



HONG LEONG FINANCE

SME Specialist since 1961

61st Annual General Meeting Performance Highlights 2020 29 April 2021



Your Trusted Financier

Financial Performance 2020

	2020 (\$m)	2019 (\$m)	YoY (%)
Net interest income	146.8	201.7	(27.2)
Non interest income	11.9	14.0	(14.9)
Operating income	158.7	215.7	(26.4)
Operating expenses	(76.3)	(90.2)	(15.4)
Operating profit before allowances	82.4	125.5	(34.3)
Allowances	(7.7)	(1.6)	>100
Income tax expense	(10.8)	(20.8)	(48.2)
Net attributable profit	63.9	103.1	(38.0)

Net attributable profit at \$63.9m, down 38.0% driven by compressed earning and conservative build up of general loan loss allowances on impact of sustained low interest rates and economic disruption caused by the Covid-19 pandemic.



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Balance Sheet Position

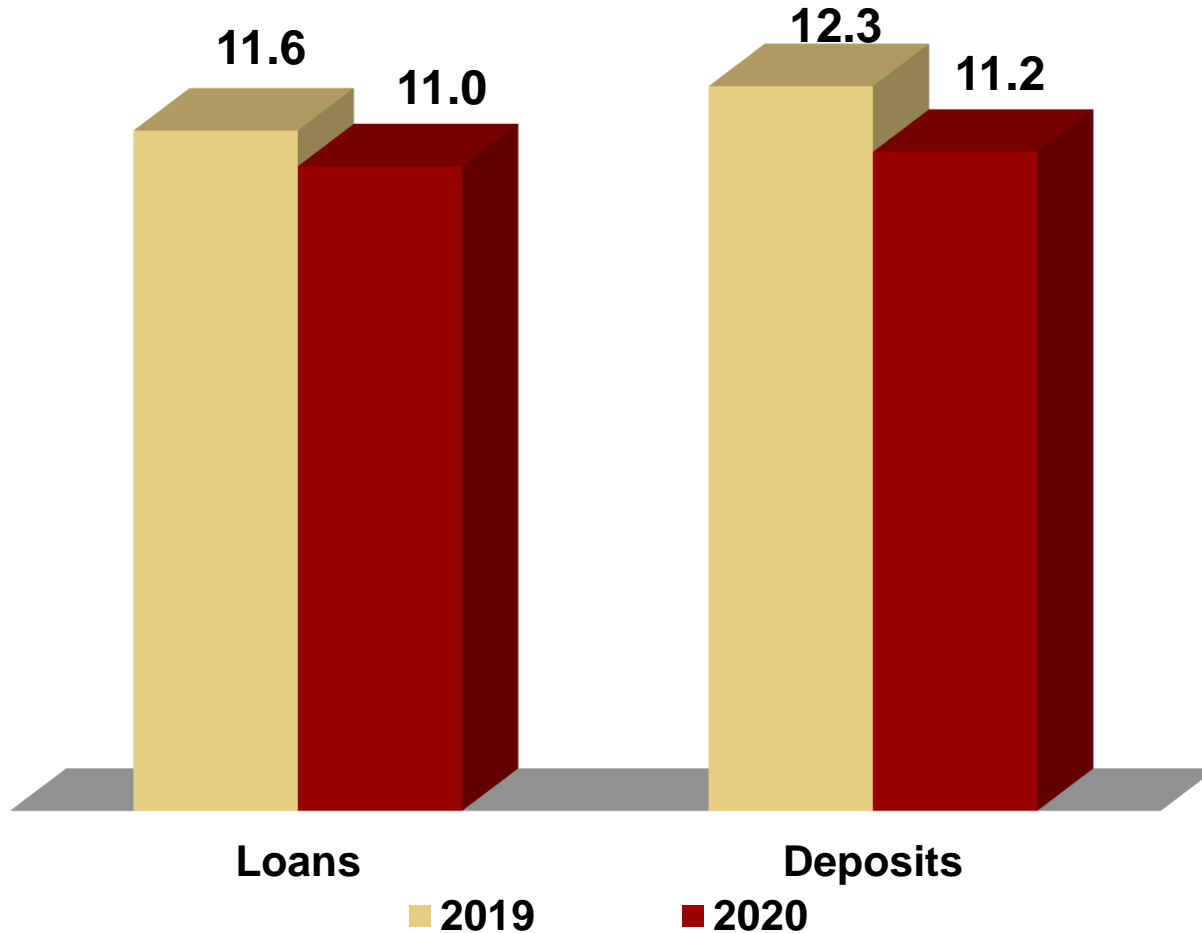
	Dec 20 (\$m)	Dec 19 (\$m)
Total Assets	13,365	14,461
Total Liabilities	11,447	12,547
Net Assets	1,918	1,914
Total Equity	1,918	1,914

