

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

Condensed Financial Statements
Unaudited Statements of Financial Position As At 31 December 2022

		The Group		The Bank	
	Note	31/12/2022	30/06/2022	31/12/2022	30/06/2022
		RM'000	RM'000	RM'000	RM'000
<u>ASSETS</u>					
Cash and short-term funds		7,537,310	6,094,729	5,666,896	5,455,788
Deposits and placements with banks and other financial institutions		1,204,498	842,506	2,347,741	2,614,335
Securities purchased under resale agreements		179,568	-	-	-
Financial assets at fair value through profit or loss	A8	6,760,414	7,244,482	6,835,213	6,940,762
Financial investments at fair value through other comprehensive income	A9	28,816,448	26,196,303	25,035,929	22,416,521
Financial investments at amortised cost	A10	31,518,085	32,358,414	22,160,697	23,144,545
Loans, advances and financing	A11	170,505,321	166,487,621	128,710,127	126,745,536
Other assets	A12	2,458,497	2,280,742	2,409,314	1,781,555
Derivative financial instruments		1,969,391	1,863,300	1,957,944	1,776,371
Amount due from subsidiaries		-	-	28,133	91,110
Statutory deposits with Central Banks		3,041,787	520,650	2,248,514	272,138
Subsidiary companies		-	-	2,649,003	2,625,696
Investment in associated companies		7,251,296	6,455,474	1,409,436	971,182
Property and equipment		1,120,550	1,110,606	546,376	527,989
Intangible assets		310,387	304,749	274,017	269,645
Right-of-use assets		198,841	211,718	295,765	321,446
Goodwill		1,831,312	1,831,312	1,771,547	1,771,547
Deferred tax assets		485,442	528,771	366,977	403,666
TOTAL ASSETS		265,189,147	254,331,377	204,713,629	198,129,832
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>					
Deposits from customers	A13	198,868,497	197,292,459	153,447,422	155,007,304
Investment accounts of customers	A14	2,302,071	2,668,408	-	-
Deposits and placements of banks and other financial institutions	A15	8,677,876	6,322,250	7,644,359	5,175,420
Obligations on securities sold under repurchase agreements		7,828,621	3,971,304	7,267,631	3,971,304
Bills and acceptances payable		253,417	241,361	181,524	153,419
Lease liabilities		200,091	210,981	302,317	325,365
Other liabilities	A16	6,788,395	5,750,350	6,426,721	5,392,859
Derivative financial instruments		2,803,048	1,736,838	2,754,284	1,711,745
Recourse obligation on loans/financing sold to Cagamas Berhad ("Cagamas")		1,962,309	1,623,937	504,566	502,798
Tier 2 subordinated bonds	A17	1,502,389	1,502,206	1,502,389	1,502,206
Multi-currency Additional Tier 1 capital securities	A18	1,717,849	1,715,695	1,717,849	1,715,695
Provision for taxation		201,866	306,612	135,975	272,986
TOTAL LIABILITIES		233,106,429	223,342,401	181,885,037	175,731,101
Share capital		7,739,063	7,739,063	7,739,063	7,739,063
Reserves		25,053,345	23,963,603	15,799,219	15,373,358
Less: Treasury shares		(709,690)	(713,690)	(709,690)	(713,690)
TOTAL SHAREHOLDERS' EQUITY		32,082,718	30,988,976	22,828,592	22,398,731
TOTAL LIABILITIES AND EQUITY		265,189,147	254,331,377	204,713,629	198,129,832
<u>COMMITMENTS AND CONTINGENCIES</u>	A30	252,186,871	208,116,971	239,692,941	194,469,898

Net asset per share attributable to ordinary equity holders of the parent (RM) *

15.66 15.13 11.14 10.94

* 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 2022.

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

Condensed Financial Statements
Unaudited Statements of Income
For The Financial Period Ended 31 December 2022

	Note	The Group			
		Current Quarter Ended 31/12/2022 RM'000	Corresponding Quarter Ended 31/12/2021 RM'000	Current Period Ended 31/12/2022 RM'000	Corresponding Period Ended 31/12/2021 RM'000
Interest income	A19(a)	1,859,080	1,377,052	3,482,569	2,711,687
Interest income for financial assets at fair value through profit or loss	A19(b)	47,123	51,722	114,609	103,152
Interest expense	A20	(951,557)	(468,431)	(1,652,966)	(935,691)
Net interest income		954,646	960,343	1,944,212	1,879,148
Net income from Islamic Banking business	A21	273,319	232,996	524,839	441,085
Other operating income	A22	258,336	177,828	517,166	430,876
Net income		1,486,301	1,371,167	2,986,217	2,751,109
Other operating expenses	A23	(546,007)	(512,887)	(1,086,562)	(1,020,124)
Operating profit before allowances		940,294	858,280	1,899,655	1,730,985
Allowance for impairment losses on loans, advances and financing	A24	(25,368)	(33,268)	(62,944)	(82,059)
(Allowance for) / written back of impairment losses on financial investments and other assets	A25	(520)	390	(177)	569
Share of profit after tax of equity accounted associated companies		914,406	825,402	1,836,534	1,649,495
		373,002	251,135	638,005	469,154
Profit before taxation		1,287,408	1,076,537	2,474,539	2,118,649
Taxation	B5	(245,257)	(337,944)	(450,979)	(521,804)
Net profit for the financial period		1,042,151	738,593	2,023,560	1,596,845
Attributable to:					
Owners of the parent		1,042,151	738,593	2,023,560	1,596,845
Earnings per share - basic (sen)	B12(a)	50.9	36.1	98.8	78.0
Earnings per share - fully diluted (sen)	B12(b)	50.9	36.0	98.7	77.9

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HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
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Condensed Financial Statements
Unaudited Statements of Comprehensive Income
For The Financial Period Ended 31 December 2022

	The Group			
	Current Quarter Ended 31/12/2022 RM'000	Corresponding Quarter Ended 31/12/2021 RM'000	Current Period Ended 31/12/2022 RM'000	Corresponding Period Ended 31/12/2021 RM'000
Net profit for the financial period	1,042,151	738,593	2,023,560	1,596,845
Other comprehensive loss in respect of:				
(i) Items that may be reclassified subsequently to profit or loss:				
(a) Share of other comprehensive income/(loss) of associated company	6,532	10,661	(4,768)	4,656
(b) Currency translation differences	(270,815)	53,551	(242,335)	116,554
(c) Debt instruments at fair value through other comprehensive income				
- Net fair value changes	197,888	(223,525)	125,410	(516,375)
- Changes in expected credit losses	115	(163)	138	(339)
(d) Net fair value changes in cash flow hedge	-	3,617	362	5,864
Income tax relating to components of other comprehensive (income)/loss	(46,066)	47,880	(35,187)	115,825
Other comprehensive loss for the financial period, net of tax	(112,346)	(107,979)	(156,380)	(273,815)
Total comprehensive income for the financial period	<u>929,805</u>	<u>630,614</u>	<u>1,867,180</u>	<u>1,323,030</u>
Attributable to:				
- Owners of the parent	<u>929,805</u>	<u>630,614</u>	<u>1,867,180</u>	<u>1,323,030</u>

The unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022.

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Condensed Financial Statements
Unaudited Statements of Income
For The Financial Period Ended 31 December 2022

	Note	The Bank			
		Current Quarter Ended 31/12/2022 RM'000	Corresponding Quarter Ended 31/12/2021 RM'000	Current Period Ended 31/12/2022 RM'000	Corresponding Period Ended 31/12/2021 RM'000
Interest income	A19(a)	1,794,353	1,328,821	3,355,020	2,617,253
Interest income for financial assets at fair value through profit or loss	A19(b)	47,123	51,722	114,609	103,152
Interest expense	A20	(922,070)	(451,453)	(1,597,229)	(900,894)
Net interest income		919,406	929,090	1,872,400	1,819,511
Other operating income	A22	252,588	171,382	505,424	416,288
Net income		1,171,994	1,100,472	2,377,824	2,235,799
Other operating expenses	A23	(454,939)	(431,789)	(904,104)	(857,706)
Operating profit before allowances		717,055	668,683	1,473,720	1,378,093
Written back of / (allowance for) impairment losses on loans, advances and financing	A24	4,275	54,057	(7,335)	53,300
(Allowance for) / written back of impairment losses on financial investments and other assets	A25	(78)	448	1,717	(454)
Profit before taxation		721,252	723,188	1,468,102	1,430,939
Taxation	B5	(196,891)	(301,269)	(358,276)	(456,157)
Net profit for the financial period		524,361	421,919	1,109,826	974,782
Attributable to:					
Owners of the parent		524,361	421,919	1,109,826	974,782
Earnings per share - basic (sen)	B12(a)	25.6	20.6	54.2	47.6
Earnings per share - fully diluted (sen)	B12(b)	25.6	20.6	54.2	47.6

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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 Period Ended 31 December 2022

	The Bank			
	Current Quarter Ended 31/12/2022 RM'000	Corresponding Quarter Ended 31/12/2021 RM'000	Current Period Ended 31/12/2022 RM'000	Corresponding Period Ended 31/12/2021 RM'000
Net profit for the financial period	524,361	421,919	1,109,826	974,782
Other comprehensive income/(loss) in respect of:				
(i) Items that may be reclassified subsequently to profit or loss:				
(a) Currency translation differences	(3,508)	(5,504)	33,032	609
(b) Debt instruments at fair value through other comprehensive income				
- Net fair value changes	164,324	(199,349)	85,545	(451,347)
- Changes in expected credit losses	116	(161)	139	(342)
(c) Net fair value changes in cash flow hedge	-	3,617	362	5,864
Income tax relating to components of other comprehensive (income)/loss	(38,020)	42,072	(25,605)	100,219
Other comprehensive income/(loss) for the financial period, net of tax	122,912	(159,325)	93,473	(344,997)
Total comprehensive income for the financial period	647,273	262,594	1,203,299	629,785

The unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022.

