

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

**Condensed Financial Statements**  
**Unaudited Statements of Financial Position As At 30 June 2021**

	Note	The Group		The Bank	
		As at 30/06/2021 RM'000	As at 30/06/2020 RM'000	As at 30/06/2021 RM'000	As at 30/06/2020 RM'000
<b>ASSETS</b>					
Cash and short-term funds		3,466,178	8,562,169	3,042,541	5,543,800
Deposits and placements with banks and other financial institutions		486,779	1,052,379	1,426,484	1,818,174
Financial assets at fair value through profit or loss	A8	8,246,366	8,069,396	8,041,221	8,047,727
Financial investments at fair value through other comprehensive income	A9	34,450,238	27,282,544	30,464,881	24,737,905
Financial investments at amortised cost	A10	23,634,907	20,101,432	16,558,726	15,079,081
Loans, advances and financing	A11	154,070,707	144,694,950	119,085,694	112,823,975
Other assets	A12	2,011,856	1,682,516	1,873,246	1,606,849
Derivative financial instruments		1,005,249	1,111,469	983,205	1,057,621
Amount due from subsidiaries		-	-	15,870	106,363
Statutory deposits with Central Banks		493,605	418,120	301,428	254,181
Subsidiary companies		-	-	2,556,570	2,558,901
Investment in associated companies		5,501,542	4,644,527	971,182	971,182
Property and equipment		1,197,788	1,299,902	595,225	685,169
Intangible assets		242,317	187,505	218,277	168,060
Right-of-use assets		214,726	253,118	344,387	420,653
Goodwill		1,831,312	1,831,312	1,771,547	1,771,547
Deferred tax assets		275,670	86,578	183,513	55,984
<b>TOTAL ASSETS</b>		<b>237,129,240</b>	<b>221,277,917</b>	<b>188,433,997</b>	<b>177,707,172</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
Deposits from customers	A13	183,289,771	173,492,661	144,357,035	137,633,362
Investment accounts of customers	A14	1,145,154	356,475	-	-
Deposits and placements of banks and other financial institutions	A15	12,130,039	6,501,080	12,015,297	6,651,241
Obligations on securities sold under repurchase agreements		742,750	3,124,132	742,750	3,124,132
Bills and acceptances payable		189,642	134,053	150,433	120,216
Lease liabilities		209,761	241,177	341,591	407,838
Other liabilities	A16	5,358,784	5,348,210	5,066,401	4,773,705
Derivative financial instruments		909,666	1,298,513	879,986	1,251,096
Recourse obligation on loans/financing sold to Cagamas Berhad ("Cagamas")		1,033,839	1,049,005	300,572	300,567
Tier 2 subordinated bonds	A17	1,502,340	1,502,224	1,502,340	1,502,224
Multi-currency Additional Tier 1 capital securities	A18	806,390	806,320	806,390	806,320
Provision for taxation		351,990	189,768	272,296	150,979
<b>TOTAL LIABILITIES</b>		<b>207,670,126</b>	<b>194,043,618</b>	<b>166,435,091</b>	<b>156,721,680</b>
Share capital		7,739,063	7,739,063	7,739,063	7,739,063
Reserves		22,439,081	20,218,580	14,978,873	13,969,773
Less: Treasury shares		(719,030)	(723,344)	(719,030)	(723,344)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>29,459,114</b>	<b>27,234,299</b>	<b>21,998,906</b>	<b>20,985,492</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>237,129,240</b>	<b>221,277,917</b>	<b>188,433,997</b>	<b>177,707,172</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A30	<b>278,901,435</b>	<b>147,233,168</b>	<b>261,848,638</b>	<b>131,969,797</b>
Net asset per share attributable to ordinary equity holders of the parent (RM) *		14.39	13.30	10.74	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 Year Ended 30 June 2021**

	Note	The Group			
		Current Quarter Ended 30/06/2021 RM'000	Corresponding Quarter Ended 30/06/2020 RM'000	Current Year Ended 30/06/2021 RM'000	Corresponding Year Ended 30/06/2020 RM'000
Interest income	A19(a)	1,335,447	1,340,432	5,394,946	5,912,043
Interest income for financial assets at fair value through profit or loss	A19(b)	44,011	50,241	161,783	268,718
Interest expense	A20	(461,540)	(739,561)	(2,099,027)	(3,416,377)
Net interest income		917,918	651,112	3,457,702	2,764,384
Net income from Islamic Banking business	A21	231,987	234,071	919,402	846,540
Other operating income	A22	182,386	311,471	1,089,769	1,167,432
Net income		1,332,291	1,196,654	5,466,873	4,778,356
Other operating expenses	A23	(532,450)	(520,904)	(2,077,808)	(2,103,804)
Operating profit before allowances		799,841	675,750	3,389,065	2,674,552
Allowance for impairment losses on loans, advances and financing (Allowance for)/written back of impairment losses on financial investments and other assets	A24	(194,261)	(191,298)	(653,819)	(327,655)
	A25	(230)	(224)	(260)	167
Share of profit after tax of equity accounted associated companies		605,350	484,228	2,734,986	2,347,064
		219,261	164,454	735,953	642,333
Profit before taxation		824,611	648,682	3,470,939	2,989,397
Taxation	B5	(135,127)	(79,267)	(610,297)	(494,800)
Net profit for the financial year		689,484	569,415	2,860,642	2,494,597
<b>Attributable to:</b>					
Owners of the parent		689,484	569,415	2,860,642	2,494,597
Earnings per share - basic (sen)	B12(a)	33.7	27.8	139.7	121.9
Earnings per share - fully diluted (sen)	B12(b)	33.7	27.8	139.7	121.9

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**HONG LEONG BANK BERHAD**  
**Registration No: 193401000023 (97141-X)**  
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**Condensed Financial Statements**  
**Unaudited Statements of Comprehensive Income**  
**For The Financial Year Ended 30 June 2021**

	<b>The Group</b>			
	<b>Current Quarter Ended 30/06/2021 RM'000</b>	<b>Corresponding Quarter Ended 30/06/2020 RM'000</b>	<b>Current Year Ended 30/06/2021 RM'000</b>	<b>Corresponding Year Ended 30/06/2020 RM'000</b>
Net profit for the financial year	689,484	569,415	2,860,642	2,494,597
Other comprehensive income in respect of:				
(i) Item that will not be reclassified to profit or loss:				
Equity instruments at fair value through other comprehensive income				
- Net fair value changes	9,396	15,763	9,228	15,763
(ii) Items that may be reclassified subsequently to profit or loss:				
(a) Share of other comprehensive (loss)/income of associated company	(1,511)	20,607	(15,019)	15,976
(b) Currency translation differences	98,361	3,488	282,081	78,085
(c) Debt instruments at fair value through other comprehensive income				
- Net fair value changes	144,373	313,185	(289,882)	203,515
- Changes in expected credit losses	389	675	198	502
(d) Net fair value changes in cash flow hedge	(1,471)	(1,212)	3,235	(7,633)
Income tax relating to components of other comprehensive (income)/loss	(33,151)	(65,337)	68,101	(43,019)
Other comprehensive income for the financial year, net of tax	216,386	287,169	57,942	263,189
Total comprehensive income for the financial year	<u>905,870</u>	<u>856,584</u>	<u>2,918,584</u>	<u>2,757,786</u>
Attributable to:				
- Owners of the parent	<u>905,870</u>	<u>856,584</u>	<u>2,918,584</u>	<u>2,757,786</u>

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**HONG LEONG BANK BERHAD**  
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**Condensed Financial Statements**  
**Unaudited Statements of Income**  
**For The Financial Year Ended 30 June 2021**

	Note	The Bank			
		Current Quarter Ended 30/06/2021 RM'000	Corresponding Quarter Ended 30/06/2020 RM'000	Current Year Ended 30/06/2021 RM'000	Corresponding Year Ended 30/06/2020 RM'000
Interest income	A19(a)	1,295,435	1,307,385	5,243,512	5,782,292
Interest income for financial assets at fair value through profit or loss	A19(b)	44,011	50,241	161,783	268,718
Interest expense	A20	(446,369)	(730,562)	(2,044,559)	(3,382,940)
Net interest income		893,077	627,064	3,360,736	2,668,070
Other operating income	A22	418,567	533,010	1,310,022	1,389,660
Net income		1,311,644	1,160,074	4,670,758	4,057,730
Other operating expenses	A23	(454,029)	(443,103)	(1,771,067)	(1,792,455)
Operating profit before allowances Allowance for impairment losses on loans, advances and financing	A24	857,615	716,971	2,899,691	2,265,275
Allowance for impairment losses on financial investments and other assets	A25	(116,006)	(140,868)	(492,073)	(188,333)
Profit before taxation		(3,595)	(34)	(3,465)	(1,467)
Taxation	B5	738,014	576,069	2,404,153	2,075,475
Net profit for the financial year		(176,884)	(94,248)	(535,834)	(421,460)
<b>Attributable to:</b>		561,130	481,821	1,868,319	1,654,015
Owners of the parent		561,130	481,821	1,868,319	1,654,015
Earnings per share - basic (sen)	B12(a)	27.4	23.5	91.3	80.8
Earnings per share - fully diluted (sen)	B12(b)	27.4	23.5	91.2	80.8

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**HONG LEONG BANK BERHAD**  
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**Condensed Financial Statements**  
**Unaudited Statements of Comprehensive Income**  
**For The Financial Year Ended 30 June 2021**

	<b>The Bank</b>			
	<b>Current Quarter Ended 30/06/2021 RM'000</b>	<b>Corresponding Quarter Ended 30/06/2020 RM'000</b>	<b>Current Year Ended 30/06/2021 RM'000</b>	<b>Corresponding Year Ended 30/06/2020 RM'000</b>
Net profit for the financial year	561,130	481,821	1,868,319	1,654,015
Other comprehensive income/(loss) in respect of:				
(i) Item that will not be reclassified to profit or loss:				
Equity instruments at fair value through other comprehensive income				
- Net fair value changes	9,396	15,763	9,228	15,763
(ii) Items that may be reclassified subsequently to profit or loss:				
(a) Currency translation differences	2,558	12,185	(4,182)	13,621
(b) Debt instruments at fair value through other comprehensive income				
- Net fair value changes	128,601	330,757	(221,513)	231,676
- Changes in expected credit losses	389	667	211	601
(c) Net fair value changes in cash flow hedge	(1,471)	(1,211)	3,233	(7,631)
Income tax relating to components of other comprehensive (income)/loss	(29,339)	(69,521)	51,887	(49,823)
Other comprehensive income/(loss) for the financial year, net of tax	110,134	288,640	(161,136)	204,207
Total comprehensive income for the financial year	671,264	770,461	1,707,183	1,858,222

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**HONG LEONG BANK BERHAD**  
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**Condensed Financial Statements**

**Unaudited Statements of Changes in Equity For The Financial Year Ended 30 June 2021**

Attributable to owners of the parent

<u>The Group</u>	Share Capital RM'000	Other Reserves RM'000	Regulatory Reserves * RM'000	Retained Profits RM'000	Treasury Shares RM'000	Total RM'000
<b>At 1 July 2020</b>	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 year	-	-	-	2,860,642	-	2,860,642
- Share of other comprehensive loss of associated company	-	(15,019)	-	-	-	(15,019)
- Financial assets measured at fair value through other comprehensive income						
- Equity instruments						
- Net fair value changes	-	9,228	-	-	-	9,228
- Net gain on disposal	-	(10)	-	10	-	-
- Debt instruments						
- Net fair value changes	-	(221,004)	-	-	-	(221,004)
- Changes in expected credit losses	-	198	-	-	-	198
- Net fair value changes in cash flow hedge	-	2,458	-	-	-	2,458
- Currency translation differences	-	282,081	-	-	-	282,081
Total comprehensive income	-	57,932	-	2,860,652	-	2,918,584
<u>Transactions with owners</u>						
Transfer from regulatory reserve	-	-	(424,474)	424,474	-	-
Dividends paid	-	-	-	(712,086)	-	(712,086)
ESS exercised	-	(5,211)	-	5,530	4,314	4,633
Option charge arising from ESS granted	-	13,684	-	-	-	13,684
Total transactions with owners	-	8,473	(424,474)	(282,082)	4,314	(693,769)
<b>At 30 June 2021</b>	<b>7,739,063</b>	<b>1,263,751</b>	<b>423,954</b>	<b>20,751,376</b>	<b>(719,030)</b>	<b>29,459,114</b>
<b>At 1 July 2019</b>	7,739,063	918,414	858,315	16,686,412	(727,817)	25,474,387
<u>Comprehensive income</u>						
Net profit for the financial year	-	-	-	2,494,597	-	2,494,597
- Share of other comprehensive loss of associated company	-	15,976	-	-	-	15,976
- Financial assets measured at fair value through other comprehensive income						
- Equity instruments						
- Net fair value changes	-	15,763	-	-	-	15,763
- Debt instruments						
- Net fair value changes	-	158,626	-	-	-	158,626
- Changes in expected credit losses	-	502	-	-	-	502
- Net fair value changes in cash flow hedge	-	(5,763)	-	-	-	(5,763)
- Currency translation differences	-	78,085	-	-	-	78,085
Total comprehensive income	-	263,189	-	2,494,597	-	2,757,786
<u>Transactions with owners</u>						
Transfer from regulatory reserve	-	-	(9,887)	9,887	-	-
Dividends paid	-	-	-	(1,023,340)	-	(1,023,340)
ESS exercised	-	(7,342)	-	5,250	4,473	2,381
Option charge arising from ESS granted	-	23,085	-	-	-	23,085
Total transactions with owners	-	15,743	(9,887)	(1,008,203)	4,473	(997,874)
<b>At 30 June 2020</b>	<b>7,739,063</b>	<b>1,197,346</b>	<b>848,428</b>	<b>18,172,806</b>	<b>(723,344)</b>	<b>27,234,299</b>

\* Comprise regulatory reserves maintained by the Group's banking subsidiaries of RM412,709,000 (30 June 2020: RM837,183,000) in accordance with BNM's Guideline and the banking subsidiary in Vietnam with the State Bank of Vietnam of RM11,245,000 (30 June 2020: RM11,245,000)

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**HONG LEONG BANK BERHAD**  
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**Condensed Financial Statements**  
**Unaudited Statements of Changes in Equity For The Financial Year Ended 30 June 2021**

