

HONG LEONG FINANCIAL GROUP BERHAD (8024-W)
CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2014

	As at 30/09/2014 RM '000	As at 30/06/2014 RM '000
THE GROUP		
<u>Assets</u>		
Cash and short term funds	12,681,447	17,084,360
Deposits and placements with banks and other financial institutions	7,218,994	4,494,097
Securities purchased under resale agreements	5,654,314	2,997,197
Financial assets held-for-trading	17,057,447	13,256,502
Financial investments available-for-sale	27,422,167	27,106,786
Financial investments held-to-maturity	9,824,522	9,851,132
Derivative financial instruments	876,149	712,983
Loans, advances and financing	103,867,730	103,665,448
Clients' and brokers' balances	346,919	430,804
Other receivables	1,377,849	695,280
Statutory deposits with Central Banks	3,335,638	3,181,392
Tax recoverable	10,277	11,349
Investment in associates	2,901,305	2,796,943
Investment in joint ventures	95,768	90,912
Property and equipment	1,053,397	1,030,256
Goodwill	2,410,644	2,410,644
Intangible assets	345,176	360,921
Total Assets	196,479,743	190,177,006
<u>Liabilities</u>		
Deposits from customers	130,397,660	130,632,286
Deposits and placements of banks and other financial institutions	15,364,631	9,166,255
Obligations on securities sold under repurchase agreements	6,200,678	4,295,975
Bills and acceptances payable	1,570,038	358,732
Derivatives financial instruments	995,366	821,340
Clients' and brokers' balances	214,375	337,686
Payables and other liabilities	4,428,301	6,269,319
Provision for claims	97,330	67,088
Provision for taxation	79,638	38,583
Deferred tax liabilities	210,756	210,017
Borrowings	3,340,657	5,307,604
Subordinated obligations	5,394,775	5,359,614
Non-innovative Tier 1 stapled securities	1,428,269	1,410,252
Innovative Tier 1 capital securities	528,279	541,767
Insurance funds	8,668,624	8,355,757
Total Liabilities	178,919,377	173,172,275
<u>Equity</u>		
Share capital	1,052,768	1,052,768
Capital reserves	2,837,527	2,712,327
Retained profits	7,771,642	7,447,552
Fair value reserve	164,301	287,257
Treasury shares for ESOS	(25,183)	(25,422)
Total shareholders' equity	11,801,055	11,474,482
Non-controlling interests	5,759,311	5,530,249
Total Equity	17,560,366	17,004,731
Total Liabilities and Equity	196,479,743	190,177,006
Commitment and Contingencies	203,670,165	200,529,510
Net assets per share (net of treasury shares) attributable to ordinary equity holders of the parent (RM)	11.26	10.95

The unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014.

HONG LEONG FINANCIAL GROUP BERHAD (8024-W)
CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2014

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30/09/2014 RM '000	Last year quarter ended 30/09/2013 RM '000	Current year to date 30/09/2014 RM '000	Last year to date 30/09/2013 RM '000
THE GROUP				
Interest income	1,538,395	1,451,782	1,538,395	1,451,782
Interest expense	(853,100)	(844,562)	(853,100)	(844,562)
Net interest income	685,295	607,220	685,295	607,220
Net income from Islamic banking business	110,049	108,350	110,049	108,350
Non-interest income	288,165	457,259	288,165	457,259
Net income	1,083,509	1,172,829	1,083,509	1,172,829
Overhead expenses	(466,753)	(492,188)	(466,753)	(492,188)
Operating profit before allowances	616,756	680,641	616,756	680,641
Writeback of impairment losses on loans, advances and financing and other losses	14,914	17,733	14,914	17,733
Writeback of impairment losses	4,805	15,362	4,805	15,362
	636,475	713,736	636,475	713,736
Share of results of associates	107,336	96,770	107,336	96,770
Share of results of joint ventures	3,182	2,070	3,182	2,070
Profit before taxation	746,993	812,576	746,993	812,576
Taxation	(155,119)	(175,207)	(155,119)	(175,207)
Net profit for the financial period	591,874	637,369	591,874	637,369
Attributable to:				
Owners of the parent	392,155	430,189	392,155	430,189
Non-controlling interests	199,719	207,180	199,719	207,180
Net profit for the financial period	591,874	637,369	591,874	637,369
Earnings per share - basic (sen)	37.4	41.3	37.4	41.3
Earnings per share - fully diluted (sen)	37.4	41.2	37.4	41.2

The unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014.

HONG LEONG FINANCIAL GROUP BERHAD (8024-W)
CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2014

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30/09/2014 RM '000	Last year quarter ended 30/09/2013 RM '000	Current year to date 30/09/2014 RM '000	Last year to date 30/09/2013 RM '000
THE GROUP				
Net profit for the financial period	591,874	637,369	591,874	637,369
Other comprehensive (loss)/income:				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Share of other comprehensive loss of associated companies	(2,974)	(22)	(2,974)	(22)
Net fair value changes on financial investments available-for-sale	(164,180)	(54,473)	(164,180)	(54,473)
Currency translation differences	16,527	28,153	16,527	28,153
Income tax relating to components of other comprehensive income	41,045	13,618	41,045	13,618
Total comprehensive income for the financial period, net of tax	<u>482,292</u>	<u>624,645</u>	<u>482,292</u>	<u>624,645</u>
Attributable to:				
Owners of the parent	280,826	407,454	280,826	407,454
Non-controlling interests	201,466	217,191	201,466	217,191
	<u>482,292</u>	<u>624,645</u>	<u>482,292</u>	<u>624,645</u>

The unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014.

HONG LEONG FINANCIAL GROUP BERHAD (8024-W)
CONDENSED FINANCIAL STATEMENTS
UNAUDITED COMPANY STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2014

	As at 30/09/2014 RM '000	As at 30/06/2014 RM '000
THE COMPANY		
<u>Assets</u>		
Cash and short term funds	16,013	6,882
Deposits and placements with banks and other financial institutions	666	8,762
Financial assets held-for-trading	135,127	-
Derivative financial instruments	772	1,211
Other receivables	56,508	56,611
Tax recoverable	9,729	10,800
Deferred tax assets	4,380	3,550
Investment in subsidiary companies	14,990,958	14,986,980
Property and equipment	2,296	1,798
Intangible assets	158	172
Total Assets	15,216,607	15,076,766
<u>Liabilities</u>		
Derivative financial instruments	2,409	1,253
Payables and other liabilities	19,468	17,112
Borrowings	1,363,090	1,311,342
Total Liabilities	1,384,967	1,329,707
<u>Financed by:</u>		
Share capital	1,052,768	1,052,768
Capital reserves	377,374	376,858
Retained profits	12,416,679	12,332,614
Treasury shares for ESOS	(15,181)	(15,181)
Total Equity	13,831,640	13,747,059
Total Liabilities and Equity	15,216,607	15,076,766
Commitment and Contingencies	879,972	785,308

The unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014.

HONG LEONG FINANCIAL GROUP BERHAD (8024-W)
CONDENSED FINANCIAL STATEMENTS
UNAUDITED COMPANY STATEMENTS OF INCOME
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2014

	Individual Quarter		Cumulative Quarter	
	Current	Last year	Current year	Last year
	quarter ended 30/09/2014	quarter ended 30/09/2013	to date 30/09/2014	to date 30/09/2013
THE COMPANY	RM '000	RM '000	RM '000	RM '000
Interest income	1,742	786	1,742	786
Interest expense	(14,353)	(13,449)	(14,353)	(13,449)
Net interest expense	(12,611)	(12,663)	(12,611)	(12,663)
Non-interest income	104,121	1,415	104,121	1,415
Net income/(expense)	91,510	(11,248)	91,510	(11,248)
Overhead expenses	(7,203)	(6,910)	(7,203)	(6,910)
Profit/(loss) before taxation	84,307	(18,158)	84,307	(18,158)
Taxation	(242)	287	(242)	287
Net profit/(loss) for the financial period	<u>84,065</u>	<u>(17,871)</u>	<u>84,065</u>	<u>(17,871)</u>
Earnings per share - basic (sen)	<u>8.0</u>	<u>(1.7)</u>	<u>8.0</u>	<u>(1.7)</u>
Earnings per share - fully diluted (sen)	<u>8.0</u>	<u>(1.7)</u>	<u>8.0</u>	<u>(1.7)</u>

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2014

	Individual Quarter		Cumulative Quarter	
	Current	Last year	Current year	Last year
	quarter ended 30/09/2014	quarter ended 30/09/2013	to date 30/09/2014	to date 30/09/2013
THE COMPANY	RM '000	RM '000	RM '000	RM '000
Net profit/(loss) for the financial period	84,065	(17,871)	84,065	(17,871)
Other comprehensive income for the financial period	-	-	-	-
Total comprehensive income/(loss) for the financial period, net of tax	<u>84,065</u>	<u>(17,871)</u>	<u>84,065</u>	<u>(17,871)</u>

The unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014.

HONG LEONG FINANCIAL GROUP BERHAD (8024-W)
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014

	Share capital RM '000	Share premium RM '000	Treasury shares for ESOS RM '000	Statutory reserve RM '000	Other Capital reserve RM '000	Share options reserve RM '000	Fair value reserve RM '000	Regulatory reserve# RM '000	Exchange fluctuation reserve RM '000	Retained profits RM '000	Total shareholders' equity RM '000	Non-controlling interests RM '000	Total equity RM '000
At 1 July 2014	1,052,768	117,229	(25,422)	2,454,525	134,848	7,806	287,257	10,266	(12,347)	7,447,552	11,474,482	5,530,249	17,004,731
Comprehensive income													
Net profit for the financial period	-	-	-	-	-	-	-	-	-	392,155	392,155	199,719	591,874
Currency translation differences	-	-	-	-	-	-	-	-	11,627	-	11,627	4,900	16,527
Share of other comprehensive loss of associates	-	-	-	-	-	-	(2,623)	-	-	-	(2,623)	(351)	(2,974)
Net fair value changes in financial investments available-for-sale, net of tax	-	-	-	-	-	-	(120,333)	-	-	-	(120,333)	(2,802)	(123,135)
Total comprehensive income	-	-	-	-	-	-	(122,956)	-	11,627	392,155	280,826	201,466	482,292
Transaction with owners													
Transfer to statutory reserves/regulatory reserve	-	-	-	114,115	-	-	-	-	-	(114,115)	-	-	-
Allocation of other reserves to non-controlling interests	-	-	-	-	-	-	-	-	-	44,065	44,065	(2,605)	41,460
Non-controlling interests share of subsidiary treasury shares	-	-	-	-	-	-	-	-	-	-	-	30,201	30,201
Option charge arising from ESOS	-	-	-	-	-	604	-	-	-	-	604	-	604
Exercise of ESOS	-	-	239	-	-	(1,165)	-	-	-	2,004	1,078	-	1,078
Transfer to capital redemption reserve	-	-	-	-	19	-	-	-	-	(19)	-	-	-
At 30 September 2014	1,052,768	117,229	(25,183)	2,568,640	134,867	7,245	164,301	10,266	(720)	7,771,642	11,801,055	5,759,311	17,560,366

	Share capital RM '000	Share premium RM '000	Treasury shares for ESOS RM '000	Statutory reserve RM '000	Other Capital reserve RM '000	Share options reserve RM '000	Fair value reserve RM '000	Regulatory reserve# RM '000	Exchange fluctuation reserve RM '000	Retained profits RM '000	Total shareholders' equity RM '000	Non-controlling interests RM '000	Total equity RM '000
At 1 July 2013	1,052,768	117,229	(49,958)	1,971,758	134,417	22,768	248,221	8,527	(20,501)	6,590,499	10,075,728	4,928,980	15,004,708
Comprehensive income													
Net profit for the financial period	-	-	-	-	-	-	-	-	-	430,189	430,189	207,180	637,369
Currency translation differences	-	-	-	-	-	-	-	-	20,241	-	20,241	7,912	28,153
Share of other comprehensive loss of associates	-	-	-	-	-	-	(15)	-	-	-	(15)	(7)	(22)
Net fair value changes in financial investments available-for-sale, net of tax	-	-	-	-	-	-	(42,961)	-	-	-	(42,961)	2,106	(40,855)
Total comprehensive income	-	-	-	-	-	-	(42,976)	-	20,241	430,189	407,454	217,191	624,645
Transaction with owners													
Transfer to statutory reserves/regulatory reserve	-	-	-	139,752	-	-	-	-	-	(139,752)	-	-	-
Allocation of other reserves to non-controlling interests	-	-	-	-	-	-	-	-	-	(13,142)	(13,142)	13,767	625
Non-controlling interests share of subsidiary treasury shares	-	-	-	-	-	-	-	-	-	-	-	5,480	5,480
Option charge arising from ESOS	-	-	-	-	-	2,809	-	-	-	-	2,809	-	2,809
Exercise of ESOS	-	-	548	-	-	(711)	-	-	-	1,926	1,763	-	1,763
Transfer to capital redemption reserve	-	-	-	-	431	-	-	-	-	(431)	-	-	-
At 30 September 2013	1,052,768	117,229	(49,410)	2,111,510	134,848	24,866	205,245	8,527	(260)	6,869,289	10,474,612	5,165,418	15,640,030

The regulatory reserves are maintained by the Group's banking subsidiary company in Vietnam in line with the requirements of the State Bank of Vietnam.

The unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014.

HONG LEONG FINANCIAL GROUP BERHAD (8024-W)
UNAUDITED COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014

	Share capital RM '000	Share premium RM '000	Other capital reserve RM '000	Share options reserve RM '000	Retained profits RM '000	Treasury shares for ESOS RM '000	Total equity RM '000
At 1 July 2014	1,052,768	117,229	254,991	4,638	12,332,614	(15,181)	13,747,059
Net profit for the financial period	-	-	-	-	84,065	-	84,065
Option charge arising from ESOS	-	-	-	516	-	-	516
At 30 September 2014	<u>1,052,768</u>	<u>117,229</u>	<u>254,991</u>	<u>5,154</u>	<u>12,416,679</u>	<u>(15,181)</u>	<u>13,831,640</u>

	Share capital RM '000	Share premium RM '000	Other capital reserve RM '000	Share options reserve RM '000	Retained profits RM '000	Treasury shares for ESOS RM '000	Total equity RM '000
At 1 July 2013	1,052,768	117,229	254,991	16,680	12,318,619	(37,161)	13,723,126
Net loss for the financial period	-	-	-	-	(17,871)	-	(17,871)
Option charge arising from ESOS	-	-	-	1,151	-	-	1,151
At 30 SEPTEMBER 2013	<u>1,052,768</u>	<u>117,229</u>	<u>254,991</u>	<u>17,831</u>	<u>12,300,748</u>	<u>(37,161)</u>	<u>13,706,406</u>

The unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014.

HONG LEONG FINANCIAL GROUP BERHAD (8024-W)
UNAUDITED CONDENSED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014

	The Group		The Company	
	30/09/2014 RM '000	30/09/2013 RM '000	30/09/2014 RM '000	30/09/2013 RM '000
Profit/(loss) before taxation	746,993	812,576	84,307	(18,158)
Adjustment for non-cash items	25,139	(130,020)	(87,994)	13,810
Operating profit before working capital changes	772,132	682,556	(3,687)	(4,348)
Income tax paid	(663,484)	(144,136)	-	-
Interest received	1,742	786	1,742	786
Changes in working capital				
Net changes in operating assets	(10,025,997)	3,583,418	(127,980)	2,307
Net changes in operating liabilities	7,768,325	(1,866,773)	3,512	1,770
Net cash flow (used in)/generated from operating activities	(2,147,282)	2,255,851	(126,413)	515
Cash flow from investing activities:				
Net purchases of financial investments available-for-sale	(445,991)	(3,079,260)	-	-
Net proceeds/(purchases) of financial investments held-to-maturity	26,684	(907,751)	-	-
Interest received on financial investments available-for-sale and held-to-maturity	171,937	134,457	-	-
Purchase of intangibles assets	(13,432)	(24,675)	(2)	(4)
Purchase of property and equipment	(36,276)	(52,437)	(640)	(6)
Proceeds from disposal of property and equipment	2,188	4,507	-	123
Dividends received from other investments	57,142	71,869	170	56
Dividends received from subsidiaries	-	-	102,600	-
Dividends received from associated companies	29,983	56,086	-	-
Subscription of shares in joint venture	(1,638)	(1,628)	-	-
Subscription of shares in subsidiary company	-	-	(11,352)	-
Proceeds from redemption of redeemable preference shares	-	-	7,374	50,875
Net cash flow (used in)/generated from investing activities	(209,403)	(3,798,832)	98,150	51,044
Cash flow from financing activities:				
Cash received from ESOS exercised	1,078	1,763	-	-
Drawdown of revolving credit	100,000	65,000	100,000	65,000
Redemption of medium term notes and commercial paper	(2,295,000)	(110,000)	(295,000)	(110,000)
Drawdown of term loans	240,000	-	240,000	-
Interest paid on subordinated obligations	(23,732)	(36,416)	-	-
Interest paid on borrowings	(112,782)	(105,607)	(7,606)	(7,499)
Interest paid on non-innovative Tier 1 stapled securities	(197)	(309)	-	-
Interest paid on innovative Tier 1 capital securities	(17,704)	(16,886)	-	-
Net cash flow (used in)/generated from financing activities	(2,108,337)	(202,455)	37,394	(52,499)
Changes in cash and cash equivalents	(4,465,022)	(1,745,436)	9,131	(940)
Effect of change in foreign exchange rate	62,109	96,170	-	-
Cash and cash equivalents as at 1 July	17,084,360	19,797,580	6,882	10,662
Cash and cash equivalents as at 30 September	12,681,447	18,148,314	16,013	9,722

The unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014.

**HONG LEONG FINANCIAL GROUP BERHAD (“HLFG” or “the Company”)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

1. Basis of preparation

The unaudited condensed financial statements for the financial period ended 30 September 2014 have been prepared under the historical cost convention, except for the following assets and liabilities which are stated at fair values: financial assets held-for-trading, financial investments available-for-sale, derivative financial instruments and investment properties.

The unaudited condensed financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standard Board (“MASB”) and paragraph 9.22 of Bursa Malaysia Securities Berhad’s Listing Requirements and should be read in conjunction with the audited annual financial statements for the Group and the Company for the financial year ended 30 June 2014. The explanatory notes attached to the unaudited condensed financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Company since the financial year ended 30 June 2014.

The unaudited condensed financial statements incorporated those activities relating to Islamic banking business which have been undertaken by the Group. Islamic banking business refers generally to the acceptance of deposits and granting of financing under the principles of Shariah.

The significant accounting policies and methods of computation applied in the unaudited condensed financial statements are consistent with those adopted in the annual audited financial statements for the financial year ended 30 June 2014, except for the adoption of following amendments to Malaysian Financial Reporting Standards (“MFRSs”), Interpretation to the Issues Committee (“IC Interpretation”) and Annual Improvements to MFRSs with effective from 1 July 2014:

Amendments to MFRS 10	“Consolidated Financial Statements” - Investment Entities
Amendments to MFRS 12	“Disclosures of Interests in Other Entities” - Investment Entities
Amendments to MFRS 127	“Separate Financial Statements” - Investment Entities
Amendment to MFRS 132	“Financial Instruments: Presentation” - Offsetting Financial Assets and Financial Liabilities
Amendment to MFRS 139	“Financial Instruments: Recognition and Measurement” - Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	“Levies”
Annual Improvements to MFRSs 2010-2012 Cycle	
Annual Improvements to MFRSs 2011-2013 Cycle	

The adoption of the above amendments to MFRSs, IC Interpretation and Annual Improvements to MFRSs are not expected to have impact on the financial results of the Group and the Company.

The preparation of unaudited condensed financial statements in conformity with the MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited condensed financial statements, and the reported amounts of income and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group and the Company’s accounting policies. Although these estimates and assumptions are based on the Directors’ best knowledge of current events and actions, actual results may differ from those estimates.

2. Status of matters giving rise to the auditor’s qualified report in the annual financial statement for the financial year ended 30 June 2014

There was no qualified report issued by the auditors in the annual financial statements for the financial year ended 30 June 2014.

3. Seasonality or cyclicity of operations

The business operations of the Group and the Company have not been materially affected by any seasonal and cyclical factors.

4. Exceptional items or unusual events affecting financial statements

There were no exceptional items or unusual events that materially affected the financial statements.

5. Variation from financial estimates reported in preceding financial year

There were no material changes in estimates of amounts reported in the prior financial year that have a material effect in the current period.

6. Issuance and repayment of debt and equity securities

There was no repayment of debt or equity share, share buy-back, share cancellation, shares held as treasury shares nor resale of treasury shares in HLFG for the financial period ended 30 September 2014 other than as mentioned below.

a) Purchase of shares pursuant to Executive Share Option Scheme ("ESOS")

A trust has been set up for the ESOS of HLFG and is administered by an appointed trustee. The trustee will be entitled from time to time to accept financial assistance from the Company upon such terms and conditions as the Company and the trustee may agree to purchase the Company's shares from the open market for the purposes of this trust. In accordance to MFRS 132: Financial Statements: Presentation and Disclosure, the shares purchased for the benefit of the ESOS holders are recorded as "Treasury shares for ESOS" in the shareholders' equity on the statement of financial position.

The Company has previously granted 6,000,000 conditional incentive share options at an exercise price of RM11.77 to eligible executives of the Company pursuant to the ESOS of HLFG subject to the achievement of certain performance criteria over an option performance period. The said share options, if vested, will be satisfied by the transfer of existing shares purchased by a trust established for the ESOS.

During the financial period ended 30 September 2014, no shares were exercised pursuant to the Company's ESOS.

The remaining number of shares held by the appointed trustee for the Company as at 30 September 2014 was 3,000,408 units at an average price of RM5.06 per share and the total consideration paid, including transaction costs was RM15,181,000.

The insurance subsidiary companies exercised a total of 50,300 ordinary shares of RM1 each pursuant to the Company's ESOS at the granted exercise price of RM8.09 during the financial period ended 30 September 2014.

The remaining number of shares held by the appointed trustee for the insurance subsidiary companies as at 30 September 2014 was 2,103,992 units at an average price of RM4.75 per share with total consideration paid, including transaction costs was RM10,002,000 which have been classified as treasury shares for ESOS at the Group level.

7. Dividends paid

There were no dividends paid during the financial period under review.

8. Segmental reporting

Segmental information is presented in respect of the Group's business segments. The primary format by business segments is based on the Group's management and internal reporting structure.

No analysis by geographical segments is presented as the Group's operations are substantially carried out in Malaysia.

Inter-segment pricing is based on internally computed cost of funds. These transactions are eliminated on consolidation. Segment results, assets and liabilities include items directly attributable to the segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise tax recoverable, tax payable and other corporate assets and other corporate liabilities. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used during more than one period.