HONG LEONG BANK BERHAD
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Condensed Financial Statements

Unaudited Statements of Changes in Equity For The Financial Period Ended 31 December 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 2022	7,739,063	581,235	654,386	22,727,982	(713,690)	30,988,976
<u>Comprehensive income</u>						
Net profit for the financial period	-	-	-	2,023,560	-	2,023,560
- Share of other comprehensive loss of associated company	-	(4,768)	-	-	-	(4,768)
- Financial assets measured at fair value through other comprehensive income						
- Debt instruments						
- Net fair value changes	-	90,311	-	-	-	90,311
- Changes in expected credit losses	-	138	-	-	-	138
- Net fair value changes in cash flow hedge	-	274	-	-	-	274
- Currency translation differences	-	(242,335)	-	-	-	(242,335)
Total comprehensive (loss)/income	-	(156,380)	-	2,023,560	-	1,867,180
<u>Transactions with owners</u>						
Transfer to regulatory reserve	-	-	189,870	(189,870)	-	-
Dividends paid	-	-	-	(757,932)	-	(757,932)
ESS exercised	-	(10,073)	-	6,073	4,000	-
Option charge arising from ESS granted	-	(15,506)	-	-	-	(15,506)
Total transactions with owners	-	(25,579)	189,870	(941,729)	4,000	(773,438)
At 31 December 2022	7,739,063	399,276	844,256	23,809,813	(709,690)	32,082,718
At 1 July 2021	7,739,063	1,263,751	423,954	20,751,376	(719,030)	29,459,114
<u>Comprehensive income</u>						
Net profit for the financial period	-	-	-	1,596,845	-	1,596,845
- Share of other comprehensive income of associated company	-	4,656	-	-	-	4,656
- Financial assets measured at fair value through other comprehensive income						
- Debt instruments						
- Net fair value changes	-	(399,143)	-	-	-	(399,143)
- Changes in expected credit losses	-	(339)	-	-	-	(339)
- Net fair value changes in cash flow hedge	-	4,457	-	-	-	4,457
- Currency translation differences	-	116,554	-	-	-	116,554
Total comprehensive (loss)/income	-	(273,815)	-	1,596,845	-	1,323,030
<u>Transactions with owners</u>						
Transfer to regulatory reserve	-	-	68,776	(68,776)	-	-
Dividends paid	-	-	-	(721,238)	-	(721,238)
ESS exercised	-	(10,164)	-	6,569	4,510	915
Option charge arising from ESS granted	-	4,390	-	-	-	4,390
Total transactions with owners	-	(5,774)	68,776	(783,445)	4,510	(715,933)
At 31 December 2021	7,739,063	984,162	492,730	21,564,776	(714,520)	30,066,211

* Comprise regulatory reserves maintained by the Group's banking subsidiaries of RM833,011,000 (31 December 2021: RM481,485,000) in accordance with BNM's Guideline and the banking subsidiary in Vietnam with the State Bank of Vietnam of RM11,245,000 (31 December 2021: RM11,245,000)

The unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022.

HONG LEONG BANK BERHAD
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Condensed Financial Statements
Unaudited Statements of Changes in Equity For The Financial Period Ended 31 December 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 2022	7,739,063	(283,556)	536,432	15,120,482	(713,690)	22,398,731
<u>Comprehensive income</u>						
Net profit for the financial period	-	-	-	1,109,826	-	1,109,826
- Financial assets measured at fair value through other comprehensive income						
- Debt instruments						
- Net fair value changes	-	60,028	-	-	-	60,028
- Changes in expected credit losses	-	139	-	-	-	139
- Net fair value changes in cash flow hedge	-	274	-	-	-	274
- Currency translation differences	-	33,032	-	-	-	33,032
Total comprehensive income	-	93,473	-	1,109,826	-	1,203,299
<u>Transactions with owners</u>						
Transfer to regulatory reserve	-	-	141,709	(141,709)	-	-
Dividends paid	-	-	-	(757,932)	-	(757,932)
ESS exercised	-	(10,073)	-	6,073	4,000	-
Option charge arising from ESS granted	-	(15,506)	-	-	-	(15,506)
Total transactions with owners	-	(25,579)	141,709	(893,568)	4,000	(773,438)
At 31 December 2022	7,739,063	(215,662)	678,141	15,336,740	(709,690)	22,828,592
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 period	-	-	-	974,782	-	974,782
- Financial assets measured at fair value through other comprehensive income						
- Debt instruments						
- Net fair value changes	-	(349,721)	-	-	-	(349,721)
- Changes in expected credit losses	-	(342)	-	-	-	(342)
- Net fair value changes in cash flow hedge	-	4,457	-	-	-	4,457
- Currency translation differences	-	609	-	-	-	609
Total comprehensive (loss)/income	-	(344,997)	-	974,782	-	629,785
<u>Transactions with owners</u>						
Transfer to regulatory reserve	-	-	56,756	(56,756)	-	-
Dividends paid	-	-	-	(721,238)	-	(721,238)
ESS exercised	-	(10,164)	-	6,569	4,510	915
Option charge arising from ESS granted	-	4,390	-	-	-	4,390
Total transactions with owners	-	(5,774)	56,756	(771,425)	4,510	(715,933)
At 31 December 2021	7,739,063	100,870	444,433	14,342,912	(714,520)	21,912,758

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HONG LEONG BANK BERHAD
Registration No: 193401000023 (97141-X)
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Condensed Financial Statements
Unaudited Condensed Statements of Cash Flows
For The Financial Period Ended 31 December 2022

	The Group		The Bank	
	Financial Period Ended 31/12/2022 RM'000	Financial Period Ended 31/12/2021 RM'000	Financial Period Ended 31/12/2022 RM'000	Financial Period Ended 31/12/2021 RM'000
Profit before taxation	2,474,539	2,118,649	1,468,102	1,430,939
Adjustments for non-cash items	(1,032,670)	(851,668)	(498,212)	(562,432)
Operating profit before working capital changes	1,441,869	1,266,981	969,890	868,507
Changes in working capital:				
Net changes in operating assets	(6,829,997)	(3,846,926)	(4,349,290)	(2,862,301)
Net changes in operating liabilities	9,868,561	6,835,884	6,628,707	5,041,979
Income taxes and zakat paid	(543,361)	(403,364)	(482,568)	(311,185)
Net cash generated from operating activities	<u>3,937,072</u>	<u>3,852,575</u>	<u>2,766,739</u>	<u>2,737,000</u>
Cash flows from investing activities				
Investment in subordinated facilities	-	-	(20,991)	(63,398)
Net (purchases)/proceeds of financial investments at fair value through other comprehensive income	(2,574,826)	4,102,361	(2,614,118)	3,703,916
Net proceeds/(purchases) of financial investments at amortised cost	1,179,831	(4,494,062)	1,322,916	(3,403,555)
Purchase of property and equipment	(86,548)	(62,916)	(85,601)	(55,168)
Net proceeds from sale of property and equipment	237	165	142	165
Purchase of intangible assets	(13,582)	(12,919)	(8,513)	(12,827)
Dividends received from:				
- Subsidiary company	-	-	330	-
- Financial assets at fair value through profit or loss	36,235	66,144	37,220	66,610
Net cash (used in)/generated from investing activities	<u>(1,458,653)</u>	<u>(401,227)</u>	<u>(1,368,615)</u>	<u>235,743</u>
Cash flows from financing activities				
Dividends paid	(757,932)	(721,238)	(757,932)	(721,238)
Repayment of lease liabilities	(13,946)	(15,370)	(27,690)	(28,408)
Repayment of recourse obligation on loans sold to Cagamas	(962,950)	-	(300,027)	-
Repayment of Multi-currency Additional Tier 1 capital securities	(400,000)	-	(400,000)	-
Cash received from ESOS exercised	-	915	-	915
Proceeds from debt issuance:				
- Recourse obligation on financing sold to Cagamas	1,300,000	300,000	300,000	200,000
- Multi-currency Additional Tier 1 capital securities	400,000	-	400,000	-
Interest paid:				
- Recourse obligation on loans/financing sold to Cagamas	(27,330)	(27,130)	(7,982)	(5,234)
- Tier 2 subordinated bonds	(33,391)	(33,524)	(33,391)	(33,524)
- Multi-currency Additional Tier 1 capital securities	(40,295)	(19,788)	(40,364)	(19,871)
- Lease liabilities	(4,558)	(4,584)	(6,948)	(7,533)
Net cash used in financing activities	<u>(540,402)</u>	<u>(520,719)</u>	<u>(874,334)</u>	<u>(614,893)</u>

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Condensed Financial Statements
Unaudited Condensed Statements of Cash Flows
For The Financial Period Ended 31 December 2022

	The Group		The Bank	
	Financial Period Ended 31/12/2022 RM'000	Financial Period Ended 31/12/2021 RM'000	Financial Period Ended 31/12/2022 RM'000	Financial Period Ended 31/12/2021 RM'000
Net increase in cash and cash equivalents	1,938,017	2,930,629	523,790	2,357,850
Currency translation differences	19,430	11,898	33,348	(240)
Cash and cash equivalents at the beginning of financial period	5,981,992	3,474,818	6,119,034	3,560,586
Cash and cash equivalents at the end of financial period	7,939,439	6,417,345	6,676,172	5,918,196
Cash and cash equivalents comprise the following:				
Cash and short-term funds	7,537,310	6,358,534	5,666,896	5,289,489
Deposits and placements with banks and other financial institutions	1,204,498	285,996	2,347,741	1,796,660
	8,741,808	6,644,530	8,014,637	7,086,149
Less:				
Cash and short-term funds and deposits and placements with banks and other financial institutions with original maturity of more than three months	(802,369)	(227,185)	(1,338,465)	(1,167,953)
	7,939,439	6,417,345	6,676,172	5,918,196

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

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

A1 Basis of preparation

The unaudited condensed financial statements for the financial period ended 31 December 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 2022. 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 2022.

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 2022, and modified for the adoption of the following accounting standards applicable for financial period beginning on or after 1 July 2022:

- (i) * Annual improvements to MFRS 9 ‘Fees in the 10% test for derecognition of financial liabilities’
- * Amendments to MFRS 3 ‘Business Combinations’ - Reference to the Conceptual Framework
- * Amendments to MFRS 116 ‘Proceeds before Intended Use’
- * Amendments to MFRS 137 ‘Onerous Contracts - Cost of Fulfilling a Contract’

The adoption of the above amendments to published standards are not expected to have significant impact on the financial results of the Group and the Bank.

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

A2 Status of matters giving rise to the auditor's qualified report in the preceding annual financial statements for the year ended 30 June 2022

There was no qualified report issued by the auditors in the preceding annual financial statements for the year ended 30 June 2022.

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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 period.

A4 Exceptional items or unusual events affecting financial statements

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

A5 Variation from financial estimates reported in preceding financial period

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

A6 Issuance and repayment of debt and equity securities

Save as detailed below, there were no other new shares issuance, repayment of debt and equity securities, share buy-back and share cancellations, or resale of shares held as treasury shares during the financial period ended 31 December 2022:

a) Share Buy-back

The total number of shares bought back, all of which were held as treasury shares as at 31 December 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 period ended 31 December 2022, the trust did not purchase any new shares. As at 31 December 2022, the total number of Treasury Shares for ESS was 37,721,531 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 period ended 31 December 2022, a total of 1,436 grant shares lapsed and a total of 543,079 grant shares were vested and transferred 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 14 October 2022, the Bank issued a nominal value of RM400.0 million Additional Tier 1 capital securities (“HLB Capital Securities”), pursuant to its multi-currency Additional Tier 1 capital securities programme. The HLB Capital Securities, which qualify as Additional Tier 1 capital for the Bank, carry a distribution rate of 4.70% 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 shall be utilised to fulfill the requirements of Additional Tier 1 capital as per BNM's Capital Adequacy Framework (Capital Components) issued on 9 December 2020 and as updated from time to time and for the refinancing of an existing tranche of RM400.0 million in nominal value of HLB Capital Securities issued previously under the HLB AT1 Programme on 30 November 2017.

d) Repayment of debt and equity securities

On 30 November 2022, the Bank had fully redeemed the RM400.0 million nominal value of HLB Capital Securities bearing coupon rate of 5.13% per annum.

