

HONG LEONG CAPITAL BERHAD
Registration No: 199101002695 (213006-U)
CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	The Group		The Company	
		As at 30.06.2024 RM'000	As at 30.06.2023 RM'000	As at 30.06.2024 RM'000	As at 30.06.2023 RM'000
ASSETS					
Cash and short term funds		153,589	352,914	4,997	34,892
Deposits and placements with banks and other financial institutions		163,053	140,012	223,300	-
Financial assets at fair value through profit or loss ("FVTPL")	10	595,107	633,386	185,398	358,334
Financial investments at fair value through other comprehensive income ("FVOCI")	11	2,042,860	1,838,115	-	-
Financial investments at amortised cost	12	1,305,285	1,138,237	-	-
Derivative financial assets	18	26,918	67,036	-	-
Loans and advances	13	308,912	409,817	-	-
Clients' and brokers' balances	14	236,831	140,476	-	-
Other assets	15	251,063	47,745	784	187
Statutory deposits with Bank Negara Malaysia		61,265	52,350	-	-
Tax recoverable		598	155	595	125
Investment in subsidiary companies		-	-	246,574	246,574
Deferred tax assets		78,570	97,574	-	-
Property and equipment		2,966	5,398	-	-
Right-of-use ("ROU") assets		13,724	13,799	-	-
Goodwill		33,059	33,059	-	-
Other intangible assets		5,759	5,688	-	-
TOTAL ASSETS		5,279,559	4,975,761	661,648	640,112
LIABILITIES					
Deposits from customers	16	758,755	703,676	-	-
Deposits and placements of banks and other financial institutions	17	2,807,836	2,858,234	-	-
Derivative financial liabilities	18	27,154	54,074	-	-
Clients' and brokers' balances		233,891	145,393	-	-
Lease liabilities		13,015	13,432	-	-
Other liabilities	19	309,760	135,271	4,508	1,139
Current tax liabilities		2,040	110	-	-
Subordinated obligations	20	99,945	100,195	-	-
TOTAL LIABILITIES		4,252,396	4,010,385	4,508	1,139

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 30 June 2023

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Registration No: 199101002695 (213006-U)
CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024

	The Group		The Company	
	As at	As at	As at	As at
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Note	RM'000	RM'000	RM'000	RM'000
EQUITY				
Share capital	246,896	246,896	246,896	246,896
Reserves	811,424	749,637	441,288	423,121
Treasury shares for ESOS Scheme	(31,157)	(31,157)	(31,044)	(31,044)
TOTAL EQUITY	1,027,163	965,376	657,140	638,973
TOTAL EQUITY AND LIABILITIES	5,279,559	4,975,761	661,648	640,112
COMMITMENTS AND CONTINGENCIES				
27	10,848,756	8,278,632	-	-
Net assets per share attributable to ordinary equity holder of the Company (RM)				
	4.36	4.09		

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 30 June 2023

HONG LEONG CAPITAL BERHAD
Registration No: 199101002695 (213006-U)
CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Current quarter ended 30.06.2024	Last year quarter ended 30.06.2023	Current year to date 30.06.2024	Last year to date 30.06.2023
Note	RM'000	RM'000	RM'000	RM'000
The Group				
Interest income	21a	42,756	35,914	162,679
Interest income for financial assets at FVTPL	21b	4,600	5,144	19,125
Interest expense	22	(33,159)	(28,102)	(130,608)
Net interest income		14,197	12,956	51,196
Non-interest income	23	78,344	30,588	218,585
Net income		92,541	43,544	269,781
Overhead expenses	24	(44,663)	(35,109)	(148,020)
Operating profit before allowances		47,878	8,435	121,761
Write-back of/(Allowance for) impairment losses on loans and advances	25	61	(49)	74
(Allowance for)/Write-back of impairment losses on financial investments and other financial assets	26	(23)	492	26
Profit before taxation		47,916	8,878	121,861
Taxation		(11,160)	(820)	(23,950)
Net profit for the financial year		36,756	8,058	97,911
Earnings per share (sen)				
- Basic		15.6	3.4	41.5
- Diluted		15.6	3.4	41.5

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 30 June 2023

HONG LEONG CAPITAL BERHAD
Registration No: 199101002695 (213006-U)
CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Current quarter ended 30.06.2024 RM'000	Last year quarter ended 30.06.2023 RM'000	Current year to date 30.06.2024 RM'000	Last year to date 30.06.2023 RM'000
The Group				
Net profit for the financial year	36,756	8,058	97,911	49,876
Other comprehensive (expense)/income:				
Items that will be reclassified subsequently to income statements:				
Debt instruments at FVOCI				
- Net fair value changes	(106)	1,240	5,070	20,127
- Net changes in expected credit losses	20	28	107	9
Income tax relating to net fair value changes on financial investments at FVOCI	25	(297)	(1,217)	(4,830)
Other comprehensive (expense)/income for the financial year, net of tax	(61)	971	3,960	15,306
Total comprehensive income for the financial year	36,695	9,029	101,871	65,182

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 30 June 2023

HONG LEONG CAPITAL BERHAD
Registration No: 199101002695 (213006-U)
CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Current quarter ended 30.06.2024	Last year quarter ended 30.06.2023	Current year to date 30.06.2024	Last year to date 30.06.2023
Note	RM'000	RM'000	RM'000	RM'000
The Company				
Interest income	21a 527	161	1,221	561
Interest expense	22 -	-	-	-
Net interest income	527	161	1,221	561
Non-interest income	23 5,959	8,211	59,832	56,408
Net income	6,486	8,372	61,053	56,969
Overhead expenses	24 (566)	(493)	(2,291)	(1,774)
Profit before taxation	5,920	7,879	58,762	55,195
Taxation	598	(5)	(494)	(92)
Net profit/total comprehensive income for the financial year	6,518	7,874	58,268	55,103
Earnings per share (sen)				
- Basic	2.8	3.3	24.7	23.4
- Diluted	2.8	3.3	24.7	23.4

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 30 June 2023

HONG LEONG CAPITAL BERHAD
Registration No: 199101002695 (213006-U)
CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Attributable to owners of the parent					Total RM'000
	Share Capital RM'000	Treasury Shares for ESOS RM'000	Regulatory Reserves RM'000	Fair Value Reserve RM'000	Retained Profits RM'000	
The Group						
At 1 July 2023	246,896	(31,157)	14,429	(4,486)	739,694	965,376
Net profit for the financial year	-	-	-	-	97,911	97,911
Other comprehensive income, net of tax	-	-	-	3,960	-	3,960
Total comprehensive income for the financial year	-	-	-	3,960	97,911	101,871
Transfer to regulatory reserve	-	-	2,748	-	(2,748)	-
Dividend paid	-	-	-	-	(40,084)	(40,084)
At 30 June 2024	246,896	(31,157)	17,177	(526)	794,773	1,027,163
At 1 July 2022	246,896	(31,157)	12,148	(19,792)	736,898	944,993
Net profit for the financial year	-	-	-	-	49,876	49,876
Other comprehensive income, net of tax	-	-	-	15,306	-	15,306
Total comprehensive income for the financial year	-	-	-	15,306	49,876	65,182
Transfer to regulatory reserve	-	-	2,281	-	(2,281)	-
Dividend paid	-	-	-	-	(44,799)	(44,799)
At 30 June 2023	246,896	(31,157)	14,429	(4,486)	739,694	965,376

