

Hong Leong Bank Q3 net profit up 21% to RM690mil

Lender posts higher net income, lower allowance for impairments

KUALA LUMPUR: Hong Leong Bank Bhd's net profit rose 21.1% to RM690.03mil in the third quarter ended March 31, underpinned by higher net income, lower allowance for impairment losses on loans, advances and financing.

It said in a statement that the increase in net profit compared with the RM569.53mil achieved a year ago was due to the higher net income of RM132.3mil, lower allowance for impairments of RM33.1mil while profit from associated companies came in at RM18.5mil. However, this was mitigated by higher operating expenses of RM25.8mil.

Hong Leong Bank's pre-tax profit rose 22.7% to RM855.1mil from RM697.04mil. Its revenue increased by 11.8% to RM1.25bil from RM1.12bil. Earnings per share were higher at 33.73 sen compared with 27.84 sen.

Its personal financial services segment recorded a pre-tax profit of RM278.9mil from RM297.4mil due to lower total income and higher operating expenses. However, it was partially offset by lower allowance for impairment losses on loans, advances and financing.

Its business and corporate banking's segment recorded a pre-tax profit of RM208.8mil versus RM197.8mil a year ago due to lower allowance for impairment losses on loans,

advances and financing, partially offset by higher total operating expenses.

Hong Leong Bank said the global market segment recorded a pre-tax profit of RM149.4mil compared with RM87mil a year ago. The increase in pre-tax profit was mainly contributed by higher total income, partially offset by higher operating expenses.

The international banking's segment recorded a pre-tax profit of RM140.6mil compared with RM126.3mil a year ago. This was due to higher share of profit from its associated company in China, partially offset by higher operating expenses.

For the nine months ended March 31, its net profit was up 21% to RM2.01bil from RM1.66bil. Revenue dipped to RM3.66bil from RM3.39bil.

The group pre-tax profit for the nine months ended March 31, rose 19.4% to RM2.468bil from RM2.068bil in the previous corresponding period.

The increase was mainly due to higher net income of RM264.5mil, lower allowance for impairment losses on loans, advances and financing of RM30.6mil, higher writeback of impairment losses on financial investments of RM1.7mil and higher share of profit from associated company of RM162.6mil.

The bank's group managing director and chief executive officer Domenic Fuda said the bank had achieved another significant milestone for the nine months and third quarter as net profits reached RM2.012bil and RM690mil respectively.

He attributed this to solid top-line growth, prudent cost management as well as strong contribution from our associate company.

This has resulted in an improved return-on-equity (ROE) of 11.7% and 11.9% for the 9MFY18 and Q3FY18, respectively.

"Our continued strong performance further underlines the strength of the bank and reinforces our long-term strategy and commitment towards delivering consistent results and sustainable profits.

"Executing our digital strategy remains a key priority to transform our engagement with customers.

"The launch of our e-Ang Pow and interactive AngPow 'TAP' game on the Hong Leong Connect mobile banking platform has proven to be a hit during the Chinese New Year celebrations.

"We take pride in leading the digital and innovation space to provide the best experience through reimagining the banking journey of our customers," he said.

BIMB Holdings Q1 net profit rises to RM172.14mil

KUALA LUMPUR: BIMB Holdings Bhd's (BHB) net profit in the first quarter (Q1) ended March 31, rose 13.9% to RM172.14mil from RM151.10mil in the previous corresponding period.

Revenue increased to RM999.36mil from RM919.64mil previously.

In a filing with Bursa Malaysia yesterday, BHB said its banking segment, Bank Islam Group reported a profit before zakat and tax (PBZT) of RM207.2mil for Q1, an increase of 7.9% or RM15.1mil compared with the corresponding period in 2017.

Bank Islam's profit growth was mainly due to the increase in the base rate and base financing rate by 25 basis points effective February 2018, following the 25 basis points increase in overnight policy rate on Jan, 25, 2018, it said.

The increase was also attributable to the year-on-year (y-o-y) growth in net financing assets of RM2.6bil or 6.6%, reaching RM42.4bil as at March 31.

As at end of March, the bank's customer deposits and investment accounts stood at RM46.9bil and RM4.9bil with a y-o-y increase of RM3.3bil and RM0.9bil, respectively, it said.

The bank capital position continued to be healthy as reflected by its total capital ratio of 16.9%, compared with 14.9% a year ago, said the group.

BHB said moving forward, Bank Islam would focus on small and medium enterprises (SMEs), towards which it had established a SME Banking Division.

The bank had introduced eight SME Centres, namely in Melaka, Perak, Kedah, Kelantan, Johor, Penang, Terengganu and Selangor to assist entrepreneurs in their business financing needs.

