
INVESTOR PRESENTATION

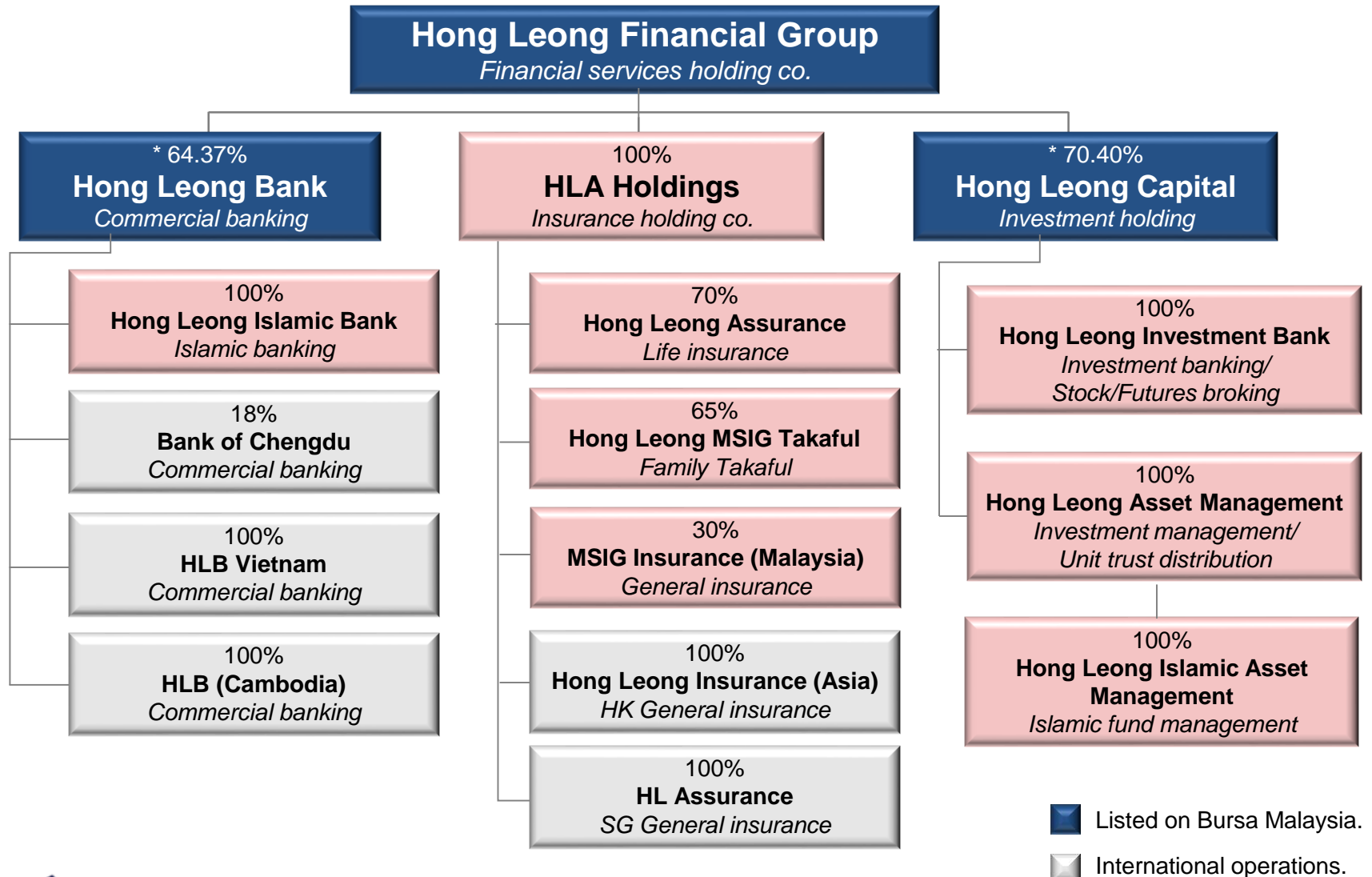
30 August 2022



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(Please refer to HLB's IR slides)
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Corporate Structure



FY22 Financial Highlights

HLFG

- HLFG's results remained robust and resilient in FY22.
- Net Profit Attributable To Shareholders at RM2.45 bn, +8% yoy.
- Book Value per share increased 6.4% yoy to RM21.41
- Net dividend per share: 46.0 sen, +6 sen yoy.

HLB

- Net Profit was RM3.29 bn, +15% yoy.
- Loans grew 8.0% yoy, better than market.
- Low cost to income ratio of 37.5%
- Solid asset quality with Gross Impaired Loan ("GIL") ratio stood at 0.49%.

HLA

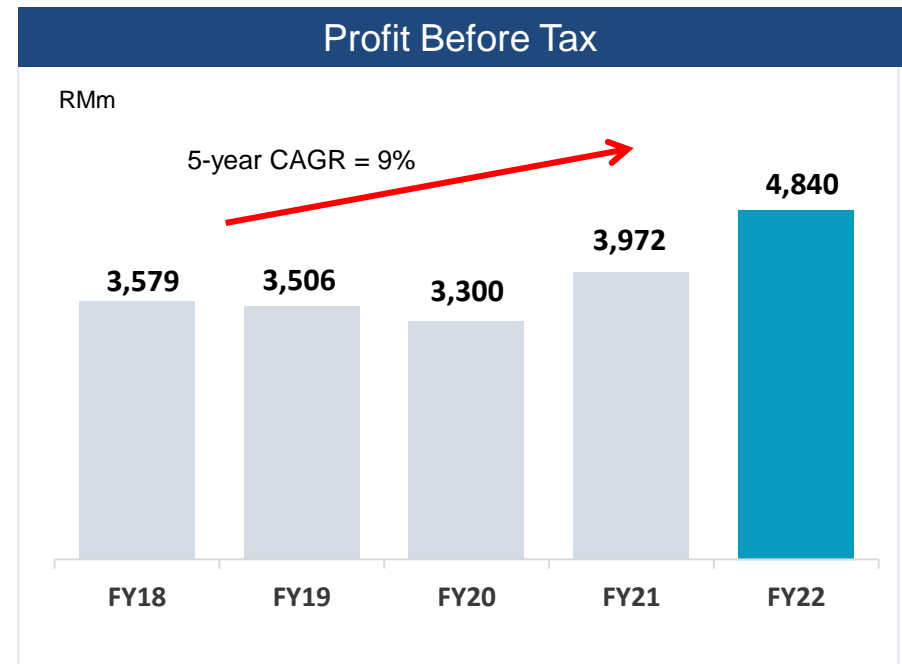
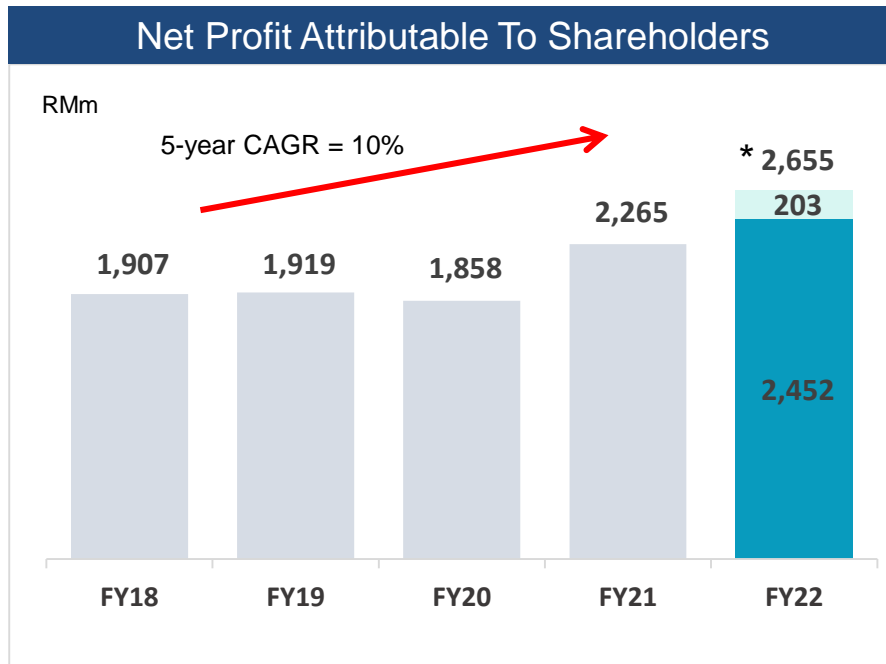
- Net Profit recorded at RM339 mil, -14% yoy. If excluding prior year one-off tax credit is -3.1% yoy.
- Gross premiums increased 1% to RM3.17 bn in FY22 while new business regular premiums decreased -13% to RM641 mil.
- EV and NBEV recorded double-digit growth, +14% yoy and +13% yoy respectively.

