

Press Release

26 February 2007

Embargoed until 5.00 p.m., 26 Feb 2007

HLB SIX MONTHS PROFITS AT RM411 MILLION, UP 23% YoY

The Bank's platform for profitable growth continues to deliver good results. The Bank's Business Transformation agenda to scale up its infrastructure and build new capabilities is progressing well.

Pre-tax profits for the first half of the financial year came in at **RM 411 million, up 23%** year-on-year (yoy). Robust top-line growth came in from the Personal Financial Services and Wholesale Banking segments. Total net income grew 16% yoy, driven by a **25% increase in net interest income and a 10% rise in other operating income.**

As a result, net profit attributable to shareholders rose by 25% to RM 299 million. Half-yearly earnings per share (**EPS**) **improved by 30%** to 20.4 sen vs 15.7 sen for the corresponding period last year.

The Bank remains highly competitive in its growth segments, **with loans growth of 10% yoy versus industry growth of 6.3% over the same period.**

Non-interest income from the Malaysian operations **grew 26%**. The improvement in our non-interest income stemmed from higher foreign exchange gains, from trading securities gains as well as growing our Asset under Management and wealth management customer base.

Total assets grew to RM 66.5 billion, up 10%. Revenue generating loans, advances and financing stood at RM 29.7 billion. **Loan growth** was spurred by the retail segment, with **mortgages up at 25% (annualised) and credit cards up 51% (annualised)**. Commercial assets growth from Wholesale Banking is gaining momentum.

Our strong **deposits** franchise remains important to the Bank, with deposits from customers continuing to grow well at 22% (annualised) to RM 49.1 billion.

Good asset quality

Loan assets quality is healthy and better than industry, with gross NPL ratio declining to 4.4% and **net NPL** ratio at 2.6% . Meanwhile the loan loss coverage ratio has improved to 75.7% . Our lending and collection practices remain vigilant to developments in the market.

Strong capital position

The Bank remains **highly capitalised**, with the core capital and total capital ratios at 13.75% and 17.49% respectively. Total share buy-back was at 78.9 million shares or 5% of the Bank's issued share capital as December 2006.

Dividend

The Board has recommended an interim dividend of 9 sen per share less 27% tax.

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

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