

## Profit Resilience through the Crisis

### Relatively resilient performance during challenging times

For the financial year ended 30 June 2009, Hong Leong Islamic Bank Berhad (“HLISB” or “Bank”), a wholly-owned subsidiary of Hong Leong Bank Berhad (“Group”) registered a higher net profit of RM 74 million, up 16% year-on-year from RM 64 million. Profit before tax strengthened to RM 100 million, up 14% year-on-year.

Earnings per share were 14.9 sen as of 30 June 2009 against 12.8 sen last financial year, or up 16% year-on-year. Returns on average shareholder funds improved to 10.5% against 10.1% last financial year.

During the fiscal year, despite the challenging economic times with profit rates declining, continued pressures on the rate of return and lagging growth drivers, net income held steady with a 10% growth. This was the result of a more proactive management of yields and actions to diversify the earning sources as well as effective leveraging on the Group’s reach and network, customer base, capabilities and infrastructure.

Non-financing income improved by 126% from a relatively smaller base to RM 18 million, driven by the transformation at HLI Markets (Islamic Treasury) to expand Islamic treasury income by almost 18 times over the fiscal year. With a non-financing income to total net income ratio of 10.2%, there remains significant headroom for growth in this earning segment.

Total assets grew 13% to RM 9.1 billion. Depositor base stood at RM 8 billion, up 29% from RM 6.2 billion as of June 2008. A strong deposit franchise and a highly liquid balance sheet (financing to deposit ratio at 49.1%) are core strengths for the Bank to expand its financing base which ended lower at RM 3.8 billion against last year.

Asset quality of the financing portfolio remains strong, with the gross non-performing financing ("NPF") and net NPF ratios at 1.2% and 0.6% respectively as at 30 June 2009. The financing charge-off rate fell to 0.4% against 0.5% last financial year.

The capital adequacy ratio further strengthened to 23% from 18% last financial year. The Bank remains well capitalised.

For further details, visit [www.hlisb.com.my](http://www.hlisb.com.my) or [www.bursamalaysia.com](http://www.bursamalaysia.com)

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