HLCB

- Net Profit decreased to RM73 mil, -64% yoy mainly due to weaker stockbroking earnings.
- Asset management earnings remained stable, with average AUM of RM16.7 bn.
- Net dividend per share: 19.0 sen, -7 sen yoy.

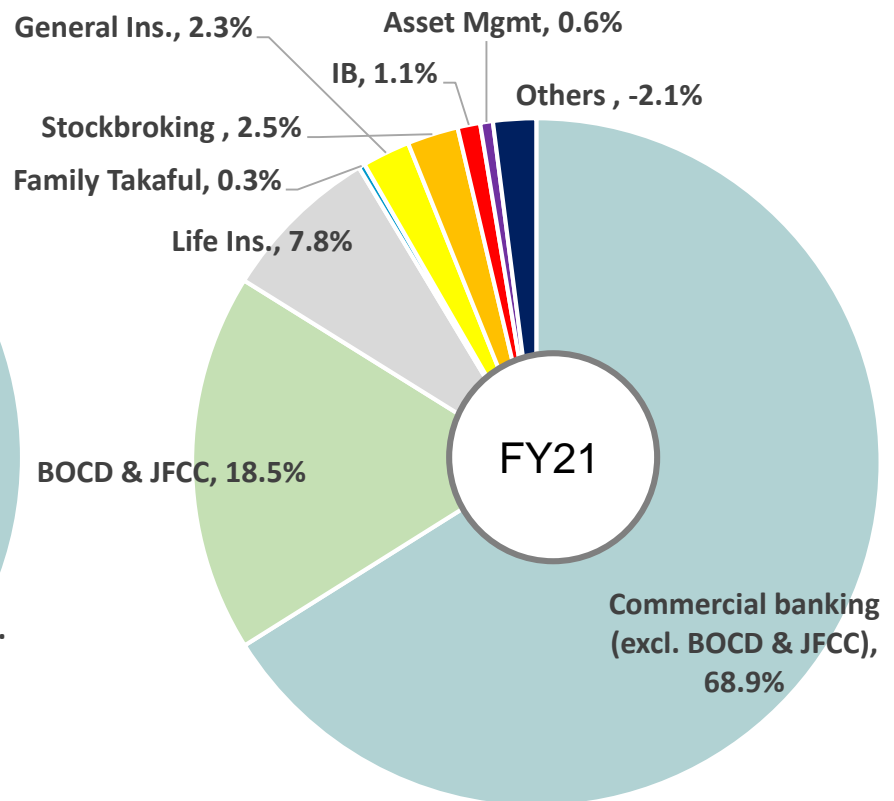
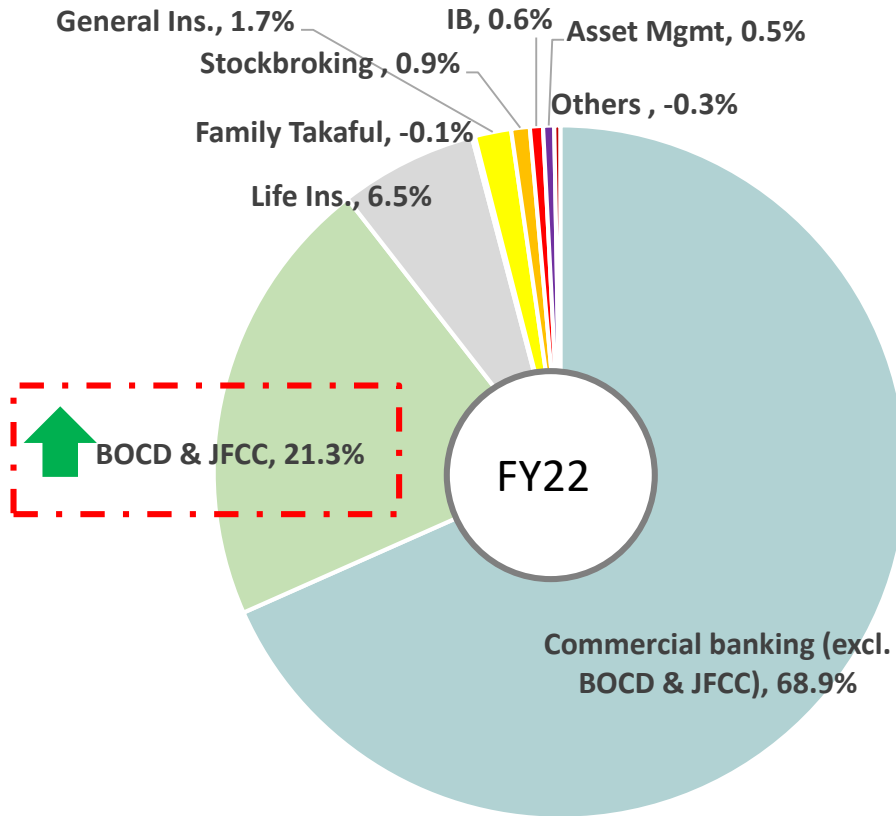
HLFG Key Performance Trends

- Steady improvement in performance over past 5 years.



* Normalised Profit Prosperity Tax

PBT Contribution from business segments

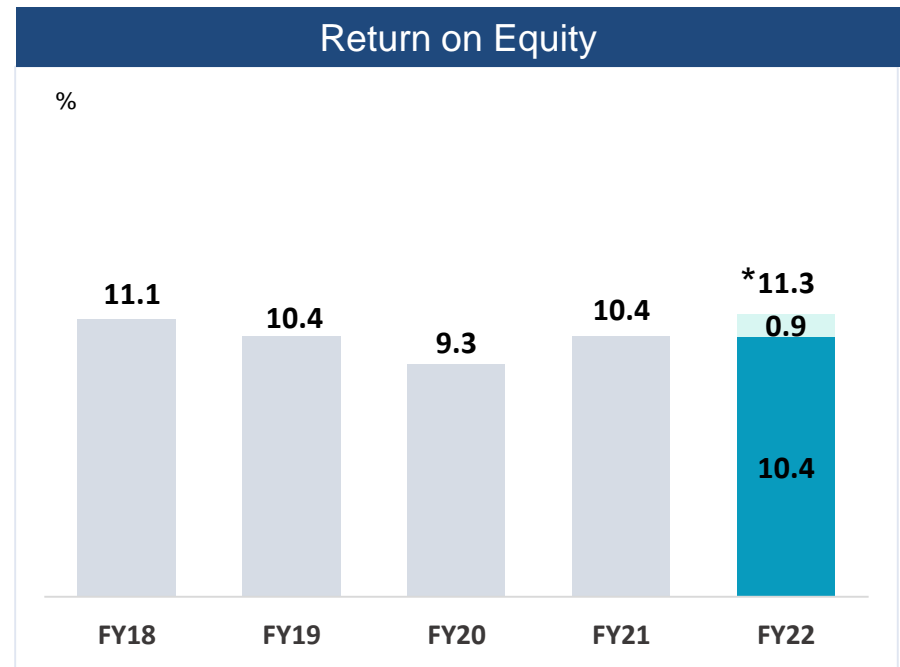
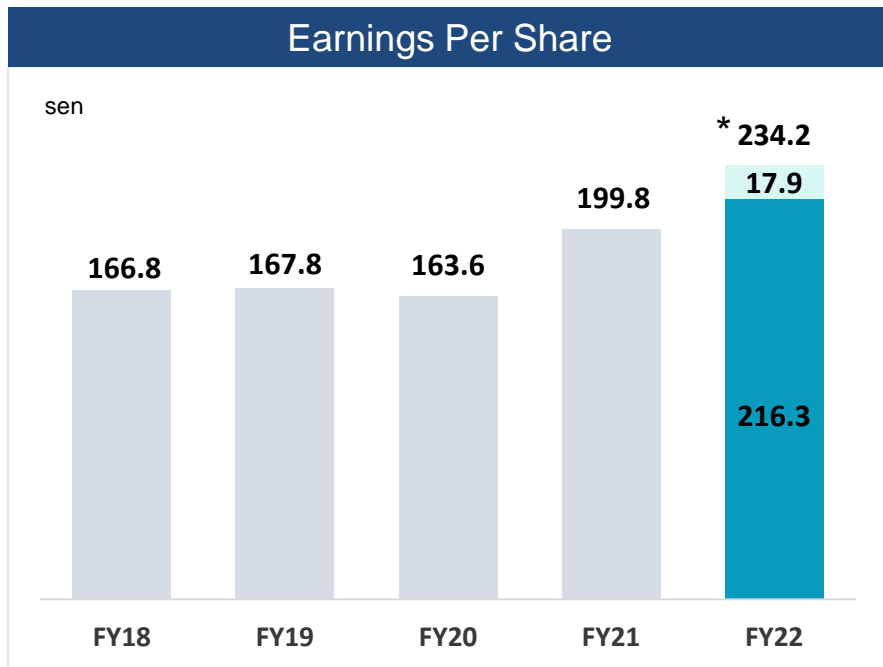


