

**Profit up 22% for 6 Months to December 2009**

For the six months ended December 2009, Hong Leong Bank Berhad reported a 22% increase in profit. This has been a better half relative to the preceding 6 months of January to June 2009 when the global order completely changed at the end of 2008.

“On a half-year to half-year comparison, pre-tax profit for the period of July to December 2009 increased by 22% against the period of January to June 2009. Gross loans grew 2% in the last 6 months. Loans to individuals expanded 3% and working capital loans grew 2%. We expanded the Mortgage books by 4% and we saw 5% growth in the unsecured segment (credit cards and personal lending). This growth momentum should continue,” reported Ms Yvonne Chia, Group Managing Director / Chief Executive.

“While we are cautiously optimistic of the economic outlook and structural changes to the banking sector globally, we remain very confident of the prospects of the Bank. The Malaysian economy should be more vibrant in 2010, and we are well-positioned to grow with the upside potential.”

“The recovery of the global financial and economic systems remains vulnerable. Systemically, the sector is resilient today and well positioned to cope with any further downside risks that arise from global uncertainties,” Ms Chia continued.

### Highlights of the Group's financial and operating performance

- Pre-tax profit for the First Half ended December 2009 (“1H10”) increased by 22% to RM580.1 million as compared to the January to June 2009 period.
- Returns on average shareholder funds remained resilient at 15.6% on an annualised basis.
- Earnings per share on an annualised basis held steady at 63.3 sen.
- Returns on assets were 1.15%.
- Total net income for 1H10 increased by 5% to RM 1,031 million as compared to the January to June 2009 period.
- Net interest income for 1H10 increased by 8% to RM 681 million as compared to the January to June 2009 period.
- Net interest margin for the 1H10 was 2.37%, vs 2.25% for the whole of Financial Year 2009.
- Cost-to-income ratio was 43.5% for the 1H10.
- Total assets were RM 80 billion.
- Gross loans grew by 2.3% year-on-year (“y-o-y”) to RM 36 billion.
- Customer deposits held firm at RM 66.2 billion.
- Gross non-performing loan (NPL) ratio and net NPL ratio decreased to 2.0% and 1.0% respectively from 2.4% and 1.3% against the corresponding period last year.
- Loan loss coverage expanded to 123.5% from 109.1% as at end FY09.

- The Group's capital position remained strong, with the risk-weighted capital ratio (RWCR) at 15.92% (after deduction of proposed dividend).

### **Profit contribution from Bank of Chengdu Co., Ltd.**

Bank of Chengdu Co., Ltd. (“Bank of Chengdu”) contributed RM 27 million in share of profits for the quarter ending December 2009. For the half ending December 2009, the profit contributions from Bank expanded 24% against the same period last year.

The transformation of Bank of Chengdu into a major regional and market-oriented commercial bank in China continues to make good progress. Key financials strengthened in 2009 as after-tax profit grew more than 15% to exceed the RMB 1 billion mark. Gross loans expanded more than 30% while deposits grew more than 40%.

### **Dividend**

The Board has recommended an interim dividend of 9.0 sen per share less income tax of 25% for the half-year interim results.

For further details, visit [www.hlb.com.my](http://www.hlb.com.my) or [www.bursamalaysia.com](http://www.bursamalaysia.com), and for further clarification, please contact:

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