

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

Condensed Financial Statements
Unaudited Statements of Financial Position As At 30 June 2022

		The Group		The Bank	
	Note	30/06/2022	30/06/2021	30/06/2022	30/06/2021
		RM'000	RM'000	RM'000	RM'000
<u>ASSETS</u>					
Cash and short-term funds		6,094,729	3,466,178	5,455,788	3,042,541
Deposits and placements with banks and other financial institutions		842,506	486,779	2,614,335	1,426,484
Financial assets at fair value through profit or loss	A8	7,244,482	8,246,366	6,940,762	8,041,221
Financial investments at fair value through other comprehensive income	A9	26,196,303	34,450,238	22,416,521	30,464,881
Financial investments at amortised cost	A10	32,358,414	23,634,907	23,144,545	16,558,726
Loans, advances and financing	A11	166,487,621	154,070,707	126,745,536	119,085,694
Other assets	A12	2,280,742	2,011,856	1,781,555	1,873,246
Derivative financial instruments		1,863,300	1,005,249	1,776,371	983,205
Amount due from subsidiaries		-	-	91,110	15,870
Statutory deposits with Central Banks		520,650	493,605	272,138	301,428
Subsidiary companies		-	-	2,625,696	2,556,570
Investment in associated companies		6,455,474	5,501,542	971,182	971,182
Property and equipment		1,110,606	1,197,788	527,989	595,225
Intangible assets		304,749	242,317	269,645	218,277
Right-of-use assets		211,718	214,726	321,446	344,387
Goodwill		1,831,312	1,831,312	1,771,547	1,771,547
Deferred tax assets		528,771	275,670	403,666	183,513
TOTAL ASSETS		<u>254,331,377</u>	<u>237,129,240</u>	<u>198,129,832</u>	<u>188,433,997</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>					
Deposits from customers	A13	197,292,459	183,289,771	155,007,304	144,357,035
Investment accounts of customers	A14	2,668,408	1,145,154	-	-
Deposits and placements of banks and other financial institutions	A15	6,322,250	12,130,039	5,175,420	12,015,297
Obligations on securities sold under repurchase agreements		3,971,304	742,750	3,971,304	742,750
Bills and acceptances payable		241,361	189,642	153,419	150,433
Lease liabilities		210,981	209,761	325,365	341,591
Other liabilities	A16	5,750,350	5,358,784	5,392,859	5,066,401
Derivative financial instruments		1,736,838	909,666	1,711,745	879,986
Recourse obligation on loans/financing sold to Cagamas Berhad ("Cagamas")		1,623,937	1,033,839	502,798	300,572
Tier 2 subordinated bonds	A17	1,502,206	1,502,340	1,502,206	1,502,340
Multi-currency Additional Tier 1 capital securities	A18	1,715,695	806,390	1,715,695	806,390
Provision for taxation		306,612	351,990	272,986	272,296
TOTAL LIABILITIES		<u>223,342,401</u>	<u>207,670,126</u>	<u>175,731,101</u>	<u>166,435,091</u>
Share capital		7,739,063	7,739,063	7,739,063	7,739,063
Reserves		23,963,603	22,439,081	15,373,358	14,978,873
Less: Treasury shares		(713,690)	(719,030)	(713,690)	(719,030)
TOTAL SHAREHOLDERS' EQUITY		<u>30,988,976</u>	<u>29,459,114</u>	<u>22,398,731</u>	<u>21,998,906</u>
TOTAL LIABILITIES AND EQUITY		<u>254,331,377</u>	<u>237,129,240</u>	<u>198,129,832</u>	<u>188,433,997</u>
<u>COMMITMENTS AND CONTINGENCIES</u>	A30	<u>208,116,971</u>	<u>278,901,435</u>	<u>194,469,898</u>	<u>261,848,638</u>
Net asset per share attributable to ordinary equity holders of the parent (RM) *		15.13	14.39	10.94	10.74

* 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 2021.

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 2022

	Note	The Group			
		Current Quarter Ended 30/06/2022 RM'000	Corresponding Quarter Ended 30/06/2021 RM'000	Current Year Ended 30/06/2022 RM'000	Corresponding Year Ended 30/06/2021 RM'000
Interest income	A19(a)	1,422,278	1,335,447	5,505,696	5,394,946
Interest income for financial assets at fair value through profit or loss	A19(b)	56,753	44,011	217,168	161,783
Interest expense	A20	(550,475)	(461,540)	(1,967,533)	(2,099,027)
Net interest income		928,556	917,918	3,755,331	3,457,702
Net income from Islamic Banking business	A21	239,303	231,987	904,785	919,402
Other operating income	A22	330,536	182,386	937,292	1,089,769
Net income		1,498,395	1,332,291	5,597,408	5,466,873
Other operating expenses	A23	(560,056)	(532,450)	(2,098,376)	(2,077,808)
Operating profit before allowances		938,339	799,841	3,499,032	3,389,065
Allowance for impairment losses on loans, advances and financing	A24	(30,202)	(194,261)	(163,574)	(653,819)
Written back of/(allowance for) impairment losses on financial investments and other assets	A25	394	(230)	851	(260)
Share of profit after tax of equity accounted associated companies		908,531	605,350	3,336,309	2,734,986
Profit before taxation		1,217,328	824,611	4,366,800	3,470,939
Taxation	B5	(309,688)	(135,127)	(1,077,517)	(610,297)
Net profit for the financial year		907,640	689,484	3,289,283	2,860,642
Attributable to:					
Owners of the parent		907,640	689,484	3,289,283	2,860,642
Earnings per share - basic (sen)	B12(a)	44.3	33.7	160.6	139.7
Earnings per share - fully diluted (sen)	B12(b)	44.3	33.7	160.5	139.7

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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 2022

	The Group			
	Current Quarter Ended 30/06/2022 RM'000	Corresponding Quarter Ended 30/06/2021 RM'000	Current Year Ended 30/06/2022 RM'000	Corresponding Year Ended 30/06/2021 RM'000
Net profit for the financial year	907,640	689,484	3,289,283	2,860,642
Other comprehensive (loss)/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	14,286	9,396	14,286	9,228
(ii) Items that may be reclassified subsequently to profit or loss:				
(a) Share of other comprehensive loss of associated company	(21,399)	(1,511)	(16,743)	(15,019)
(b) Currency translation differences	24,054	98,361	227,635	282,081
(c) Debt instruments at fair value through other comprehensive income				
- Net fair value changes	(383,277)	144,373	(1,161,549)	(289,882)
- Changes in expected credit losses	(139)	389	(537)	198
(d) Net fair value changes in cash flow hedge	(2,902)	(1,471)	7,574	3,235
Income tax relating to components of other comprehensive loss/(income)	88,499	(33,151)	252,023	68,101
Other comprehensive (loss)/income for the financial year, net of tax	(280,878)	216,386	(677,311)	57,942
Total comprehensive income for the financial year	<u>626,762</u>	<u>905,870</u>	<u>2,611,972</u>	<u>2,918,584</u>
Attributable to:				
- Owners of the parent	<u>626,762</u>	<u>905,870</u>	<u>2,611,972</u>	<u>2,918,584</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 2022

	Note	The Bank			
		Current Quarter Ended 30/06/2022 RM'000	Corresponding Quarter Ended 30/06/2021 RM'000	Current Year Ended 30/06/2022 RM'000	Corresponding Year Ended 30/06/2021 RM'000
Interest income	A19(a)	1,365,541	1,295,435	5,303,193	5,243,512
Interest income for financial assets at fair value through profit or loss	A19(b)	56,753	44,011	217,168	161,783
Interest expense	A20	(528,987)	(446,369)	(1,893,157)	(2,044,559)
Net interest income		893,307	893,077	3,627,204	3,360,736
Other operating income	A22	693,589	418,567	1,278,446	1,310,022
Net income		1,586,896	1,311,644	4,905,650	4,670,758
Other operating expenses	A23	(470,314)	(454,029)	(1,756,729)	(1,771,067)
Operating profit before allowances (Allowance for)/written back of impairment losses on loans, advances and financing	A24	1,116,582	857,615	3,148,921	2,899,691
Written back of/(allowance for) impairment losses on financial investments and other assets	A25	(18,820)	(116,006)	46,956	(492,073)
		1,269	(3,595)	391	(3,465)
Profit before taxation		1,099,031	738,014	3,196,268	2,404,153
Taxation	B5	(317,073)	(176,884)	(984,341)	(535,834)
Net profit for the financial year		781,958	561,130	2,211,927	1,868,319
Attributable to:					
Owners of the parent		781,958	561,130	2,211,927	1,868,319
Earnings per share - basic (sen)	B12(a)	38.2	27.4	108.0	91.3
Earnings per share - fully diluted (sen)	B12(b)	38.2	27.4	107.9	91.2

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

Condensed Financial Statements
Unaudited Statements of Comprehensive Income
For The Financial Year Ended 30 June 2022

	The Bank			
	Current Quarter Ended 30/06/2022 RM'000	Corresponding Quarter Ended 30/06/2021 RM'000	Current Year Ended 30/06/2022 RM'000	Corresponding Year Ended 30/06/2021 RM'000
Net profit for the financial year	781,958	561,130	2,211,927	1,868,319
Other comprehensive (loss)/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	14,286	9,396	14,286	9,228
(ii) Items that may be reclassified subsequently to profit or loss:				
(a) Currency translation differences	35,700	2,558	43,324	(4,182)
(b) Debt instruments at fair value through other comprehensive income				
- Net fair value changes	(316,157)	128,601	(1,010,494)	(221,513)
- Changes in expected credit losses	(141)	389	(542)	211
(c) Net fair value changes in cash flow hedge	(2,902)	(1,471)	7,574	3,233
Income tax relating to components of other comprehensive loss/(income)	72,414	(29,339)	215,860	51,887
Other comprehensive (loss)/income for the financial year, net of tax	(196,800)	110,134	(729,992)	(161,136)
Total comprehensive income for the financial year	<u>585,158</u>	<u>671,264</u>	<u>1,481,935</u>	<u>1,707,183</u>

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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 2022
Attributable to owners of the parent

The Group	Share Capital RM'000	Other Reserves RM'000	Regulatory Reserves * RM'000	Retained Profits RM'000	Treasury Shares RM'000	Total RM'000
At 1 July 2021	7,739,063	1,263,751	423,954	20,751,376	(719,030)	29,459,114
Comprehensive income						
Net profit for the financial year	-	-	-	3,289,283	-	3,289,283
- Share of other comprehensive loss of associated company	-	(16,743)	-	-	-	(16,743)
- Financial assets measured at fair value through other comprehensive income						
- Equity instruments						
- Net fair value changes	-	14,286	-	-	-	14,286
- Debt instruments						
- Net fair value changes	-	(907,709)	-	-	-	(907,709)
- Changes in expected credit losses	-	(537)	-	-	-	(537)
- Net fair value changes in cash flow hedge	-	5,757	-	-	-	5,757
- Currency translation differences	-	227,635	-	-	-	227,635
Total comprehensive (loss)/income	-	(677,311)	-	3,289,283	-	2,611,972
Transactions with owners						
Transfer to regulatory reserve	-	-	230,432	(230,432)	-	-
Dividends paid	-	-	-	(1,089,942)	-	(1,089,942)
ESS exercised	-	(12,121)	-	7,697	5,340	916
Option charge arising from ESS granted	-	6,916	-	-	-	6,916
Total transactions with owners	-	(5,205)	230,432	(1,312,677)	5,340	(1,082,110)
At 30 June 2022	7,739,063	581,235	654,386	22,727,982	(713,690)	30,988,976
At 1 July 2020	7,739,063	1,197,346	848,428	18,172,806	(723,344)	27,234,299
Comprehensive income						
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
Transactions with owners						
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)
At 30 June 2021	7,739,063	1,263,751	423,954	20,751,376	(719,030)	29,459,114

* Comprise regulatory reserves maintained by the Group's banking subsidiaries of RM643,141,000 (30 June 2021: RM412,709,000) in accordance with BNM's Guideline and the banking subsidiary in Vietnam with the State Bank of Vietnam of RM11,245,000 (30 June 2021: RM11,245,000)

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Condensed Financial Statements
Unaudited Statements of Changes in Equity For The Financial Year Ended 30 June 2022

