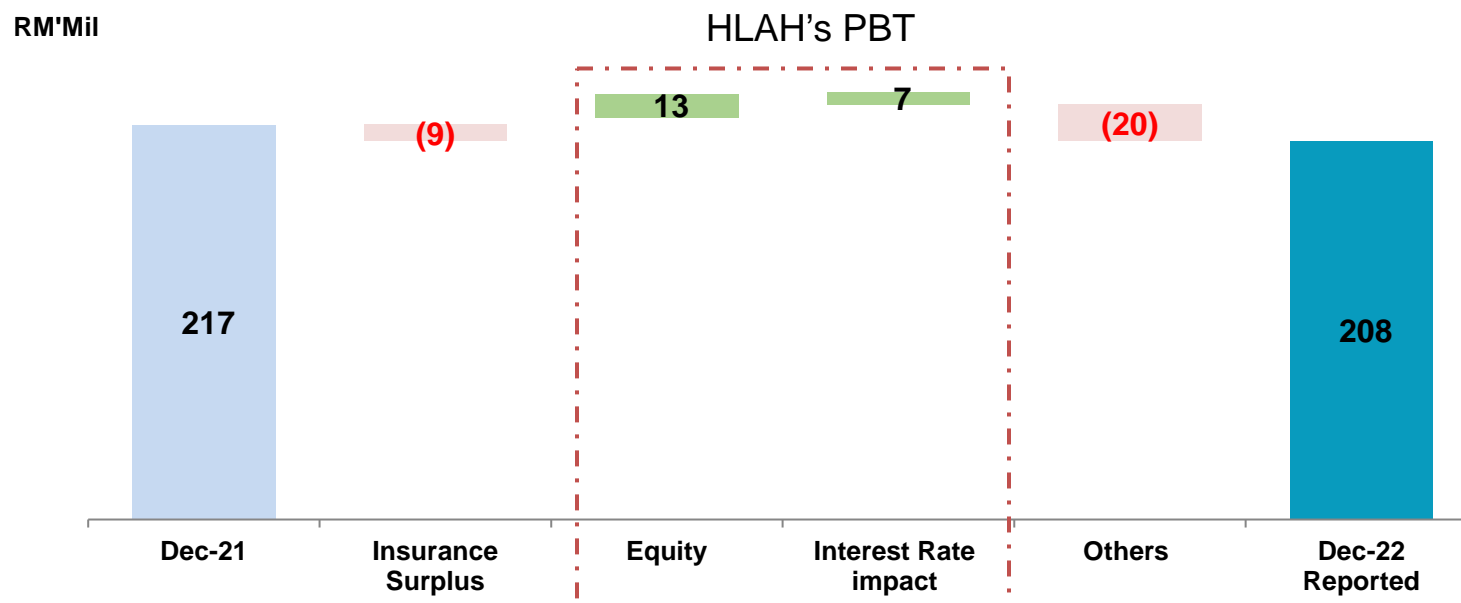
For further information on HLB, please refer to the HLB analyst information slides.

Highlights: Insurance Division (HLAH)

- ❖ **1H23 Financial Highlights**
- ❖ **Key Performance Indicators**
- ❖ **Product Segments & Market Position**
- ❖ **Distribution Highlights**

1H23 Financial Highlights

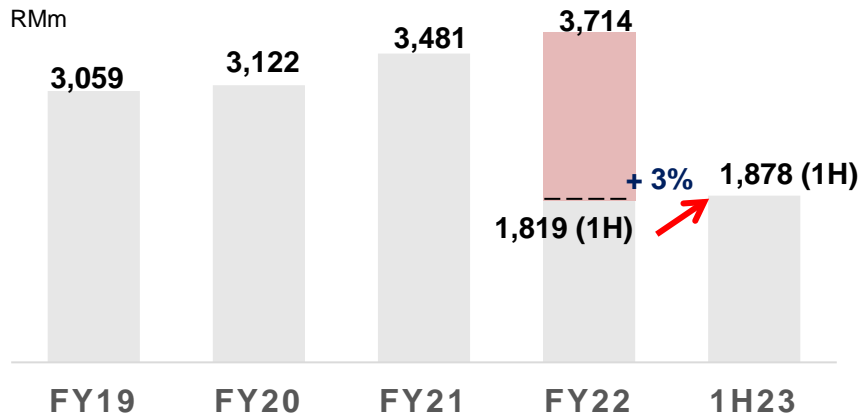
Net Profit (RM'mil)	1H22	1H23	YoY Change	YoY Change (%)
HLA Holdings (Group)	180.0	168.8	-11.2	-6.3%
Hong Leong Assurance	140.5	141.9	+1.4	+1.0%
Hong Leong MSIG Takaful	(7.3)	0.0	+7.3	+100.4%