- Balance Sheet remain resilient supported by strong capital and liquidity buffers; Capital Adequacy Ratio and Minimum Liquid Asset Ratio well above regulatory requirements;
- Net assets value per share at \$4.29 (Dec 2019: \$4.28);



Customer Loans and Deposits

Loans & Deposits (\$b)



- Total loans scaled down by 5.2% on the backdrop of slower business momentum triggered by the global lockdown and restriction;
- Total deposits base pared down by 9.0% to optimize loan funding and manage cost of fund;

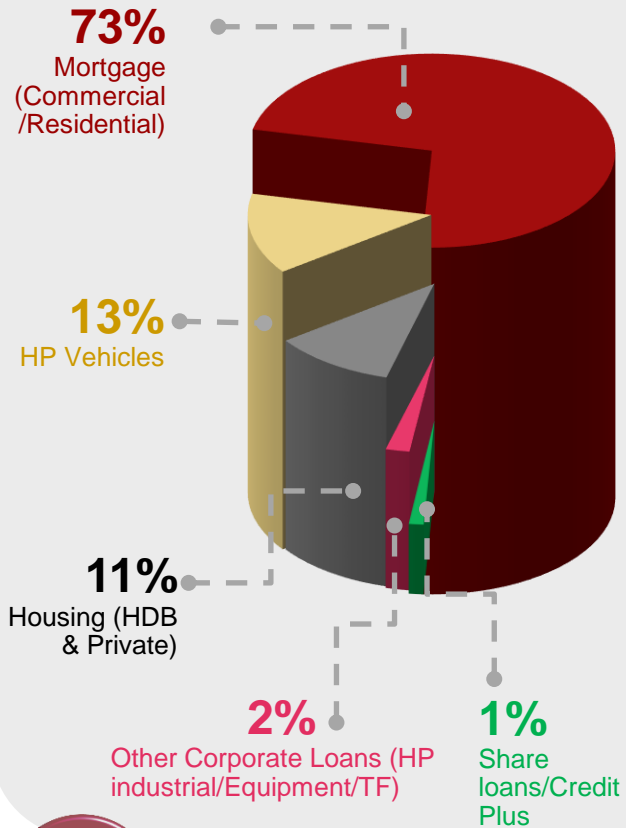


Composition of Loans

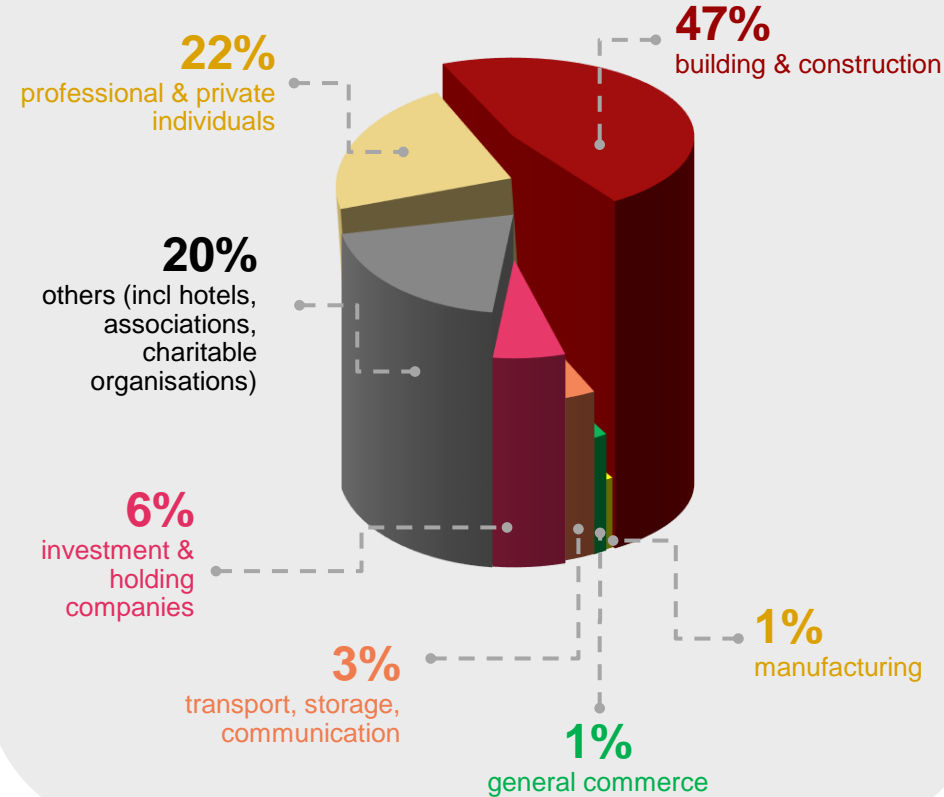
Focus on key pillars of business with limited exposures to sectors significantly impacted by pandemic; Loan portfolios largely collateralized.