Notes:

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

HLFG Key Performance Trends

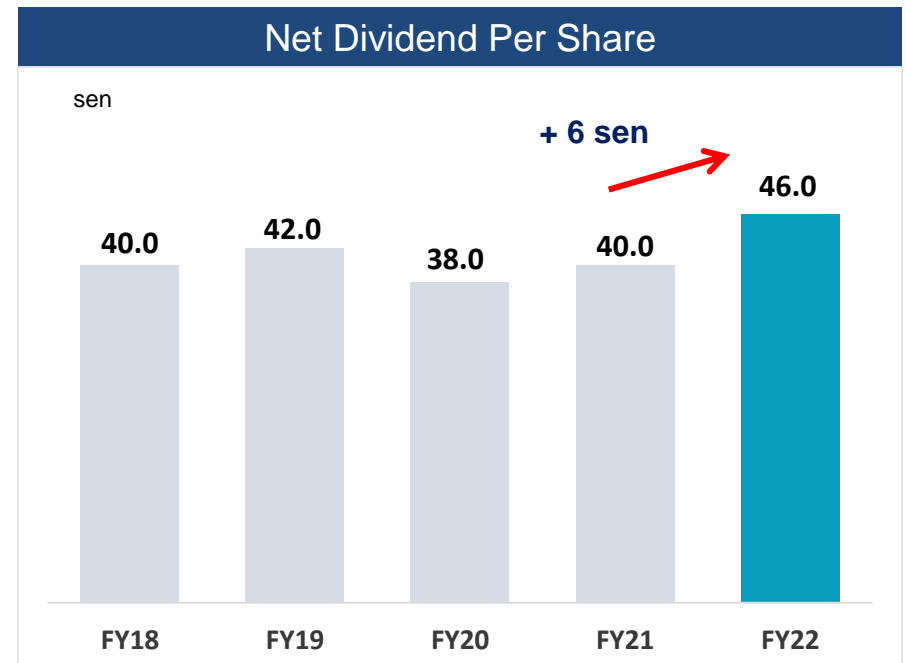
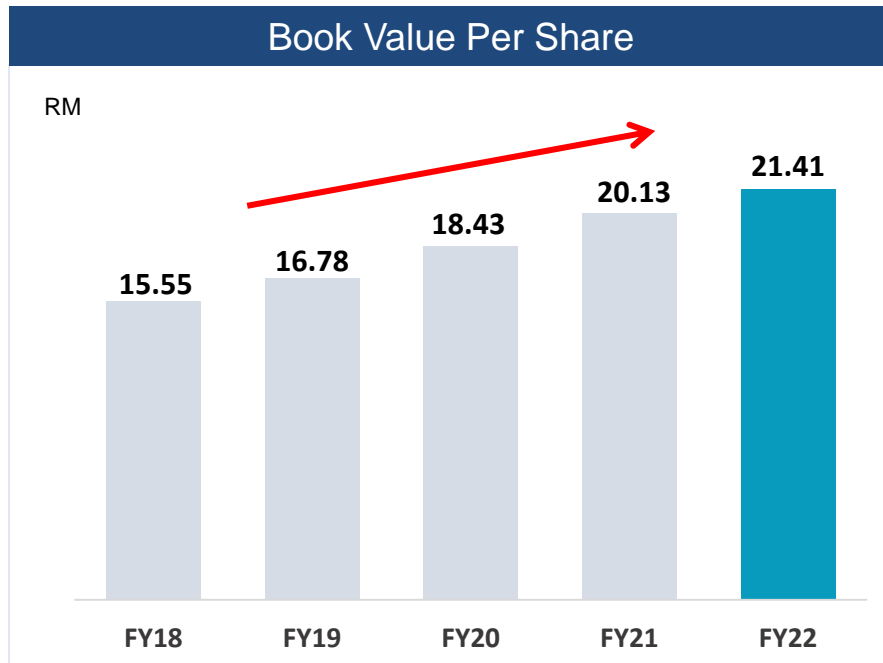
- Earnings Per Share +8.3% yoy to 216.3 sen.
- Return on Equity remained at 10.4%.



* Normalised Profit Prosperity Tax

HLFG Key Performance Trends

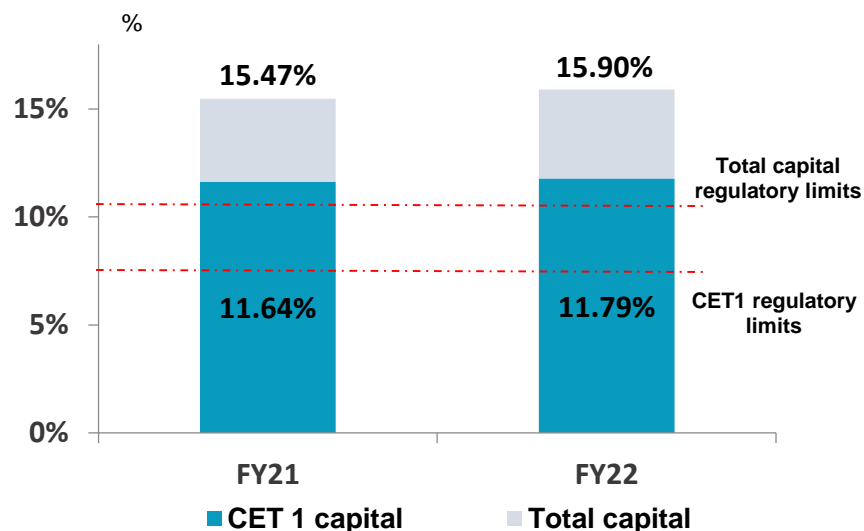
- Book value/share +6.4% yoy to RM21.41
- Net DPS +6 sen to 46.0 sen in FY22



