

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

Condensed Financial Statements
Unaudited Statements of Financial Position As At 31 December 2020

	Note	The Group		The Bank	
		As at 31/12/2020 RM'000	As at 30/06/2020 RM'000	As at 31/12/2020 RM'000	As at 30/06/2020 RM'000
ASSETS					
Cash and short-term funds		6,227,126	8,562,169	6,458,077	5,543,800
Deposits and placements with banks and other financial institutions		1,037,200	1,052,379	1,697,644	1,818,174
Financial assets at fair value through profit or loss	A8	8,115,354	8,069,396	8,115,354	8,047,727
Financial investments at fair value through other comprehensive income	A9	30,916,993	27,282,544	25,925,805	24,737,905
Financial investments at amortised cost	A10	22,160,818	20,101,432	16,237,244	15,079,081
Loans, advances and financing	A11	148,461,938	144,694,950	115,205,896	112,823,975
Other assets	A12	1,222,982	1,682,516	1,152,120	1,606,849
Derivative financial instruments		1,247,662	1,111,469	1,154,276	1,057,621
Amount due from subsidiaries		-	-	46,009	106,363
Statutory deposits with Central Banks		367,317	418,120	198,125	254,181
Subsidiary companies		-	-	2,558,310	2,558,901
Investment in associated companies		5,024,205	4,644,527	971,182	971,182
Property and equipment		1,241,842	1,299,902	633,254	685,169
Intangible assets		207,365	187,505	187,131	168,060
Right-of-use assets		229,965	253,118	376,074	420,653
Goodwill		1,831,312	1,831,312	1,771,547	1,771,547
Deferred tax assets		131,330	86,578	96,761	55,984
TOTAL ASSETS		228,423,409	221,277,917	182,784,809	177,707,172
LIABILITIES AND SHAREHOLDERS' EQUITY					
Deposits from customers	A13	176,487,568	173,492,661	139,628,025	137,633,362
Investment accounts of customers	A14	685,007	356,475	-	-
Deposits and placements of banks and other financial institutions	A15	7,979,483	6,501,080	7,834,295	6,651,241
Obligations on securities sold under repurchase agreements		3,553,227	3,124,132	3,553,227	3,124,132
Bills and acceptances payable		152,845	134,053	125,936	120,216
Lease liabilities		221,752	241,177	368,578	407,838
Other liabilities	A16	5,426,818	5,348,210	5,070,969	4,773,705
Derivative financial instruments		1,840,226	1,298,513	1,758,896	1,251,096
Recourse obligation on loans/financing sold to Cagamas Berhad ("Cagamas")		1,040,835	1,049,005	300,598	300,567
Tier 2 subordinated bonds	A17	1,502,322	1,502,224	1,502,322	1,502,224
Multi-currency Additional Tier 1 capital securities	A18	806,381	806,320	806,381	806,320
Provision for taxation		465,079	189,768	375,844	150,979
TOTAL LIABILITIES		200,161,543	194,043,618	161,325,071	156,721,680
Share capital		7,739,063	7,739,063	7,739,063	7,739,063
Reserves		21,244,413	20,218,580	14,442,285	13,969,773
Less: Treasury shares		(721,610)	(723,344)	(721,610)	(723,344)
TOTAL SHAREHOLDERS' EQUITY		28,261,866	27,234,299	21,459,738	20,985,492
TOTAL LIABILITIES AND EQUITY		228,423,409	221,277,917	182,784,809	177,707,172
COMMITMENTS AND CONTINGENCIES	A30	163,865,677	147,233,168	147,548,783	131,969,797
Net asset per share attributable to ordinary equity holders of the parent (RM) *		13.80	13.30	10.48	10.25

* The Net assets per share attributable to ordinary equity holders of the parent (RM) is computed as Total Shareholders' Equity (excluding Minority Interest) divided by total number of ordinary shares in circulation.

The unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020.

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

Condensed Financial Statements
Unaudited Statements of Income
For The Financial Period Ended 31 December 2020

	Note	The Group			
		Current Quarter Ended 31/12/2020 RM'000	Corresponding Quarter Ended 31/12/2019 RM'000	Current Period Ended 31/12/2020 RM'000	Corresponding Period Ended 31/12/2019 RM'000
Interest income	A19(a)	1,372,530	1,551,716	2,736,200	3,094,121
Interest income for financial assets at fair value through profit or loss	A19(b)	38,404	73,642	78,740	143,295
Interest expense	A20	(544,258)	(896,537)	(1,151,986)	(1,804,283)
Net interest income		866,676	728,821	1,662,954	1,433,133
Net income from Islamic Banking business	A21	234,228	206,394	452,808	406,185
Other operating income	A22	299,184	302,329	633,177	613,318
Net income		1,400,088	1,237,544	2,748,939	2,452,636
Other operating expenses	A23	(511,685)	(527,012)	(1,032,733)	(1,049,271)
Operating profit before allowances		888,403	710,532	1,716,206	1,403,365
Allowance for impairment losses on loans, advances and financing	A24	(240,888)	(19,396)	(345,281)	(10,505)
Written back of/(allowance for) impairment losses on financial investments and other financial assets	A25	84	(1,538)	(194)	(1,638)
Share of profit after tax of equity accounted associated companies		647,599	689,598	1,370,731	1,391,222
		167,691	167,370	334,808	312,299
Profit before taxation		815,290	856,968	1,705,539	1,703,521
Taxation	B5	(144,502)	(155,154)	(305,847)	(313,129)
Net profit for the financial period		670,788	701,814	1,399,692	1,390,392
Attributable to:					
Owners of the parent		670,788	701,814	1,399,692	1,390,392
Earnings per share - basic (sen)	B12(a)	32.8	34.3	68.4	67.9
Earnings per share - fully diluted (sen)	B12(b)	32.8	34.3	68.4	67.9

The unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020.

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
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Condensed Financial Statements
Unaudited Statements of Comprehensive Income
For The Financial Period Ended 31 December 2020

	The Group			
	Current Quarter Ended 31/12/2020 RM'000	Corresponding Quarter Ended 31/12/2019 RM'000	Current Period Ended 31/12/2020 RM'000	Corresponding Period Ended 31/12/2019 RM'000
Net profit for the financial period	670,788	701,814	1,399,692	1,390,392
Other comprehensive (loss)/income in respect of:				
(i) Items that may be reclassified subsequently to profit or loss:				
(a) Share of other comprehensive (loss)/income of associated company	(16,131)	3,299	(22,778)	(4,631)
(b) Currency translation differences	(11,144)	(21,672)	(22,985)	(125,606)
(c) Debt instruments at fair value through other comprehensive income				
- Net fair value changes	(61,796)	(13,185)	92,155	621
- Changes in expected credit losses	(148)	412	(189)	468
(d) Net fair value changes in cash flow hedge	1,405	562	1,357	(249)
Income tax relating to components of other comprehensive loss/(income)	14,037	3,952	(18,440)	1,255
Other comprehensive (loss)/income for the financial period, net of tax	(73,777)	(26,632)	29,120	(128,142)
Total comprehensive income for the financial period	<u>597,011</u>	<u>675,182</u>	<u>1,428,812</u>	<u>1,262,250</u>
Attributable to:				
- Owners of the parent	<u>597,011</u>	<u>675,182</u>	<u>1,428,812</u>	<u>1,262,250</u>

The unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020.

HONG LEONG BANK BERHAD
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Condensed Financial Statements
Unaudited Statements of Income
For The Financial Period Ended 31 December 2020

	Note	The Bank			
		Current Quarter Ended 31/12/2020 RM'000	Corresponding Quarter Ended 31/12/2019 RM'000	Current Period Ended 31/12/2020 RM'000	Corresponding Period Ended 31/12/2019 RM'000
Interest income	A19(a)	1,336,243	1,523,968	2,661,833	3,032,626
Interest income for financial assets at fair value through profit or loss	A19(b)	38,404	73,642	78,740	143,295
Interest expense	A20	(530,912)	(892,387)	(1,125,386)	(1,790,298)
Net interest income		843,735	705,223	1,615,187	1,385,623
Other operating income	A22	295,671	297,462	622,794	603,484
Net income		1,139,406	1,002,685	2,237,981	1,989,107
Other operating expenses	A23	(435,478)	(450,604)	(880,559)	(895,612)
Operating profit before allowances (Allowance for)/written back of impairment losses on loans, advances and financing	A24	703,928	552,081	1,357,422	1,093,495
Written back of/(allowance for) impairment losses on financial investments and other financial assets	A25	(164,264)	(5,754)	(281,519)	49,350
Profit before taxation		1,045	(1,526)	571	(2,709)
Taxation	B5	540,709	544,801	1,076,474	1,140,136
Net profit for the financial period		(116,120)	(119,508)	(231,213)	(253,192)
Attributable to:		424,589	425,293	845,261	886,944
Owners of the parent		424,589	425,293	845,261	886,944
Earnings per share - basic (sen)	B12(a)	20.7	20.8	41.3	43.3
Earnings per share - fully diluted (sen)	B12(b)	20.7	20.8	41.3	43.3

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HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

Condensed Financial Statements
Unaudited Statements of Comprehensive Income
For The Financial Period Ended 31 December 2020

	The Bank			
	Current Quarter Ended 31/12/2020 RM'000	Corresponding Quarter Ended 31/12/2019 RM'000	Current Period Ended 31/12/2020 RM'000	Corresponding Period Ended 31/12/2019 RM'000
Net profit for the financial period	424,589	425,293	845,261	886,944
Other comprehensive (loss)/income in respect of:				
(i) Items that may be reclassified subsequently to profit or loss:				
(a) Currency translation differences	(10,845)	(2,457)	(30,314)	(8,607)
(b) Debt instruments at fair value through other comprehensive income				
- Net fair value changes	(56,271)	(12,834)	73,313	(14,407)
- Changes in expected credit losses	(118)	250	(181)	370
(c) Net fair value changes in cash flow hedge	1,405	563	1,355	(249)
Income tax relating to components of other comprehensive loss/(income)	12,930	3,554	(13,943)	4,329
Other comprehensive (loss)/income for the financial period, net of tax	(52,899)	(10,924)	30,230	(18,564)
Total comprehensive income for the financial period	371,690	414,369	875,491	868,380

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HONG LEONG BANK BERHAD
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Condensed Financial Statements

Unaudited Statements of Changes in Equity For The Financial Period Ended 31 December 2020

Attributable to owners of the parent

The Group	Share Capital RM'000	Other Reserves RM'000	Regulatory Reserves * RM'000	Retained Profits RM'000	Treasury Shares RM'000	Total RM'000
At 1 July 2020	7,739,063	1,197,346	848,428	18,172,806	(723,344)	27,234,299
<u>Comprehensive income</u>						
Net profit for the financial period	-	-	-	1,399,692	-	1,399,692
- Share of other comprehensive loss of associated company	-	(22,778)	-	-	-	(22,778)
- Financial assets measured at fair value through other comprehensive income						
- Debt instruments						
- Net fair value changes	-	74,041	-	-	-	74,041
- Changes in expected credit losses	-	(189)	-	-	-	(189)
- Net fair value changes in cash flow hedge	-	1,031	-	-	-	1,031
- Currency translation differences	-	(22,985)	-	-	-	(22,985)
Total comprehensive income	-	29,120	-	1,399,692	-	1,428,812
<u>Transactions with owners</u>						
Transfer to regulatory reserve	-	-	(272,891)	272,891	-	-
Dividends paid	-	-	-	(409,455)	-	(409,455)
ESS exercised	-	(355)	-	1,863	1,734	3,242
Option charge arising from ESS granted	-	4,968	-	-	-	4,968
Total transactions with owners	-	4,613	(272,891)	(134,701)	1,734	(401,245)
At 31 December 2020	7,739,063	1,231,079	575,537	19,437,797	(721,610)	28,261,866
At 1 July 2019	7,739,063	918,414	858,315	16,686,412	(727,817)	25,474,387
<u>Comprehensive income</u>						
Net profit for the financial period	-	-	-	1,390,392	-	1,390,392
- Share of other comprehensive loss of associated company	-	(4,631)	-	-	-	(4,631)
- Financial assets measured at fair value through other comprehensive income						
- Debt instruments						
- Net fair value changes	-	1,780	-	-	-	1,780
- Changes in expected credit losses	-	468	-	-	-	468
- Net fair value changes in cash flow hedge	-	(153)	-	-	-	(153)
- Currency translation differences	-	(125,606)	-	-	-	(125,606)
Total comprehensive (loss)/income	-	(128,142)	-	1,390,392	-	1,262,250
<u>Transactions with owners</u>						
Transfer from regulatory reserve	-	-	86,018	(86,018)	-	-
Dividends paid	-	-	-	(695,813)	-	(695,813)
ESS exercised	-	(102)	-	572	540	1,010
Option charge arising from ESS granted	-	12,322	-	-	-	12,322
Total transactions with owners	-	12,220	86,018	(781,259)	540	(682,481)
At 31 December 2019	7,739,063	802,492	944,333	17,295,545	(727,277)	26,054,156

* Comprise regulatory reserves maintained by the Group's banking subsidiaries of RM564,292,000 (31 December 2019: RM933,088,000) in accordance with BNM's Guideline and the banking subsidiary in Vietnam with the State Bank of Vietnam of RM11,245,000 (31 December 2019: RM11,245,000)

The unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020.

HONG LEONG BANK BERHAD
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Condensed Financial Statements
Unaudited Statements of Changes in Equity For The Financial Period Ended 31 December 2020

Attributable to owners of the parent

The Bank	Share Capital RM'000	Other Reserves RM'000	Regulatory Reserve RM'000	Retained Profits RM'000	Treasury Shares RM'000	Total RM'000
At 1 July 2020	7,739,063	604,314	703,987	12,661,472	(723,344)	20,985,492
<u>Comprehensive income</u>						
Net profit for the financial period	-	-	-	845,261	-	845,261
- Financial assets measured at fair value through other comprehensive income						
- Debt instruments						
- Net fair value changes	-	59,696	-	-	-	59,696
- Changes in expected credit losses	-	(181)	-	-	-	(181)
- Net fair value changes in cash flow hedge	-	1,029	-	-	-	1,029
- Currency translation differences	-	(30,314)	-	-	-	(30,314)
Total comprehensive income	-	30,230	-	845,261	-	875,491
<u>Transactions with owners</u>						
Transfer to regulatory reserve	-	-	(246,069)	246,069	-	-
Dividends paid	-	-	-	(409,455)	-	(409,455)
ESS exercised	-	(355)	-	1,863	1,734	3,242
Option charge arising from ESS granted	-	4,968	-	-	-	4,968
Total transactions with owners	-	4,613	(246,069)	(161,523)	1,734	(401,245)
At 31 December 2020	7,739,063	639,157	457,918	13,345,210	(721,610)	21,459,738
At 1 July 2019	7,739,063	384,364	695,197	12,034,337	(727,817)	20,125,144
<u>Comprehensive income</u>						
Net profit for the financial period	-	-	-	886,944	-	886,944
- Financial assets measured at fair value through other comprehensive income						
- Debt instruments						
- Net fair value changes	-	(10,174)	-	-	-	(10,174)
- Changes in expected credit losses	-	370	-	-	-	370
- Net fair value changes in cash flow hedge	-	(153)	-	-	-	(153)
- Currency translation differences	-	(8,607)	-	-	-	(8,607)
Total comprehensive (loss)/income	-	(18,564)	-	886,944	-	868,380
<u>Transactions with owners</u>						
Transfer to regulatory reserve	-	-	52,926	(52,926)	-	-
Dividends paid	-	-	-	(695,813)	-	(695,813)
ESS exercised	-	(102)	-	572	540	1,010
Option charge arising from ESS granted	-	12,322	-	-	-	12,322
Total transactions with owners	-	12,220	52,926	(748,167)	540	(682,481)
At 31 December 2019	7,739,063	378,020	748,123	12,173,114	(727,277)	20,311,043

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HONG LEONG BANK BERHAD
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Condensed Financial Statements
Unaudited Condensed Statements of Cash Flows
For The Financial Period Ended 31 December 2020