Sound loan quality with NPL ratio remained stable at 1.0%

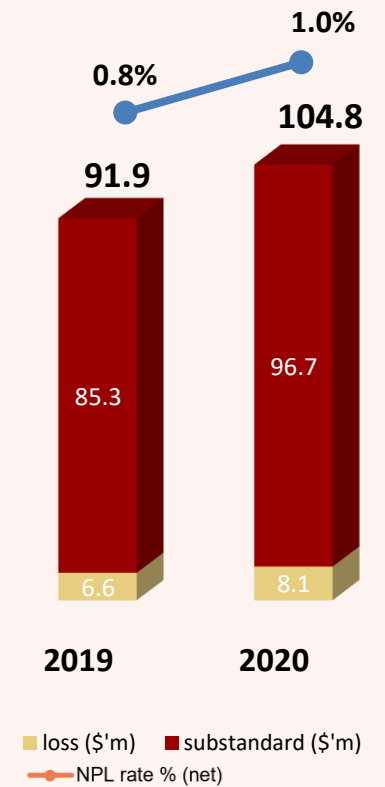
By Product



By Sector



NPL

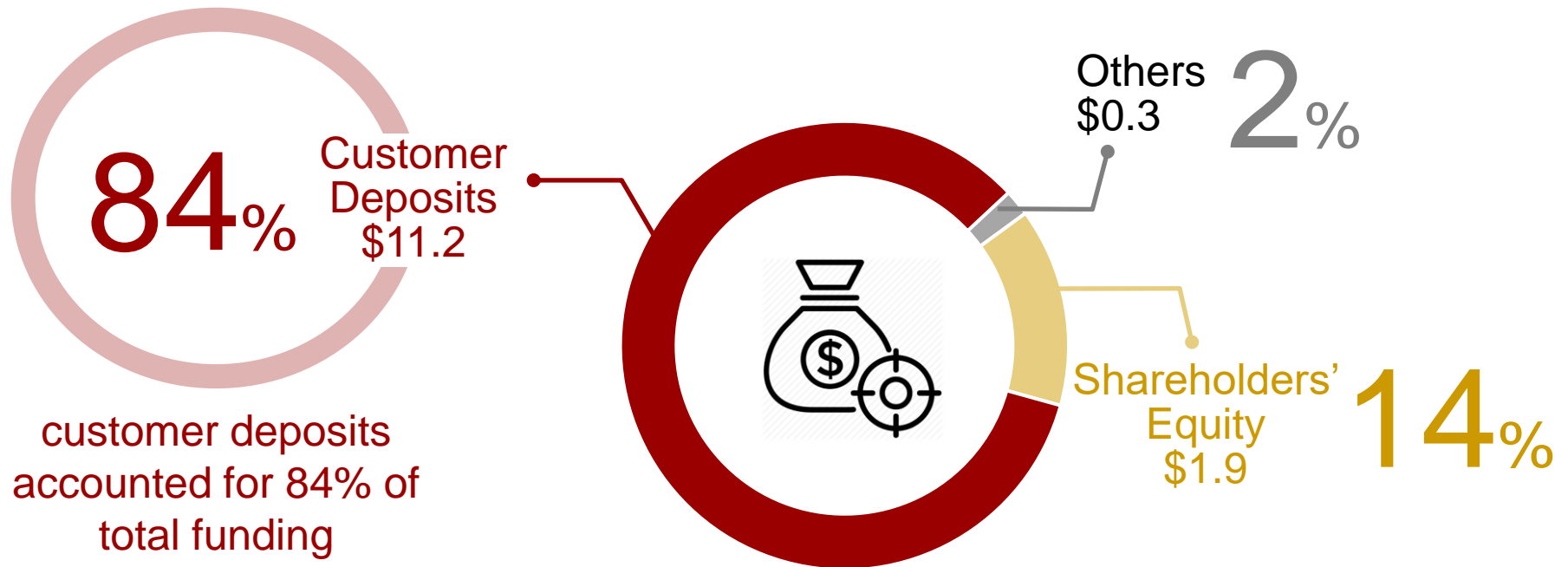