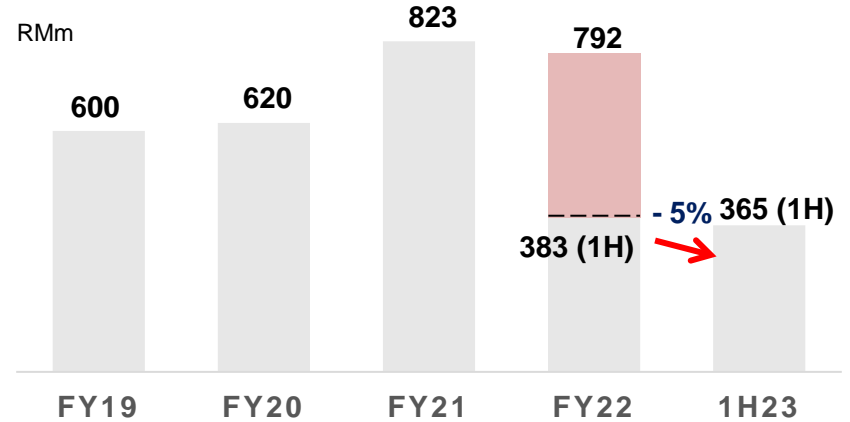
Despite higher mark to market gains on investments, lower profits recorded due to higher claims experience and lower share of profits from its associate.

Key Performance Indicators

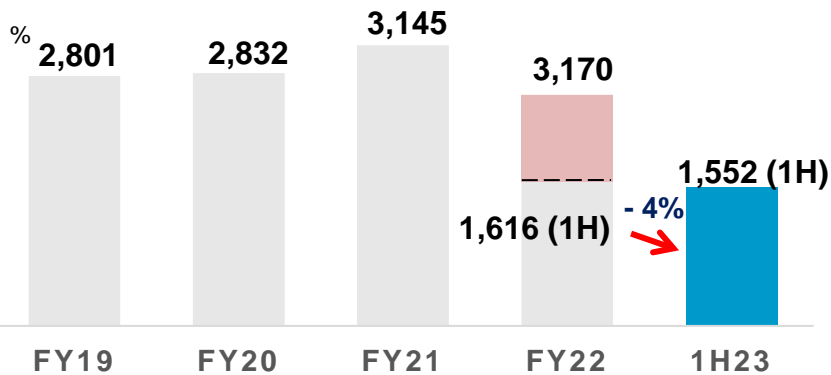
Gross Premiums & Contribution



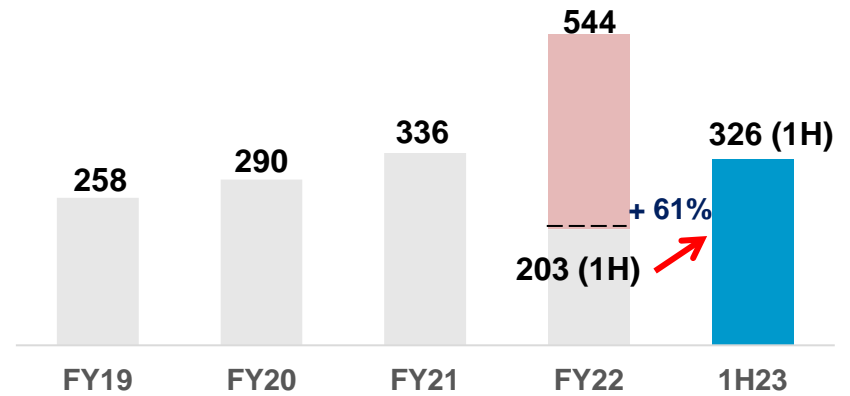
New Business Regular Premium & Contribution