Business segments

The Group comprises the following main business segments:

Commercial banking	Commercial banking business
Investment banking and asset management	Investment banking, futures and stockbroking, fund and unit trust management
Insurance	Life and general insurance business
Other operations	Investment holding and provision of management services

8. Segmental reporting (continued)

The Group 30 September 2014	Commercial Banking RM'000	Investment Banking RM'000	Insurance RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue for the period ended						
External revenue	1,011,267	42,986	41,593	(12,337)	-	1,083,509
Intersegment revenue	3,291	274	1,611	106,026	(111,202)	-
	<u>1,014,558</u>	<u>43,260</u>	<u>43,204</u>	<u>93,689</u>	<u>(111,202)</u>	<u>1,083,509</u>
Results for the period ended						
Segment results	605,124	18,986	28,529	86,436	(102,600)	636,475
Share of results of associates						107,336
Share of results of joint ventures						3,182
Profit before taxation						<u>746,993</u>
Taxation						(155,119)
Net profit for the financial period						<u>591,874</u>
Non-controlling interests						(199,719)
Profit attributable to owners of the parent						<u><u>392,155</u></u>
Other information						
Segment assets	178,319,260	4,190,078	13,315,076	15,508,569	(14,853,240)	<u>196,479,743</u>
Segment liabilities	163,169,949	3,564,380	10,980,143	1,468,302	(263,397)	<u>178,919,377</u>

8. Segmental reporting (continued)

The Group 30 September 2013	Commercial Banking RM'000	Investment Banking RM'000	Insurance RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue for the period ended						
External revenue	1,025,036	40,979	87,863	18,951	-	1,172,829
Intersegment revenue	4,370	122	705	2,247	(7,444)	-
	<u>1,029,406</u>	<u>41,101</u>	<u>88,568</u>	<u>21,198</u>	<u>(7,444)</u>	<u>1,172,829</u>
Results for the period ended						
Segment results	607,794	18,459	73,256	14,227	-	713,736
Share of results of associates						96,770
Share of results of joint ventures						2,070
Profit before taxation						<u>812,576</u>
Taxation						(175,207)
Net profit for the financial period						<u>637,369</u>
Non-controlling interests						(207,180)
Profit attributable to owners of the parent						<u><u>430,189</u></u>
Other information						
Segment assets	162,424,256	2,845,208	13,645,715	15,500,737	(14,980,463)	<u>179,435,453</u>
Segment liabilities	148,801,009	2,340,256	11,448,067	1,612,214	(406,123)	<u>163,795,423</u>

9. Financial assets held-for-trading

	The Group	
	As at 30/09/2014 RM '000	As at 30/06/2014 RM '000
Money market instruments:		
Government treasury bills	173,373	197,064
Malaysian Government securities	844,523	33,224
Negotiable instruments of deposit	9,069,093	9,274,432
Bankers' acceptances and Islamic accepted bills	714,412	576,717
Bank Negara Malaysia bills	3,629,978	848,000
Malaysian Government investment certificates	252,804	528,352
Cagamas bonds	11,140	65,787
Khazanah bonds	-	37,439
Sukuk bonds	62,064	-
Other government securities	2,600	2,567
	<u>14,759,987</u>	<u>11,563,582</u>
Quoted securities:		
Shares in Malaysia	534,822	553,550
Shares outside Malaysia	212,877	187,200
Foreign currency bonds	351,477	243,175
Unit trust investments	259,147	89,452
Warrants quoted in Malaysia	631	1,012
	<u>1,358,954</u>	<u>1,074,389</u>
Unquoted securities:		
Foreign currency bonds	192,285	134,366
Private and Islamic debts securities	746,221	484,165
	<u>938,506</u>	<u>618,531</u>
Total financial assets held-for-trading	<u>17,057,447</u>	<u>13,256,502</u>

	The Company	
	As at 30/09/2014 RM '000	As at 30/06/2014 RM '000
Quoted securities:		
Unit trust investments	135,127	-
	<u>135,127</u>	<u>-</u>

10. Financial investments available-for-sale

	The Group	
	As at 30/09/2014 RM '000	As at 30/06/2014 RM '000
Money market instruments:		
Government treasury bills	192,948	546,703
Malaysian Government securities	1,123,878	1,645,275
Malaysian Government investment certificates	2,617,518	2,677,845
Negotiable instruments of deposit	105,500	103,384
Khazanah bonds	239,342	208,615
Cagamas bonds	1,006,986	965,610
Other government securities	1,658,182	1,442,202
	<u>6,944,354</u>	<u>7,589,634</u>
Quoted securities:		
Shares in Malaysia	1,375,807	1,319,110
Shares outside Malaysia	246,218	230,387
Foreign currency bonds in Malaysia	4,268,674	3,224,143
Foreign currency bonds outside Malaysia	991,316	727,868
Warrants in Malaysia	703	1,062
Loan stocks in Malaysia	23	23
Unit trust investments	3,526,663	4,658,678
	<u>10,409,404</u>	<u>10,161,271</u>
Unquoted securities :		
Shares in Malaysia	366,202	366,202
Shares outside Malaysia	3,582	3,506
Foreign currency bonds in Malaysia	142,209	143,242
Foreign currency bonds outside Malaysia	488,411	394,078
Investment-linked funds	300	300
Private debt securities	9,067,705	8,448,553
	<u>10,068,409</u>	<u>9,355,881</u>
Total financial investments available-for-sale	<u>27,422,167</u>	<u>27,106,786</u>

11. Financial investments held-to-maturity

	The Group	
	As at 30/09/2014 RM '000	As at 30/06/2014 RM '000
Money market instruments:		
Malaysian Government securities	3,092,305	3,120,731
Malaysian Government investment certificates	5,399,724	5,399,565
Negotiable instruments of deposit	3,424	55,217
Cagamas bonds	76,583	96,455
Other Government securities	338,301	253,646
	<u>8,910,337</u>	<u>8,925,614</u>
Unquoted securities :		
Loan stocks	49	49
Private and Islamic debt securities	662,631	678,317
Foreign currency bonds outside Malaysia	198,519	194,666
Unquoted bonds	486	486
Investment in preference shares	52,500	52,000
	<u>914,185</u>	<u>925,518</u>
Total financial investments held-to-maturity	<u>9,824,522</u>	<u>9,851,132</u>

12. Loans, advances and financing

	The Group	
	As at 30/09/2014 RM '000	As at 30/06/2014 RM '000
Overdrafts	3,878,567	4,104,535
Term loans:		
- Housing and shop loans/financing	48,264,542	46,563,762
- Syndicated term loan/financing	8,073,774	7,939,722
- Hire purchase receivables	17,487,668	17,405,481
- Other term loans/financing	8,095,542	8,684,556
Credit/charge card receivables	4,163,135	4,192,192
Bills receivables	1,189,191	1,116,670
Trust receipts	285,822	296,587
Claims on customers under acceptance credits	7,293,155	8,118,324
Block discounting	257	253
Revolving credits	5,407,504	5,545,623
Policy and premium loans	661,775	654,958
Staff loans	172,192	172,011
Other loans/financing	436,593	461,848
Gross loans, advances and financing	105,409,717	105,256,522
Unamortised fair value changes arising from terminated fair value hedges	(2,292)	(1,516)
Allowance for impaired loans, advances and financing:		
- collective assessment allowance	(1,038,537)	(1,077,911)
- individual assessment allowance	(501,158)	(511,647)
Total net loans, advances and financing	103,867,730	103,665,448

(a) By type of customer

	The Group	
	As at 30/09/2014 RM '000	As at 30/06/2014 RM '000
Domestic non-bank financial institutions	340,945	278,231
Domestic business enterprises		
- small and medium enterprises	16,558,166	16,368,945
- others	17,447,830	19,298,810
Government and statutory bodies	25,512	28,345
Individuals	66,496,893	64,825,999
Other domestic entities	171,866	158,579
Foreign entities	4,368,505	4,297,613
Gross loans, advances and financing	105,409,717	105,256,522

(b) By interest/profit rate sensitivity

	The Group	
	As at 30/09/2014 RM '000	As at 30/06/2014 RM '000
Fixed rate		
- Housing and shop loans/financing	2,831,830	2,838,669
- Hire purchase receivables/financing	17,296,953	17,254,282
- Other fixed rate loan/financing	7,612,490	7,559,790
Variable rate		
- Base lending rate plus	62,987,544	61,970,968
- Cost plus	14,347,101	15,320,089
- Other variables rates	333,799	312,724
Gross loans, advances and financing	105,409,717	105,256,522

12. Loans, advances and financing (continued)

(c) By economic purpose

	The Group	
	As at 30/09/2014 RM '000	As at 30/06/2014 RM '000
Purchase of securities	1,022,831	1,054,079
Purchase of transport vehicles	17,449,710	17,292,319
Purchase of landed properties		
- residential	40,499,928	39,001,580
- non-residential	12,641,623	12,370,138
Purchase of fixed assets (excluding landed properties)	503,862	530,527
Personal use	3,359,521	3,370,722
Credit card	4,163,135	4,192,192
Purchase of consumer durables	439	445
Construction	1,263,965	1,163,043
Mergers and acquisition	304,598	303,096
Working capital	21,165,412	22,713,474
Others	3,034,693	3,264,907
Gross loans, advances and financing	<u>105,409,717</u>	<u>105,256,522</u>

(d) By geographical distribution

	The Group	
	As at 30/09/2014 RM '000	As at 30/06/2014 RM '000
Malaysia	102,257,830	102,176,684
Singapore	2,698,794	2,675,129
Hong Kong	4,920	4,816
Vietnam	333,799	312,724
Cambodia	114,374	87,169
Gross loans, advances and financing	<u>105,409,717</u>	<u>105,256,522</u>

(e) By residual contractual maturity

	The Group	
	As at 30/09/2014 RM '000	As at 30/06/2014 RM '000
Within one year	27,625,206	27,881,173
One year to less than three years	7,922,540	8,208,065
Three years to less than five years	9,719,425	9,726,789
Five years and more	60,142,546	59,440,495
Gross loans, advances and financing	<u>105,409,717</u>	<u>105,256,522</u>

12. Loans, advances and financing (continued)

(f) Impaired loans, advances and financing by economic purpose

	The Group	
	As at 30/09/2014 RM '000	As at 30/06/2014 RM '000
Purchase of securities	701	758
Purchase of transport vehicles	230,279	225,812
Purchase of landed properties		
- residential	204,273	214,321
- non-residential	50,640	47,737
Purchase of fixed assets (excluding landed properties)	36,708	37,484
Personal use	33,320	34,940
Credit card	51,483	53,058
Purchase of consumer durables	4	4
Construction	4,001	4,379
Working capital	545,806	572,014
Others	38,541	42,081
	<u>1,195,756</u>	<u>1,232,588</u>

(g) Impaired loans, advances and financing by geographical distribution

	The Group	
	As at 30/09/2014 RM '000	As at 30/06/2014 RM '000
Malaysia	1,181,782	1,219,374
Vietnam	13,974	13,214
	<u>1,195,756</u>	<u>1,232,588</u>

(h) Movements in impaired loans, advances and financing are as follows:

	The Group	
	As at 30/09/2014 RM '000	As at 30/06/2014 RM '000
As at beginning of the financial period/year	1,232,588	1,360,566
Impaired during the financial period/year	378,732	1,705,583
Performing during the financial period/year	(204,796)	(897,336)
Amount written back in respect of recoveries	(121,685)	(507,495)
Amount written off	(90,826)	(431,273)
Exchange differences	1,743	2,543
As at end of the financial period/year	<u>1,195,756</u>	<u>1,232,588</u>
Gross impaired loan as a % of gross loans, advances and financing	<u>1.1%</u>	<u>1.2%</u>

12. Loans, advances and financing (continued)

(i) Movements in allowance for impaired loans, advances and financing are as follows:

	The Group	
	As at 30/09/2014 RM '000	As at 30/06/2014 RM '000
<u>Collective assessment allowance</u>		
As at beginning of the financial period/year	1,077,911	1,260,301
Net allowance made during the period/year	55,538	255,275
Amount written off	(81,360)	(367,890)
Amount transfer to individual assessment allowance	-	(1,915)
Unwinding income	(13,516)	(68,545)
Exchange differences	(36)	685
As at end of the financial period/year	1,038,537	1,077,911
As % of gross loans, advances and financing less loans exempted from individual assessment allowance	1.0%	1.0%
<u>Individual assessment allowance</u>		
As at beginning of the financial period/year	511,647	526,270
Net allowance made during the period/year	12,918	140,025
Amount transfer from collective assessment allowance	-	1,915
Amount written back in respect of recoveries	(22,374)	(108,868)
Amount written off	(937)	(41,618)
Unwinding income	(1,534)	(7,112)
Exchange differences	1,438	1,035
As at end of the financial period/year	501,158	511,647

13. Other receivables

	The Group	
	As at 30/09/2014 RM '000	As at 30/06/2014 RM '000
Investment properties	1,760	1,760
Foreclosed properties	1,112	1,112
Sundry debtors and other prepayments	176,642	132,150
Treasury related receivable	1,054,520	242,573
Other receivables	143,815	317,685
	1,377,849	695,280
The Company		
	As at 30/09/2014 RM '000	As at 30/06/2014 RM '000
Amount due from subsidiary companies	55,253	54,535
Sundry debtors and other prepayments	980	932
Other receivables	275	1,144
	56,508	56,611

14. Deposits from customers

(a) By type of deposits

	The Group	
	As at 30/09/2014 RM '000	As at 30/06/2014 RM '000
Fixed deposits	73,540,753	74,243,402
Negotiable instruments of deposit	13,024,170	11,598,134
	<u>86,564,923</u>	<u>85,841,536</u>
Demand deposits	19,178,688	18,913,794
Savings deposits	14,902,896	15,020,628
Short term corporate placement	9,465,036	10,556,968
Others	396,659	381,524
Gross deposits from customers	<u>130,508,202</u>	<u>130,714,450</u>
Fair value changes arising from designation at fair value through profit or loss*	(110,542)	(82,164)
Total net deposits from customers	<u>130,397,660</u>	<u>130,632,286</u>

*Note:

The Group has issued structured deposits (Callable Range Accrual Notes) and designated them at fair value through profit or loss. This designation is permitted under MFRS 139 "Financial Instruments: Recognition and Measurement" as it significantly reduces accounting mismatch. These instruments are managed by the Group on the basis of its fair value and includes terms that have substantive derivative characteristic. The structured deposits are recorded at fair value.