A7 Dividends paid

A final single tier dividend of 37 sen per share in respect of financial year ended 30 June 2022 amounting to RM772.0 million was paid on 17 November 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>31/12/2022</u>	<u>30/06/2022</u>	<u>31/12/2022</u>	<u>30/06/2022</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	967,764	2,083,409	967,764	1,786,542
Malaysian Government securities	500,353	321,783	500,353	321,783
Malaysian Government investment certificates	649,783	158,570	649,783	158,570
Cagamas bonds	45,716	65,587	45,716	65,587
Khazanah bonds	-	-	-	-
	<u>2,163,616</u>	<u>2,679,155</u>	<u>2,163,616</u>	<u>2,382,288</u>
Quoted securities:				
Shares in Malaysia	73,858	56,693	4,140	-
Shares outside Malaysia	1,784	-	1,784	-
Wholesale fund/unit trust	3,292,833	2,780,869	3,371,355	2,859,382
Portfolio Investment Accounts (Note)	1,705	9,097	-	-
Foreign currency bonds in Malaysia	4,183	11,938	4,183	11,938
Foreign currency bonds outside Malaysia	8,216	31,120	8,216	31,120
Convertible bonds outside Malaysia	629,267	1,108,752	696,967	1,190,942
Unquoted securities:				
Government sukuk	-	101,766	-	-
Corporate bonds and sukuk	200,385	84,472	200,385	84,472
Shares in Malaysia	355,620	355,620	355,620	355,620
Foreign currency bonds in Malaysia	3,947	-	3,947	-
Redeemable preference shares	25,000	25,000	25,000	25,000
Total financial assets at FVTPL	<u>6,760,414</u>	<u>7,244,482</u>	<u>6,835,213</u>	<u>6,940,762</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>31/12/2022</u>	<u>30/06/2022</u>	<u>31/12/2022</u>	<u>30/06/2022</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
At fair value				
(a) Debt instruments	28,733,062	26,112,917	24,952,543	22,333,135
(b) Equity instruments	83,386	83,386	83,386	83,386
Total financial investments at FVOCI	<u>28,816,448</u>	<u>26,196,303</u>	<u>25,035,929</u>	<u>22,416,521</u>
(a) Debt instruments				
Money market instruments:				
Government treasury bills	1,269,519	-	1,269,519	-
Malaysian Government securities	5,069,597	3,670,109	5,069,597	3,670,109
Malaysian Government investment certificates	9,516,177	8,954,723	6,114,386	5,571,427
Negotiable instruments of deposit	99,867	1,796,800	99,867	1,796,800
Cagamas bonds	1,578,406	821,260	1,568,326	795,929
Khazanah bonds	354,784	348,079	354,784	348,079
	<u>17,888,350</u>	<u>15,590,971</u>	<u>14,476,479</u>	<u>12,182,344</u>
Quoted securities:				
Government sukuk	812,485	831,321	812,485	831,321
Foreign currency bonds in Malaysia	1,639,061	1,216,476	1,639,061	1,216,476
Foreign currency bonds outside Malaysia	890,036	842,415	890,036	842,415
Unquoted securities:				
Government sukuk	415,418	417,257	415,418	417,257
Corporate bonds and sukuk	6,868,672	6,783,878	6,506,573	6,420,235
Foreign currency bonds in Malaysia	85,819	175,112	85,819	175,112
Foreign currency bonds outside Malaysia	133,221	255,487	126,672	247,975
	<u>28,733,062</u>	<u>26,112,917</u>	<u>24,952,543</u>	<u>22,333,135</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 31 December 2022	RM'000	RM'000	RM'000	RM'000
At 1 July	1,729	-	4,287	6,016
New financial assets originated or purchased	287	-	-	287
Financial assets derecognised	(100)	-	-	(100)
Changes due to change in credit risk	(41)	-	-	(41)
Exchange differences	(8)	-	-	(8)
At 31 December	1,867	-	4,287	6,154

	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

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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 31 December 2022	RM'000	RM'000	RM'000	RM'000
At 1 July	1,724	-	4,287	6,011
New financial assets originated or purchased	287	-	-	287
Financial assets derecognised	(95)	-	-	(95)
Changes due to change in credit risk	(45)	-	-	(45)
Exchange differences	(8)	-	-	(8)
At 31 December	1,863	-	4,287	6,150

	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	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

	The Group		The Bank	
	31/12/2022	30/06/2022	31/12/2022	30/06/2022
	RM'000	RM'000	RM'000	RM'000
(b) Equity instruments				
Unquoted securities:				
Shares in Malaysia	83,386	83,386	83,386	83,386

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A10 Financial investments at amortised cost

	<u>The Group</u>		<u>The Bank</u>	
	31/12/2022 RM'000	30/06/2022 RM'000	31/12/2022 RM'000	30/06/2022 RM'000
Money market instruments:				
Government treasury bills	57,490	57,612	57,490	57,612
Malaysian Government securities	5,496,533	4,787,205	5,496,533	4,787,205
Malaysian Government investment certificates	22,618,150	22,720,790	14,329,715	14,950,431
Cagamas bonds	1,658,401	416,700	954,795	265,439
Khazanah bonds	14,141	13,889	14,141	13,889
Other Government securities	428,380	419,246	367,450	357,270
	<u>30,273,095</u>	<u>28,415,442</u>	<u>21,220,124</u>	<u>20,431,846</u>
Quoted securities:				
Foreign currency bonds outside Malaysia	47,865	62,174	47,865	62,174
Unquoted securities:				
Government sukuk	81,125	2,583,133	30,697	1,617,188
Corporate bonds and sukuk	1,116,021	1,297,733	862,011	1,033,337
Less: Expected credit losses	(21)	(68)	-	-
Total financial investments at amortised cost	<u>31,518,085</u>	<u>32,358,414</u>	<u>22,160,697</u>	<u>23,144,545</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	ECL	not credit	credit	Total ECL
31 December 2022	RM'000	impaired	impaired	RM'000
At 1 July	68	-	-	68
Changes due to change in credit risk	(47)	-	-	(47)
At 31 December	<u>21</u>	<u>-</u>	<u>-</u>	<u>21</u>
	<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</u>	<u>Lifetime ECL credit</u>	
The Group	ECL	impaired	impaired	Total ECL
30 June 2022	RM'000	RM'000	RM'000	RM'000
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>

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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	12 Months	Lifetime ECL	Lifetime ECL	Total ECL
31 December 2022	ECL	not credit	credit	RM'000
	RM'000	RM'000	RM'000	RM'000
At 1 July/31 December	-	-	-	-
	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 Months	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
The Bank	12 Months	Lifetime ECL	Lifetime ECL	Total ECL
30 June 2022	ECL	not credit	credit	RM'000
	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	-	-	-	-

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A11 Loans, advances and financing

	<u>The Group</u>		<u>The Bank</u>	
	<u>31/12/2022</u>	<u>30/06/2022</u>	<u>31/12/2022</u>	<u>30/06/2022</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Overdrafts	3,614,779	3,546,936	2,447,078	2,418,512
Term loans/financing:				
- Housing and shop loans/financing	94,572,408	91,169,501	73,155,196	70,818,806
- Hire purchase receivables	19,073,690	18,035,880	14,276,323	13,757,762
- Ijarah receivables	248,259	247,445	-	-
- Other term loans/financing and syndicated term loans	32,711,706	31,953,779	21,831,554	21,668,500
Credit/charge card receivables	3,171,563	2,923,883	3,171,563	2,923,883
Bills receivable	1,447,789	1,539,682	1,106,263	1,226,517
Trust receipts	291,795	417,252	136,882	219,633
Claims on customers under				
acceptance credits	8,597,022	8,817,344	7,275,918	7,484,462
Revolving credit	8,428,483	9,455,248	6,495,380	7,423,951
Staff loans/financing	123,750	127,075	107,657	111,524
Gross loans, advances and financing	<u>172,281,244</u>	<u>168,234,025</u>	<u>130,003,814</u>	<u>128,053,550</u>
Fair value changes arising from fair value hedges and unamortised fair value changes arising from terminated fair value hedges	(14,436)	(9,962)	(11,238)	(6,919)
Allowance for impairment losses:				
- Expected credit losses	(1,761,487)	(1,736,442)	(1,282,449)	(1,301,095)
Total net loans, advances and financing	<u>170,505,321</u>	<u>166,487,621</u>	<u>128,710,127</u>	<u>126,745,536</u>

Included in loans, advances and financing are housing loans sold to Cagamas with recourse to the Group and the Bank amounting to RM1,982,557,000 (2022: RM1,572,077,000) and RM488,046,000 (2022: RM481,662,000) 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>31/12/2022</u>	<u>30/06/2022</u>	<u>31/12/2022</u>	<u>30/06/2022</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Domestic non-bank financial institutions	2,019,524	1,916,763	1,685,529	1,589,487
Domestic business enterprises:				
- small and medium enterprises ("SME")	31,267,822	30,114,790	22,722,545	22,093,010
- others	24,226,837	25,126,789	17,913,911	18,824,683
Government and statutory bodies	1,247	1,387	-	-
Individuals	111,836,358	107,602,406	85,071,476	82,391,900
Other domestic entities	100,151	103,122	9,318	9,529
Foreign entities	2,829,305	3,368,768	2,601,035	3,144,941
Gross loans, advances and financing	<u>172,281,244</u>	<u>168,234,025</u>	<u>130,003,814</u>	<u>128,053,550</u>

A11b By interest/profit rate sensitivity

	<u>The Group</u>		<u>The Bank</u>	
	<u>31/12/2022</u>	<u>30/06/2022</u>	<u>31/12/2022</u>	<u>30/06/2022</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Fixed rate:				
- Housing and shop loans/financing	1,874,803	1,387,937	1,250,738	841,055
- Hire purchase receivables	18,998,101	17,965,989	14,223,650	13,709,506
- Other fixed rate loans/financing	8,418,663	9,513,099	7,138,170	7,878,168
Variable rate:				
- Standardised base rate/base rate/ base lending rate plus	120,582,370	116,345,805	92,059,287	89,645,540
- Cost plus	22,299,292	22,881,491	15,326,963	15,973,965
- Other variables rates	108,015	139,704	5,006	5,316
Gross loans, advances and financing	<u>172,281,244</u>	<u>168,234,025</u>	<u>130,003,814</u>	<u>128,053,550</u>

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A11 Loans, advances and financing (continued)