	The Group		The Bank	
	Financial Period Ended 31/12/2020 RM'000	Financial Period Ended 31/12/2019 RM'000	Financial Period Ended 31/12/2020 RM'000	Financial Period Ended 31/12/2019 RM'000
Profit before taxation	1,705,539	1,703,521	1,076,474	1,140,136
Adjustments for non-cash items	<u>(643,131)</u>	<u>(725,307)</u>	<u>(396,533)</u>	<u>(489,635)</u>
Operating profit before working capital changes	1,062,408	978,214	679,941	650,501
Changes in working capital:				
Net changes in operating assets	(3,734,429)	(1,234,498)	(1,570,130)	1,391,407
Net changes in operating liabilities	5,915,098	4,097,152	4,460,796	2,666,020
Income taxes and zakat paid	<u>(92,456)</u>	<u>(233,229)</u>	<u>(59,885)</u>	<u>(181,418)</u>
Net cash generated from operating activities	<u>3,150,621</u>	<u>3,607,639</u>	<u>3,510,722</u>	<u>4,526,510</u>
Cash flows from investing activities				
Investment in subordinated facilities	-	-	628	(255)
Net (purchases)/proceeds of financial investments at fair value	(3,003,080)	803,246	(576,277)	734,751
Net purchases of financial investments at amortised cost	(1,792,195)	-	(891,331)	-
Net proceeds of financial investments at amortised cost	-	56,986	-	57,164
Purchase of property and equipment	(54,826)	(63,390)	(46,584)	(49,615)
Net proceeds from sale of property and equipment	3,141	384	3,141	344
Purchase of intangible assets	(7,737)	(34,306)	(7,362)	(30,733)
- Financial assets at fair value through profit or loss	53,700	125,203	53,700	125,203
- Financial investments at fair value through other comprehensive income	375	3,683	375	3,683
Net cash (used in)/generated from investing activities	<u>(4,800,622)</u>	<u>891,806</u>	<u>(1,463,710)</u>	<u>840,542</u>
Cash flows from financing activities				
Dividends paid	(409,455)	(695,813)	(409,455)	(695,813)
Repayment of lease liabilities	(15,468)	(14,833)	(27,388)	(26,136)
Cash received from ESOS exercised	3,242	1,010	3,242	1,010
Proceeds/(repayment) from debt issuance				
- Recourse obligation on financing sold to Cagamas	-	799,950	-	99,950
Repayment of Innovative Tier 1 capital securities	-	(500,000)	-	(500,000)
Interest paid:				
- Recourse obligation on loans/financing sold to Cagamas	(26,653)	(5,173)	(5,232)	(3,691)
- Tier 2 subordinated bonds	(33,476)	(33,660)	(33,476)	(33,689)
- Multi-currency Additional Tier 1 capital securities	(19,850)	(19,839)	(19,932)	(19,922)
- Innovative Tier 1 capital securities	-	(21,071)	-	(21,071)
- Lease liabilities	(5,151)	(5,866)	(8,582)	(9,888)
Net cash used in financing activities	<u>(506,811)</u>	<u>(495,295)</u>	<u>(500,823)</u>	<u>(1,209,250)</u>

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Condensed Financial Statements
Unaudited Condensed Statements of Cash Flows
For The Financial Period Ended 31 December 2020

	The Group		The Bank	
	Financial Period Ended 31/12/2020 RM'000	Financial Period Ended 31/12/2019 RM'000	Financial Period Ended 31/12/2020 RM'000	Financial Period Ended 31/12/2019 RM'000
Net (decrease)/increase in cash and cash equivalents	(2,156,812)	4,004,150	1,546,189	4,157,802
Currency translation differences	(88,366)	(16,627)	(29,185)	(8,322)
Cash and cash equivalents at the beginning of financial period	7,187,221	4,523,737	5,005,032	4,258,769
Cash and cash equivalents at the end of financial period	<u>4,942,043</u>	<u>8,511,260</u>	<u>6,522,036</u>	<u>8,408,249</u>
Cash and cash equivalents comprise the following:				
Cash and short-term funds	6,227,126	8,767,439	6,458,077	8,110,218
Deposits and placements with banks and other financial institutions	1,037,200	1,135,128	1,697,644	1,273,609
	<u>7,264,326</u>	<u>9,902,567</u>	<u>8,155,721</u>	<u>9,383,827</u>
Less:				
Cash and short-term funds and deposits and placements with banks and other financial institutions with original maturity of more than three months	(2,322,283)	(1,391,307)	(1,633,685)	(975,578)
	<u>4,942,043</u>	<u>8,511,260</u>	<u>6,522,036</u>	<u>8,408,249</u>

The unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020.

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Part A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard (“MFRS”) 134 and Policy Document on Financial Reporting Issued by Bank Negara Malaysia (“BNM”)

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR FINANCIAL PERIOD ENDED 31 DECEMBER 2020**

A1 Basis of preparation

The unaudited condensed financial statements for the financial period ended 31 December 2020 have been prepared under the historical cost convention, except for the following assets and liabilities which are stated at fair values: financial assets at fair value through profit or loss (“FVTPL”), financial investments at fair value through other comprehensive income (“FVOCI”) and derivative financial instruments.

The unaudited condensed financial statements have been prepared in accordance with MFRS 134: “Interim Financial Reporting” issued by the Malaysian Accounting Standard Board and paragraph 9.22 of the Bursa Malaysia Securities Berhad’s (“Bursa Securities”) Listing Requirements and should be read in conjunction with the audited annual financial statements for the Group and Hong Leong Bank Berhad (“HLB” or “the Bank”) for the financial year ended 30 June 2020. 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 Bank since the financial year ended 30 June 2020.

The unaudited condensed financial statements incorporate the activities relating to Islamic Banking which have been undertaken by the Group in compliance with Shariah principles. Islamic Banking business refers generally to the acceptance of deposits and granting of financing under the Shariah principles.

The significant accounting policies and methods of computation applied in the unaudited condensed financial statements are consistent with those adopted in the most recent annual audited financial statements for the financial year ended 30 June 2020, and modified for the adoption of the following accounting standards applicable for financial period beginning on or after 1 July 2020:

- (i) * Amendments to MFRS 3 ‘Definition of a Business’
- * Amendments to MFRS 101 and MFRS 108 ‘Definition of Material’
- * Amendments to MFRS 7, MFRS 9 and MFRS 139 ‘Interest Rate Benchmark Reform’
- * Revised Conceptual Framework for Financial Reporting

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 Bank.

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 financial period. It also requires Directors to exercise their judgement in the process of applying the Group and the Bank’s accounting policies. Although these estimates and judgement are based on the Directors’ best knowledge of current events and actions, actual results may differ from those estimates.

A2 Status of matters giving rise to the auditor’s qualified report in the preceding annual financial statements for the year ended 30 June 2020

There was no qualified report issued by the auditors in the preceding annual financial statements for the year ended 30 June 2020.

HONG LEONG BANK BERHAD
Registration No: 19340100023 (97141-X)
(Incorporated in Malaysia)

A3 Seasonality or cyclical of operations

The business operations of the Group and the Bank have not been affected by any material seasonal and cyclical factors in the current financial period.

A4 Exceptional items or unusual events affecting financial statements

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

A5 Variation from financial estimates reported in preceding financial period

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

A6 Issuance and repayment of debt and equity securities

Save as detailed below, there were no other new shares issuance, repayment of debt and equity securities, share buy-back and share cancellations, or resale of shares held as treasury shares during the financial period ended 31 December 2020:

a) Share Buy-back

The total number of shares bought back, all of which were held as treasury shares as at 31 December 2020 amounted to 81,101,700 shares, at an average price per share of RM5.32. None of the treasury shares were resold or cancelled to date.

b) Purchase of shares pursuant to Executive Share Scheme (“ESS”)

A trust has been set up for the ESS of the Bank and it is administered by an appointed trustee. The trustee will be entitled from time to time to accept financial assistance from the Bank upon such terms and conditions as the Bank and the trustee may agree to purchase the Bank's shares from the open market for the purposes of this trust. In accordance with MFRS 132: Financial Statements: Presentation and Disclosure, the shares purchased for the benefit of the ESS holders are recorded as “Treasury Shares”, in addition to the Treasury Shares for share buy-back, in the Shareholders' Equity on the Statements of Financial Position.

During the financial period ended 31 December 2020, the trust did not purchase any new shares. As at 31 December 2020, the total number of Treasury Shares for ESS was 39,339,683 pursuant to the Bank's ESS. The Treasury Shares have an average carrying value of RM7.37 per share.

The Bank has granted the following conditional incentive share options to eligible executives of the Bank and its subsidiary pursuant to the Bank's ESS:

- (i) Up to 37,550,000 share options at an exercise price of RM14.24 (the exercise price was adjusted to RM13.77 following the Rights Issue in December 2015); and
- (ii) 782,657 share options arising from the Rights Issue.

The options granted are subject to the achievement of certain performance criteria by the option holders over a performance period concluding at the end of the financial year ending 30 June 2018 (“FY 2018”). The achievement of the performance targets and the number of shares (if any) to be vested shall be determined at the end of FY 2018.

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A6 Issuance and repayment of debt and equity securities (continued)

On 23 November 2016, the Bank has granted 696,946 ordinary shares in HLB to an eligible executive of the Bank pursuant to the Bank's ESS. The vesting of the 696,946 free ordinary shares in HLB will be done in tranches over a period of 4 years from the date of the grant.

On 15 December 2017, the Bank has granted up to 22,750,000 conditional incentive share options at an exercise price of RM16.46 to eligible executives of the Bank and its subsidiary pursuant to the Bank's ESS.

The options granted are subject to the achievement of certain performance criteria by the option holders over two performance periods concluding at the end of the financial years ending 30 June 2019 and 30 June 2021 respectively. The achievement of the performance targets and the number of shares (if any) to be vested shall be determined following the end of the respective performance periods.

On 18 December 2017, the Bank has granted 322,580 ordinary shares in HLB to an eligible executive of the Bank pursuant to the Bank's ESS. The vesting of the 322,580 free ordinary shares in HLB will be done in tranches over a period of 2 years from the date of the grant.

On 3 December 2018, the Bank has granted 267,379 ordinary shares in HLB to an eligible executive of the Bank pursuant to the Bank's ESS. The vesting of the 267,379 free ordinary shares in HLB will be done in tranches over a period of 2 years from the date of the grant.

On 8 January 2020, the Bank has granted 250,514 ordinary shares in HLB to eligible executives of the Bank pursuant to the Bank's ESS. The vesting of the 250,514 free ordinary shares in HLB will be done in tranches over a period of 1.5 years from the date of the grant.

During the financial period ended 31 December 2020, a total of 700,000 share options lapsed and a total of 235,413 share options were exercised pursuant to the Bank's ESS.

A7 Dividends paid

A final single tier dividend of 20.0 sen per share in respect of financial year ended 30 June 2020 amounting to RM409.5 million was paid on 20 November 2020.

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A8 Financial assets at fair value through profit or loss ("FVTPL")

	<u>The Group</u>		<u>The Bank</u>	
	31/12/2020 RM'000	30/06/2020 RM'000	31/12/2020 RM'000	30/06/2020 RM'000
Money market instruments:				
Government treasury bills	364,295	579,866	364,295	579,866
Malaysian Government securities	271,647	747,323	271,647	747,323
Malaysian Government investment certificates	770,332	1,135,704	770,332	1,114,035
Cagamas bonds	86,689	166,697	86,689	166,697
Khazanah bonds	-	19,999	-	19,999
Other Government securities	16,051	47,452	16,051	47,452
	<u>1,509,014</u>	<u>2,697,041</u>	<u>1,509,014</u>	<u>2,675,372</u>
Quoted securities:				
Wholesale fund/unit trust	6,145,825	4,657,038	6,145,825	4,657,038
Foreign currency bonds in Malaysia	18,186	159,401	18,186	159,401
Foreign currency bonds outside Malaysia	20,301	145,069	20,301	145,069
Unquoted securities:				
Corporate bonds and sukuk	66,392	55,211	66,392	55,211
Shares in Malaysia	330,636	330,636	330,636	330,636
Redeemable preference shares	25,000	25,000	25,000	25,000
Total financial assets at FVTPL	<u><u>8,115,354</u></u>	<u><u>8,069,396</u></u>	<u><u>8,115,354</u></u>	<u><u>8,047,727</u></u>

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A9 Financial investments at fair value through other comprehensive income ("FVOCI")

	<u>The Group</u>		<u>The Bank</u>	
	31/12/2020 RM'000	30/06/2020 RM'000	31/12/2020 RM'000	30/06/2020 RM'000
At fair value				
(a) Debt instruments	30,856,899	27,222,450	25,865,711	24,677,811
(b) Equity instruments	60,094	60,094	60,094	60,094
Total financial investments at FVOCI	<u>30,916,993</u>	<u>27,282,544</u>	<u>25,925,805</u>	<u>24,737,905</u>
(a) Debt instruments				
Money market instruments:				
Government treasury bills	736,466	487,768	736,466	487,768
Malaysian Government securities	3,356,252	2,106,857	3,356,252	2,106,857
Malaysian Government investment certificates	10,871,947	8,287,017	6,722,378	6,656,156
Negotiable instruments of deposit	706,341	950,404	506,824	700,603
Other Government securities	239,807	312,507	138,292	196,152
Cagamas bonds	1,740,082	1,687,440	1,585,559	1,522,417
Khazanah bonds	489,170	529,373	489,170	529,373
	<u>18,140,065</u>	<u>14,361,366</u>	<u>13,534,941</u>	<u>12,199,326</u>
Quoted securities:				
Foreign currency bonds in Malaysia	1,975,546	2,131,473	1,975,546	2,131,473
Foreign currency bonds outside Malaysia	1,118,272	1,353,402	1,118,272	1,353,402
Unquoted securities:				
Malaysian Government sukuk	536,872	554,124	536,872	554,124
Corporate bonds and sukuk	8,595,842	8,091,050	8,209,778	7,708,451
Foreign currency bonds in Malaysia	216,689	306,295	216,689	306,295
Foreign currency bonds outside Malaysia	273,613	424,740	273,613	424,740
	<u>30,856,899</u>	<u>27,222,450</u>	<u>25,865,711</u>	<u>24,677,811</u>

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A9 Financial investments at fair value through other comprehensive income ("FVOCI") (continued)

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

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total ECL</u> <u>RM'000</u>
	12 Months	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
The Group 31 December 2020	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
At 1 July	2,068	-	4,287	6,355
New financial assets originated or purchased	5	-	-	5
Financial assets derecognised	(383)	-	-	(383)
Changes due to change in credit risk	287	-	-	287
Changes in models/risk parameters	(20)	-	-	(20)
Exchange differences	(78)	-	-	(78)
At 31 December	<u>1,879</u>	<u>-</u>	<u>4,287</u>	<u>6,166</u>

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total ECL</u> <u>RM'000</u>
	12 Months	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
The Group 30 June 2020	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
At 1 July	1,566	-	4,287	5,853
New financial assets originated or purchased	1,735	-	-	1,735
Financial assets derecognised	(1,046)	-	-	(1,046)
Changes due to change in credit risk	(197)	-	-	(197)
Changes in models/risk parameters	(20)	-	-	(20)
Exchange differences	30	-	-	30
At 30 June	<u>2,068</u>	<u>-</u>	<u>4,287</u>	<u>6,355</u>

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A9 Financial investments at fair value through other comprehensive income ("FVOCI") (continued)

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

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total ECL</u> <u>RM'000</u>
	12 Months	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
The Bank 31 December 2020	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
At 1 July	2,055	-	4,287	6,342
New financial assets originated or purchased	4	-	-	4
Financial assets derecognised	(370)	-	-	(370)
Changes due to change in credit risk	281	-	-	281
Changes in models/risk parameters	(18)	-	-	(18)
Exchange differences	(78)	-	-	(78)
At 31 December	<u>1,874</u>	<u>-</u>	<u>4,287</u>	<u>6,161</u>

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total ECL</u> <u>RM'000</u>
	12 Months	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
The Bank 30 June 2020	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
At 1 July	1,454	-	4,287	5,741
New financial assets originated or purchased	1,724	-	-	1,724
Financial assets derecognised	(975)	-	-	(975)
Changes due to change in credit risk	(158)	-	-	(158)
Changes in models/risk parameters	(18)	-	-	(18)
Exchange differences	28	-	-	28
At 30 June	<u>2,055</u>	<u>-</u>	<u>4,287</u>	<u>6,342</u>

	<u>The Group</u>		<u>The Bank</u>	
	<u>31/12/2020</u>	<u>30/06/2020</u>	<u>31/12/2020</u>	<u>30/06/2020</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
(b) Equity instruments				
Unquoted securities:				
Shares in Malaysia	<u>60,094</u>	<u>60,094</u>	<u>60,094</u>	<u>60,094</u>

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A10 Financial investments at amortised cost