(b) By type of customers

	The Group	
	As at 30/09/2014 RM '000	As at 30/06/2014 RM '000
Government and statutory bodies	2,473,282	2,299,321
Business enterprises	58,428,969	56,739,253
Individuals	67,179,178	66,662,907
Others	2,426,773	5,012,969
Gross deposits from customers	<u>130,508,202</u>	<u>130,714,450</u>

(c) The maturity structure of fixed deposits and negotiable instruments of deposits are as follows:

	The Group	
	As at 30/09/2014 RM '000	As at 30/06/2014 RM '000
Due within six months	64,715,507	65,302,503
More than six months to one year	16,646,842	16,537,616
More than one year to five years	4,402,574	3,501,417
More than five years	800,000	500,000
	<u>86,564,923</u>	<u>85,841,536</u>

15. Deposits and placements of banks and other financial institutions

	The Group	
	As at	As at
	30/09/2014	30/06/2014
	RM '000	RM '000
Licensed banks and investment banks	12,521,228	6,153,972
Licensed Islamic banks	848,865	901,261
Other financial institutions	1,994,538	2,111,022
	<u>15,364,631</u>	<u>9,166,255</u>
The maturity structure of deposits and placements of banks and other financial institutions:		
One year or less (short term)	<u>15,364,631</u>	<u>9,166,255</u>

16. Payables and other liabilities

	The Group	
	As at	As at
	30/09/2014	30/06/2014
	RM '000	RM '000
Trade payables	1,342,821	1,325,059
Amount due to Cagamas Berhad	83,368	84,160
Loan advance payment	1,986,618	1,882,838
Post employment benefits obligations - defined contribution plan	4,475	4,236
Treasury and cheque clearing	(185,609)	1,219,056
Treasury related payables	41,374	56,425
Sundry creditors and accruals	501,409	563,278
Provision for bonus and staff related expenses	219,853	186,621
Advance payments received for corporate exercise	-	416,545
Others	433,992	531,101
	<u>4,428,301</u>	<u>6,269,319</u>

	The Company	
	As at	As at
	30/09/2014	30/06/2014
	RM '000	RM '000
Amount due to subsidiary companies	-	24
Sundry creditors and accruals	2,681	3,620
Provision for bonus and staff related expenses	16,747	13,428
Post employment benefits obligations - defined contribution plan	40	40
	<u>19,468</u>	<u>17,112</u>

17. Interest income

	The Group		The Group	
	Current quarter ended 30/09/2014 RM '000	Last year quarter ended 30/09/2013 RM '000	Current year to date 30/09/2014 RM '000	Last year to date 30/09/2013 RM '000
Loans, advances and financing	1,083,269	1,023,951	1,083,269	1,023,951
Money at call and deposit placements with financial institutions	105,783	141,816	105,783	141,816
Securities purchased under resale agreements	33,526	8,169	33,526	8,169
Financial assets held-for-trading	141,262	138,921	141,262	138,921
Financial investments available-for-sale	104,472	104,616	104,472	104,616
Financial investments held-to-maturity	67,465	32,885	67,465	32,885
Others	2,618	1,424	2,618	1,424
	<u>1,538,395</u>	<u>1,451,782</u>	<u>1,538,395</u>	<u>1,451,782</u>
Of which:				
Interest income earned on impaired loans, advances and financing	13,260	5,432	13,260	5,432

	The Company		The Company	
	Current quarter ended 30/09/2014 RM '000	Last year quarter ended 30/09/2013 RM '000	Current year to date 30/09/2014 RM '000	Last year to date 30/09/2013 RM '000
Money at call and deposit placements with financial institutions	622	176	622	176
Others	1,120	610	1,120	610
	<u>1,742</u>	<u>786</u>	<u>1,742</u>	<u>786</u>

18. Interest expense

	The Group		The Group	
	Current quarter ended 30/09/2014 RM '000	Last year quarter ended 30/09/2013 RM '000	Current year to date 30/09/2014 RM '000	Last year to date 30/09/2013 RM '000
Deposits and placements of banks and other financial institutions	20,937	37,094	20,937	37,094
Deposits from customers	636,239	594,515	636,239	594,515
Short term corporate placements	51,064	58,313	51,064	58,313
Borrowings	58,294	71,532	58,294	71,532
Subordinated bonds	58,353	54,722	58,353	54,722
Non-innovative Tier 1 stapled securities	18,017	18,129	18,017	18,129
Innovative Tier 1 capital securities	7,306	6,601	7,306	6,601
Others	2,890	3,656	2,890	3,656
	<u>853,100</u>	<u>844,562</u>	<u>853,100</u>	<u>844,562</u>
	The Company		The Company	
	Current quarter ended 30/09/2014 RM '000	Last year quarter ended 30/09/2013 RM '000	Current year to date 30/09/2014 RM '000	Last year to date 30/09/2013 RM '000
Borrowings	14,053	13,434	14,053	13,434
Others	300	15	300	15
	<u>14,353</u>	<u>13,449</u>	<u>14,353</u>	<u>13,449</u>

19. Non-Interest Income

	The Group		The Group	
	Current quarter ended 30/09/2014 RM '000	Last year quarter ended 30/09/2013 RM '000	Current year to date 30/09/2014 RM '000	Last year to date 30/09/2013 RM '000
Net income from insurance business	31,840	78,721	31,840	78,721
Net brokerage and commissions from stockbroking business	16,165	13,816	16,165	13,816
Net unit trust and asset management income	3,899	5,498	3,899	5,498
Fee income:				
Commissions	39,439	33,202	39,439	33,202
Service charges and fees	11,396	11,025	11,396	11,025
Guarantee fees	5,526	6,360	5,526	6,360
Credit card related fees	55,419	74,523	55,419	74,523
Corporate advisory fees	3,133	1,795	3,133	1,795
Commitment fees	9,199	9,242	9,199	9,242
Fee on loans, advances and financing	13,944	17,706	13,944	17,706
Placement fees	2,878	79	2,878	79
Arranger fees	885	7,159	885	7,159
Other fee income	13,140	14,601	13,140	14,601
	154,959	175,692	154,959	175,692
Gain/(loss) arising from sale of financial assets:				
Net gain/(loss) from sale of financial assets held-for-trading	5,185	(268)	5,185	(268)
Net gain from sale of financial investments available-for-sale	25,524	16,889	25,524	16,889
Net gain from redemption of financial investments held-to-maturity	74	9	74	9
Net (loss)/gain from sale of derivatives financial instruments	(8,755)	13,589	(8,755)	13,589
	22,028	30,219	22,028	30,219
Gross dividend income from:				
Financial assets held-for-trading	498	10,407	498	10,407
Financial investments available-for-sale	56,644	61,462	56,644	61,462
	57,142	71,869	57,142	71,869
Net unrealised gain on revaluation of:				
Financial assets held-for-trading	15	27,099	15	27,099
Derivatives financial instruments	12,223	9,045	12,223	9,045
	12,238	36,144	12,238	36,144
Net realised loss on fair value changes arising from fair value hedges and amortisation of fair value changes arising from terminated fair value hedges	(1,476)	(2,830)	(1,476)	(2,830)
Other income:				
Foreign exchange (loss)/gain	(16,319)	42,910	(16,319)	42,910
Rental income	1,520	1,480	1,520	1,480
Gain on disposal of property and equipment (net)	1,281	131	1,281	131
Others	4,888	3,609	4,888	3,609
	(8,630)	48,130	(8,630)	48,130
Total non-interest income	288,165	457,259	288,165	457,259

19. Non-Interest Income (continued)

	The Company		The Company	
	Current	Last year	Current year	Last year
	quarter ended 30/09/2014 RM '000	quarter ended 30/09/2013 RM '000	to date 30/09/2014 RM '000	to date 30/09/2013 RM '000
Fee income:				
Management fees	2,831	2,238	2,831	2,238
Gain/(loss) arising from sale of financial assets:				
Net gain/(loss) from sale of derivatives financial instruments	159	(1,402)	159	(1,402)
Gross dividend income from:				
Financial assets held-for-trading	170	56	170	56
Subsidiary companies	102,600	-	102,600	-
Net unrealised loss on revaluation of derivatives financial instruments	(1,649)	(101)	(1,649)	(101)
Other income	10	624	10	624
Total non-interest income	104,121	1,415	104,121	1,415

20. Overhead expenses

	The Group		The Group	
	Current	Last year	Current year	Last year
	quarter ended 30/09/2014 RM '000	quarter ended 30/09/2013 RM '000	to date 30/09/2014 RM '000	to date 30/09/2013 RM '000
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	244,548	247,382	244,548	247,382
- Medical expenses	5,633	5,890	5,633	5,890
- Training and convention expenses	4,545	3,470	4,545	3,470
- Staff welfare	2,035	3,567	2,035	3,567
- Others	7,225	7,779	7,225	7,779
	263,986	268,088	263,986	268,088
<u>Establishment costs</u>				
- Depreciation of property and equipments*	10,937	27,931	10,937	27,931
- Amortisation of intangible assets	25,900	23,753	25,900	23,753
- Rental	21,415	20,529	21,415	20,529
- Information technology expenses	29,501	26,931	29,501	26,931
- Security services	6,390	7,916	6,390	7,916
- Electricity, water and sewerage	6,814	5,892	6,814	5,892
- Hire of plant and machinery	3,251	3,497	3,251	3,497
- Others	6,457	8,239	6,457	8,239
	110,665	124,688	110,665	124,688
<u>Marketing expenses</u>				
- Advertisement and publicity	6,073	6,629	6,073	6,629
- Credit card related fees	25,705	20,282	25,705	20,282
- Others	4,876	7,892	4,876	7,892
	36,654	34,803	36,654	34,803
<u>Administration and general expenses</u>				
- Teletransmission expenses	3,344	2,518	3,344	2,518
- Stationery and printing expenses	4,609	3,466	4,609	3,466
- Professional fees	18,628	20,706	18,628	20,706
- Insurance fees	9,827	5,585	9,827	5,585
- Travelling and transport expenses	1,457	1,675	1,457	1,675
- Registration and license fees	1,304	1,476	1,304	1,476
- Brokerage and commission	1,926	1,246	1,926	1,246
- Stamp, postage and courier	5,103	4,316	5,103	4,316
- Others	9,250	23,621	9,250	23,621
	55,448	64,609	55,448	64,609
	466,753	492,188	466,753	492,188

* During the financial period, the Group had reviewed and revised the useful lives of certain class of assets. This was done in accordance to MFRS 116 - Property, Plant and Equipment. The revisions were accounted for prospectively as a change in accounting estimates and as a result, the depreciation charged of the Group for the current financial period had decreased.