A11c By economic purpose

	<u>The Group</u>		<u>The Bank</u>	
	<u>31/12/2022</u>	<u>30/06/2022</u>	<u>31/12/2022</u>	<u>30/06/2022</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Purchase of securities	868,358	976,120	635,046	723,762
Purchase of transport vehicles	18,697,800	17,653,587	13,879,296	13,359,480
Purchase of landed properties				
- residential	86,117,054	82,434,133	65,698,109	63,214,707
- non-residential	21,382,730	20,519,124	16,382,736	15,916,196
Purchase of fixed assets (excluding landed properties)	1,637,671	1,613,109	1,135,500	1,152,867
Personal use	3,656,890	3,706,863	2,505,795	2,487,061
Credit card	3,171,563	2,923,883	3,171,563	2,923,883
Construction	3,844,359	3,531,187	2,763,568	2,545,847
Working capital	31,802,221	33,770,002	23,121,264	25,022,038
Other purpose	1,102,598	1,106,017	710,937	707,709
Gross loans, advances and financing	<u>172,281,244</u>	<u>168,234,025</u>	<u>130,003,814</u>	<u>128,053,550</u>

A11d By geographical distribution

	<u>The Group</u>		<u>The Bank</u>	
	<u>31/12/2022</u>	<u>30/06/2022</u>	<u>31/12/2022</u>	<u>30/06/2022</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Malaysia	159,915,440	156,478,949	121,847,411	120,407,820
Singapore	8,127,687	7,624,640	8,127,687	7,624,640
Hong Kong	28,716	21,090	28,716	21,090
Vietnam	1,714,315	1,652,819	-	-
Cambodia	2,495,086	2,456,527	-	-
Gross loans, advances and financing	<u>172,281,244</u>	<u>168,234,025</u>	<u>130,003,814</u>	<u>128,053,550</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>31/12/2022</u>	<u>30/06/2022</u>	<u>31/12/2022</u>	<u>30/06/2022</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Within one year	28,750,602	30,652,059	23,349,021	25,192,137
One year to less than three years	6,736,571	6,799,754	4,750,934	4,984,708
Three years to less than five years	11,311,542	11,278,670	8,725,240	8,521,519
Five years and more	125,482,529	119,503,542	93,178,619	89,355,186
Gross loans, advances and financing	<u>172,281,244</u>	<u>168,234,025</u>	<u>130,003,814</u>	<u>128,053,550</u>

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

	<u>The Group</u>		<u>The Bank</u>	
	<u>31/12/2022</u>	<u>30/06/2022</u>	<u>31/12/2022</u>	<u>30/06/2022</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
At 1 July	819,750	717,407	647,646	582,517
Classified as impaired during the financial period/year	730,108	1,349,618	458,677	862,737
Reclassified as non-impaired during the financial period/year	(432,713)	(620,581)	(323,636)	(450,333)
Amount written back in respect of recoveries	(122,660)	(204,612)	(100,111)	(170,103)
Amount written off	(156,089)	(424,191)	(123,148)	(177,218)
Exchange difference	(40)	2,109	31	46
At 31 December	<u>838,356</u>	<u>819,750</u>	<u>559,459</u>	<u>647,646</u>
Gross impaired loans and financing as a % of gross loans, advances and financing	<u>0.5%</u>	<u>0.5%</u>	<u>0.4%</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>31/12/2022</u>	<u>30/06/2022</u>	<u>31/12/2022</u>	<u>30/06/2022</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Purchase of securities	105	232	-	220
Purchase of transport vehicles	40,350	35,282	28,237	24,091
Purchase of landed properties				
- residential	274,433	314,945	180,086	237,431
- non-residential	111,269	151,278	99,277	132,400
Purchase of fixed assets (excluding landed properties)	431	485	431	485
Personal use	40,716	44,522	22,473	22,823
Credit card	28,817	21,419	28,817	21,419
Construction	12,873	9,271	7,546	7,292
Working capital	235,578	207,698	172,416	172,273
Other purpose	93,784	34,618	20,176	29,212
Gross impaired loans, advances and financing	<u>838,356</u>	<u>819,750</u>	<u>559,459</u>	<u>647,646</u>

A11h Impaired loans, advances and financing by geographical distribution

	<u>The Group</u>		<u>The Bank</u>	
	<u>31/12/2022</u>	<u>30/06/2022</u>	<u>31/12/2022</u>	<u>30/06/2022</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Malaysia	812,794	805,638	559,116	646,805
Singapore	343	841	343	841
Vietnam	1,556	1,585	-	-
Cambodia	23,663	11,686	-	-
Gross impaired loans, advances and financing	<u>838,356</u>	<u>819,750</u>	<u>559,459</u>	<u>647,646</u>

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A11 Loans, advances and financing (continued)

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

The Group	Stage 1	Stage 2	Stage 3	Total ECL
	12 Months	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
31 December 2022	RM'000	impaired	impaired	RM'000
At 1 July	976,919	423,876	335,647	1,736,442
Changes in ECL due to transfer within stages	(11,212)	(121,344)	132,556	-
Transfer to Stage 1	24,427	(24,345)	(82)	-
Transfer to Stage 2	(34,472)	66,709	(32,237)	-
Transfer to Stage 3	(1,167)	(163,708)	164,875	-
New financial assets originated	23,414	150	9	23,573
Financial assets derecognised	(8,579)	(13,920)	(16,040)	(38,539)
Changes due to change in credit risk	24,287	87,958	79,907	192,152
Modifications to contractual cash flows				
of financial asset	9	525	349	883
Changes in models/risk parameters	5,747	2,706	-	8,453
Amount written off	-	-	(157,050)	(157,050)
Exchange difference	310	35	(450)	(105)
Other movements	-	-	(4,322)	(4,322)
At 31 December	<u>1,010,895</u>	<u>379,986</u>	<u>370,606</u>	<u>1,761,487</u>

The Group	Stage 1	Stage 2	Stage 3	Total ECL
	12 Months	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
30 June 2022	RM'000	impaired	impaired	RM'000
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>

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A11 Loans, advances and financing (continued)

A11i 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 RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
The Bank				
31 December 2022				
At 1 July	745,735	296,203	259,157	1,301,095
Changes in ECL due to transfer within stages	(11,669)	(71,094)	82,763	-
Transfer to Stage 1	15,720	(15,638)	(82)	-
Transfer to Stage 2	(26,553)	49,057	(22,504)	-
Transfer to Stage 3	(836)	(104,513)	105,349	-
New financial assets originated	16,596	107	2	16,705
Financial assets derecognised	(4,972)	(8,526)	(11,227)	(24,725)
Changes due to change in credit risk	12,970	55,480	39,789	108,239
Modifications to contractual cash flows of financial asset	9	546	70	625
Changes in models/risk parameters	4,452	2,572	-	7,024
Amount written off	-	-	(123,708)	(123,708)
Exchange difference	376	3	10	389
Other movements	-	-	(3,195)	(3,195)
At 31 December	763,497	275,291	243,661	1,282,449

	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 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

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A12 Other assets

	<u>The Group</u>		<u>The Bank</u>	
	31/12/2022	30/06/2022	31/12/2022	30/06/2022
	RM'000	RM'000	RM'000	RM'000
Foreclosed properties	46	46	46	46
Sundry debtors and other prepayments	171,412	163,872	164,250	155,655
Settlement accounts	1,155,710	708,194	1,144,003	707,138
Treasury related receivables	257,775	578,958	242,515	106,758
Cash collateral pledged for derivative transactions	703,930	678,909	703,930	678,909
Other receivables	169,624	150,763	154,570	133,049
	<u>2,458,497</u>	<u>2,280,742</u>	<u>2,409,314</u>	<u>1,781,555</u>

A13 Deposits from customers

A13a By type of deposit

	<u>The Group</u>		<u>The Bank</u>	
	31/12/2022	30/06/2022	31/12/2022	30/06/2022
	RM'000	RM'000	RM'000	RM'000
Amortised cost				
Fixed deposits	102,402,809	93,856,333	73,018,640	68,772,681
Negotiable instruments of deposits	5,921,751	8,626,532	3,535,525	6,299,840
Short-term placements	24,837,833	26,244,055	20,823,235	22,181,987
	<u>133,162,393</u>	<u>128,726,920</u>	<u>97,377,400</u>	<u>97,254,508</u>
Demand deposits	39,404,974	41,279,128	34,038,302	35,060,757
Saving deposits	22,757,095	24,771,649	18,723,349	20,420,243
Others	388,180	449,369	236,165	287,918
	<u>195,712,642</u>	<u>195,227,066</u>	<u>150,375,216</u>	<u>153,023,426</u>
At fair value through profit and loss				
Structured deposits linked to interest rate derivatives	3,493,052	2,425,376	3,392,995	2,325,345
Fair value changes arising from designation at fair value through profit or loss *	(337,197)	(359,983)	(320,789)	(341,467)
	<u>3,155,855</u>	<u>2,065,393</u>	<u>3,072,206</u>	<u>1,983,878</u>
	<u>198,868,497</u>	<u>197,292,459</u>	<u>153,447,422</u>	<u>155,007,304</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>	
	31/12/2022	30/06/2022	31/12/2022	30/06/2022
	RM'000	RM'000	RM'000	RM'000
Government and statutory bodies	3,530,650	3,149,204	813,373	532,038
Business enterprises	93,163,416	92,431,255	69,726,504	71,326,600
Individuals	100,029,820	99,404,508	81,170,645	81,309,351
Others	2,144,611	2,307,492	1,736,900	1,839,315
	<u>198,868,497</u>	<u>197,292,459</u>	<u>153,447,422</u>	<u>155,007,304</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>	
	31/12/2022	30/06/2022	31/12/2022	30/06/2022
	RM'000	RM'000	RM'000	RM'000
Due within:				
- six months	102,582,455	103,914,125	74,690,397	77,555,688
- six months to one year	25,182,090	20,170,955	18,760,743	16,272,452
- one year to five years	4,701,104	3,835,461	3,243,661	2,633,850
- more than five years	696,744	806,379	682,599	792,518
	<u>133,162,393</u>	<u>128,726,920</u>	<u>97,377,400</u>	<u>97,254,508</u>

A14 Investment accounts of customers

	<u>The Group</u>		<u>The Bank</u>	
	31/12/2022	30/06/2022	31/12/2022	30/06/2022
	RM'000	RM'000	RM'000	RM'000
Unrestricted investment accounts				
Mudarabah with maturity	2,300,366	2,659,311	-	-
Restricted investment accounts *				
Wakalah bi Al-Istithmar	1,705	9,097	-	-
	<u>2,302,071</u>	<u>2,668,408</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>	
	31/12/2022 RM'000	30/06/2022 RM'000	31/12/2022 RM'000	30/06/2022 RM'000
Licensed banks	7,066,486	4,742,649	6,054,073	3,617,792
Central banks (Note)	1,611,390	1,579,601	1,590,286	1,557,628
	<u>8,677,876</u>	<u>6,322,250</u>	<u>7,644,359</u>	<u>5,175,420</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 RM1,611,390,000 (2022: RM1,579,601,000) and RM1,590,286,000 (2022: RM1,557,628,000) respectively at concession rates.