	Attributable to owners of the parent					
The Bank	Share Capital RM'000	Other Reserves RM'000	Regulatory Reserve RM'000	Retained Profits RM'000	Treasury Shares RM'000	Total RM'000
At 1 July 2021	7,739,063	451,641	387,677	14,139,555	(719,030)	21,998,906
<u>Comprehensive income</u>						
Net profit for the financial year	-	-	-	2,211,927	-	2,211,927
- Financial assets measured at fair value through other comprehensive income						
- Equity instruments						
- Net fair value changes	-	14,286	-	-	-	14,286
- Debt instruments						
- Net fair value changes	-	(792,817)	-	-	-	(792,817)
- Changes in expected credit losses	-	(542)	-	-	-	(542)
- Net fair value changes in cash flow hedge	-	5,757	-	-	-	5,757
- Currency translation differences	-	43,324	-	-	-	43,324
Total comprehensive (loss)/income	-	(729,992)	-	2,211,927	-	1,481,935
<u>Transactions with owners</u>						
Transfer to regulatory reserve	-	-	148,755	(148,755)	-	-
Dividends paid	-	-	-	(1,089,942)	-	(1,089,942)
ESS exercised	-	(12,121)	-	7,697	5,340	916
Option charge arising from ESS granted	-	6,916	-	-	-	6,916
Total transactions with owners	-	(5,205)	148,755	(1,231,000)	5,340	(1,082,110)
At 30 June 2022	7,739,063	(283,556)	536,432	15,120,482	(713,690)	22,398,731
At 1 July 2020	7,739,063	604,314	703,987	12,661,472	(723,344)	20,985,492
<u>Comprehensive income</u>						
Net profit for the financial 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)
At 30 June 2021	7,739,063	451,641	387,677	14,139,555	(719,030)	21,998,906

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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 2022

	The Group		The Bank	
	Financial Year Ended 30/06/2022 RM'000	Financial Year Ended 30/06/2021 RM'000	Financial Year Ended 30/06/2022 RM'000	Financial Year Ended 30/06/2021 RM'000
Profit before taxation	4,366,800	3,470,939	3,196,268	2,404,153
Adjustments for non-cash items	(1,913,280)	(1,215,423)	(1,543,956)	(937,968)
Operating profit before working capital changes	2,453,520	2,255,516	1,652,312	1,466,185
Changes in working capital:				
Net changes in operating assets	(13,416,068)	(8,570,185)	(8,624,486)	(5,418,129)
Net changes in operating liabilities	14,559,685	13,623,597	8,523,869	9,761,340
Income taxes and zakat paid	(1,095,221)	(567,267)	(896,290)	(422,873)
Net cash generated from operating activities	<u>2,501,916</u>	<u>6,741,661</u>	<u>655,405</u>	<u>5,386,523</u>
Cash flows from investing activities				
Investment in subordinated facilities	-	-	(69,112)	505
Net proceeds/(purchases) of financial investments at fair value through other comprehensive income	7,863,800	(6,494,062)	7,812,472	(4,984,250)
Net purchases of financial investments at amortised cost	(8,104,000)	(2,998,011)	(5,967,070)	(944,799)
Purchase of property and equipment	(115,678)	(119,588)	(109,898)	(102,359)
Net proceeds from sale of property and equipment	1,890	9,097	1,772	9,097
Purchase of intangible assets	(35,442)	(25,456)	(27,177)	(24,767)
Dividends received from:				
- Subsidiary company	-	-	36,800	3,500
- Associated company	-	-	268,591	-
- Financial assets at fair value through profit or loss	101,001	121,127	102,768	121,417
- Financial investments at fair value through other comprehensive income	406	665	406	665
Impairment loss in subsidiary	-	-	-	1,760
Net cash (used in)/generated from investing activities	<u>(288,023)</u>	<u>(9,506,228)</u>	<u>2,049,552</u>	<u>(5,919,231)</u>
Cash flows from financing activities				
Dividends paid	(1,089,942)	(712,086)	(1,089,942)	(712,086)
Repayment of lease liabilities	(44,321)	(45,219)	(65,272)	(63,988)
Repayment of recourse obligation on loans sold to Cagamas	(64,174)	(14,957)	-	-
Cash received from ESOS exercised	916	4,633	916	4,633
Proceeds from debt issuance:				
- Recourse obligation on financing sold to Cagamas	650,000	-	200,000	-
- Multi-currency Additional Tier 1 capital securities	900,000	-	900,000	-
Interest paid:				
- Recourse obligation on loans/financing sold to Cagamas	(40,430)	(36,830)	(13,224)	(10,436)
- Tier 2 subordinated bonds	(66,734)	(66,484)	(66,734)	(66,484)
- Multi-currency Additional Tier 1 capital securities	(39,346)	(39,427)	(39,512)	(39,592)
- Lease liabilities	(9,154)	(9,961)	(14,785)	(16,540)
Net cash generated from/(used in) financing activities	<u>196,815</u>	<u>(920,331)</u>	<u>(188,553)</u>	<u>(904,493)</u>

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Condensed Financial Statements
Unaudited Condensed Statements of Cash Flows
For The Financial Year Ended 30 June 2022

	The Group		The Bank	
	Financial Year Ended 30/06/2022 RM'000	Financial Year Ended 30/06/2021 RM'000	Financial Year Ended 30/06/2022 RM'000	Financial Year Ended 30/06/2021 RM'000
Net increase/(decrease) in cash and cash equivalents	2,410,708	(3,684,898)	2,516,404	(1,437,201)
Currency translation differences	96,466	(27,505)	42,044	(7,245)
Cash and cash equivalents at the beginning of financial year	3,474,818	7,187,221	3,560,586	5,005,032
Cash and cash equivalents at the end of financial year	5,981,992	3,474,818	6,119,034	3,560,586
Cash and cash equivalents comprise the following:				
Cash and short-term funds	6,094,729	3,466,178	5,455,788	3,042,541
Deposits and placements with banks and other financial institutions	842,506	486,779	2,614,335	1,426,484
	6,937,235	3,952,957	8,070,123	4,469,025
Less:				
Cash and short-term funds and deposits and placements with banks and other financial institutions with original maturity of more than three months	(955,243)	(478,139)	(1,951,089)	(908,439)
	5,981,992	3,474,818	6,119,034	3,560,586

The unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021.

HONG LEONG BANK BERHAD
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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 2022**

A1 Basis of preparation

The unaudited condensed financial statements for the financial year ended 30 June 2022 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 2021. 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 2021.

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 2021, and modified for the adoption of the following accounting standards applicable for financial period beginning on or after 1 July 2021:

- (i) * Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 ‘Interest Rate Benchmark Reform - Phase 2’
- * Amendments to MFRS 16 ‘COVID-19 - Related Rent Concessions beyond 30 June 2021’

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 2021

There was no qualified report issued by the auditors in the preceding annual financial statements for the year ended 30 June 2021.

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A3 Seasonality or cyclical of operations

The business operations of the Group and the Bank have not been affected by any material seasonal and cyclical factors in the current financial 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 2022:

a) Share Buy-back

The total number of shares bought back, all of which were held as treasury shares as at 30 June 2022 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 2022, the trust did not purchase any new shares. As at 30 June 2022, the total number of Treasury Shares for ESS was 38,264,610 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.

On 3 November 2021, the Bank has granted 1,292,356 ordinary shares in HLB to eligible executives of the Bank pursuant to the Bank's ESS. The vesting of the 1,292,356 free ordinary shares in HLB will be done in tranches over a period of 3 years from the date of the grant.

On 21 March 2022, the Bank has granted 253,416 ordinary shares in HLB to eligible executives of the Bank pursuant to the Bank's ESS. The vesting of the 253,416 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 2022, a total of 11,900,000 share options and 3,806 grant shares lapsed and a total of 658,433 grant shares were vested and transferred while a total of 66,502 share options were exercised pursuant to the Bank's ESS.

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

c) Issuance of Multi-currency Additional Tier 1 capital securities

On 29 April 2022, the Bank issued a nominal value of RM900.0 million Basel III-compliant Additional Tier 1 Green capital securities (“Green Capital Securities”), pursuant to its Multi-currency Additional Tier 1 capital securities programme. The Green Capital Securities carry a distribution rate of 4.45% per annum and are perpetual and non-callable for 5 years with an Issuer's call option to redeem at the end of year 5. Proceeds from the issuance of the Green Capital Securities shall be utilised for purposes that meet the criteria as set out in the HLB Green Bond Framework, which was established by HLB on 20 February 2022 and revised in April 2022 (as may be amended, revised and/or substituted from time to time) in accordance with the ASEAN Green Bond Standards issued by the ASEAN Capital Markets Forum in November 2017 and revised in October 2018 and the Green Bond Principles issued by the International Capital Market Association in June 2021.

A7 Dividends paid

A final single tier dividend of 35.22 sen per share in respect of financial year ended 30 June 2021 amounting to RM721.2 million was paid on 18 November 2021.

An interim single tier dividend of 18.00 sen per share in respect of financial year ending 30 June 2022 amounting to RM368.7 million was paid on 25 March 2022.

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

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/06/2022</u>	<u>30/06/2021</u>	<u>30/06/2022</u>	<u>30/06/2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Money market instruments:				
Bank Negara Malaysia bills	49,806	-	49,806	-
Government treasury bills	2,083,409	392,473	1,786,542	392,473
Malaysian Government securities	321,783	622,393	321,783	622,393
Malaysian Government investment certificates	158,570	1,425,947	158,570	1,425,947
Cagamas bonds	65,587	218,267	65,587	-
Other Government securities	-	32,756	-	32,756
	<u>2,679,155</u>	<u>2,691,836</u>	<u>2,382,288</u>	<u>2,473,569</u>
Quoted securities:				
Shares in Malaysia	56,693	74,010	-	-
Shares outside Malaysia	-	41,318	-	41,318
Wholesale fund/unit trust	2,780,869	4,947,955	2,859,382	5,035,087
Portfolio Investment Accounts (Note)	9,097	-	-	-
Foreign currency bonds in Malaysia	11,938	-	11,938	-
Foreign currency bonds outside Malaysia	31,120	29,755	31,120	29,755
Convertible bonds outside Malaysia	1,108,752	-	1,190,942	-
Unquoted securities:				
Government sukuk	101,766	81,315	-	81,315
Corporate bonds and sukuk	84,472	6,308	84,472	6,308
Shares in Malaysia	355,620	348,869	355,620	348,869
Redeemable preference shares	25,000	25,000	25,000	25,000
Total financial assets at FVTPL	<u><u>7,244,482</u></u>	<u><u>8,246,366</u></u>	<u><u>6,940,762</u></u>	<u><u>8,041,221</u></u>

Note:

Included in financial assets at FVTPL are the underlying assets for the Portfolio Investment Accounts ("PIA"). PIA is the restricted investment account offered to investors based on the Shariah principle of Wakalah bi Al-Istithmar, an agency contract where the investor authorises Hong Leong Islamic Bank to manage the customers' investment on their behalf.

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

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/06/2022</u>	<u>30/06/2021</u>	<u>30/06/2022</u>	<u>30/06/2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
At fair value				
(a) Debt instruments	26,112,917	34,381,144	22,333,135	30,395,787
(b) Equity instruments	83,386	69,094	83,386	69,094
Total financial investments at FVOCI	<u>26,196,303</u>	<u>34,450,238</u>	<u>22,416,521</u>	<u>30,464,881</u>
(a) Debt instruments				
Money market instruments:				
Government treasury bills	-	917,859	-	917,859
Malaysian Government securities	3,670,109	4,199,850	3,670,109	4,199,850
Malaysian Government investment certificates	8,954,723	12,242,066	5,571,427	8,448,049
Negotiable instruments of deposit	1,796,800	800,392	1,796,800	1,100,378
Other Government securities	-	87,514	-	77,943
Cagamas bonds	821,260	1,511,844	795,929	1,408,914
Khazanah bonds	348,079	469,874	348,079	469,874
	<u>15,590,971</u>	<u>20,229,399</u>	<u>12,182,344</u>	<u>16,622,867</u>
Quoted securities:				
Government sukuk	831,321	903,959	831,321	903,959
Foreign currency bonds in Malaysia	1,216,476	2,248,808	1,216,476	2,248,808
Foreign currency bonds outside Malaysia	842,415	1,505,360	842,415	1,505,360
Unquoted securities:				
Government sukuk	417,257	495,244	417,257	495,244
Corporate bonds and sukuk	6,783,878	8,484,648	6,420,235	8,105,823
Foreign currency bonds in Malaysia	175,112	270,932	175,112	270,932
Foreign currency bonds outside Malaysia	255,487	242,794	247,975	242,794
	<u>26,112,917</u>	<u>34,381,144</u>	<u>22,333,135</u>	<u>30,395,787</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	
The Group 30 June 2022	RM'000	RM'000	RM'000	RM'000
At 1 July	2,266	-	4,287	6,553
New financial assets originated or purchased	244	-	-	244
Financial assets derecognised	(791)	-	-	(791)
Changes due to change in credit risk	(66)	-	-	(66)
Exchange differences	76	-	-	76
At 30 June	1,729	-	4,287	6,016

	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 Months	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
The Group 30 June 2021	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

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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	
The Bank 30 June 2022	RM'000	impaired	impaired	
		RM'000	RM'000	
At 1 July	2,266	-	4,287	6,553
New financial assets originated or purchased	237	-	-	237
Financial assets derecognised	(791)	-	-	(791)
Changes due to change in credit risk	(66)	-	-	(66)
Exchange differences	78	-	-	78
At 30 June	1,724	-	4,287	6,011