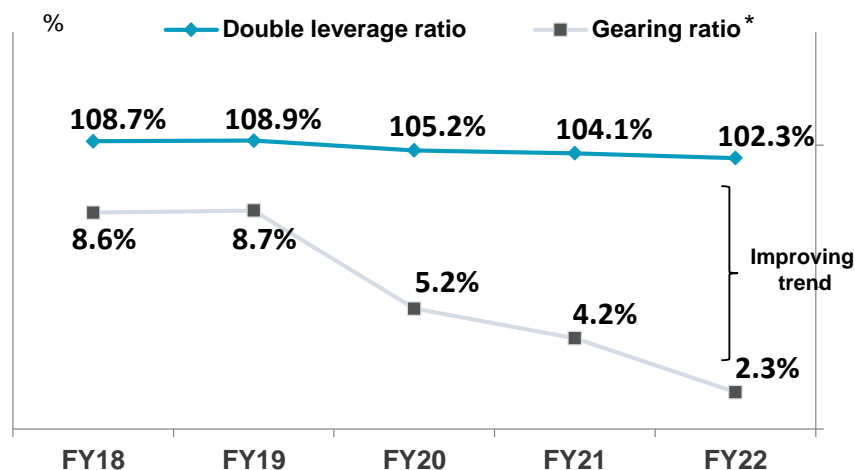
HLFG Key Performance Trends

- 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

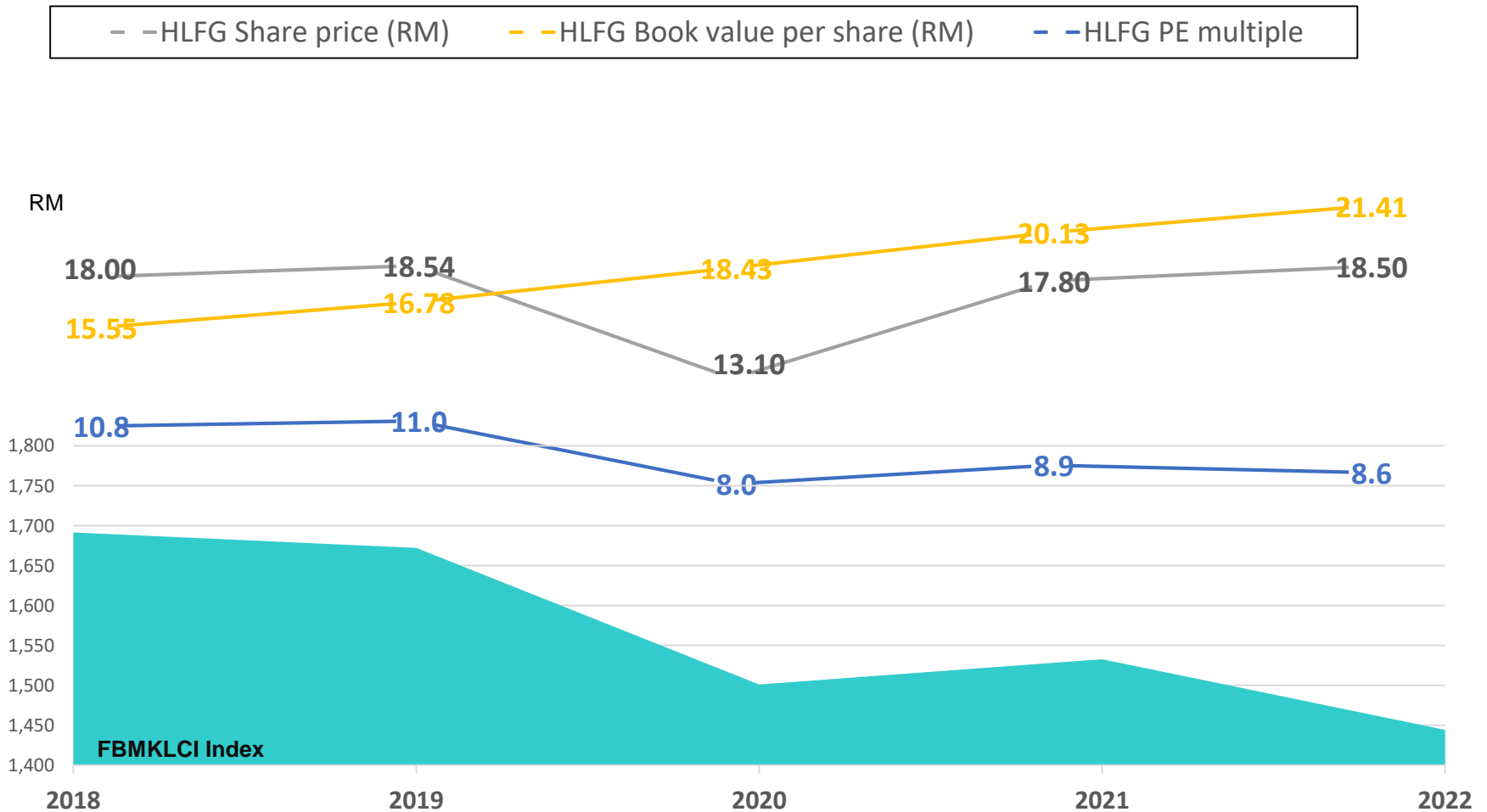
RAM

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

Note:

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

HLFG Share Price Performance



Highlights: Banking Division (HLB)

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

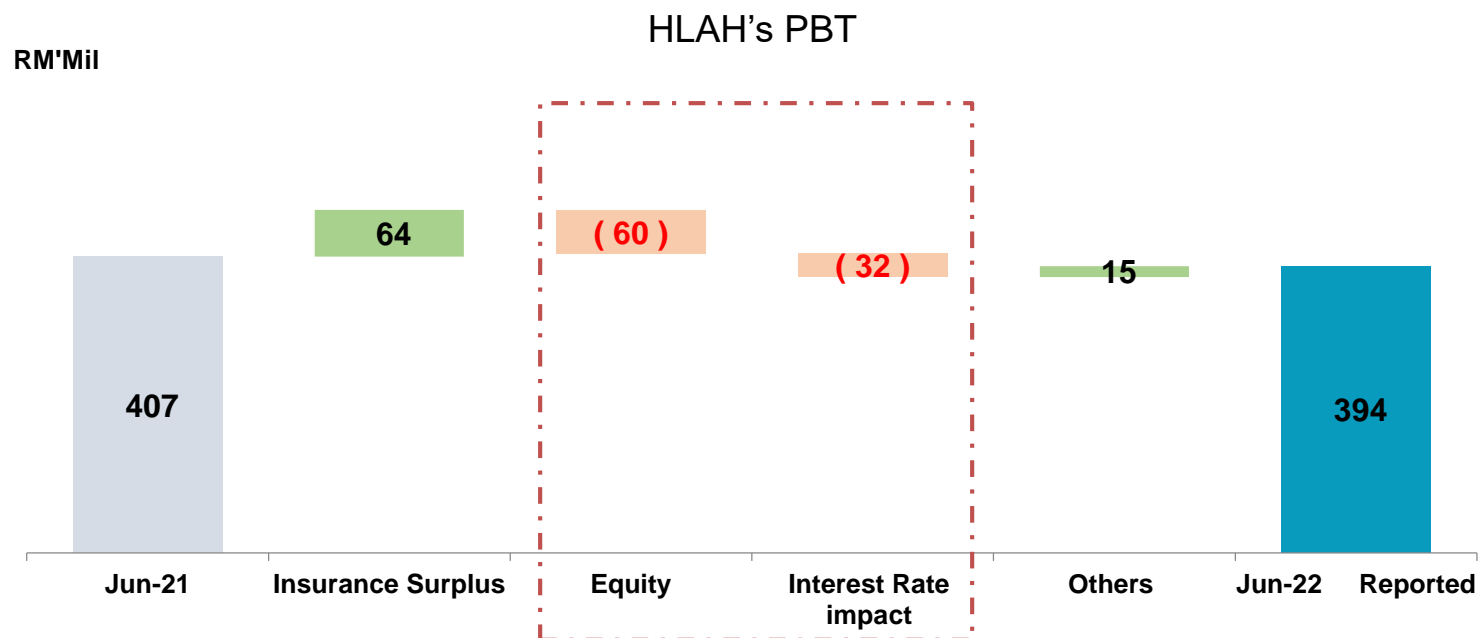
Highlights: Insurance Division (HLAH)

- ❖ HLA FY22 Financial Highlights
- ❖ Business Strategy
- ❖ Key Performance Indicators
- ❖ Embedded Value (EV) & New Business Embedded Value (NBEV)
- ❖ Product Segments & Market Position
- ❖ Distribution Highlights
- ❖ Cost Management
- ❖ HLMT Business Highlights
- ❖ Overseas Business Highlights

HLA: FY22 Results Highlights

Net Profit (RM'mil)	FY21	FY22	YoY Change	YoY Change (%)
HLA Holdings	394.5 *	339.0	-55.5	-14.1%
Hong Leong Assurance	259.0	256.8	-2.2	-0.9%
Hong Leong MSIG Takaful	7.4	(2.8)	-10.2	-137.2%

*FY21 net profit included a one-off tax credit item. Excluding this tax credit item, the FY22 net profit would have slightly decreased by 3.1% yoy on a normalised basis.



HLA: Business Strategy

What do we focus on?

1. **Digital Transformation.**
2. **Drive NBEV.**
3. **Focus on Investment-Linked products.**
4. **Continue building and improve quality of Agency distribution network.**
5. **Continue building Bancassurance channel.**
6. **Continuous review and roll-out of competitive products.**

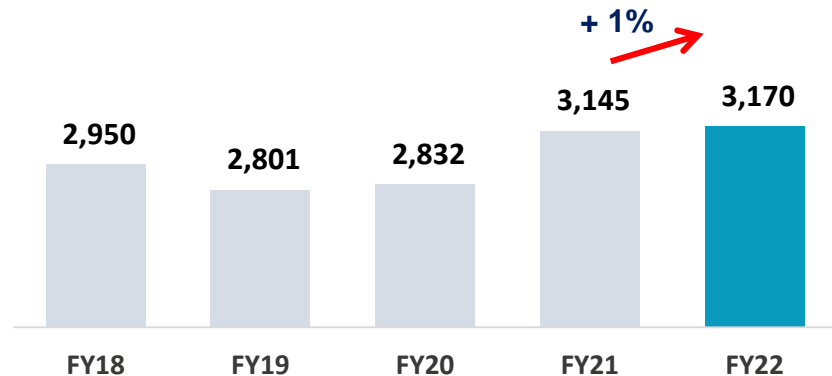


- ✓ We are investing in digital technologies to transform our business.
- ✓ Continuous growth of new business embedded value. (FY22: +13% yoy)
- ✓ Investment-Linked & Non-Par / Participating ratio for new business at 96:4 (FY22).
- ✓ We are accelerating the recruitment of agents with the focus of building a productive and professional agency force.
- ✓ Leveraging on HLB's network of branches and SME customers.
- ✓ We aim to speed up product innovation and streamline processes.