	Attributable to owners of the parent					
<b>The Bank</b>	<b>Share Capital RM'000</b>	<b>Other Reserves RM'000</b>	<b>Regulatory Reserve RM'000</b>	<b>Retained Profits RM'000</b>	<b>Treasury Shares RM'000</b>	<b>Total RM'000</b>
<b>At 1 July 2020</b>	7,739,063	604,314	703,987	12,661,472	(723,344)	20,985,492
<u>Comprehensive income</u>						
Net profit for the financial year	-	-	-	1,868,319	-	1,868,319
- Financial assets measured at fair value through other comprehensive income						
- Equity instruments						
- Net fair value changes	-	9,228	-	-	-	9,228
- Net gain on disposal	-	(10)	-	10	-	-
- Debt instruments						
- Net fair value changes	-	(168,849)	-	-	-	(168,849)
- Changes in expected credit losses	-	211	-	-	-	211
- Net fair value changes in cash flow hedge	-	2,456	-	-	-	2,456
- Currency translation differences	-	(4,182)	-	-	-	(4,182)
Total comprehensive (loss)/income	-	(161,146)	-	1,868,329	-	1,707,183
<u>Transactions with owners</u>						
Transfer from regulatory reserve	-	-	(316,310)	316,310	-	-
Dividends paid	-	-	-	(712,086)	-	(712,086)
ESS exercised	-	(5,211)	-	5,530	4,314	4,633
Option charge arising from ESS granted	-	13,684	-	-	-	13,684
Total transactions with owners	-	8,473	(316,310)	(390,246)	4,314	(693,769)
<b>At 30 June 2021</b>	<b>7,739,063</b>	<b>451,641</b>	<b>387,677</b>	<b>14,139,555</b>	<b>(719,030)</b>	<b>21,998,906</b>
<b>At 1 July 2019</b>	7,739,063	384,364	695,197	12,034,337	(727,817)	20,125,144
<u>Comprehensive income</u>						
Net profit for the financial year	-	-	-	1,654,015	-	1,654,015
- Financial assets measured at fair value through other comprehensive income						
- Equity instruments						
- Net fair value changes	-	15,763	-	-	-	15,763
- Debt instruments						
- Net fair value changes	-	179,983	-	-	-	179,983
- Changes in expected credit losses	-	601	-	-	-	601
- Net fair value changes in cash flow hedge	-	(5,761)	-	-	-	(5,761)
- Currency translation differences	-	13,621	-	-	-	13,621
Total comprehensive income	-	204,207	-	1,654,015	-	1,858,222
<u>Transactions with owners</u>						
Transfer to regulatory reserve	-	-	8,790	(8,790)	-	-
Dividends paid	-	-	-	(1,023,340)	-	(1,023,340)
ESS exercised	-	(7,342)	-	5,250	4,473	2,381
Option charge arising from ESS granted	-	23,085	-	-	-	23,085
Total transactions with owners	-	15,743	8,790	(1,026,880)	4,473	(997,874)
<b>At 30 June 2020</b>	<b>7,739,063</b>	<b>604,314</b>	<b>703,987</b>	<b>12,661,472</b>	<b>(723,344)</b>	<b>20,985,492</b>

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**HONG LEONG BANK BERHAD**  
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**Condensed Financial Statements**  
**Unaudited Condensed Statements of Cash Flows**  
**For The Financial Year Ended 30 June 2021**

	The Group		The Bank	
	Financial Year Ended 30/06/2021 RM'000	Financial Year Ended 30/06/2020 RM'000	Financial Year Ended 30/06/2021 RM'000	Financial Year Ended 30/06/2020 RM'000
Profit before taxation	3,470,939	2,989,397	2,404,153	2,075,475
Adjustments for non-cash items	<u>(1,215,423)</u>	<u>(1,169,960)</u>	<u>(937,968)</u>	<u>(986,098)</u>
Operating profit before working capital changes	2,255,516	1,819,437	1,466,185	1,089,377
Changes in working capital:				
Net changes in operating assets	(8,570,185)	(2,609,249)	(5,418,129)	772,844
Net changes in operating liabilities	13,623,597	11,519,380	9,761,340	7,267,861
Income taxes and zakat paid	<u>(567,267)</u>	<u>(516,455)</u>	<u>(422,873)</u>	<u>(367,133)</u>
Net cash generated from operating activities	<u>6,741,661</u>	<u>10,213,113</u>	<u>5,386,523</u>	<u>8,762,949</u>
<b>Cash flows from investing activities</b>				
Investment in subordinated facilities	-	-	505	(554)
Net purchases of financial investments at fair value through other comprehensive income	(6,494,062)	(2,156,673)	(4,984,250)	(2,688,182)
Net purchases of financial investments at amortised cost	(2,998,011)	(4,532,195)	(944,799)	(3,769,345)
Purchase of property and equipment	(119,588)	(181,342)	(102,359)	(163,150)
Net proceeds from sale of property and equipment	9,097	6,251	9,097	6,207
Purchase of intangible assets	(25,456)	(27,275)	(24,767)	(23,471)
Dividends received from:				
- Subsidiary company	-	-	3,500	19,000
- Financial assets at fair value through profit or loss	121,127	226,380	121,417	226,380
- Financial investments at fair value through other comprehensive income	665	3,683	665	3,683
Impairment loss in subsidiary	-	-	1,760	-
Net cash used in investing activities	<u>(9,506,228)</u>	<u>(6,661,171)</u>	<u>(5,919,231)</u>	<u>(6,389,432)</u>
<b>Cash flows from financing activities</b>				
Dividends paid	(712,086)	(1,023,340)	(712,086)	(1,023,340)
Repayment of lease liabilities	(45,219)	(44,849)	(63,988)	(62,629)
Repayment of recourse obligation on loans sold to Cagamas	(14,957)	(200,050)	-	(200,050)
Cash received from ESOS exercised	4,633	2,381	4,633	2,381
Proceeds from debt issuance:				
- Recourse obligation on financing sold to Cagamas	-	993,447	-	300,023
Repayment of Innovative Tier 1 capital securities	-	(500,000)	-	(500,000)
Interest paid:				
- Recourse obligation on loans/financing sold to Cagamas	(36,830)	(24,766)	(10,436)	(8,948)
- Tier 2 subordinated bonds	(66,484)	(66,868)	(66,484)	(66,898)
- Multi-currency Additional Tier 1 capital securities	(39,427)	(39,468)	(39,592)	(39,634)
- Innovative Tier 1 capital securities	-	(21,071)	-	(21,071)
- Lease liabilities	(9,961)	(11,307)	(16,540)	(19,147)
Net cash used in financing activities	<u>(920,331)</u>	<u>(935,891)</u>	<u>(904,493)</u>	<u>(1,639,313)</u>



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**Condensed Financial Statements**  
**Unaudited Condensed Statements of Cash Flows**  
**For The Financial Year Ended 30 June 2021**

	The Group		The Bank	
	Financial Year Ended 30/06/2021 RM'000	Financial Year Ended 30/06/2020 RM'000	Financial Year Ended 30/06/2021 RM'000	Financial Year Ended 30/06/2020 RM'000
Net (decrease)/increase in cash and cash equivalents	(3,684,898)	2,616,051	(1,437,201)	734,204
Currency translation differences	(27,505)	47,433	(7,245)	12,059
Cash and cash equivalents at the beginning of financial year	7,187,221	4,523,737	5,005,032	4,258,769
Cash and cash equivalents at the end of financial year	<u>3,474,818</u>	<u>7,187,221</u>	<u>3,560,586</u>	<u>5,005,032</u>
Cash and cash equivalents comprise the following:				
Cash and short-term funds	3,466,178	8,562,169	3,042,541	5,543,800
Deposits and placements with banks and other financial institutions	486,779	1,052,379	1,426,484	1,818,174
	<u>3,952,957</u>	<u>9,614,548</u>	<u>4,469,025</u>	<u>7,361,974</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	(478,139)	(2,427,327)	(908,439)	(2,356,942)
	<u>3,474,818</u>	<u>7,187,221</u>	<u>3,560,586</u>	<u>5,005,032</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 YEAR ENDED 30 JUNE 2021**

**A1 Basis of preparation**

The unaudited condensed financial statements for the financial year ended 30 June 2021 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) \* The Conceptual Framework for Financial Reporting (Revised 2018)
- \* Amendments to MFRS 3 ‘Definition of a Business’
- \* Amendments to MFRS 101 and MFRS 108 ‘Definition of Material’
- \* Amendments to MFRS 9, MFRS 139 and MFRS 7 ‘Interest Rate Benchmark Reform’
- \* Amendments to MFRS 16 ‘COVID-19-Related Rent Concessions’

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 year. 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.

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**A3 Seasonality or cyclicity 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 year.

**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 year.

**A5 Variation from financial estimates reported in preceding financial year**

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

**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 year ended 30 June 2021:

a) Share Buy-back

The total number of shares bought back, all of which were held as treasury shares as at 30 June 2021 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 year ended 30 June 2021, the trust did not purchase any new shares. As at 30 June 2021, the total number of Treasury Shares for ESS was 38,989,545 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.

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**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.

On 15 January 2021, the Bank has granted 228,728 ordinary shares in HLB to eligible executives of the Bank pursuant to the Bank's ESS. The vesting of the 228,728 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 year ended 30 June 2021, a total of 1,410,194 share options and grant shares lapsed and a total of 249,138 ordinary shares were vested and transferred while a total of 336,413 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.

An interim single tier dividend of 14.78 sen per share in respect of financial year ending 30 June 2021 amounting to RM302.6 million was paid on 25 March 2021.

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

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/06/2021</u>	<u>30/06/2020</u>	<u>30/06/2021</u>	<u>30/06/2020</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Money market instruments:				
Government treasury bills	392,473	579,866	392,473	579,866
Malaysian Government securities	622,393	747,323	622,393	747,323
Malaysian Government investment certificates	1,425,947	1,135,704	1,425,947	1,114,035
Cagamas bonds	218,267	166,697	-	166,697
Khazanah bonds	-	19,999	-	19,999
Other Government securities	32,756	47,452	32,756	47,452
	<u>2,691,836</u>	<u>2,697,041</u>	<u>2,473,569</u>	<u>2,675,372</u>
Quoted securities:				
Shares in Malaysia	74,010	-	-	-
Shares outside Malaysia	41,318	-	41,318	-
Wholesale fund/unit trust	4,947,955	4,657,038	5,035,087	4,657,038
Foreign currency bonds in Malaysia	-	159,401	-	159,401
Foreign currency bonds outside Malaysia	29,755	145,069	29,755	145,069
Unquoted securities:				
Government sukuk	81,315	-	81,315	-
Corporate bonds and sukuk	6,308	55,211	6,308	55,211
Shares in Malaysia	348,869	330,636	348,869	330,636
Redeemable preference shares	25,000	25,000	25,000	25,000
Total financial assets at FVTPL	<u><u>8,246,366</u></u>	<u><u>8,069,396</u></u>	<u><u>8,041,221</u></u>	<u><u>8,047,727</u></u>

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

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/06/2021</u>	<u>30/06/2020</u>	<u>30/06/2021</u>	<u>30/06/2020</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
At fair value				
(a) Debt instruments	34,381,144	27,222,450	30,395,787	24,677,811
(b) Equity instruments	69,094	60,094	69,094	60,094
<b>Total financial investments at FVOCI</b>	<b><u>34,450,238</u></b>	<b><u>27,282,544</u></b>	<b><u>30,464,881</u></b>	<b><u>24,737,905</u></b>
(a) Debt instruments				
Money market instruments:				
Government treasury bills	917,859	487,768	917,859	487,768
Malaysian Government securities	4,199,850	2,106,857	4,199,850	2,106,857
Malaysian Government investment certificates	12,242,066	8,287,017	8,448,049	6,656,156
Negotiable instruments of deposit	800,392	950,404	1,100,378	700,603
Other Government securities	87,514	312,507	77,943	196,152
Cagamas bonds	1,511,844	1,687,440	1,408,914	1,522,417
Khazanah bonds	469,874	529,373	469,874	529,373
	<u>20,229,399</u>	<u>14,361,366</u>	<u>16,622,867</u>	<u>12,199,326</u>
Quoted securities:				
Government sukuk	903,959	470,638	903,959	470,638
Foreign currency bonds in Malaysia	2,248,808	2,131,473	2,248,808	2,131,473
Foreign currency bonds outside Malaysia	1,505,360	1,353,402	1,505,360	1,353,402
Unquoted securities:				
Government sukuk	495,244	83,486	495,244	83,486
Corporate bonds and sukuk	8,484,648	8,091,050	8,105,823	7,708,451
Foreign currency bonds in Malaysia	270,932	306,295	270,932	306,295
Foreign currency bonds outside Malaysia	242,794	424,740	242,794	424,740
	<u>34,381,144</u>	<u>27,222,450</u>	<u>30,395,787</u>	<u>24,677,811</u>

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**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:

	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 Months	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
<b>The Group</b> <b>30 June 2021</b>	RM'000	RM'000	RM'000	RM'000
At 1 July	2,068	-	4,287	6,355
New financial assets originated or purchased	1,316	-	-	1,316
Financial assets derecognised	(1,058)	-	-	(1,058)
Changes due to change in credit risk	(8)	-	-	(8)
Changes in models/risk parameters	(20)	-	-	(20)
Exchange differences	(32)	-	-	(32)
At 30 June	2,266	-	4,287	6,553

	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 Months	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
<b>The Group</b> <b>30 June 2020</b>	RM'000	RM'000	RM'000	RM'000
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	2,068	-	4,287	6,355

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**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)

	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 Months	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
<b>The Bank</b> <b>30 June 2021</b>	RM'000	impaired	impaired	RM'000
At 1 July	2,055	-	4,287	6,342
New financial assets originated or purchased	1,316	-	-	1,316
Financial assets derecognised	(1,045)	-	-	(1,045)
Changes due to change in credit risk	(10)	-	-	(10)
Changes in models/risk parameters	(18)	-	-	(18)
Exchange differences	(32)	-	-	(32)
At 30 June	2,266	-	4,287	6,553

	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 Months	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
<b>The Bank</b> <b>30 June 2020</b>	RM'000	impaired	impaired	RM'000
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	2,055	-	4,287	6,342

	<b>The Group</b>		<b>The Bank</b>	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	RM'000	RM'000	RM'000	RM'000
(b) Equity instruments				
Unquoted securities:				
Shares in Malaysia	69,094	60,094	69,094	60,094



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**A10 Financial investments at amortised cost**