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 30 June 2023

HONG LEONG CAPITAL BERHAD
Registration No: 199101002695 (213006-U)
CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Non-Distributable		Distributable	
	Share Capital RM'000	Treasury Shares for ESOS RM'000	Retained Profits RM'000	Total RM'000
The Company				
At 1 July 2023	246,896	(31,044)	423,121	638,973
Net profit for the financial year	-	-	58,268	58,268
Total comprehensive income for the financial year	-	-	58,268	58,268
Dividend paid	-	-	(40,101)	(40,101)
At 30 June 2024	246,896	(31,044)	441,288	657,140
At 1 July 2022	246,896	(31,044)	412,837	628,689
Net profit for the financial year	-	-	55,103	55,103
Total comprehensive income for the financial year	-	-	55,103	55,103
Dividend paid	-	-	(44,819)	(44,819)
At 30 June 2023	246,896	(31,044)	423,121	638,973

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 30 June 2023

HONG LEONG CAPITAL BERHAD
Registration No: 199101002695 (213006-U)
CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	The Group	
	30.06.2024	30.06.2023
	RM'000	RM'000
<u>Cash flows from operating activities</u>		
Profit before taxation	121,861	61,428
Adjustments for:		
- Depreciation of property and equipment	3,397	4,532
- Amortisation of intangible assets	2,445	2,311
- Depreciation of ROU assets	3,904	4,001
- Gain on liquidation of a subsidiary	-	(232)
- Gain on disposal of property and equipment	-	(3)
- Write-back of impairment losses on loans and advances	(74)	(9)
- Allowance for/(Write-back of) impairment losses on financial investments and other financial assets	30	(157)
- Net unrealised (gain)/loss on revaluation of:		
- Financial assets at FVTPL	(17,787)	1,041
- Derivative financial instruments	12,686	(215)
- Net (gain)/loss on discontinued fair value hedges	(3,562)	74
- Net realised gain arising from sale of financial investment at FVOCI	(11,607)	(3,826)
- Interest income from:		
- Financial assets at FVTPL	(19,125)	(22,110)
- Financial investments at FVOCI	(67,198)	(48,019)
- Financial investments at amortised cost	(38,044)	(33,157)
- Interest expense from:		
- Derivative financial instruments	6,456	8,413
- Subordinated obligations	4,251	4,232
- Lease liabilities	540	714
- Dividend income from:		
- Financial assets at FVTPL	(14,183)	(12,290)
	(137,871)	(94,700)
Operating loss before changes in working capital	(16,010)	(33,272)
Changes in working capital:		
- Deposits and placements with banks and other financial institutions with original maturity of more than three months	(72,000)	(10,000)
- Financial assets at FVTPL	55,292	(251,078)
- Derivative financial instruments	-	(2)
- Loans and advances	100,979	(16,089)
- Clients' and brokers' balances	(96,321)	175,932
- Other assets	(203,248)	(6,633)
- Statutory deposits with Bank Negara Malaysia	(8,915)	(52,350)
Net changes in operating assets	(224,213)	(160,220)
- Deposits from customers	55,079	(55,960)
- Deposits and placements of banks and other financial institutions	(50,398)	950,999
- Clients' and brokers' balances	88,498	(161,508)
- Other liabilities	174,321	(77,040)
Net changes in operating liabilities	267,500	656,491
Cash generated from operating activities	27,277	462,999

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 30 June 2023

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Registration No: 199101002695 (213006-U)
CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	The Group	
	30.06.2024	30.06.2023
	RM'000	RM'000
Cash generated from operating activities	27,277	462,999
Net income tax paid	(4,676)	(4,239)
Net cash generated from operating activities	22,601	458,760
<u>Cash flows from investing activities</u>		
Net purchases of financial investments at FVOCI	(194,307)	(563,743)
Net (purchases)/proceeds of financial investments at amortised cost	(173,665)	101,946
Dividend received from:		
- Financial assets at FVTPL	13,920	12,290
Proceeds from liquidation of a subsidiary	-	232
Interest received from financial assets at FVTPL, financial investments at FVOCI, financial investments at amortised cost and derivatives	142,055	117,862
Interest expenses paid on derivative financial instruments	(6,440)	(9,866)
Proceeds from disposal of property and equipment	-	3
Purchase of property and equipment	(965)	(659)
Purchase of intangible assets	(2,516)	(3,006)
Net cash used in investing activities	(221,918)	(344,941)
<u>Cash flows from financing activities</u>		
Interest paid on subordinated obligations	(4,242)	(4,230)
Proceeds from issuance of subordinated obligations	99,741	-
Repayment of subordinated obligations	(100,000)	-
Lease payments	(4,382)	(4,559)
Dividend paid	(40,084)	(44,799)
Net cash used in financing activities	(48,967)	(53,588)
Net (decrease)/increase in cash and cash equivalents	(248,284)	60,231
Cash and cash equivalents at beginning of the financial year	482,926	422,695
Cash and cash equivalents at end of the financial year	234,642	482,926
Cash and cash equivalents comprise:		
Cash and short term funds	153,589	352,914
Deposits and placements with banks and other financial institutions	163,053	140,012
	316,642	492,926
Less:		
Deposits and placements with banks and other financial institutions with original maturity of more than three months	(82,000)	(10,000)
	234,642	482,926

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 30 June 2023

HONG LEONG CAPITAL BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	The Company	
	30.06.2024	30.06.2023
	RM'000	RM'000
<u>Cash flows from operating activities</u>		
Profit before taxation	58,762	55,195
Adjustments for:		
- Net unrealised (gain)/loss on revaluation of financial assets at FVTPL	(18,557)	554
- Dividend income from:		
- Financial assets at FVTPL	(11,473)	(10,680)
- Subsidiary companies	(28,710)	(46,440)
	(58,740)	(56,566)
Operating profit/(loss) before changes in working capital	22	(1,371)
Decrease/(Increase) in financial assets at FVTPL	191,493	(3,673)
Increase in deposits and placements with banks and other financial institutions with original maturity of more than three months	(80,000)	-
(Increase)/Decrease in other assets	(333)	146
Increase in other liabilities	3,369	33
Cash generated from/(used in) operating activities	114,551	(4,865)
Net income tax paid	(964)	(437)
Net cash generated from/(used in) operating activities	113,587	(5,302)
<u>Cash flows from investing activities</u>		
Dividends received from:		
- Financial assets at FVTPL	11,209	10,680
- Subsidiary companies	28,710	46,440
Net cash generated from investing activities	39,919	57,120
<u>Cash flows from financing activity</u>		
Dividend paid	(40,101)	(44,819)
Net cash used in financing activity	(40,101)	(44,819)
Net increase in cash and cash equivalents	113,405	6,999
Cash and cash equivalents at beginning of the financial year	34,892	27,893
Cash and cash equivalents at end of the financial year	148,297	34,892
Cash and cash equivalents comprise:		
Cash and short term funds	4,997	34,892
Deposits and placements with banks and other financial institutions	223,300	-
	228,297	34,892
Less:		
Deposit and placements with banks and other financial institutions with original maturity of more than three months	(80,000)	-
	148,297	34,892