	<u>The Group</u>		<u>The Bank</u>	
	31/12/2020 RM'000	30/06/2020 RM'000	31/12/2020 RM'000	30/06/2020 RM'000
Money market instruments:				
Malaysian Government securities	2,973,913	2,764,183	2,973,913	2,764,183
Malaysian Government investment certificates	12,965,812	10,871,164	8,503,992	7,301,857
Khazanah bonds	322,127	316,038	283,422	278,110
Other Government securities	289,599	456,623	262,768	437,425
	<u>16,551,451</u>	<u>14,408,008</u>	<u>12,024,095</u>	<u>10,781,575</u>
Quoted securities:				
Foreign currency bonds in Malaysia	796,684	857,780	796,684	857,780
Foreign currency bonds outside Malaysia	122,329	145,577	122,329	145,577
Unquoted securities:				
Malaysian Government sukuk	2,660,826	2,659,375	1,696,250	1,695,435
Corporate bonds and sukuk	2,029,718	2,030,894	1,598,073	1,598,916
Less: Expected credit losses	(190)	(202)	(187)	(202)
Total financial investments at amortised cost	<u>22,160,818</u>	<u>20,101,432</u>	<u>16,237,244</u>	<u>15,079,081</u>

Movements in expected credit losses of financial investments at amortised cost are as follows:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
	12 Months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
The Group				
31 December 2020				
At 1 July	202	-	-	202
Changes due to change in credit risk	1	-	-	1
Exchange differences	(13)	-	-	(13)
At 31 December	<u>190</u>	<u>-</u>	<u>-</u>	<u>190</u>
	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
	12 Months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total ECL RM'000
The Group				
30 June 2020				
At 1 July	180	-	827	1,007
Changes due to change in credit risk	20	-	-	20
Amount written off	-	-	(827)	(827)
Exchange differences	2	-	-	2
At 30 June	<u>202</u>	<u>-</u>	<u>-</u>	<u>202</u>

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A10 Financial investments at amortised cost (continued)

Movements in expected credit losses of financial investments at amortised cost are as follows: (continued)

	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 Months	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
The Bank				
31 December 2020	RM'000	RM'000	RM'000	RM'000
At 1 July	202	-	-	202
Changes due to change in credit risk	(3)	-	-	(3)
Exchange differences	(12)	-	-	(12)
At 31 December	187	-	-	187

	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 Months	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
The Bank				
30 June 2020	RM'000	RM'000	RM'000	RM'000
At 1 July	174	-	827	1,001
Changes due to change in credit risk	24	-	-	24
Amount written off	-	-	(827)	(827)
Exchange differences	4	-	-	4
At 30 June	202	-	-	202

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A11 Loans, advances and financing

	<u>The Group</u>		<u>The Bank</u>	
	<u>31/12/2020</u>	<u>30/06/2020</u>	<u>31/12/2020</u>	<u>30/06/2020</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Overdrafts	3,423,252	3,590,801	2,601,091	2,751,759
Term loans/financing:				
- Housing and shop loans/financing	84,535,358	82,482,204	66,665,707	65,361,213
- Syndicated/term loans or financing	15,268,247	13,850,875	10,679,358	9,721,008
- Hire purchase receivables	17,409,693	17,006,512	13,538,521	13,297,789
- Ijarah receivables	160,673	161,188	-	-
- Other term loans/financing	10,629,889	8,959,024	6,798,203	5,446,665
Credit/charge card receivables	2,992,844	3,094,683	2,992,844	3,094,683
Bills receivable	909,193	2,711,858	710,870	2,187,795
Trust receipts	215,639	1,489,965	169,382	1,457,824
Claims on customers under acceptance credits	6,411,284	5,239,800	5,616,014	4,491,520
Revolving credit	7,896,603	7,202,385	6,469,255	5,803,126
Staff loans/financing	141,028	143,067	127,617	131,302
Gross loans, advances and financing	<u>149,993,703</u>	<u>145,932,362</u>	<u>116,368,862</u>	<u>113,744,684</u>
Fair value changes arising from fair value hedges	23,568	21,714	20,522	18,955
Allowance for impairment losses:				
- Expected credit losses	(1,555,333)	(1,259,126)	(1,183,488)	(939,664)
Total net loans, advances and financing	<u>148,461,938</u>	<u>144,694,950</u>	<u>115,205,896</u>	<u>112,823,975</u>

Included in loans, advances and financing are housing loans sold to Cagamas with recourse to the Group and the Bank amounting to RM1,018,219,000 (2020: RM1,023,078,000) and RM293,345,000 (2020: RM297,169,000) respectively.

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A11 Loans, advances and financing (continued)

A11a By type of customer

	<u>The Group</u>		<u>The Bank</u>	
	<u>31/12/2020</u>	<u>30/06/2020</u>	<u>31/12/2020</u>	<u>30/06/2020</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Domestic non-bank financial institutions	1,532,160	1,434,866	1,205,226	1,104,936
Domestic business enterprises:				
- small and medium enterprises ("SME")	24,144,778	22,642,512	18,963,569	17,935,809
- others	20,359,632	20,648,535	15,044,453	15,767,074
Government and statutory bodies	1,799	1,892	-	44
Individuals	100,478,457	98,108,836	78,090,608	76,575,340
Other domestic entities	718,231	975,756	509,107	445,023
Foreign entities	2,758,646	2,119,965	2,555,899	1,916,458
Gross loans, advances and financing	<u>149,993,703</u>	<u>145,932,362</u>	<u>116,368,862</u>	<u>113,744,684</u>

A11b By interest/profit rate sensitivity

	<u>The Group</u>		<u>The Bank</u>	
	<u>31/12/2020</u>	<u>30/06/2020</u>	<u>31/12/2020</u>	<u>30/06/2020</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Fixed rate:				
- Housing and shop loans/financing	1,554,151	1,577,765	984,104	1,002,819
- Hire purchase receivables	17,282,509	16,847,128	13,413,787	13,141,515
- Other fixed rate loans/financing	8,334,152	6,541,018	6,438,318	4,875,702
Variable rate:				
- Base rate/base lending rate plus	104,700,903	102,135,209	81,925,189	80,366,038
- Cost plus	17,264,293	17,922,029	13,607,464	14,358,610
- Other variables rates	857,695	909,213	-	-
Gross loans, advances and financing	<u>149,993,703</u>	<u>145,932,362</u>	<u>116,368,862</u>	<u>113,744,684</u>

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A11 Loans, advances and financing (continued)

A11c By economic purpose

	<u>The Group</u>		<u>The Bank</u>	
	<u>31/12/2020</u> <u>RM'000</u>	<u>30/06/2020</u> <u>RM'000</u>	<u>31/12/2020</u> <u>RM'000</u>	<u>30/06/2020</u> <u>RM'000</u>
Purchase of securities	880,265	780,571	567,014	476,522
Purchase of transport vehicles	17,150,807	16,769,096	13,232,722	13,009,091
Purchase of landed properties				
- residential	75,421,766	73,335,991	58,711,013	57,330,388
- non-residential	17,942,920	17,244,621	14,991,361	14,575,258
Purchase of fixed assets (excluding landed properties)	1,239,618	1,102,078	888,967	750,932
Personal use	3,417,361	3,437,021	2,104,306	2,089,238
Credit card	2,992,844	3,094,683	2,992,844	3,094,683
Construction	2,653,767	2,612,109	1,692,952	1,685,437
Mergers and acquisition	-	151,784	-	-
Working capital	26,864,028	25,929,408	20,337,743	19,821,776
Other purpose	1,430,327	1,475,000	849,940	911,359
Gross loans, advances and financing	<u>149,993,703</u>	<u>145,932,362</u>	<u>116,368,862</u>	<u>113,744,684</u>

A11d By geographical distribution

	<u>The Group</u>		<u>The Bank</u>	
	<u>31/12/2020</u> <u>RM'000</u>	<u>30/06/2020</u> <u>RM'000</u>	<u>31/12/2020</u> <u>RM'000</u>	<u>30/06/2020</u> <u>RM'000</u>
Malaysia	142,088,686	138,163,418	110,927,101	108,494,268
Singapore	5,441,761	5,250,416	5,441,761	5,250,416
Vietnam	857,695	909,213	-	-
Cambodia	1,605,561	1,609,315	-	-
Gross loans, advances and financing	<u>149,993,703</u>	<u>145,932,362</u>	<u>116,368,862</u>	<u>113,744,684</u>

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A11 Loans, advances and financing (continued)

A11e By residual contractual maturity

	<u>The Group</u>		<u>The Bank</u>	
	<u>31/12/2020</u>	<u>30/06/2020</u>	<u>31/12/2020</u>	<u>30/06/2020</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Within one year	24,605,652	26,269,928	21,370,730	22,339,034
One year to less than three years	5,226,913	5,687,390	3,885,304	4,545,659
Three years to less than five years	11,349,121	10,647,798	8,024,914	7,374,925
Five years and more	108,812,017	103,327,246	83,087,914	79,485,066
Gross loans, advances and financing	<u>149,993,703</u>	<u>145,932,362</u>	<u>116,368,862</u>	<u>113,744,684</u>

A11f Movements in impaired loans, advances and financing are as follows:

	<u>The Group</u>		<u>The Bank</u>	
	<u>31/12/2020</u>	<u>30/06/2020</u>	<u>31/12/2020</u>	<u>30/06/2020</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
At 1 July	889,754	1,071,111	663,767	887,864
Classified as impaired during the financial period/year	435,395	1,935,430	346,435	1,437,027
Reclassified as non-impaired during the financial period/year	(272,757)	(1,158,523)	(218,962)	(867,183)
Amount written back in respect of recoveries	(118,115)	(457,634)	(98,219)	(383,503)
Amount written off	(126,786)	(502,046)	(104,194)	(411,657)
Exchange difference	(447)	1,416	(14)	1,219
At 31 December	<u>807,044</u>	<u>889,754</u>	<u>588,813</u>	<u>663,767</u>
Gross impaired loans and financing as a % of gross loans, advances and financing	<u>0.5%</u>	<u>0.6%</u>	<u>0.5%</u>	<u>0.6%</u>

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A11 Loans, advances and financing (continued)

A11g Impaired loans, advances and financing by economic purpose

	<u>The Group</u>		<u>The Bank</u>	
	<u>31/12/2020</u>	<u>30/06/2020</u>	<u>31/12/2020</u>	<u>30/06/2020</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Purchase of securities	1,540	284	291	284
Purchase of transport vehicles	88,534	71,019	65,835	53,363
Purchase of landed properties				
- residential	279,578	341,175	201,611	245,500
- non-residential	138,424	150,277	121,682	131,656
Purchase of fixed assets (excluding landed properties)	1,457	4,648	1,457	4,427
Personal use	36,061	24,479	16,951	12,692
Credit card	25,237	24,568	25,237	24,568
Construction	7,224	9,663	6,357	8,632
Working capital	165,230	194,803	142,922	172,473
Other purpose	63,759	68,838	6,470	10,172
Gross impaired loans, advances and financing	<u>807,044</u>	<u>889,754</u>	<u>588,813</u>	<u>663,767</u>

A11h Impaired loans, advances and financing by geographical distribution

	<u>The Group</u>		<u>The Bank</u>	
	<u>31/12/2020</u>	<u>30/06/2020</u>	<u>31/12/2020</u>	<u>30/06/2020</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Malaysia	801,008	881,407	587,465	662,511
Singapore	1,348	1,256	1,348	1,256
Vietnam	1,456	1,808	-	-
Cambodia	3,232	5,283	-	-
Gross impaired loans, advances and financing	<u>807,044</u>	<u>889,754</u>	<u>588,813</u>	<u>663,767</u>

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A11 Loans, advances and financing (continued)

A11i Movements in expected credit losses for loans, advances and financing are as follows:

The Group	Stage 1	Stage 2	Stage 3	Total ECL
	12 Months	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
31 December 2020	RM'000	impaired	impaired	RM'000
At 1 July	549,509	435,827	273,790	1,259,126
Changes in ECL due to transfer within stages	(24,677)	(51,298)	75,975	-
Transfer to Stage 1	10,039	(10,024)	(15)	-
Transfer to Stage 2	(34,672)	51,611	(16,939)	-
Transfer to Stage 3	(44)	(92,885)	92,929	-
New financial assets originated	32,937	433	74	33,444
Financial assets derecognised	(13,824)	(22,800)	(4,384)	(41,008)
Changes due to change in credit risk	322,115	101,673	40,931	464,719
Changes in models/risk parameters	(16)	(30,643)	(2)	(30,661)
Amount written off	-	-	(129,227)	(129,227)
Exchange difference	(766)	(436)	(82)	(1,284)
Other movements	-	-	224	224
At 31 December	<u>865,278</u>	<u>432,756</u>	<u>257,299</u>	<u>1,555,333</u>

The Group	Stage 1	Stage 2	Stage 3	Total ECL
	12 Months	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
30 June 2020	RM'000	impaired	impaired	RM'000
At 1 July	369,715	498,325	393,599	1,261,639
Changes in ECL due to transfer within stages	(89,938)	(133,376)	223,314	-
Transfer to Stage 1	16,035	(15,930)	(105)	-
Transfer to Stage 2	(105,843)	206,821	(100,978)	-
Transfer to Stage 3	(130)	(324,267)	324,397	-
New financial assets originated	55,031	2,236	1,513	58,780
Financial assets derecognised	(19,751)	(40,717)	(22,042)	(82,510)
Changes due to change in credit risk	262,886	117,887	192,808	573,581
Changes in models/risk parameters	(28,743)	(8,852)	(10,855)	(48,450)
Amount written off	-	-	(501,536)	(501,536)
Exchange difference	309	324	1,313	1,946
Other movements	-	-	(4,324)	(4,324)
At 30 June	<u>549,509</u>	<u>435,827</u>	<u>273,790</u>	<u>1,259,126</u>

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A11 Loans, advances and financing (continued)

A11 i Movements in expected credit losses for loans, advances and financing are as follows: (continued)

The Bank	Stage 1	Stage 2	Stage 3	Total ECL
	12 Months	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
31 December 2020	RM'000	impaired	impaired	RM'000
At 1 July	408,715	347,084	183,865	939,664
Changes in ECL due to transfer within stages	(17,998)	(42,090)	60,088	-
Transfer to Stage 1	8,157	(8,143)	(14)	-
Transfer to Stage 2	(26,115)	38,899	(12,784)	-
Transfer to Stage 3	(40)	(72,846)	72,886	-
New financial assets originated	18,506	398	22	18,926
Financial assets derecognised	(5,113)	(16,204)	(2,915)	(24,232)
Changes due to change in credit risk	282,684	76,582	26,216	385,482
Changes in models/risk parameters	119	(30,642)	(2)	(30,525)
Amount written off	-	-	(105,219)	(105,219)
Exchange difference	(229)	(372)	(9)	(610)
Other movements	-	-	2	2
At 31 December	<u>686,684</u>	<u>334,756</u>	<u>162,048</u>	<u>1,183,488</u>

The Bank	Stage 1	Stage 2	Stage 3	Total ECL
	12 Months	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
30 June 2020	RM'000	impaired	impaired	RM'000
At 1 July	311,663	386,656	313,483	1,011,802
Changes in ECL due to transfer within stages	(74,495)	(88,115)	162,610	-
Transfer to Stage 1	12,762	(12,674)	(88)	-
Transfer to Stage 2	(87,141)	157,992	(70,851)	-
Transfer to Stage 3	(116)	(233,433)	233,549	-
New financial assets originated	22,920	1,701	1,510	26,131
Financial assets derecognised	(4,889)	(24,163)	(11,830)	(40,882)
Changes due to change in credit risk	178,900	76,802	138,440	394,142
Changes in models/risk parameters	(25,488)	(6,057)	(7,782)	(39,327)
Amount written off	-	-	(410,609)	(410,609)
Exchange difference	104	260	1,370	1,734
Other movements	-	-	(3,327)	(3,327)
At 30 June	<u>408,715</u>	<u>347,084</u>	<u>183,865</u>	<u>939,664</u>

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A12 Other assets

	<u>The Group</u>		<u>The Bank</u>	
	31/12/2020 RM'000	30/06/2020 RM'000	31/12/2020 RM'000	30/06/2020 RM'000
Foreclosed properties	13,789	18,447	9,220	10,985
Sundry debtors and other prepayments	682,349	693,771	626,130	641,763
Treasury related receivables	27,377	370,435	27,377	370,383
Cash collateral pledged for derivative transactions	467,515	511,094	467,515	511,094
Other receivables	31,952	88,769	21,878	72,624
	<u>1,222,982</u>	<u>1,682,516</u>	<u>1,152,120</u>	<u>1,606,849</u>

A13 Deposits from customers

A13a By type of deposit

	<u>The Group</u>		<u>The Bank</u>	
	31/12/2020 RM'000	30/06/2020 RM'000	31/12/2020 RM'000	30/06/2020 RM'000
Amortised cost				
Fixed deposits	92,867,237	94,503,266	69,684,190	70,442,696
Negotiable instruments of deposits	8,473,777	9,049,600	6,477,442	7,002,956
Short-term placements	20,807,154	20,370,873	17,186,797	17,866,840
	<u>122,148,168</u>	<u>123,923,739</u>	<u>93,348,429</u>	<u>95,312,492</u>
Demand deposits	30,271,824	27,338,992	26,271,635	23,903,209
Saving deposits	22,272,405	21,018,664	18,500,235	17,452,144
Others	665,682	748,749	473,399	553,397
	<u>175,358,079</u>	<u>173,030,144</u>	<u>138,593,698</u>	<u>137,221,242</u>
At fair value through profit and loss				
Structured deposits linked to interest rate derivatives	1,183,072	463,933	1,083,045	413,741
Fair value changes arising from designation at fair value through profit or loss *	(53,583)	(1,416)	(48,718)	(1,621)
	<u>1,129,489</u>	<u>462,517</u>	<u>1,034,327</u>	<u>412,120</u>
	<u>176,487,568</u>	<u>173,492,661</u>	<u>139,628,025</u>	<u>137,633,362</u>

* The Group and the Bank have issued structured deposits which are linked to interest rate derivatives and designated them at fair value through profit or loss. This designation is permitted under MFRS 9 as it significantly reduces accounting mismatch. These instruments are managed by the Group on the basis of fair value and includes terms that have substantive derivative characteristics.