	<u>The Group</u>		<u>The Bank</u>	
	30/06/2021 RM'000	30/06/2020 RM'000	30/06/2021 RM'000	30/06/2020 RM'000
Money market instruments:				
Malaysian Government securities	3,804,892	2,764,183	3,804,892	2,764,183
Malaysian Government investment certificates	14,107,056	10,871,164	8,501,418	7,301,857
Khazanah bonds	19,234	316,038	-	278,110
Other Government securities	505,500	456,623	445,280	437,425
	<u>18,436,682</u>	<u>14,408,008</u>	<u>12,751,590</u>	<u>10,781,575</u>
Quoted securities:				
Foreign currency bonds in Malaysia	816,599	857,780	816,599	857,780
Foreign currency bonds outside Malaysia	65,232	145,577	65,232	145,577
Unquoted securities:				
Government sukuk	2,580,570	2,659,375	1,615,646	1,695,435
Corporate bonds and sukuk	1,735,892	2,030,894	1,309,682	1,598,916
Less: Expected credit losses	(68)	(202)	(23)	(202)
Total financial investments at amortised cost	<u>23,634,907</u>	<u>20,101,432</u>	<u>16,558,726</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	
<b>The Group</b>				
<b>30 June 2021</b>				
At 1 July	202	-	-	202
New financial assets originated or purchased	44	-	-	44
Changes due to change in credit risk	(171)	-	-	(171)
Changes in models/risk parameters	(1)	-	-	(1)
Exchange differences	(6)	-	-	(6)
At 30 June	<u>68</u>	<u>-</u>	<u>-</u>	<u>68</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	
<b>The Group</b>				
<b>30 June 2020</b>				
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>

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**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	
<b>The Bank</b>				
<b>30 June 2021</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 July	202	-	-	202
Changes due to change in credit risk	(172)	-	-	(172)
Changes in models/risk parameters	(1)	-	-	(1)
Exchange differences	(6)	-	-	(6)
At 30 June	23	-	-	23

	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 Months	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
<b>The Bank</b>				
<b>30 June 2020</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
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

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**A11 Loans, advances and financing**

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/06/2021</u> <u>RM'000</u>	<u>30/06/2020</u> <u>RM'000</u>	<u>30/06/2021</u> <u>RM'000</u>	<u>30/06/2020</u> <u>RM'000</u>
Overdrafts	3,371,190	3,590,801	2,408,522	2,751,759
Term loans/financing:				
- Housing and shop loans/financing	86,120,721	82,482,204	67,658,382	65,361,213
- Hire purchase receivables	17,107,240	17,006,512	13,339,011	13,297,789
- Ijarah receivables	160,651	161,188	-	-
- Other term loans/financing and syndicated term loans	28,034,032	22,809,899	19,052,856	15,167,673
Credit/charge card receivables	2,830,912	3,094,683	2,830,912	3,094,683
Bills receivable	1,112,257	2,711,858	830,128	2,187,795
Trust receipts	533,845	1,489,965	372,231	1,457,824
Claims on customers under acceptance credits	8,064,076	5,239,800	7,079,264	4,491,520
Revolving credit	8,347,977	7,202,385	6,706,335	5,803,126
Staff loans/financing	139,308	143,067	123,941	131,302
Gross loans, advances and financing	<u>155,822,209</u>	<u>145,932,362</u>	<u>120,401,582</u>	<u>113,744,684</u>
Fair value changes arising from fair value hedges and unamortised fair value changes arising from terminated fair value hedges	17,665	21,714	15,408	18,955
Allowance for impairment losses:				
- Expected credit losses	(1,769,167)	(1,259,126)	(1,331,296)	(939,664)
Total net loans, advances and financing	<u><u>154,070,707</u></u>	<u><u>144,694,950</u></u>	<u><u>119,085,694</u></u>	<u><u>112,823,975</u></u>

Included in loans, advances and financing are housing loans sold to Cagamas with recourse to the Group and the Bank amounting to RM1,019,858,000 (2020: RM1,023,078,000) and RM299,455,000 (2020: RM297,169,000) respectively.

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**A11 Loans, advances and financing** (continued)

A11a By type of customer

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/06/2021</u>	<u>30/06/2020</u>	<u>30/06/2021</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	1,718,527	1,434,866	1,387,673	1,104,936
Domestic business enterprises:				
- small and medium enterprises ("SME")	26,019,272	22,642,512	19,961,037	17,935,809
- others	22,742,317	20,648,535	16,893,803	15,767,074
Government and statutory bodies	1,664	1,892	-	44
Individuals	101,784,773	98,108,836	78,894,079	76,575,340
Other domestic entities	625,649	975,756	536,853	445,023
Foreign entities	2,930,007	2,119,965	2,728,137	1,916,458
Gross loans, advances and financing	<u>155,822,209</u>	<u>145,932,362</u>	<u>120,401,582</u>	<u>113,744,684</u>

A11b By interest/profit rate sensitivity

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/06/2021</u>	<u>30/06/2020</u>	<u>30/06/2021</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	1,499,248	1,577,765	948,708	1,002,819
- Hire purchase receivables	16,982,798	16,847,128	13,246,281	13,141,515
- Other fixed rate loans/financing	8,639,186	6,541,018	6,886,245	4,875,702
Variable rate:				
- Base rate/base lending rate plus	107,668,954	102,135,209	83,743,532	80,366,038
- Cost plus	20,942,876	18,778,914	15,576,278	14,358,610
- Other variables rates	89,147	52,328	538	-
Gross loans, advances and financing	<u>155,822,209</u>	<u>145,932,362</u>	<u>120,401,582</u>	<u>113,744,684</u>

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**A11 Loans, advances and financing** (continued)

A11c By economic purpose

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/06/2021</u>	<u>30/06/2020</u>	<u>30/06/2021</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	950,759	780,571	664,300	476,522
Purchase of transport vehicles	16,768,936	16,769,096	12,985,995	13,009,091
Purchase of landed properties				
- residential	77,191,454	73,335,991	59,824,189	57,330,388
- non-residential	18,524,366	17,244,621	15,327,981	14,575,258
Purchase of fixed assets (excluding landed properties)	1,431,572	1,102,078	1,030,050	750,932
Personal use	3,441,092	3,437,021	2,145,270	2,089,238
Credit card	2,830,912	3,094,683	2,830,912	3,094,683
Construction	2,823,397	2,612,109	2,017,874	1,685,437
Mergers and acquisition	-	151,784	-	-
Working capital	30,258,594	25,929,408	22,719,389	19,821,776
Other purpose	1,601,127	1,475,000	855,622	911,359
Gross loans, advances and financing	<u>155,822,209</u>	<u>145,932,362</u>	<u>120,401,582</u>	<u>113,744,684</u>

A11d By geographical distribution

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/06/2021</u>	<u>30/06/2020</u>	<u>30/06/2021</u>	<u>30/06/2020</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Malaysia	146,587,325	138,163,418	114,214,096	108,494,268
Singapore	6,186,948	5,250,416	6,186,948	5,250,416
Hong Kong	538	-	538	-
Vietnam	1,186,775	909,213	-	-
Cambodia	1,860,623	1,609,315	-	-
Gross loans, advances and financing	<u>155,822,209</u>	<u>145,932,362</u>	<u>120,401,582</u>	<u>113,744,684</u>

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**A11 Loans, advances and financing** (continued)

A11e By residual contractual maturity

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/06/2021</u>	<u>30/06/2020</u>	<u>30/06/2021</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	27,650,137	26,269,928	23,437,782	22,339,034
One year to less than three years	5,351,697	5,687,390	3,986,006	4,545,659
Three years to less than five years	12,361,350	10,647,798	8,974,388	7,374,925
Five years and more	110,459,025	103,327,246	84,003,406	79,485,066
Gross loans, advances and financing	<u>155,822,209</u>	<u>145,932,362</u>	<u>120,401,582</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>30/06/2021</u>	<u>30/06/2020</u>	<u>30/06/2021</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	1,095,823	1,935,430	853,788	1,437,027
Reclassified as non-impaired during the financial period/year	(700,744)	(1,158,523)	(483,688)	(867,183)
Amount written back in respect of recoveries	(246,619)	(457,634)	(197,403)	(383,503)
Amount written off	(320,659)	(502,046)	(253,993)	(411,657)
Exchange difference	(148)	1,416	46	1,219
At 30 June	<u>717,407</u>	<u>889,754</u>	<u>582,517</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>

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**A11 Loans, advances and financing (continued)**

A11g Impaired loans, advances and financing by economic purpose

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/06/2021</u>	<u>30/06/2020</u>	<u>30/06/2021</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	304	284	221	284
Purchase of transport vehicles	71,671	71,019	53,227	53,363
Purchase of landed properties				
- residential	266,907	341,175	198,710	245,500
- non-residential	124,748	150,277	111,008	131,656
Purchase of fixed assets (excluding landed properties)	600	4,648	600	4,427
Personal use	44,705	24,479	25,023	12,692
Credit card	21,096	24,568	21,096	24,568
Construction	7,976	9,663	5,633	8,632
Working capital	147,669	194,803	136,011	172,473
Other purpose	31,731	68,838	30,988	10,172
Gross impaired loans, advances and financing	<u>717,407</u>	<u>889,754</u>	<u>582,517</u>	<u>663,767</u>

A11h Impaired loans, advances and financing by geographical distribution

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/06/2021</u>	<u>30/06/2020</u>	<u>30/06/2021</u>	<u>30/06/2020</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Malaysia	706,692	881,407	576,651	662,511
Singapore	5,866	1,256	5,866	1,256
Vietnam	1,580	1,808	-	-
Cambodia	3,269	5,283	-	-
Gross impaired loans, advances and financing	<u>717,407</u>	<u>889,754</u>	<u>582,517</u>	<u>663,767</u>

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**A11 Loans, advances and financing** (continued)

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

<b>The Group</b> <b>30 June 2021</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total ECL</b> <b>RM'000</b>
	<b>12 Months</b>	<b>Lifetime ECL</b>	<b>Lifetime ECL</b>	
	<b>ECL</b>	<b>not credit</b>	<b>credit</b>	
	<b>RM'000</b>	<b>impaired</b>	<b>impaired</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 July	549,509	435,827	273,790	1,259,126
Changes in ECL due to transfer within stages	(61,549)	(99,805)	161,354	-
Transfer to Stage 1	24,523	(24,480)	(43)	-
Transfer to Stage 2	(85,956)	167,747	(81,791)	-
Transfer to Stage 3	(116)	(243,072)	243,188	-
New financial assets originated	58,651	603	551	59,805
Financial assets derecognised	(22,604)	(42,430)	(13,357)	(78,391)
Changes due to change in credit risk	551,137	196,372	136,436	883,945
Changes in models/risk parameters	(16)	(30,643)	(2)	(30,661)
Amount written off	-	-	(323,828)	(323,828)
Exchange difference	(144)	(250)	(67)	(461)
Other movements	-	-	(368)	(368)
At 30 June	<u>1,074,984</u>	<u>459,674</u>	<u>234,509</u>	<u>1,769,167</u>

<b>The Group</b> <b>30 June 2020</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total ECL</b> <b>RM'000</b>
	<b>12 Months</b>	<b>Lifetime ECL</b>	<b>Lifetime ECL</b>	
	<b>ECL</b>	<b>not credit</b>	<b>credit</b>	
	<b>RM'000</b>	<b>impaired</b>	<b>impaired</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
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>



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**A11 Loans, advances and financing** (continued)

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

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
	<b>12 Months</b>	<b>Lifetime ECL</b>	<b>Lifetime ECL</b>	
	<b>ECL</b>	<b>not credit</b>	<b>credit</b>	
<b>The Bank</b>				<b>Total ECL</b>
<b>30 June 2021</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 July	408,715	347,084	183,865	939,664
Changes in ECL due to transfer within stages	(43,595)	(102,971)	146,566	-
Transfer to Stage 1	19,716	(19,676)	(40)	-
Transfer to Stage 2	(63,245)	103,350	(40,105)	-
Transfer to Stage 3	(66)	(186,645)	186,711	-
New financial assets originated	33,641	525	474	34,640
Financial assets derecognised	(7,863)	(29,010)	(9,420)	(46,293)
Changes due to change in credit risk	427,359	142,014	120,403	689,776
Changes in models/risk parameters	119	(30,642)	(2)	(30,525)
Amount written off	-	-	(255,237)	(255,237)
Exchange difference	61	(239)	8	(170)
Other movements	-	-	(559)	(559)
At 30 June	<u>818,437</u>	<u>326,761</u>	<u>186,098</u>	<u>1,331,296</u>

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
	<b>12 Months</b>	<b>Lifetime ECL</b>	<b>Lifetime ECL</b>	
	<b>ECL</b>	<b>not credit</b>	<b>credit</b>	
<b>The Bank</b>				<b>Total ECL</b>
<b>30 June 2020</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
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>

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**A12 Other assets**

	<u>The Group</u>		<u>The Bank</u>	
	30/06/2021 RM'000	30/06/2020 RM'000	30/06/2021 RM'000	30/06/2020 RM'000
Foreclosed properties	5,508	18,447	5,782	10,985
Sundry debtors and other prepayments	448,985	432,457	396,172	380,449
Settlement accounts	387,625	261,314	387,625	261,314
Treasury related receivables	785,626	370,435	734,046	370,383
Cash collateral pledged for derivative transactions	299,309	511,094	299,309	511,094
Other receivables	84,803	88,769	50,312	72,624
	<u>2,011,856</u>	<u>1,682,516</u>	<u>1,873,246</u>	<u>1,606,849</u>

**A13 Deposits from customers**

A13a By type of deposit

	<u>The Group</u>		<u>The Bank</u>	
	30/06/2021 RM'000	30/06/2020 RM'000	30/06/2021 RM'000	30/06/2020 RM'000
<b>Amortised cost</b>				
Fixed deposits	91,901,574	94,503,266	68,601,892	70,442,696
Negotiable instruments of deposits	7,276,126	9,049,600	5,428,430	7,002,956
Short-term placements	22,958,925	20,370,873	18,245,735	17,866,840
	<u>122,136,625</u>	<u>123,923,739</u>	<u>92,276,057</u>	<u>95,312,492</u>
Demand deposits	35,373,956	27,338,992	30,708,310	23,903,209
Saving deposits	23,857,612	21,018,664	19,738,092	17,452,144
Others	563,080	748,749	367,474	553,397
	<u>181,931,273</u>	<u>173,030,144</u>	<u>143,089,933</u>	<u>137,221,242</u>
<b>At fair value through profit and loss</b>				
Structured deposits linked to interest rate derivatives	1,469,078	463,933	1,369,038	413,741
Fair value changes arising from designation at fair value through profit or loss *	(110,580)	(1,416)	(101,936)	(1,621)
	<u>1,358,498</u>	<u>462,517</u>	<u>1,267,102</u>	<u>412,120</u>
	<u>183,289,771</u>	<u>173,492,661</u>	<u>144,357,035</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.