HLA: Key Performance Indicators

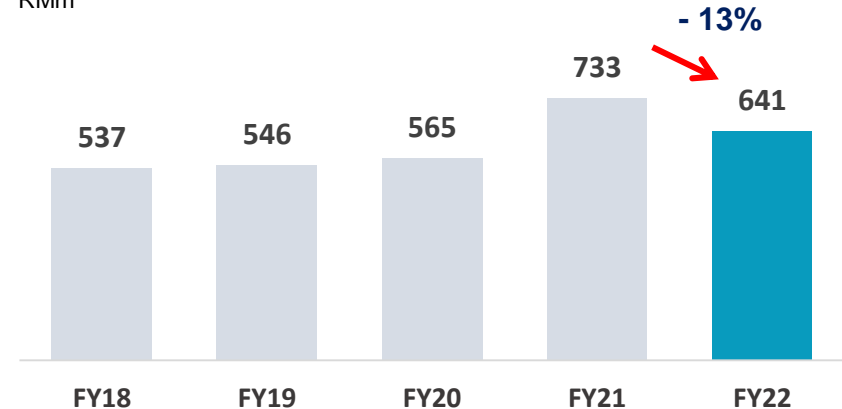
Gross Premiums

RMm



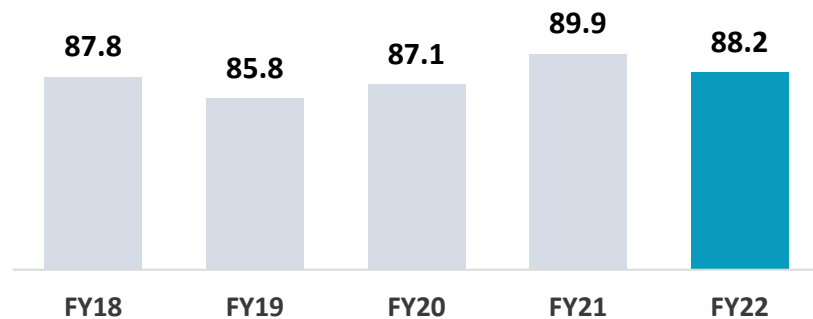
New Business Regular Premium

RMm



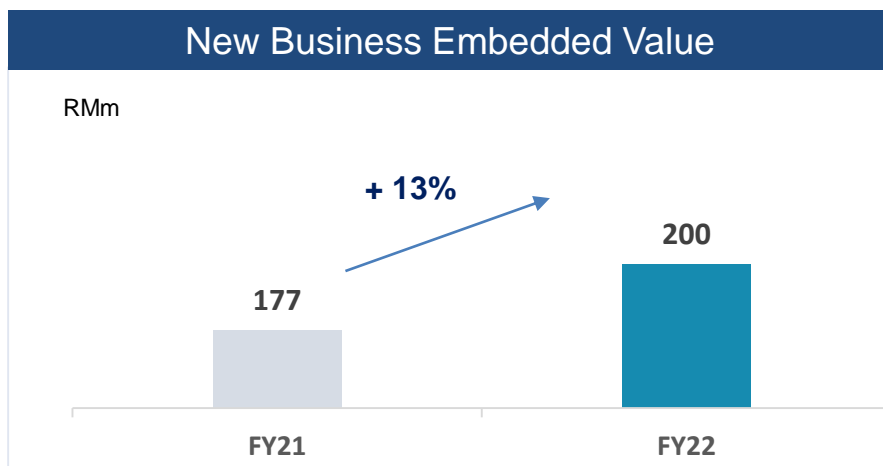
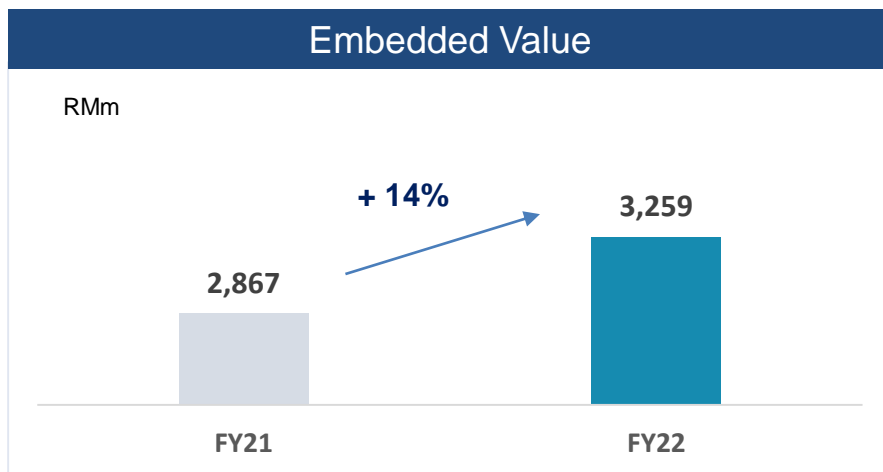
Persistency Ratio (Exclude limited pay products)

%



- NBRP decreased -13% yoy due to lower contribution from agency channels disrupted by movement restrictions and COVID-19 resurgence.
- Gross Premiums supported by Persistency/Renewals level that remained above 85%.

HLA: EV & NBEV



For the period ended June (RM mil)	FY21	FY22	YoY growth (%)
EV	2,867	3,259	+ 14%
NBEV	177	200	+ 13%
NBEV Margin	28.5%	35.7%	

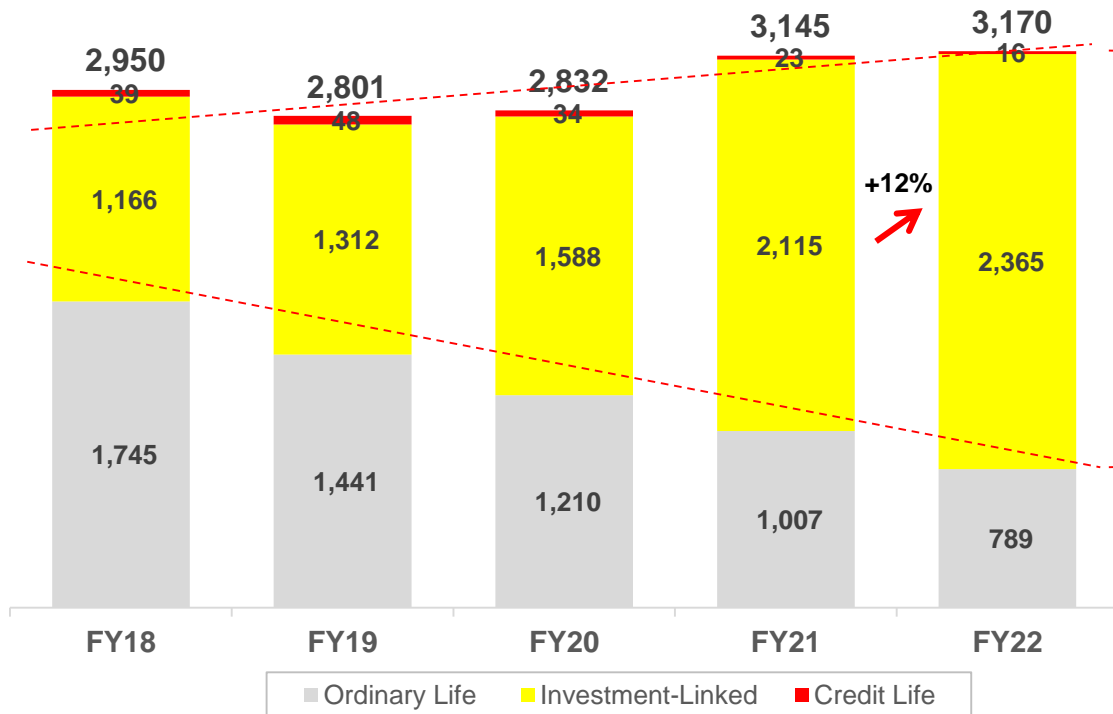
- EV and NBEV improved by +14% and +13% respectively driven by the positive impacts from higher long term MGS rates and refinement in actuarial methodology.
- Our digital transformation and product re-positioning plans have contributed to the improved NBEV, showing our efforts in long term value creation.

Ernst and Young Advisory Services Sdn.Bhd performed a review of the methodology used (based on the embedded value reporting approach), the assumptions adopted, and performed a high-level review of the results of the Group's EV and NBEV calculations, based on the information provided by HLA and the agreed scope of work.