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Sources of Fund

Stable and well-diversified customer deposit base and enhanced shareholders' equity

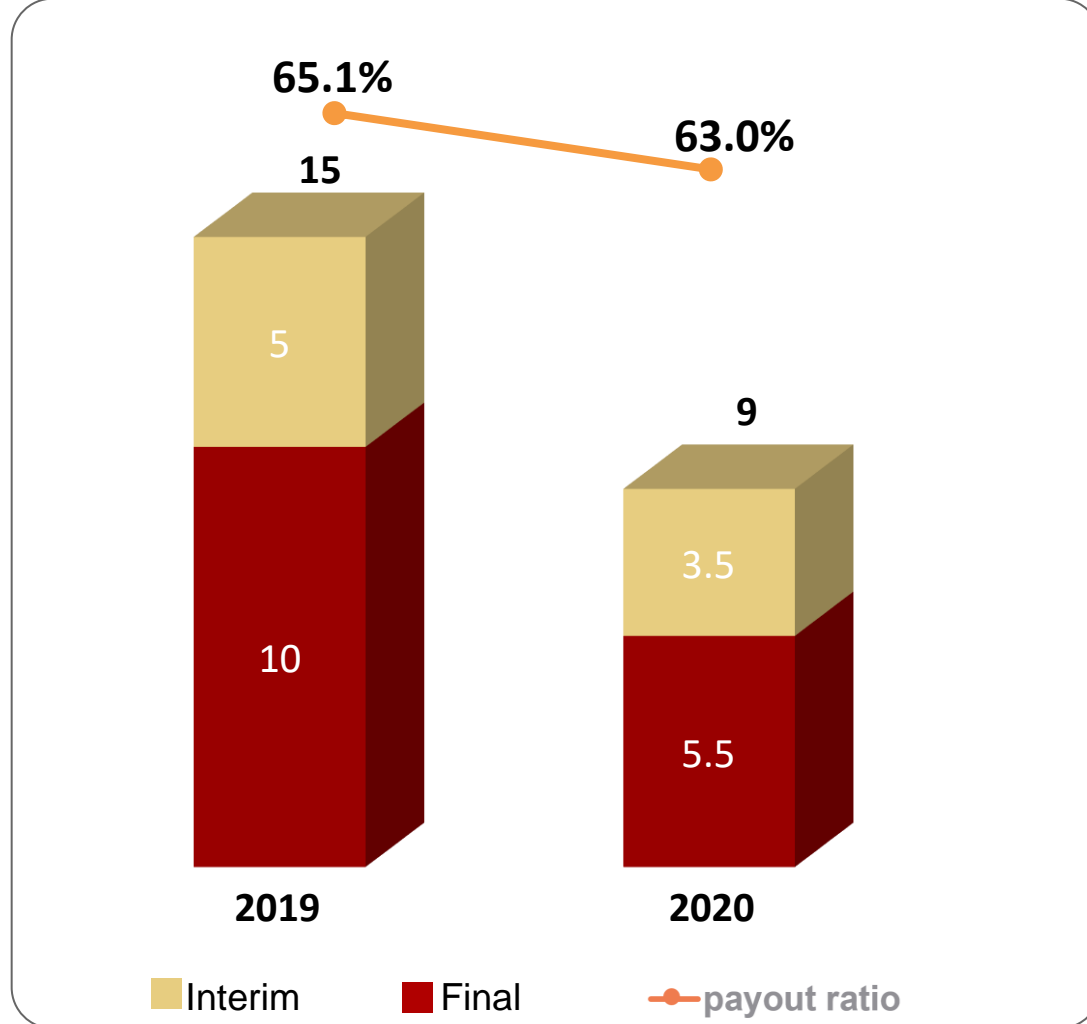
(\$b)