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**A13 Deposits from customers (continued)**

A13b By type of customer

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/06/2021</u>	<u>30/06/2020</u>	<u>30/06/2021</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	1,861,951	8,665,449	203,960	4,403,641
Business enterprises	85,068,834	69,639,804	62,535,944	53,475,665
Individuals	93,778,846	92,513,524	79,706,240	77,808,532
Others	2,580,140	2,673,884	1,910,891	1,945,524
	<u>183,289,771</u>	<u>173,492,661</u>	<u>144,357,035</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>30/06/2021</u>	<u>30/06/2020</u>	<u>30/06/2021</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	99,382,250	102,956,857	74,636,818	78,557,105
- six months to one year	20,881,750	19,785,172	16,110,724	15,821,608
- one year to five years	1,251,960	999,959	912,032	752,028
- more than five years	620,665	181,751	616,483	181,751
	<u>122,136,625</u>	<u>123,923,739</u>	<u>92,276,057</u>	<u>95,312,492</u>

**A14 Investment accounts of customers**

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/06/2021</u>	<u>30/06/2020</u>	<u>30/06/2021</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>1,145,154</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>30/06/2021</u>	<u>30/06/2020</u>	<u>30/06/2021</u>	<u>30/06/2020</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Licensed banks	9,727,421	5,263,923	9,699,439	5,639,271
Licensed investment banks	250,012	-	250,012	-
Central banks (Note)	1,382,520	1,176,258	1,295,760	1,011,970
Other financial institutions	770,086	60,899	770,086	-
	<u>12,130,039</u>	<u>6,501,080</u>	<u>12,015,297</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 RM1,317,291,000 (2020: RM1,011,970,000) and RM1,295,760,000 (2020: RM1,011,970,000) respectively at concession rates.

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**A16 Other liabilities**

	Note	<u>The Group</u>		<u>The Bank</u>	
		30/06/2021	30/06/2020	30/06/2021	30/06/2020
		RM'000	RM'000	RM'000	RM'000
Zakat		350	350	-	-
Post employment benefits obligation					
- defined contribution plan		265	293	265	293
Loan advance payment		3,795,992	3,916,289	3,086,926	3,161,826
Interbranch clearing and settlement		-	-	47,725	-
Amount due to subsidiary companies		-	-	432,107	429,380
Treasury and cheque clearing		162,604	210,699	156,380	38,282
Cash collateral pledged for derivative transactions		145,411	197,219	145,411	197,219
Sundry creditors and accruals		326,753	306,800	304,862	268,483
Provision for bonus and staff related expenses		179,851	155,437	171,870	146,030
Expected credit losses on financial					
guarantee contracts	(a)	4,563	8,480	3,148	6,944
Provision for reinstatement cost		22,416	22,614	27,717	28,039
Settlement accounts		525,131	322,926	524,969	323,074
Others		195,448	207,103	165,021	174,135
		<u>5,358,784</u>	<u>5,348,210</u>	<u>5,066,401</u>	<u>4,773,705</u>

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

	<u>Stage 1</u>		<u>Stage 2</u>		<u>Stage 3</u>		<u>Total ECL</u>
	<u>12 Months</u>		<u>Lifetime ECL</u>		<u>Lifetime ECL</u>		
	<u>ECL</u>		<u>not credit</u>		<u>credit</u>		
<u>The Group</u>	<u>RM'000</u>		<u>impaired</u>		<u>impaired</u>		<u>RM'000</u>
<u>30 June 2021</u>	<u>RM'000</u>		<u>RM'000</u>		<u>RM'000</u>		<u>RM'000</u>
At 1 July		3,260		5,220		-	8,480
Changes in ECL due to transfer within stages		58		(64)		6	-
Transfer to Stage 1		131		(131)		-	-
Transfer to Stage 2		(73)		73		-	-
Transfer to Stage 3		-		(6)		6	-
New financial assets originated		82		-		-	82
Financial assets derecognised		(134)		(1)		-	(135)
Changes due to change in credit risk		106		(3,659)		(5)	(3,558)
Changes in models/risk parameters		1		(89)		-	(88)
Exchange difference		5		(222)		-	(217)
Other movements		-		-		(1)	(1)
At 30 June		<u>3,378</u>		<u>1,185</u>		<u>-</u>	<u>4,563</u>
	<u>Stage 1</u>		<u>Stage 2</u>		<u>Stage 3</u>		<u>Total ECL</u>
	<u>12 Months</u>		<u>Lifetime ECL</u>		<u>Lifetime ECL</u>		
	<u>ECL</u>		<u>not credit</u>		<u>credit</u>		
<u>The Group</u>	<u>RM'000</u>		<u>impaired</u>		<u>impaired</u>		<u>RM'000</u>
<u>30 June 2020</u>	<u>RM'000</u>		<u>RM'000</u>		<u>RM'000</u>		<u>RM'000</u>
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>

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**A16 Other liabilities (continued)**

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

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total ECL</u> <u>RM'000</u>
	<u>12 Months</u>	<u>Lifetime ECL</u>	<u>Lifetime ECL</u>	
	<u>ECL</u>	<u>not credit</u>	<u>credit</u>	
<b>The Bank</b>				
<b>30 June 2021</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 July	1,731	5,213	-	6,944
Changes in ECL due to transfer within stages	59	(65)	6	-
Transfer to Stage 1	131	(131)	-	-
Transfer to Stage 2	(72)	72	-	-
Transfer to Stage 3	-	(6)	6	-
New financial assets originated	57	-	-	57
Financial assets derecognised	(133)	(1)	-	(134)
Changes due to change in credit risk	258	(3,667)	(5)	(3,414)
Changes in models/risk parameters	1	(89)	-	(88)
Exchange difference	6	(222)	-	(216)
Other movements	-	-	(1)	(1)
At 30 June	<u>1,979</u>	<u>1,169</u>	<u>-</u>	<u>3,148</u>

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total ECL</u> <u>RM'000</u>
	<u>12 Months</u>	<u>Lifetime ECL</u>	<u>Lifetime ECL</u>	
	<u>ECL</u>	<u>not credit</u>	<u>credit</u>	
<b>The Bank</b>				
<b>30 June 2020</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
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>

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**A17 Tier 2 subordinated bonds**

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/06/2021</u>	<u>30/06/2020</u>	<u>30/06/2021</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	2,370	2,254	2,370	2,254
	<u>1,502,370</u>	<u>1,502,254</u>	<u>1,502,370</u>	<u>1,502,254</u>
Less: Unamortised discounts	(30)	(30)	(30)	(30)
	<u><u>1,502,340</u></u>	<u><u>1,502,224</u></u>	<u><u>1,502,340</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>30/06/2021</u>	<u>30/06/2020</u>	<u>30/06/2021</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	6,605	6,666	6,605	6,666
	<u>806,605</u>	<u>806,666</u>	<u>806,605</u>	<u>806,666</u>
Less: Unamortised discounts	(215)	(346)	(215)	(346)
	<u><u>806,390</u></u>	<u><u>806,320</u></u>	<u><u>806,390</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, HLF. 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 HLF. 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.

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**A19(a) Interest income**

<b>Group</b>	<b>4th Quarter Ended</b>		<b>Cumulative Twelve Months Ended</b>	
	<b>30/06/2021</b>	<b>30/06/2020</b>	<b>30/06/2021</b>	<b>30/06/2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Loan, advances and financing (Note)	1,004,137	1,000,574	4,087,788	4,636,360
Money at call and deposit placements with financial institutions	13,988	29,029	72,182	168,338
Securities purchased under resale agreements	-	5	29	49
Financial investments at FVOCI	194,800	188,126	728,770	687,729
Financial investments at amortised cost	122,424	122,530	505,951	416,058
Others	98	168	226	3,509
	<u>1,335,447</u>	<u>1,340,432</u>	<u>5,394,946</u>	<u>5,912,043</u>
Of which:				
Interest income earned on impaired loans, advances and financing	<u>1,153</u>	<u>(4,019)</u>	<u>604</u>	<u>3,275</u>

  

<b>Bank</b>	<b>4th Quarter Ended</b>		<b>Cumulative Twelve Months Ended</b>	
	<b>30/06/2021</b>	<b>30/06/2020</b>	<b>30/06/2021</b>	<b>30/06/2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Loan, advances and financing (Note)	957,982	959,198	3,915,535	4,487,576
Money at call and deposit placements with financial institutions	18,451	35,730	92,838	183,833
Securities purchased under resale agreements	-	5	29	49
Financial investments at FVOCI	196,650	190,025	729,495	692,225
Financial investments at amortised cost	122,262	122,336	505,288	415,255
Others	90	91	327	3,354
	<u>1,295,435</u>	<u>1,307,385</u>	<u>5,243,512</u>	<u>5,782,292</u>
Of which:				
Interest income earned on impaired loans, advances and financing	<u>1,143</u>	<u>(4,034)</u>	<u>559</u>	<u>3,212</u>

**Note:**

Included the net loss effects of RM7,177,000 (2020: RM90,751,000) attributable to the various government support measures to provide assistance to borrowers and customers to sustain their business operations in response to COVID-19.

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**A19(b) Interest income for financial assets at FVTPL**

	4th Quarter Ended		Cumulative Twelve Months Ended	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
Financial assets at FVTPL	44,011	50,241	161,783	268,718

	4th Quarter Ended		Cumulative Twelve Months Ended	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	RM'000	RM'000	RM'000	RM'000
<b>Bank</b>				
Financial assets at FVTPL	44,011	50,241	161,783	268,718

**A20 Interest expense**

	4th Quarter Ended		Cumulative Twelve Months Ended	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
Deposits and placements of banks and other financial institutions	14,722	21,685	71,907	150,008
Deposits from customers	379,386	617,246	1,719,346	2,789,184
Short-term placements	36,019	68,922	181,406	344,652
Tier 2 subordinated bonds	16,604	16,604	66,600	66,752
Multi-currency Additional Tier-1 capital securities	9,815	9,814	39,366	39,473
Innovative Tier 1 capital securities	-	-	-	8,413
Recourse obligation on loans sold to Cagamas	2,603	2,603	10,441	6,588
Others	2,391	2,687	9,961	11,307
	<u>461,540</u>	<u>739,561</u>	<u>2,099,027</u>	<u>3,416,377</u>

	4th Quarter Ended		Cumulative Twelve Months Ended	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	RM'000	RM'000	RM'000	RM'000
<b>Bank</b>				
Deposits and placements of banks and other financial institutions	17,822	24,829	85,612	161,977
Deposits from customers	359,539	603,153	1,644,429	2,735,742
Short-term placements	36,019	68,922	181,406	344,652
Tier 2 subordinated bonds	16,604	16,604	66,600	66,782
Multi-currency Additional Tier-1 capital securities	9,856	9,856	39,531	39,639
Innovative Tier 1 capital securities	-	-	-	8,413
Recourse obligation on loans sold to Cagamas	2,603	2,603	10,441	6,588
Others	3,926	4,595	16,540	19,147
	<u>446,369</u>	<u>730,562</u>	<u>2,044,559</u>	<u>3,382,940</u>



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**A21 Net income from Islamic Banking business**

	4th Quarter Ended		Cumulative Twelve Months Ended	
	30/06/2021 RM'000	30/06/2020 RM'000	30/06/2021 RM'000	30/06/2020 RM'000
<b>Group</b>				
Income derived from investment of depositors' funds and others (Note)	354,220	399,514	1,410,567	1,574,201
Income derived from investment of shareholders' funds (Note)	42,498	30,563	183,704	188,049
Income derived from investment of investment account	11,468	26,109	32,195	37,536
Income attributable to depositors	(169,355)	(212,676)	(689,707)	(928,214)
Income attributable to depositors on investment account	(6,844)	(9,439)	(17,357)	(25,032)
	<u>231,987</u>	<u>234,071</u>	<u>919,402</u>	<u>846,540</u>
Of which:				
Financing income earned on impaired financing and advances	<u>(25)</u>	<u>599</u>	<u>(190)</u>	<u>996</u>

**Note:**

Included the net loss effects of RM9,430,000 (2020: RM51,716,000) attributable to the various government support measures to provide assistance to borrowers and customers to sustain their business operations in response to COVID-19.

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**A22 Other operating income**

<u>Group</u>	<b>4th Quarter Ended</b>		<b>Cumulative Twelve Months Ended</b>	
	<b>30/06/2021</b>	<b>30/06/2020</b>	<b>30/06/2021</b>	<b>30/06/2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>(a) <u>Fee income:</u></b>				
Commissions	47,261	27,713	195,014	153,694
Service charges and fees	9,802	10,111	41,299	43,739
Guarantee fees	3,726	2,512	16,321	13,291
Credit card related fees	40,998	39,850	173,899	199,483
Corporate advisory fees	-	-	1,035	141
Commitment fees	9,119	8,385	36,946	33,150
Fee on loans, advances and financing	11,131	4,004	45,099	37,187
Other fee income	11,575	8,894	60,865	47,916
	<u>133,612</u>	<u>101,469</u>	<u>570,478</u>	<u>528,601</u>
<b>(b) <u>(Loss)/gain arising from sale of financial assets:</u></b>				
Net gain from sale of financial assets at FVTPL	9,267	47,868	46,630	133,481
Net loss from sale of derivative financial instruments	(44,338)	(25,654)	(154,103)	(63,668)
Net gain from sale of financial investments at FVOCI	3,372	118,084	225,559	364,324
Net gain from sale of financial investments at amortised cost	-	-	29,385	-
	<u>(31,699)</u>	<u>140,298</u>	<u>147,471</u>	<u>434,137</u>
<b>(c) <u>Gross dividend income from:</u></b>				
Financial assets at FVTPL	30,787	35,329	121,127	226,380
Financial investments at FVOCI	290	-	665	3,683
	<u>31,077</u>	<u>35,329</u>	<u>121,792</u>	<u>230,063</u>

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**A22 Other operating income** (continued)

	4th Quarter Ended		Cumulative Twelve Months Ended	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	RM'000	RM'000	RM'000	RM'000
(d) <u>Net unrealised gain/(loss) on revaluation of:</u>				
- Financial assets at FVTPL	22,485	39,384	2,754	13,199
- Derivatives financial instruments	42,730	(18,374)	246,060	(131,991)
	<u>65,215</u>	<u>21,010</u>	<u>248,814</u>	<u>(118,792)</u>
(e) <u>Net realised loss on fair value changes arising from fair value hedges and amortisation of fair value changes arising from terminated fair value hedges</u>	<u>(1,662)</u>	<u>(1,168)</u>	<u>(7,215)</u>	<u>(2,643)</u>
(f) <u>Net unrealised loss on fair value changes arising from fair value hedges</u>	<u>(63)</u>	<u>(53)</u>	<u>(967)</u>	<u>(1,051)</u>
(g) <u>Other income:</u>				
Foreign exchange (loss)/gain	(17,217)	11,989	(9,763)	78,151
Rental income	3,140	2,864	13,441	13,880
Gain on disposal of property and equipment	71	63	5,222	4,085
Other non-operating income	(88)	(330)	496	1,001
	<u>(14,094)</u>	<u>14,586</u>	<u>9,396</u>	<u>97,117</u>
Total other operating income	<u>182,386</u>	<u>311,471</u>	<u>1,089,769</u>	<u>1,167,432</u>