HLA: Product Segments & Market Position

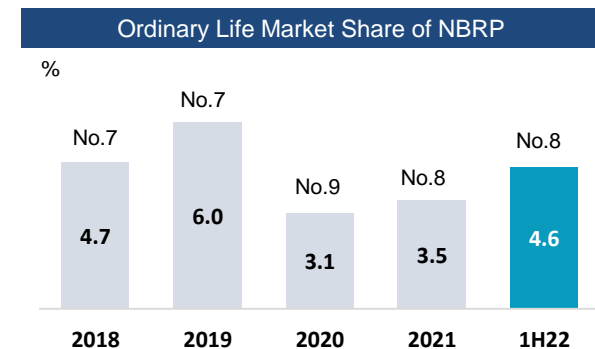
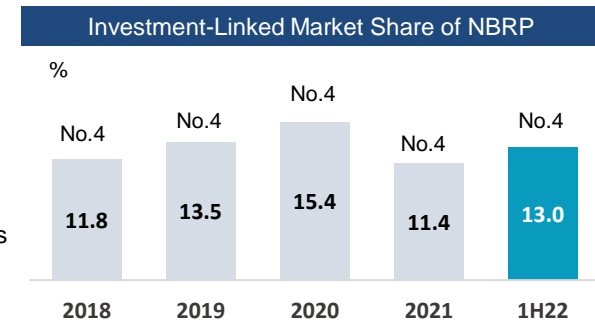
- Investment-Linked gross premium recorded RM2,365 mil, +12% yoy. Share of gross premium by Investment-Linked segment has increased to 75%.
- Our premium contribution mix between regular vs single is 94:6.
- For FY22, Investment-Linked & Non-Par / Participating ratio for new business at 96:4

Product Segment By Gross Premiums (RM'mil)



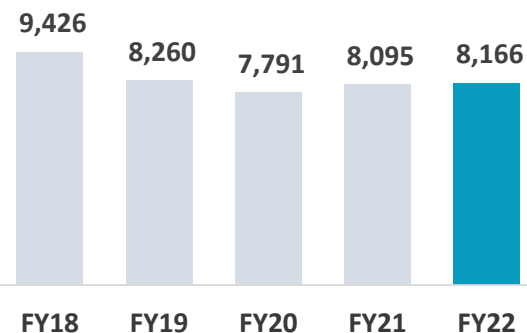
Emphasis on IL & Non-Par

Market Position By NBRP (%)

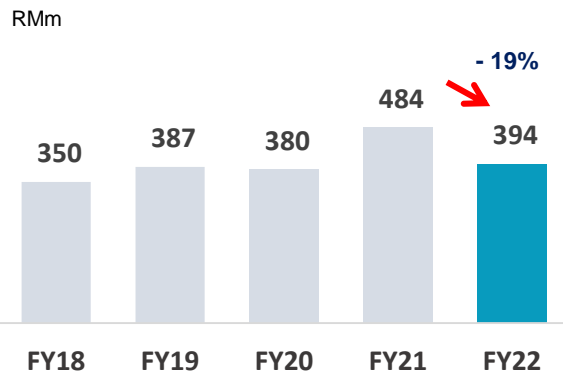


HLA: Distribution Highlights

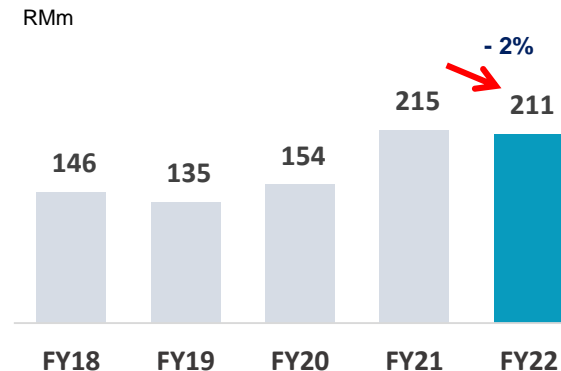
Number of Agents



NBRP - Agency



NBRP - Banca



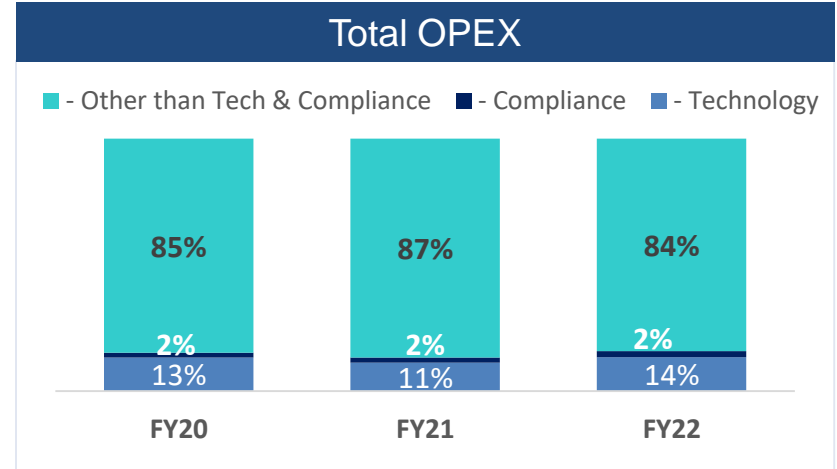
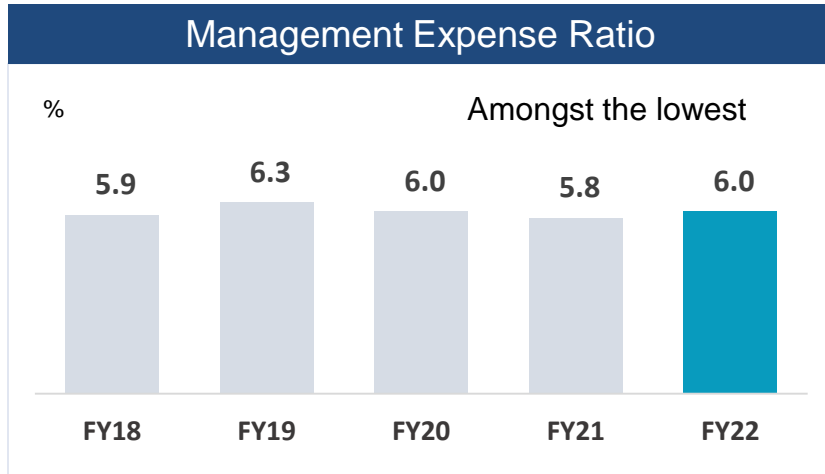
- HLA's core distribution channel.
- Our continued focus is building a productive and professional agency force.
- Agent productivity decreased due to movement restrictions during Phase 1 of the National Recovery Plan.

- Ranked no.5 in Non-Agency (primarily banca) NBRP with 9% market share.
- Growing Banca Consultants' team.
- Leverage on HLB's 232 branches.

Gross Premiums (RM'mil)

	FY18	FY19	FY20	FY21	FY22	YoY (%)	Share of GP (%)
1. Agency	2,356	2,243	2,181	2,353	2,349	(0.2)	74
2. Bancassurance	505	456	532	667	686	2.8	22
3. Telemarketing/ Alternative Channels	89	102	119	125	135	8.0	4
Total	2,950	2,801	2,832	3,145	3,170	0.8	100

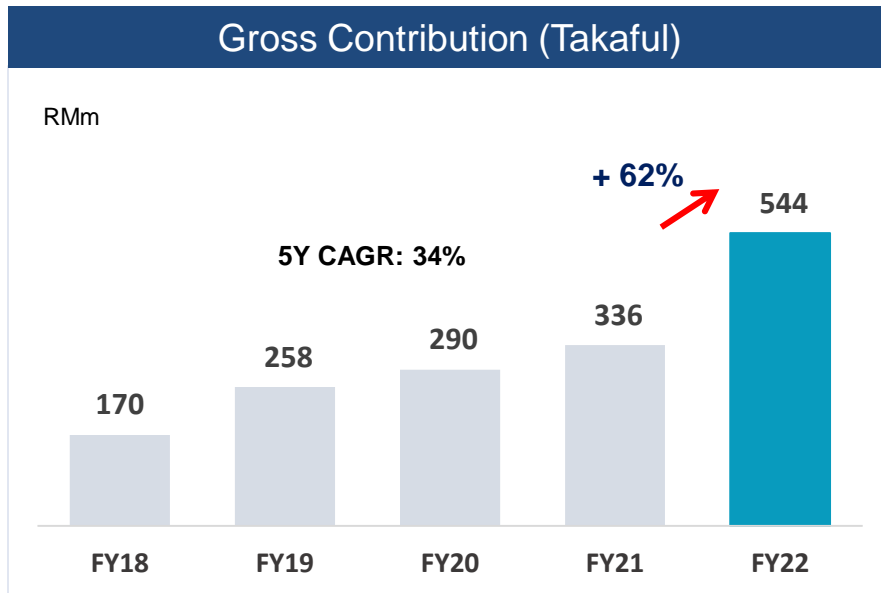
HLA: Cost Management



- Amongst the lowest Management Expense Ratio in the industry.
- We are investing more in our talents, technology and IT security.