HLA Gross Premiums



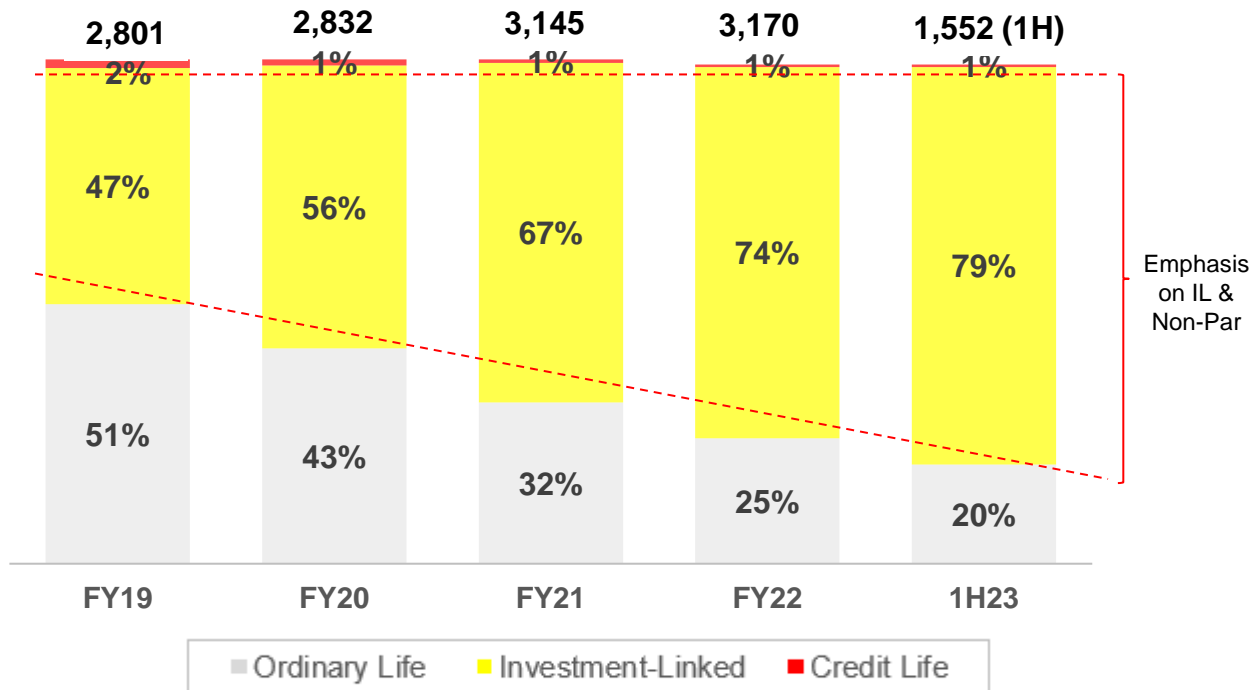
HLMT Gross Contribution



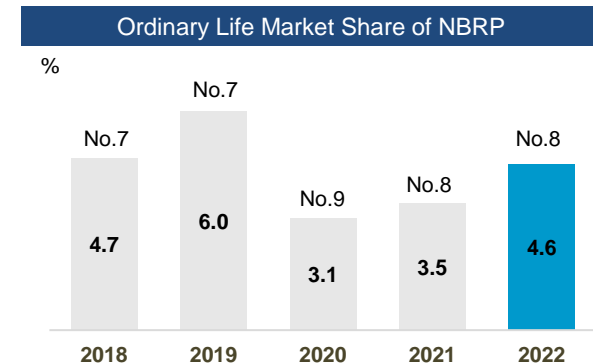
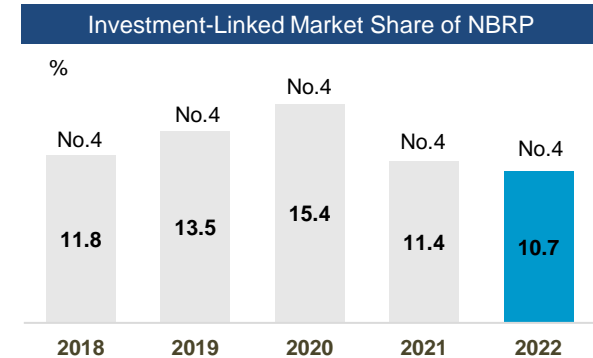
HLA: Product Segments & Market Position