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**A22 Other operating income** (continued)

	4th Quarter Ended		Cumulative Twelve Months Ended	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	RM'000	RM'000	RM'000	RM'000
<b><u>Bank</u></b>				
<b>(a) <u>Fee income:</u></b>				
Commissions	46,662	27,130	193,196	151,024
Service charges and fees	9,487	9,993	40,452	43,121
Guarantee fees	3,689	2,480	16,207	13,131
Credit card related fees	40,998	39,850	173,899	199,483
Corporate advisory fees	-	-	1,035	141
Commitment fees	8,774	8,081	35,647	32,100
Fee on loans, advances and financing	8,840	4,432	37,912	34,197
Other fee income	11,588	8,788	60,561	47,527
	<u>130,038</u>	<u>100,754</u>	<u>558,909</u>	<u>520,724</u>
<b>(b) <u>(Loss)/gain arising from sale of financial assets:</u></b>				
Net gain from sale of financial assets at FVTPL	7,587	47,868	44,950	133,481
Net loss from sale of derivative financial instruments	(45,054)	(25,654)	(154,819)	(63,668)
Net gain from sale of financial investments at FVOCI	3,372	118,084	225,559	364,033
Net gain from sale of financial investments at amortised cost	-	-	29,385	-
	<u>(34,095)</u>	<u>140,298</u>	<u>145,075</u>	<u>433,846</u>
<b>(c) <u>Gross dividend income from:</u></b>				
Subsidiary companies	3,500	19,000	3,500	19,000
Associated companies	239,494	205,332	239,494	205,332
Financial assets at FVTPL	31,077	35,329	121,417	226,380
Financial investments at FVOCI	290	-	665	3,683
	<u>274,361</u>	<u>259,661</u>	<u>365,076</u>	<u>454,395</u>

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**A22 Other operating income** (continued)

	4th Quarter Ended		Cumulative Twelve Months Ended	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	RM'000	RM'000	RM'000	RM'000
(d) <u>Net unrealised gain/(loss) on revaluation of:</u>				
- Financial assets at FVTPL	24,068	39,384	4,337	13,199
- Derivatives financial instruments	42,301	(18,374)	243,615	(131,991)
	<u>66,369</u>	<u>21,010</u>	<u>247,952</u>	<u>(118,792)</u>
(e) <u>Net realised loss on fair value changes arising from fair value hedges and amortisation of fair value changes arising from terminated fair value hedges</u>	<u>(1,662)</u>	<u>(1,168)</u>	<u>(7,215)</u>	<u>(2,643)</u>
(f) <u>Net unrealised loss on fair value changes arising from fair value hedges</u>	<u>(63)</u>	<u>(53)</u>	<u>(967)</u>	<u>(1,051)</u>
(g) <u>Other income:</u>				
Foreign (loss)/exchange gain	(18,120)	11,126	(12,144)	76,099
Rental income	1,519	1,272	7,367	7,393
Gain on disposal of property and equipment	71	63	5,222	4,084
Gain on redemption of redeemable preference shares	-	-	-	15,000
Other non-operating income	149	47	747	605
	<u>(16,381)</u>	<u>12,508</u>	<u>1,192</u>	<u>103,181</u>
Total other operating income	<u>418,567</u>	<u>533,010</u>	<u>1,310,022</u>	<u>1,389,660</u>

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**A23 Other operating expenses**

<u>Group</u>	<b>4th Quarter Ended</b>		<b>Cumulative Twelve Months Ended</b>	
	<b>30/06/2021</b>	<b>30/06/2020</b>	<b>30/06/2021</b>	<b>30/06/2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	267,630	264,712	1,070,445	1,060,351
- Medical expenses	7,990	11,967	32,089	38,898
- Training and convention expenses	6,630	1,376	12,703	16,316
- Staff welfare	2,666	3,145	10,973	10,004
- Others	6,775	9,237	65,367	40,442
	<u>291,691</u>	<u>290,437</u>	<u>1,191,577</u>	<u>1,166,011</u>
<u>Establishment costs</u>				
- Depreciation of property and equipment	31,431	33,540	126,609	134,390
- Depreciation of right-of-use assets	12,985	13,823	52,702	55,174
- Amortisation of intangible assets	13,503	14,890	56,948	59,025
- Rental of premises	528	988	2,668	3,914
- Information technology expenses	52,070	48,898	186,480	175,661
- Security services	6,286	6,613	22,845	28,476
- Electricity, water and sewerage	6,175	5,519	21,676	24,007
- Hire of plant and machinery	3,524	3,956	13,888	13,623
- Others	5,711	13,432	25,342	32,016
	<u>132,213</u>	<u>141,659</u>	<u>509,158</u>	<u>526,286</u>
<u>Marketing expenses</u>				
- Advertisement and publicity	9,201	8,171	26,649	27,109
- Sales commission and credit card related fees	29,007	14,470	110,233	108,683
- Others	4,362	2,999	13,120	17,284
	<u>42,570</u>	<u>25,640</u>	<u>150,002</u>	<u>153,076</u>
<u>Administration and general expenses</u>				
- Teletransmission expenses	5,863	5,085	22,302	21,147
- Stationery and printing expenses	2,792	3,028	12,464	13,025
- Professional fees	26,170	21,746	83,393	91,967
- Insurance fees	6,260	11,374	25,535	44,091
- Stamp, postage and courier	4,163	4,281	14,711	14,749
- Travelling and transport expenses	682	990	2,909	4,256
- Registration and license fees	2,472	2,175	8,990	8,595
- Brokerage and commission	2,581	2,183	9,528	8,534
- Credit card fees	12,559	9,921	37,011	45,282
- Others	2,434	2,385	10,228	6,785
	<u>65,976</u>	<u>63,168</u>	<u>227,071</u>	<u>258,431</u>
	<u>532,450</u>	<u>520,904</u>	<u>2,077,808</u>	<u>2,103,804</u>

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**A23 Other operating expenses (continued)**

	4th Quarter Ended		Cumulative Twelve Months Ended	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	RM'000	RM'000	RM'000	RM'000
<b><u>Bank</u></b>				
<b><u>Personnel costs</u></b>				
- Salaries, allowances and bonuses	213,303	211,686	856,228	853,497
- Medical expenses	6,442	9,991	26,175	32,469
- Training and convention expenses	5,820	1,106	11,106	13,317
- Staff welfare	2,259	2,589	9,185	7,972
- Others	5,699	7,718	60,838	33,605
	<u>233,523</u>	<u>233,090</u>	<u>963,532</u>	<u>940,860</u>
<b><u>Establishment costs</u></b>				
- Depreciation of property and equipment	26,778	28,653	107,867	115,957
- Depreciation of right-of-use assets	18,542	19,611	75,023	77,643
- Amortisation of intangible assets	11,942	13,497	51,190	53,909
- Rental of premises	574	1,068	2,827	3,970
- Information technology expenses	47,465	43,805	169,436	158,575
- Security services	4,782	5,132	17,356	22,341
- Electricity, water and sewerage	4,737	4,356	17,082	19,158
- Hire of plant and machinery	1,424	1,835	5,345	5,435
- Others	859	8,169	4,479	11,155
	<u>117,103</u>	<u>126,126</u>	<u>450,605</u>	<u>468,143</u>
<b><u>Marketing expenses</u></b>				
- Advertisement and publicity	8,399	6,551	24,939	23,043
- Sales commission and credit card related fees	25,909	13,596	99,039	96,959
- Others	3,150	2,261	9,539	13,190
	<u>37,458</u>	<u>22,408</u>	<u>133,517</u>	<u>133,192</u>
<b><u>Administration and general expenses</u></b>				
- Teletransmission expenses	5,712	4,946	21,804	20,596
- Stationery and printing expenses	2,665	2,889	11,866	12,492
- Professional fees	25,150	20,929	80,919	90,860
- Insurance fees	5,208	9,976	22,239	38,651
- Stamp, postage and courier	4,128	4,207	14,478	14,460
- Travelling and transport expenses	565	788	2,225	3,111
- Registration and license fees	2,188	1,859	7,841	7,464
- Brokerage and commission	1,478	1,160	5,156	4,371
- Credit card fees	12,559	9,921	37,011	45,282
- Others	6,292	4,804	19,874	12,973
	<u>65,945</u>	<u>61,479</u>	<u>223,413</u>	<u>250,260</u>
	<u>454,029</u>	<u>443,103</u>	<u>1,771,067</u>	<u>1,792,455</u>

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

	<b>4th Quarter Ended</b>		<b>Cumulative Twelve Months Ended</b>	
	<b>30/06/2021</b>	<b>30/06/2020</b>	<b>30/06/2021</b>	<b>30/06/2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Group</u></b>				
Allowance for/(written back of) impairment on loans, advances and financing:				
- expected credit losses	232,825	218,729	830,999	501,804
Impaired loans, advances and financing:				
- written off	3,794	4,705	16,201	17,976
- recovered from bad debt written off	(42,358)	(32,136)	(193,381)	(192,125)
	<u>194,261</u>	<u>191,298</u>	<u>653,819</u>	<u>327,655</u>

	<b>4th Quarter Ended</b>		<b>Cumulative Twelve Months Ended</b>	
	<b>30/06/2021</b>	<b>30/06/2020</b>	<b>30/06/2021</b>	<b>30/06/2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Bank</u></b>				
Allowance for/(written back of) impairment on loans, advances and financing:				
- expected credit losses	148,390	162,233	644,019	339,746
Impaired loans, advances and financing:				
- written off	2,876	3,073	12,620	12,877
- recovered from bad debt written off	(35,260)	(24,438)	(164,566)	(164,290)
	<u>116,006</u>	<u>140,868</u>	<u>492,073</u>	<u>188,333</u>



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

	4th Quarter Ended		Cumulative Twelve Months Ended	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	RM'000	RM'000	RM'000	RM'000
<b><u>Group</u></b>				
Expected credit losses on:				
- Financial investments at FVOCI	381	672	230	472
- Financial investments at amortised cost	(28)	(74)	(128)	20
- Other receivables	(11)	(21)	(11)	(34)
- Cash and short-term funds	-	(192)	(54)	(371)
- Deposits and placements with banks and other financial institutions	(112)	(161)	223	(254)
	<u>230</u>	<u>224</u>	<u>260</u>	<u>(167)</u>

	4th Quarter Ended		Cumulative Twelve Months Ended	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	RM'000	RM'000	RM'000	RM'000
<b><u>Bank</u></b>				
Expected credit losses on:				
- Financial investments at FVOCI	381	664	243	573
- Financial investments at amortised cost	(69)	(74)	(173)	24
- Other receivables	(11)	(21)	(11)	(34)
- Cash and short-term funds	(198)	69	(464)	403
- Deposits and placements with banks and other financial institutions	1,732	(604)	2,110	501
- Other non-financial assets	1,760	-	1,760	-
	<u>3,595</u>	<u>34</u>	<u>3,465</u>	<u>1,467</u>

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**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) and Capital Adequacy Framework for Islamic Banks (Capital Components), which set 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 requirements 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"). The CCyB, which could range from 0% up to 2.500%, is currently assessed at 0% in Malaysia. 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 31 May 2021 on extension of additional measures to assist borrowers/customers affected by the COVID-19 pandemic. These measures allow banking institutions to remain focused on supporting the economy during these exceptional and unprecedented circumstances, by extending loan/financing flexibilities which will allow banking institutions to respond swiftly to the needs of their customers. On 9 December 2020, BNM issued a revision to the Capital Adequacy Framework (Capital Components), which sets out BNM's requirements on the transitional arrangements for regulatory capital treatment of accounting provisions for banking institutions. The transitional arrangements have allowed banking institutions to add back a portion of the Stage 1 and Stage 2 provisions for Expected Credit Losses to CET I over a four year period beginning 2020 or a three year period beginning 2021. Prior to this revision, BNM issued a letter dated 24 March 2020, which has allowed banking institutions to (1) drawdown on the capital conservation buffer of 2.500%; (2) operate below the minimum Liquidity Coverage Ratio of 100%; (3) reduce the regulatory reserves held against expected losses to 0%; and (4) lower minimum Net Stable Funding Ratio to 80%. While regulatory response and support has been encouraging amidst a challenging operating environment, the Bank has opted to not avail itself to BNM's support measures.

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:

	<b>The Group</b>		<b>The Bank</b>	
	<b>Financial Year Ended 30/06/2021</b>	<b>Financial Year Ended 30/06/2020</b>	<b>Financial Year Ended 30/06/2021</b>	<b>Financial Year Ended 30/06/2020</b>
<b>Before deducting proposed dividends</b>				
CET I capital ratio	14.030%	13.950%	13.911%	13.761%
Tier I capital ratio	14.561%	14.523%	14.245%	14.118%
Total capital ratio	<u>16.703%</u>	<u>16.750%</u>	<u>16.301%</u>	<u>16.245%</u>
<b>After deducting proposed dividends</b>				
CET I capital ratio	13.552%	13.657%	13.307%	13.395%
Tier I capital ratio	14.083%	14.230%	13.642%	13.752%
Total capital ratio	<u>16.224%</u>	<u>16.456%</u>	<u>15.697%</u>	<u>15.879%</u>

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**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:

	<b>The Group</b>		<b>The Bank</b>	
	<b>Financial Year Ended 30/06/2021 RM'000</b>	<b>Financial Year Ended 30/06/2020 RM'000</b>	<b>Financial Year Ended 30/06/2021 RM'000</b>	<b>Financial Year Ended 30/06/2020 RM'000</b>
<b>CET I capital</b>				
Share capital	7,739,063	7,739,063	7,739,063	7,739,063
Retained profits	20,751,376	18,172,806	14,139,555	12,661,472
Other reserves	1,217,660	1,029,080	366,088	433,536
Less: Treasury shares	(719,030)	(723,344)	(719,030)	(723,344)
Less: Deferred tax assets	(275,670)	(86,578)	(183,513)	(55,984)
Less: Other intangible assets	(242,317)	(187,505)	(218,277)	(168,060)
Less: Goodwill	(1,831,312)	(1,831,312)	(1,771,547)	(1,771,547)
Less: Investment in subsidiary companies/ associated companies	(5,501,542)	(4,644,527)	(2,725,221)	(2,727,486)
<b>Total CET I capital</b>	<b>21,138,228</b>	<b>19,467,683</b>	<b>16,627,118</b>	<b>15,387,650</b>
<b>Additional Tier I capital</b>				
Multi-currency Additional Tier 1 capital securities	799,785	799,654	799,785	799,654
Additional Tier I capital before regulatory adjustments	799,785	799,654	799,785	799,654
Less: Investment in Additional Tier 1 perpetual subordinated sukuk wakalah	-	-	(400,000)	(400,000)
Additional Tier I capital after regulatory adjustments	799,785	799,654	399,785	399,654
<b>Total Tier I capital</b>	<b>21,938,013</b>	<b>20,267,337</b>	<b>17,026,903</b>	<b>15,787,304</b>
<b>Tier II capital</b>				
Stage 1 and Stage 2 expected credit loss allowances and regulatory reserves <sup>#</sup>	1,726,493	1,607,378	1,356,795	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)
<b>Total Tier II capital</b>	<b>3,226,463</b>	<b>3,107,348</b>	<b>2,456,765</b>	<b>2,378,416</b>
<b>Total capital</b>	<b>25,164,476</b>	<b>23,374,685</b>	<b>19,483,668</b>	<b>18,165,720</b>

<sup>#</sup> Includes the qualifying regulatory reserves for non-impaired loans of the Group and the Bank of RM412,709,000 (2020: RM837,183,000) and RM387,677,000 (2020: RM703,987,000) respectively.