20. Overhead expenses (continued)

	The Company		The Company	
	Current quarter ended 30/09/2014 RM '000	Last year quarter ended 30/09/2013 RM '000	Current year to date 30/09/2014 RM '000	Last year to date 30/09/2013 RM '000
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	5,156	4,715	5,156	4,715
- Medical expenses	26	24	26	24
- Training and convention expenses	9	9	9	9
- Staff welfare	68	51	68	51
- Others	653	1,171	653	1,171
	<u>5,912</u>	<u>5,970</u>	<u>5,912</u>	<u>5,970</u>
<u>Establishment costs</u>				
- Depreciation of property and equipments	142	73	142	73
- Amortisation of intangible assets	17	2	17	2
- Rental	188	211	188	211
- Electricity, water and sewerage	10	15	10	15
- Hire of plant and machinery	9	7	9	7
- Others	44	34	44	34
	<u>410</u>	<u>342</u>	<u>410</u>	<u>342</u>
<u>Administration and general expenses</u>				
- Teletransmission expenses	4	9	4	9
- Stationery and printing expenses	13	12	13	12
- Professional fees	274	226	274	226
- Management fees	555	129	555	129
- Travelling and transport expenses	8	34	8	34
- Others	27	188	27	188
	<u>881</u>	<u>598</u>	<u>881</u>	<u>598</u>
	<u>7,203</u>	<u>6,910</u>	<u>7,203</u>	<u>6,910</u>

21. Allowance for/(writeback of) impairment losses on loans, advances and financing and other losses

	The Group		The Group	
	Current quarter ended 30/09/2014 RM '000	Last year quarter ended 30/09/2013 RM '000	Current year to date 30/09/2014 RM '000	Last year to date 30/09/2013 RM '000
(Writeback of)/allowance for impairment losses on loans, advances and financing:				
- Individual assessment allowance	(9,456)	812	(9,456)	812
- Collective assessment allowance	55,538	49,685	55,538	49,685
Allowance for/(writeback of) impairment losses on clients' and brokers' balances:				
- Individual assessment allowance	21	(57)	21	(57)
- Collective assessment allowance	8	(15)	8	(15)
Writeback of impairment losses on other assets				
- Individual assessment allowance	-	(65)	-	(65)
Impaired loans and financing:				
- written off	7,823	6,337	7,823	6,337
- recovered	(68,848)	(74,430)	(68,848)	(74,430)
	<u>(14,914)</u>	<u>(17,733)</u>	<u>(14,914)</u>	<u>(17,733)</u>

22. Capital adequacy

The banking subsidiaries' regulatory capital is governed by BNM Capital Adequacy Framework guidelines. With effect from 1 January 2013, the capital adequacy ratios of the banking subsidiaries are computed in accordance with BNM's Capital Adequacy Framework issued on 28 November 2012. The Framework sets out the approach for computing the regulatory capital adequacy ratios, as well as the levels of the ratios at which banking institutions are required to operate. The Framework is to strengthen capital adequacy standards, in line with the requirements set forth under Basel III. In line with the transitional arrangements under the BNM's Capital Adequacy Framework (Capital Components), the minimum capital adequacy requirement for common equity Tier I (CET I) capital ratio and Tier I capital ratio are 4.00% (2013: 3.50%) and 5.50% (2013: 4.50%) respectively, for year 2014. The minimum regulatory capital adequacy requirement remains at 8.00% (2013: 8.00%) for total capital ratio.

The risk-weighted assets ("RWA") of the banking subsidiaries have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk computation.

Basel III

(a) The capital adequacy ratios of the banking subsidiaries are as follows:

	Hong Leong Bank Group		Hong Leong Bank Berhad		Hong Leong Investment Bank Berhad	
	30/09/2014	30/06/2014	30/09/2014	30/06/2014	30/09/2014	30/06/2014
Before deducting proposed dividends						
CET I capital ratio	10.549%	10.903%	9.806%	10.172%	26.574%	20.108%
Tier I capital ratio	11.898%	12.306%	11.341%	11.777%	26.574%	20.108%
Total capital ratio	14.456%	15.072%	14.060%	14.657%	26.775%	20.259%
After deducting proposed dividends						
CET I capital ratio	10.142%	10.480%	9.343%	9.689%	21.688%	16.401%
Tier I capital ratio	11.491%	11.883%	10.878%	11.294%	21.688%	16.401%
Total capital ratio	14.050%	14.649%	13.597%	14.173%	21.890%	16.552%

(b) The component of CET I, Tier I and Tier II capital under the revised Capital Components Framework are as follows:

	Hong Leong Bank Group		Hong Leong Bank Berhad		Hong Leong Investment Bank Berhad	
	30/09/2014	30/06/2014	30/09/2014	30/06/2014	30/09/2014	30/06/2014
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
CET I capital						
Paid up share capital	1,879,909	1,879,909	1,879,909	1,879,909	165,000	165,000
Share premium	2,871,595	2,832,383	2,871,595	2,832,383	87,950	87,950
Retained profit	7,074,989	7,189,104	5,272,720	5,375,070	38,903	38,903
Other reserves	3,294,668	3,171,817	2,869,334	2,773,797	180,944	179,789
Less: Treasury shares	(616,769)	(645,579)	(616,769)	(645,579)	-	-
Less: Other intangible assets	(332,822)	(347,791)	(320,613)	(335,319)	-	-
Less: Goodwill	(1,831,312)	(1,831,312)	(1,771,547)	(1,771,547)	(29,933)	(29,978)
Less: Deferred tax assets	-	-	-	-	(103,671)	(103,671)
Less: Investment in subsidiary company/ associated company/joint venture	(450,234)	(430,676)	(475,291)	(475,075)	-	-
Less: Other regulatory adjustments	-	-	-	-	(333)	(77)
Total CET I capital	11,890,024	11,817,855	9,709,338	9,633,639	338,860	337,916
Additional Tier I capital						
Non-innovative Tier I stapled securities	1,120,000	1,120,000	1,120,000	1,120,000	-	-
Innovative Tier I capital securities	400,000	400,000	400,000	400,000	-	-
Total additional Tier I capital	1,520,000	1,520,000	1,520,000	1,520,000	-	-
Total Tier I capital	13,410,024	13,337,855	11,229,338	11,153,639	338,860	337,916

22. Capital adequacy (continued)

Basel III

(b) The component of CET I, Tier I and Tier II capital under the revised Capital Components Framework are as follows (continued):

	Hong Leong Bank Group		Hong Leong Bank Berhad		Hong Leong Investment Bank Berhad	
	30/09/2014	30/06/2014	30/09/2014	30/06/2014	30/09/2014	30/06/2014
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Tier II Capital						
Redeemable preference shares	-	-	-	-	1,631	1,631
Collective assessment allowance ^	696,806	732,980	605,212	639,439	1,240	1,204
Subordinated obligations	3,988,000	3,988,000	3,988,000	3,988,000	-	-
Tier II capital before regulatory adjustments	4,684,806	4,720,980	4,593,212	4,627,439	2,871	2,835
Less: Regulatory adjustments						
Investment in subsidiary companies	-	-	(1,082,590)	(1,081,727)	(306)	(306)
Investment in associated company	(1,726,150)	(1,650,640)	(757,204)	(757,204)	-	-
Investment in joint venture	(74,788)	(72,064)	(61,369)	(61,369)	-	-
Total Tier II capital	2,883,868	2,998,276	2,692,049	2,727,139	2,565	2,529
Total capital	16,293,892	16,336,131	13,921,387	13,880,778	341,425	340,445

^ Excludes collective assessment allowance attributable to loans, advances and financing classified as impaired but not individually assessed for impairment.

(c) The breakdown of RWA by each major risk category is as follows:

	Hong Leong Bank Group		Hong Leong Bank Berhad		Hong Leong Investment Bank Berhad	
	30/09/2014	30/06/2014	30/09/2014	30/06/2014	30/09/2014	30/06/2014
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Credit risk	99,074,107	96,729,672	86,696,646	84,227,557	668,124	896,087
Market risk	6,039,145	4,126,372	5,696,477	3,912,418	377,306	571,557
Operational risk	7,599,393	7,532,731	6,619,880	6,563,115	229,741	212,853
Total RWA	112,712,645	108,388,775	99,013,003	94,703,090	1,275,171	1,680,497

(d) The capital adequacy ratios of Hong Leong Bank Group's subsidiary company are as follows:

	Hong Leong Islamic Bank	
	30/09/2014	30/06/2014
Before deducting proposed dividends		
CET I capital ratio	12.038%	11.829%
Tier I capital ratio	12.038%	11.829%
Total capital ratio	15.842%	15.587%
After deducting proposed dividends		
CET I capital ratio	11.594%	11.392%
Tier I capital ratio	11.594%	11.392%
Total capital ratio	15.398%	15.150%

25. Commitments and contingencies (continued)

- b. Hong Leong Asset Management Bhd, a wholly-owned subsidiary company of Hong Leong Capital Berhad (“HLCB”), is the Manager of Hong Leong Consumer Products Sector Fund (“Funds”). HLCB provided a guarantee to Deutsche Trustee Malaysia Berhad, the trustee of the Funds, that if the funds fall below the minimum fund size of RM1 million, HLCB would invest cash, equivalent to the shortfall, into the relevant fund.

The size of the funds was above the minimum of RM1 million as at 30 September 2014.

26. Related party transactions

All related party transactions within the Group had been entered into in the normal course of business and were carried out on normal commercial terms.

27. Fair value of financial instruments

Financial instruments comprise financial assets and financial liabilities. Fair value is the amount at which a financial asset could be exchanged or a financial liability settled, between knowledgeable and willing parties in an arm’s length transaction. The information presented herein represents the estimates of fair values as at the statements of financial position date.

Where available, quoted and observable market prices are used as the measure of fair values. Where such quoted and observable market prices are not available, fair values are estimated based on a range of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in the uncertainties and assumptions could materially affect these estimates and the resulting fair value estimates.

Determination of fair value and fair value hierarchy

The Group and the Company measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Valuations derived from valuation techniques in which one or more significant inputs are not based on observable

Financial instruments are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted prices is readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an on-going basis. These would include actively traded listed equities and actively exchange-traded derivatives.

Where fair value is determined using unquoted market prices in less active markets or quoted prices for similar assets and liabilities, such instrument are generally classified as Level 2.

In cases where quoted prices are generally not available, the Group then determines fair value based upon valuation techniques that use as inputs, market parameters including but not limited to yield curves, volatilities and foreign exchange rates. The majority of valuation techniques employ only observable market data and so reliability of the fair value measurement is high.

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). Such inputs are generally determined based on observable inputs of a similar nature, historical observations on the level of the input or other analytical techniques.