	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 Months	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
The Bank 30 June 2021	RM'000	impaired	impaired	
		RM'000	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

	The Group		The Bank	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
	RM'000	RM'000	RM'000	RM'000
(b) Equity instruments				
Unquoted securities:				
Shares in Malaysia	83,386	69,094	83,386	69,094

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A10 Financial investments at amortised cost

	<u>The Group</u>		<u>The Bank</u>	
	30/06/2022 RM'000	30/06/2021 RM'000	30/06/2022 RM'000	30/06/2021 RM'000
Money market instruments:				
Government treasury bills	57,612	-	57,612	-
Malaysian Government securities	4,787,205	3,804,892	4,787,205	3,804,892
Malaysian Government investment certificates	22,720,790	14,107,056	14,950,431	8,501,418
Cagamas bonds	416,700	-	265,439	-
Khazanah bonds	13,889	19,234	13,889	-
Other Government securities	419,246	505,500	357,270	445,280
	<u>28,415,442</u>	<u>18,436,682</u>	<u>20,431,846</u>	<u>12,751,590</u>
Quoted securities:				
Foreign currency bonds in Malaysia	-	816,599	-	816,599
Foreign currency bonds outside Malaysia	62,174	65,232	62,174	65,232
Unquoted securities:				
Government sukuk	2,583,133	2,580,570	1,617,188	1,615,646
Corporate bonds and sukuk	1,297,733	1,735,892	1,033,337	1,309,682
Less: Expected credit losses	(68)	(68)	-	(23)
Total financial investments at amortised cost	<u>32,358,414</u>	<u>23,634,907</u>	<u>23,144,545</u>	<u>16,558,726</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>	<u>Total ECL</u>
	<u>12 Months ECL</u>	<u>Lifetime ECL not credit impaired</u>	<u>Lifetime ECL credit impaired</u>	
The Group	RM'000	RM'000	RM'000	RM'000
30 June 2022				
At 1 July	68	-	-	68
New financial assets originated or purchased	67	-	-	67
Financial assets derecognised	(68)	-	-	(68)
Exchange differences	1	-	-	1
At 30 June	<u>68</u>	<u>-</u>	<u>-</u>	<u>68</u>
The Group	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total ECL</u>
30 June 2021	<u>12 Months ECL</u>	<u>Lifetime ECL not credit impaired</u>	<u>Lifetime ECL credit impaired</u>	
	RM'000	RM'000	RM'000	RM'000
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>

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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	
The Bank				
30 June 2022	RM'000	RM'000	RM'000	RM'000
At 1 July	23	-	-	23
Financial assets derecognised	(24)	-	-	(24)
Exchange differences	1	-	-	1
At 30 June	-	-	-	-

	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 Months	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
The Bank				
30 June 2021	RM'000	RM'000	RM'000	RM'000
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

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A11 Loans, advances and financing

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/06/2022</u>	<u>30/06/2021</u>	<u>30/06/2022</u>	<u>30/06/2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Overdrafts	3,546,936	3,371,190	2,418,512	2,408,522
Term loans/financing:				
- Housing and shop loans/financing	91,169,501	86,120,721	70,818,806	67,658,382
- Hire purchase receivables	18,035,880	17,107,240	13,757,762	13,339,011
- Ijarah receivables	247,445	160,651	-	-
- Other term loans/financing and syndicated term loans	31,953,779	28,034,032	21,668,500	19,052,856
Credit/charge card receivables	2,923,883	2,830,912	2,923,883	2,830,912
Bills receivable	1,539,682	1,112,257	1,226,517	830,128
Trust receipts	417,252	533,845	219,633	372,231
Claims on customers under acceptance credits	8,817,344	8,064,076	7,484,462	7,079,264
Revolving credit	9,455,248	8,347,977	7,423,951	6,706,335
Staff loans/financing	127,075	139,308	111,524	123,941
Gross loans, advances and financing	<u>168,234,025</u>	<u>155,822,209</u>	<u>128,053,550</u>	<u>120,401,582</u>
Fair value changes arising from fair value hedges and unamortised fair value changes arising from terminated fair value hedges	(9,962)	17,665	(6,919)	15,408
Allowance for impairment losses:				
- Expected credit losses	(1,736,442)	(1,769,167)	(1,301,095)	(1,331,296)
Total net loans, advances and financing	<u>166,487,621</u>	<u>154,070,707</u>	<u>126,745,536</u>	<u>119,085,694</u>

Included in loans, advances and financing are housing loans sold to Cagamas with recourse to the Group and the Bank amounting to RM1,572,077,000 (2021: RM1,019,858,000) and RM481,662,000 (2021: RM299,455,000) 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>30/06/2022</u>	<u>30/06/2021</u>	<u>30/06/2022</u>	<u>30/06/2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Domestic non-bank financial institutions	1,916,763	1,718,527	1,589,487	1,387,673
Domestic business enterprises:				
- small and medium enterprises ("SME")	30,114,790	26,019,272	22,093,010	19,961,037
- others	25,126,789	22,742,317	18,824,683	16,893,803
Government and statutory bodies	1,387	1,664	-	-
Individuals	107,602,406	101,784,773	82,391,900	78,894,079
Other domestic entities	103,122	625,649	9,529	536,853
Foreign entities	3,368,768	2,930,007	3,144,941	2,728,137
Gross loans, advances and financing	<u>168,234,025</u>	<u>155,822,209</u>	<u>128,053,550</u>	<u>120,401,582</u>

A11b By interest/profit rate sensitivity

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/06/2022</u>	<u>30/06/2021</u>	<u>30/06/2022</u>	<u>30/06/2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Fixed rate:				
- Housing and shop loans/financing	1,387,937	1,499,248	841,055	948,708
- Hire purchase receivables	17,965,989	16,982,798	13,709,506	13,246,281
- Other fixed rate loans/financing	9,513,099	8,639,186	7,878,168	6,886,245
Variable rate:				
- Base rate/base lending rate plus	116,345,805	107,668,954	89,645,540	83,743,532
- Cost plus	22,881,491	20,942,876	15,973,965	15,576,278
- Other variables rates	139,704	89,147	5,316	538
Gross loans, advances and financing	<u>168,234,025</u>	<u>155,822,209</u>	<u>128,053,550</u>	<u>120,401,582</u>

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A11 Loans, advances and financing (continued)

A11c By economic purpose

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/06/2022</u>	<u>30/06/2021</u>	<u>30/06/2022</u>	<u>30/06/2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Purchase of securities	976,120	950,759	723,762	664,300
Purchase of transport vehicles	17,653,587	16,768,936	13,359,480	12,985,995
Purchase of landed properties				
- residential	82,434,133	77,191,454	63,214,707	59,824,189
- non-residential	20,519,124	18,524,366	15,916,196	15,327,981
Purchase of fixed assets (excluding landed properties)	1,613,109	1,431,572	1,152,867	1,030,050
Personal use	3,706,863	3,441,092	2,487,061	2,145,270
Credit card	2,923,883	2,830,912	2,923,883	2,830,912
Construction	3,531,187	2,823,397	2,545,847	2,017,874
Working capital	33,770,002	30,258,594	25,022,038	22,719,389
Other purpose	1,106,017	1,601,127	707,709	855,622
Gross loans, advances and financing	<u>168,234,025</u>	<u>155,822,209</u>	<u>128,053,550</u>	<u>120,401,582</u>

A11d By geographical distribution

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/06/2022</u>	<u>30/06/2021</u>	<u>30/06/2022</u>	<u>30/06/2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Malaysia	156,478,949	146,587,325	120,407,820	114,214,096
Singapore	7,624,640	6,186,948	7,624,640	6,186,948
Hong Kong	21,090	538	21,090	538
Vietnam	1,652,819	1,186,775	-	-
Cambodia	2,456,527	1,860,623	-	-
Gross loans, advances and financing	<u>168,234,025</u>	<u>155,822,209</u>	<u>128,053,550</u>	<u>120,401,582</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>30/06/2022</u>	<u>30/06/2021</u>	<u>30/06/2022</u>	<u>30/06/2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Within one year	30,652,059	27,650,137	25,192,137	23,437,782
One year to less than three years	6,799,754	5,351,697	4,984,708	3,986,006
Three years to less than five years	11,278,670	12,361,350	8,521,519	8,974,388
Five years and more	119,503,542	110,459,025	89,355,186	84,003,406
Gross loans, advances and financing	<u>168,234,025</u>	<u>155,822,209</u>	<u>128,053,550</u>	<u>120,401,582</u>

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

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/06/2022</u>	<u>30/06/2021</u>	<u>30/06/2022</u>	<u>30/06/2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
At 1 July	717,407	889,754	582,517	663,767
Classified as impaired during the financial period/year	1,349,618	1,095,823	862,737	853,788
Reclassified as non-impaired during the financial period/year	(620,581)	(700,744)	(450,333)	(483,688)
Amount written back in respect of recoveries	(204,612)	(246,619)	(170,103)	(197,403)
Amount written off	(424,191)	(320,659)	(177,218)	(253,993)
Exchange difference	2,109	(148)	46	46
At 30 June	<u>819,750</u>	<u>717,407</u>	<u>647,646</u>	<u>582,517</u>
Gross impaired loans and financing as a % of gross loans, advances and financing	<u>0.5%</u>	<u>0.5%</u>	<u>0.5%</u>	<u>0.5%</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>30/06/2022</u>	<u>30/06/2021</u>	<u>30/06/2022</u>	<u>30/06/2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Purchase of securities	232	304	220	221
Purchase of transport vehicles	35,282	71,671	24,091	53,227
Purchase of landed properties				
- residential	314,945	266,907	237,431	198,710
- non-residential	151,278	124,748	132,400	111,008
Purchase of fixed assets (excluding landed properties)	485	600	485	600
Personal use	44,522	44,705	22,823	25,023
Credit card	21,419	21,096	21,419	21,096
Construction	9,271	7,976	7,292	5,633
Working capital	207,698	147,669	172,273	136,011
Other purpose	34,618	31,731	29,212	30,988
Gross impaired loans, advances and financing	<u>819,750</u>	<u>717,407</u>	<u>647,646</u>	<u>582,517</u>

A11h Impaired loans, advances and financing by geographical distribution

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/06/2022</u>	<u>30/06/2021</u>	<u>30/06/2022</u>	<u>30/06/2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Malaysia	805,638	706,692	646,805	576,651
Singapore	841	5,866	841	5,866
Vietnam	1,585	1,580	-	-
Cambodia	11,686	3,269	-	-
Gross impaired loans, advances and financing	<u>819,750</u>	<u>717,407</u>	<u>647,646</u>	<u>582,517</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:

	Stage 1	Stage 2	Stage 3		
	12 Months	Lifetime ECL	Lifetime ECL		Total ECL
	ECL	not credit	credit		
The Group	RM'000	impaired	impaired	RM'000	
30 June 2022					
At 1 July	1,074,984	459,674	234,509	1,769,167	
Changes in ECL due to transfer within stages	(57,015)	(237,985)	295,000	-	
Transfer to Stage 1	33,219	(33,172)	(47)	-	
Transfer to Stage 2	(87,703)	147,995	(60,292)	-	
Transfer to Stage 3	(2,531)	(352,808)	355,339	-	
New financial assets originated	39,269	230	299	39,798	
Financial assets derecognised	(16,026)	(26,665)	(15,760)	(58,451)	
Changes due to change in credit risk	(60,303)	235,583	250,653	425,933	
Changes in models/risk parameters	(4,986)	(7,335)	(384)	(12,705)	
Amount written off	-	-	(425,838)	(425,838)	
Exchange difference	996	374	903	2,273	
Other movements	-	-	(3,735)	(3,735)	
At 30 June	<u>976,919</u>	<u>423,876</u>	<u>335,647</u>	<u>1,736,442</u>	

	Stage 1	Stage 2	Stage 3		
	12 Months	Lifetime ECL	Lifetime ECL		Total ECL
	ECL	not credit	credit		
The Group	RM'000	impaired	impaired	RM'000	
30 June 2021					
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>	

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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)

	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 Months ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
	RM'000	RM'000	RM'000	
The Bank				
30 June 2022				
At 1 July	818,437	326,761	186,098	1,331,296
Changes in ECL due to transfer within stages	(39,809)	(80,113)	119,922	-
Transfer to Stage 1	24,038	(24,007)	(31)	-
Transfer to Stage 2	(62,553)	103,838	(41,285)	-
Transfer to Stage 3	(1,294)	(159,944)	161,238	-
New financial assets originated	24,649	198	3	24,850
Financial assets derecognised	(6,553)	(16,235)	(9,573)	(32,361)
Changes due to change in credit risk	(47,827)	71,620	145,195	168,988
Changes in models/risk parameters	(3,638)	(6,080)	(349)	(10,067)
Amount written off	-	-	(178,336)	(178,336)
Exchange difference	476	52	12	540
Other movements	-	-	(3,815)	(3,815)
At 30 June	745,735	296,203	259,157	1,301,095

