



HONG LEONG  
FINANCE

*Press Release*

## **Hong Leong Finance Launches Singapore's First Green Loan For Vehicle Rental Companies**

**Singapore, 23 March 2021** – Ramping up efforts to push Singapore towards being a green and sustainable city, Hong Leong Finance (HLF) has today announced the launch of **the nation's first green vehicle financing initiative for vehicle rental companies**.

This new initiative comes in two parts. Firstly, HLF is offering the **Vehicle-Green Loan** at a competitive rate as low as 1.5% per annum<sup>1</sup> up to seven years to steer the vehicle rental sector towards green vehicles usage. This package is available for fully electric vehicles (EVs) and hybrid vehicles (a combination of a petrol engine with an electric motor)

Secondly, these companies will have the opportunity to take up charging station financing as a compatible option under the **Charger-Green Loan** scheme up to three years.

Attractive financing for both the EV and charger will be offered together to the rental companies, while they can decide on the make and brand of the EVs as well as the charging stations.

This will help to accelerate the number of charging stations to 60,000 under the government's Singapore Green Plan 2030, enhance drivers' convenience with more charging locations islandwide, as well as reduce the waiting time to charge the car. The Charger-Green Loan scheme will be expanded progressively to finance charger stations at commercial buildings and private condominiums.

"Launching Vehicle-Green and Charger-Green Loans is part of our overall strategy to promote and support sustainable finance. We take a holistic view when exploring ways to reduce carbon emissions and air pollution contributed by vehicles. In addition to customers who buy cars for personal use, we note that the vehicle rental category which includes private hire cars is a significant growing sector. We want to be inclusive. With the government's enhanced rebates on green cars<sup>2</sup> in place, these companies will benefit as early adopters of eco-friendly vehicles," said **Mr Ang Tang Chor, President of Hong Leong Finance**.

According to Land Transport Authority figures, Singapore's private hire car sector grew 142% over the last five years to 71,147 cars in 2020<sup>3</sup>. Correspondingly, EVs and hybrids grew 571% to 43,632 vehicles<sup>4</sup>.

Similarly, the private car hire industry is seeing an increase in EVs. For example, Grab added 200 EVs to its fleet in 2019, indicating the growing ride-hailing market here and the cost efficiencies to these drivers.

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<sup>1</sup> [Fixed flat rate for vehicle rental companies](#)

<sup>2</sup> <https://www.nea.gov.sg/media/news/news/index/increased-rebates-for-cleaner-vehicles-under-enhanced-vehicular-emissions-scheme>

<sup>3</sup> [https://www.lta.gov.sg/content/dam/ltagov/who\\_we\\_are/statistics\\_and\\_publications/statistics/pdf/MVP01-1\\_MVP\\_by\\_type.pdf](https://www.lta.gov.sg/content/dam/ltagov/who_we_are/statistics_and_publications/statistics/pdf/MVP01-1_MVP_by_type.pdf)

<sup>4</sup> [https://www.lta.gov.sg/content/dam/ltagov/who\\_we\\_are/statistics\\_and\\_publications/statistics/pdf/MVP01-4\\_MVP\\_by\\_fuel.pdf](https://www.lta.gov.sg/content/dam/ltagov/who_we_are/statistics_and_publications/statistics/pdf/MVP01-4_MVP_by_fuel.pdf)

“Green cars are becoming more affordable. With the price of petrol increasing, the daily cost of running an electric vehicle is cheaper than a car on petrol. Maintenance costs are also lower as electric motors have fewer parts to service. Our new green financing scheme aims to maximise opportunities for vehicle rental companies by delivering greater cost savings to their customers while improving their bottom line. The Vehicle-Green Loan for these companies will enable us to expand our reach beyond the consumer group, and offer the green financing in a more complete and sustainable manner,” said **Mr Ang**.

HLF has already been offering attractive financing packages to consumers purchasing eco-friendly cars by teaming up with major car distributors such as MG as the preferred financing partner. MG took the top spot among brands with electric models for the year 2020 and January 2021<sup>5</sup>.

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### **About Hong Leong Finance**

A member of Hong Leong Group Singapore, HLF is Singapore’s largest finance company with a network of 28 branches and 12 SME Centres islandwide. HLF’s loan books stand at S\$10.95 billion, with shareholders’ funds at S\$1.92 billion and deposits at S\$11.2 billion as at 31 December 2020. HLF is ranked among the Top 1000 World Banks and Top 100 ASEAN Banks by *The Banker* and retains its title as ASEAN Finance Company of the Year by *Asian Banking & Finance* for seven consecutive years. For more details, please visit <https://www.hlf.com.sg/>.

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<sup>5</sup> [Electric car sales forge ahead in Singapore, powered by tax incentives, Transport News & Top Stories - The Straits Times](#)