- Investment-Linked gross premium recorded RM1,237 mil, +3% yoy. Share of gross premium by Investment-Linked segment has increased to 80%.
- Our premium contribution mix between regular vs single is 93:7.
- For Dec 22, Investment-Linked & Non-Par / Participating ratio for new business at 96:4.

Product Segment By Gross Premiums (RM'mil)

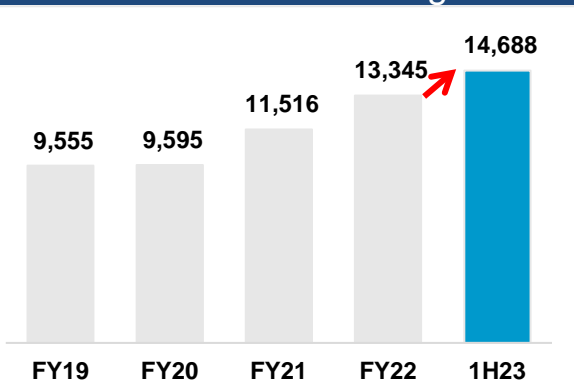


Market Position By NBRP (%)

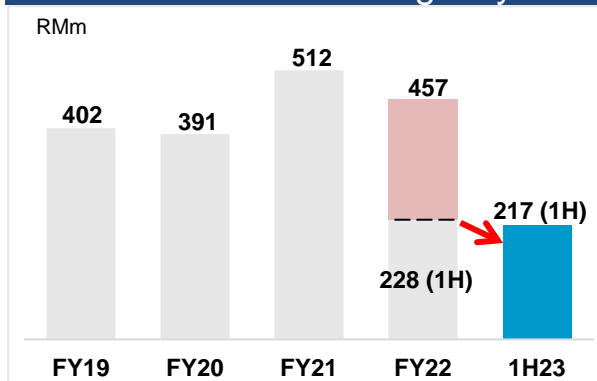


Distribution Highlights (HLA & HLMT)

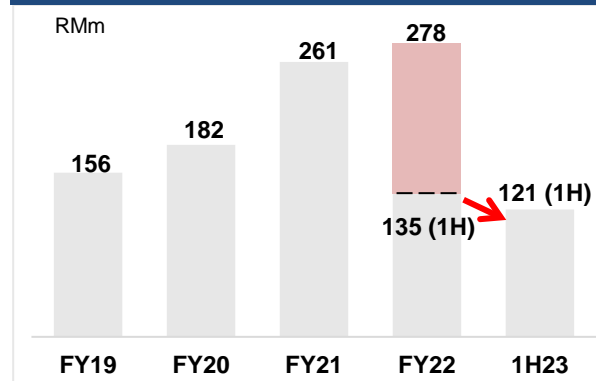
Combined Number of Agents



NBRP & NBRC - Agency



NBRP & NBRC - Banca



- On a combined basis, our agency channel expansion delivered good progress.
- Our continued focus is building a productive and professional agency force.
- Lower NBRP from shift to protection policies with smaller case size.

- Shift in product mix with smaller case size amid higher bank deposit rates.
- Leverage on HLB's over 200 branches.