The fair value changes of the structured deposits which are linked to interest rate derivatives that are attributable to the changes in own credit risk are not significant.

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A13 Deposits from customers (continued)

A13b By type of customer

	<u>The Group</u>		<u>The Bank</u>	
	<u>31/12/2020</u>	<u>30/06/2020</u>	<u>31/12/2020</u>	<u>30/06/2020</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Government and statutory bodies	7,384,579	8,665,449	3,879,681	4,403,641
Business enterprises	73,904,234	69,639,804	56,274,714	53,475,665
Individuals	92,530,319	92,513,524	77,311,350	77,808,532
Others	2,668,436	2,673,884	2,162,280	1,945,524
	<u>176,487,568</u>	<u>173,492,661</u>	<u>139,628,025</u>	<u>137,633,362</u>

A13c The maturity structure of fixed deposits, negotiable instruments of deposits and short-term placements are as follows:

	<u>The Group</u>		<u>The Bank</u>	
	<u>31/12/2020</u>	<u>30/06/2020</u>	<u>31/12/2020</u>	<u>30/06/2020</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Due within:				
- six months	103,924,187	102,956,857	78,648,631	78,557,105
- six months to one year	16,658,176	19,785,172	13,333,202	15,821,608
- one year to five years	1,052,408	999,959	853,199	752,028
- more than five years	513,397	181,751	513,397	181,751
	<u>122,148,168</u>	<u>123,923,739</u>	<u>93,348,429</u>	<u>95,312,492</u>

A14 Investment accounts of customers

	<u>The Group</u>		<u>The Bank</u>	
	<u>31/12/2020</u>	<u>30/06/2020</u>	<u>31/12/2020</u>	<u>30/06/2020</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Unrestricted investment accounts	<u>685,007</u>	<u>356,475</u>	<u>-</u>	<u>-</u>

A15 Deposits and placements of banks and other financial institutions

	<u>The Group</u>		<u>The Bank</u>	
	<u>31/12/2020</u>	<u>30/06/2020</u>	<u>31/12/2020</u>	<u>30/06/2020</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Licensed banks	6,810,691	5,263,923	6,745,442	5,639,271
Central banks (Note)	1,168,792	1,176,258	1,088,853	1,011,970
Other financial institutions	-	60,899	-	-
	<u>7,979,483</u>	<u>6,501,080</u>	<u>7,834,295</u>	<u>6,651,241</u>

Note:

Deposits and placements from central banks includes monies received by the Group and the Bank under the various government financing scheme as part of the government support measure in response to COVID-19 pandemic for the purpose of SME lending amounting to RM1,104,548,000 and RM1,088,853,000 respectively at concession rates.

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A16 Other liabilities

	Note	The Group		The Bank	
		31/12/2020	30/06/2020	31/12/2020	30/06/2020
		RM'000	RM'000	RM'000	RM'000
Zakat		525	350	-	-
Post employment benefits obligation					
- defined contribution plan		293	293	293	293
Loan advance payment		3,712,363	3,916,289	2,993,737	3,161,826
Amount due to subsidiary companies		-	-	429,621	429,380
Treasury and cheque clearing		208,380	210,699	198,116	38,282
Treasury related payables		267,515	197,219	267,515	197,219
Sundry creditors and accruals		270,434	306,800	249,375	268,483
Provision for bonus and staff related expenses		202,278	155,437	193,999	146,030
Expected credit losses on financial guarantee contracts	(a)	10,023	8,480	8,541	6,944
Provision for reinstatement cost		22,357	22,614	27,693	28,039
Others		732,650	530,029	702,079	497,209
		<u>5,426,818</u>	<u>5,348,210</u>	<u>5,070,969</u>	<u>4,773,705</u>

(a) Movements in expected credit losses of financial guarantee contracts are as follows:

	Stage 1	Stage 2	Stage 3	Total ECL
	12 Months	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
The Group				
31 December 2020	RM'000	RM'000	RM'000	RM'000
At 1 July	3,260	5,220	-	8,480
Changes in ECL due to transfer within stages	85	(85)	-	-
Transfer to Stage 1	127	(127)	-	-
Transfer to Stage 2	(42)	42	-	-
Transfer to Stage 3	-	-	-	-
New financial assets originated	34	-	-	34
Financial assets derecognised	(3)	(1)	-	(4)
Changes due to change in credit risk	1,033	866	-	1,899
Changes in models/risk parameters	1	(89)	-	(88)
Exchange difference	(21)	(277)	-	(298)
At 31 December	<u>4,389</u>	<u>5,634</u>	<u>-</u>	<u>10,023</u>
	Stage 1	Stage 2	Stage 3	
	12 Months	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
The Group				
30 June 2020	RM'000	RM'000	RM'000	RM'000
At 1 July	2,380	5,527	21	7,928
Changes in ECL due to transfer within stages	(53)	47	6	-
Transfer to Stage 1	4	(4)	-	-
Transfer to Stage 2	(57)	57	-	-
Transfer to Stage 3	-	(6)	6	-
New financial assets originated	177	1	-	178
Financial assets derecognised	(24)	(23)	-	(47)
Changes due to change in credit risk	772	(481)	(19)	272
Exchange difference	8	149	-	157
Other movements	-	-	(8)	(8)
At 30 June	<u>3,260</u>	<u>5,220</u>	<u>-</u>	<u>8,480</u>

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A16 Other liabilities (continued)

(a) Movements in expected credit losses of financial guarantee contracts are as follows: (continued)

	Stage 1	Stage 2	Stage 3	
	12 Months	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
The Bank				Total ECL
31 December 2020	RM'000	RM'000	RM'000	RM'000
At 1 July	1,731	5,213	-	6,944
Changes in ECL due to transfer within stages	86	(86)	-	-
Transfer to Stage 1	127	(127)	-	-
Transfer to Stage 2	(41)	41	-	-
Transfer to Stage 3	-	-	-	-
New financial assets originated	27	-	-	27
Financial assets derecognised	(3)	(1)	-	(4)
Changes due to change in credit risk	1,091	867	-	1,958
Changes in models/risk parameters	1	(89)	-	(88)
Exchange difference	(20)	(276)	-	(296)
At 31 December	<u>2,913</u>	<u>5,628</u>	<u>-</u>	<u>8,541</u>

	Stage 1	Stage 2	Stage 3	
	12 Months	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
The Bank				Total ECL
30 June 2020	RM'000	RM'000	RM'000	RM'000
At 1 July	1,574	5,521	22	7,117
Changes in ECL due to transfer within stages	(52)	46	6	-
Transfer to Stage 1	4	(4)	-	-
Transfer to Stage 2	(56)	56	-	-
Transfer to Stage 3	-	(6)	6	-
New financial assets originated	172	1	-	173
Financial assets derecognised	(23)	(23)	-	(46)
Changes due to change in credit risk	53	(479)	(19)	(445)
Exchange difference	7	147	-	154
Other movements	-	-	(9)	(9)
At 30 June	<u>1,731</u>	<u>5,213</u>	<u>-</u>	<u>6,944</u>

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A17 Tier 2 subordinated bonds

	<u>The Group</u>		<u>The Bank</u>	
	<u>31/12/2020</u>	<u>30/06/2020</u>	<u>31/12/2020</u>	<u>30/06/2020</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
RM1.5 billion Tier 2 subordinated notes, at par	1,500,000	1,500,000	1,500,000	1,500,000
Add: Interest payable	2,352	2,254	2,352	2,254
	<u>1,502,352</u>	<u>1,502,254</u>	<u>1,502,352</u>	<u>1,502,254</u>
Less: Unamortised discounts	(30)	(30)	(30)	(30)
	<u><u>1,502,322</u></u>	<u><u>1,502,224</u></u>	<u><u>1,502,322</u></u>	<u><u>1,502,224</u></u>

On 25 June 2018, the Bank issued a second tranche of RM500.0 million nominal value of 10-year non-callable 5 years Sub Notes callable on 26 June 2023 (and thereafter) and due on 23 June 2028 out of its RM10.0 billion Multi-Currency Sub Notes Programme. The coupon rate for this second tranche of the Sub Notes is 4.86% per annum, which is payable semi-annually in arrears from the date of the issue.

On 14 June 2019, the Bank issued a third tranche of RM1.0 billion 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 RM10.0 billion Multi-Currency Sub Notes Programme. The coupon rate for this third tranche of the Sub Notes is 4.23% per annum, which is payable semi-annually in arrears from the date of the issue.

A18 Multi-currency Additional Tier 1 capital securities

	<u>The Group</u>		<u>The Bank</u>	
	<u>31/12/2020</u>	<u>30/06/2020</u>	<u>31/12/2020</u>	<u>30/06/2020</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
RM800 million Multi-currency Additional Tier-1 capital securities at par	800,000	800,000	800,000	800,000
Add: Interest payable	6,661	6,666	6,661	6,666
	<u>806,661</u>	<u>806,666</u>	<u>806,661</u>	<u>806,666</u>
Less: Unamortised discounts	(280)	(346)	(280)	(346)
	<u><u>806,381</u></u>	<u><u>806,320</u></u>	<u><u>806,381</u></u>	<u><u>806,320</u></u>

On 30 November 2017, the Bank issued a nominal value RM400.0 million perpetual Multi-currency Additional Tier 1 capital securities (“Capital Securities”) under the RM10.0 billion Capital Securities Programme of which was fully subscribed by its holding company, HLFGB. The Capital Securities, which qualify as Additional Tier 1 capital for the Bank, carry a distribution rate of 5.13% per annum. The Capital Securities are perpetual with an Issuer's call option to redeem at the end of year 5. The proceeds from the issuance was used to subscribe the RM400.0 million Multi-currency Additional Tier 1 subordinated sukuk wakalah issued by HLISB, a wholly-owned subsidiary of the Bank.

On 29 March 2019 the Bank issued a second tranche nominal value of RM400.0 million perpetual Capital Securities fully subscribed by HLFGB. The Capital Securities carry a distribution rate of 4.72% per annum and are perpetual with an Issuer's call option to redeem at the end of year 5. The proceeds from the issuance shall be utilised to fulfill the requirements of Additional Tier 1 capital as per BNM's *Capital Adequacy Framework (Capital Components)* issued on 2 February 2018 and without limitation, to on-lend to HLB's subsidiaries, for investment into HLB's subsidiaries, for working capital, general banking and other corporate purposes and/or if required, the refinancing of any existing financing obligations of HLB and/or any existing capital securities issued under the Capital Securities Programme.

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A19(a) Interest income

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
Loan, advances and financing	1,038,320	1,237,484	2,071,674	2,462,873
Money at call and deposit placements with financial institutions	17,086	52,683	34,851	100,481
Financial investments at FVOCI	181,457	163,017	362,353	333,739
Financial investments at amortised cost	135,676	97,671	267,192	194,442
Others	(9)	861	130	2,586
	<u>1,372,530</u>	<u>1,551,716</u>	<u>2,736,200</u>	<u>3,094,121</u>
Of which:				
Interest income earned on impaired loans, advances and financing	<u>1,957</u>	<u>1,533</u>	<u>33</u>	<u>2,904</u>
	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
Loan, advances and financing	996,763	1,201,938	1,988,316	2,394,597
Money at call and deposit placements with financial institutions	22,460	60,033	45,051	106,848
Financial investments at FVOCI	181,454	163,743	361,448	334,631
Financial investments at amortised cost	135,516	97,477	266,829	194,042
Others	50	777	189	2,508
	<u>1,336,243</u>	<u>1,523,968</u>	<u>2,661,833</u>	<u>3,032,626</u>
Of which:				
Interest income earned on impaired loans, advances and financing	<u>1,942</u>	<u>1,515</u>	<u>8</u>	<u>2,868</u>

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A19(b) Interest income for financial assets at FVTPL

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	RM'000	RM'000	RM'000	RM'000
Group				
Financial assets at FVTPL	38,404	73,642	78,740	143,295

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	RM'000	RM'000	RM'000	RM'000
Bank				
Financial assets at FVTPL	38,404	73,642	78,740	143,295

A20 Interest expense

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	RM'000	RM'000	RM'000	RM'000
Group				
Deposits and placements of banks and other financial institutions	16,944	41,747	40,682	83,931
Deposits from customers	447,793	726,682	943,976	1,449,417
Short-term placements	47,670	97,955	103,495	201,886
Tier 2 subordinated bonds	16,787	16,787	33,574	33,544
Multi-currency Additional Tier-1 capital securities	9,922	9,921	19,845	19,844
Innovative Tier 1 capital securities	-	-	-	8,413
Recourse obligation on loans sold to Cagamas	2,631	572	5,263	1,382
Others	2,511	2,873	5,151	5,866
	<u>544,258</u>	<u>896,537</u>	<u>1,151,986</u>	<u>1,804,283</u>

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	RM'000	RM'000	RM'000	RM'000
Bank				
Deposits and placements of banks and other financial institutions	20,545	49,117	47,350	91,886
Deposits from customers	429,136	713,182	907,195	1,423,342
Short-term placements	47,670	97,955	103,495	201,886
Tier 2 subordinated bonds	16,787	16,787	33,574	33,574
Multi-currency Additional Tier-1 capital securities	9,963	9,963	19,927	19,927
Innovative Tier 1 capital securities	-	-	-	8,413
Recourse obligation on loans sold to Cagamas	2,631	572	5,263	1,382
Others	4,180	4,811	8,582	9,888
	<u>530,912</u>	<u>892,387</u>	<u>1,125,386</u>	<u>1,790,298</u>

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A21 Net income from Islamic Banking business

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	RM'000	RM'000	RM'000	RM'000
Group				
Income derived from investment of depositors' funds and others	355,400	394,106	703,500	787,237
Income derived from investment of shareholders' funds	48,598	51,148	100,046	96,959
Income derived from investment of investment account	6,781	6,396	12,328	6,488
Income attributable to depositors	(172,525)	(239,254)	(356,916)	(478,431)
Income attributable to depositors on investment account	(4,026)	(6,002)	(6,150)	(6,068)
	<u>234,228</u>	<u>206,394</u>	<u>452,808</u>	<u>406,185</u>
Of which:				
Financing income earned on impaired financing and advances	<u>(165)</u>	<u>397</u>	<u>(165)</u>	<u>397</u>

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A22 Other operating income

<u>Group</u>	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	RM'000	RM'000	RM'000	RM'000
(a) <u>Fee income:</u>				
Commissions	47,755	40,990	88,960	87,074
Service charges and fees	13,463	13,283	21,785	22,939
Guarantee fees	4,078	3,491	8,498	7,146
Credit card related fees	44,319	58,090	90,422	110,859
Corporate advisory fees	1,035	47	1,035	141
Commitment fees	9,256	8,311	18,741	16,698
Fee on loans, advances and financing	10,928	10,628	23,505	23,166
Other fee income	10,482	13,320	34,275	46,378
	<u>141,316</u>	<u>148,160</u>	<u>287,221</u>	<u>314,401</u>
(b) <u>Gain arising from sale of financial assets:</u>				
Net gain from sale of financial assets at FVTPL	14,496	7,049	58,201	56,817
Net loss from sale of derivative financial instruments	(66,220)	(35,416)	(69,320)	(40,474)
Net gain from sale of financial investments at FVOCI	65,141	29,690	176,940	118,958
	<u>13,417</u>	<u>1,323</u>	<u>165,821</u>	<u>135,301</u>
(c) <u>Gross dividend income from:</u>				
Financial assets at FVTPL	24,368	61,458	53,700	125,203
Financial investments at FVOCI	-	3,480	375	3,683
	<u>24,368</u>	<u>64,938</u>	<u>54,075</u>	<u>128,886</u>