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 30 June 2023

HONG LEONG CAPITAL BERHAD ("HLCB" or "Company")

Registration No: 199101002695 (213006-U)

**NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

Explanatory Notes pursuant to the Malaysian Financial Reporting Standard 134 ("MFRS 134") and Guidelines on Financial Reporting issued by Bank Negara Malaysia ("BNM")

1. Basis of preparation

The unaudited condensed financial statements for the financial year ended 30 June 2024 have been prepared under the historical cost convention, as modified by the revaluation of financial investments at fair value through other comprehensive income ("FVOCI") and financial assets/financial liabilities (including derivative financial instruments) at fair value through profit or loss ("FVTPL").

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 2023. 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 2023.

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 2023 and modified for the adoption of the following Amendments to MFRSs applicable for financial year beginning on or after 1 July 2023:

- Amendments to MFRS 101 and MFRS Practice Statement 2 'Disclosure of Accounting Policies'
- Amendments to MFRS 108 'Definition of Accounting Estimates'
- Amendments to MFRS 112 'Deferred Tax related to Assets and Liabilities from a Single Transaction'
- Amendments to MFRS 112 'International Tax Reform-Pillar Two Model Rules'

The adoption of the above amendments to published standards are not expected to have significant 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. Auditors' report on preceding annual financial statements

The auditors' report on the audited financial statements for the financial year ended 30 June 2023 was not qualified.

3. Comments about seasonal or cyclical factors

The operations of the Group and the Company were not materially affected by any seasonal or cyclical factors during the financial quarter ended 30 June 2024.

4. Unusual items due to their nature, size or incidence

There were no unusual items affecting the assets, liabilities, equities, net income or cash flows of the Group and the Company during the financial quarter ended 30 June 2024.

5. Change in estimate

There were no material changes in estimate of amount reported in prior financial year that have a material effect in the financial quarter ended 30 June 2024.

6. Debt and Equity Securities

There were no new issuance and repayment of debt and equity securities, share-buy-back, share cancellations, shares held as treasury shares and resale of treasury shares during the financial year ended 30 June 2024, other than as mentioned below.

a) Purchase of shares pursuant to ESOS

In accordance with MFRS 132 "Financial instruments: Presentation and Disclosure", the shares purchased for the benefit of the ESOS holdings are recorded as "Treasury Shares for ESOS" in equity on the statements of financial position.

Total shares held by ESOS Trust comprise 11,110,700 (30.06.2023: 11,110,700) shares in the Group costing RM31,157,101 (30.06.2023: RM31,157,101) inclusive of transaction costs, as at 30 June 2024.

b) Issuance of Tier 2 Subordinated Notes

On 13 June 2024, Hong Leong Investment Bank Berhad ("HLIB") issued a third tranche of RM100.0 million nominal value of 10-year non-callable 5 years Tier 2 Green Subordinated Notes ("Green Sub-Notes") under its RM1.0 billion Multi-Currency Sub-Notes Programme. The third tranche Green Sub-Notes are callable on the 5th anniversary date from the issue date and on every coupon payment date thereafter with the first call date on 13 June 2029, subject to the approval of Bank Negara Malaysia ("BNM"). The Sub-Notes bears interest of 4.11% per annum, which is payable semi-annually in arrears from the date of this issue.

c) Repayment of Tier 2 Subordinated Note

On 14 June 2024, HLIB had fully redeemed the second issuance of RM100.0 million nominal value of Tier 2 Subordinated Notes ("Sub-Notes") out of its RM1.0 billion Multi-Currency Sub-Notes Programme, bearing coupon rate of 4.23% per annum.

HLCB Q4 (30.06.2024)

7. Dividends payable/paid

On 30 August 2023, the Board of Directors declared a final single-tier dividend of 17.0 sen per share in respect of the financial year ended 30 June 2023. The final single-tier dividend of 17.0 sen amounting to RM42.0 million was paid on 21 November 2023.

8. Valuations of property, plant and equipment

No valuations of property, plant and equipment were carried out for the financial quarter ended 30 June 2024.

9. Subsequent events

There were no material events subsequent to the end of the reporting quarter that require disclosure or adjustment to the unaudited interim financial statements.

HLCB Q4 (30.06.2024)

10. Financial assets at fair value through profit or loss ("FVTPL")

	The Group		The Company	
	As at	As at	As at	As at
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Money market instruments				
Malaysian Government Securities	60,170	61,789	-	-
Malaysian Government Investment Issues	121,639	122,507	-	-
Negotiable instruments of deposits	50,071	49,885	-	-
	231,880	234,181	-	-
Quoted securities				
In Malaysia:				
Shares	162,911	55,593	75,165	49,699
Unit trust investment	110,442	308,839	110,233	308,635
	273,353	364,432	185,398	358,334
Unquoted securities				
Corporate bond and/or sukuk	89,874	34,773	-	-
	595,107	633,386	185,398	358,334

11. Financial investments at fair value through other comprehensive income ("FVOCI")

	The Group	
	As at	As at
	30.06.2024	30.06.2023
	RM'000	RM'000
Money market instruments		
Malaysian Government Securities	361,331	214,625
Malaysian Government Investment Issues	580,790	449,106
Cagamas bonds	85,597	85,085
	1,027,718	748,816
Unquoted securities		
Foreign currency bonds	141,927	72,512
Corporate bond and/or sukuk	873,215	1,016,787
	1,015,142	1,089,299
	2,042,860	1,838,115

11. Financial investments at fair value through other comprehensive income ("FVOCI") (continued)

Movements in expected credit losses of debt instruments at FVOCI are as follows:

The Group	12 Months ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total ECL RM'000
At 1 July 2023	167	-	-	167
Allowances made	33	-	-	33
Amount written-back	(26)	-	-	(26)
New financial assets originated or purchased	218	-	-	218
Financial assets derecognised	(142)	-	-	(142)
Exchange differences	24	-	-	24
At 30 June 2024	<u>274</u>	<u>-</u>	<u>-</u>	<u>274</u>
At 1 July 2022	158	-	-	158
Allowances made	8	-	-	8
Amount written-back	(14)	-	-	(14)
New financial assets originated or purchased	40	-	-	40
Financial assets derecognised	(24)	-	-	(24)
Exchange differences	(1)	-	-	(1)
At 30 June 2023	<u>167</u>	<u>-</u>	<u>-</u>	<u>167</u>