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**A26 Capital adequacy** (continued)

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

	<b>The Group</b>		<b>The Bank</b>	
	<b>Financial Year Ended 30/06/2021 RM'000</b>	<b>Financial Year Ended 30/06/2020 RM'000</b>	<b>Financial Year Ended 30/06/2021 RM'000</b>	<b>Financial Year Ended 30/06/2020 RM'000</b>
Credit risk *	138,119,456	128,590,231	108,543,591	102,275,706
Market risk	3,778,671	2,496,060	3,895,661	2,562,366
Operational risk	8,761,958	8,468,140	7,087,877	6,983,001
<b>Total RWA</b>	<b>150,660,085</b>	<b>139,554,431</b>	<b>119,527,129</b>	<b>111,821,073</b>

\* In accordance with BNM Investment Account Policy, the credit RWA of HLISB funded by Investment Account of RM 847,370,000 (2020: RM 238,775,000) is excluded from the calculation of capital adequacy ratio of the Group.

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

	<b>Hong Leong Islamic Bank Berhad</b>	
	<b>Financial Year Ended 30/06/2021</b>	<b>Financial Year Ended 30/06/2020</b>
<b>Before deducting proposed dividends</b>		
CET I capital ratio	11.133%	10.871%
Tier I capital ratio	12.535%	12.432%
Total capital ratio	<u>15.112%</u>	<u>15.173%</u>
<b>After deducting proposed dividends</b>		
CET I capital ratio	11.133%	10.871%
Tier I capital ratio	12.535%	12.432%
Total capital ratio	<u>15.112%</u>	<u>15.173%</u>

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**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 30/06/2021**

	<b>Personal Financial Services RM'000</b>	<b>Business &amp; Corporate Banking RM'000</b>	<b>Global Markets RM'000</b>	<b>Overseas/ International Operations RM'000</b>	<b>Other Operations RM'000</b>	<b>Inter- Segment Elimination RM'000</b>	<b>Total RM'000</b>
<b><u>By business segment</u></b>							
External revenue	711,735	251,729	314,325	74,572	229,505	(249,575)	1,332,291
Inter-segment revenue	(31,791)	111,547	(108,122)	-	28,366	-	-
Segment revenue	<u>679,944</u>	<u>363,276</u>	<u>206,203</u>	<u>74,572</u>	<u>257,871</u>	<u>(249,575)</u>	<u>1,332,291</u>
Segment profit before taxation	297,915	247,320	170,141	12,773	128,605	(251,404)	605,350
Share of profit after tax of equity accounted associated companies				219,261			219,261
Profit before taxation							<u>824,611</u>
Taxation							<u>(135,127)</u>
Profit after taxation							<u><u>689,484</u></u>

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

**Financial year ended 30/06/2021**

	<b>Personal Financial Services RM'000</b>	<b>Business &amp; Corporate Banking RM'000</b>	<b>Global Markets RM'000</b>	<b>Overseas/ International Operations RM'000</b>	<b>Other Operations RM'000</b>	<b>Inter- Segment Elimination RM'000</b>	<b>Total RM'000</b>
<b><u>By business segment</u></b>							
External revenue	2,705,557	998,191	1,536,816	302,345	193,333	(269,369)	5,466,873
Inter-segment revenue	(103,695)	366,940	(527,619)	-	264,374	-	-
Segment revenue	<u>2,601,862</u>	<u>1,365,131</u>	<u>1,009,197</u>	<u>302,345</u>	<u>457,707</u>	<u>(269,369)</u>	<u>5,466,873</u>
Segment profit before taxation	1,077,717	955,847	893,257	73,576	18,950	(284,361)	2,734,986
Share of profit after tax of equity accounted associated companies				735,953			735,953
Profit before taxation							<u>3,470,939</u>
Taxation							(610,297)
Profit after taxation							<u>2,860,642</u>
Segment assets	104,389,777	41,748,525	66,254,964	16,343,926	-	-	228,737,192
Unallocated assets							8,392,048
Total assets							<u>237,129,240</u>

**Corresponding quarter ended 30/06/2020**

	<b>Personal Financial Services RM'000</b>	<b>Business &amp; Corporate Banking RM'000</b>	<b>Global Markets RM'000</b>	<b>Overseas/ International Operations RM'000</b>	<b>Other Operations RM'000</b>	<b>Inter- Segment Elimination RM'000</b>	<b>Total RM'000</b>
<b><u>By business segment</u></b>							
External revenue	592,802	175,028	523,700	57,064	78,776	(230,716)	1,196,654
Inter-segment revenue	(4,810)	97,236	(145,110)	-	52,684	-	-
Segment revenue	<u>587,992</u>	<u>272,264</u>	<u>378,590</u>	<u>57,064</u>	<u>131,460</u>	<u>(230,716)</u>	<u>1,196,654</u>
Segment profit before taxation	277,674	170,060	343,853	(41,872)	(31,387)	(234,100)	484,228
Share of profit after tax of equity accounted associated companies				164,454			164,454
Profit before taxation							<u>648,682</u>
Taxation							(79,267)
Profit after taxation							<u>569,415</u>

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

**Corresponding financial year ended 30/06/2020**

	<b>Personal Financial Services RM'000</b>	<b>Business &amp; Corporate Banking RM'000</b>	<b>Global Markets RM'000</b>	<b>Overseas/ International Operations RM'000</b>	<b>Other Operations RM'000</b>	<b>Inter- Segment Elimination RM'000</b>	<b>Total RM'000</b>
<b><u>By business segment</u></b>							
External revenue	2,663,241	675,303	1,440,920	255,479	7,628	(264,215)	4,778,356
Inter-segment revenue	(197,603)	495,810	(575,325)	-	277,118	-	-
Segment revenue	<u>2,465,638</u>	<u>1,171,113</u>	<u>865,595</u>	<u>255,479</u>	<u>284,746</u>	<u>(264,215)</u>	<u>4,778,356</u>
Segment profit before taxation	1,131,056	754,497	749,592	(71,155)	59,429	(276,355)	2,347,064
Share of profit after tax of equity accounted associated companies				642,333			642,333
Profit before taxation							<u>2,989,397</u>
Taxation							(494,800)
Profit after taxation							<u>2,494,597</u>
Segment assets	101,402,143	36,483,167	61,533,549	15,563,980	-	-	214,982,839
Unallocated assets							6,295,078
Total assets							<u>221,277,917</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 year**

There are no material events subsequent to the end of the financial year ended 30 June 2021.

**A29(b) Changes in the composition of the Group**

There were no changes in the composition of the Group for the current financial year ended 30 June 2021 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.

On 2 June 2021, the Bank announced that it had placed EB Realty Sendirian Berhad ("EB Realty"), a wholly-owned subsidiary of the Bank, under member's voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act 2016. EB Realty is dormant.

On 2 August 2021, the Bank announced that the liquidator of HL Bank Nominees (Singapore) Pte. Ltd. ("HL Bank Nominees"), a wholly-owned subsidiary of HLB in Singapore had convened the final meeting to conclude the member's voluntary winding-up of HL Bank Nominees. The Returns by Liquidator Relating to Final Meeting of HL Bank Nominees were lodged with the Accounting and Corporate Regulatory Authority (ACRA) and the Official Receiver on 2 August 2021 ("Lodgement Date"), and on the expiration of 3 months after the Lodgement Date, HL Bank Nominees will be dissolved.

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**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:

	<u>The Group</u>		<u>The Bank</u>	
	30/06/2021 RM'000	30/06/2020 RM'000	30/06/2021 RM'000	30/06/2020 RM'000
<b>Principal amount</b>				
Direct credit substitutes	171,600	133,166	116,915	80,144
Certain transaction related contingent items	1,676,061	1,489,056	1,337,502	1,283,921
Short-term self liquidating trade related contingencies	671,759	538,144	615,796	508,190
Irrevocable commitments to extend credit:				
- maturity more than one year	20,459,242	17,777,310	14,682,053	12,807,826
- maturity less than one year	23,767,882	20,856,358	19,078,814	17,067,748
Foreign exchange related contracts:				
- less than one year	63,609,452	40,277,996	57,286,691	33,398,925
- one year to less than five years	5,104,301	4,089,668	5,063,539	4,089,668
- five years and above	361,486	288,397	361,486	288,397
Interest rate related contracts:				
- less than one year	117,988,593	18,957,616	118,114,783	19,457,616
- one year to less than five years	31,913,336	32,060,237	31,913,336	32,260,237
- five years and above	4,387,355	2,609,803	4,487,355	2,571,708
Equity related contracts:				
- less than one year	247,217	264,263	247,217	264,263
- one year to less than five years	121,419	136,115	121,419	136,115
- five years and above	255,112	-	255,112	-
Credit related contracts:				
- five years and above	652,187	291,272	652,187	291,272
Commodity related contracts:				
- less than one year	55,088	-	55,088	-
- one year to less than five years	39,881	-	39,881	-
Unutilised credit card lines	7,419,464	7,463,767	7,419,464	7,463,767
<b>Total</b>	<u>278,901,435</u>	<u>147,233,168</u>	<u>261,848,638</u>	<u>131,969,797</u>



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**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	
	30/06/2021 RM'000	30/06/2020 RM'000	30/06/2021 RM'000	30/06/2020 RM'000
Aggregate value of outstanding credit exposures with connected parties	2,964,510	2,808,786	2,901,895	2,752,204
Outstanding credit exposures to connected parties as a proportion of total credit exposures (%)	1.69%	1.72%	2.13%	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%	0.0001%	0.0003%

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**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.

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**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:

	<b>The Group</b>			
	<b>Financial Year Ended 30/06/2021</b>			
	<b>Fair Value</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><i>Recurring fair value measurements</i></b>				
<b><u>Financial Assets</u></b>				
Financial assets at FVTPL				
- Money market instrument	-	2,691,836	-	2,691,836
- Quoted securities	5,093,038	-	-	5,093,038
- Unquoted securities	-	112,623	348,869	461,492
Financial investments at FVOCI				
- Money market instrument	-	20,229,399	-	20,229,399
- Quoted securities	4,658,127	-	-	4,658,127
- Unquoted securities	-	9,493,618	69,094	9,562,712
Derivative financial instruments	2,886	925,450	76,913	1,005,249
	<u>9,754,051</u>	<u>33,452,926</u>	<u>494,876</u>	<u>43,701,853</u>
<b><u>Financial Liabilities</u></b>				
Derivative financial instruments	1,654	831,099	76,913	909,666
Financial liabilities designated at fair value				
- Structured deposits linked to interest rate derivatives	-	1,358,498	-	1,358,498
	<u>1,654</u>	<u>2,189,597</u>	<u>76,913</u>	<u>2,268,164</u>
<b>The Group</b>				
<b>Financial Year Ended 30/06/2020</b>				
<b>Fair Value</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><i>Recurring fair value measurements</i></b>				
<b><u>Financial Assets</u></b>				
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>
<b><u>Financial Liabilities</u></b>				
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 year (2020: RM Nil).

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**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)

	<b>The Bank</b>			
	<b>Financial Year Ended 30/06/2021</b>			
	<b>Fair Value</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><i>Recurring fair value measurements</i></b>				
<b><u>Financial Assets</u></b>				
Financial assets at FVTPL				
- Money market instrument	-	2,473,569	-	2,473,569
- Quoted securities	5,106,160	-	-	5,106,160
- Unquoted securities	-	112,623	348,869	461,492
Financial investments at FVOCI				
- Money market instrument	-	16,622,867	-	16,622,867
- Quoted securities	4,658,127	-	-	4,658,127
- Unquoted securities	-	9,114,793	69,094	9,183,887
Derivative financial instruments	2,886	903,406	76,913	983,205
	<u>9,767,173</u>	<u>29,227,258</u>	<u>494,876</u>	<u>39,489,307</u>
<b><u>Financial Liabilities</u></b>				
Derivative financial instruments	1,654	801,419	76,913	879,986
Financial liabilities designated at fair value				
- Structured deposits linked to interest rate derivatives	-	1,267,102	-	1,267,102
	<u>1,654</u>	<u>2,068,521</u>	<u>76,913</u>	<u>2,147,088</u>
<b><i>Recurring fair value measurements</i></b>				
<b><u>Financial Assets</u></b>				
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>
<b><u>Financial Liabilities</u></b>				
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 year (2020: RM Nil).