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A22 Other operating income (continued)

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	RM'000	RM'000	RM'000	RM'000
(d) <u>Net unrealised gain/(loss) on revaluation of:</u>				
- Financial assets at FVTPL	9,865	735	6,761	(18,063)
- Derivatives financial instruments	91,358	58,337	97,743	5,157
	<u>101,223</u>	<u>59,072</u>	<u>104,504</u>	<u>(12,906)</u>
(e) <u>Net realised loss on fair value changes arising from fair value hedges</u>	<u>(1,965)</u>	<u>(470)</u>	<u>(3,771)</u>	<u>(879)</u>
(f) <u>Net unrealised loss on fair value changes arising from fair value hedges</u>	<u>(57)</u>	<u>(12)</u>	<u>(5)</u>	<u>(190)</u>
(g) <u>Other income:</u>				
Foreign exchange gain	15,866	21,706	16,128	33,264
Rental income	3,630	3,597	6,911	7,307
Gain on disposal of property and equipment	43	65	139	241
Other non-operating income	1,343	3,950	2,154	7,893
	<u>20,882</u>	<u>29,318</u>	<u>25,332</u>	<u>48,705</u>
Total other operating income	<u>299,184</u>	<u>302,329</u>	<u>633,177</u>	<u>613,318</u>

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A22 Other operating income (continued)

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
(a) <u>Fee income:</u>				
Commissions	47,375	40,290	88,119	85,563
Service charges and fees	13,271	13,174	21,461	22,576
Guarantee fees	4,056	3,397	8,451	7,039
Credit card related fees	44,319	58,090	90,422	110,859
Corporate advisory fees	1,035	47	1,035	141
Commitment fees	8,943	8,066	18,098	16,213
Fee on loans, advances and financing	9,007	9,169	19,886	20,606
Other fee income	10,420	13,245	34,040	46,173
	<u>138,426</u>	<u>145,478</u>	<u>281,512</u>	<u>309,170</u>
(b) <u>Gain arising from sale of financial assets:</u>				
Net gain from sale of financial assets at FVTPL	14,496	7,049	58,201	56,817
Net loss from sale of derivative financial instruments	(66,220)	(35,416)	(69,320)	(40,474)
Net gain from sale of financial investments at FVOCI	65,141	29,690	176,940	118,667
	<u>13,417</u>	<u>1,323</u>	<u>165,821</u>	<u>135,010</u>
(c) <u>Gross dividend income from:</u>				
Financial assets at FVTPL	24,368	61,458	53,700	125,203
Financial investments at FVOCI	-	3,480	375	3,683
	<u>24,368</u>	<u>64,938</u>	<u>54,075</u>	<u>128,886</u>

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A22 Other operating income (continued)

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2020 RM'000	31/12/2019 RM'000	31/12/2020 RM'000	31/12/2019 RM'000
(d) <u>Net unrealised gain/(loss) on revaluation of:</u>				
- Financial assets at FVTPL	9,865	735	6,761	(18,063)
- Derivatives financial instruments	92,752	58,337	96,493	5,157
	<u>102,617</u>	<u>59,072</u>	<u>103,254</u>	<u>(12,906)</u>
(e) <u>Net realised loss on fair value changes arising from fair value hedges</u>	<u>(1,965)</u>	<u>(470)</u>	<u>(3,771)</u>	<u>(879)</u>
(f) <u>Net unrealised loss on fair value changes arising from fair value hedges</u>	<u>(57)</u>	<u>(12)</u>	<u>(5)</u>	<u>(190)</u>
(g) <u>Other income:</u>				
Foreign exchange gain	15,596	21,298	15,397	32,531
Rental income	2,011	1,965	4,082	4,043
Gain on disposal of property and equipment	43	65	139	241
Other non-operating income	1,215	3,805	2,290	7,578
	<u>18,865</u>	<u>27,133</u>	<u>21,908</u>	<u>44,393</u>
Total other operating income	<u>295,671</u>	<u>297,462</u>	<u>622,794</u>	<u>603,484</u>

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A23 Other operating expenses

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2020 RM'000	31/12/2019 RM'000	31/12/2020 RM'000	31/12/2019 RM'000
<u>Group</u>				
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	273,165	264,157	538,340	525,609
- Medical expenses	6,384	8,943	14,803	16,249
- Training and convention expenses	1,480	5,432	3,447	12,483
- Staff welfare	2,543	2,105	5,383	4,108
- Others	21,096	9,664	49,044	19,896
	<u>304,668</u>	<u>290,301</u>	<u>611,017</u>	<u>578,345</u>
<u>Establishment costs</u>				
- Depreciation of property and equipment	31,847	33,291	63,848	67,130
- Depreciation of right-of-use assets	13,110	13,992	26,618	27,508
- Amortisation of intangible assets	14,739	15,341	28,531	29,143
- Rental of premises	991	634	1,424	2,053
- Information technology expenses	41,752	42,588	86,235	82,716
- Security services	5,324	7,202	11,549	14,289
- Electricity, water and sewerage	5,398	5,652	10,749	11,920
- Hire of plant and machinery	3,483	3,389	6,959	6,854
- Others	5,634	4,703	12,686	12,238
	<u>122,278</u>	<u>126,792</u>	<u>248,599</u>	<u>253,851</u>
<u>Marketing expenses</u>				
- Advertisement and publicity	5,059	6,679	9,210	13,032
- Sales commission and credit card related fees	27,798	33,372	51,940	64,808
- Others	2,704	4,262	6,055	9,620
	<u>35,561</u>	<u>44,313</u>	<u>67,205</u>	<u>87,460</u>
<u>Administration and general expenses</u>				
- Teletransmission expenses	5,485	5,292	11,153	10,336
- Stationery and printing expenses	3,502	3,384	6,610	6,174
- Professional fees	20,729	23,683	41,307	49,391
- Insurance fees	6,486	11,020	12,360	21,292
- Stamp, postage and courier	3,395	3,326	6,532	6,365
- Travelling and transport expenses	792	1,103	1,543	2,342
- Registration and license fees	2,103	2,106	4,333	4,207
- Brokerage and commission	2,218	1,959	4,334	4,326
- Credit card fees	1,148	11,553	12,738	23,079
- Others	3,320	2,180	5,002	2,103
	<u>49,178</u>	<u>65,606</u>	<u>105,912</u>	<u>129,615</u>
	<u>511,685</u>	<u>527,012</u>	<u>1,032,733</u>	<u>1,049,271</u>

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A23 Other operating expenses (continued)

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2020 RM'000	31/12/2019 RM'000	31/12/2020 RM'000	31/12/2019 RM'000
<u>Bank</u>				
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	219,091	212,883	430,596	423,998
- Medical expenses	5,574	7,801	12,059	13,846
- Training and convention expenses	1,185	4,451	2,863	10,269
- Staff welfare	1,965	1,533	4,448	3,182
- Others	19,457	8,099	46,414	16,470
	<u>247,272</u>	<u>234,767</u>	<u>496,380</u>	<u>467,765</u>
<u>Establishment costs</u>				
- Depreciation of property and equipment	27,054	28,798	54,461	58,244
- Depreciation of right-of-use assets	18,779	19,321	37,830	38,629
- Amortisation of intangible assets	13,274	14,139	25,747	26,800
- Rental of premises	970	948	1,496	2,066
- Information technology expenses	38,633	38,891	78,605	74,725
- Security services	3,882	5,602	8,813	11,143
- Electricity, water and sewerage	4,473	4,706	8,658	9,774
- Hire of plant and machinery	1,339	1,345	2,681	2,763
- Others	679	(123)	2,096	1,394
	<u>109,083</u>	<u>113,627</u>	<u>220,387</u>	<u>225,538</u>
<u>Marketing expenses</u>				
- Advertisement and publicity	4,848	5,604	8,949	11,467
- Sales commission and credit card related fees	24,831	30,202	46,886	57,486
- Others	1,800	3,228	4,385	7,366
	<u>31,479</u>	<u>39,034</u>	<u>60,220</u>	<u>76,319</u>
<u>Administration and general expenses</u>				
- Teletransmission expenses	5,425	5,169	10,933	10,111
- Stationery and printing expenses	3,364	3,247	6,312	5,885
- Professional fees	21,066	24,394	40,442	50,080
- Insurance fees	5,771	9,725	10,918	18,647
- Stamp, postage and courier	3,353	3,275	6,398	6,194
- Travelling and transport expenses	617	795	1,144	1,674
- Registration and license fees	1,824	1,849	3,760	3,692
- Brokerage and commission	1,089	846	2,238	1,997
- Credit card fees	1,148	11,553	12,738	23,079
- Others	3,987	2,323	8,689	4,631
	<u>47,644</u>	<u>63,176</u>	<u>103,572</u>	<u>125,990</u>
	<u>435,478</u>	<u>450,604</u>	<u>880,559</u>	<u>895,612</u>

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A24 Allowance for/(written back of) impairment losses on loans, advances and financing

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
Allowance for/(written back of) impairment on loans, advances and financing:				
- expected credit losses	279,073	77,036	428,335	116,768
Impaired loans, advances and financing:				
- written off	4,678	5,305	8,500	9,804
- recovered from bad debt written off	(42,863)	(62,945)	(91,554)	(116,067)
	<u>240,888</u>	<u>19,396</u>	<u>345,281</u>	<u>10,505</u>

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
Allowance for/(written back of) impairment on loans, advances and financing:				
- expected credit losses	197,226	57,854	351,544	46,034
Impaired loans, advances and financing:				
- written off	3,803	3,640	6,540	6,947
- recovered from bad debt written off	(36,765)	(55,740)	(76,565)	(102,331)
	<u>164,264</u>	<u>5,754</u>	<u>281,519</u>	<u>(49,350)</u>

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A25 Allowance for/(written back of) impairment losses on financial investments and other financial assets

Group	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	RM'000	RM'000	RM'000	RM'000
Expected credit losses on:				
- Financial investments at FVOCI	(107)	433	(111)	478
- Financial investments at amortised cost	(79)	(71)	1	(18)
- Other receivables	-	-	-	(13)
- Cash and short-term funds	317	(22)	(54)	(43)
- Deposits and placements with banks and other financial institutions	(215)	1,198	358	1,234
	<u>(84)</u>	<u>1,538</u>	<u>194</u>	<u>1,638</u>

Bank	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	RM'000	RM'000	RM'000	RM'000
Expected credit losses on:				
- Financial investments at FVOCI	(77)	270	(103)	381
- Financial investments at amortised cost	(83)	(69)	(3)	(14)
- Other receivables	-	-	-	(13)
- Cash and short-term funds	(669)	398	(266)	636
- Deposits and placements with banks and other financial institutions	(216)	927	(199)	1,719
	<u>(1,045)</u>	<u>1,526</u>	<u>(571)</u>	<u>2,709</u>

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A26 Capital adequacy

The Group's and the Bank's regulatory capital is governed by BNM's Capital Adequacy Framework guidelines. The capital adequacy ratios of the Group and the Bank are computed in accordance with BNM's Capital Adequacy Framework (Capital Components) (the "Framework"). The Framework sets out the approach for computing the regulatory capital adequacy ratios, the minimum levels of the ratios at which banking institutions are required to operate as well as requirement on Capital Conservation Buffer ("CCB") and Counter-Cyclical Capital Buffer ("CCyB"). The Group and the Bank are also required to maintain CCB of up to 2.500% of total risk-weighted assets ("RWA"), which is phased in starting with 0.625% in year 2016, 1.250% in year 2017, 1.875% in year 2018 and 2.500% in year 2019 onwards. The CCyB which ranges from 0% up to 2.500% is determined as the weighted average of prevailing CCyB rates applied in the jurisdictions in which a financial institution has credit exposures. The minimum capital adequacy including CCB for Common Equity Tier I ("CET I") capital ratio, Tier I capital ratio and Total capital ratio for year 2019 onwards are 7.000%, 8.500% and 10.500% respectively.

BNM had issued a letter dated 24 March 2020 on additional measures to assist borrowers/customers affected by the COVID-19 outbreak. These measures allow banking institutions to remain focused on supporting the economy during these exceptional and unprecedented circumstances, by providing flexibilities for banking institutions to respond swiftly to the needs of their customers. To this effect, banking institutions are allowed to drawdown on the capital conservation buffer of 2.500%. However, BNM fully expects banking institutions to restore their buffers within a reasonable period after 31 December 2020 and to be in position to restore their buffers to the minimum regulatory requirements by 30 September 2021.

The Group and the Bank have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk computation in deriving the RWA.

Individual entities within the Group comply with all externally imposed capital requirements to which they are subject to.

- (a) The capital adequacy ratios of the Group and the Bank are as follows:

	The Group		The Bank	
	Financial Period Ended	Financial Year Ended	Financial Period Ended	Financial Year Ended
	31/12/2020	30/06/2020	31/12/2020	30/06/2020
Before deducting proposed dividends				
CET I capital ratio	14.010%	13.950%	14.159%	13.761%
Tier I capital ratio	14.572%	14.523%	14.513%	14.118%
Total capital ratio	<u>16.779%</u>	<u>16.750%</u>	<u>16.630%</u>	<u>16.245%</u>
After deducting proposed dividends				
CET I capital ratio	13.797%	13.657%	13.892%	13.395%
Tier I capital ratio	14.359%	14.230%	14.245%	13.752%
Total capital ratio	<u>16.567%</u>	<u>16.456%</u>	<u>16.362%</u>	<u>15.879%</u>

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A26 Capital adequacy (continued)

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

	The Group		The Bank	
	Financial Period Ended 31/12/2020 RM'000	Financial Year Ended 30/06/2020 RM'000	Financial Period Ended 31/12/2020 RM'000	Financial Year Ended 30/06/2020 RM'000
CET I capital				
Share capital	7,739,063	7,739,063	7,739,063	7,739,063
Retained profits	19,069,916	18,172,806	13,345,210	12,661,472
Other reserves	1,033,691	1,029,080	434,616	433,536
Less: Treasury shares	(721,610)	(723,344)	(721,610)	(723,344)
Less: Deferred tax assets	(131,330)	(86,578)	(96,761)	(55,984)
Less: Other intangible assets	(207,365)	(187,505)	(187,131)	(168,060)
Less: Goodwill	(1,831,312)	(1,831,312)	(1,771,547)	(1,771,547)
Less: Investment in subsidiary companies/ associated companies	(5,024,205)	(4,644,527)	(2,726,859)	(2,727,486)
Total CET I capital	19,926,848	19,467,683	16,014,981	15,387,650
Additional Tier I capital				
Multi-currency Additional Tier 1 capital securities	799,719	799,654	799,719	799,654
Additional Tier I capital before regulatory adjustments	799,719	799,654	799,719	799,654
Less: Investment in Additional Tier 1 perpetual subordinated sukuk wakalah	-	-	(400,000)	(400,000)
Additional Tier I capital after regulatory adjustments	799,719	799,654	399,719	399,654
Total Tier I capital	20,726,567	20,267,337	16,414,700	15,787,304
Tier II capital				
Stage 1 and Stage 2 expected credit loss allowances and regulatory reserves [#]	1,639,890	1,607,378	1,294,426	1,278,446
Subordinated bonds	1,499,970	1,499,970	1,499,970	1,499,970
Less: Investment in Tier 2 Subordinated Sukuk Murabahah	-	-	(400,000)	(400,000)
Total Tier II capital	3,139,860	3,107,348	2,394,396	2,378,416
Total capital	23,866,427	23,374,685	18,809,096	18,165,720

[#] Includes the qualifying regulatory reserves for non-impaired loans of the Group and the Bank of RM564,292,000 (2020: RM837,183,000) and RM457,918,000 (2020: RM703,987,000) respectively.

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A26 Capital adequacy (continued)

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

	The Group		The Bank	
	Financial Period Ended 31/12/2020 RM'000	Financial Year Ended 30/06/2020 RM'000	Financial Period Ended 31/12/2020 RM'000	Financial Year Ended 30/06/2020 RM'000
Credit risk *	131,191,228	128,590,231	103,554,053	102,275,706
Market risk	2,449,986	2,496,060	2,536,315	2,562,366
Operational risk	8,596,630	8,468,140	7,014,367	6,983,001
Total RWA	142,237,844	139,554,431	113,104,735	111,821,073

* In accordance with BNM Investment Account Policy, the credit RWA of HLISB funded by Investment Account of RM 486,406,000 (2020: RM238,775,000) is excluded from the calculation of capital adequacy ratio of the Group.