HLMT: Business Highlights

- HLMT continues the strong growth momentum outperforming Family Takaful industry's growth of 29%.

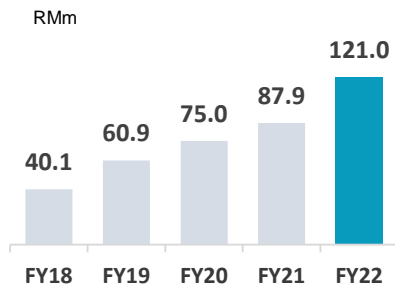


- Sustainable strong business growth** with gross contribution up +62% yoy.
- Underpinned by agency channel expansion** - Grew more than 6 times from FY 17/18. (FY21/22: +83% yoy). HLMT now has more than 5,000 agents.
- Successfully provided Takaful coverage to 200k B40 customers** via Perlindungan Tenang Voucher programme.

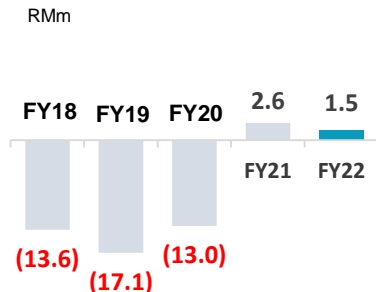
Overseas: Business Highlights

HL Assurance

Gross Premium



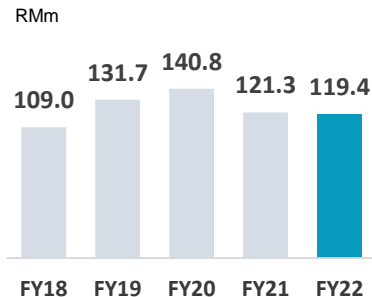
PBT



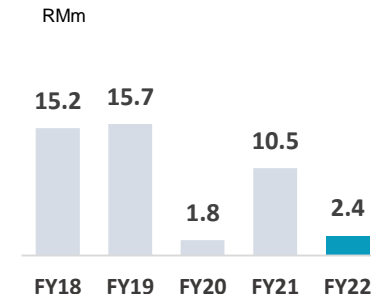
- Gross premium revenue grew +37% yoy despite a challenging year.
- The claim ratio has declined from 31% last year to 26% in FY22.
- HLAS is now well-positioned as a key general insurer in the Singapore market.
- Underwriting profit improved by +46% to RM27 mil.
- Key factors contributed to an improved PBT:
 - Diversified portfolio;
 - Stringent underwriting; and
 - Proficiency in risk selection.
- Strength in developing affinity partnerships to grow customer database.

Hong Leong Insurance (Asia)

Gross Premium



PBT



- Total business premium declined by -2% yoy as a consequence of outbreak of Omicron.
- Weak performance in travel insurance due to Hong Kong's "zero-COVID" policy and border restrictions.
- Focus on developing non-travel insurance business to diversify business.
- Adopt a disciplined underwriting approach to remain resilient and sustainable during difficult times.
- Diversification in Commercial/ Corporate business portfolio helped to mitigate the impact of the pandemic.

❖ FY22 Financial Highlights

❖ Business Performance

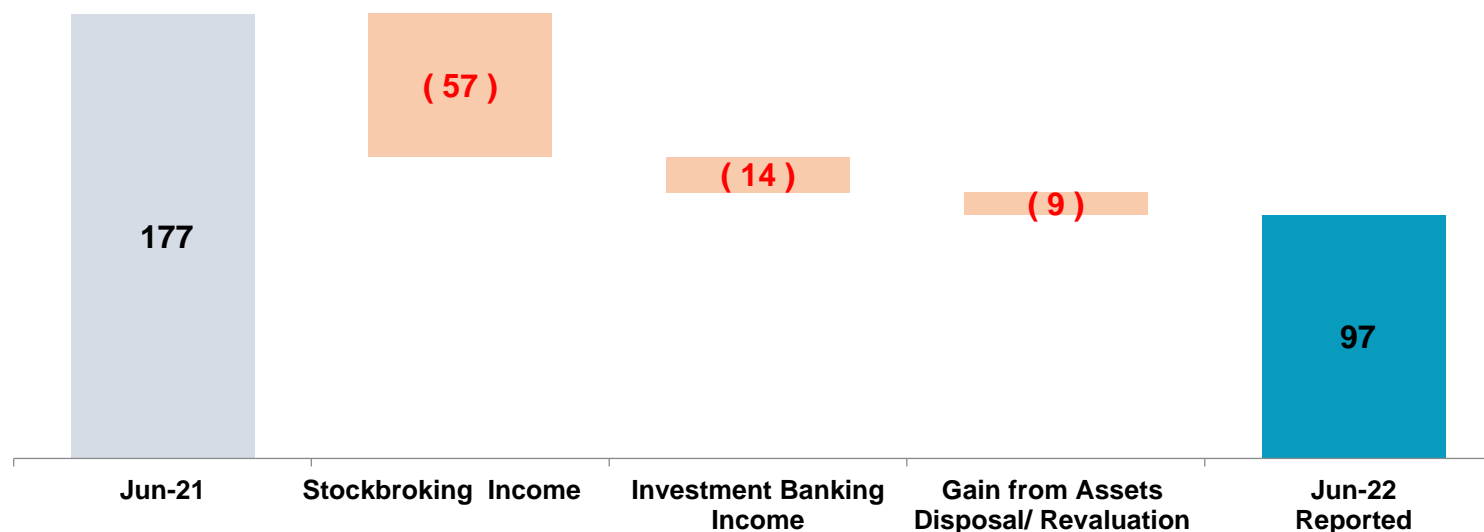
- Hong Leong Capital Berhad (HLCB)
- Hong Leong Investment Bank Berhad (HLIB)
- Hong Leong Asset Management Berhad (HLAM)

HLCB: FY22 Financial Highlights

Net Profit (RM'mil)	FY21	FY22	YoY Change	YoY Change (%)
Hong Leong Capital Berhad (Group)	203.3	72.5	-130.8	-64.4%
Hong Leong Investment Bank	176.7	54.4	-122.4	-69.2%
Hong Leong Asset Management	18.6	19.0	0.4	2.3%