	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 Months ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
	RM'000	RM'000	RM'000	
The Bank				
30 June 2021				
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	818,437	326,761	186,098	1,331,296

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A12 Other assets

	<u>The Group</u>		<u>The Bank</u>	
	30/06/2022 RM'000	30/06/2021 RM'000	30/06/2022 RM'000	30/06/2021 RM'000
Foreclosed properties	46	5,508	46	5,782
Sundry debtors and other prepayments	163,872	448,985	155,655	396,172
Settlement accounts	708,194	407,540	707,138	406,900
Treasury related receivables	578,958	785,626	106,758	734,046
Cash collateral pledged for derivative transactions	678,909	299,309	678,909	299,309
Other receivables	150,763	64,888	133,049	31,037
	<u>2,280,742</u>	<u>2,011,856</u>	<u>1,781,555</u>	<u>1,873,246</u>

A13 Deposits from customers

A13a By type of deposit

	<u>The Group</u>		<u>The Bank</u>	
	30/06/2022 RM'000	30/06/2021 RM'000	30/06/2022 RM'000	30/06/2021 RM'000
Amortised cost				
Fixed deposits	93,856,333	91,901,574	68,772,681	68,601,892
Negotiable instruments of deposits	8,626,532	7,276,126	6,299,840	5,428,430
Short-term placements	26,244,055	22,958,925	22,181,987	18,245,735
	<u>128,726,920</u>	<u>122,136,625</u>	<u>97,254,508</u>	<u>92,276,057</u>
Demand deposits	41,279,128	35,373,956	35,060,757	30,708,310
Saving deposits	24,771,649	23,857,612	20,420,243	19,738,092
Others	449,369	563,080	287,918	367,474
	<u>195,227,066</u>	<u>181,931,273</u>	<u>153,023,426</u>	<u>143,089,933</u>
At fair value through profit and loss				
Structured deposits linked to interest rate derivatives	2,425,376	1,469,078	2,325,345	1,369,038
Fair value changes arising from designation at fair value through profit or loss *	(359,983)	(110,580)	(341,467)	(101,936)
	<u>2,065,393</u>	<u>1,358,498</u>	<u>1,983,878</u>	<u>1,267,102</u>
	<u>197,292,459</u>	<u>183,289,771</u>	<u>155,007,304</u>	<u>144,357,035</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>30/06/2022</u>	<u>30/06/2021</u>	<u>30/06/2022</u>	<u>30/06/2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Government and statutory bodies	3,149,204	1,861,951	532,038	203,960
Business enterprises	92,431,255	85,068,834	71,326,600	62,535,944
Individuals	99,404,508	93,778,846	81,309,351	79,706,240
Others	2,307,492	2,580,140	1,839,315	1,910,891
	<u>197,292,459</u>	<u>183,289,771</u>	<u>155,007,304</u>	<u>144,357,035</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>30/06/2022</u>	<u>30/06/2021</u>	<u>30/06/2022</u>	<u>30/06/2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Due within:				
- six months	103,914,125	99,382,250	77,555,688	74,636,818
- six months to one year	20,170,955	20,881,750	16,272,452	16,110,724
- one year to five years	3,835,461	1,251,960	2,633,850	912,032
- more than five years	806,379	620,665	792,518	616,483
	<u>128,726,920</u>	<u>122,136,625</u>	<u>97,254,508</u>	<u>92,276,057</u>

A14 Investment accounts of customers

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/06/2022</u>	<u>30/06/2021</u>	<u>30/06/2022</u>	<u>30/06/2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Unrestricted investment accounts				
Mudarabah with maturity	2,659,311	1,145,154	-	-
Restricted investment accounts *				
Wakalah bi Al-Istithmar	9,097	-	-	-
	<u>2,668,408</u>	<u>1,145,154</u>	<u>-</u>	<u>-</u>

The underlying assets for the investment accounts are house financing, personal financing, other term financing, cash and cash equivalent and unit trusts.

* Restricted Investment Account-i (“RIA”) refers to a type of investment account where the Investment Account Holder (IAH), provides a specific investment mandate to the Bank such as purpose and/or period for investment. The RIA is based on shariah principle of Wakalah bi Al-Istithmar, an agency contract where the investor authorises the Bank as investment agent (Wakil) to manage the customers’ investment on their behalf. Profit generated from the investment will be distributed to the IAH during the Profit Distribution Period.

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A15 Deposits and placements of banks and other financial institutions

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/06/2022</u>	<u>30/06/2021</u>	<u>30/06/2022</u>	<u>30/06/2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Licensed banks	4,742,649	9,727,421	3,617,792	9,699,439
Licensed investment banks	-	250,012	-	250,012
Central banks (Note)	1,579,601	1,382,520	1,557,628	1,295,760
Other financial institutions	-	770,086	-	770,086
	<u>6,322,250</u>	<u>12,130,039</u>	<u>5,175,420</u>	<u>12,015,297</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 RM1,579,601,000 (2021: RM1,317,291,000) and RM1,557,628,000 (2021: RM1,295,760,000) respectively at concession rates.

A16 Other liabilities

	Note	<u>The Group</u>		<u>The Bank</u>	
		<u>30/06/2022</u>	<u>30/06/2021</u>	<u>30/06/2022</u>	<u>30/06/2021</u>
		<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Zakat		350	350	-	-
Post employment benefits obligation					
- defined contribution plan		278	265	278	265
Loan advance payment		3,829,956	3,795,992	3,120,374	3,086,926
Intercompany clearing and settlement		-	-	-	47,725
Amount due to subsidiary companies		-	-	432,107	432,107
Treasury and cheque clearing		128,773	162,604	96,711	156,380
Cash collateral pledged for derivative transactions		213,260	145,411	213,260	145,411
Sundry creditors and accruals		348,272	358,555	331,414	336,664
Provision for bonus and staff related expenses		179,683	179,851	166,171	171,870
Expected credit losses on financial					
guarantee contracts	(a)	3,657	4,563	3,352	3,148
Provision for reinstatement cost		21,911	22,416	27,160	27,717
Settlement accounts		824,436	507,848	824,144	507,686
Others		199,774	180,929	177,888	150,502
		<u>5,750,350</u>	<u>5,358,784</u>	<u>5,392,859</u>	<u>5,066,401</u>

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A16 Other liabilities (continued)

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

	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 Months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
	The Group 30 June 2022			
At 1 July	3,378	1,185	-	4,563
Changes in ECL due to transfer within stages	15	(199)	184	-
Transfer to Stage 1	70	(70)	-	-
Transfer to Stage 2	(55)	55	-	-
Transfer to Stage 3	-	(184)	184	-
New financial assets originated	170	-	-	170
Financial assets derecognised	(1,143)	(4)	-	(1,147)
Changes due to change in credit risk	647	(425)	(184)	38
Changes in models/risk parameters	(92)	(38)	-	(130)
Exchange difference	141	22	-	163
At 30 June	3,116	541	-	3,657

	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 Months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
	The Group 30 June 2021			
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	3,378	1,185	-	4,563

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A16 Other liabilities (continued)

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

The Bank 30 June 2022	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 Months	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
	RM'000	impaired	impaired	
	RM'000	RM'000	RM'000	RM'000
At 1 July	1,979	1,169	-	3,148
Changes in ECL due to transfer within stages	20	(204)	184	-
Transfer to Stage 1	69	(69)	-	-
Transfer to Stage 2	(49)	49	-	-
Transfer to Stage 3	-	(184)	184	-
New financial assets originated	122	-	-	122
Financial assets derecognised	(57)	(4)	-	(61)
Changes due to change in credit risk	712	(443)	(184)	85
Changes in models/risk parameters	(66)	(37)	-	(103)
Exchange difference	139	22	-	161
At 30 June	<u>2,849</u>	<u>503</u>	<u>-</u>	<u>3,352</u>

The Bank 30 June 2021	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 Months	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
	RM'000	impaired	impaired	
	RM'000	RM'000	RM'000	RM'000
At 1 July	1,731	5,213	-	6,944
Changes in ECL due to transfer within stages	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>

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A17 Tier 2 subordinated bonds

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/06/2022</u> <u>RM'000</u>	<u>30/06/2021</u> <u>RM'000</u>	<u>30/06/2022</u> <u>RM'000</u>	<u>30/06/2021</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	2,236	2,370	2,236	2,370
	<u>1,502,236</u>	<u>1,502,370</u>	<u>1,502,236</u>	<u>1,502,370</u>
Less: Unamortised discounts	(30)	(30)	(30)	(30)
	<u><u>1,502,206</u></u>	<u><u>1,502,340</u></u>	<u><u>1,502,206</u></u>	<u><u>1,502,340</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.

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A18 Multi-currency Additional Tier 1 capital securities

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/06/2022</u>	<u>30/06/2021</u>	<u>30/06/2022</u>	<u>30/06/2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
RM1,700 million Multi-currency Additional Tier-1 and Additional Tier-1 Green capital securities at par	1,700,000	800,000	1,700,000	800,000
Add: Interest payable	13,574	6,605	13,574	6,605
	<u>1,713,574</u>	<u>806,605</u>	<u>1,713,574</u>	<u>806,605</u>
Less: Unamortised discounts	(1,161)	(215)	(1,161)	(215)
Add: Fair value changes arising from fair value hedge	3,282	-	3,282	-
	<u><u>1,715,695</u></u>	<u><u>806,390</u></u>	<u><u>1,715,695</u></u>	<u><u>806,390</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, HLFG. 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 HLFG. 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.

On 29 April 2022, the Bank issued a nominal value of RM900.0 million Basel III-compliant Additional Tier 1 Green capital securities (“Green Capital Securities”), pursuant to its Multi-currency Additional Tier 1 capital securities programme. The Green Capital Securities carry a distribution rate of 4.45% per annum and are perpetual and non-callable for 5 years with an Issuer's call option to redeem at the end of year 5. Proceeds from the issuance of the Green Capital Securities shall be utilised for purposes that meet the criteria as set out in the HLB Green Bond Framework, which was established by HLB on 20 February 2022 and revised in April 2022 (as may be amended, revised and/or substituted from time to time) in accordance with the ASEAN Green Bond Standards issued by the ASEAN Capital Markets Forum in November 2017 and revised in October 2018 and the Green Bond Principles issued by the International Capital Market Association in June 2021.

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A19(a) Interest income

	4th Quarter Ended		Cumulative Twelve Months Ended	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
	RM'000	RM'000	RM'000	RM'000
Group				
Loan, advances and financing (Note)	1,070,582	1,004,137	4,127,244	4,087,788
Money at call and deposit placements with financial institutions	30,249	13,988	88,013	72,182
Securities purchased under resale agreements	251	-	758	29
Financial investments at FVOCI	145,896	194,800	669,165	728,770
Financial investments at amortised cost	174,824	122,424	619,506	505,951
Others	476	98	1,010	226
	<u>1,422,278</u>	<u>1,335,447</u>	<u>5,505,696</u>	<u>5,394,946</u>
Interest income earned on impaired loans, advances and financing during the financial year	<u>4,769</u>	<u>9,127</u>	<u>26,008</u>	<u>27,537</u>
	4th Quarter Ended		Cumulative Twelve Months Ended	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
	RM'000	RM'000	RM'000	RM'000
Bank				
Loan, advances and financing (Note)	1,005,986	957,982	3,898,648	3,915,535
Money at call and deposit placements with financial institutions	38,394	18,451	111,716	92,838
Securities purchased under resale agreements	251	-	758	29
Financial investments at FVOCI	145,808	196,650	672,355	729,495
Financial investments at amortised cost	174,639	122,262	618,725	505,288
Others	463	90	991	327
	<u>1,365,541</u>	<u>1,295,435</u>	<u>5,303,193</u>	<u>5,243,512</u>
Interest income earned on impaired loans, advances and financing during the financial year	<u>4,769</u>	<u>9,127</u>	<u>25,950</u>	<u>27,512</u>

Note:

Included the net loss effects of RM27,472,000 (2021: RM7,177,000) 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	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
	RM'000	RM'000	RM'000	RM'000
Group				
Financial assets at FVTPL	56,753	44,011	217,168	161,783

	4th Quarter Ended		Cumulative Twelve Months Ended	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
	RM'000	RM'000	RM'000	RM'000
Bank				
Financial assets at FVTPL	56,753	44,011	217,168	161,783

A20 Interest expense

	4th Quarter Ended		Cumulative Twelve Months Ended	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
	RM'000	RM'000	RM'000	RM'000
Group				
Deposits and placements of banks and other financial institutions	28,281	14,722	79,316	71,907
Deposits from customers	415,521	379,386	1,572,067	1,719,346
Short-term placements	66,881	36,019	178,631	181,406
Tier 2 subordinated bonds	16,604	16,604	66,600	66,600
Multi-currency Additional Tier-1 capital securities	16,764	9,815	46,315	39,366
Recourse obligation on loans sold to Cagamas	3,985	2,603	15,450	10,441
Others	2,439	2,391	9,154	9,961
	<u>550,475</u>	<u>461,540</u>	<u>1,967,533</u>	<u>2,099,027</u>