The Bank and its Islamic subsidiary, HLISB's profit after tax for the half year ended 31 December 2020, had been subjected to a limited review by our external auditors. As such the Bank's and HLISB's profit after tax for the half year ended 31 December 2020 have been included in the capital base used in the computation of the Group's and the Bank's Capital Adequacy Ratios accordingly.

(d) The capital adequacy ratios of the banking subsidiary company of the Group are as follows:

	Hong Leong Islamic Bank Berhad	
	Financial Period Ended 31/12/2020	Financial Year Ended 30/06/2020
Before deducting proposed dividends		
CET I capital ratio	11.146%	10.871%
Tier I capital ratio	12.626%	12.432%
Total capital ratio	15.287%	15.173%
After deducting proposed dividends		
CET I capital ratio	11.146%	10.871%
Tier I capital ratio	12.626%	12.432%
Total capital ratio	15.287%	15.173%

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A27 Group segmental reporting on revenue, profit and assets

The business segment results are prepared based on the Group's internal management reporting reflective of the organisation's management reporting structure.

The various business segments are described below:

Personal Financial Services focuses mainly on servicing individual customers and small businesses. Products and services that are extended to customers include mortgages, credit cards, hire purchase and others.

Business & Corporate Banking focuses mainly on corporate and small medium enterprises. Products and services offered include trade financing, working capital facilities, other term financing and corporate advisory services.

Global Markets refers to the Group's domestic treasury and capital market operations and includes foreign exchange, money market operations as well as capital market securities trading and investments.

Overseas/International Operations refers to Hong Leong Bank Berhad Overseas Branches, Subsidiaries, Associates, Joint Venture and Representative Office. The overseas operations are mainly in commercial banking and treasury business.

Other operations refers to head office and other business segments.

Financial quarter ended 31/12/2020

	Personal Financial Services RM'000	Business & Corporate Banking RM'000	Global Markets RM'000	Overseas/ International Operations RM'000	Other Operations RM'000	Inter- Segment Elimination RM'000	Total RM'000
<u>By business segment</u>							
External revenue	666,131	245,996	421,343	74,425	(987)	(6,820)	1,400,088
Inter-segment revenue	(25,150)	96,908	(148,652)	-	76,894	-	-
Segment revenue	<u>640,981</u>	<u>342,904</u>	<u>272,691</u>	<u>74,425</u>	<u>75,907</u>	<u>(6,820)</u>	<u>1,400,088</u>
Segment profit before taxation	157,896	248,481	245,949	16,889	(9,454)	(12,162)	647,599
Share of profit after tax of equity accounted associated companies				167,691			<u>167,691</u>
Profit before taxation							815,290
Taxation							(144,502)
Profit after taxation							<u><u>670,788</u></u>

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A27 Group segmental reporting on revenue, profit and assets (continued)

Financial period ended 31/12/2020

	Personal Financial Services RM'000	Business & Corporate Banking RM'000	Global Markets RM'000	Overseas/ International Operations RM'000	Other Operations RM'000	Inter- Segment Elimination RM'000	Total RM'000
<u>By business segment</u>							
External revenue	1,279,340	494,106	866,133	150,517	(27,861)	(13,296)	2,748,939
Inter-segment revenue	(25,893)	182,780	(311,330)	-	154,443	-	-
Segment revenue	<u>1,253,447</u>	<u>676,886</u>	<u>554,803</u>	<u>150,517</u>	<u>126,582</u>	<u>(13,296)</u>	<u>2,748,939</u>
Segment profit before taxation	461,534	479,521	501,619	39,655	(89,726)	(21,872)	1,370,731
Share of profit after tax of equity accounted associated companies				334,808			334,808
Profit before taxation							<u>1,705,539</u>
Taxation							(305,847)
Profit after taxation							<u>1,399,692</u>
Segment assets	103,524,898	37,962,144	64,396,790	14,642,982	-	-	220,526,814
Unallocated assets							7,896,595
Total assets							<u>228,423,409</u>

Corresponding quarter ended 31/12/2019

	Personal Financial Services RM'000	Business & Corporate Banking RM'000	Global Markets RM'000	Overseas/ International Operations RM'000	Other Operations RM'000	Inter- Segment Elimination RM'000	Total RM'000
<u>By business segment</u>							
External revenue	732,246	165,343	298,519	65,472	(17,835)	(6,201)	1,237,544
Inter-segment revenue	(69,884)	139,214	(144,551)	-	75,221	-	-
Segment revenue	<u>662,362</u>	<u>304,557</u>	<u>153,968</u>	<u>65,472</u>	<u>57,386</u>	<u>(6,201)</u>	<u>1,237,544</u>
Segment profit before taxation	308,862	207,695	125,701	3,662	51,770	(8,092)	689,598
Share of profit after tax of equity accounted associated companies				167,370			167,370
Profit before taxation							<u>856,968</u>
Taxation							(155,154)
Profit after taxation							<u>701,814</u>

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A27 Group segmental reporting on revenue, profit and assets (continued)

Corresponding financial period ended 31/12/2019

	Personal Financial Services RM'000	Business & Corporate Banking RM'000	Global Markets RM'000	Overseas/ International Operations RM'000	Other Operations RM'000	Inter- Segment Elimination RM'000	Total RM'000
<u>By business segment</u>							
External revenue	1,448,910	338,388	597,351	134,936	(54,712)	(12,237)	2,452,636
Inter-segment revenue	(151,646)	268,408	(271,124)	-	154,362	-	-
Segment revenue	<u>1,297,264</u>	<u>606,796</u>	<u>326,227</u>	<u>134,936</u>	<u>99,650</u>	<u>(12,237)</u>	<u>2,452,636</u>
Segment profit before taxation	653,788	383,069	269,814	16,599	84,680	(16,728)	1,391,222
Share of profit after tax of equity accounted associated companies				312,299			312,299
Profit before taxation							<u>1,703,521</u>
Taxation							<u>(313,129)</u>
Profit after taxation							<u><u>1,390,392</u></u>
Segment assets	99,570,288	33,063,797	54,750,526	15,251,760	-	-	202,636,371
Unallocated assets							10,043,039
Total assets							<u><u>212,679,410</u></u>

A28 Property and equipment

The valuations of land and building had been brought forward without amendment from the previous audited annual financial statements.

A29(a) Material events subsequent to the end of the reporting period

There are no material events subsequent to the end of the financial period ended 31 December 2020.

A29(b) Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial period ended 31 December 2020 and up to the date of this report except for the following.

On 30 November 2020, the Bank announced that HLF Credit (Perak) Bhd, a wholly-owned subsidiary of the Bank, had placed Promizul Sdn Bhd (formerly known as HL Leasing Sdn Bhd) ("Promizul"), its wholly-owned subsidiary, under member's voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act 2016. Promizul is dormant.

On 16 December 2020, the Bank announced that it had placed HL Bank Nominees (Singapore) Pte. Ltd. ("HL Bank Nominees"), its wholly-owned subsidiary in Singapore, under member's voluntary winding-up. HL Bank Nominees is dormant.

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A30 Commitments and contingencies

In the normal course of business, the Group and the Bank make various commitments and incur certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions. These commitments and contingencies are also not secured over the assets of the Group.

The notional amounts of the commitments and contingencies constitute the following:

	The Group		The Bank	
	31/12/2020 RM'000	30/06/2020 RM'000	31/12/2020 RM'000	30/06/2020 RM'000
Principal amount				
Direct credit substitutes	153,078	133,166	99,518	80,144
Certain transaction related contingent items	1,587,642	1,489,056	1,331,336	1,283,921
Short-term self liquidating trade related contingencies	709,855	538,144	678,728	508,190
Irrevocable commitments to extend credit:				
- maturity more than one year	18,648,652	17,777,310	13,428,268	12,807,826
- maturity less than one year	24,140,681	20,856,358	19,728,257	17,067,748
Foreign exchange related contracts:				
- less than one year	47,517,203	40,277,996	40,955,062	33,398,925
- one year to less than five years	4,372,557	4,089,668	4,372,557	4,089,668
- five years and above	269,671	288,397	269,671	288,397
Interest rate related contracts:				
- less than one year	27,567,763	18,957,616	27,686,811	19,457,616
- one year to less than five years	26,748,355	32,060,237	26,748,355	32,260,237
- five years and above	3,473,978	2,609,803	3,573,978	2,571,708
Equity related contracts:				
- less than one year	268,599	264,263	268,599	264,263
- one year to less than five years	150,288	136,115	150,288	136,115
- five years and above	246,438	-	246,438	-
Credit related contracts:				
- five years and above	493,037	291,272	493,037	291,272
Commodity related contracts:				
- less than one year	30,415	-	30,415	-
Unutilised credit card lines	7,487,465	7,463,767	7,487,465	7,463,767
Total	163,865,677	147,233,168	147,548,783	131,969,797

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A31 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.

(a) Connected parties exposures

	The Group		The Bank	
	31/12/2020 RM'000	30/06/2020 RM'000	31/12/2020 RM'000	30/06/2020 RM'000
Aggregate value of outstanding credit exposures with connected parties	3,029,707	2,808,786	2,951,997	2,752,204
Outstanding credit exposures to connected parties as a proportion of total credit exposures (%)	1.80%	1.72%	2.25%	2.16%
Outstanding credit exposures with connected parties which is non-performing or in default as a proportion of total credit exposures (%)	0.0001%	0.0002%	0.0002%	0.0003%

HONG LEONG BANK BERHAD
Registration No: 19340100023 (97141-X)
(Incorporated in Malaysia)

A32 Fair value of financial instruments

Financial instruments comprise of 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.

(a) Determination of fair value and fair value hierarchy

The Group and the Bank 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 market data.

Valuation techniques

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 are 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 instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Group and the Bank then determine fair value based upon valuation techniques such as discounted cash flow that uses inputs such as 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. These would include certain corporate bonds, government bonds and derivatives.

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. This category includes unquoted shares held for socio-economic reasons. Fair value for shares held for socio-economic reasons are based on the net tangible assets of the affected companies.

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A32 Fair value of financial instruments (continued)

(a) 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:

	The Group			
	Financial Period Ended 31/12/2020			
	Fair Value			
	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
<i>Recurring fair value measurements</i>				
<u>Financial Assets</u>				
Financial assets at FVTPL				
- Money market instrument	-	1,509,014	-	1,509,014
- Quoted securities	6,184,312	-	-	6,184,312
- Unquoted securities	-	91,392	330,636	422,028
Financial investments at FVOCI				
- Money market instrument	-	18,140,065	-	18,140,065
- Quoted securities	3,093,818	-	-	3,093,818
- Unquoted securities	-	9,623,016	60,094	9,683,110
Derivative financial instruments	1,195	1,187,758	58,709	1,247,662
	<u>9,279,325</u>	<u>30,551,245</u>	<u>449,439</u>	<u>40,280,009</u>
<u>Financial Liabilities</u>				
Derivative financial instruments	1,349	1,780,168	58,709	1,840,226
Financial liabilities designated at fair value				
- Structured deposits linked to interest rate derivatives	-	1,129,489	-	1,129,489
	<u>1,349</u>	<u>2,909,657</u>	<u>58,709</u>	<u>2,969,715</u>
The Group				
Financial Year Ended 30/06/2020				
	Fair Value			
	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
<i>Recurring fair value measurements</i>				
<u>Financial Assets</u>				
Financial assets at FVTPL				
- Money market instrument	-	2,697,041	-	2,697,041
- Quoted securities	4,961,508	-	-	4,961,508
- Unquoted securities	-	80,211	330,636	410,847
Financial investments at FVOCI				
- Money market instrument	-	14,361,366	-	14,361,366
- Quoted securities	3,484,875	-	-	3,484,875
- Unquoted securities	-	9,376,209	60,094	9,436,303
Derivative financial instruments	8	1,097,969	13,492	1,111,469
	<u>8,446,391</u>	<u>27,612,796</u>	<u>404,222</u>	<u>36,463,409</u>
<u>Financial Liabilities</u>				
Derivative financial instruments	65	1,284,956	13,492	1,298,513
Financial liabilities designated at fair value				
- Structured deposits linked to interest rate derivatives	-	462,517	-	462,517
	<u>65</u>	<u>1,747,473</u>	<u>13,492</u>	<u>1,761,030</u>

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the financial period (2020: RM Nil).

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A32 Fair value of financial instruments (continued)

(a) 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 Bank			
	Financial Period Ended 31/12/2020			
	Fair Value			
	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
<i>Recurring fair value measurements</i>				
<u>Financial Assets</u>				
Financial assets at FVTPL				
- Money market instrument	-	1,509,014	-	1,509,014
- Quoted securities	6,184,312	-	-	6,184,312
- Unquoted securities	-	91,392	330,636	422,028
Financial investments at FVOCI				
- Money market instrument	-	13,534,941	-	13,534,941
- Quoted securities	3,093,818	-	-	3,093,818
- Unquoted securities	-	9,236,952	60,094	9,297,046
Derivative financial instruments	1,195	1,094,372	58,709	1,154,276
	<u>9,279,325</u>	<u>25,466,671</u>	<u>449,439</u>	<u>35,195,435</u>
<u>Financial Liabilities</u>				
Derivative financial instruments	1,349	1,698,838	58,709	1,758,896
Financial liabilities designated at fair value				
- Structured deposits linked to interest rate derivatives	-	1,034,327	-	1,034,327
	<u>1,349</u>	<u>2,733,165</u>	<u>58,709</u>	<u>2,793,223</u>
The Bank				
Financial Year Ended 30/06/2020				
Fair Value				
	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
<i>Recurring fair value measurements</i>				
<u>Financial Assets</u>				
Financial assets at FVTPL				
- Money market instrument	-	2,675,372	-	2,675,372
- Quoted securities	4,961,508	-	-	4,961,508
- Unquoted securities	-	80,211	330,636	410,847
Financial investments at FVOCI				
- Money market instrument	-	12,199,326	-	12,199,326
- Quoted securities	3,484,875	-	-	3,484,875
- Unquoted securities	-	8,993,610	60,094	9,053,704
Derivative financial instruments	8	1,044,121	13,492	1,057,621
	<u>8,446,391</u>	<u>24,992,640</u>	<u>404,222</u>	<u>33,843,253</u>
<u>Financial Liabilities</u>				
Derivative financial instruments	65	1,237,539	13,492	1,251,096
Financial liabilities designated at fair value				
- Structured deposits linked to interest rate derivatives	-	412,120	-	412,120
	<u>65</u>	<u>1,649,659</u>	<u>13,492</u>	<u>1,663,216</u>

The Bank recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the financial period (2020: RM Nil).

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A32 Fair value of financial instruments (continued)

(a) Determination of fair value and fair value hierarchy (continued)

Reconciliation of fair value measurements in Level 3 of the fair value hierarchy, is as below:

The Group 31 December 2020	Financial Assets			Financial
	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Derivative financial instruments RM'000	Liability
				Derivative financial instruments RM'000
At 1 July	330,636	60,094	13,492	13,492
Fair value changes recognised in statements of income	-	-	38,935	38,935
Purchases	-	-	34,474	34,474
Settlements	-	-	(28,192)	(28,192)
At 31 December	<u>330,636</u>	<u>60,094</u>	<u>58,709</u>	<u>58,709</u>
Fair value changes recognised in statements of income relating to assets/liability held on 31 December 2020	<u>-</u>	<u>-</u>	<u>38,935</u>	<u>38,935</u>

The Group 30 June 2020	Financial Assets			Financial
	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Derivative financial instruments RM'000	Liability
				Derivative financial instruments RM'000
At 1 July	305,572	44,331	7,812	7,812
Fair value changes recognised in statements of income	25,064	-	(8,397)	(8,397)
Net fair value changes recognised in other comprehensive income	-	15,763	-	-
Purchases	-	-	(9,066)	(9,066)
Settlements	-	-	23,143	23,143
At 30 June	<u>330,636</u>	<u>60,094</u>	<u>13,492</u>	<u>13,492</u>
Fair value changes recognised in statements of income relating to assets/liability held on 30 June 2020	<u>25,064</u>	<u>-</u>	<u>(8,397)</u>	<u>(8,397)</u>
Total gain recognised in other comprehensive income relating to assets held on 30 June 2020	<u>-</u>	<u>15,763</u>	<u>-</u>	<u>-</u>

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A32 Fair value of financial instruments (continued)

(a) Determination of fair value and fair value hierarchy (continued)

Reconciliation of fair value measurements in Level 3 of the fair value hierarchy, is as below: (continued)

The Bank 31 December 2020	Financial Assets			Financial
	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Derivative financial instruments RM'000	Liability Derivative financial instruments RM'000
At 1 July	330,636	60,094	13,492	13,492
Fair value changes recognised in statements of income	-	-	38,935	38,935
Purchases	-	-	34,474	34,474
Settlements	-	-	(28,192)	(28,192)
At 31 December	<u>330,636</u>	<u>60,094</u>	<u>58,709</u>	<u>58,709</u>
Fair value changes recognised in statements of income relating to assets/liability held on 31 December 2020	<u>-</u>	<u>-</u>	<u>38,935</u>	<u>38,935</u>

The Bank 30 June 2020	Financial Assets			Financial
	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Derivative financial instruments RM'000	Liability Derivative financial instruments RM'000
At 1 July	305,572	44,331	7,812	7,812
Fair value changes recognised in statements of income	25,064	-	(8,397)	(8,397)
Net fair value changes recognised in other comprehensive income	-	15,763	-	-
Purchases	-	-	(9,066)	(9,066)
Settlements	-	-	23,143	23,143
At 30 June	<u>330,636</u>	<u>60,094</u>	<u>13,492</u>	<u>13,492</u>
Fair value changes recognised in statements of income relating to assets/liability held on 30 June 2020	<u>25,064</u>	<u>-</u>	<u>(8,397)</u>	<u>(8,397)</u>
Total gain recognised in other comprehensive income relating to assets held on 30 June 2020	<u>-</u>	<u>15,763</u>	<u>-</u>	<u>-</u>

A33 Liquidity risk

Please refer to Appendix A.

