

Press Release

26 Feb 2007

Note To Editors:

This press release is issued by the Managing Director's Office, Hong Leong Islamic Bank Berhad
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HALF YEAR PRE-TAX PROFITS AT RM36 MILLION, UP 11% YoY

Net profit before tax and zakat for the first 6 months of the financial year totaled RM 35.9 million, up 11% year-on-year (yoy). The higher profit was driven by higher distributable income, which was up 10% yoy. Earnings per share improved by 13% to 5.24 sen compared with 4.64 sen for the corresponding period last year.

At the total distributable income level, the result was stronger at RM163 million versus RM149 million for the corresponding 6 months last year due to higher income from financing and also from money at call and deposits with financial institutions, coupled with a lower allowance for losses on financing.

As a wholly-owned subsidiary of Hong Leong Bank, a rationalisation exercise was carried out on the shared service support from the parent bank, resulting in lower operating expenses for Hong Leong Islamic Bank. The Islamic Bank's operations continue to be supported by the established infrastructure and business platform of the parent bank.

The Islamic Bank's capital adequacy ratio remains strong at 15.63%.

Hong Leong Islamic Financial Services Group

The Hong Leong Islamic Financial Services Group today comprises both Hong Leong Islamic Bank and the recently launched Hong Leong Tokio Marine Takaful. They spearhead the development of the Islamic financial services opportunities for the Group.

Going forward, the Islamic business is repositioned towards Islamic investment banking and wealth management to take advantage of the evolving market opportunities in those segments.

For further details, visit www.hlib.com.my or www.bursamalaysia.com

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