

23rd February 2006

**HONG LEONG ISLAMIC BANK REPORTED PRE-TAX PROFIT OF RM32.4 MILLION
FOR YEAR-TO-DATE ENDED 31ST DECEMBER 2005.**

Key Highlights

- **Strong capital ratio at 15.25%** for the Islamic Bank
- Total **asset grew 16%** to RM 6.7 billion from RM 5.8 billion on 1 July 2005, the 1st day when the Bank commenced business.
- The **financing book grew by 10%** to RM3.7 billion from RM3.4 billion on 1 July 2005 on strong auto financing growth
- Total **deposit grew by 8%** to RM 5.3 billion from RM 4.9 billion on 1 July 2005 , driven by Islamic Negotiable Instrument (INI) growth
- The 2nd quarter 31 December 2005 ended with pre-tax profit of RM15.2 million and **year-to-date was at RM 32.4 million.**

Profit momentum sustained

Building on its good impetus, Hong Leong Islamic Bank Berhad today announced a **net profit before tax and zakat of RM 15.2 million and RM 32.4 million respectively** for the quarter ended and year-to-date as at 31th December 2005. The reported financial period is from the date of incorporation on 28th March 2005.

The Bank is a 100% subsidiary of Hong Leong Bank Berhad. All assets and liabilities were transferred over to the Islamic Bank from Hong Leong Bank Berhad on 1st July 2005. Previously, it operated as an 'Islamic window' in Hong Leong Bank Berhad.

The **Islamic Bank** performance showed **good momentum by contributing 11.2% and 9.7% respectively to the Hong Leong Bank group's pre-tax profit** for the reported 3 months and 6 months ended 31th December 2005 periods.

Balance sheet – continue to contribute to group-wide financing growth

The gross Financing base stood at RM 3.8 billion and the Deposits from customers at RM 5.3 billion. This gave a healthy Financing / Deposit ratio of 72.4%, allowing room for future asset growth.

In line with our vision to expand and further innovate on our comprehensive range of offerings, we have continued to enhance the features of our Financing and Deposit products, providing needs-based financial solutions to increasingly sophisticated customers in the marketplace today.

Strong capital cover

The Islamic Bank's **core capital and risk-weighted capital ratio stood at 13.68% and 15.25%** respectively as of 31st December 2005, supported by an initial share capital base of RM 500 million. The ratio was maintained well above the regulatory minimum of 4% and 8% respectively.

For further clarifications, please contact:

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