The table below analyses financial instruments carried at fair value analysed by level within the fair value hierarchy:

The Group

30 September 2014	Level 1 RM’000	Level 2 RM’000	Level 3 RM’000	Total RM’000
<i>Recurring fair value measurements</i>				
<u>Financial assets</u>				
Financial assets held-for-trading				
- Money market instruments	-	14,759,987	-	14,759,987
- Quoted securities	1,358,954	-	-	1,358,954
- Unquoted securities	-	938,506	-	938,506
Financial investments available-for-sale				
- Money market instruments	-	6,944,354	-	6,944,354
- Quoted securities	10,409,404	-	-	10,409,404
- Unquoted securities	-	9,698,625	369,784	10,068,409
Derivative financial instruments	1,024	875,125	-	876,149
	<u>11,769,382</u>	<u>33,216,597</u>	<u>369,784</u>	<u>45,355,763</u>
<u>Financial liabilities</u>				
Derivative financial instruments	2,209	993,157	-	995,366
	<u>2,209</u>	<u>993,157</u>	<u>-</u>	<u>995,366</u>

27. Fair value of financial instruments (continued)

Determination of fair value and fair value hierarchy (continued)

The table below analyses financial instruments carried at fair value analysed by level within the fair value hierarchy (continued):

The Group

30 June 2014	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Recurring fair value measurements				
Financial assets				
Financial assets held-for-trading				
- Money market instruments	-	11,563,582	-	11,563,582
- Quoted securities	1,074,389	-	-	1,074,389
- Unquoted securities	-	618,531	-	618,531
Financial investments available-for-sale				
- Money market instruments	-	7,589,634	-	7,589,634
- Quoted securities	10,161,271	-	-	10,161,271
- Unquoted securities	-	8,986,173	369,708	9,355,881
Derivative financial instruments	1,417	711,566	-	712,983
	<u>11,237,077</u>	<u>29,469,486</u>	<u>369,708</u>	<u>41,076,271</u>
Financial liabilities				
Derivative financial instruments	13,745	807,595	-	821,340
	<u>13,745</u>	<u>807,595</u>	<u>-</u>	<u>821,340</u>

The Company

30 September 2014	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Recurring fair value measurements				
Financial assets				
Derivative financial instruments	-	772	-	772
	<u>-</u>	<u>772</u>	<u>-</u>	<u>772</u>
Financial liabilities				
Derivative financial instruments	-	2,409	-	2,409
	<u>-</u>	<u>2,409</u>	<u>-</u>	<u>2,409</u>
30 June 2014				
Recurring fair value measurements				
Financial assets				
Derivative financial instruments	-	1,211	-	1,211
	<u>-</u>	<u>1,211</u>	<u>-</u>	<u>1,211</u>
Financial liabilities				
Derivative financial instruments	-	1,253	-	1,253
	<u>-</u>	<u>1,253</u>	<u>-</u>	<u>1,253</u>

Reconciliation of fair value measurements in Level 3 of the fair value hierarchy:

The Group	Financial investments available-for-sale	
	30/09/2014 RM'000	30/06/2014 RM'000
As at beginning of the financial period/year	369,708	332,796
Net fair value changes recognised in other comprehensive income	76	37,353
Redeemed during the period/year	-	(441)
As at end of the financial period/year	<u>369,784</u>	<u>369,708</u>
Total gain recognised in other comprehensive income relating to assets held at the end of financial period/year	<u>76</u>	<u>37,353</u>

**HONG LEONG FINANCIAL GROUP BERHAD (“HLFG”)
ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES
BERHAD LISTING REQUIREMENTS**

1 Review of performance

Current quarter against previous corresponding quarter

HLFG Group recorded a profit before tax of RM747.0 million for the current quarter ended 30 September 2014 as compared to RM812.6 million in the previous corresponding quarter, a decrease of RM65.6 million or 8.1%. The overall decrease was mainly due to lower contribution from insurance division.

Hong Leong Bank Group recorded a higher profit before tax of RM703.9 million for the current quarter ended 30 September 2014 as compared to RM699.3 million in the previous corresponding quarter, an increase of RM4.6 million or 0.7%. The increase was mainly due to lower operating expenses of RM25.8 million coupled with higher share of profit from Bank of Chengdu and Sichuan Jincheng Consumer Finance joint venture totaling RM7.3 million. This was however offset by lower net income of RM14.8 million, lower writeback of impairment losses from securities of RM10.6 million and lower writeback on allowance for impairment losses on loans, advances and financing of RM3.1 million.

HLA Holdings Group registered a profit before tax of RM40.7 million for the current quarter ended 30 September 2014 as compared to RM81.2 million in the previous corresponding quarter, a decrease of RM40.5 million or 49.9%. The decrease was largely due to lower net income of RM45.7 million. This was mitigated by higher share of profit from associate company by RM4.6 million and lower operating expenses of RM0.6 million.

Hong Leong Capital Group recorded a profit before tax of RM19.0 million for the current quarter ended 30 September 2014 as compared to RM18.5 million in the previous corresponding quarter, an increase of RM0.5 million or 2.7%. This was mainly due to higher contribution from its investment banking and stockbroking segments.

2 Current quarter against preceding quarter

HLFG Group recorded a profit before taxation of RM747.0 million for the current quarter ended 30 September 2014 as compared to RM715.6 million for the preceding quarter, an increase of RM31.4 million or 4.4%. The overall increase in profit before tax was mainly due to higher contribution from commercial banking division. This was however offset by lower contribution from insurance and investment banking divisions.

Hong Leong Bank Group recorded a profit before tax of RM703.9 million for the current quarter ended 30 September 2014 as compared to RM610.9 million in the preceding quarter, an increase of RM93.0 million or 15.2% arising from higher writeback on allowance for impairment losses on loans, advances and financing of RM39.2 million, lower operating expenses of RM38.0 million, higher net income of RM8.1 million, higher share of profit from Bank of Chengdu and Sichuan Jincheng Consumer Finance joint venture of RM3.6 million and higher writeback of impairment losses from securities of RM4.1 million.

HLA Holdings Group recorded a profit before tax of RM40.7 million for the current quarter ended 30 September 2014 as compared to RM82.5 million in the preceding quarter, a decrease of RM41.8 million or 50.7%. The decrease was mainly due to lower net income of RM44.6 million and lower share of profit from associate company by RM5.3 million. This was mitigated by lower operating expenses of RM8.1 million.

Hong Leong Capital Group recorded a profit before tax of RM19.0 million for the current quarter ended 30 September 2014 as compared to RM29.1 million in the preceding quarter, a decrease of RM10.1 million or 34.7%. This was mainly due to lower contribution from its investment banking and stockbroking segments.

3 Prospects for the current year

Barring unforeseen circumstances, the Group is expected to perform satisfactorily for the current financial year.

4 Variance of actual profit from forecasted profit

There was no profit forecast or profit guarantee issued by the Group.

5 Taxation

	The Group		The Group	
	Current quarter ended 30/09/2014 RM '000	Last year quarter ended 30/09/2013 RM '000	Current year to date 30/09/2014 RM '000	Last year to date 30/09/2013 RM '000
Malaysian income tax	160,659	171,510	160,659	171,510
Transfer from deferred tax	2,401	3,705	2,401	3,705
	<u>163,060</u>	<u>175,215</u>	<u>163,060</u>	<u>175,215</u>
Prior year over provision				
- Malaysia	(7,941)	(8)	(7,941)	(8)
	<u>155,119</u>	<u>175,207</u>	<u>155,119</u>	<u>175,207</u>

	The Company		The Company	
	Current quarter ended 30/09/2014 RM '000	Last year quarter ended 30/09/2013 RM '000	Current year to date 30/09/2014 RM '000	Last year to date 30/09/2013 RM '000
Malaysian income tax	1,071	-	1,071	-
Transfer to deferred tax	(829)	(287)	(829)	(287)
	<u>242</u>	<u>(287)</u>	<u>242</u>	<u>(287)</u>

The effective tax rate for the Group and the Company for the current financial year is lower than the statutory rate of taxation as certain income was not subjected to tax.

6 Sale of properties/unquoted investments

There were no material gains or losses on disposal of unquoted investments (other than in the ordinary course of business) and/or properties for the financial period under review.

7 Purchase/sale of quoted securities of the Group

There was no other purchase or disposal of quoted securities for the period under review other than those purchased or disposed in the ordinary course of business.

8 Status of corporate proposals

There were no corporate proposals announced but not completed at the latest practicable date which was not earlier than 7 days from the issue of this report.

9 Borrowings

		The Group	
		As at 30/09/2014 RM '000	As at 30/06/2014 RM '000
	Note		
Revolving credit	(i)	165,328	65,254
Commercial papers	(ii)	289,732	584,212
Medium term notes	(ii), (iii)	557,816	2,611,879
Term loans	(iv)	350,214	110,052
Senior bonds	(v)	1,977,567	1,936,207
		<u>3,340,657</u>	<u>5,307,604</u>
Repayment of revolving credit			
- less than one year		165,328	65,254
Repayment of commercial papers			
- less than one year		289,732	584,212
Repayment of medium term notes			
- less than one year		151,997	150,466
- one to three years		152,120	2,210,550
- three years and above		253,699	250,863
Repayment of term loans			
- less than one year		350,214	110,052
Repayment of senior bonds			
- one to three years		1,977,567	1,936,207
		<u>3,340,657</u>	<u>5,307,604</u>
		The Company	
		As at 30/09/2014 RM '000	As at 30/06/2014 RM '000
	Note		
Revolving credit	(i)	165,328	65,254
Commercial papers	(ii)	289,732	584,212
Medium term notes	(ii)	557,816	551,824
Term loans	(iv)	350,214	110,052
		<u>1,363,090</u>	<u>1,311,342</u>
Repayment of revolving credit			
- less than one year		165,328	65,254
Repayment of commercial papers			
- less than one year		289,732	584,212
Repayment of medium term notes			
- less than one year		151,997	150,466
- one to three years		152,120	150,495
- three years and above		253,699	250,863
Repayment of term loans			
- less than one year		350,214	110,052
		<u>1,363,090</u>	<u>1,311,342</u>

9 Borrowings (continued)

- (i) The revolving credit facilities carried interest rates ranging from 3.66% to 3.77% (30 June 2014: ranging from 3.22% to 3.58%) per annum.

The revolving credit facilities are unsecured and repayable within 12 months.

- (ii) On 14 October 2011, the Company entered into RM1.8 billion CP/MTNs Programme comprising a seven (7) years Commercial Papers (CP) programmes and a twenty (20) years Medium Term Notes (MTNs) programmes which were constituted by a Trust Deed between the Company and Malaysian Trustees Berhad as trustee. The CPs are issued at a discount and the issue price is calculated in accordance with the Rules on Fully Automated System for Issuing/Tendering ("FAST") issued by Bank Negara Malaysia at the tenure of one (1), two (2), three (3), six (6), nine (9) or twelve (12) months as the Company may select. The CPs carry interest rates ranging from 3.65% to 3.72% (30 June 2014: 3.20% to 3.38%).

The MTNs are issued at par and the issue price is calculated in accordance with the FAST Rules, at the tenure which shall be more than one (1) year as the Company may select. The MTNs carry interest rates ranging from 4.05% to 4.50% (30 June 2014: 4.05% to 4.50%) per annum.

The CP/MTNs are unsecured and the Company is required to maintain a debt to equity ratio for these facilities.

- (iii) On 14 August 2012, HLAH completed its RM2.0 billion MTN issuance under a proposed MTN Programme to raise funds for investment purpose. The MTN has a maturity of 5 years and has a call option to redeem the MTN at anytime.

On 12 September 2014, HLAH has fully redeemed the RM2.0 billion MTN.

- (iv) The Company has the following term loans for the financial year:

- (a) an unsecured short-term loan facility of RM150 million maturing on 11 January 2015. The term loan with one month interest period bears interest rate ranging from 3.66% to 3.93% (30 June 2014: 3.62% to 3.65%) per annum.
- (b) an unsecured 1 year term loan of RM200 million maturing on 2 July 2015. The term loan with one month interest period bears interest rate ranging from 3.66% to 3.93% (30 June 2014: 3.62% to 3.65%) per annum.

- (v) The Group has the following senior bonds:

	Note	The Group	
		As at 30/09/2014 RM '000	As at 30/06/2014 RM '000
USD 300 million senior bonds, at par	(a)	916,350	916,350
USD 300 million senior bonds, at par	(b)	919,200	919,200
Foreign exchange translations		132,450	90,750
		<u>1,968,000</u>	<u>1,926,300</u>
Add: Interest payable		15,273	16,454
		<u>1,983,273</u>	<u>1,942,754</u>
Less: Unamortised discounts		(5,706)	(6,547)
		<u><u>1,977,567</u></u>	<u><u>1,936,207</u></u>

- (a) On 17 March 2011, HLB issued USD300 million in aggregate principal amount of Senior Bonds ("the Bonds"), which will mature in 2016. The Bonds bear interest at the rate of 3.75% is payable semi-annually. The Bonds were issued at a price of 99.761 per cent of the principal amount of the Bonds.

The Bonds will constitute direct, general, unsubordinated and (subject to the provisions of Negative Pledge Condition) unsecured obligations of HLB which will at all times rank parri passu among themselves and at least parri passu with all other present and future unsecured obligations of HLB.

- (b) On 20 April, 2012, HLB completed its inaugural US dollar senior unsecured notes issuance of USD300 million (the "Senior Notes") under its Euro Medium Term Note Programme of up to USD1.5 billion (or its equivalent in other currencies) in nominal value (the "Programme") which was established on 9 April 2012.

The Senior Notes will have a tenor of five years, maturing on 19 April 2017. The Senior Notes will pay a coupon of 3.125% per annum which is equivalent to a yield to investors of 3.269%.