A16 Other liabilities

	Note	<u>The Group</u>		<u>The Bank</u>	
		31/12/2022 RM'000	30/06/2022 RM'000	31/12/2022 RM'000	30/06/2022 RM'000
Zakat		525	350	-	-
Post employment benefits obligation					
- defined contribution plan		299	278	299	278
Loan advance payment		3,790,830	3,829,956	3,101,885	3,120,374
Amount due to subsidiary companies		-	-	432,107	432,107
Treasury and cheque clearing		268,031	128,773	246,385	96,711
Cash collateral pledged for derivative transactions		374,047	213,260	374,047	213,260
Sundry creditors and accruals		468,882	348,272	446,565	331,414
Provision for bonus and staff related expenses		207,872	179,683	194,342	166,171
Expected credit losses on financial guarantee contracts	(a)	3,982	3,657	3,614	3,352
Provision for reinstatement cost		21,399	21,911	26,668	27,160
Settlement accounts		1,328,889	824,436	1,328,756	824,144
Others		323,639	199,774	272,053	177,888
		<u>6,788,395</u>	<u>5,750,350</u>	<u>6,426,721</u>	<u>5,392,859</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 31 December 2022			
At 1 July	3,116	541	-	3,657
Changes in ECL due to transfer within stages	(13)	13	-	-
Transfer to Stage 1	15	(15)	-	-
Transfer to Stage 2	(28)	28	-	-
Transfer to Stage 3	-	-	-	-
New financial assets originated	338	-	-	338
Financial assets derecognised	(173)	-	-	(173)
Changes due to change in credit risk	(608)	800	-	192
Exchange difference	(26)	(6)	-	(32)
At 31 December	2,634	1,348	-	3,982

	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

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A16 Other liabilities (continued)

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

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total ECL</u>
	<u>12 Months</u>	<u>Lifetime ECL</u>	<u>Lifetime ECL</u>	
	<u>ECL</u>	<u>not credit</u>	<u>credit</u>	
The Bank				
31 December 2022	RM'000	RM'000	RM'000	RM'000
At 1 July	2,849	503	-	3,352
Changes in ECL due to transfer within stages	(7)	7	-	-
Transfer to Stage 1	11	(11)	-	-
Transfer to Stage 2	(18)	18	-	-
Transfer to Stage 3	-	-	-	-
New financial assets originated	338	-	-	338
Financial assets derecognised	(173)	-	-	(173)
Changes due to change in credit risk	(656)	786	-	130
Exchange difference	(27)	(6)	-	(33)
At 31 December	<u>2,324</u>	<u>1,290</u>	<u>-</u>	<u>3,614</u>

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total ECL</u>
	<u>12 Months</u>	<u>Lifetime ECL</u>	<u>Lifetime ECL</u>	
	<u>ECL</u>	<u>not credit</u>	<u>credit</u>	
The Bank				
30 June 2022	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>

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A17 Tier 2 subordinated bonds

	<u>The Group</u>		<u>The Bank</u>	
	<u>31/12/2022</u> <u>RM'000</u>	<u>30/06/2022</u> <u>RM'000</u>	<u>31/12/2022</u> <u>RM'000</u>	<u>30/06/2022</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	2,419	2,236	2,419	2,236
	<u>1,502,419</u>	<u>1,502,236</u>	<u>1,502,419</u>	<u>1,502,236</u>
Less: Unamortised discounts	(30)	(30)	(30)	(30)
	<u><u>1,502,389</u></u>	<u><u>1,502,206</u></u>	<u><u>1,502,389</u></u>	<u><u>1,502,206</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 Tier 2 Subordinated Notes (“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>31/12/2022</u>	<u>30/06/2022</u>	<u>31/12/2022</u>	<u>30/06/2022</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
RM1.7 billion Multi-currency Additional Tier-1 and Additional Tier-1 Green capital securities at par	1,700,000	1,700,000	1,700,000	1,700,000
Add: Interest payable	15,734	13,574	15,734	13,574
	<u>1,715,734</u>	<u>1,713,574</u>	<u>1,715,734</u>	<u>1,713,574</u>
Less: Unamortised discounts	(1,694)	(1,161)	(1,694)	(1,161)
Add: Fair value changes arising from fair value hedge	3,809	3,282	3,809	3,282
	<u><u>1,717,849</u></u>	<u><u>1,715,695</u></u>	<u><u>1,717,849</u></u>	<u><u>1,715,695</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 30 November 2022, HLB had fully redeemed the RM400.0 million nominal value of this Capital Securities.

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.

On 14 October 2022, the Bank issued a nominal value of RM400.0 million Additional Tier 1 capital securities (“HLB Capital Securities”), pursuant to its multi-currency Additional Tier 1 capital securities programme. The HLB Capital Securities, which qualify as Additional Tier 1 capital for the Bank, carry a distribution rate of 4.70% 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 shall be utilised to fulfill the requirements of Additional Tier 1 capital as per BNM's Capital Adequacy Framework (Capital Components) issued on 9 December 2020 and as updated from time to time and for the refinancing of an existing tranche of RM400.0 million in nominal value of HLB Capital Securities issued previously under the HLB AT1 Programme on 30 November 2017.

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A19(a) Interest income

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
Loan, advances and financing	1,411,049	1,030,353	2,657,063	2,032,626
Money at call and deposit placements with financial institutions	67,444	19,810	121,793	32,817
Financial investments at FVOCI	204,333	174,760	358,002	358,126
Financial investments at amortised cost	171,920	151,795	339,455	287,716
Others	4,334	334	6,256	402
	<u>1,859,080</u>	<u>1,377,052</u>	<u>3,482,569</u>	<u>2,711,687</u>
Interest income earned on impaired loans, advances and financing during the financial period	<u>7,706</u>	<u>5,721</u>	<u>14,625</u>	<u>12,954</u>
	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
Loan, advances and financing	1,334,454	975,284	2,509,554	1,926,460
Money at call and deposit placements with financial institutions	79,694	25,070	142,412	42,632
Financial investments at FVOCI	204,254	176,578	357,838	360,467
Financial investments at amortised cost	171,723	151,561	339,068	287,298
Others	4,228	328	6,148	396
	<u>1,794,353</u>	<u>1,328,821</u>	<u>3,355,020</u>	<u>2,617,253</u>
Interest income earned on impaired loans, advances and financing during the financial period	<u>7,429</u>	<u>5,678</u>	<u>14,191</u>	<u>12,896</u>

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A19(b) Interest income for financial assets at FVTPL

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
Group				
Financial assets at FVTPL	47,123	51,722	114,609	103,152

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
Bank				
Financial assets at FVTPL	47,123	51,722	114,609	103,152

A20 Interest expense

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
Group				
Deposits and placements of banks and other financial institutions	105,363	15,484	163,079	34,495
Deposits from customers	609,291	387,784	1,085,869	768,501
Short-term placements	189,745	32,201	313,654	67,168
Tier 2 subordinated bonds	16,787	16,787	33,574	33,574
Multi-currency Additional Tier-1 capital securities	22,383	9,922	42,455	19,844
Recourse obligation on loans sold to Cagamas	5,749	4,059	9,777	7,525
Others	2,239	2,194	4,558	4,584
	<u>951,557</u>	<u>468,431</u>	<u>1,652,966</u>	<u>935,691</u>

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
Bank				
Deposits and placements of banks and other financial institutions	110,904	18,707	173,825	40,296
Deposits from customers	573,077	366,037	1,016,927	724,871
Short-term placements	189,745	32,201	313,654	67,168
Tier 2 subordinated bonds	16,787	16,787	33,574	33,574
Multi-currency Additional Tier-1 capital securities	22,410	9,963	42,524	19,927
Recourse obligation on loans sold to Cagamas	5,749	4,059	9,777	7,525
Others	3,398	3,699	6,948	7,533
	<u>922,070</u>	<u>451,453</u>	<u>1,597,229</u>	<u>900,894</u>

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A21 Net income from Islamic Banking business

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
Income derived from investment of depositors' funds and others	487,450	326,626	905,446	690,816
Income derived from investment of shareholders' funds	71,022	71,273	120,004	86,312
Income derived from investment of investment account	25,852	16,908	51,496	24,158
Income attributable to depositors	(294,684)	(174,716)	(521,917)	(345,857)
Income attributable to depositors on investment account	(16,321)	(7,095)	(30,190)	(14,344)
	<u>273,319</u>	<u>232,996</u>	<u>524,839</u>	<u>441,085</u>
Financing income earned on impaired financing and advances during the financial period	<u>1,419</u>	<u>846</u>	<u>2,562</u>	<u>1,866</u>

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A22 Other operating income

Group	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
(a) <u>Fee income:</u>				
Commissions	42,822	48,070	88,908	105,951
Service charges and fees	9,470	11,241	15,867	17,144
Guarantee fees	9,205	5,350	14,661	7,953
Credit card related fees	53,571	53,390	105,248	95,584
Commitment fees	9,393	9,174	18,924	18,065
Fee on loans, advances and financing	12,389	12,590	28,963	25,579
Other fee income	12,146	14,017	31,973	31,134
	<u>148,996</u>	<u>153,832</u>	<u>304,544</u>	<u>301,410</u>
(b) <u>(Loss)/gain arising from sale of financial assets:</u>				
Net gain/(loss) from sale of financial assets at FVTPL	8,076	(25,076)	20,457	(19,946)
Net (loss)/gain from sale of derivative financial instruments	(26,428)	14,521	(102,136)	(9,537)
Net gain from sale of financial investments at FVOCI	169	27,435	169	93,348
	<u>(18,183)</u>	<u>16,880</u>	<u>(81,510)</u>	<u>63,865</u>
(c) <u>Gross dividend income from:</u>				
Financial assets at FVTPL	<u>18,658</u>	<u>22,047</u>	<u>36,235</u>	<u>66,144</u>

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A22 Other operating income (continued)

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
(d) <u>Net unrealised (loss)/gain on revaluation of:</u>				
- Financial assets at FVTPL	22,058	7,624	14,039	(15,264)
- Derivatives financial instruments	(28,501)	15,690	131,779	67,885
	<u>(6,443)</u>	<u>23,314</u>	<u>145,818</u>	<u>52,621</u>
(e) <u>Net realised gain/(loss) on fair value changes arising from fair value hedges and amortisation of fair value changes arising from terminated fair value hedges</u>	<u>898</u>	<u>(1,893)</u>	<u>1,887</u>	<u>(3,866)</u>
(f) <u>Net unrealised gain on fair value changes arising from fair value hedges</u>	<u>5,668</u>	<u>320</u>	<u>688</u>	<u>388</u>
(g) <u>Other income:</u>				
Foreign exchange gain/(loss)	103,185	(41,175)	99,212	(56,747)
Rental income	4,222	2,283	8,321	4,604
Gain on disposal of property and equipment	5	164	230	164
Other non-operating income	1,330	2,056	1,741	2,293
	<u>108,742</u>	<u>(36,672)</u>	<u>109,504</u>	<u>(49,686)</u>
Total other operating income	<u>258,336</u>	<u>177,828</u>	<u>517,166</u>	<u>430,876</u>