	4th Quarter Ended		Cumulative Twelve Months Ended	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
	RM'000	RM'000	RM'000	RM'000
Bank				
Deposits and placements of banks and other financial institutions	33,053	17,822	93,136	85,612
Deposits from customers	387,936	359,539	1,478,074	1,644,429
Short-term placements	66,881	36,019	178,631	181,406
Tier 2 subordinated bonds	16,604	16,604	66,600	66,600
Multi-currency Additional Tier-1 capital securities	16,806	9,856	46,481	39,531
Recourse obligation on loans sold to Cagamas	3,985	2,603	15,450	10,441
Others	3,722	3,926	14,785	16,540
	<u>528,987</u>	<u>446,369</u>	<u>1,893,157</u>	<u>2,044,559</u>

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A21 Net income from Islamic Banking business

	4th Quarter Ended		Cumulative Twelve Months Ended	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
Income derived from investment of depositors' funds and others (Note)	366,402	354,220	1,409,048	1,410,567
Income derived from investment of shareholders' funds (Note)	42,539	42,498	168,618	183,704
Income derived from investment of investment account	26,560	11,468	68,451	32,195
Income attributable to depositors	(181,940)	(169,355)	(702,907)	(689,707)
Income attributable to depositors on investment account	(14,258)	(6,844)	(38,425)	(17,357)
	<u>239,303</u>	<u>231,987</u>	<u>904,785</u>	<u>919,402</u>
Financing income earned on impaired financing and advances during the financial year	<u>(26)</u>	<u>523</u>	<u>3,417</u>	<u>5,247</u>

Note:

Included the net loss effects of RM17,944,000 (2021: RM9,430,000) 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

Group	4th Quarter Ended		Cumulative Twelve Months Ended	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
	RM'000	RM'000	RM'000	RM'000
(a) <u>Fee income:</u>				
Commissions	49,318	47,261	201,496	195,014
Service charges and fees	8,792	9,802	37,999	41,299
Guarantee fees	3,516	3,726	15,913	16,321
Credit card related fees	50,317	40,998	193,684	173,899
Corporate advisory fees	-	-	-	1,035
Commitment fees	9,408	9,119	36,696	36,946
Fee on loans, advances and financing	10,971	11,131	49,760	45,099
Other fee income	22,175	11,575	74,115	60,865
	<u>154,497</u>	<u>133,612</u>	<u>609,663</u>	<u>570,478</u>
(b) <u>(Loss)/gain arising from sale of financial assets:</u>				
Net (loss)/gain from sale of financial assets at FVTPL	(31,667)	9,267	(58,657)	46,630
Net gain/(loss) from sale of derivative financial instruments	27,788	(44,338)	20,792	(154,103)
Net (loss)/gain from sale of financial investments at FVOCI	(13,835)	3,372	87,887	225,559
Net gain from sale of financial investments at amortised cost	-	-	-	29,385
	<u>(17,714)</u>	<u>(31,699)</u>	<u>50,022</u>	<u>147,471</u>
(c) <u>Gross dividend income from:</u>				
Financial assets at FVTPL	17,062	30,787	101,001	121,127
Financial investments at FVOCI	406	290	406	665
	<u>17,468</u>	<u>31,077</u>	<u>101,407</u>	<u>121,792</u>

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A22 Other operating income (continued)

	4th Quarter Ended		Cumulative Twelve Months Ended	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
(d) <u>Net unrealised gain on revaluation of:</u>				
- Financial assets at FVTPL	239,331	22,485	208,290	2,754
- Derivatives financial instruments	(69,529)	42,730	100,366	246,060
	<u>169,802</u>	<u>65,215</u>	<u>308,656</u>	<u>248,814</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>(1,950)</u>	<u>(1,662)</u>	<u>(7,489)</u>	<u>(7,215)</u>
(f) <u>Net unrealised loss on fair value changes arising from fair value hedges</u>	<u>(2,718)</u>	<u>(63)</u>	<u>(2,141)</u>	<u>(967)</u>
(g) <u>Other income:</u>				
Foreign exchange gain/(loss)	3,260	(17,217)	(143,943)	(9,763)
Rental income	6,121	3,140	16,162	13,441
Gain on disposal of property and equipment	1,382	71	1,555	5,222
Other non-operating income	388	(88)	3,400	496
	<u>11,151</u>	<u>(14,094)</u>	<u>(122,826)</u>	<u>9,396</u>
Total other operating income	<u>330,536</u>	<u>182,386</u>	<u>937,292</u>	<u>1,089,769</u>

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A22 Other operating income (continued)

	4th Quarter Ended		Cumulative Twelve Months Ended	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>Bank</u>				
(a) <u>Fee income:</u>				
Commissions	48,671	46,662	198,888	193,196
Service charges and fees	8,615	9,487	37,151	40,452
Guarantee fees	3,372	3,689	15,723	16,207
Credit card related fees	50,317	40,998	193,684	173,899
Corporate advisory fees	-	-	-	1,035
Commitment fees	9,049	8,774	35,236	35,647
Fee on loans, advances and financing	8,173	8,840	37,589	37,912
Other fee income	22,091	11,588	73,823	60,561
	<u>150,288</u>	<u>130,038</u>	<u>592,094</u>	<u>558,909</u>
(b) <u>(Loss)/gain arising from sale of financial assets:</u>				
Net (loss)/gain from sale of financial assets at FVTPL	(32,231)	7,587	(59,239)	44,950
Net gain/(loss) from sale of derivative financial instruments	27,027	(45,054)	19,328	(154,819)
Net (loss)/gain from sale of financial investments at FVOCI	(13,835)	3,372	87,887	225,559
Net gain from sale of financial investments at amortised cost	-	-	-	29,385
	<u>(19,039)</u>	<u>(34,095)</u>	<u>47,976</u>	<u>145,075</u>
(c) <u>Gross dividend income from:</u>				
Subsidiary companies	36,800	3,500	36,800	3,500
Associated companies	334,115	239,494	334,115	239,494
Financial assets at FVTPL	18,013	31,077	102,768	121,417
Financial investments at FVOCI	406	290	406	665
	<u>389,334</u>	<u>274,361</u>	<u>474,089</u>	<u>365,076</u>

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A22 Other operating income (continued)

	4th Quarter Ended		Cumulative Twelve Months Ended	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
(d) <u>Net unrealised gain on revaluation of:</u>				
- Financial assets at FVTPL	239,125	24,068	207,569	4,337
- Derivatives financial instruments	(69,551)	42,301	99,238	243,615
	<u>169,574</u>	<u>66,369</u>	<u>306,807</u>	<u>247,952</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>(1,950)</u>	<u>(1,662)</u>	<u>(7,489)</u>	<u>(7,215)</u>
(f) <u>Net unrealised loss on fair value changes arising from fair value hedges</u>	<u>(2,718)</u>	<u>(63)</u>	<u>(2,141)</u>	<u>(967)</u>
(g) <u>Other income:</u>				
Foreign exchange gain/(loss)	2,642	(18,120)	(146,510)	(12,144)
Rental income	3,877	1,519	9,063	7,367
Gain on disposal of property and equipment	1,285	71	1,458	5,222
Other non-operating income	296	149	3,099	747
	<u>8,100</u>	<u>(16,381)</u>	<u>(132,890)</u>	<u>1,192</u>
Total other operating income	<u>693,589</u>	<u>418,567</u>	<u>1,278,446</u>	<u>1,310,022</u>

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A23 Other operating expenses

<u>Group</u>	4th Quarter Ended		Cumulative Twelve Months Ended	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
	RM'000	RM'000	RM'000	RM'000
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	273,473	267,630	1,076,567	1,070,445
- Medical expenses	6,472	7,990	29,978	32,089
- Training and convention expenses	7,287	6,630	14,658	12,703
- Staff welfare	2,876	2,666	12,096	10,973
- Others	6,422	6,775	20,465	65,367
	<u>296,530</u>	<u>291,691</u>	<u>1,153,764</u>	<u>1,191,577</u>
<u>Establishment costs</u>				
- Depreciation of property and equipment	29,598	31,431	121,499	126,609
- Depreciation of right-of-use assets	12,627	12,985	50,119	52,702
- Amortisation of intangible assets	14,034	13,503	53,962	56,948
- Rental of premises	550	528	2,090	2,668
- Information technology expenses	55,454	52,070	210,468	186,480
- Security services	3,165	6,286	19,354	22,845
- Electricity, water and sewerage	5,141	6,175	20,797	21,676
- Hire of plant and machinery	3,143	3,524	12,575	13,888
- Others	7,262	5,711	29,711	25,342
	<u>130,974</u>	<u>132,213</u>	<u>520,575</u>	<u>509,158</u>
<u>Marketing expenses</u>				
- Advertisement and publicity	11,237	9,201	29,175	26,649
- Sales commission and credit card related fees	37,312	29,007	127,692	110,233
- Others	5,602	4,362	14,604	13,120
	<u>54,151</u>	<u>42,570</u>	<u>171,471</u>	<u>150,002</u>
<u>Administration and general expenses</u>				
- Teletransmission expenses	5,460	5,863	21,541	22,302
- Stationery and printing expenses	3,047	2,792	11,001	12,464
- Professional fees	30,133	26,170	93,378	83,393
- Insurance fees	9,603	6,260	33,438	25,535
- Stamp, postage and courier	4,434	4,163	14,227	14,711
- Travelling and transport expenses	912	682	2,711	2,909
- Registration and license fees	2,192	2,472	8,805	8,990
- Brokerage and commission	2,080	2,581	10,981	9,528
- Credit card fees	17,264	12,559	48,527	37,011
- Others	3,276	2,434	7,957	10,228
	<u>78,401</u>	<u>65,976</u>	<u>252,566</u>	<u>227,071</u>
	<u>560,056</u>	<u>532,450</u>	<u>2,098,376</u>	<u>2,077,808</u>

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A23 Other operating expenses (continued)

	4th Quarter Ended		Cumulative Twelve Months Ended	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	216,786	213,303	849,983	856,228
- Medical expenses	5,216	6,442	24,249	26,175
- Training and convention expenses	6,508	5,820	12,880	11,106
- Staff welfare	2,318	2,259	9,920	9,185
- Others	5,488	5,699	17,220	60,838
	<u>236,316</u>	<u>233,523</u>	<u>914,252</u>	<u>963,532</u>
<u>Establishment costs</u>				
- Depreciation of property and equipment	25,004	26,778	103,137	107,867
- Depreciation of right-of-use assets	18,355	18,542	73,875	75,023
- Amortisation of intangible assets	12,144	11,942	48,107	51,190
- Rental of premises	587	574	2,317	2,827
- Information technology expenses	46,323	47,465	181,991	169,436
- Security services	1,963	4,782	14,482	17,356
- Electricity, water and sewerage	3,683	4,737	15,845	17,082
- Hire of plant and machinery	402	1,424	1,342	5,345
- Others	1,760	859	4,103	4,479
	<u>110,221</u>	<u>117,103</u>	<u>445,199</u>	<u>450,605</u>
<u>Marketing expenses</u>				
- Advertisement and publicity	10,232	8,399	26,713	24,939
- Sales commission and credit card related fees	32,377	25,909	111,541	99,039
- Others	3,449	3,150	9,936	9,539
	<u>46,058</u>	<u>37,458</u>	<u>148,190</u>	<u>133,517</u>
<u>Administration and general expenses</u>				
- Teletransmission expenses	5,317	5,712	21,019	21,804
- Stationery and printing expenses	2,892	2,665	10,470	11,866
- Professional fees	29,336	25,150	89,707	80,919
- Insurance fees	8,119	5,208	28,443	22,239
- Stamp, postage and courier	4,343	4,128	13,924	14,478
- Travelling and transport expenses	755	565	2,179	2,225
- Registration and license fees	1,890	2,188	7,638	7,841
- Brokerage and commission	1,393	1,478	6,791	5,156
- Credit card fees	17,264	12,559	48,527	37,011
- Others	6,410	6,292	20,390	19,874
	<u>77,719</u>	<u>65,945</u>	<u>249,088</u>	<u>223,413</u>
	<u>470,314</u>	<u>454,029</u>	<u>1,756,729</u>	<u>1,771,067</u>

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

	4th Quarter Ended		Cumulative Twelve Months Ended	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>Group</u>				
Allowance for impairment on loans, advances and financing:				
- expected credit losses	97,879	232,825	393,506	830,999
Impaired loans, advances and financing:				
- written off	5,817	3,794	20,038	16,201
- recovered from bad debt written off	(73,494)	(42,358)	(249,970)	(193,381)
	<u>30,202</u>	<u>194,261</u>	<u>163,574</u>	<u>653,819</u>