12. Financial investments at amortised cost

	The Group	
	As at 30.06.2024 RM'000	As at 30.06.2023 RM'000
Money market instruments		
Malaysian Government Securities	622,679	597,232
Malaysian Government Investment Issues	642,612	501,501
	<u>1,265,291</u>	<u>1,098,733</u>
Unquoted securities		
Corporate bond and/or sukuk	39,994	39,504
Less: Expected credit losses	-	-
	<u>1,305,285</u>	<u>1,138,237</u>

13. Loans and advances

	The Group	
	As at 30.06.2024 RM'000	As at 30.06.2023 RM'000
Term loan financing	29,473	106,109
Share margin financing	279,689	303,898
Staff loans	14	22
Other loans	-	126
Gross loans and advances	<u>309,176</u>	<u>410,155</u>
Less: Expected credit losses	(264)	(338)
Net loans and advances	<u>308,912</u>	<u>409,817</u>
 (i) <u>By type of customer</u>		
Domestic non-bank financial institutions		
- Others	29,473	30,082
Domestic business enterprises		
- Small and medium enterprises	51,964	53,024
- Others	45,532	121,410
Individuals	177,384	200,679
Foreign entities	4,823	4,960
Gross loans and advances	<u>309,176</u>	<u>410,155</u>
 (ii) <u>By interest rate sensitivity</u>		
Variable rate	309,162	410,007
Fixed rate		
- Staff housing loans	14	22
- Other fixed rate loans	-	126
Gross loans and advances	<u>309,176</u>	<u>410,155</u>

13. Loans and advances (continued)

	The Group	
	As at 30.06.2024 RM'000	As at 30.06.2023 RM'000
(iii) <u>By residual contractual maturity</u>		
Maturity within one year	309,162	374,785
One year to three years	14	30,022
Three years to five years	-	5,222
Over five years	-	126
Gross loans and advances	<u>309,176</u>	<u>410,155</u>
(iv) <u>By geographical distribution</u>		
Malaysia	<u>309,176</u>	<u>410,155</u>
(v) <u>By economic purpose</u>		
Purchase of securities	279,689	374,699
Working capital	-	5,226
Purchase of landed properties	14	148
Others	29,473	30,082
Gross loans and advances	<u>309,176</u>	<u>410,155</u>
(vi) Impaired loans and advances		
(a) Movements in the impaired loans and advances are as follows:		
At 1 July	126	128
Impaired during the financial year	2	6
Amount written-back during the financial year	(128)	(8)
At 30 June	<u>-</u>	<u>126</u>
(b) <u>By geographical distribution</u>		
Malaysia	<u>-</u>	<u>126</u>
(c) <u>By economic purpose</u>		
Purchase of landed properties	<u>-</u>	<u>126</u>

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13. Loans and advances (continued)

(vii) Movements in expected credit losses are as follows:

The Group	12 Months	Lifetime ECL	Lifetime ECL	Total ECL
	ECL (Stage 1) RM'000	not credit impaired (Stage 2) RM'000	credit impaired (Stage 3) RM'000	
At 1 July 2023	315	23	-	338
Change in ECL due to transfer within stages:	2	(2)	-	-
Transferred to Stage 1	6	(6)	-	-
Transferred to Stage 2	(4)	4	-	-
New financial assets originated	18	-	-	18
Financial assets derecognised	(62)	(19)	-	(81)
Allowance made	176	1	-	177
Allowance written-back	(185)	(3)	-	(188)
At 30 June 2024	264	-	-	264
At 1 July 2022	310	37	-	347
Change in ECL due to transfer within stages:	3	(3)	-	-
Transferred to Stage 1	20	(20)	-	-
Transferred to Stage 2	(17)	17	-	-
New financial assets originated	5	-	-	5
Financial assets derecognised	(4)	-	-	(4)
Allowance made	105	14	-	119
Allowance written-back	(104)	(25)	-	(129)
At 30 June 2023	315	23	-	338

14. Clients' and brokers' balances

	The Group	
	As at 30.06.2024 RM'000	As at 30.06.2023 RM'000
Performing accounts	236,351	139,919
Impaired accounts	1,312	1,423
	237,663	141,342
Less: Expected credit losses	(832)	(866)
	236,831	140,476

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15. Other assets

	The Group		The Company	
	As at	As at	As at	As at
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Amount due from holding company	11	-	-	-
Amount due from related companies	24	-	-	-
Deposits and prepayments	18,839	10,540	18	24
Fee income receivables	5,432	9,100	-	-
Collaterals pledged for derivative transactions	5,207	9,651	-	-
Treasury related receivables	193,304	-	-	-
Amount due from unit trust funds	20,237	8,212	-	-
Other receivables	8,213	5,890	766	163
Manager's stocks and consumables	1,138	5,737	-	-
	252,405	49,130	784	187
Less: Expected credit losses	(1,342)	(1,385)	-	-
	251,063	47,745	784	187

16. Deposits from customers

	The Group	
	As at	As at
	30.06.2024	30.06.2023
	RM'000	RM'000
Fixed deposits	758,755	703,676
(i) The deposits are sourced from the following customers:		
Government and statutory bodies	481,823	440,357
Business enterprises	262,313	250,563
Individuals	14,619	12,756
	758,755	703,676
(ii) The maturity structure of fixed deposits is as follows:		
Due within:		
- six months	758,755	703,676

17. Deposits and placements of banks and other financial institutions

	The Group	
	As at	As at
	30.06.2024	30.06.2023
	RM'000	RM'000
Licensed banks	307,700	449,219
Licensed investment banks	47,481	132,865
Other financial institutions	2,452,655	2,276,150
	2,807,836	2,858,234

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18. Derivative financial assets/(liabilities)

The Group	Contract or underlying principal amount RM'000	Positive fair value RM'000	Negative fair value RM'000
30.06.2024			
Derivatives at FVTPL:			
(i) Interest rate related contracts:			
- Interest rate swaps	5,441,000	15,552	(14,555)
(ii) Foreign exchange related contracts:			
- Foreign currency swaps	4,478,060	11,327	(12,356)
- Foreign currency forwards	58,946	38	(243)
- Foreign currency spot	1,042	1	-
	9,979,048	26,918	(27,154)
30.06.2023			
Derivatives at FVTPL:			
(i) Interest rate related contracts:			
- Interest rate swaps	4,270,000	23,444	(13,793)
(ii) Foreign exchange related contracts:			
- Foreign currency swaps	2,914,410	42,691	(40,058)
- Foreign currency forwards	175,559	879	(223)
(iii) Equity related contracts:			
- Call option	200	22	-
	7,360,169	67,036	(54,074)

19. Other liabilities

	The Group		The Company	
	As at 30.06.2024 RM'000	As at 30.06.2023 RM'000	As at 30.06.2024 RM'000	As at 30.06.2023 RM'000
Amount due to holding company	376	156	15	13
Amount due to related companies	1,548	621	179	263
Remisiers' trust deposits	13,914	13,893	-	-
Treasury related payables	193,882	14,782	-	-
Equity related payables	44,113	-	-	-
Advance payments received for corporate exercise	5,008	8,108	-	-
Other payables and accrued liabilities	50,695	97,489	4,314	863
Post employment benefits obligation				
- defined contribution plan	224	222	-	-
	309,760	135,271	4,508	1,139

20. Subordinated obligations

	The Group	
	As at 30.06.2024 RM'000	As at 30.06.2023 RM'000
RM100.0 million Tier 2 Subordinated Notes, at par	100,000	100,000
Add: Interest payable	203	197
	100,203	100,197
Less: Unamortised discounts	(258)	(2)
	99,945	100,195

On 6 November 2014, HLIB had completed the first issuance of RM50.0 million nominal value of Tier 2 Subordinated Notes (“Sub-Notes”) out of its RM1.0 billion Multi-Currency Sub-Notes Programme. The RM50.0 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 5.30% 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. On 6 November 2019, HLIB had fully redeemed the first issuance of RM50.0 million nominal value of this Sub-Notes.