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A22 Other operating income (continued)

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	<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	42,284	47,451	87,828	104,490
Service charges and fees	9,276	11,026	15,395	16,755
Guarantee fees	9,187	5,334	14,613	7,927
Credit card related fees	53,571	53,390	105,248	95,584
Commitment fees	8,994	8,820	18,134	17,356
Fee on loans, advances and financing	10,150	9,048	24,386	18,508
Other fee income	12,042	13,949	31,790	31,002
	<u>145,504</u>	<u>149,018</u>	<u>297,394</u>	<u>291,622</u>
(b) <u>(Loss)/gain arising from sale of financial assets:</u>				
Net gain/(loss) from sale of financial assets at FVTPL	7,480	(24,479)	19,225	(19,542)
Net (loss)/gain from sale of derivative financial instruments	(27,217)	13,818	(102,925)	(10,240)
Net gain from sale of financial investments at FVOCI	169	27,435	169	93,348
	<u>(19,568)</u>	<u>16,774</u>	<u>(83,531)</u>	<u>63,566</u>
(c) <u>Gross dividend income from:</u>				
Subsidiary companies	330	-	330	-
Financial assets at FVTPL	19,764	22,391	37,220	66,610
	<u>20,094</u>	<u>22,391</u>	<u>37,550</u>	<u>66,610</u>

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A22 Other operating income (continued)

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
(d) <u>Net unrealised (loss)/gain on revaluation of:</u>				
- Financial assets at FVTPL	21,660	6,759	14,521	(16,015)
- Derivatives financial instruments	(27,935)	16,740	132,278	68,138
	<u>(6,275)</u>	<u>23,499</u>	<u>146,799</u>	<u>52,123</u>
(e) <u>Net realised gain/(loss) on fair value changes arising from fair value hedges and amortisation of fair value changes arising from terminated fair value hedges</u>	<u>898</u>	<u>(1,893)</u>	<u>1,887</u>	<u>(3,866)</u>
(f) <u>Net unrealised gain on fair value changes arising from fair value hedges</u>	<u>5,668</u>	<u>320</u>	<u>688</u>	<u>388</u>
(g) <u>Other income:</u>				
Foreign exchange gain/(loss)	102,707	(41,559)	98,414	(57,824)
Rental income	2,305	669	4,489	1,375
Gain on disposal of property and equipment	5	164	135	164
Other non-operating income	1,250	1,999	1,599	2,130
	<u>106,267</u>	<u>(38,727)</u>	<u>104,637</u>	<u>(54,155)</u>
Total other operating income	<u>252,588</u>	<u>171,382</u>	<u>505,424</u>	<u>416,288</u>

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A23 Other operating expenses

<u>Group</u>	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	275,274	265,397	546,451	533,795
- Medical expenses	8,421	7,690	16,172	15,128
- Training and convention expenses	3,842	2,036	6,026	4,232
- Staff welfare	2,516	2,424	4,830	6,062
- Others	(9,684)	5,290	(8,180)	9,726
	<u>280,369</u>	<u>282,837</u>	<u>565,299</u>	<u>568,943</u>
<u>Establishment costs</u>				
- Depreciation of property and equipment	28,349	30,550	57,215	61,634
- Depreciation of right-of-use assets	12,307	12,463	24,741	25,328
- Amortisation of intangible assets	14,172	13,281	28,273	26,261
- Rental of premises	614	546	1,254	959
- Information technology expenses	57,359	51,606	113,987	104,656
- Security services	5,530	5,099	10,377	11,588
- Electricity, water and sewerage	4,923	5,009	10,689	10,876
- Hire of plant and machinery	3,454	3,146	6,553	6,635
- Others	8,149	6,991	15,490	14,979
	<u>134,857</u>	<u>128,691</u>	<u>268,579</u>	<u>262,916</u>
<u>Marketing expenses</u>				
- Advertisement and publicity	7,859	4,865	13,604	9,546
- Sales commission and credit card related fees	41,214	32,395	79,892	54,187
- Others	4,062	3,178	9,156	5,043
	<u>53,135</u>	<u>40,438</u>	<u>102,652</u>	<u>68,776</u>
<u>Administration and general expenses</u>				
- Teletransmission expenses	5,602	5,421	10,952	10,756
- Stationery and printing expenses	2,664	2,545	5,460	5,450
- Professional fees	28,555	20,852	54,106	46,097
- Insurance fees	10,890	6,333	20,431	12,656
- Stamp, postage and courier	3,002	2,904	7,079	6,038
- Travelling and transport expenses	955	760	1,658	1,294
- Registration and license fees	1,901	2,362	4,172	4,493
- Brokerage and commission	3,281	3,014	6,107	5,877
- Credit card fees	19,211	14,276	38,205	21,520
- Others	1,585	2,454	1,862	5,308
	<u>77,646</u>	<u>60,921</u>	<u>150,032</u>	<u>119,489</u>
	<u>546,007</u>	<u>512,887</u>	<u>1,086,562</u>	<u>1,020,124</u>

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A23 Other operating expenses (continued)

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	215,715	209,615	428,007	422,332
- Medical expenses	6,564	6,260	12,818	12,309
- Training and convention expenses	3,213	1,789	5,206	3,604
- Staff welfare	1,981	1,989	3,749	4,960
- Others	(10,702)	4,439	(10,004)	8,117
	<u>216,771</u>	<u>224,092</u>	<u>439,776</u>	<u>451,322</u>
<u>Establishment costs</u>				
- Depreciation of property and equipment	23,825	26,046	48,112	52,433
- Depreciation of right-of-use assets	18,065	18,599	36,234	37,384
- Amortisation of intangible assets	12,308	12,151	24,596	23,808
- Rental of premises	584	614	1,216	1,071
- Information technology expenses	48,692	45,469	96,476	92,812
- Security services	4,142	3,856	7,676	9,099
- Electricity, water and sewerage	3,755	3,894	8,190	8,499
- Hire of plant and machinery	720	297	1,134	859
- Others	2,199	238	2,838	773
	<u>114,290</u>	<u>111,164</u>	<u>226,472</u>	<u>226,738</u>
<u>Marketing expenses</u>				
- Advertisement and publicity	7,233	4,439	12,437	8,693
- Sales commission and credit card related fees	36,687	28,763	70,049	48,065
- Others	2,948	2,427	6,068	3,750
	<u>46,868</u>	<u>35,629</u>	<u>88,554</u>	<u>60,508</u>
<u>Administration and general expenses</u>				
- Teletransmission expenses	5,468	5,353	10,641	10,512
- Stationery and printing expenses	2,531	2,417	5,206	5,204
- Professional fees	27,248	23,513	51,867	44,521
- Insurance fees	9,352	5,719	17,376	10,770
- Stamp, postage and courier	2,891	3,108	6,846	5,896
- Travelling and transport expenses	775	669	1,264	1,055
- Registration and license fees	1,606	2,073	3,569	3,916
- Brokerage and commission	2,397	2,007	4,137	3,898
- Credit card fees	19,211	14,276	38,205	21,520
- Others	5,531	1,769	10,191	11,846
	<u>77,010</u>	<u>60,904</u>	<u>149,302</u>	<u>119,138</u>
	<u>454,939</u>	<u>431,789</u>	<u>904,104</u>	<u>857,706</u>

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

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	<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	87,412	95,282	186,879	192,630
Impaired loans, advances and financing:				
- written off	6,381	4,741	15,575	8,329
- recovered from bad debt written off	(68,425)	(66,755)	(139,510)	(118,900)
	<u>25,368</u>	<u>33,268</u>	<u>62,944</u>	<u>82,059</u>

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	<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	46,724	703	108,163	43,400
Impaired loans, advances and financing:				
- written off	4,871	3,840	12,297	6,756
- recovered from bad debt written off	(55,870)	(58,600)	(113,125)	(103,456)
	<u>(4,275)</u>	<u>(54,057)</u>	<u>7,335</u>	<u>(53,300)</u>

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

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	<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	187	(158)	146	(345)
- Financial investments at amortised cost	(4)	(18)	(47)	(56)
- Cash and short-term funds	123	(147)	32	(111)
- Deposits and placements with banks and other financial institutions	214	(67)	46	(57)
	<u>520</u>	<u>(390)</u>	<u>177</u>	<u>(569)</u>

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	<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	187	(158)	147	(350)
- Financial investments at amortised cost	-	-	-	(23)
- Cash and short-term funds	1,305	437	594	342
- Deposits and placements with banks and other financial institutions	(1,414)	(727)	(2,458)	485
	<u>78</u>	<u>(448)</u>	<u>(1,717)</u>	<u>454</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 Period Ended 31/12/2022	Financial Year Ended 30/06/2022	Financial Period Ended 31/12/2022	Financial Year Ended 30/06/2022
Before deducting proposed dividends				
CET I capital ratio	13.236%	13.935%	13.528%	13.912%
Tier I capital ratio	14.322%	15.050%	14.594%	14.999%
Total capital ratio	16.414%	17.176%	16.616%	17.051%
After deducting proposed dividends				
CET I capital ratio	12.956%	13.428%	13.169%	13.266%
Tier I capital ratio	14.042%	14.543%	14.234%	14.353%
Total capital ratio	16.134%	16.669%	16.257%	16.404%

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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 Period Ended 31/12/2022 RM'000	Financial Year Ended 30/06/2022 RM'000	Financial Period Ended 31/12/2022 RM'000	Financial Year Ended 30/06/2022 RM'000
CET I capital				
Share capital	7,739,063	7,739,063	7,739,063	7,739,063
Retained profits	23,139,030	22,727,982	15,336,740	15,120,482
Other reserves	410,521	592,754	(215,662)	(283,282)
Less: Treasury shares	(709,690)	(713,690)	(709,690)	(713,690)
Less: Deferred tax assets	(485,442)	(528,771)	(366,977)	(403,666)
Less: Other intangible assets	(310,387)	(304,749)	(274,017)	(269,645)
Less: Goodwill	(1,831,312)	(1,831,312)	(1,771,547)	(1,771,547)
Less: Investment in subsidiary companies/ associated companies	(7,251,296)	(6,455,474)	(3,253,536)	(2,794,291)
Total CET I capital	20,700,487	21,225,803	16,484,374	16,623,424
Additional Tier I capital				
Multi-currency Additional Tier 1 capital securities	1,698,306	1,698,839	1,698,306	1,698,839
Additional Tier I capital before regulatory adjustments	1,698,306	1,698,839	1,698,306	1,698,839
Less: Investment in Additional Tier 1 perpetual subordinated sukuk wakalah	-	-	(400,000)	(400,000)
Additional Tier I capital after regulatory adjustments	1,698,306	1,698,839	1,298,306	1,298,839
Total Tier I capital	22,398,793	22,924,642	17,782,680	17,922,263
Tier II capital				
Stage 1 and Stage 2 expected credit loss allowances and regulatory reserves [#]	1,771,795	1,738,471	1,364,487	1,350,820
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	3,271,765	3,238,441	2,464,457	2,450,790
Total capital	25,670,558	26,163,083	20,247,137	20,373,053

[#] Includes the qualifying regulatory reserves for non-impaired loans of the Group and the Bank of RM833,011,000 (2022: RM643,141,000) and RM678,141,000 (2022: RM536,432,000) 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 Period Ended 31/12/2022 RM'000	Financial Year Ended 30/06/2022 RM'000	Financial Period Ended 31/12/2022 RM'000	Financial Year Ended 30/06/2022 RM'000
Credit risk *	141,743,575	139,077,644	109,158,926	108,065,582
Market risk	4,904,125	3,917,894	4,889,298	3,934,497
Operational risk	9,742,460	9,327,630	7,802,736	7,485,705
Total RWA	156,390,160	152,323,168	121,850,960	119,485,784

* In accordance with BNM Investment Account Policy, the credit RWA of HLISB funded by Investment Account of RM1,625,600,000 (2022: RM1,899,820,000) is excluded from the calculation of capital adequacy ratio of the Group.