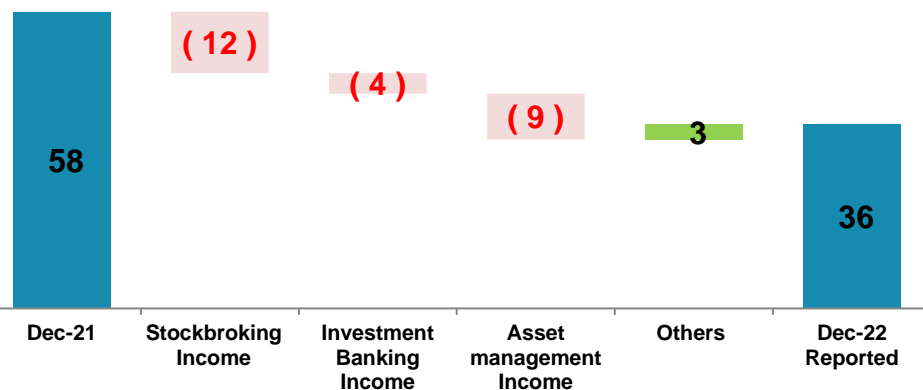
Highlights: Investment Banking & Fund Management Division

- ❖ **1H23 Financial Highlights**
- ❖ **Business Performance**

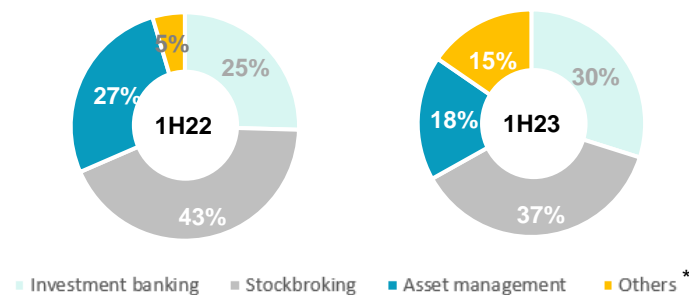
1H23 Financial Highlights

Net Profit (RM'mil)	1H22	1H23	YoY Change	YoY Change (%)
Hong Leong Capital Berhad (Group)	44.3	28.6	-15.7	-35.4%
Hong Leong Investment Bank (Group)	30.4	18.4	-12.0	-39.5%
Hong Leong Asset Management	11.8	4.9	-6.9	-58.5%

HLCB's PBT (RM'mil)

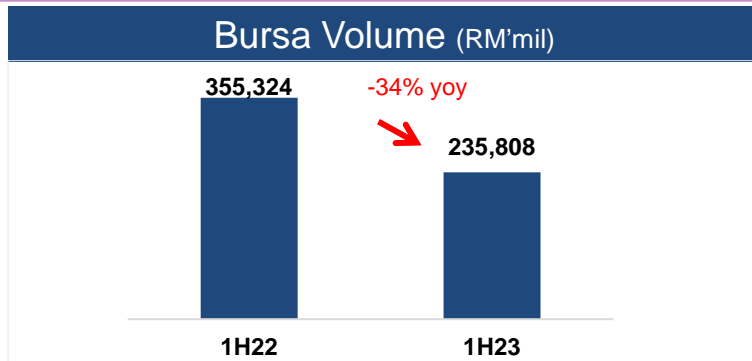


Contribution to HLCB's PBT (%)

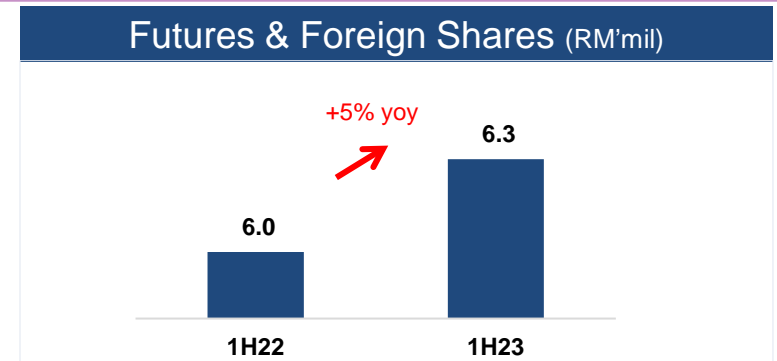


* Others include HLCB's revaluation of financial assets. Higher revaluation gain was reported in 1H23.