The Sub-Notes constitute unsecured liabilities of HLIB, and is subordinated in right of payment to the deposit liabilities and all other liabilities of HLIB 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 HLIB.

Subsequently, on 14 June 2019, HLIB issued a second tranche of RM100.0 million nominal value of 10-year non-callable 5 years Sub-Notes callable on 14 June 2024 (and thereafter) and due on 14 June 2029 out of its RM1.0 billion Multi-Currency Sub-Notes Programme. The coupon rate for this second tranche of the Sub-Notes is 4.23% per annum, which is payable semi-annually in arrears from the date of the issue. On 14 June 2024, HLIB had fully redeemed the second tranche of RM100.0 million nominal value of this Sub-Notes.

On 13 June 2024, HLIB issued a third tranche of RM100.0 million nominal value of 10-year non-callable 5 years Tier 2 Green Subordinated Notes (“Green Sub-Notes”) under its RM1.0 billion Multi-Currency Sub-Notes Programme. The third tranche Green Sub-Notes are callable on the 5th anniversary date from the issue date and on every coupon payment date thereafter with the first call date on 13 June 2029, subject to the approval of BNM.

The coupon rate for this third tranche of the Sub-Notes is 4.11% per annum, which is payable semi-annually in arrears from the date of this issue. The proceeds shall be utilised for purposes that meet the criteria as set out in the HLIB Green Bond Framework (as may be amended, revised and/or substituted from time to time) in accordance with the ASEAN Green Bond Standards issued by the ASEAN Capital Markets Forum and the Green Bond Principles issued by the International Capital Market Association.

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21a. Interest income

	Current quarter ended 30.06.2024 RM'000	Last year quarter ended 30.06.2023 RM'000	Current year to date 30.06.2024 RM'000	Last year to date 30.06.2023 RM'000
The Group				
Loan and advances	4,076	5,326	18,234	19,404
Money at call and deposits placements with financial institutions	965	965	4,459	4,012
Financial investments at FVOCI	18,256	13,868	67,198	48,019
Financial investments at amortised cost	10,098	8,184	38,044	33,157
Others	9,361	7,571	34,744	28,492
Total interest income	<u>42,756</u>	<u>35,914</u>	<u>162,679</u>	<u>133,084</u>
The Company				
Money at call and deposits placements with financial institutions	<u>527</u>	<u>161</u>	<u>1,221</u>	<u>561</u>

21b. Interest income for financial assets at FVTPL

	Current quarter ended 30.06.2024 RM'000	Last year quarter ended 30.06.2023 RM'000	Current year to date 30.06.2024 RM'000	Last year to date 30.06.2023 RM'000
The Group				
Financial assets at FVTPL	<u>4,600</u>	<u>5,144</u>	<u>19,125</u>	<u>22,110</u>

22. Interest expense

	Current quarter ended 30.06.2024 RM'000	Last year quarter ended 30.06.2023 RM'000	Current year to date 30.06.2024 RM'000	Last year to date 30.06.2023 RM'000
The Group				
Deposits and placements of banks and other financial institutions	4,974	6,540	23,528	22,626
Deposits from customers	25,164	18,753	95,250	65,344
Derivative financial instruments	1,571	1,478	6,456	8,413
Subordinated obligations	1,063	1,055	4,251	4,232
Lease liabilities	114	166	540	714
Others	273	110	583	443
Total interest expense	<u>33,159</u>	<u>28,102</u>	<u>130,608</u>	<u>101,772</u>

23. Non-interest income

	Current quarter ended 30.06.2024 RM'000	Last year quarter ended 30.06.2023 RM'000	Current year to date 30.06.2024 RM'000	Last year to date 30.06.2023 RM'000
The Group				
(a) Fee and commission income:				
Fee on loans and advances	1	256	10	1,009
Arranger fees	1,355	2,324	3,805	2,740
Placement fees	2,653	833	8,882	10,238
Corporate advisory fees	2,059	546	5,760	5,006
Underwriting commission	-	-	333	854
Brokerage commissions	21,461	10,641	65,574	44,721
Commission from futures contracts	352	215	1,091	913
Unit trust fee income	22,859	11,583	57,741	46,106
Other fee income	2,933	964	7,284	5,554
	53,673	27,362	150,480	117,141
(b) Net income from securities:				
Net realised gain/(loss) arising from sale of:				
- Financial assets at FVTPL	14,265	131	20,231	(1,808)
- Financial investments at FVOCI	1,905	1,304	11,607	3,826
- Derivative financial instruments	4,684	17,546	15,861	31,611
Net unrealised gain/(loss) on revaluation of:				
- Financial assets at FVTPL	6,157	(3,377)	17,787	(1,041)
- Derivative financial instruments	(6,045)	(7,490)	(12,686)	215
Dividend income from:				
- Financial assets at FVTPL	2,770	3,239	14,183	12,290
Net gain/(loss) on discontinued fair value hedges				
	58	144	3,562	(74)
	23,794	11,497	70,545	45,019
(c) Other income:				
Gain on disposal of property and equipment				
	-	-	-	3
Gain on liquidation of a subsidiary				
	-	195	-	232
Foreign exchange loss				
	559	(8,743)	(3,094)	(19,912)
Other non-operating income				
	318	277	654	421
	877	(8,271)	(2,440)	(19,256)
Total non-interest income	78,344	30,588	218,585	142,904

The Company

(a) Net income from securities:				
Net realised (loss)/gain arising from sale of:				
- Financial assets at FVTPL	(2,876)	11	1,092	(158)
Net unrealised gain/(loss) on revaluation of:				
- Financial assets at FVTPL	6,155	(2,505)	18,557	(554)
Dividend income from:				
- Financial assets at FVTPL	2,680	3,205	11,473	10,680
- Subsidiary companies	-	7,500	28,710	46,440
Total non-interest income	5,959	8,211	59,832	56,408