The Bank and its Islamic subsidiary, HLISB's profit after tax for the half year ended 31 December 2022, had been subjected to a limited review by our external auditors. As such the Bank's and HLISB's profit after tax for the half year ended 31 December 2022 have been included in the capital base used in the computation of the Group's and the Bank's Capital Adequacy Ratios accordingly.

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

	Hong Leong Islamic Bank Berhad	
	Financial Period Ended 31/12/2022	Financial Year Ended 30/06/2022
Before deducting proposed dividends		
CET I capital ratio	11.401%	11.176%
Tier I capital ratio	12.709%	12.550%
Total capital ratio	<u>15.195%</u>	<u>15.101%</u>
After deducting proposed dividends		
CET I capital ratio	11.401%	11.176%
Tier I capital ratio	12.709%	12.550%
Total capital ratio	<u>15.195%</u>	<u>15.101%</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 31/12/2022

	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	940,224	285,779	205,530	103,198	(40,808)	(7,622)	1,486,301
Inter-segment revenue	(67,559)	120,491	(158,943)	-	106,011	-	-
Segment revenue	<u>872,665</u>	<u>406,270</u>	<u>46,587</u>	<u>103,198</u>	<u>65,203</u>	<u>(7,622)</u>	<u>1,486,301</u>
Segment profit before taxation	544,662	270,145	18,086	37,016	55,864	(11,367)	914,406
Share of profit after tax of equity accounted associated companies				373,002			373,002
Profit before taxation							<u>1,287,408</u>
Taxation							(245,257)
Profit after taxation							<u><u>1,042,151</u></u>

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

Financial period ended 31/12/2022

	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	1,774,708	589,960	494,625	203,721	(62,072)	(14,725)	2,986,217
Inter-segment revenue	(122,390)	225,985	(307,535)	-	203,940	-	-
Segment revenue	<u>1,652,318</u>	<u>815,945</u>	<u>187,090</u>	<u>203,721</u>	<u>141,868</u>	<u>(14,725)</u>	<u>2,986,217</u>
Segment profit before taxation	947,687	589,346	133,967	70,942	118,000	(23,408)	1,836,534
Share of profit after tax of equity accounted associated companies				638,005			638,005
Profit before taxation							<u>2,474,539</u>
Taxation							(450,979)
Profit after taxation							<u>2,023,560</u>
Segment assets	114,107,840	45,132,305	71,034,493	21,643,879	-	-	251,918,517
Unallocated assets							13,270,630
Total assets							<u>265,189,147</u>

Corresponding quarter ended 31/12/2021

	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	734,533	273,895	342,387	85,815	(58,498)	(6,965)	1,371,167
Inter-segment revenue	(20,738)	108,019	(140,778)	-	53,497	-	-
Segment revenue	<u>713,795</u>	<u>381,914</u>	<u>201,609</u>	<u>85,815</u>	<u>(5,001)</u>	<u>(6,965)</u>	<u>1,371,167</u>
Segment profit before taxation	466,161	151,580	172,703	26,105	14,022	(5,169)	825,402
Share of profit after tax of equity accounted associated companies				251,135			251,135
Profit before taxation							<u>1,076,537</u>
Taxation							(337,944)
Profit after taxation							<u>738,593</u>

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

Corresponding financial period ended 31/12/2021

	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	1,451,325	533,364	736,679	180,587	(137,066)	(13,780)	2,751,109
Inter-segment revenue	(67,455)	195,640	(268,470)	-	140,285	-	-
Segment revenue	<u>1,383,870</u>	<u>729,004</u>	<u>468,209</u>	<u>180,587</u>	<u>3,219</u>	<u>(13,780)</u>	<u>2,751,109</u>
Segment profit before taxation	782,034	378,930	409,463	61,438	33,506	(15,876)	1,649,495
Share of profit after tax of equity accounted associated companies				469,154			469,154
Profit before taxation							<u>2,118,649</u>
Taxation							<u>(521,804)</u>
Profit after taxation							<u>1,596,845</u>
Segment assets	106,869,971	42,568,500	69,961,647	16,504,297	-	-	235,904,415
Unallocated assets							8,901,767
Total assets							<u>244,806,182</u>

A28 Property and equipment

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

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

There are no material events subsequent to the end of the financial period ended 31 December 2022.

A29(b) Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial period ended 31 December 2022 and up to the date of this report except for the following:

On 17 January 2023, the Bank announced that it had placed EB Nominees (Tempatan) Sendirian Berhad ("EB Nominees (Tempatan)"), a wholly-owned subsidiary of the Bank, under member's voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act 2016. EB Nominees (Tempatan) is dormant.

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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:

	The Group		The Bank	
	31/12/2022 RM'000	30/06/2022 RM'000	31/12/2022 RM'000	30/06/2022 RM'000
Principal amount				
Direct credit substitutes	221,439	137,103	214,434	129,077
Certain transaction related contingent items	2,232,975	2,024,547	1,628,532	1,444,276
Short-term self liquidating trade related contingencies	805,436	853,412	761,604	803,334
Irrevocable commitments to extend credit:				
- maturity more than one year	17,985,679	17,538,803	13,137,192	12,942,713
- maturity less than one year	27,668,405	23,913,907	22,019,533	19,450,920
Foreign exchange related contracts:				
- less than one year	71,672,802	55,995,785	70,363,654	51,999,925
- one year to less than five years	6,532,096	5,944,644	6,532,096	5,987,312
- five years and above	491,680	396,495	491,680	396,495
Interest rate related contracts:				
- less than one year	39,837,564	34,692,744	39,837,565	34,692,744
- one year to less than five years	70,535,005	52,644,892	70,682,623	52,835,368
- five years and above	4,571,936	4,395,228	4,392,174	4,208,323
Equity related contracts:				
- less than one year	282,120	245,878	282,120	245,878
- one year to less than five years	554,908	102,699	554,908	102,699
- five years and above	-	270,542	-	270,542
Credit related contracts:				
- one year to less than five years	4,204	-	4,204	-
- five years and above	1,096,398	938,327	1,096,398	938,327
Commodity related contracts:				
- less than one year	835,856	438,428	835,856	438,428
- one year to less than five years	49,168	493,416	49,168	493,416
Unutilised credit card lines	6,809,200	7,090,121	6,809,200	7,090,121
Total	252,186,871	208,116,971	239,692,941	194,469,898

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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	
	31/12/2022 RM'000	30/06/2022 RM'000	31/12/2022 RM'000	30/06/2022 RM'000
Aggregate value of outstanding credit exposures with connected parties	3,109,249	2,629,055	2,792,067	2,554,151
Outstanding credit exposures to connected parties as a proportion of total credit exposures (%)	1.61%	1.40%	1.90%	1.77%
Outstanding credit exposures with connected parties which is non-performing or in default as a proportion of total credit exposures (%)	0.0001%	0.0000%	0.0002%	0.0000%

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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 Period Ended 31/12/2022			
	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	-	2,163,616	-	2,163,616
- Quoted securities	4,011,846	-	-	4,011,846
- Unquoted securities	-	229,332	355,620	584,952
Financial investments at FVOCI				
- Money market instrument	-	17,888,350	-	17,888,350
- Quoted securities	3,341,582	-	-	3,341,582
- Unquoted securities	-	7,503,130	83,386	7,586,516
Derivative financial instruments	10,180	1,901,420	57,791	1,969,391
	<u>7,363,608</u>	<u>29,685,848</u>	<u>496,797</u>	<u>37,546,253</u>
<u>Financial Liabilities</u>				
Derivative financial instruments	949	2,745,653	56,446	2,803,048
Financial liabilities designated at fair value				
- Structured deposits linked to interest rate derivatives	-	3,155,855	-	3,155,855
	<u>949</u>	<u>5,901,508</u>	<u>56,446</u>	<u>5,958,903</u>

	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 recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the financial period (2022: 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 Period Ended 31/12/2022			
	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	-	2,163,616	-	2,163,616
- Quoted securities	4,086,645	-	-	4,086,645
- Unquoted securities	-	229,332	355,620	584,952
Financial investments at FVOCI				
- Money market instrument	-	14,476,479	-	14,476,479
- Quoted securities	3,341,582	-	-	3,341,582
- Unquoted securities	-	7,134,482	83,386	7,217,868
Derivative financial instruments	10,180	1,889,973	57,791	1,957,944
	<u>7,438,407</u>	<u>25,893,882</u>	<u>496,797</u>	<u>33,829,086</u>
<u>Financial Liabilities</u>				
Derivative financial instruments	949	2,696,889	56,446	2,754,284
Financial liabilities designated at fair value				
- Structured deposits linked to interest rate derivatives	-	3,072,206	-	3,072,206
	<u>949</u>	<u>5,769,095</u>	<u>56,446</u>	<u>5,826,490</u>
<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 recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the financial period (2022: 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
31 December 2022	Financial assets	investments	financial	Liability
	at FVTPL	at FVOCI	instruments	Derivative
	RM'000	RM'000	RM'000	financial
				instruments
				RM'000
At 1 July	355,620	83,386	104,802	103,510
Fair value changes recognised in statements of income	-	-	5,149	5,149
Purchases	-	-	41,099	41,063
Settlements	-	-	(93,259)	(93,276)
At 31 December	<u>355,620</u>	<u>83,386</u>	<u>57,791</u>	<u>56,446</u>
Fair value changes recognised in statements of income relating to assets/liability held on 31 December 2022	<u>-</u>	<u>-</u>	<u>5,149</u>	<u>5,149</u>