	4th Quarter Ended		Cumulative Twelve Months Ended	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>Bank</u>				
Allowance for impairment on loans, advances and financing:				
- expected credit losses	76,069	148,390	151,453	644,019
Impaired loans, advances and financing:				
- written off	2,516	2,876	13,893	12,620
- recovered from bad debt written off	(59,765)	(35,260)	(212,302)	(164,566)
	<u>18,820</u>	<u>116,006</u>	<u>(46,956)</u>	<u>492,073</u>

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A25 (Written back of)/allowance for impairment losses on financial investments and other assets

	4th Quarter Ended		Cumulative Twelve Months Ended	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>Group</u>				
Expected credit losses and impairment losses on:				
- Financial investments at FVOCI	(198)	381	(613)	230
- Financial investments at amortised cost	11	(28)	(1)	(128)
- Other receivables	-	(11)	-	(11)
- Cash and short-term funds	135	144	85	90
- Deposits and placements with banks and other financial institutions	(342)	(256)	(322)	79
	<u>(394)</u>	<u>230</u>	<u>(851)</u>	<u>260</u>

	4th Quarter Ended		Cumulative Twelve Months Ended	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>Bank</u>				
Expected credit losses and impairment losses on:				
- Financial investments at FVOCI	(200)	381	(620)	243
- Financial investments at amortised cost	(1)	(69)	(24)	(173)
- Other receivables	-	(11)	-	(11)
- Cash and short-term funds	(44)	(198)	435	(464)
- Deposits and placements with banks and other financial institutions	(1,024)	1,732	(182)	2,110
- Other non-financial assets	-	1,760	-	1,760
	<u>(1,269)</u>	<u>3,595</u>	<u>(391)</u>	<u>3,465</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 2.5% of total risk-weighted assets ("RWA"). The CCyB, which could range from 0% up to 2.5%, 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 7.0%, 8.5% and 10.5% respectively.

On 5 July 2021 BNM issued a letter on enhancements to the existing financing facilities under the BNM's Fund for SMEs and increased the allocation of the PEMERKASA+ and PEMULIH facilities. These enhancements were announced in order to provide further relief and support recovery of affected SMEs. BNM has earlier 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. The Bank has provided assistance to borrowers that required assistance during the pandemic period.

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 2.5%; (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 for banks as it was deemed not required due to HLB's assessment of its financial and portfolio profile.

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

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

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

	The Group		The Bank	
	Financial Year Ended 30/06/2022	Financial Year Ended 30/06/2021	Financial Year Ended 30/06/2022	Financial Year Ended 30/06/2021
Before deducting proposed dividends				
CET I capital ratio	13.935%	14.030%	13.912%	13.911%
Tier I capital ratio	15.050%	14.561%	14.999%	14.245%
Total capital ratio	<u>17.176%</u>	<u>16.703%</u>	<u>17.051%</u>	<u>16.301%</u>
After deducting proposed dividends				
CET I capital ratio	13.428%	13.552%	13.266%	13.307%
Tier I capital ratio	14.543%	14.083%	14.353%	13.642%
Total capital ratio	<u>16.669%</u>	<u>16.224%</u>	<u>16.404%</u>	<u>15.697%</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:

	The Group		The Bank	
	Financial Year Ended 30/06/2022 RM'000	Financial Year Ended 30/06/2021 RM'000	Financial Year Ended 30/06/2022 RM'000	Financial Year Ended 30/06/2021 RM'000
CET I capital				
Share capital	7,739,063	7,739,063	7,739,063	7,739,063
Retained profits	22,727,982	20,751,376	15,120,482	14,139,555
Other reserves	592,754	1,217,660	(283,282)	366,088
Less: Treasury shares	(713,690)	(719,030)	(713,690)	(719,030)
Less: Deferred tax assets	(528,771)	(275,670)	(403,666)	(183,513)
Less: Other intangible assets	(304,749)	(242,317)	(269,645)	(218,277)
Less: Goodwill	(1,831,312)	(1,831,312)	(1,771,547)	(1,771,547)
Less: Investment in subsidiary companies/ associated companies	(6,455,474)	(5,501,542)	(2,794,291)	(2,725,221)
Total CET I capital	21,225,803	21,138,228	16,623,424	16,627,118
Additional Tier I capital				
Multi-currency Additional Tier 1 capital securities	1,698,839	799,785	1,698,839	799,785
Additional Tier I capital before regulatory adjustments	1,698,839	799,785	1,698,839	799,785
Less: Investment in Additional Tier 1 perpetual subordinated sukuk wakalah	-	-	(400,000)	(400,000)
Additional Tier I capital after regulatory adjustments	1,698,839	799,785	1,298,839	399,785
Total Tier I capital	22,924,642	21,938,013	17,922,263	17,026,903
Tier II capital				
Stage 1 and Stage 2 expected credit loss allowances and regulatory reserves [#]	1,738,471	1,726,493	1,350,820	1,356,795
Subordinated bonds	1,499,970	1,499,970	1,499,970	1,499,970
Less: Investment in Tier 2 Subordinated Sukuk Murabahah	-	-	(400,000)	(400,000)
Total Tier II capital	3,238,441	3,226,463	2,450,790	2,456,765
Total capital	26,163,083	25,164,476	20,373,053	19,483,668

[#] Includes the qualifying regulatory reserves for non-impaired loans of the Group and the Bank of RM643,141,000 (2021: RM412,709,000) and RM536,432,000 (2021: RM387,677,000) respectively.

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A26 Capital adequacy (continued)

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

	The Group		The Bank	
	Financial Year Ended 30/06/2022 RM'000	Financial Year Ended 30/06/2021 RM'000	Financial Year Ended 30/06/2022 RM'000	Financial Year Ended 30/06/2021 RM'000
Credit risk *	139,077,644	138,119,456	108,065,582	108,543,591
Market risk	3,917,894	3,778,671	3,934,497	3,895,661
Operational risk	9,327,630	8,761,958	7,485,705	7,087,877
Total RWA	152,323,168	150,660,085	119,485,784	119,527,129

* In accordance with BNM Investment Account Policy, the credit RWA of HLISB funded by Investment Account of RM1,899,820,000 (2021: RM847,370,000) 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:

	Hong Leong Islamic Bank Berhad	
	Financial Year Ended 30/06/2022	Financial Year Ended 30/06/2021
Before deducting proposed dividends		
CET I capital ratio	11.176%	11.133%
Tier I capital ratio	12.550%	12.535%
Total capital ratio	<u>15.101%</u>	<u>15.112%</u>
After deducting proposed dividends		
CET I capital ratio	11.176%	11.133%
Tier I capital ratio	12.550%	12.535%
Total capital ratio	<u>15.101%</u>	<u>15.112%</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 and Associates. The overseas operations are mainly in commercial banking and treasury business.

Other operations refers to head office and other business segments.

Financial quarter ended 30/06/2022

	Personal Financial Services RM'000	Business & Corporate Banking RM'000	Global Markets RM'000	Overseas/ International Operations RM'000	Other Operations RM'000	Inter- Segment Elimination RM'000	Total RM'000
<u>By business segment</u>							
External revenue	754,283	296,829	170,084	92,302	562,831	(377,934)	1,498,395
Inter-segment revenue	(13,353)	87,944	(145,015)	-	70,424	-	-
Segment revenue	<u>740,930</u>	<u>384,773</u>	<u>25,069</u>	<u>92,302</u>	<u>633,255</u>	<u>(377,934)</u>	<u>1,498,395</u>
Segment profit before taxation	380,785	269,414	(4,004)	22,246	622,182	(382,092)	908,531
Share of profit after tax of equity accounted associated companies				308,797			308,797
Profit before taxation							<u>1,217,328</u>
Taxation							(309,688)
Profit after taxation							<u><u>907,640</u></u>

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

Financial year ended 30/06/2022

	Personal Financial Services RM'000	Business & Corporate Banking RM'000	Global Markets RM'000	Overseas/ International Operations RM'000	Other Operations RM'000	Inter- Segment Elimination RM'000	Total RM'000
<u>By business segment</u>							
External revenue	2,918,509	1,107,574	1,240,295	358,549	371,236	(398,755)	5,597,408
Inter-segment revenue	(83,039)	381,506	(558,977)	-	260,510	-	-
Segment revenue	<u>2,835,470</u>	<u>1,489,080</u>	<u>681,318</u>	<u>358,549</u>	<u>631,746</u>	<u>(398,755)</u>	<u>5,597,408</u>
Segment profit before taxation	1,530,235	916,882	561,284	108,644	632,365	(413,101)	3,336,309
Share of profit after tax of equity accounted associated companies				1,030,491			1,030,491
Profit before taxation							<u>4,366,800</u>
Taxation							<u>(1,077,517)</u>
Profit after taxation							<u>3,289,283</u>
Segment assets	109,645,119	46,241,725	71,619,480	19,376,615	-	-	246,882,939
Unallocated assets							7,448,438
Total assets							<u>254,331,377</u>

Corresponding quarter ended 30/06/2021

	Personal Financial Services RM'000	Business & Corporate Banking RM'000	Global Markets RM'000	Overseas/ International Operations RM'000	Other Operations RM'000	Inter- Segment Elimination RM'000	Total RM'000
<u>By business segment</u>							
External revenue	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>689,484</u>

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

Corresponding financial year ended 30/06/2021

	Personal Financial Services RM'000	Business & Corporate Banking RM'000	Global Markets RM'000	Overseas/ International Operations RM'000	Other Operations RM'000	Inter- Segment Elimination RM'000	Total RM'000
<u>By business segment</u>							
External revenue	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><u>2,860,642</u></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><u>237,129,240</u></u>

A28 Property and equipment

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

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

There are no material events subsequent to the end of the financial year ended 30 June 2022.

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 2022 and up to the date of this report except for the following:

- (a) 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. HL Bank Nominees was dissolved on 2 November 2021.
- (b) On 19 January 2022, the Bank announced that the liquidator of EB Nominees (Asing) Sendirian Berhad ("EB Nominees (Asing)"), a wholly-owned subsidiary of HLB had convened the final meeting to conclude the member's voluntary winding-up of EB Nominees (Asing). The Returns by Liquidator Relating to Final Meeting of EB Nominees (Asing) were lodged with the Companies Commission of Malaysia and the Official Receiver on 19 January 2022. EB Nominees (Asing) was dissolved on 19 April 2022.

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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>	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
	RM'000	RM'000	RM'000	RM'000
Principal amount				
Direct credit substitutes	137,103	171,600	129,077	116,915
Certain transaction related contingent items	2,024,547	1,676,061	1,444,276	1,337,502
Short-term self liquidating trade related contingencies	853,412	671,759	803,334	615,796
Irrevocable commitments to extend credit:				
- maturity more than one year	17,538,803	20,459,242	12,942,713	14,682,053
- maturity less than one year	23,913,907	23,767,882	19,450,920	19,078,814
Foreign exchange related contracts:				
- less than one year	55,995,785	63,609,452	51,999,925	57,286,691
- one year to less than five years	5,944,644	5,104,301	5,987,312	5,063,539
- five years and above	396,495	361,486	396,495	361,486
Interest rate related contracts:				
- less than one year	34,692,744	117,988,593	34,692,744	118,114,783
- one year to less than five years	52,644,892	31,913,336	52,835,368	31,913,336
- five years and above	4,395,228	4,387,355	4,208,323	4,487,355
Equity related contracts:				
- less than one year	245,878	247,217	245,878	247,217
- one year to less than five years	102,699	121,419	102,699	121,419
- five years and above	270,542	255,112	270,542	255,112
Credit related contracts:				
- five years and above	938,327	652,187	938,327	652,187
Commodity related contracts:				
- less than one year	438,428	55,088	438,428	55,088
- one year to less than five years	493,416	39,881	493,416	39,881
Unutilised credit card lines	7,090,121	7,419,464	7,090,121	7,419,464
Total	208,116,971	278,901,435	194,469,898	261,848,638

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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	
	30/06/2022 RM'000	30/06/2021 RM'000	30/06/2022 RM'000	30/06/2021 RM'000
Aggregate value of outstanding credit exposures with connected parties	2,629,055	2,964,510	2,554,151	2,901,895
Outstanding credit exposures to connected parties as a proportion of total credit exposures (%)	1.40%	1.69%	1.77%	2.13%
Outstanding credit exposures with connected parties which is non-performing or in default as a proportion of total credit exposures (%)	0.0000%	0.0001%	0.0000%	0.0001%

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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:

	The Group			
	Financial Year Ended 30/06/2022			
	Fair Value			
	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
<i>Recurring fair value measurements</i>				
<u>Financial Assets</u>				
Financial assets at FVTPL				
- Money market instrument	-	2,679,155	-	2,679,155
- Quoted securities	3,998,469	-	-	3,998,469
- Unquoted securities	-	211,238	355,620	566,858
Financial investments at FVOCI				
- Money market instrument	-	15,590,971	-	15,590,971
- Quoted securities	2,890,212	-	-	2,890,212
- Unquoted securities	-	7,631,734	83,386	7,715,120
Derivative financial instruments	9,909	1,748,589	104,802	1,863,300
	<u>6,898,590</u>	<u>27,861,687</u>	<u>543,808</u>	<u>35,304,085</u>
<u>Financial Liabilities</u>				
Derivative financial instruments	104	1,633,224	103,510	1,736,838
Financial liabilities designated at fair value				
- Structured deposits linked to interest rate derivatives	-	2,065,393	-	2,065,393
	<u>104</u>	<u>3,698,617</u>	<u>103,510</u>	<u>3,802,231</u>

	The Group			
	Financial Year Ended 30/06/2021			
	Fair Value			
	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
<i>Recurring fair value measurements</i>				
<u>Financial Assets</u>				
Financial assets at FVTPL				
- Money market instrument	-	2,691,836	-	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>
<u>Financial Liabilities</u>				
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>

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 (2021: 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)

	The Bank			
	Financial Year Ended 30/06/2022			
	Fair Value			
	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
<i>Recurring fair value measurements</i>				
<u>Financial Assets</u>				
Financial assets at FVTPL				
- Money market instrument	-	2,382,288	-	2,382,288
- Quoted securities	4,093,382	-	-	4,093,382
- Unquoted securities	-	109,472	355,620	465,092
Financial investments at FVOCI				
- Money market instrument	-	12,182,344	-	12,182,344
- Quoted securities	2,890,212	-	-	2,890,212
- Unquoted securities	-	7,260,579	83,386	7,343,965
Derivative financial instruments	9,909	1,661,660	104,802	1,776,371
	<u>6,993,503</u>	<u>23,596,343</u>	<u>543,808</u>	<u>31,133,654</u>
<u>Financial Liabilities</u>				
Derivative financial instruments	104	1,608,131	103,510	1,711,745
Financial liabilities designated at fair value				
- Structured deposits linked to interest rate derivatives	-	1,983,878	-	1,983,878
	<u>104</u>	<u>3,592,009</u>	<u>103,510</u>	<u>3,695,623</u>
The Bank				
Financial Year Ended 30/06/2021				
Fair Value				
	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
<i>Recurring fair value measurements</i>				
<u>Financial Assets</u>				
Financial assets at FVTPL				
- Money market instrument	-	2,473,569	-	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>
<u>Financial Liabilities</u>				
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>

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 (2021: 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:

The Group	Financial Assets			Financial
30 June 2022	Financial assets	investments	Derivative	Liability
	at FVTPL	at FVOCI	financial	Derivative
	RM'000	RM'000	instruments	financial
			RM'000	instruments
				RM'000
At 1 July	348,869	69,094	76,913	76,913
Fair value changes recognised in statements of income	6,751	-	28,076	28,076
Net fair value changes recognised in other comprehensive income	-	14,292	-	-
Purchases	-	-	2,155	863
Settlements	-	-	(2,342)	(2,342)
At 30 June	<u>355,620</u>	<u>83,386</u>	<u>104,802</u>	<u>103,510</u>
Fair value changes recognised in statements of income relating to assets/liability held on 30 June 2022	<u>6,751</u>	<u>-</u>	<u>28,076</u>	<u>28,076</u>
Total gain recognised in other comprehensive income relating to assets held on 30 June 2022	<u>-</u>	<u>14,292</u>	<u>-</u>	<u>-</u>
The Group	Financial Assets			Financial
30 June 2021	Financial assets	investments	Derivative	Liability
	at FVTPL	at FVOCI	financial	Derivative
	RM'000	RM'000	instruments	financial
			RM'000	instruments
				RM'000
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>

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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)

The Bank	Financial Assets			Financial
30 June 2022	Financial assets	investments	Derivative	Liability
	at FVTPL	at FVOCI	financial	Derivative
	RM'000	RM'000	instruments	financial
			RM'000	instruments
				RM'000
At 1 July	348,869	69,094	76,913	76,913
Fair value changes recognised in statements of income	6,751	-	28,076	28,076
Net fair value changes recognised in other comprehensive income	-	14,292	-	-
Purchases	-	-	2,155	863
Settlements	-	-	(2,342)	(2,342)
At 30 June	<u>355,620</u>	<u>83,386</u>	<u>104,802</u>	<u>103,510</u>
Fair value changes recognised in statements of income relating to assets/liability held on 30 June 2022	<u>6,751</u>	<u>-</u>	<u>28,076</u>	<u>28,076</u>
Total gain recognised in other comprehensive income relating to assets held on 30 June 2022	<u>-</u>	<u>14,292</u>	<u>-</u>	<u>-</u>

The Bank	Financial Assets			Financial
30 June 2021	Financial assets	investments	Derivative	Liability
	at FVTPL	at FVOCI	financial	Derivative
	RM'000	RM'000	instruments	financial
			RM'000	instruments
				RM'000
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>

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 RM1,217.3 million for the current financial quarter ended 30 June 2022, an increase of RM392.7 million or 47.6% as compared to previous corresponding quarter. The increase in pre-tax profit was mainly due to higher net income of RM166.1 million, lower allowance for impairment losses on loans, advances and financing of RM164.1 million, written back of impairment losses on financial investments and other assets of RM0.6 million and higher share of profit from associated company of RM89.5 million. However, this was mitigated by higher operating expenses of RM27.6 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 RM380.8 million for the fourth quarter ended 30 June 2022 as compared to previous corresponding quarter of RM297.9 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

The Business and Corporate Banking's segment recorded a pre-tax profit of RM269.4 million for the fourth quarter ended 30 June 2022 as compared to previous corresponding quarter of RM247.3 million. The increase in pre-tax profit was mainly contributed by higher total income and lower allowance for impairment losses on loans, advances and financing, partially offset by higher operating expenses.

Global Markets

The Global Markets's segment recorded loss of RM4.0 million for the fourth quarter ended 30 June 2022 as compared to previous corresponding quarter of RM170.1 million. This was mainly contributed by lower total income, partially offset by lower operating expenses and lower impairment losses on financial investments and other assets.

International Banking

The International Banking's segment recorded a pre-tax profit of RM331.0 million for the fourth quarter ended 30 June 2022 as compared to previous corresponding quarter of RM232.0 million. The increase in pre-tax profit was mainly contributed by higher share of profit from associated company in China and higher total income, partially offset by higher operating expenses and higher allowance for impairment losses on loans, advances and financing.

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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 2022 stood at RM4,366.8 million, an increase of RM895.8 million or 25.8% as compared to RM3,470.9 million in the previous financial year. The increase was mainly due to higher net income of RM130.5 million, lower allowance for impairment losses on loans, advances and financing of RM490.2 million, written back of impairment losses on financial investments and other assets of RM1.1 million and higher share of profit from associated companies of RM294.5 million. This was mitigated by higher operating expenses of RM20.5 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 RM1,530.2 million for the financial year ended 30 June 2022 as compared to previous corresponding year of RM1,077.7 million. The increase in pre-tax profit was mainly contributed by written back of impairment losses on loans, advances and financing coupled with higher total income, partially offset by higher operating expenses.

Personal Financial Services's loan base increased from RM104.2 billion as at 30 June 2021 to RM109.5 billion as at 30 June 2022. Deposit base increased from RM98.3 billion to RM103.4 billion.

Business and Corporate Banking

The Business and Corporate Banking's segment recorded a pre-tax profit of RM916.9 million for the financial year ended 30 June 2022 as compared to previous corresponding year of RM955.8 million. The decrease in pre-tax profit was mainly contributed by higher allowance for impairment losses on loans, advances and financing and higher operating expenses, partially offset by higher total income.

Business and Corporate Banking's loan base increased from RM41.7 billion as at 30 June 2021 to RM46.2 billion as at 30 June 2022. Deposit base increased from RM40.9 billion to RM43.1 billion.

Global Markets

The Global Markets's segment recorded a pre-tax profit of RM561.3 million for the financial year ended 30 June 2022 as compared to previous corresponding year of RM893.3 million. The decrease in pre-tax profit was mainly contributed by lower total income and higher operating expenses, partially offset by written back of impairment losses on financial investments and other assets.

Treasury earning assets increased from RM63.7 billion as at 30 June 2021 to RM68.0 billion as at 30 June 2022.

International Banking

The International Banking's segment recorded a pre-tax profit of RM1,139.1 million for the financial year ended 30 June 2022 as compared to previous corresponding year of RM809.5 million. The increase in pre-tax profit was mainly contributed by higher share of profit from associated companies in China and higher total income, partially offset by higher operating expenses and higher allowance for impairment losses on loans, advances and financing.

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B2 Current Quarter vs. Preceding Quarter

For the current financial quarter, the Group recorded a pre-tax profit of RM1,217.3 million as compared to RM1,030.8 million in the preceding quarter, an increase of RM186.5 million mainly contributed by higher net income of RM150.5 million, lower allowance for impairment losses on loans, advances and financing of RM21.1 million, written back of impairment losses on financial investments and other assets of RM0.5 million and higher share of profit from associated companies of RM56.3 million. This was mitigated by higher operating expenses of RM41.9 million.

B3 Prospects for the new financial year 2022/2023

The Malaysian economy is expected to strengthen further, expanding by 5.3-6.3% in 2022. Strengthening domestic demand as the nation enters endemicity, international border reopening, improving labour market, and ongoing policy support will be the key growth drivers. That said, downside risks stemming from further escalation of geopolitical conflicts, lingering supply disruptions, heightened financial market volatility and intensified cost pressures could weigh on overall growth prospects going forward.

Being digital at the core, we remain dedicated to become a highly digital and innovative ASEAN financial services institution. Our focus is to continuously innovate and emphasise on building products and services propositions that ring true to our brand promise of "Built Around You", where clients are at the centre of everything we do. In our role as a customer-centric bank, we are resolute in providing steadfast support to both our existing and new clients on their recovery efforts in the endemic phase of the COVID-19 pandemic as well as navigate through the current uncertain economic cycle.

The dynamic business environment will no doubt provide us with new growth opportunities, which we will strive to capture by being adaptive and responding swiftly to the changing landscape. On top of establishing carbon reduction targets with the goal of becoming carbon neutral, the Bank is also committed to promote and integrate environmental, social and governance ("ESG") factors into our business practices and strategic priorities.

B4 Variance in profit forecast and shortfall in profit guarantee

This note is not applicable to the Group.

B5 Taxation

	4th Quarter Ended		Cumulative Twelve Months Ended	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
	RM'000	RM'000	RM'000	RM'000
The Group				
Income tax	326,899	151,856	1,078,450	731,482
Transfer to deferred taxation	(17,211)	(16,729)	(933)	(121,185)
	<u>309,688</u>	<u>135,127</u>	<u>1,077,517</u>	<u>610,297</u>

	4th Quarter Ended		Cumulative Twelve Months Ended	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
	RM'000	RM'000	RM'000	RM'000
The Bank				
Income tax	336,806	155,862	988,806	611,501
Transfer (to)/from deferred taxation	(19,733)	21,022	(4,465)	(75,667)
	<u>317,073</u>	<u>176,884</u>	<u>984,341</u>	<u>535,834</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 2022:

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	45,248,504	701,994	(211,689)
(ii) 1 year to 3 years	609,044	5,502	(136)
(iii) More than 3 years	930,442	9,586	(237)
Swaps			
(i) Less than 1 year	5,541,287	97,007	(79,973)
(ii) 1 year to 3 years	2,986,090	99,294	(115,596)
(iii) More than 3 years	1,408,216	29,513	(57,286)
Options			
(i) Less than 1 year	5,205,994	48,789	(48,156)
(ii) 1 year to 3 years	407,347	4,178	(2,447)
Interest rate related contracts			
Futures			
(i) Less than 1 year	1,894,365	9,909	(31,678)
Swaps			
(i) Less than 1 year	32,798,379	34,695	(64,911)
(ii) 1 year to 3 years	28,926,412	147,505	(241,515)
(iii) More than 3 years	28,113,708	527,022	(736,202)
Equity related contracts			
(i) Less than 1 year	245,878	2,212	(2,212)
(ii) 1 year to 3 years	3,645	99	(99)
(iii) More than 3 years	369,596	102,491	(101,199)
Credit related contracts			
(i) More than 3 years	938,327	39,156	(39,156)
Commodity related contracts			
(i) Less than 1 year	438,428	1,757	(1,755)
(ii) 1 year to 3 years	493,416	2,591	(2,591)
Total	156,559,078	1,863,300	(1,736,838)

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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 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)
Total	224,735,427	1,005,249	(909,666)

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B9 Off-balance sheet financial instruments (continued)

Details of financial instruments with off-balance sheet risk as at 30 June 2022:

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	41,426,563	619,254	(204,728)
(ii) 1 year to 3 years	609,044	5,503	(136)
(iii) More than 3 years	930,442	9,586	(237)
Swaps			
(i) Less than 1 year	5,367,368	96,954	(79,973)
(ii) 1 year to 3 years	3,028,758	98,101	(115,596)
(iii) More than 3 years	1,408,216	29,513	(57,286)
Options			
(i) Less than 1 year	5,205,994	48,789	(48,156)
(ii) 1 year to 3 years	407,347	4,178	(2,447)
Interest rate related contracts			
Futures			
(i) Less than 1 year	1,894,365	9,909	(31,678)
Swaps			
(i) Less than 1 year	32,798,379	34,695	(64,911)
(ii) 1 year to 3 years	28,926,411	147,505	(241,515)
(iii) More than 3 years	28,117,280	524,078	(718,070)
Equity related contracts			
(i) Less than 1 year	245,878	2,212	(2,212)
(ii) 1 year to 3 years	3,645	99	(99)
(iii) More than 3 years	369,596	102,491	(101,199)
Credit related contracts			
(i) More than 3 years	938,327	39,156	(39,156)
Commodity related contracts			
(i) Less than 1 year	438,428	1,757	(1,755)
(ii) 1 year to 3 years	493,416	2,591	(2,591)
Total	152,609,457	1,776,371	(1,711,745)

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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)
Total	218,598,094	983,205	(879,986)

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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 RM480,304,000 (30 June 2021: RM327,979,000) and RM92,034,265,000 (30 June 2021: RM154,955,054,000) 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 RM2,203,729,000 (30 June 2021: RM1,122,776,000). 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 37.00 sen per share has been declared for the current quarter.