24. Overhead expenses

	Current quarter ended 30.06.2024 RM'000	Last year quarter ended 30.06.2023 RM'000	Current year to date 30.06.2024 RM'000	Last year to date 30.06.2023 RM'000
The Group				
Personnel costs				
- Salaries, bonuses and allowances	25,819	19,880	80,170	75,256
- Other employee benefits	5,301	3,795	17,396	14,883
	31,120	23,675	97,566	90,139
Establishment costs				
- Depreciation of property and equipment	617	1,114	3,397	4,532
- Amortisation of intangible assets	620	617	2,445	2,311
- Depreciation of ROU assets	930	1,003	3,904	4,001
- Rental of premises	85	35	118	139
- Information technology expenses	3,169	2,721	12,420	11,453
- Others	911	781	3,019	2,378
	6,332	6,271	25,303	24,814
Marketing expenses				
- Advertisement and publicity	214	150	770	803
- Entertainment and business improvement	250	143	1,075	1,016
- Others	121	84	500	430
	585	377	2,345	2,249
Administration and general expenses				
- Management fees	2,325	941	6,750	4,309
- Communication expenses	297	176	910	752
- Auditors' remuneration				
- Statutory audit fees	139	115	454	420
- Regulatory related fees	63	189	72	197
- Tax compliance fees	32	32	32	32
- Legal and professional fees	386	731	1,292	1,555
- Others	3,384	2,602	13,296	10,630
	6,626	4,786	22,806	17,895
Total overhead expenses	44,663	35,109	148,020	135,097
The Company				
Personnel costs				
- Other employee benefits	136	82	314	266
	136	82	314	266
Establishment costs				
- Information technology expenses	2	-	2	1
- Others	28	11	70	55
	30	11	72	56

24. Overhead expenses (continued)

	Current quarter ended 30.06.2024 RM'000	Last year quarter ended 30.06.2023 RM'000	Current year to date 30.06.2024 RM'000	Last year to date 30.06.2023 RM'000
The Company (continued)				
Administration and general expenses				
- Management fees	232	49	1,071	420
- Communication expenses	-	2	15	23
- Auditors' remuneration				
- Statutory audit fee	31	23	88	82
- Regulatory related fee	4	5	13	13
- Legal and professional fees	-	148	36	181
- Others	133	173	682	733
	<u>400</u>	<u>400</u>	<u>1,905</u>	<u>1,452</u>
Total overhead expenses	<u>566</u>	<u>493</u>	<u>2,291</u>	<u>1,774</u>

25. Write-back of/(Allowance for) impairment losses on loans and advances

	Current quarter ended 30.06.2024 RM'000	Last year quarter ended 30.06.2023 RM'000	Current year to date 30.06.2024 RM'000	Last year to date 30.06.2023 RM'000
The Group				
Expected credit losses				
- Loans and advances	61	(49)	74	9

26. (Allowance for)/Write-back of impairment losses on financial investments and other financial assets

	Current quarter ended 30.06.2024 RM'000	Last year quarter ended 30.06.2023 RM'000	Current year to date 30.06.2024 RM'000	Last year to date 30.06.2023 RM'000
The Group				
(a) Financial investments				
(i) Financial investments at FVOCI	(20)	(28)	(107)	(9)
(b) Other financial assets:				
(i) Clients' and brokers' balances:				
- Expected credit losses	3	122	34	132
- Impaired clients' and brokers' balances recovered	-	1	56	33
(ii) Other assets	(6)	397	43	34
	<u>(3)</u>	<u>520</u>	<u>133</u>	<u>199</u>
	<u>(23)</u>	<u>492</u>	<u>26</u>	<u>190</u>

27. Commitments and contingencies

	As at 30.06.2024 Principal Amount RM'000	As at 30.06.2023 Principal Amount RM'000
The Group		
Commitments and contingent liabilities		
Direct Credit Substitutes	1,000	1,000
Other commitments, such as formal standby facilities and credit lines, with an original maturity:		
- Less than one year	600	-
Any commitments that are unconditionally cancelled at any time by the bank without prior notice		
- Maturity less than one year	868,108	917,463
	<u>869,708</u>	<u>918,463</u>
Derivative financial instruments		
Interest rate related contracts:		
- One year or less	1,736,000	768,000
- Over one year to five years	3,705,000	3,502,000
Foreign exchange related contracts		
- One year or less	4,538,048	3,089,969
Equity related contracts		
- Over one year to five years	-	200
	<u>9,979,048</u>	<u>7,360,169</u>
	<u>10,848,756</u>	<u>8,278,632</u>

The Group does not have commitments and contingent liabilities other than as disclosed above.

28. Fair value of financial instruments

Determination of fair value and fair value hierarchy

The Group and the Company measures 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 market data.

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 market 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, unit trust investments 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 instruments are generally classified as Level 2.

In cases where quoted prices are generally not available, the Group then determine 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). This category includes unquoted shares held for socio economic reasons. Fair values for shares held for socio economic reasons are based on the net tangible assets of the affected companies. The Group's exposure to financial instruments classified as Level 3 comprised a small number of financial instruments which constitute an insignificant component of the Group's portfolio of financial instruments. Hence, changing one or more of the inputs to reasonable alternative assumptions would not change the value significantly for the financial assets in Level 3 of the fair value hierarchy.

The Group	Level 1	Level 2	Level 3	Total
30.06.2024	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial assets at FVTPL	273,353	321,754	-	595,107
- Money market instruments	-	231,880	-	231,880
- Quoted securities	273,353	-	-	273,353
- Unquoted securities	-	89,874	-	89,874
Financial investments at FVOCI	-	2,042,860	-	2,042,860
- Money market instruments	-	1,027,718	-	1,027,718
- Unquoted securities	-	1,015,142	-	1,015,142
Derivative financial assets	-	26,918	-	26,918
	273,353	2,391,532	-	2,664,885

HLCB Q4 (30.06.2024)**28. Fair value of financial instruments (continued)**Determination of fair value and fair value hierarchy (continued)

The Group 30.06.2024	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial liability				
Derivative financial liabilities	-	27,154	-	27,154
30.06.2023				
Financial assets				
Financial assets at FVTPL	364,432	268,954	-	633,386
- Money market instruments	-	234,181	-	234,181
- Quoted securities	364,432	-	-	364,432
- Unquoted securities	-	34,773	-	34,773
Financial investments at FVOCI	-	1,838,115	-	1,838,115
- Money market instruments	-	748,816	-	748,816
- Unquoted securities	-	1,089,299	-	1,089,299
Derivative financial assets	-	67,036	-	67,036
	364,432	2,174,105	-	2,538,537
Financial liability				
Derivative financial liabilities	-	54,074	-	54,074
The Company				
30.06.2024				
Financial asset				
Financial assets at FVTPL				
- Quoted securities	185,398	-	-	185,398
30.06.2023				
Financial asset				
Financial assets at FVTPL				
- Quoted securities	358,334	-	-	358,334

There were no transfers between Level 1 and 2 during the financial year.