10 Subordinated obligations

	Note	The Group	
		As at 30/09/2014 RM '000	As at 30/06/2014 RM '000
RM700 million Tier 2 subordinated debt, at par	(a)	685,000	685,000
Add: Interest payable		4,164	12,535
		<u>689,164</u>	<u>697,535</u>
Less: Unamortised discounts		(125)	(207)
		<u>689,039</u>	<u>697,328</u>
RM1.0 billion Tier 2 subordinated debt, at par	(b)	1,000,000	1,000,000
Add: Interest payable		17,758	6,793
		<u>1,017,758</u>	<u>1,006,793</u>
Less: Unamortised discounts		(428)	(570)
		<u>1,017,330</u>	<u>1,006,223</u>
Subordinated medium term notes, at par	(c)	750,000	750,000
Add: Interest payable		10,817	1,207
		<u>760,817</u>	<u>751,207</u>
Less: Unamortised discounts		(957)	(1,138)
Add: Fair value adjustments on completion of business combination accounting		(56)	210
		<u>759,804</u>	<u>750,279</u>
RM1.5 billion Tier 2 subordinated debt, at par	(d)	1,500,000	1,500,000
Add: Interest payable		18,493	1,479
		<u>1,518,493</u>	<u>1,501,479</u>
Less: Unamortised discounts		(1,437)	(1,590)
		<u>1,517,056</u>	<u>1,499,889</u>
RM500 million Tier 2 subordinated debt, at par	(e)	500,000	500,000
Add: Interest payable		3,329	8,815
		<u>503,329</u>	<u>508,815</u>
Less: Unamortised discounts		(1,930)	(1,974)
		<u>501,399</u>	<u>506,841</u>
RM400 million Tier 2 subordinated Sukuk Ijarah, at par	(f)	400,000	400,000
Add: Interest payable		5,576	736
		<u>405,576</u>	<u>400,736</u>
Less: Unamortised discounts		(597)	(658)
		<u>404,979</u>	<u>400,078</u>
RM500 million Tier 2 subordinated notes, at par	(g)	500,000	500,000
Add: Interest payable		6,575	526
		<u>506,575</u>	<u>500,526</u>
Less: Unamortised discounts		(1,407)	(1,550)
		<u>505,168</u>	<u>498,976</u>
		<u>5,394,775</u>	<u>5,359,614</u>

- (a) On 10 August 2010, HLB had completed the first issuance of RM700 million nominal value of Tier 2 Subordinated Debt ("Sub Debt") out of its RM1.7 billion Tier 2 Subordinated Notes Programme. The RM700 million Sub Debt will mature in 2020 and is callable at the end of year 5 and on each subsequent coupon payment dates thereafter subject to approval of BNM. The Sub Debt which bears interest of 4.85% per annum is payable semi-annually in arrears.

The Sub Debt constitute unsecured liabilities of HLB, and is subordinated in right of payment to the deposit liabilities and all other liabilities of HLB in accordance with the terms and conditions of the issue and qualify as Tier 2 capital for the purpose of determining the capital adequacy ratio of HLB.

- (b) On 5 May 2011, HLB issued the remaining RM1.0 billion nominal value of Sub Debt which will mature in 2021 and is callable at the end of year 5 and on each subsequent coupon payment dates thereafter subject to approval of BNM. The second issuance of Sub Debt bears interest at the rate of 4.35% per annum and is payable semi-annually in arrears.

The Sub Debt constitute unsecured liabilities of HLB, and is subordinated in right of payment to the deposit liabilities and all other liabilities of HLB in accordance with the terms and conditions of the issue and qualify as Tier 2 capital for the purpose of determining the capital adequacy ratio of HLB.

10 Subordinated obligations (continued)

- (c) On 27 February 2009, Promino Sdn Bhd ("Promino") (formerly known as EON Bank Berhad), a wholly-owned subsidiary of HLB, has successfully issued the first tranche of RM410.0 million nominal value of the 10 non-callable 5 years Subordinated Medium Term Notes ("MTN") callable on 27 February 2014 (and thereafter) and due on 27 February 2019 under the RM2.0 billion Subordinated MTN Programme. The coupon rate of the Subordinated MTN is 5.75% per annum, which is payable semi-annually in arrears from the date of the issue. Should Promino decide not to exercise its call option on the fifth (5) year from the issue date, the coupon rate will be revised to be equivalent to 7.75% or the then prevailing 5 years RM swap rate plus 3.70% per annum, whichever is higher, from the beginning of the sixth (6) year to the final maturity date.

Subsequently, on 2 December 2009, Promino issued a second tranche of RM250.0 million nominal value of the 10 non-callable 5 years Subordinated MTN callable on 2 December 2014 (and thereafter) and due on 2 December 2019 under the RM2.0 billion Subordinated MTN Programme. The coupon rate of this second tranche of the Subordinated MTN is 5.75% per annum, which is payable semi-annually in arrears from the date of the issue. Should Promino decide not to exercise its call option on the fifth (5) year from the issue date, the coupon rate of this second tranche will be revised to be equivalent to 7.75% or the then prevailing 5 years RM swap rate plus 3.70% per annum, whichever is higher, from the beginning of the sixth (6) year to the final maturity date; similar to the step-up rates in the first tranche.

Subsequently, on 30 December 2010, Promino issued a third tranche of RM500.0 million nominal value of the 10 non-callable 5 years Subordinated MTN callable on 30 December 2015 (and at each anniversary date thereafter) and due on 30 December 2020 under the RM2.0 billion Subordinated MTN Programme. The coupon rate of this third tranche of the Subordinated MTN is 4.75% per annum, which is payable semi-annually in arrears from the date of the issue. Should Promino decide not to exercise its call option on the fifth (5) year from the issue date, or at each anniversary date thereafter, the coupon rate of this third tranche will remain at 4.75% per annum, from the beginning of the sixth (6) year to the final maturity date.

On 1 July 2011, the above Subordinated MTN was vested to HLB. The above tranches of Subordinated MTNs constitute unsecured liabilities of HLB and are subordinated to all deposit liabilities and all other liabilities except those liabilities, which by their terms, rank equally in rights of payment with the Subordinated MTNs. The Subordinated MTNs qualify as Tier 2 capital for the purpose of determining the capital adequacy ratio of HLB.

On 27 February 2014, HLB had fully redeemed the first tranche of RM410.0 million nominal value of the 10 non-callable 5 years subordinated MTNs bearing coupon rate of 5.75% per annum.

- (d) On 22 June 2012, HLB had completed the issuance of RM1.5 billion nominal value of Tier 2 Subordinated Notes ("Sub Notes"). The RM1.5 billion Sub Notes will mature in 2024 and are callable on any interest payment date falling on or after the 7th anniversary of the issue date subject to approval of BNM. The Sub Notes which bears interest of 4.50% per annum is payable semi-annually in arrears.

The Sub Notes constitute unsecured liabilities of HLB, and is subordinated in right of payment to the deposit liabilities and all other liabilities of HLB in accordance with the terms and conditions of the issue and qualify as Tier 2 capital for the purpose of determining the capital adequacy ratio of HLB.

- (e) On 19 September 2012, HLA has created and issued up to RM500 million in nominal value of Subordinated Notes ("Sub-Notes") under a proposed Subordinated Notes Programme to raise funds for general working capital and/or business operations

On 20 March 2013, the Securities Commission approved the application subject to certain operational terms and conditions being fulfilled.

On 7 February 2013, the HLA completed its RM500 million Sub-Notes issuance. The Sub-Notes were issued for a period of 12 years on a 12 non-callable 7 basis with a coupon rate of 4.5% per annum.

The Sub-Notes are classified as tier 2 capital under Risk-Based Capital Framework for Insurers.

- (f) On 17 June 2014, Hong Leong Islamic Bank Berhad ("HLISB"), a wholly owned subsidiary of HLB, had completed the first issuance of RM400 million nominal value of Tier 2 Subordinated Sukuk Ijarah ("Subordinated Sukuk Ijarah") out of its RM1.0 billion Tier 2 Subordinated Sukuk Ijarah Programme. The RM400 million Subordinated Sukuk Ijarah will mature in 2024 and is callable at end of year 5 and on each subsequent coupon payment dates thereafter subject to approval of BNM. The Subordinated Sukuk Ijarah which bears profit rate of 4.80% per annum is payable semi-annually in arrears.

The Subordinated Sukuk Ijarah constitute direct, unconditional, subordinated and unsecured obligations of HLISB and subordinated in right and priority of payment, to the extent and in the manner provided in the Subordinated Sukuk Ijarah, ranking pari passu among themselves. The Subordinated Sukuk Ijarah is subordinated in right of payment to all deposit liabilities and other liabilities of HLISB, except to those liabilities, which by their terms, rank equally in right of payment with or are subordinated to the Subordinated Sukuk Ijarah. The Subordinated Sukuk Ijarah qualifies as Tier 2 capital for the purpose of determining the capital adequacy ratio of HLISB.

10 Subordinated obligations (continued)

- (g) On 23 June 2014, HLB had completed the first issuance of RM500 million nominal value of Tier 2 Subordinated Notes ("Sub-Notes") out of its RM10.0 billion Multi-Currency Sub-Notes Programme. The RM500 million Sub-Notes will mature in 2024 and is callable on any coupon payment date falling on or after the 5th anniversary of the issue date. The Sub-Notes which bears interest rate of 4.80% per annum is payable semi-annually in arrears. The exercise of the call option on the Sub-Notes shall be subject to the approval of BNM.

The Sub-Notes constitute unsecured liabilities of HLB, and is subordinated in right of payment to the deposit liabilities and all other liabilities of HLB in accordance with the terms and conditions of the issue, except to those liabilities, which by their terms, rank equally in right of payment with or are subordinated to the Sub-Notes. The Sub-Notes qualify as Tier 2 capital for the purpose of determining the capital adequacy ratio of HLB.

11 Non-innovative Tier 1 stapled securities

	The Group	
	As at 30/09/2014 RM '000	As at 30/06/2014 RM '000
RM1.4 billion Non-Innovative Tier 1 stapled securities, at par	1,400,000	1,400,000
Add: Interest payable	28,861	11,041
	1,428,861	1,411,041
Less: Unamortised discounts	(592)	(789)
	1,428,269	1,410,252

On 5 May 2011, HLB had completed its issuance of Non-innovative Tier 1 stapled securities ("NIT-1 stapled securities") of RM1.4 billion. The NIT-1 Stapled Securities which is perpetual in nature and callable at the end of year 5 and on each coupon payment date, pays a semi annual coupon of 5.05% per annum. The call option shall be subject to the approval of BNM.

The NIT-1 stapled securities constitute unsecured liabilities of HLB, and is subordinated in right of payment to the deposit liabilities and all other liabilities of HLB in accordance with the terms and conditions of the issue and qualify as Tier 1 capital for the purpose of determining the capital adequacy ratio of HLB.

12 Innovative Tier 1 capital securities

	The Group	
	As at 30/09/2014 RM '000	As at 30/06/2014 RM '000
RM500 million Innovative Tier 1 capital securities, at par	500,000	500,000
Add: Interest payable	2,373	12,771
	502,373	512,771
Less: Unamortised discounts	(8,347)	(8,746)
Add: Fair value adjustments on completion of business combination accounting	34,253	37,742
	528,279	541,767

On 10 September 2009, Promino, an indirect subsidiary of the Company, issued the first tranche of Innovative Tier 1 capital securities ("IT-1 capital securities") amounting to RM500 million in nominal value, from its RM1.0 billion IT-1 Capital Securities Programme. The IT-1 capital securities is structured in accordance with the Risk-Weighted Capital Adequacy Framework (General Requirements and Capital Components) issued by BNM.

The RM500 million IT-1 Capital Securities has a tenor of 30 years and Promino has the option to redeem the RM500 million IT-1 capital securities at the 10th anniversary, subject to BNM approval. The RM500 million IT-1 capital securities has a coupon rate of 8.25% per annum, payable semi-annually. In the event the IT-1 capital securities is not redeemed at the 10th anniversary (the First Optional Redemption Date), the coupon rate will be revised to 9.25% per annum from the 11th year to the final maturity.