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities

B1 Review of performance

Current Quarter vs. Previous Year Corresponding Quarter

The Group recorded a pre-tax profit of RM815.3 million for the current financial quarter ended 31 December 2020, a decrease of RM41.7 million or -4.9% as compared to previous corresponding quarter. The decrease in pre-tax profit was mainly due to higher allowance for impairment losses on loans, advances and financing of RM221.4 million. However, this was mitigated by higher net income of RM162.5 million, lower operating expenses of RM15.3 million, written back of allowance for impairment losses on financial investments and other financial assets of RM1.6 million and slightly higher share of profit from associated company of RM0.3 million.

A detailed analysis of the performance of major operating segments of the group are as follows:

Personal Financial Services

The Personal Financial Services's segment recorded a pre-tax profit of RM157.9 million for the second quarter ended 31 December 2020 as compared to previous corresponding quarter of RM308.9 million. The decrease in pre-tax profit was mainly contributed by lower total income and higher allowance for impairment losses on loans, advances and financing, partially offset by lower operating expenses.

Business and Corporate Banking

The Business and Corporate Banking's segment recorded a pre-tax profit of RM248.5 million for the second quarter ended 31 December 2020 as compared to previous corresponding quarter of RM207.7 million. The increase in pre-tax profit was mainly contributed by higher total income and lower allowance for impairment losses on loans, advances and financing, partially offset by higher operating expenses.

Global Markets

The Global Markets's segment recorded a pre-tax profit of RM245.9 million for the second quarter ended 31 December 2020 as compared to previous corresponding quarter of RM125.7 million. The increase in pre-tax profit was mainly contributed by higher total income, lower impairment losses on financial investments and other financial assets and partially offset by higher operating expenses.

International Banking

The International Banking's segment recorded a pre-tax profit of RM184.6 million for the second quarter ended 31 December 2020 as compared to previous corresponding quarter of RM171.0 million. The increase in pre-tax profit was mainly contributed by higher total income, lower operating expenses, higher share of profit from associated company in China and partially offset by higher allowance for impairment losses on loans, advances and financing.

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

B1 Review of performance (continued)

Current Year-to-date vs. Previous Year-to-date

The Group's pre-tax profit for the financial period ended 31 December 2020 stood at RM1,705.5 million, a marginal increase of RM2.0 million or 0.1% as compared to RM1,703.5 million in the previous financial period. The increase was mainly due to higher net income of RM296.3 million, lower operating expenses of RM16.5 million, lower allowance for impairment losses on financial investments and other financial assets of RM1.4 million and higher share of profit from associated company of RM22.5 million. This was mitigated by higher allowance for impairment losses on loans, advances and financing of RM334.7 million.

A detailed analysis of the performance of major operating segments of the group are as follows:

Personal Financial Services

The Personal Financial Services's segment recorded a pre-tax profit of RM461.5 million for the financial period ended 31 December 2020 as compared to previous corresponding period of RM653.8 million. The decrease in pre-tax profit was mainly contributed by lower total income and higher allowance for impairment losses on loans, advances and financing, partially offset by lower operating expenses.

Personal Financial Services's loan base grew from RM99.4 billion as at 31 December 2019 to RM103.5 billion as at 31 December 2020. Deposit base increased from RM92.0 billion to RM96.6 billion.

Business and Corporate Banking

The Business and Corporate Banking's segment recorded a pre-tax profit of RM479.5 million for the financial period ended 31 December 2020 as compared to previous corresponding period of RM383.1 million. The increase in pre-tax profit was mainly contributed by higher total income and lower allowance for impairment losses on loans, advances and financing, partially offset by higher operating expenses.

Business and Corporate Banking's loan base increased from RM33.0 billion as at 31 December 2019 to RM37.9 billion as at 31 December 2020. Deposit base increased from RM38.5 billion to RM39.5 billion.

Global Markets

The Global Markets's segment recorded a pre-tax profit of RM501.6 million for the financial period ended 31 December 2020 as compared to previous corresponding period of RM269.8 million. The increase in pre-tax profit was mainly contributed by higher total income and lower impairment losses on financial investments and other financial assets, partially offset by higher operating expenses.

Treasury earning assets increased from RM53.8 billion as at 31 December 2019 to RM62.2 billion as at 31 December 2020.

International Banking

The International Banking's segment recorded a pre-tax profit of RM374.5 million for the financial period ended 31 December 2020 as compared to previous corresponding period of RM328.9 million. The increase in pre-tax profit was mainly contributed by higher total income, lower operating expenses, lower allowance for impairment losses on loans, advances and financing and higher share of profit from associated company in China.

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

B2 Current Quarter vs. Preceding Quarter

For the current financial quarter, the Group recorded a pre-tax profit of RM815.3 million as compared to RM890.2 million in the preceding quarter, a decrease of RM74.9 million mainly contributed by higher allowance for impairment losses on loans, advances and financing of RM136.5 million. This was mitigated by higher net income of RM51.2 million, lower operating expenses of RM9.4 million, written back of allowance for impairment losses on financial investments and other financial assets of RM0.4 million and higher share of profit from associated companies of RM0.6 million.

B3 Current year prospects

The Malaysian economy is expected to recover gradually in line with the global economy in 2021 as supply chain disruption normalises from the shock in the second quarter, economic activities adjust to the new norm and household feel more confident about employment with a gradual pick-up in job prospects. Economic activities are likely to extend further moving forward as governments relax movement restrictions, amid continuous support from fiscal and monetary policies. However, the spike in COVID-19 cases locally as well as the emergence of a more contagious strain overseas pose downside risk to our view, should there be a necessity to tighten movement restriction measures again to contain the virus.

While supply is expected to slowly normalise, overall demand is still likely to remain soft as consumers are likely to err on the side of caution when it comes to spending, given the continuation of the pandemic. Although the first batch of vaccines are scheduled to arrive in February, it requires time to achieve mass vaccination. Some concerns over job security are still likely to prevail and the shift in consumer spending (resulting from the first Movement Control Order) is also set to affect some businesses in the medium term. However, with vaccines being rolled out globally, we expect trade and domestic consumption to improve and stage an economic recovery in the second-half of 2021.

In the journey to be a highly digital and innovative ASEAN financial services institution, we focus on building products and services propositions that ring true to our brand promise of “Built Around You” where clients are at the centre of everything we do. In view of the ongoing pandemic situation, we continue to provide targeted assistance to clients that are and might experience financial difficulties emanating from the economic impact of the COVID-19 crisis. The new operating environment will no doubt present us with new growth opportunities which we will endeavour to capture by being agile and responsive to the changing landscape. Concurrently, we continue to revamp our cost structure, enabling us to invest in growth opportunities and deliver sustainable returns to our stakeholders.

B4 Variance in profit forecast and shortfall in profit guarantee

This note is not applicable to the Group.

B5 Taxation

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	RM'000	RM'000	RM'000	RM'000
The Group				
Income tax	192,795	171,686	369,094	350,993
Transfer to deferred taxation	(48,293)	(16,532)	(63,247)	(37,864)
	144,502	155,154	305,847	313,129

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	RM'000	RM'000	RM'000	RM'000
The Bank				
Income tax	157,017	132,474	285,878	280,119
Transfer to deferred taxation	(40,897)	(12,966)	(54,665)	(26,927)
	116,120	119,508	231,213	253,192

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

B6 Profit on sale of unquoted investments/properties

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.

B7 Purchase and disposal of quoted securities

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

B8 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.

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

B9 Off-balance sheet financial instruments

Details of financial instruments with off-balance sheet risk as at 31 December 2020:

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	38,685,374	390,568	(809,457)
(ii) 1 year to 3 years	223,713	-	(11,923)
Swaps			
(i) Less than 1 year	6,426,037	107,865	(32,713)
(ii) 1 year to 3 years	2,664,034	107,012	(43,762)
(iii) More than 3 years	1,754,481	88,054	(31,457)
Options			
(i) Less than 1 year	2,405,792	7,614	(10,309)
Interest rate related contracts			
Futures			
(i) Less than 1 year	6,514,261	1,195	(1,349)
Swaps			
(i) Less than 1 year	21,053,502	55,105	(114,097)
(ii) 1 year to 3 years	18,967,166	157,486	(395,752)
(iii) More than 3 years	11,255,167	248,728	(305,400)
Equity related contracts			
(i) Less than 1 year	268,599	12,560	(12,562)
(ii) 1 year to 3 years	130,573	3,414	(3,414)
(iii) More than 3 years	266,153	42,734	(42,734)
Credit related contracts			
(i) More than 3 years	493,037	21,119	(21,119)
Commodity related contracts			
(i) Less than 1 year	30,415	4,208	(4,178)
Total	111,138,304	1,247,662	(1,840,226)

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

B9 Off-balance sheet financial instruments (continued)

Details of financial instruments with off-balance sheet risk as at 30 June 2020:

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	33,518,558	316,730	(193,064)
(ii) 1 year to 3 years	260,554	3,542	-
Swaps			
(i) Less than 1 year	5,691,949	48,729	(94,914)
(ii) 1 year to 3 years	2,269,351	89,753	(46,348)
(iii) More than 3 years	1,848,160	82,187	(2,092)
Options			
(i) Less than 1 year	1,067,489	6,746	(7,343)
Interest rate related contracts			
Futures			
(i) Less than 1 year	1,744,100	492	(65)
(ii) 1 year to 3 years	1,284,000	8	-
Swaps			
(i) Less than 1 year	17,213,516	49,138	(76,275)
(ii) 1 year to 3 years	22,210,388	210,134	(466,177)
(iii) More than 3 years	11,175,652	270,557	(378,780)
Equity related contracts			
(i) Less than 1 year	264,263	11,970	(11,972)
(ii) 1 year to 3 years	136,115	1,523	(1,523)
Credit related contracts			
(i) More than 3 years	291,272	19,960	(19,960)
Total	98,975,367	1,111,469	(1,298,513)

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

B9 Off-balance sheet financial instruments (continued)

Details of financial instruments with off-balance sheet risk as at 31 December 2020:

The Bank

Items	Principal amount RM'000	Fair value	
		Assets RM'000	Liabilities RM'000
Foreign exchange related contracts			
Forwards			
(i) Less than 1 year	32,754,446	295,948	(732,711)
(ii) 1 year to 3 years	223,713	-	(11,923)
Swaps			
(i) Less than 1 year	5,794,824	106,853	(32,672)
(ii) 1 year to 3 years	2,664,034	107,012	(43,765)
(iii) More than 3 years	1,754,481	88,057	(31,459)
Options			
(i) Less than 1 year	2,405,792	7,614	(10,309)
Interest rate related contracts			
Futures			
(i) Less than 1 year	6,514,262	1,195	(1,349)
Swaps			
(i) Less than 1 year	21,172,549	56,221	(112,422)
(ii) 1 year to 3 years	18,967,166	157,486	(395,752)
(iii) More than 3 years	11,355,167	249,855	(302,529)
Equity related contracts			
(i) Less than 1 year	268,599	12,560	(12,560)
(ii) 1 year to 3 years	130,573	3,414	(3,414)
(iii) More than 3 years	266,153	42,734	(42,734)
Credit related contracts			
(i) More than 3 years	493,037	21,119	(21,119)
Commodity related contracts			
(i) Less than 1 year	30,415	4,208	(4,178)
Total	104,795,211	1,154,276	(1,758,896)

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

B9 Off-balance sheet financial instruments (continued)

Details of financial instruments with off-balance sheet risk as at 30 June 2020:

The Bank

Items	Principal amount RM'000	Fair value	
		Assets RM'000	Liabilities RM'000
Foreign exchange related contracts			
Forwards			
(i) Less than 1 year	26,707,413	261,937	(146,427)
(ii) 1 year to 3 years	260,554	3,542	-
Swaps			
(i) Less than 1 year	5,624,023	48,729	(94,912)
(ii) 1 year to 3 years	2,269,351	89,753	(46,352)
(iii) More than 3 years	1,848,160	82,187	(2,093)
Options			
(i) Less than 1 year	1,067,489	6,746	(7,343)
Interest rate related contracts			
Futures			
(i) Less than 1 year	1,744,100	492	(65)
(ii) 1 year to 3 years	1,284,000	8	-
Swaps			
(i) Less than 1 year	17,713,516	49,707	(76,880)
(ii) 1 year to 3 years	22,410,388	211,619	(467,841)
(iii) More than 3 years	11,137,557	269,448	(375,730)
Equity related contracts			
(i) Less than 1 year	264,263	11,970	(11,970)
(ii) 1 year to 3 years	136,115	1,523	(1,523)
Credit related contracts			
(i) More than 3 years	291,272	19,960	(19,960)
Total	92,758,201	1,057,621	(1,251,096)

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

B9 Off-balance sheet financial instruments (continued)

Foreign exchange, interest rate, equity and commodity related contracts are subject to market risk and 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. 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 RM36,105,000 (30 June 2020: RM105,074,000) and RM58,172,159,000 (30 June 2020: RM55,595,557,000) 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 period, the amount of credit risk, measured in terms of the cost to replace the profitable contracts, was RM1,326,462,000 (30 June 2020: RM1,136,760,000). 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 (i.e. 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 (i.e. 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.

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

B9 Off-balance sheet financial instruments (continued)

Credit risk (continued)

Derivatives (continued)

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 instruments provide a basis for comparison with instruments recognised on the statements of financial position 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.

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 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.

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 statements of income. The deferred gains and losses are then released to the statements of income in the periods when the hedged items affects the statements of income.

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

B10 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.

B11 Dividend

An interim single tier dividend of 14.78 sen per share has been declared for the current quarter.

- (i) Amount per share: 14.78 sen.
- (ii) Previous corresponding quarter: single tier dividend of 16.0 sen per share.
- (iii) Entitlement date: 15 March 2021
- (iv) Payment date: 25 March 2021

B12 Earnings per share

(a) Basic earnings per share

Basic earnings per share from operations is calculated by dividing the net profit attributable to ordinary equity holders of the Bank after taxation by the weighted average number of ordinary shares in issue during the financial period, excluding the average number of ordinary shares purchased by the Bank and held as treasury shares.