"Through digitalisation, Bank Islam will be able to accelerate SME banking by providing business solutions for operational and expansion needs," it said.

It said the bank would also focus on optimising its risks and returns, resources and productivity, as well as its franchise value, underpinned by a disciplined balance sheet management.

For Takaful segment, Takaful Malaysia Group recorded a PBZT of RM84.9mil, an increase of 17.1% compared with RM72.6mil in the corresponding period in 2017.

It said the higher profit was attributable to higher net Wakalah fee income arising from robust business growth in the General Takaful business.

Takaful Malaysia's operating revenue increased 13.1% to RM746.2mil from RM659.9mil previously, mainly attributable to higher sales by both Family Takaful and General Takaful business. — Bernama

I-Bhd maintains its stellar quarterly performance



Lim: We are also excited about the rapid development of i-City as we embark on our subsequent five-year journey.

PETALING JAYA: I-Bhd continues to show improved performance by registering a 16.6% net profit growth to RM24.49mil for the first quarter of the financial year 2018 (Q1FY18) compared with the corresponding quarter last year.

It recorded a revenue of RM159.3mil which was 47% higher compared with the corresponding period last year.

In a statement yesterday, I-Bhd executive chairman Tan Sri Lim Kim Hong said the group has continued to grow profitably and he remained confident about the company's growth prospects despite the lacklustre operating environment.

"This is solidified by the growing demand in our higher-end King of the Hill - 8Kia Peng @ KLCC project in downtown Kuala Lumpur City Centre.

"The focus for this year will continue to be on the sale of properties in i-City, whilst stepping up on the sale of 8Kia Peng @ KLCC which is now seeing very strong traction.

"In addition, we expect to complete and hand over Liberty Tower, Parisien Tower and Hyde Tower in the third quarter of the year.

"Furthermore, we are preparing for new launches by 2019 in which the prolonged weakness in the property market should start to ease up," he said.

In terms of segment performance, property

development remained the largest revenue contributor for quarter with RM147.9mil recorded, making up 93% of the group's revenue, while the leisure segment came in at 6% of total group revenue or RM9.7mil.

It will be an exciting year for the property investment segment with the imminent completion and opening of the Central i-City shopping centre in November.

The group's unbilled sales as at March 31 stood at RM272.8mil and is expected to grow in tandem with the sales of the 8Kia Peng @ KLCC project, which is expected to contribute positively in a year or two.

Lim pointed out that the group's investment merits and consistent delivery of strong financial performances were largely under-appreciated despite most of the company's properties being fully-sold when market conditions were getting increasingly challenging.

"The landscape of i-City has changed in the past five years.

"We are also excited about the rapid development of i-City as we embark on our subsequent five-year journey to complete the transformation of the 72-acre Ultrapolis development.

"Definitive plans will be revealed soon," he added.

I-Bhd's AGM has been scheduled to be held on June 26.

Clarification

WITH regard to our story entitled "MI Equipment Positioned for Bigger Growth", which appeared in *StarBiz* yesterday, MI Equipment Holdings Bhd wishes to clarify on the following: revenue breakdown by geography for 2015 is RM40.4mil (Malaysia); RM23.1mil (South-East Asia); RM20.1mil (North-East Asia); and RM21.5mil (North Atlantic).

Berjaya's hope to recoup US\$10mil dims after Vietnam court upholds verdict

HANOI: A court has upheld a key judgement in Vietnam's biggest-ever fraud case, a victim's lawyer told *Reuters*, in a trial that has spotlighted the country's ability to tackle financial crime at a time when foreign banks are heeding government calls to invest.

The Ho Chi Minh City People's High Court ruled yesterday to uphold a judgment that the central perpetrator of a 4.9 trillion dong (US\$215mil) theft is responsible for returning

individual's employer at the time, state-controlled VietinBank.

The ruling comes as financial firms such as investment banks and global buyout funds flock to Vietnam, hoping to capitalise on a period of privatisation and capital-raising deals in the fast-growing emerging South-East Asian economy.

The chief executive of one victim, depositor Saigonbank Berjaya Securities JSC (SBBS) — a unit

Josephine Yei told *Reuters* earlier that if the ruling was upheld, she had little hope of recouping her bank's US\$10mil from the perpetrator, who was sentenced to life imprisonment.

"I am heartbroken and lost of words now," Yei told *Reuters* after the ruling.

VietinBank, formerly Vietnam Joint Stock Commercial Bank for Industry and Trade, did not respond to an emailed request for comment.

had instructed its lawyers not to comment to media.

Majority owner State Bank of Vietnam — the country's central bank — could not provide immediate comment.

In many economies, banks can be liable for embezzlement of depositors' funds if negligence of the bank is established. In Vietnam, interpretation of liability law becomes more open when the perpetrator goes beyond their