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**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:

<b>The Group</b> <b>30 June 2021</b>	<b>Financial Assets</b>			<b>Financial</b>
	<b>Financial assets</b> <b>at FVTPL</b>	<b>Financial</b> <b>investments</b> <b>at FVOCI</b>	<b>Derivative</b> <b>financial</b> <b>instruments</b>	<b>Liability</b>
				<b>Derivative</b> <b>financial</b> <b>instruments</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 July	330,636	60,094	13,492	13,492
Fair value changes recognised in statements of income	18,233	-	77,666	77,666
Net fair value changes recognised in other comprehensive income	-	9,000	-	-
Purchases	-	-	62,449	62,449
Settlements	-	-	(76,694)	(76,694)
At 30 June	<u>348,869</u>	<u>69,094</u>	<u>76,913</u>	<u>76,913</u>
Fair value changes recognised in statements of income relating to assets/liability held on 30 June 2021	<u>18,233</u>	<u>-</u>	<u>77,666</u>	<u>77,666</u>
Total gain recognised in other comprehensive income relating to assets held on 30 June 2021	<u>-</u>	<u>9,000</u>	<u>-</u>	<u>-</u>

<b>The Group</b> <b>30 June 2020</b>	<b>Financial Assets</b>			<b>Financial</b>
	<b>Financial assets</b> <b>at FVTPL</b>	<b>Financial</b> <b>investments</b> <b>at FVOCI</b>	<b>Derivative</b> <b>financial</b> <b>instruments</b>	<b>Liability</b>
				<b>Derivative</b> <b>financial</b> <b>instruments</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
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>

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**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)

<b>The Bank</b> <b>30 June 2021</b>	<b>Financial Assets</b>			<b>Financial</b>
	<b>Financial assets</b> <b>at FVTPL</b> <b>RM'000</b>	<b>investments</b> <b>at FVOCI</b> <b>RM'000</b>	<b>Derivative</b> <b>financial</b> <b>instruments</b> <b>RM'000</b>	<b>Liability</b> <b>Derivative</b> <b>financial</b> <b>instruments</b> <b>RM'000</b>
At 1 July	330,636	60,094	13,492	13,492
Fair value changes recognised in statements of income	18,233	-	77,666	77,666
Net fair value changes recognised in other comprehensive income	-	9,000	-	-
Purchases	-	-	62,449	62,449
Settlements	-	-	(76,694)	(76,694)
At 30 June	<u>348,869</u>	<u>69,094</u>	<u>76,913</u>	<u>76,913</u>
Fair value changes recognised in statements of income relating to assets/liability held on 30 June 2021	<u>18,233</u>	<u>-</u>	<u>77,666</u>	<u>77,666</u>
Total gain recognised in other comprehensive income relating to assets held on 30 June 2021	<u>-</u>	<u>9,000</u>	<u>-</u>	<u>-</u>

<b>The Bank</b> <b>30 June 2020</b>	<b>Financial Assets</b>			<b>Financial</b>
	<b>Financial assets</b> <b>at FVTPL</b> <b>RM'000</b>	<b>investments</b> <b>at FVOCI</b> <b>RM'000</b>	<b>Derivative</b> <b>financial</b> <b>instruments</b> <b>RM'000</b>	<b>Liability</b> <b>Derivative</b> <b>financial</b> <b>instruments</b> <b>RM'000</b>
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.

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**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 RM824.6 million for the current financial quarter ended 30 June 2021, an increase of RM175.9 million or 27.1% as compared to previous corresponding quarter. The increase in pre-tax profit was mainly due to higher net income of RM135.6 million and higher share of profit from associated companies of RM54.8 million. However, this was mitigated by higher operating expenses of RM11.5 million and higher allowance for impairment losses on loans, advances and financing of RM3.0 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 RM297.9 million for the fourth quarter ended 30 June 2021 as compared to previous corresponding quarter of RM277.7 million. The increase in pre-tax profit was mainly contributed by higher total income, partially offset by higher allowance for impairment losses on loans, advances and financing and higher operating expenses.

Business and Corporate Banking

The Business and Corporate Banking's segment recorded a pre-tax profit of RM247.3 million for the fourth quarter ended 30 June 2021 as compared to previous corresponding quarter of RM170.1 million. The increase in pre-tax profit was mainly contributed by higher total income, partially offset by higher allowance for impairment losses on loans, advances and financing and higher operating expenses.

Global Markets

The Global Markets's segment recorded a pre-tax profit of RM170.1 million for the fourth quarter ended 30 June 2021 as compared to previous corresponding quarter of RM343.9 million. The decrease in pre-tax profit was mainly contributed by lower total income and higher impairment losses on financial investments and other financial assets, partially offset by lower operating expenses.

International Banking

The International Banking's segment recorded a pre-tax profit of RM232.0 million for the fourth quarter ended 30 June 2021 as compared to previous corresponding quarter of RM122.6 million. The increase in pre-tax profit was mainly contributed by higher total income, higher share of profit from associated companies in China and lower allowance for impairment losses on loans, advances and financing, partially offset by higher operating expenses.

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**B1 Review of performance** (continued)

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

The Group's pre-tax profit for the financial year ended 30 June 2021 stood at RM3,470.9 million, an increase of RM481.5 million or 16.1% as compared to RM2,989.4 million in the previous financial year. The increase was mainly due to higher net income of RM688.5 million, lower operating expenses of RM26.0 million and higher share of profit from associated companies of RM93.6 million. This was mitigated by higher allowance for impairment losses on loans, advances and financing of RM326.2 million and allowance for impairment losses on financial investments and other financial assets of RM0.4 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 RM1077.7 million for the financial year ended 30 June 2021 as compared to previous corresponding year of RM1131.1 million. The decrease in pre-tax profit was mainly contributed by higher allowance for impairment losses on loans, advances and financing, partially offset by lower operating expenses and higher total income.

Personal Financial Services's loan base grew from RM101.2 billion as at 30 June 2020 to RM104.2 billion as at 30 June 2021. Deposit base increased from RM95.3 billion to RM98.3 billion.

Business and Corporate Banking

The Business and Corporate Banking's segment recorded a pre-tax profit of RM955.8 million for the financial year ended 30 June 2021 as compared to previous corresponding year of RM754.5 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 RM36.4 billion as at 30 June 2020 to RM41.7 billion as at 30 June 2021. Deposit base increased from RM38.1 billion to RM40.9 billion.

Global Markets

The Global Markets's segment recorded a pre-tax profit of RM893.3 million for the financial year ended 30 June 2021 as compared to previous corresponding year of RM749.6 million. The increase in pre-tax profit was mainly contributed by higher total income and lower operating expenses, partially offset by higher impairment losses on financial investments and other financial assets.

Treasury earning assets increased from RM59.5 billion as at 30 June 2020 to RM63.7 billion as at 30 June 2021.

International Banking

The International Banking's segment recorded a pre-tax profit of RM809.5 million for the financial year ended 30 June 2021 as compared to previous corresponding year of RM571.2 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 companies in China.



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**B2 Current Quarter vs. Preceding Quarter**

For the current financial quarter, the Group recorded a pre-tax profit of RM824.6 million as compared to RM940.8 million in the preceding quarter, a decrease of RM116.2 million mainly contributed by lower net income of RM53.4 million, higher operating expenses of RM19.8 million, higher allowance for impairment losses on loans, advances and financing of RM80.0 million and allowance for impairment losses on financial investments and other financial assets of RM0.4 million. This was mitigated by higher share of profit from associated companies of RM37.4 million.

**B3 Prospects for the new financial year 2021/2022**

The Malaysian economy is expected to rebound and expand modestly in 2021 and 2022. Brighter world growth prospects following vaccination progress with subsequent easing of earlier restrictions will be the main growth drivers in the short term. However, occasional spikes in infection cases and slower than expected vaccination progress constitute key challenges which could pose some downside risks to the prospects of the economy, especially amid rolling back of policy supports. Whilst we continue to be cautiously optimistic, the recovery path will remain uneven as uncertainties surrounding the still-evolving pandemic remain.

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. We remained steadfast in supporting existing and new clients over the course of the past year, to ensure that they can focus on their recovery efforts. In this new normal environment, it will undoubtedly present us with growth opportunities which we will endeavour to capture by being agile and responsive to the changing landscape. Concurrently, we will continue to be disciplined in our investments and expenditure to ensure a cost structure that enables us to invest in growth opportunities that will deliver sustainable outcomes to our stakeholders.

**B4 Variance in profit forecast and shortfall in profit guarantee**

This note is not applicable to the Group.

**B5 Taxation**

	<b>4th Quarter Ended</b>		<b>Cumulative Twelve Months Ended</b>	
	<b>30/06/2021</b>	<b>30/06/2020</b>	<b>30/06/2021</b>	<b>30/06/2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>The Group</b>				
Income tax	151,856	145,500	731,482	614,695
Transfer to deferred taxation	(16,729)	(66,233)	(121,185)	(119,895)
	<u>135,127</u>	<u>79,267</u>	<u>610,297</u>	<u>494,800</u>

	<b>4th Quarter Ended</b>		<b>Cumulative Twelve Months Ended</b>	
	<b>30/06/2021</b>	<b>30/06/2020</b>	<b>30/06/2021</b>	<b>30/06/2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>The Bank</b>				
Income tax	155,862	171,687	611,501	533,773
Transfer (to)/from deferred taxation	21,022	(77,439)	(75,667)	(112,313)
	<u>176,884</u>	<u>94,248</u>	<u>535,834</u>	<u>421,460</u>

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**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 year under review.

**B7 Purchase and disposal of quoted securities**

There were no purchase or disposal of quoted securities for the financial year 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.

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**B9 Off-balance sheet financial instruments**

Details of financial instruments with off-balance sheet risk as at 30 June 2021:

**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	57,764,181	371,447	(124,530)
(ii) 1 year to 3 years	463,260	289	(4,988)
(iii) More than 3 years	432,457	1,200	(460)
Swaps			
(i) Less than 1 year	3,890,721	22,199	(29,430)
(ii) 1 year to 3 years	2,854,726	104,904	(21,075)
(iii) More than 3 years	1,586,990	30,864	(10,911)
Options			
(i) Less than 1 year	1,954,550	7,947	(7,370)
(ii) 1 year to 3 years	128,354	1,046	(625)
Interest rate related contracts			
Futures			
(i) Less than 1 year	85,901,992	2,886	(1,653)
Swaps			
(i) Less than 1 year	32,086,601	61,536	(106,741)
(ii) 1 year to 3 years	22,076,141	118,658	(276,672)
(iii) More than 3 years	14,224,550	190,292	(233,243)
Equity related contracts			
(i) Less than 1 year	247,217	5,002	(5,004)
(ii) 1 year to 3 years	101,010	5,911	(5,911)
(iii) More than 3 years	275,521	65,999	(66,000)
Credit related contracts			
(i) More than 3 years	652,187	12,095	(12,095)
Commodity related contracts			
(i) Less than 1 year	55,088	2,597	(2,581)
(ii) 1 year to 3 years	39,881	377	(377)
<b>Total</b>	<b>224,735,427</b>	<b>1,005,249</b>	<b>(909,666)</b>

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**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)
<b>Total</b>	<b>98,975,367</b>	<b>1,111,469</b>	<b>(1,298,513)</b>

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**B9 Off-balance sheet financial instruments (continued)**

Details of financial instruments with off-balance sheet risk as at 30 June 2021:

**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	51,441,420	349,238	(104,062)
(ii) 1 year to 3 years	463,261	289	(4,988)
(iii) More than 3 years	432,457	1,200	(460)
Swaps			
(i) Less than 1 year	3,890,721	22,199	(29,428)
(ii) 1 year to 3 years	2,813,963	104,649	(21,077)
(iii) More than 3 years	1,586,990	30,863	(10,912)
Options			
(i) Less than 1 year	1,954,550	7,947	(7,370)
(ii) 1 year to 3 years	128,354	1,046	(625)
Interest rate related contracts			
Futures			
(i) Less than 1 year	85,901,993	2,886	(1,653)
Swaps			
(i) Less than 1 year	32,212,790	61,910	(105,322)
(ii) 1 year to 3 years	22,076,141	118,658	(276,672)
(iii) More than 3 years	14,324,550	190,339	(225,451)
Equity related contracts			
(i) Less than 1 year	247,217	5,002	(5,002)
(ii) 1 year to 3 years	101,010	5,911	(5,911)
(iii) More than 3 years	275,521	65,999	(66,000)
Credit related contracts			
(i) More than 3 years	652,187	12,095	(12,095)
Commodity related contracts			
(i) Less than 1 year	55,088	2,597	(2,581)
(ii) 1 year to 3 years	39,881	377	(377)
<b>Total</b>	<b>218,598,094</b>	<b>983,205</b>	<b>(879,986)</b>

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**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)
<b>Total</b>	<b>92,758,201</b>	<b>1,057,621</b>	<b>(1,251,096)</b>

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**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 year, the amount of contracts which were not hedged effectively and hence, exposed to foreign exchange and interest rate market risk were RM327,979,000 (30 June 2020: RM105,074,000) and RM154,955,054,000 (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 year, the amount of credit risk, measured in terms of the cost to replace the profitable contracts, was RM1,122,776,000 (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.

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**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.



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**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**

A final single tier dividend of 35.22 sen per share has been declared for the current quarter.

- (i) Amount per share: 35.22 sen.
- (ii) Previous corresponding quarter: single tier dividend of 20.0 sen per share.
- (iii) Entitlement date: To be announced later.
- (iv) Payment date: To be announced later.

**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 year, excluding the average number of ordinary shares purchased by the Bank and held as treasury shares.

	4th Quarter Ended		Cumulative Twelve Months Ended	
	30/06/2021 RM'000	30/06/2020 RM'000	30/06/2021 RM'000	30/06/2020 RM'000
<b><u>The Group</u></b>				
Net profit attributable to equity holders	689,484	569,415	2,860,642	2,494,597
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	(120,343)	(121,016)	(120,343)	(121,016)
	<u>2,047,375</u>	<u>2,046,702</u>	<u>2,047,375</u>	<u>2,046,702</u>
<b>Basic earnings per share (sen)</b>	33.7	27.8	139.7	121.9
<b><u>The Bank</u></b>				
Net profit attributable to equity holders	561,130	481,821	1,868,319	1,654,015
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	(120,343)	(121,016)	(120,343)	(121,016)
	<u>2,047,375</u>	<u>2,046,702</u>	<u>2,047,375</u>	<u>2,046,702</u>
<b>Basic earnings per share (sen)</b>	27.4	23.5	91.3	80.8

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**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.