RM'Mil

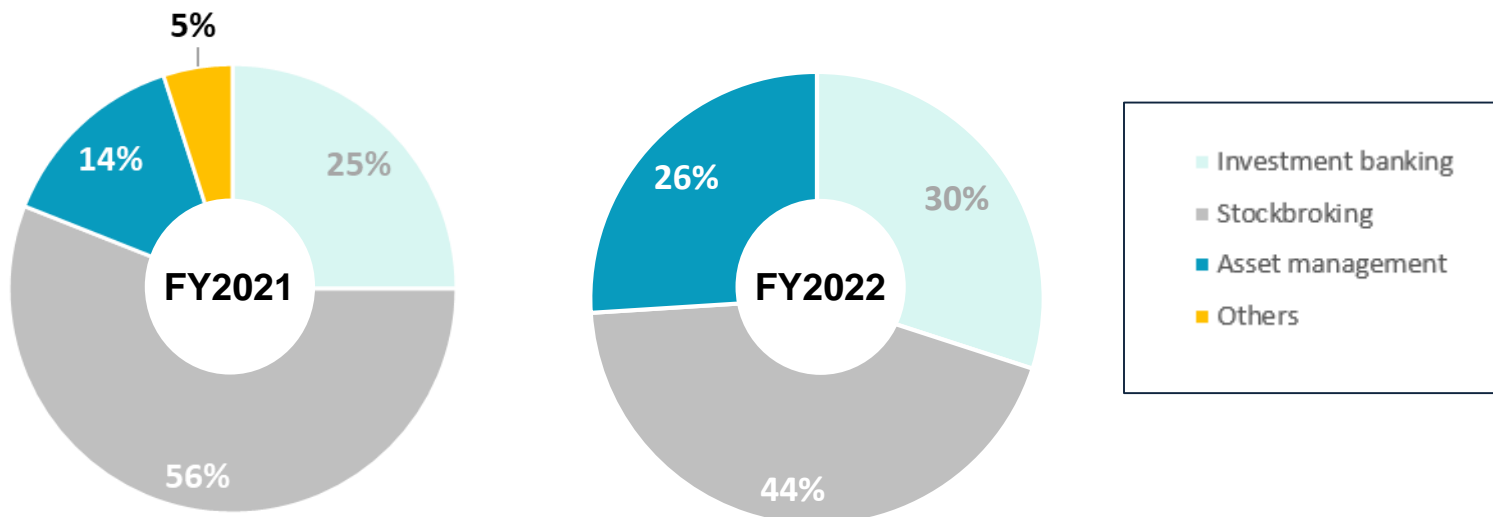
HLCB's PBT



HLCB: Business Performance

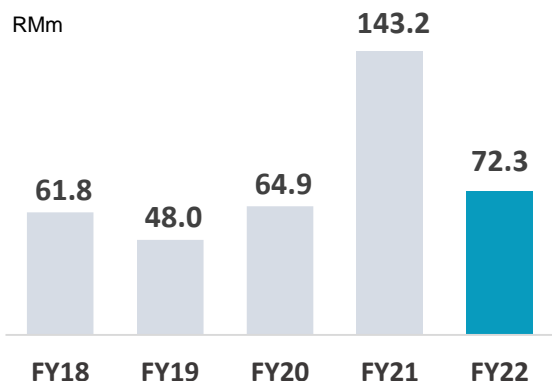
- **Asset Management:** Contribution to HLCB expanded to 26%, from 14% yoy.
- **Stockbroking:** Performance was affected by the significant drop in Bursa market activity, with trading volume decreased by approx. -47% yoy.
- **Investment Banking:** Performance was affected by delays in completion of mandated deals caused by disruption from the movement restrictions.

Contribution to HLCB's PBT (%)

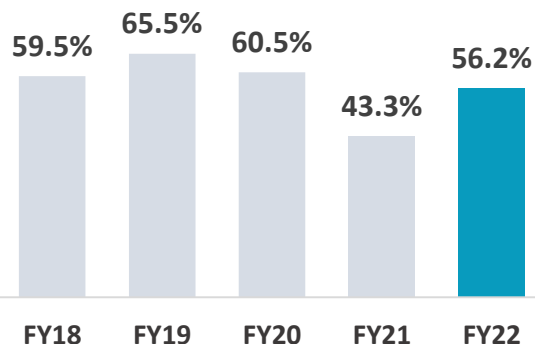


HLIB: Business Performance

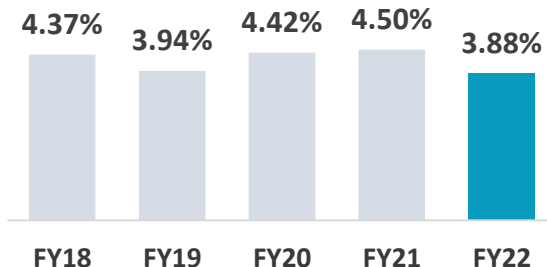
Profit Before Tax



Cost-to-Income Ratio



Stockbroking Market Share

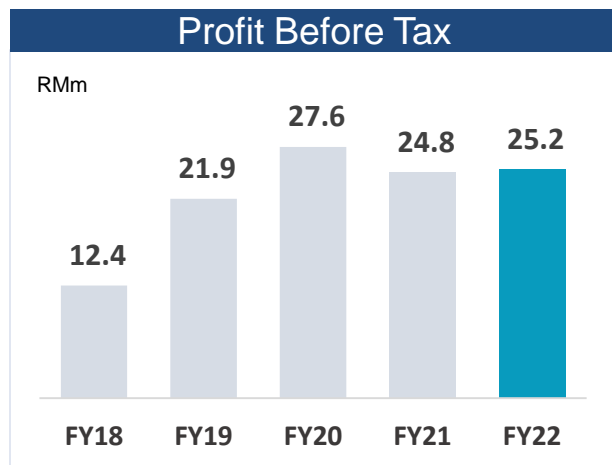


- Excluding the impact of the exceptionally high trading volumes in the stock markets last year, the overall performance in FY22 remained resilient with more than 10% CAGR over the last 3 years.

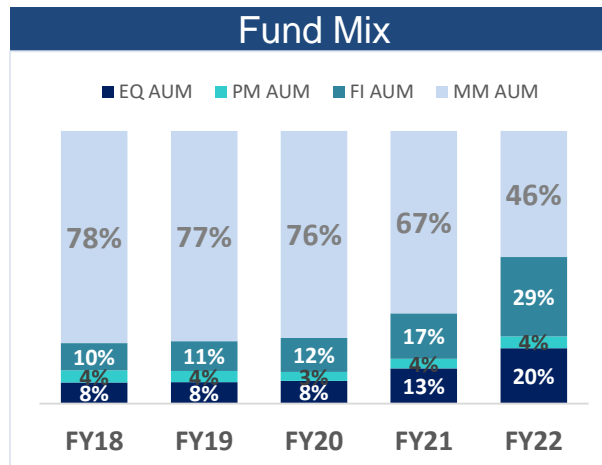
- The Cost-to-Income ratio increased to 56.2% due to a lower revenue.
- HLIB continued to exercise fiscal prudence and the operating expenses remained tightly controlled.

- Retail participation ebbed with no replacement flow coming from other segments. The retail participation was down from 36% to 29% yoy.
- Both local and foreign institutional participation were higher in FY22.
- HLIB plans to launch a Shariah trading platform, targeting retail clients who are interested in Shariah investing.

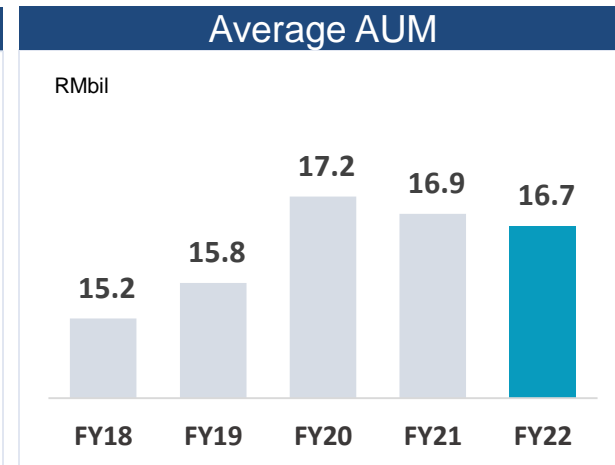
HLAM: Business Performance



- PBT was up by +1.6% due to fund mix portfolio.
- Hong Leong Islamic Asset Management which started its business in January 2020, recorded a profit after tax for the first time in FY22.



- Money market AUM decreased to 46% due to fund redemptions arising from the removal of tax exemption in January 2022.
- We saw growth in equity and fixed income funds partially due to funds switching from money market AUM.



- The decrease was primarily due to redemptions from money market funds.
- HLAM won 21 Lipper awards in FY22. The fund management business has won a total of 52 awards in the past 6 years.

Sustainability



HLFG and HLB remained a constituent of the globally recognized **FTSE4GOOD BURSA MALAYSIA INDEX**

● Sustainability Journey

HLA

HLCB

- Partnering with external consultants to help with our sustainability framework.
- Engaged the Jeffrey Sachs Centre on Sustainable Development of Sunway University to design and rollout a training module.
- Plans to rollout more sessions for other stakeholders in FY22/23.
- Initiate the measuring and reporting of GHG emissions.
- Investment Department introduced an ESG Policy which will progressively integrate ESG considerations into the investment process.

- Developed a sustainability framework and an ESG rating system governing HLIB's Investment Banking activities.
- HLIB pursuing new opportunities for ESG financing mandates.
- HLAM launched Hong Leong Global ESG Fund on 20 April 2022.
- Targeting to launch Hong Leong Global Shariah ESG Fund in early 2023.
- Measuring and reporting of GHG emissions in FY22.



In March 2022, HLB embarked on carbon sequestration with mangrove tree planting in Kuala Selangor Nature Park. The volunteers were employees across the Group, our Commercial banking division, Insurance and Takaful arms, Investment bank and our Asset Management company.



FY22 Recognitions/ Awards

Hong Leong Financial Group Named Malaysia's Best Managed Bank and Financial Holding Group 2022

HLFG's President & Chief Executive Officer, Tan Kong Khoon was named The Asian Banker CEO Leadership Achievement for Malaysia Award for the period from January 2019 to December 2021.

by The Asian Banker



**Islamic Finance News Awards 2021
Malaysia: Deal of the Year 2021
Joint Principal Advisers, Joint Lead
Arrangers & Joint Lead Managers**



**Excellence in Takaful Insurance Services -
Global Halal Excellence Awards 2022**

**Bursa
Excellence
Award 2021 -
Best Retail
Equities
Participating
Organisation -
Investment
Bank - 2nd
runner up**



**Refinitiv Lipper
Fund Awards 2022
- Malaysia
Provident (Group
Award) - Best
Equity Group -
Hong Leong Asset
Management Bhd**



**Deals of
The Year
2021 - IFN
Awards**



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