29. Capital adequacy

- (i) The capital adequacy ratios of the banking subsidiary are as follows:

	HLIB 30.06.2024	HLIB 30.06.2023
Before deducting proposed dividends:		
Common equity tier 1 ("CET1") capital ratio	39.073%	38.498%
Tier 1 capital ratio	39.073%	38.498%
Total capital ratio	48.419%	48.792%
After deducting proposed dividends: ⁽¹⁾		
CET1 capital ratio	35.814%	35.719%
Tier 1 capital ratio	35.814%	35.719%
Total capital ratio	45.160%	46.013%

Note:

⁽¹⁾ Proposed dividends of RM36,960,000 (30.06.2023: RM28,710,000).

- (ii) The components of CET1, Tier 1 and total capital of the banking subsidiary are as follows:

	HLIB 30.06.2024 RM'000	HLIB 30.06.2023 RM'000
CET1 capital		
Paid-up ordinary share capital	252,950	252,950
Retained profits	301,631	280,317
Other reserves	(526)	(4,486)
Less: goodwill and intangibles	(33,766)	(33,936)
Less: deferred tax assets	(76,877)	(96,878)
Less: investment in subsidiary companies	(200)	(200)
Total CET1 capital	443,212	397,767
Tier 1 capital		
	443,212	397,767
Tier 2 capital		
Stage 1 and Stage 2 expected credit loss allowances and regulatory reserves ⁽²⁾	6,015	6,356
Subordinated obligations	100,000	100,000
Total Tier 2 capital	106,015	106,356
Total capital	549,227	504,123

Note:

⁽²⁾ Includes the qualifying regulatory reserve for non-impaired loans and advances.

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29. Capital adequacy (continued)

(iii) Breakdown of risk-weighted assets of the banking subsidiary in the various risk weights:

	HLIB	HLIB
	30.06.2024	30.06.2023
	RM'000	RM'000
Credit risk	481,209	508,514
Market risk	354,403	185,018
Operational risk	298,716	339,681
	<u>1,134,328</u>	<u>1,033,213</u>

30. Segmental reporting

(a) Segment information by activities for the financial year ended 30 June 2024:

The Group	Investment banking and stockbroking RM'000	Fund management and unit trust management RM'000	Investment holding and others RM'000	Elimination RM'000	Consolidated RM'000
30 June 2024					
Net income					
Net interest income	49,106	684	1,406	-	51,196
Non interest income	130,834	61,887	59,933	(34,069)	218,585
Total net income	<u>179,940</u>	<u>62,571</u>	<u>61,339</u>	<u>(34,069)</u>	<u>269,781</u>
Results					
Profit from operations	71,556	19,809	59,027	(28,531)	121,861
Taxation					<u>(23,950)</u>
Profit after taxation					<u>97,911</u>
30 June 2023					
Net income					
Net interest income	52,028	731	663	-	53,422
Non interest income	92,043	46,306	56,478	(51,923)	142,904
Total net income	<u>144,071</u>	<u>47,037</u>	<u>57,141</u>	<u>(51,923)</u>	<u>196,326</u>
Results					
Profit from operations	42,508	10,188	55,321	(46,589)	61,428
Taxation					<u>(11,552)</u>
Profit after taxation					<u>49,876</u>

(b) Segmental analysis by geographical location has not been prepared as the Group's operations are predominantly conducted in Malaysia.

31. Property and equipment

The valuations of property and equipment have been brought forward without amendment from the financial statements for the financial year ended 30 June 2023.

32. Changes in composition of the Group

There were no changes in composition of the Group for the current financial period and up to the date of this report.

33. Capital commitments

Capital commitments for the purchase of property and equipment as at 30 June 2024 is RM3.5 million.

34. Related party transactions

All related party transactions had been entered into in the ordinary course of business that had been undertaken at arms' length basis on normal commercial terms. These transactions are within the ambit of the approval granted under the Shareholders' Mandate for recurrent related party transactions obtained at a general meeting.

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Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

1. Performance review

(a) Current financial quarter under review against previous corresponding financial quarter

	The Group		Variance	
	Current quarter ended 30.06.2024 RM'000	Last year quarter ended 30.06.2023 RM'000	RM'000	%
Net income	92,541	43,544	48,997	>100.0%
Profit before tax	47,916	8,878	39,038	>100.0%
Profit after tax	36,756	8,058	28,698	>100.0%
Profit attributable to equity holders of the Company	36,756	8,058	28,698	>100.0%

The Group posted higher profit before tax ("PBT") of RM47.9 million for the 4th quarter ended 30 June 2024 as compared to previous year's corresponding quarter of RM8.9 million.

The better results is mainly contributed by higher non-interest income amounting to RM78.3 million achieved for the quarter.

The performance of the respective operating business segments for the 4th quarter ended 30 June 2024 as compared to the previous year corresponding quarter is analysed as follows:

Profit before tax by segments:	The Group		Variance	
	Current quarter ended 30.06.2024 RM'000	Last year quarter ended 30.06.2023 RM'000	RM'000	%
Investment banking and stockbroking	29,441	6,378	23,063	>100.0%
Fund management and unit trust management	12,516	2,101	10,415	>100.0%
Investment holding and others	5,959	399	5,560	>100.0%
	<u>47,916</u>	<u>8,878</u>	<u>39,038</u>	<u>>100.0%</u>

Investment banking and stockbroking - Better results contributed by both stockbroking and investment banking division.

Fund management and unit trust management - Better results contributed by a one-off performance fee earned for the quarter.

Investment holding and others - The increase in PBT was mainly driven by the gain on revaluation of financial assets at FVTPL.

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1. Performance review (continued)

(b) Current financial period under review against previous corresponding financial period

	The Group		Variance	
	Current year to date 30.06.2024 RM'000	Last year to date 30.06.2023 RM'000	RM'000	%
Net income	269,781	196,326	73,455	37.4%
Profit before tax	121,861	61,428	60,433	98.4%
Profit after tax	97,911	49,876	48,035	96.3%
Profit attributable to equity holders of the Company	97,911	49,876	48,035	96.3%

The Group recorded a higher PBT of RM121.9 million for the financial year ended 30 June 2024 driven by higher non-interest income earned amounting to RM218.6 million.

The performance of the respective operating business segments for the twelve months ended 30 June 2024 as compared to the previous financial period is analysed as follows:

Profit before tax by segments:	The Group		Variance	
	Current year to date 30.06.2024 RM'000	Last year to date 30.06.2023 RM'000	RM'000	%
Investment banking and stockbroking	71,556	42,508	29,048	68.3%
Fund management and unit trust management	19,809	10,188	9,621	94.4%
Investment holding and others	30,496	8,732	21,764	>100.0%
	<u>121,861</u>	<u>61,428</u>	<u>60,433</u>	98.4%

Investment banking and stockbroking - Better results contributed by both stockbroking and investment banking division.

Fund management and unit trust management - Better results contributed by a one-off performance fee earned for the quarter.

Investment holding and others - The increase in PBT was mainly driven by the gain on revaluation of financial assets at FVTPL.