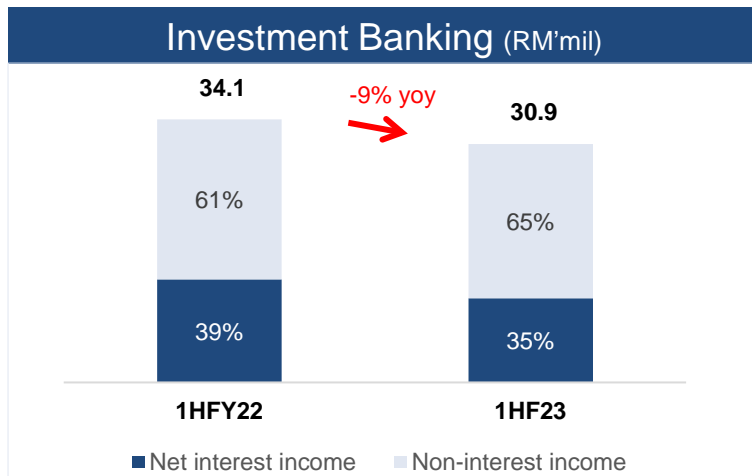
HLCB: Business Performance



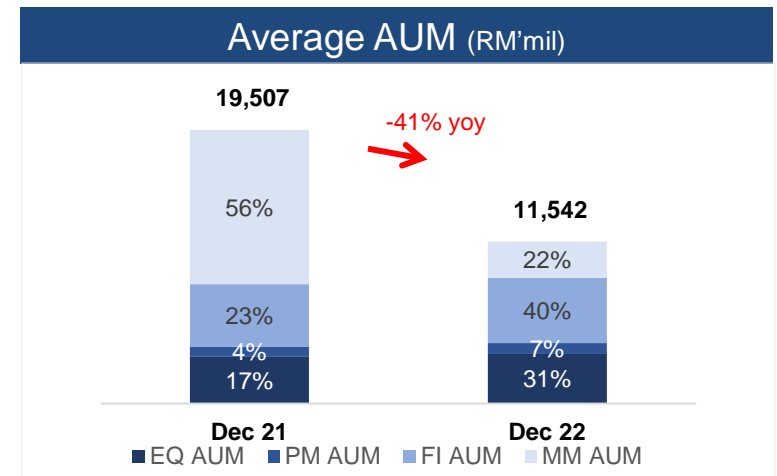
Subdued Bursa market activity with lower trading value affecting stockbroking performance



Growth in other income streams in Futures & Foreign Shares trading



Higher funding cost resulted compression in net interest income & supplemented by non-interest income attributable to completion of deal mandates



Substantial reduction in money market funds driven by removal of tax exemption and competitive FD interest rates

Disclaimer

This presentation has been prepared by Hong Leong Financial Group (“HLFG”) for selected recipients for information purposes only. The information contained herein is believed to be correct as of the date of this presentation and is given in summary form and does not purport to be complete. HLFG does not make any representation or warranty, whether expressed or implied, as to the adequacy, accuracy or completeness of any such information, opinion or estimate contained and shall not be responsible or liable for any consequences of any reliance thereon by any recipient. Opinions and estimates constitute the judgment of HLFG as of the date of this presentation and are subject to change without notice.

HLFG does not act as any recipient’s financial advisor or agent and the information contained herein is not intended to be relied upon as advice to any recipient and should not be construed as an offer or recommendation to buy or sell securities. This presentation does not purport to contain all the information that a prospective investor may require and the information contained herein does not take into account the investment objectives, financial situation or needs of every recipient hence it may not be appropriate for all persons. Each recipient is responsible to make his or her own independent assessment of the information provided herein and should not treat the information provided as advice relating to investment or related matters. Each recipient should consult his or her own advisers and must make his or her own independent decision regarding any investment.

Certain statements contained in this presentation may be statements of future expectations and involve known and unknown risks and uncertainties. Forward-looking statements contained in this presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. HLFG does not have any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Each recipient should not place undue reliance on forward-looking statements, which is believed to be correct only as of the date of this presentation.

This presentation is being furnished to each recipient solely for his or her information and may not be reproduced, redistributed, transmitted or passed on, directly or indirectly, to any other person or published electronically or via print, in whole or in part, for any purpose.