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Distribution of Dividends

(Dividends per share in cents)



- Interim dividend of 3.5 cents per share of \$15.7m (2019: \$22.3m) was paid on 9 Sept 2020;
- Proposed final dividend of 5.5 cents per share approximately \$24.6m (2019: \$44.8m) will be payable on 25 May 2021;
- Total dividend payout of 9 cents in line with MAS guidance.

[^]Dividend for 2020 is in line with Monetary Authority of Singapore's call for FCs to cap the total dividends per share(DPS) at 60% of 2019's DPS



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AWARDS AND ACCOLADES

ASEAN FINANCE COMPANY OF THE YEAR

HLF continued to be recognised at the Asian Banking & Finance Retail Banking Awards, with its seventh consecutive win as ASEAN Finance Company of the Year. The title honours outstanding Asian financial institutions that have responded well to challenges and introduced meaningful and innovative initiatives to the over-transforming industry.

TOP 1000 WORLD BANKS & TOP 100 ASEAN BANKS



HLF was ranked among the Top 1000 World Banks and Top 100 ASEAN Banks by The Banker for the third consecutive year for its robust Tier 1 capital, a recognition of the company's financial strength.

TOP 100 SINGAPOREAN BRANDS

HLF was once again listed among the Top 100 Singaporean Brands for the third year running, with its brand value quadrupling from US\$14 million to US\$64 million.

2019 – 2020 AWARDS

2020 Awards

- Top 1000 World Banks 2020
The Banker
- Top 100 ASEAN Banks 2020
The Banker
- ASEAN Finance Company 2020
Asian Banking & Finance Retail Banking Awards
- Singapore Exchange Regulation Fast Track 2019 – 2020
Singapore Exchange Fast Track
- Top 100 Singaporean Brands 2020
Brand Finance
- Excellence in Programmatic Marketing – Silver 2020
Marketing Excellence Awards
- Global Top Contributor Award 2019
Porsche Financial Services

2019 Awards

- Top 1000 World Banks 2019
The Banker
- Top 100 ASEAN Banks 2019
The Banker
- ASEAN Finance Company & Best Mortgage Loan Singapore 2019
Asian Banking & Finance Retail Banking Awards
- Most Transparent Company (Finance – Runner-Up) 2019
SIAS Investors' Choice Awards
- Top 100 Most Valuable Brands in Singapore 2019
Brand Finance
- Excellent Service Award 2019
The Association of Banks in Singapore
- Global Top Contributor Award 2018
Porsche Financial Services



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Thank You!

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