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1. Performance review (continued)

(c) Current financial quarter under review against preceding financial quarter

	The Group		Variance RM'000	%
	Current quarter ended 30.06.2024 RM'000	Preceding quarter ended 31.03.2024 RM'000		
Net income	92,541	63,299	29,242	46.2%
Profit before tax	47,916	27,086	20,830	76.9%
Profit after tax	36,756	22,470	14,286	63.6%
Profit attributable to equity holders of the Company	36,756	22,470	14,286	63.6%

The better results for the financial quarter ended 30 June 2024 is mainly contributed by higher non-interest income amounting to RM78.3 million achieved for the quarter.

The performance of the respective operating business segments for the three months ended 30 June 2024 as compared to the preceding quarter is analysed as follows:

	The Group		Variance RM'000	%
	Current quarter ended 30.06.2024 RM'000	Preceding quarter ended 31.03.2024 RM'000		
Profit before tax by segments:				
Investment banking and stockbroking	29,441	13,937	15,504	>100.0%
Fund management and unit trust management	12,516	1,977	10,539	>100.0%
Investment holding and others	5,959	11,172	(5,213)	-46.7%
	<u>47,916</u>	<u>27,086</u>	<u>20,830</u>	76.9%

Investment banking and stockbroking - Better results contributed by both stockbroking and investment banking division.

Fund management and unit trust management - Better results contributed by a one-off performance fee earned for the quarter.

Investment holding and others - Lower results was mainly due to realised loss recognised from the sale of financial assets at FVTPL during the quarter.

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2. Prospects for 2024

As we look ahead, the global economy continues to expand, albeit at a slower pace. While steady growth trajectory offers positive prospects, caution is warranted as the global economy continues to be confronted with an inflationary environment, geopolitical changes, and national elections in advanced economies. On the local front, the Malaysian economy is expected to register stronger growth momentum, driven by steady employment, income boosting measures, increased investment and expansion in trade activity.

3. Variance in profit forecast and shortfall in profit guarantee

The Group had not entered into any scheme that requires it to present forecast results or guarantee any profits.

4. Taxation

	Financial quarter ended		Financial period ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
The Group	RM'000	RM'000	RM'000	RM'000
Malaysian income tax:				
- Current	3,439	(132)	6,121	1,929
- Under/(over) provision in prior years	42	(2)	42	(7)
Deferred taxation	7,679	954	17,787	9,630
	<u>11,160</u>	<u>820</u>	<u>23,950</u>	<u>11,552</u>

5. Status of corporate proposals

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

6. Off-balance sheet financial instruments

Details of financial instruments with off-balance sheet risk as at 30 June 2024:

The Group	Principal amount RM'000	Fair Value	
		Assets RM'000	Liabilities RM'000
Interest rate related contracts			
(i) Less than 1 year	1,736,000	3,568	(1,667)
(ii) 1 year to 3 years	1,487,000	5,791	(2,903)
(iii) More than 3 years	2,218,000	6,193	(9,985)
Foreign exchange related contracts			
(i) Less than 1 year	4,538,048	11,366	(12,599)
	9,979,048	26,918	(27,154)

The above contracts are subject to credit risk and market risk.

Credit risk

Credit risk arises when counterparties to derivatives contracts are not able to or willing to fulfil their obligation to pay the Bank the positive fair value or receivable resulting from the execution of contract terms. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amount subject to credit risk.

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.

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 statements of income 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 statements of income. 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 statements of income.

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7. Group borrowings and debt securities

The Group Unsecured	More than 1 year		Less than 1 year		Sub-total		Total RM'000
	Foreign currency RM'000	Local currency RM'000	Foreign currency RM'000	Local currency RM'000	Foreign currency RM'000	Local currency RM'000	
As at 30 June 2024							
RM100.0 million Tier 2 subordinated notes	-	99,742	-	203	-	99,945	99,945
As at 30 June 2023							
RM100.0 million Tier 2 subordinated notes	-	99,998	-	197	-	100,195	100,195

On 6 November 2014, HLIB had completed the first issuance of RM50.0 million nominal value of Tier 2 Subordinated Notes (“Sub-Notes”) out of its RM1.0 billion Multi-Currency Sub-Notes Programme. The RM50.0 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 5.30% 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. On 6 November 2019, HLIB had fully redeemed the first issuance of RM50.0 million nominal value of this Sub-Notes.

The Sub-Notes constitute unsecured liabilities of HLIB, and is subordinated in right of payment to the deposit liabilities and all other liabilities of HLIB 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 HLIB.

Subsequently, on 14 June 2019, HLIB issued a second tranche of RM100.0 million nominal value of 10-year non-callable 5 years Sub-Notes callable on 14 June 2024 (and thereafter) and due on 14 June 2029 out of its RM1.0 billion Multi-Currency Sub-Notes Programme. The coupon rate for this second tranche of the Sub-Notes is 4.23% per annum, which is payable semi-annually in arrears from the date of the issue. On 14 June 2024, HLIB had fully redeemed the second tranche of RM100.0 million nominal value of this Sub-Notes.

On 13 June 2024, HLIB issued a third tranche of RM100.0 million nominal value of 10-year non-callable 5 years Tier 2 Green Subordinated Notes (“Green Sub-Notes”) under its RM1.0 billion Multi-Currency Sub-Notes Programme. The third tranche Green Sub-Notes are callable on the 5th anniversary date from the issue date and on every coupon payment date thereafter with the first call date on 13 June 2029, subject to the approval of BNM.

The coupon rate for this third tranche of the Sub-Notes is 4.11% per annum, which is payable semi-annually in arrears from the date of this issue. The proceeds shall be utilised for purposes that meet the criteria as set out in the HLIB Green Bond Framework (as may be amended, revised and/or substituted from time to time) in accordance with the ASEAN Green Bond Standards issued by the ASEAN Capital Markets Forum and the Green Bond Principles issued by the International Capital Market Association.

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8. Material litigation

The Group and the Company do not have any material litigation which would materially and adversely affect the financial position of the Group and the Company.

9. Dividends

A final single-tier dividend of 22.0 sen per share has been declared for the current quarter.

Amount per share:	22.0 sen
Previous corresponding quarter:	17.0 sen
Payment date:	To be announced later
Entitlement date:	To be announced later

10. Earnings per share

(a) Basic earnings per share

The basic earnings per share is calculated by dividing the net profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Financial quarter ended		Financial period ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
The Group				
Net profit attributable to equity holders of the Company (RM'000):	36,756	8,058	97,911	49,876
Weighted average number of ordinary shares in issue ('000):	235,785	235,785	235,785	235,785
Basic earnings per share (sen)	15.6	3.4	41.5	21.2
The Company				
Net profit attributable to equity holders of the Company (RM'000):	6,518	7,874	58,268	55,103
Weighted average number of ordinary shares in issue ('000):	235,890	235,890	235,890	235,890
Basic earnings per share (sen)	2.8	3.3	24.7	23.4

(b) Fully diluted earnings per share

There is no diluted earnings per share as the Group and the Company have no category of dilutive potential ordinary shares outstanding as at 30 June 2024 and 30 June 2023.

Dated this 29 August 2024.