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	RM'000	RM'000	RM'000	RM'000
<u>The Group</u>				
Net profit attributable to equity holders	670,788	701,814	1,399,692	1,390,392
Weighted average number of ordinary shares in issue ('000)	2,167,718	2,167,718	2,167,718	2,167,718
Less: Treasury shares held	(120,478)	(121,214)	(120,478)	(121,214)
	<u>2,047,240</u>	<u>2,046,504</u>	<u>2,047,240</u>	<u>2,046,504</u>
Basic earnings per share (sen)	32.8	34.3	68.4	67.9
<u>The Bank</u>				
Net profit attributable to equity holders	424,589	425,293	845,261	886,944
Weighted average number of ordinary shares in issue ('000)	2,167,718	2,167,718	2,167,718	2,167,718
Less: Treasury shares held	(120,478)	(121,214)	(120,478)	(121,214)
	<u>2,047,240</u>	<u>2,046,504</u>	<u>2,047,240</u>	<u>2,046,504</u>
Basic earnings per share (sen)	20.7	20.8	41.3	43.3

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

B12 Earnings per share (continued)

(b) Fully diluted earnings per share

The Bank has two categories of dilutive potential ordinary shares, which are the share options and ordinary shares granted under the ESS. 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 Bank's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as below is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2020 RM'000	31/12/2019 RM'000	31/12/2020 RM'000	31/12/2019 RM'000
<u>The Group</u>				
Net profit attributable to equity holders	670,788	701,814	1,399,692	1,390,392
Weighted average number of ordinary shares in issue (diluted) ('000):				
- during the period	2,047,240	2,046,504	2,047,240	2,046,504
- adjustment for ESS	395	1,484	395	1,484
	<u>2,047,635</u>	<u>2,047,988</u>	<u>2,047,635</u>	<u>2,047,988</u>
Fully diluted earnings per share (sen)	32.8	34.3	68.4	67.9
<u>The Bank</u>				
Net profit attributable to equity holders	424,589	425,293	845,261	886,944
Weighted average number of ordinary shares in issue (diluted) ('000):				
- during the period	2,047,240	2,046,504	2,047,240	2,046,504
- adjustment for ESS	395	1,484	395	1,484
	<u>2,047,635</u>	<u>2,047,988</u>	<u>2,047,635</u>	<u>2,047,988</u>
Fully diluted earnings per share (sen)	20.7	20.8	41.3	43.3

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A33 Liquidity risk

Liquidity risk is defined as the current and prospective risk arising from the inability of the Group and the Bank to meet its contractual or regulatory obligations when they become due without incurring substantial losses. The liquidity risk is identified based on concentration, volatility of source of fund and funding maturity structure and it is measured primarily using Bank Negara Malaysia's New Liquidity Framework and depositor's concentration ratios. The Group and the Bank seek to project, monitor and manage its liquidity needs under normal as well as adverse circumstances.

The table below analyses the carrying amount of assets and liabilities (including non-financial instruments) as at 31 December 2020 based on the remaining contractual maturity:

	The Group							Total
	31 December 2020							
	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	RM'000
Assets								
Cash and short-term funds	4,824,433	1,402,693	-	-	-	-	-	6,227,126
Deposits and placements with banks and other financial institutions	-	-	474,776	562,424	-	-	-	1,037,200
Financial assets at fair value through profit or loss	60,709	170,875	111,373	61,843	111,679	7,268,239	330,636	8,115,354
Financial investments at fair value through other comprehensive income	178,621	400,790	742,951	648,440	1,136,951	27,749,146	60,094	30,916,993
Financial investments at amortised cost	625	328	766,658	276,482	3,946,792	17,169,933	-	22,160,818
Loans, advances and financing	10,535,674	6,767,903	3,739,368	2,266,874	874,764	124,277,355	-	148,461,938
Other assets	470,999	4,826	9,411	9,936	6,296	160,944	560,570	1,222,982
Derivative financial instruments	39,345	125,414	147,458	106,798	160,100	668,547	-	1,247,662
Statutory deposits with Central Banks	-	-	-	-	-	-	367,317	367,317
Investment in associated companies	-	-	-	-	-	-	5,024,205	5,024,205
Property and equipment	-	-	-	-	-	-	1,241,842	1,241,842
Intangible assets	-	-	-	-	-	-	207,365	207,365
Right-of-use assets	-	-	-	-	-	-	229,965	229,965
Goodwill	-	-	-	-	-	-	1,831,312	1,831,312
Deferred tax assets	-	-	-	-	-	-	131,330	131,330
Total assets	16,110,406	8,872,829	5,991,995	3,932,797	6,236,582	177,294,164	9,984,636	228,423,409

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A33 Liquidity risk (continued)

The table below analyses the carrying amount of assets and liabilities (including non-financial instruments) as at 31 December 2020 based on the remaining contractual maturity: (continued)

	The Group							Total
	31 December 2020							
	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	RM'000
Liabilities								
Deposits from customers	71,995,570	28,324,663	33,173,390	22,897,967	16,551,260	3,544,718	-	176,487,568
Investment accounts of customers	23,469	100,307	271,831	289,400	-	-	-	685,007
Deposits and placements of banks and other financial institutions	573,303	2,985,790	3,120,491	144,164	51,187	1,104,548	-	7,979,483
Obligations on securities sold under repurchase agreements	-	1,644,853	1,908,374	-	-	-	-	3,553,227
Bills and acceptances payable	74	1,608	10,028	9,494	-	-	131,641	152,845
Lease liabilities	-	3,629	7,435	10,873	20,665	179,150	-	221,752
Other liabilities	5,120,428	187,897	22,126	567	12,191	-	83,609	5,426,818
Derivative financial instruments	58,397	225,314	320,191	240,496	140,267	855,561	-	1,840,226
Recourse obligation on loans sold to Cagamas	6,896	-	-	-	-	1,033,939	-	1,040,835
Tier 2 subordinated bonds	2,352	-	-	-	-	1,499,970	-	1,502,322
Multi-currency Additional Tier 1 Capital Securities	6,661	-	-	-	-	799,720	-	806,381
Taxation	-	-	-	-	-	-	465,079	465,079
Total liabilities	77,787,150	33,474,061	38,833,866	23,592,961	16,775,570	9,017,606	680,329	200,161,543
Total equity	-	-	-	-	-	-	28,261,866	28,261,866
Total liabilities and equity	77,787,150	33,474,061	38,833,866	23,592,961	16,775,570	9,017,606	28,942,195	228,423,409
Net liquidity gap	(61,676,744)	(24,601,232)	(32,841,871)	(19,660,164)	(10,538,988)	168,276,558	9,304,307	28,261,866

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A33 Liquidity risk (continued)

The table below analyses the carrying amount of assets and liabilities (including non-financial instruments) as at 30 June 2020 based on the remaining contractual maturity:

	The Group							Total
	30 June 2020							
	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	RM'000
Assets								
Cash and short-term funds	7,351,125	1,211,044	-	-	-	-	-	8,562,169
Deposits and placements with banks and other financial institutions	-	-	109,612	942,767	-	-	-	1,052,379
Financial assets at fair value through profit or loss	-	30,189	212,916	545,446	251,679	6,698,530	330,636	8,069,396
Financial investments at fair value through other comprehensive income	56,799	714,461	492,567	344,235	1,339,087	24,275,301	60,094	27,282,544
Financial investments at amortised cost	171,289	218,737	1,564	31,568	1,037,159	18,641,115	-	20,101,432
Loans, advances and financing	13,609,685	5,664,321	3,052,206	2,495,965	890,314	118,982,459	-	144,694,950
Other assets	855,704	157,029	13,287	15,085	162,130	944	478,337	1,682,516
Derivative financial instruments	43,597	125,816	145,417	79,600	39,375	677,664	-	1,111,469
Statutory deposits with Central Banks	-	-	-	-	-	-	418,120	418,120
Investment in associated companies	-	-	-	-	-	-	4,644,527	4,644,527
Property and equipment	-	-	-	-	-	-	1,299,902	1,299,902
Intangible assets	-	-	-	-	-	-	187,505	187,505
Right-of-use assets	-	-	-	-	-	-	253,118	253,118
Goodwill	-	-	-	-	-	-	1,831,312	1,831,312
Deferred tax assets	-	-	-	-	-	-	86,578	86,578
Total assets	22,088,199	8,121,597	4,027,569	4,454,666	3,719,744	169,276,013	9,590,129	221,277,917

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A33 Liquidity risk (continued)

The table below analyses the carrying amount of assets and liabilities (including non-financial instruments) as at 30 June 2020 based on the remaining contractual maturity: (continued)

	The Group							Total
	30 June 2020							
	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	RM'000
Liabilities								
Deposits from customers	70,662,686	25,547,266	32,731,390	22,338,170	19,850,434	2,362,715	-	173,492,661
Investment accounts of customers	6,562	36,841	307,920	5,152	-	-	-	356,475
Deposits and placements of banks and other financial institutions	331,101	1,620,526	2,689,770	767,018	80,695	1,011,970	-	6,501,080
Obligations on securities sold under repurchase agreements	23,415	346,863	2,276,277	477,577	-	-	-	3,124,132
Bills and acceptances payable	99	1,909	8,130	6,542	-	-	117,373	134,053
Lease liabilities	-	3,503	7,025	10,562	20,864	199,223	-	241,177
Other liabilities	5,092,129	145,093	11,219	567	12,751	-	86,451	5,348,210
Derivative financial instruments	44,698	64,878	63,053	124,718	86,286	914,880	-	1,298,513
Recourse obligation on loans sold to Cagamas	-	-	5,919	1,001	-	1,042,085	-	1,049,005
Tier 2 subordinated bonds	-	-	-	2,254	-	1,499,970	-	1,502,224
Multi-currency Additional Tier 1 Capital Securities	-	-	4,866	1,799	-	799,655	-	806,320
Taxation	-	-	-	-	-	-	189,768	189,768
Total liabilities	76,160,690	27,766,879	38,105,569	23,735,360	20,051,030	7,830,498	393,592	194,043,618
Total equity	-	-	-	-	-	-	27,234,299	27,234,299
Total liabilities and equity	76,160,690	27,766,879	38,105,569	23,735,360	20,051,030	7,830,498	27,627,891	221,277,917
Net liquidity gap	(54,072,491)	(19,645,282)	(34,078,000)	(19,280,694)	(16,331,286)	161,445,515	9,196,537	27,234,299

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A33 Liquidity risk (continued)

The table below analyses the carrying amount of assets and liabilities (including non-financial instruments) as at 31 December 2020 based on the remaining contractual maturity:

	The Bank							Total RM'000
	31 December 2020							
	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	
Assets								
Cash and short-term funds	5,805,737	652,340	-	-	-	-	-	6,458,077
Deposits and placements with banks and other financial institutions	-	-	636,380	662,762	-	398,502	-	1,697,644
Financial assets at fair value through profit or loss	60,709	170,875	111,373	61,843	111,679	7,268,239	330,636	8,115,354
Financial investments at fair value through other comprehensive income	178,621	300,864	527,920	620,792	1,127,737	23,109,777	60,094	25,925,805
Financial investments at amortised cost	625	328	504,402	166,677	3,556,819	12,008,393	-	16,237,244
Loans, advances and financing	8,919,996	5,926,290	3,350,027	1,852,837	935,202	94,221,544	-	115,205,896
Other assets	514,980	4,809	9,378	9,886	6,196	108,244	498,627	1,152,120
Derivative financial instruments	37,927	90,657	118,919	83,124	153,972	669,677	-	1,154,276
Amount due from subsidiaries	-	-	-	-	-	-	46,009	46,009
Statutory deposits with Central Banks	-	-	-	-	-	-	198,125	198,125
Subsidiary companies	-	-	-	-	-	-	2,558,310	2,558,310
Investment in associated companies	-	-	-	-	-	-	971,182	971,182
Property and equipment	-	-	-	-	-	-	633,254	633,254
Intangible assets	-	-	-	-	-	-	187,131	187,131
Right-of-use assets	-	-	-	-	-	-	376,074	376,074
Goodwill	-	-	-	-	-	-	1,771,547	1,771,547
Deferred tax assets	-	-	-	-	-	-	96,761	96,761
Total assets	15,518,595	7,146,163	5,258,399	3,457,921	5,891,605	137,784,376	7,727,750	182,784,809

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A33 Liquidity risk (continued)

The table below analyses the carrying amount of assets and liabilities (including non-financial instruments) as at 31 December 2020 based on the remaining contractual maturity: (continued)

	The Bank							Total RM'000
	31 December 2020							
	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	
Liabilities								
Deposits from customers	59,569,324	21,286,257	25,065,050	16,972,263	13,360,561	3,374,570	-	139,628,025
Deposits and placements of banks and other financial institutions	1,022,815	2,666,528	2,904,038	115,234	36,827	1,088,853	-	7,834,295
Obligations on securities sold under repurchase agreements	-	1,644,853	1,908,374	-	-	-	-	3,553,227
Bills and acceptances payable	60	1,401	8,893	8,143	-	-	107,439	125,936
Lease liabilities	-	5,371	10,712	16,057	32,349	304,089	-	368,578
Other liabilities	4,361,069	187,849	22,114	549	1,892	429,621	67,875	5,070,969
Derivative financial instruments	53,199	199,645	294,968	217,558	140,831	852,695	-	1,758,896
Recourse obligation on loans sold to Cagamas	572	-	-	-	-	300,026	-	300,598
Tier 2 subordinated bonds	2,352	-	-	-	-	1,499,970	-	1,502,322
Multi-currency Additional Tier 1 Capital Securities	6,661	-	-	-	-	799,720	-	806,381
Taxation	-	-	-	-	-	-	375,844	375,844
Total liabilities	65,016,052	25,991,904	30,214,149	17,329,804	13,572,460	8,649,544	551,158	161,325,071
Total equity	-	-	-	-	-	-	21,459,738	21,459,738
Total liabilities and equity	65,016,052	25,991,904	30,214,149	17,329,804	13,572,460	8,649,544	22,010,896	182,784,809
Net liquidity gap	(49,497,457)	(18,845,741)	(24,955,750)	(13,871,883)	(7,680,855)	129,134,832	7,176,592	21,459,738

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A33 Liquidity risk (continued)

The table below analyses the carrying amount of assets and liabilities (including non-financial instruments) as at 30 June 2020 based on the remaining contractual maturity:

	The Bank							Total
	30 June 2020							
	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	RM'000
Assets								
Cash and short-term funds	3,983,177	1,560,623	-	-	-	-	-	5,543,800
Deposits and placements with banks and other financial institutions	-	-	483,766	942,767	-	391,641	-	1,818,174
Financial assets at fair value through profit or loss	-	30,189	212,916	545,446	251,679	6,676,861	330,636	8,047,727
Financial investments at fair value through other comprehensive income	56,799	464,661	492,567	323,860	1,191,962	22,147,962	60,094	24,737,905
Financial investments at amortised cost	171,289	218,737	1,564	21,922	665,408	14,000,161	-	15,079,081
Loans, advances and financing	12,094,117	4,821,027	2,671,136	1,754,594	543,315	90,939,786	-	112,823,975
Other assets	952,508	156,938	13,226	14,993	109,739	735	358,710	1,606,849
Derivative financial instruments	37,211	117,494	133,691	55,702	35,483	678,040	-	1,057,621
Amount due from subsidiaries	-	-	-	-	-	-	106,363	106,363
Statutory deposits with Central Banks	-	-	-	-	-	-	254,181	254,181
Subsidiary companies	-	-	-	-	-	-	2,558,901	2,558,901
Investment in associated companies	-	-	-	-	-	-	971,182	971,182
Property and equipment	-	-	-	-	-	-	685,169	685,169
Intangible assets	-	-	-	-	-	-	168,060	168,060
Right-of-use assets	-	-	-	-	-	-	420,653	420,653
Goodwill	-	-	-	-	-	-	1,771,547	1,771,547
Deferred tax assets	-	-	-	-	-	-	55,984	55,984
Total assets	17,295,101	7,369,669	4,008,866	3,659,284	2,797,586	134,835,186	7,741,480	177,707,172

HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
(Incorporated in Malaysia)

A33 Liquidity risk (continued)

The table below analyses the carrying amount of assets and liabilities (including non-financial instruments) as at 30 June 2020 based on the remaining contractual maturity: (continued)

	The Bank							Total
	30 June 2020							
	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	RM'000
Liabilities								
Deposits from customers	59,080,600	19,361,117	24,916,058	16,177,232	15,879,412	2,218,943	-	137,633,362
Deposits and placements of banks and other financial institutions	626,707	1,568,326	2,873,734	489,809	80,695	1,011,970	-	6,651,241
Obligations on securities sold under repurchase agreements	23,415	346,863	2,276,277	477,577	-	-	-	3,124,132
Bills and acceptances payable	88	1,673	6,663	5,498	-	-	106,294	120,216
Lease liabilities	-	5,173	10,372	15,651	31,446	345,196	-	407,838
Other liabilities	4,112,847	145,045	11,207	549	2,717	429,380	71,960	4,773,705
Derivative financial instruments	38,362	52,293	48,769	113,668	84,505	913,499	-	1,251,096
Recourse obligation on loans sold to Cagamas	-	-	-	543	-	300,024	-	300,567
Tier 2 subordinated bonds	-	-	-	2,254	-	1,499,970	-	1,502,224
Multi-currency Additional Tier 1 Capital Securities	-	-	4,866	1,799	-	799,655	-	806,320
Taxation	-	-	-	-	-	-	150,979	150,979
Total liabilities	63,882,019	21,480,490	30,147,946	17,284,580	16,078,775	7,518,637	329,233	156,721,680
Total equity	-	-	-	-	-	-	20,985,492	20,985,492
Total liabilities and equity	63,882,019	21,480,490	30,147,946	17,284,580	16,078,775	7,518,637	21,314,725	177,707,172
Net liquidity gap	(46,586,918)	(14,110,821)	(26,139,080)	(13,625,296)	(13,281,189)	127,316,549	7,412,247	20,985,492