On 1 July 2011, the above IT-capital securities was vested to HLB. The IT-1 capital securities constitute unsecured and subordinated obligations of HLB and are subordinated to all deposit liabilities and all other liabilities except those liabilities which rank equally in, and/or junior to, the rights of payment of the IT-1 capital securities. The IT-1 capital securities qualify as Tier 1 capital for the purpose of computing the capital adequacy ratio of HLB.

13 Off-Balance Sheet financial instruments

Details of financial instruments with off-balance sheet risk as at 30 September 2014

The Group

Items	Principal amount RM'000	Fair Value	
		Assets RM'000	Liabilities RM'000
Foreign exchange related contracts			
- Forwards			
(i) Less than 1 year	41,865,825	337,662	(325,867)
(ii) 1 year to 3 years	598,515	5,718	(2,664)
- Swaps			
(i) Less than 1 year	7,136,882	75,098	(94,551)
(ii) 1 year to 3 years	1,099,322	48,196	(42,785)
(iii) More than 3 years	3,592,325	65,365	(81,327)
- Options			
(i) Less than 1 year	4,941,386	26,179	(27,732)
- Spots			
(i) Less than 1 year	888	-	(7)
Interest rate related contracts			
- Futures			
(i) Less than 1 year	23,471,639	1,012	(2,087)
(ii) 1 year to 3 years	5,984,475	1,083	(142)
- Swaps			
(i) Less than 1 year	15,617,530	12,555	(18,185)
(ii) 1 year to 3 years	26,567,500	69,760	(77,511)
(iii) More than 3 years	25,691,120	228,010	(321,126)
Equity related contracts			
(i) Less than 1 year	233,238	1,382	(1,382)
(ii) 1 year to 3 years	67,482	2,825	-
(iii) More than 3 years	1,500	1,304	-
Total	156,869,627	876,149	(995,366)

The Company

Items	Principal amount RM'000	Fair Value	
		Assets RM'000	Liabilities RM'000
Foreign exchange related contracts			
- Swaps			
(i) Less than 1 year	104,972	-	(1,292)
Interest rate related contracts			
- Swaps			
(i) 1 year to 3 years	775,000	772	(1,117)
Total	879,972	772	(2,409)

13 Off-Balance Sheet financial instruments (continued)

Details of financial instruments with off-balance sheet risk as at 30 June 2014

The Group

Items	Principal amount RM'000	Fair Value	
		Assets RM'000	Liabilities RM'000
Foreign exchange related contracts			
- Forwards			
(i) Less than 1 year	32,432,966	192,759	(240,251)
(ii) 1 year to 3 years	351,223	2,160	(3,928)
- Swaps			
(i) Less than 1 year	7,232,436	75,238	(53,666)
(ii) 1 year to 3 years	831,697	30,583	(26,381)
(iii) More than 3 years	3,785,219	74,337	(76,319)
- Options			
(i) Less than 1 year	4,236,390	12,282	(12,940)
- Spots			
(i) Less than 1 year	255	-	-
Interest rate related contracts			
- Futures			
(i) Less than 1 year	29,035,661	1,196	(3,015)
(ii) 1 year to 3 years	9,071,717	868	(1,359)
- Swaps			
(i) Less than 1 year	16,723,860	12,255	(18,607)
(ii) 1 year to 3 years	24,064,854	66,960	(80,927)
(iii) More than 3 years	27,303,710	239,345	(302,798)
Equity related contracts			
(i) Less than 1 year	207,936	1,149	(1,149)
(ii) 1 year to 3 years	94,310	-	-
(iii) More than 3 years	11,500	3,851	-
Total	155,383,734	712,983	(821,340)

The Company

Items	Principal amount RM'000	Fair Value	
		Assets RM'000	Liabilities RM'000
Foreign exchange related contracts			
- Swaps			
(i) Less than 1 year	110,308	423	-
Interest rate related contracts			
- Swaps			
(i) 1 year to 3 years	675,000	788	(1,253)
Total	785,308	1,211	(1,253)

13 Off-Balance Sheet financial instruments (continued)

Market risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amount subject to market risk. Exposure to market risk may be reduced through offsetting on and off-balance sheet positions. As at the end of the financial period, the amount of contracts which were not hedged effectively and hence, exposed to foreign exchange and interest rate market risk were RM8,190,306,007 (FYE June 2014: RM2,836,683,390) and RM68,068,795,453 (FYE June 2014: RM75,231,277,308) respectively.

Derivatives

Market risk arises from the impact on trading positions of changes in foreign exchange rates and interest rates. It also includes the impact from changes in the correlations and volatilities of other risk factors. The Group manages trading market risk in the course of market-making, structuring and packaging products for investors and other clients, as well as to benefit from market opportunities. The Group's market risk framework identifies the types of the market risk to be covered, the risk metrics and methodologies to be used to capture such risk and the standards governing the management of market risk within the Group including limit setting and independent model validation, monitoring and valuation. Management of derivatives risks is continually reviewed and enhanced to ensure that the complexities of the business are appropriately controlled.

Credit risk

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the Group has a gain position. As at the end of the financial year, the amount of credit risk, measured in terms of the cost to replace the profitable contracts, was RM947,358,783 (FYE June 2014: RM796,624,194). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Derivatives

The amount subject to credit risk is limited to the current fair value of instruments that are favourable to the Group (ie, assets where their fair value is positive), which in relation to derivatives is only a small fraction of the contract, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments, except where the Group requires margin deposits from counterparties.

The Group uses the following derivative instruments for both hedging and non-hedging purposes:-

Currency forwards represent commitments to purchase foreign and domestic currency, including undelivered spot transactions. Interest rate futures are contractual obligations to receive or pay a net amount based on changes in currency rates or interest rates, or to buy or sell foreign currency or a financial instrument on a future date at a specified price, established in an organised financial market. The credit risk of futures contracts is negligible, as futures contracts are collateralised by cash or marketable securities, and changes in the futures' contract value are settled daily with the exchange.

Currency and interest rate swaps are commitments to exchange one set of cash flows for another. Swaps result in an economic exchange of currencies or interest rates (for example, fixed rate for floating rate) or a combination of all these (ie, cross-currency interest rate swaps). No exchange of principal takes place, except for certain currency swaps. The Group's credit risk represents the potential cost to replace the swap contracts if counterparties fail to fulfil their obligation. This risk is monitored on an ongoing basis with reference to the current fair value, a proportion of the notional amount of the contracts and the liquidity of the market. To control the level of credit risk taken, the Group assesses counterparties using the same techniques as for its lending activities.

Foreign currency and interest rate options are contractual agreements under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of a foreign currency or a financial instrument at a predetermined price. The seller receives a premium from the purchaser in consideration for the assumption of foreign exchange or interest rate risk. Options may be either exchange-traded or negotiated between the Group and a customer (OTC). The Group is exposed to credit risk on purchased options only, and only to the extent of their carrying amount, which is their fair value.

The notional amounts of certain types of financial instrument provide a basis for comparison with instruments recognised on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Group's exposure to credit or price risks. The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates or foreign exchange rates relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favourable or unfavourable, and thus the aggregate fair values of derivative financial assets and liabilities, can fluctuate significantly from time to time.

13 Off-Balance Sheet financial instruments (continued)

Liquidity risk

Derivatives

Liquidity risk arises in any situation where a payment in cash, securities or equities is made in the expectation of a corresponding receipt in cash, securities or equities. Daily settlement limits are established for each counterparty to cover the aggregate of all settlement risk arising from the Group's market transactions on any single day.

Related accounting policies

Derivative financial instruments are measured at fair value and are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gain or loss arising from a change in the fair value of the derivatives is recognised in the income statements unless they are part of a hedging relationship which qualifies for hedge accounting where the gain or loss is recognised as follows:

Fair value hedge

Where a derivative financial instrument hedges the changes in fair value of a recognised asset or liability, any gain or loss on the hedging instrument is recognised in the income statement. The hedged item is also stated at fair value in respect of the risk being hedged, with any gain or loss being recognised in the income statement.

Cash flow hedge

Gains and losses on the hedging instrument, to the extent that the hedge is effective, are deferred in the separate component of equity. The ineffective part of any gain or loss is recognised in the income statement. The deferred gains and losses are then released to the income statement in the periods when the hedged items affects the income statement.

14 Material litigation

The Group does not have any material litigation which, in the opinion of the Directors, would have a material adverse impact on the financial results of the Group.

15 HLFG Dividends

A single-tier interim dividend of 13 sen per share has been proposed by the Company for the current quarter.

- (i) Amount per share: 13 sen per share
- (ii) Previous corresponding period: 13 sen per share
- (iii) Entitlement date: 10 December 2014
- (iv) Payment date: 23 December 2014

16 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares (excluding treasury shares) in issue during the financial period.

	The Group		The Group	
	Current	Last year	Current year	Last year
	quarter ended 30/09/2014 RM '000	quarter ended 30/09/2013 RM '000	to date 30/09/2014 RM '000	to date 30/09/2013 RM '000
Net profit attributable to equity holders of the Company	392,155	430,189	392,155	430,189
Weighted average number of ordinary shares	1,047,663	1,042,847	1,047,663	1,042,847
Basic earnings per share (Sen)	37.4	41.3	37.4	41.3

	The Company		The Company	
	Current	Last year	Current year	Last year
	quarter ended 30/09/2014 RM '000	quarter ended 30/09/2013 RM '000	to date 30/09/2014 RM '000	to date 30/09/2013 RM '000
Net profit attributable to equity holders of the Company	84,065	(17,871)	84,065	(17,871)
Weighted average number of ordinary shares	1,049,767	1,045,423	1,049,767	1,045,423
Basic earnings per share (Sen)	8.0	(1.7)	8.0	(1.7)

(b) Fully diluted earnings per share

The Company has only one category of dilutive potential ordinary share, share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	The Group		The Group	
	Current	Last year	Current year	Last year
	quarter ended 30/09/2014 RM '000	quarter ended 30/09/2013 RM '000	to date 30/09/2014 RM '000	to date 30/09/2013 RM '000
Net profit attributable to equity holders of the Company	392,155	430,189	392,155	430,189
Weighted average number of ordinary shares				
- during the period	1,047,663	1,042,847	1,047,663	1,042,847
- adjustment for ESOS	978	2,153	978	2,153
	1,048,643	1,045,000	1,048,643	1,045,000
Fully diluted earnings per share (Sen)	37.4	41.2	37.4	41.2

	The Company		The Company	
	Current	Last year	Current year	Last year
	quarter ended 30/09/2014 RM '000	quarter ended 30/09/2013 RM '000	to date 30/09/2014 RM '000	to date 30/09/2013 RM '000
Net profit attributable to equity holders of the Company	84,065	(17,871)	84,065	(17,871)
Weighted average number of ordinary shares				
- during the period	1,049,767	1,045,423	1,049,767	1,045,423
- adjustment for ESOS	960	1,929	960	1,929
	1,050,728	1,047,352	1,050,728	1,047,352
Fully diluted earnings per share (Sen)	8.0	(1.7)	8.0	(1.7)

17 Realised and unrealised profit

	The Group	
	As at 30/09/2014 RM '000	As at 30/06/2014 RM '000
Total retained profits of the Group and its subsidiaries		
- Realised	18,895,162	18,663,319
- Unrealised	1,457,419	1,325,961
Total share of retained profits from associated companies		
- Realised	1,620,549	1,513,429
- Unrealised	1,790	1,574
Total share of retained profits from joint ventures		
- Realised	15,769	12,587
	<u>21,990,689</u>	<u>21,516,870</u>
Less : Consolidation adjustments	(14,219,047)	(14,069,318)
Total Group's retained profits as per consolidated accounts	<u><u>7,771,642</u></u>	<u><u>7,447,552</u></u>

The breakdown of realised and unrealised profits is based on the Guidance of Special Note No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The unrealised retained profits of the Group as disclosed above excludes translation gains and losses on monetary items denominated in a currency other than the functional currency and foreign exchange contracts, as these translation gains and losses are incurred in the ordinary course of business of the Group and are deemed realised.

Dated this 25 November 2014