	<b>4th Quarter Ended</b>		<b>Cumulative Twelve Months Ended</b>	
	<b>30/06/2021 RM'000</b>	<b>30/06/2020 RM'000</b>	<b>30/06/2021 RM'000</b>	<b>30/06/2020 RM'000</b>
<b><u>The Group</u></b>				
Net profit attributable to equity holders	689,484	569,415	2,860,642	2,494,597
Weighted average number of ordinary shares in issue (diluted) ('000):				
- during the period	2,047,375	2,046,702	2,047,375	2,046,702
- adjustment for ESS	690	429	690	429
	<u>2,048,065</u>	<u>2,047,131</u>	<u>2,048,065</u>	<u>2,047,131</u>
<b>Fully diluted earnings per share (sen)</b>	33.7	27.8	139.7	121.9
<b><u>The Bank</u></b>				
Net profit attributable to equity holders	561,130	481,821	1,868,319	1,654,015
Weighted average number of ordinary shares in issue (diluted) ('000):				
- during the period	2,047,375	2,046,702	2,047,375	2,046,702
- adjustment for ESS	690	429	690	429
	<u>2,048,065</u>	<u>2,047,131</u>	<u>2,048,065</u>	<u>2,047,131</u>
<b>Fully diluted earnings per share (sen)</b>	27.4	23.5	91.2	80.8

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**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 30 June 2021 based on the remaining contractual maturity:

	<b>The Group</b>							<b>Total</b>
	<b>30 June 2021</b>							
	<b>Up to 1 week RM'000</b>	<b>1 week to 1 month RM'000</b>	<b>1 to 3 months RM'000</b>	<b>3 to 6 months RM'000</b>	<b>6 to 12 months RM'000</b>	<b>Over 1 year RM'000</b>	<b>No specific maturity RM'000</b>	<b>RM'000</b>
<b>Assets</b>								
Cash and short-term funds	2,120,636	1,345,542	-	-	-	-	-	3,466,178
Deposits and placements with banks and other financial institutions	-	-	237,432	249,347	-	-	-	486,779
Financial assets at fair value through profit or loss	108	92,679	53,586	349,374	196,557	7,163,875	390,187	8,246,366
Financial investments at fair value through other comprehensive income	369,112	940,668	282,579	487,806	920,703	31,380,276	69,094	34,450,238
Financial investments at amortised cost	817,213	4,103	98,702	10,653	1,758,881	20,945,355	-	23,634,907
Loans, advances and financing	11,827,653	7,346,074	4,736,943	2,389,468	904,056	126,866,513	-	154,070,707
Other assets	1,131,696	8,168	190,531	19,759	5,071	140,641	515,990	2,011,856
Derivative financial instruments	29,888	136,732	136,930	79,227	90,837	531,635	-	1,005,249
Statutory deposits with Central Banks	-	-	-	-	-	-	493,605	493,605
Investment in associated companies	-	-	-	-	-	-	5,501,542	5,501,542
Property and equipment	-	-	-	-	-	-	1,197,788	1,197,788
Intangible assets	-	-	-	-	-	-	242,317	242,317
Right-of-use assets	-	-	-	-	-	-	214,726	214,726
Goodwill	-	-	-	-	-	-	1,831,312	1,831,312
Deferred tax assets	-	-	-	-	-	-	275,670	275,670
<b>Total assets</b>	<b>16,296,306</b>	<b>9,873,966</b>	<b>5,736,703</b>	<b>3,585,634</b>	<b>3,876,105</b>	<b>187,028,295</b>	<b>10,732,231</b>	<b>237,129,240</b>

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**A33 Liquidity risk** (continued)

The table below analyses the carrying amount of assets and liabilities (including non-financial instruments) as at 30 June 2021 based on the remaining contractual maturity: (continued)

	<b>The Group</b>							<b>Total</b>
	<b>30 June 2021</b>							
	<b>Up to 1 week RM'000</b>	<b>1 week to 1 month RM'000</b>	<b>1 to 3 months RM'000</b>	<b>3 to 6 months RM'000</b>	<b>6 to 12 months RM'000</b>	<b>Over 1 year RM'000</b>	<b>No specific maturity RM'000</b>	<b>RM'000</b>
<b>Liabilities</b>								
Deposits from customers	73,249,737	26,288,107	34,089,463	23,770,680	20,712,536	5,179,248	-	183,289,771
Investment accounts of customers	10,879	87,633	154,762	349,307	542,573	-	-	1,145,154
Deposits and placements of banks and other financial institutions	5,478,866	3,021,618	1,939,143	307,659	65,462	1,317,291	-	12,130,039
Obligations on securities sold under repurchase agreements	-	500,345	242,405	-	-	-	-	742,750
Bills and acceptances payable	109	9,575	12,991	8,519	31	-	158,417	189,642
Lease liabilities	-	3,637	7,208	10,559	20,031	168,326	-	209,761
Other liabilities	5,089,837	170,820	14,347	705	13,646	-	69,429	5,358,784
Derivative financial instruments	23,826	38,650	62,188	57,774	94,871	632,357	-	909,666
Recourse obligation on loans sold to Cagamas	-	-	5,734	973	47,711	979,421	-	1,033,839
Tier 2 subordinated bonds	-	-	-	2,370	-	1,499,970	-	1,502,340
Multi-currency Additional Tier 1 Capital Securities	-	-	4,806	1,799	-	799,785	-	806,390
Taxation	-	-	-	-	-	-	351,990	351,990
<b>Total liabilities</b>	<b>83,853,254</b>	<b>30,120,385</b>	<b>36,533,047</b>	<b>24,510,345</b>	<b>21,496,861</b>	<b>10,576,398</b>	<b>579,836</b>	<b>207,670,126</b>
Total equity	-	-	-	-	-	-	29,459,114	29,459,114
<b>Total liabilities and equity</b>	<b>83,853,254</b>	<b>30,120,385</b>	<b>36,533,047</b>	<b>24,510,345</b>	<b>21,496,861</b>	<b>10,576,398</b>	<b>30,038,950</b>	<b>237,129,240</b>
<b>Net liquidity gap</b>	<b>(67,556,948)</b>	<b>(20,246,419)</b>	<b>(30,796,344)</b>	<b>(20,924,711)</b>	<b>(17,620,756)</b>	<b>176,451,897</b>	<b>10,152,395</b>	<b>29,459,114</b>

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**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:

	<b>The Group</b>							<b>Total</b>
	<b>30 June 2020</b>							
	<b>Up to 1 week RM'000</b>	<b>1 week to 1 month RM'000</b>	<b>1 to 3 months RM'000</b>	<b>3 to 6 months RM'000</b>	<b>6 to 12 months RM'000</b>	<b>Over 1 year RM'000</b>	<b>No specific maturity RM'000</b>	<b>RM'000</b>
<b>Assets</b>								
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
<b>Total assets</b>	<b>22,088,199</b>	<b>8,121,597</b>	<b>4,027,569</b>	<b>4,454,666</b>	<b>3,719,744</b>	<b>169,276,013</b>	<b>9,590,129</b>	<b>221,277,917</b>

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**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)

	<b>The Group</b>							<b>Total</b>
	<b>30 June 2020</b>							
	<b>Up to 1 week RM'000</b>	<b>1 week to 1 month RM'000</b>	<b>1 to 3 months RM'000</b>	<b>3 to 6 months RM'000</b>	<b>6 to 12 months RM'000</b>	<b>Over 1 year RM'000</b>	<b>No specific maturity RM'000</b>	<b>RM'000</b>
<b>Liabilities</b>								
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
<b>Total liabilities</b>	<b>76,160,690</b>	<b>27,766,879</b>	<b>38,105,569</b>	<b>23,735,360</b>	<b>20,051,030</b>	<b>7,830,498</b>	<b>393,592</b>	<b>194,043,618</b>
Total equity	-	-	-	-	-	-	27,234,299	27,234,299
<b>Total liabilities and equity</b>	<b>76,160,690</b>	<b>27,766,879</b>	<b>38,105,569</b>	<b>23,735,360</b>	<b>20,051,030</b>	<b>7,830,498</b>	<b>27,627,891</b>	<b>221,277,917</b>
<b>Net liquidity gap</b>	<b>(54,072,491)</b>	<b>(19,645,282)</b>	<b>(34,078,000)</b>	<b>(19,280,694)</b>	<b>(16,331,286)</b>	<b>161,445,515</b>	<b>9,196,537</b>	<b>27,234,299</b>

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**A33 Liquidity risk** (continued)

The table below analyses the carrying amount of assets and liabilities (including non-financial instruments) as at 30 June 2021 based on the remaining contractual maturity:

	<b>The Bank</b>							<b>Total</b>
	<b>30 June 2021</b>							
	<b>Up to 1 week RM'000</b>	<b>1 week to 1 month RM'000</b>	<b>1 to 3 months RM'000</b>	<b>3 to 6 months RM'000</b>	<b>6 to 12 months RM'000</b>	<b>Over 1 year RM'000</b>	<b>No specific maturity RM'000</b>	<b>RM'000</b>
<b>Assets</b>								
Cash and short-term funds	2,652,047	390,494	-	-	-	-	-	3,042,541
Deposits and placements with banks and other financial institutions	-	-	771,768	249,348	-	405,368	-	1,426,484
Financial assets at fair value through profit or loss	108	92,679	53,586	131,107	196,557	7,176,997	390,187	8,041,221
Financial investments at fair value through other comprehensive income	659,527	940,668	282,579	487,806	884,826	27,140,381	69,094	30,464,881
Financial investments at amortised cost	817,213	4,103	98,702	609	781,831	14,856,268	-	16,558,726
Loans, advances and financing	9,518,645	6,441,254	4,298,648	2,263,726	514,833	96,048,588	-	119,085,694
Other assets	1,081,875	8,138	190,472	19,671	4,998	91,550	476,542	1,873,246
Derivative financial instruments	24,875	131,879	131,740	76,719	86,566	531,426	-	983,205
Amount due from subsidiaries	-	-	-	-	-	-	15,870	15,870
Statutory deposits with Central Banks	-	-	-	-	-	-	301,428	301,428
Subsidiary companies	-	-	-	-	-	-	2,556,570	2,556,570
Investment in associated companies	-	-	-	-	-	-	971,182	971,182
Property and equipment	-	-	-	-	-	-	595,225	595,225
Intangible assets	-	-	-	-	-	-	218,277	218,277
Right-of-use assets	-	-	-	-	-	-	344,387	344,387
Goodwill	-	-	-	-	-	-	1,771,547	1,771,547
Deferred tax assets	-	-	-	-	-	-	183,513	183,513
<b>Total assets</b>	<b>14,754,290</b>	<b>8,009,215</b>	<b>5,827,495</b>	<b>3,228,986</b>	<b>2,469,611</b>	<b>146,250,578</b>	<b>7,893,822</b>	<b>188,433,997</b>

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**A33 Liquidity risk** (continued)

The table below analyses the carrying amount of assets and liabilities (including non-financial instruments) as at 30 June 2021 based on the remaining contractual maturity: (continued)

	<b>The Bank</b>							<b>Total</b>
	<b>30 June 2021</b>							
	<b>Up to 1 week RM'000</b>	<b>1 week to 1 month RM'000</b>	<b>1 to 3 months RM'000</b>	<b>3 to 6 months RM'000</b>	<b>6 to 12 months RM'000</b>	<b>Over 1 year RM'000</b>	<b>No specific maturity RM'000</b>	<b>RM'000</b>
<b>Liabilities</b>								
Deposits from customers	60,203,671	19,229,247	25,185,036	18,739,820	16,147,307	4,851,954	-	144,357,035
Deposits and placements of banks and other financial institutions	5,873,338	2,679,962	2,032,613	68,500	65,124	1,295,760	-	12,015,297
Obligations on securities sold under repurchase agreements	-	500,345	242,405	-	-	-	-	742,750
Bills and acceptances payable	92	1,964	11,421	7,512	31	-	129,413	150,433
Lease liabilities	-	5,420	10,871	16,271	31,853	277,176	-	341,591
Other liabilities	4,337,960	170,805	14,300	675	2,226	479,832	60,603	5,066,401
Derivative financial instruments	19,815	32,637	58,536	52,392	92,038	624,568	-	879,986
Recourse obligation on loans sold to Cagamas	-	-	-	544	-	300,028	-	300,572
Tier 2 subordinated bonds	-	-	-	2,370	-	1,499,970	-	1,502,340
Multi-currency Additional Tier 1 Capital Securities	-	-	4,806	1,799	-	799,785	-	806,390
Taxation	-	-	-	-	-	-	272,296	272,296
<b>Total liabilities</b>	<b>70,434,876</b>	<b>22,620,380</b>	<b>27,559,988</b>	<b>18,889,883</b>	<b>16,338,579</b>	<b>10,129,073</b>	<b>462,312</b>	<b>166,435,091</b>
Total equity	-	-	-	-	-	-	21,998,906	21,998,906
<b>Total liabilities and equity</b>	<b>70,434,876</b>	<b>22,620,380</b>	<b>27,559,988</b>	<b>18,889,883</b>	<b>16,338,579</b>	<b>10,129,073</b>	<b>22,461,218</b>	<b>188,433,997</b>
<b>Net liquidity gap</b>	<b>(55,680,586)</b>	<b>(14,611,165)</b>	<b>(21,732,493)</b>	<b>(15,660,897)</b>	<b>(13,868,968)</b>	<b>136,121,505</b>	<b>7,431,510</b>	<b>21,998,906</b>



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**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:

	<b>The Bank</b>							<b>Total</b>
	<b>30 June 2020</b>							
	<b>Up to 1 week RM'000</b>	<b>1 week to 1 month RM'000</b>	<b>1 to 3 months RM'000</b>	<b>3 to 6 months RM'000</b>	<b>6 to 12 months RM'000</b>	<b>Over 1 year RM'000</b>	<b>No specific maturity RM'000</b>	<b>RM'000</b>
<b>Assets</b>								
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
<b>Total assets</b>	<b>17,295,101</b>	<b>7,369,669</b>	<b>4,008,866</b>	<b>3,659,284</b>	<b>2,797,586</b>	<b>134,835,186</b>	<b>7,741,480</b>	<b>177,707,172</b>

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**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)

	<b>The Bank</b>							<b>Total</b>
	<b>30 June 2020</b>							
	<b>Up to 1 week RM'000</b>	<b>1 week to 1 month RM'000</b>	<b>1 to 3 months RM'000</b>	<b>3 to 6 months RM'000</b>	<b>6 to 12 months RM'000</b>	<b>Over 1 year RM'000</b>	<b>No specific maturity RM'000</b>	<b>RM'000</b>
<b>Liabilities</b>								
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
<b>Total liabilities</b>	<b>63,882,019</b>	<b>21,480,490</b>	<b>30,147,946</b>	<b>17,284,580</b>	<b>16,078,775</b>	<b>7,518,637</b>	<b>329,233</b>	<b>156,721,680</b>
Total equity	-	-	-	-	-	-	20,985,492	20,985,492
<b>Total liabilities and equity</b>	<b>63,882,019</b>	<b>21,480,490</b>	<b>30,147,946</b>	<b>17,284,580</b>	<b>16,078,775</b>	<b>7,518,637</b>	<b>21,314,725</b>	<b>177,707,172</b>
<b>Net liquidity gap</b>	<b>(46,586,918)</b>	<b>(14,110,821)</b>	<b>(26,139,080)</b>	<b>(13,625,296)</b>	<b>(13,281,189)</b>	<b>127,316,549</b>	<b>7,412,247</b>	<b>20,985,492</b>