

# HLB profit up 5pc to RM376.8m

HONG Leong Bank Bhd's (HLB) pre-tax profit rose 5 per cent to RM376.8 million for the six months to December 2004 from RM359.1 million in the previous corresponding period.

The banking group attributed the better profit to an increase in non-interest income and lower loan loss provision during the period.

Sales of its range of personal financial planning and wealth management products continued to record strong growth, while gross loans, advances and financing grew 11.6 per cent on an annualised basis driven largely by business banking, mortgages and the rebuilding of its hire-purchase portfolio.



The bank's loan-to-deposit ratio for the period was 65.5 per cent.

"We are pleased with the trust our customers place in us as their deposit franchise. The strength is evidenced from the deposit profile, with deposits from individuals representing 61 per cent of the base.

"We will continue to manage our customers'

finances based on the group's mantra of integrity, trust and service," group managing director Yvonne Chia said in a statement issued yesterday in Kuala Lumpur.

Non-interest income for the half-year under review registered strong growth of 79.5 per cent to RM179.0 million from RM99.7 million in the previous corresponding period.

This came from a broad-based gain in treasury bonds, foreign exchange, wealth management and trade finance fees, and Singapore branch fee income.

Islamic financing revenue rose 15.7 per cent to RM58 million from RM50.1 million previously.

The bank's net non-

performing loans to total loans ratio improved to 4.9 per cent from 5.4 per cent as at June 2004.

The bank attributed this to its emphasis on credit quality and more focused collection efforts.

Its risk-weighted capital, meanwhile, remained strong at 18.4 per cent, down from 19.0 per cent as at June 2004. The lower risk-weighted capital was due to the dividend payout and accounting for treasury shares.

As at the end of 2004, the bank's treasury shares stood at 4.97 million shares valued at RM25.7 million.

An interim gross dividend of 8.5 sen per share has been recommended for the current period.

We are pleased with the trust our customers place in us...!

- Chia



Note: Hong Leong Bank Berhad (HLB) is a customer of Profitera Corporation. As its evident from article above, Profitera's PowerCollect Solution has helped HLB to increase its profits by improving the collections processes