- (i) Amount per share: 37.00 sen.
- (ii) Previous corresponding quarter: single tier dividend of 35.22 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	
	30/06/2022 RM'000	30/06/2021 RM'000	30/06/2022 RM'000	30/06/2021 RM'000
<u>The Group</u>				
Net profit attributable to equity holders	907,640	689,484	3,289,283	2,860,642
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	(119,625)	(120,343)	(119,625)	(120,343)
	<u>2,048,093</u>	<u>2,047,375</u>	<u>2,048,093</u>	<u>2,047,375</u>
Basic earnings per share (sen)	44.3	33.7	160.6	139.7
<u>The Bank</u>				
Net profit attributable to equity holders	781,958	561,130	2,211,927	1,868,319
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	(119,625)	(120,343)	(119,625)	(120,343)
	<u>2,048,093</u>	<u>2,047,375</u>	<u>2,048,093</u>	<u>2,047,375</u>
Basic earnings per share (sen)	38.2	27.4	108.0	91.3

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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.

	4th Quarter Ended		Cumulative Twelve Months Ended	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
	RM'000	RM'000	RM'000	RM'000
<u>The Group</u>				
Net profit attributable to equity holders	907,640	689,484	3,289,283	2,860,642
Weighted average number of ordinary shares in issue (diluted) ('000):				
- during the period	2,048,093	2,047,375	2,048,093	2,047,375
- adjustment for ESS	1,227	690	1,227	690
	<u>2,049,320</u>	<u>2,048,065</u>	<u>2,049,320</u>	<u>2,048,065</u>
Fully diluted earnings per share (sen)	44.3	33.7	160.5	139.7
<u>The Bank</u>				
Net profit attributable to equity holders	781,958	561,130	2,211,927	1,868,319
Weighted average number of ordinary shares in issue (diluted) ('000):				
- during the period	2,048,093	2,047,375	2,048,093	2,047,375
- adjustment for ESS	1,227	690	1,227	690
	<u>2,049,320</u>	<u>2,048,065</u>	<u>2,049,320</u>	<u>2,048,065</u>
Fully diluted earnings per share (sen)	38.2	27.4	107.9	91.2

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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 2022 based on the remaining contractual maturity:

	The Group							Total
	30 June 2022							
	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	RM'000
Assets								
Cash and short-term funds	3,808,223	2,286,506	-	-	-	-	-	6,094,729
Deposits and placements with banks and other financial institutions	-	-	500,105	342,401	-	-	-	842,506
Financial assets at fair value through profit or loss	316,574	1,110,143	583,736	186,583	122,908	3,481,985	1,442,553	7,244,482
Financial investments at fair value through other comprehensive income	399,843	512,543	961,513	119,090	579,180	23,540,748	83,386	26,196,303
Financial investments at amortised cost	96,866	4,149,024	220,780	255,838	877,455	26,758,451	-	32,358,414
Loans, advances and financing	13,172,118	8,377,197	5,183,381	2,808,015	717,337	136,229,573	-	166,487,621
Other assets	1,304,443	13,623	17,631	23,109	8,096	3,641	910,199	2,280,742
Derivative financial instruments	45,657	162,463	431,253	135,954	121,036	966,937	-	1,863,300
Statutory deposits with Central Banks	-	-	-	-	-	-	520,650	520,650
Investment in associated companies	-	-	-	-	-	-	6,455,474	6,455,474
Property and equipment	-	-	-	-	-	-	1,110,606	1,110,606
Intangible assets	-	-	-	-	-	-	304,749	304,749
Right-of-use assets	-	-	-	-	-	-	211,718	211,718
Goodwill	-	-	-	-	-	-	1,831,312	1,831,312
Deferred tax assets	-	-	-	-	-	-	528,771	528,771
Total assets	19,143,724	16,611,499	7,898,399	3,870,990	2,426,012	190,981,335	13,399,418	254,331,377

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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 2022 based on the remaining contractual maturity: (continued)

	The Group							Total
	30 June 2022							
	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	RM'000
Liabilities								
Deposits from customers	85,337,784	29,535,027	36,008,916	18,063,370	20,068,312	8,279,050	-	197,292,459
Investment accounts of customers	232,455	744,106	1,463,800	105,564	122,483	-	-	2,668,408
Deposits and placements of banks and other financial institutions	1,745,155	1,354,153	1,107,373	419,733	116,236	1,579,600	-	6,322,250
Obligations on securities sold under repurchase agreements	96,323	1,022,185	2,664,629	-	-	188,167	-	3,971,304
Bills and acceptances payable	143	2,901	15,461	11,382	8	-	211,466	241,361
Lease liabilities	-	3,446	6,962	10,208	20,173	170,192	-	210,981
Other liabilities	5,454,610	165,732	27,917	705	12,995	-	88,391	5,750,350
Derivative financial instruments	37,352	79,984	138,697	120,383	63,958	1,296,464	-	1,736,838
Recourse obligation on loans/financing sold to Cagamas	-	-	372,882	601,042	-	650,013	-	1,623,937
Tier 2 subordinated bonds	-	-	-	2,236	499,970	1,000,000	-	1,502,206
Multi-currency Additional Tier 1 capital securities	-	-	4,862	408,628	-	1,302,205	-	1,715,695
Taxation	-	-	-	-	-	-	306,612	306,612
Total liabilities	92,903,822	32,907,534	41,811,499	19,743,251	20,904,135	14,465,691	606,469	223,342,401
Total equity	-	-	-	-	-	-	30,988,976	30,988,976
Total liabilities and equity	92,903,822	32,907,534	41,811,499	19,743,251	20,904,135	14,465,691	31,595,445	254,331,377
Net liquidity gap	(73,760,098)	(16,296,035)	(33,913,100)	(15,872,261)	(18,478,123)	176,515,644	12,792,949	30,988,976

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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:

	The Group							Total
	30 June 2021							
	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	RM'000
Assets								
Cash and short-term funds	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
Total assets	16,296,306	9,873,966	5,736,703	3,585,634	3,876,105	187,028,295	10,732,231	237,129,240

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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)

	The Group							Total
	30 June 2021							
	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	RM'000
Liabilities								
Deposits from customers	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/financing 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
Total liabilities	83,853,254	30,120,385	36,533,047	24,510,345	21,496,861	10,576,398	579,836	207,670,126
Total equity	-	-	-	-	-	-	29,459,114	29,459,114
Total liabilities and equity	83,853,254	30,120,385	36,533,047	24,510,345	21,496,861	10,576,398	30,038,950	237,129,240
Net liquidity gap	(67,556,948)	(20,246,419)	(30,796,344)	(20,924,711)	(17,620,756)	176,451,897	10,152,395	29,459,114

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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 2022 based on the remaining contractual maturity:

	The Bank							Total
	30 June 2022							
	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	RM'000
Assets								
Cash and short-term funds	4,335,147	1,120,641	-	-	-	-	-	5,455,788
Deposits and placements with banks and other financial institutions	-	-	1,852,356	342,402	-	419,577	-	2,614,335
Financial assets at fair value through profit or loss	316,574	1,002,347	493,952	94,233	5,109	3,481,985	1,546,562	6,940,762
Financial investments at fair value through other comprehensive income	399,843	512,543	961,513	103,920	548,714	19,806,602	83,386	22,416,521
Financial investments at amortised cost	96,866	2,988,803	220,780	238,232	538,425	19,061,439	-	23,144,545
Loans, advances and financing	10,462,348	7,260,070	4,549,698	2,217,539	354,454	101,901,427	-	126,745,536
Other assets	916,773	13,120	16,625	21,600	8,020	4,770	800,647	1,781,555
Derivative financial instruments	39,421	155,368	364,219	133,978	120,584	962,801	-	1,776,371
Amount due from subsidiaries	-	-	-	-	-	-	91,110	91,110
Statutory deposits with Central Banks	-	-	-	-	-	-	272,138	272,138
Subsidiary companies	-	-	-	-	-	-	2,625,696	2,625,696
Investment in associated companies	-	-	-	-	-	-	971,182	971,182
Property and equipment	-	-	-	-	-	-	527,989	527,989
Intangible assets	-	-	-	-	-	-	269,645	269,645
Right-of-use assets	-	-	-	-	-	-	321,446	321,446
Goodwill	-	-	-	-	-	-	1,771,547	1,771,547
Deferred tax assets	-	-	-	-	-	-	403,666	403,666
Total assets	16,566,972	13,052,892	8,459,143	3,151,904	1,575,306	145,638,601	9,685,014	198,129,832

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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 2022 based on the remaining contractual maturity: (continued)

	The Bank							Total
	30 June 2022							
	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	RM'000
Liabilities								
Deposits from customers	69,481,967	23,707,837	25,209,107	13,017,564	16,345,666	7,245,163	-	155,007,304
Deposits and placements of banks and other financial institutions	1,269,051	735,288	1,200,913	296,304	116,236	1,557,628	-	5,175,420
Obligations on securities sold under repurchase agreements	96,323	1,022,185	2,664,629	-	-	188,167	-	3,971,304
Bills and acceptances payable	123	2,199	13,312	9,738	8	-	128,039	153,419
Lease liabilities	-	5,352	10,699	16,016	32,146	261,152	-	325,365
Other liabilities	4,686,301	165,717	27,870	675	2,313	432,107	77,876	5,392,859
Derivative financial instruments	37,525	75,209	136,779	120,058	63,842	1,278,332	-	1,711,745
Recourse obligation on loans sold to Cagamas	-	-	2,216	300,572	-	200,010	-	502,798
Tier 2 subordinated bonds	-	-	-	2,236	499,970	1,000,000	-	1,502,206
Multi-currency Additional Tier 1 capital securities	-	-	4,862	408,628	-	1,302,205	-	1,715,695
Taxation	-	-	-	-	-	-	272,986	272,986
Total liabilities	75,571,290	25,713,787	29,270,387	14,171,791	17,060,181	13,464,764	478,901	175,731,101
Total equity	-	-	-	-	-	-	22,398,731	22,398,731
Total liabilities and equity	75,571,290	25,713,787	29,270,387	14,171,791	17,060,181	13,464,764	22,877,632	198,129,832
Net liquidity gap	(59,004,318)	(12,660,895)	(20,811,244)	(11,019,887)	(15,484,875)	132,173,837	9,206,113	22,398,731

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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:

	The Bank							Total
	30 June 2021							
	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	RM'000
Assets								
Cash and short-term funds	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
Total assets	14,754,290	8,009,215	5,827,495	3,228,986	2,469,611	146,250,578	7,893,822	188,433,997

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

A33 Liquidity risk (continued)

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

	The Bank							Total
	30 June 2021							
	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	RM'000
Liabilities								
Deposits from customers	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
Total liabilities	70,434,876	22,620,380	27,559,988	18,889,883	16,338,579	10,129,073	462,312	166,435,091
Total equity	-	-	-	-	-	-	21,998,906	21,998,906
Total liabilities and equity	70,434,876	22,620,380	27,559,988	18,889,883	16,338,579	10,129,073	22,461,218	188,433,997
Net liquidity gap	(55,680,586)	(14,611,165)	(21,732,493)	(15,660,897)	(13,868,968)	136,121,505	7,431,510	21,998,906