The Group	Financial Assets			Financial
30 June 2022	Financial assets	investments	financial	Liability
	at FVTPL	at FVOCI	instruments	Derivative
	RM'000	RM'000	RM'000	financial
				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>

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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
31 December 2022	Financial assets	investments	financial	Liability
	at FVTPL	at FVOCI	instruments	Derivative
	RM'000	RM'000	RM'000	financial
				instruments
				RM'000
At 1 July	355,620	83,386	104,802	103,510
Fair value changes recognised in statements of income	-	-	5,149	5,149
Purchases	-	-	41,099	41,063
Settlements	-	-	(93,259)	(93,276)
At 31 December	<u>355,620</u>	<u>83,386</u>	<u>57,791</u>	<u>56,446</u>
Fair value changes recognised in statements of income relating to assets/liability held on 31 December 2022	<u>-</u>	<u>-</u>	<u>5,149</u>	<u>5,149</u>

The Bank	Financial Assets			Financial
30 June 2022	Financial assets	investments	financial	Liability
	at FVTPL	at FVOCI	instruments	Derivative
	RM'000	RM'000	RM'000	financial
				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>

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 RM1,287.4 million for the current financial quarter ended 31 December 2022, an increase of RM210.9 million or 19.6% as compared to previous corresponding quarter. The increase in pre-tax profit was mainly due to higher net income of RM115.1 million, lower allowance for impairment losses on loans, advances and financing of RM7.9 million and higher share of profit from associated companies of RM121.9 million. However, this was mitigated by higher operating expenses of RM33.1 million and allowance for impairment losses on financial investments and other assets of RM0.9 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 RM544.7 million for the second quarter ended 31 December 2022 as compared to previous corresponding quarter of RM466.2 million. The increase in pre-tax profit was mainly contributed by higher total income, partially offset by higher allowance for impairment losses on loans, advances and financing and higher operating expenses.

Business and Corporate Banking

The Business and Corporate Banking's segment recorded a pre-tax profit of RM270.1 million for the second quarter ended 31 December 2022 as compared to previous corresponding quarter of RM151.6 million. The increase in pre-tax profit was mainly contributed by higher total income and lower allowance for impairment losses on loans, advances and financing, partially offset by higher operating expenses.

Global Markets

The Global Markets's segment recorded a pre-tax profit of RM18.1 million for the second quarter ended 31 December 2022 as compared to previous corresponding quarter of RM172.7 million. The decrease in pre-tax profit was mainly contributed by lower total income and higher impairment losses on financial investments and other assets, partially offset by lower operating expenses.

International Banking

The International Banking's segment recorded a pre-tax profit of RM410.0 million for the second quarter ended 31 December 2022 as compared to previous corresponding quarter of RM277.2 million. The increase in pre-tax profit was mainly contributed by higher share of profit from associated companies in China, higher total income and lower allowance for impairment losses on loans, advances and financing, partially offset by higher operating expenses.

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B1 Review of performance (continued)

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

The Group's pre-tax profit for the financial period ended 31 December 2022 stood at RM2,474.5 million, an increase of RM355.9 million or 16.8% as compared to RM2,118.6 million in the previous financial year. The increase was mainly due to higher net income of RM235.1 million, lower allowance for impairment losses on loans, advances and financing of RM19.1 million and higher share of profit from associated companies of RM168.8 million. This was mitigated by higher operating expenses of RM66.4 million and allowance for impairment losses on financial investments and other assets of RM0.7 million.

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

Personal Financial Services

The Personal Financial Services's segment recorded a pre-tax profit of RM947.7 million for the financial period ended 31 December 2022 as compared to previous corresponding period of RM782.0 million. The increase in pre-tax profit was mainly contributed by higher total income, partially offset by higher allowance for impairment losses on loans, advances and financing and higher operating expenses.

Personal Financial Services's loan base increased from RM106.7 billion as at 31 December 2021 to RM113.9 billion as at 31 December 2022. Deposit base increased from RM101.8 billion to RM102.1 billion.

Business and Corporate Banking

The Business and Corporate Banking's segment recorded a pre-tax profit of RM589.3 million for the financial period ended 31 December 2022 as compared to previous corresponding period of RM378.9 million. The increase in pre-tax profit was mainly contributed by lower allowance for impairment losses on loans and higher total income, partially offset by higher operating expenses.

Business and Corporate Banking's loan base increased from RM42.5 billion as at 31 December 2021 to RM45.1 billion as at 31 December 2022. Deposit base increased from RM45.3 billion to RM46.8 billion.

Global Markets

The Global Markets's segment recorded a pre-tax profit of RM134.0 million for the financial period ended 31 December 2022 as compared to previous corresponding period of RM409.5 million. The decrease in pre-tax profit was mainly contributed by lower total income, partially offset by lower operating expenses and lower impairment losses on financial investments and other assets.

Treasury earning assets decreased from RM68.2 billion as at 31 December 2021 to RM67.5 billion as at 31 December 2022.

International Banking

The International Banking's segment recorded a pre-tax profit of RM708.9 million for the financial period ended 31 December 2022 as compared to previous corresponding period of RM530.6 million. The increase in pre-tax profit was mainly contributed by higher share of profit from associated companies in China, higher total income and lower allowance for impairment losses on loans, advances and financing, partially offset by higher operating expenses.

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B2 Current Quarter vs. Preceding Quarter

For the current financial quarter, the Group recorded a pre-tax profit of RM1,287.4 million as compared to RM1,187.1 million in the preceding quarter, an increase of RM100.3 million mainly contributed by lower allowance for impairment losses on loans, advances and financing of RM12.2 million and higher share of profit from associated company of RM108.0 million. This was mitigated by lower net income of RM13.6 million, higher operating expenses of RM5.4 million and allowance for impairment losses on financial investments and other assets of RM0.9 million.

B3 Current year prospects

Growth in the Malaysian economy is expected to maintain a positive trajectory in 2023. Whilst the global economy continues to be challenging, resiliency in domestic demand underpinned by continuous expansion in consumer spending and added signs of recovery in investment is expected to help cushion the fallout from the external headwinds. China's border reopening would further ease supply chain constraints and provide a lift to consumption and global economic activities. Nevertheless, risks of recession, over policy tightening, financial market volatility and geopolitical uncertainties remain challenges to growth prospects in the year ahead.

As a highly digital and innovative ASEAN financial services institution, we continue to ensure that our banking services are personalised and seamless with the objective of optimising customer experience. Our initiatives have always been in line with the brand promise of "Built Around You", where customers are at the centre of everything we do. While the business backdrop remains challenging, we are optimistic that our robust business model will help us to navigate potential risks and business disruptions to continue supporting individuals and businesses in their banking and financing requirements.

We constantly exercise discipline in our investments and expenditure which allows us to focus on growth opportunities that will deliver sustainable outcomes to our stakeholders. In line with our carbon neutral ambition, the Bank will continuously integrate robust environmental, social and governance ("ESG") practices internally within our own business operations and engage proactively with all our external stakeholders.

B4 Variance in profit forecast and shortfall in profit guarantee

This note is not applicable to the Group.

B5 Taxation

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
The Group				
Income tax	225,720	336,837	442,352	528,643
Transfer (to)/from deferred taxation	19,537	1,107	8,627	(6,839)
	<u>245,257</u>	<u>337,944</u>	<u>450,979</u>	<u>521,804</u>

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
The Bank				
Income tax	177,031	289,899	347,047	449,181
Transfer from deferred taxation	19,860	11,370	11,229	6,976
	<u>196,891</u>	<u>301,269</u>	<u>358,276</u>	<u>456,157</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 period under review.

B7 Purchase and disposal of quoted securities

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

B8 Status of corporate proposals

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

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B9 Off-balance sheet financial instruments

Details of financial instruments with off-balance sheet risk as at 31 December 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	60,834,051	720,558	(1,328,373)
(ii) 1 year to 3 years	719,833	235	(14,619)
(iii) More than 3 years	1,003,993	-	(38,926)
Swaps			
(i) Less than 1 year	5,175,120	131,025	(73,353)
(ii) 1 year to 3 years	3,601,833	112,871	(80,472)
(iii) More than 3 years	1,424,407	28,898	(43,750)
Options			
(i) Less than 1 year	5,663,631	20,896	(21,363)
(ii) 1 year to 3 years	273,710	3,313	(1,198)
Interest rate related contracts			
Futures			
(i) Less than 1 year	1,918,430	10,180	(949)
Swaps			
(i) Less than 1 year	37,919,134	58,175	(117,297)
(ii) 1 year to 3 years	29,650,640	165,928	(211,529)
(iii) More than 3 years	45,456,301	576,269	(731,803)
Equity related contracts			
(i) Less than 1 year	282,120	3,122	(3,064)
(ii) 1 year to 3 years	58,801	4,008	(4,008)
(iii) More than 3 years	496,107	50,662	(49,374)
Credit related contracts			
(i) 1 year to 3 years	4,204	281	-
(ii) More than 3 years	1,096,398	69,941	(69,941)
Commodity related contracts			
(i) Less than 1 year	835,856	11,644	(11,644)
(ii) 1 year to 3 years	49,168	1,385	(1,385)
Total	196,463,737	1,969,391	(2,803,048)

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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 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 31 December 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	59,588,322	711,917	(1,296,401)
(ii) 1 year to 3 years	719,833	235	(14,619)
(iii) More than 3 years	1,003,993	-	(38,926)
Swaps			
(i) Less than 1 year	5,096,439	130,406	(72,322)
(ii) 1 year to 3 years	3,601,833	112,870	(80,472)
(iii) More than 3 years	1,424,407	28,898	(43,750)
Options			
(i) Less than 1 year	5,678,893	21,313	(21,780)
(ii) 1 year to 3 years	273,710	3,313	(1,198)
Interest rate related contracts			
Futures			
(i) Less than 1 year	1,918,430	10,180	(949)
Swaps			
(i) Less than 1 year	37,919,135	58,175	(117,297)
(ii) 1 year to 3 years	29,650,639	165,928	(211,529)
(iii) More than 3 years	45,424,158	573,666	(715,625)
Equity related contracts			
(i) Less than 1 year	282,120	3,122	(3,064)
(ii) 1 year to 3 years	58,801	4,008	(4,008)
(iii) More than 3 years	496,107	50,662	(49,374)
Credit related contracts			
(i) 1 year to 3 years	4,204	281	-
(ii) More than 3 years	1,096,398	69,941	(69,941)
Commodity related contracts			
(i) Less than 1 year	835,856	11,644	(11,644)
(ii) 1 year to 3 years	49,168	1,385	(1,385)
Total	195,122,446	1,957,944	(2,754,284)

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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)

Foreign exchange, interest rate, equity and commodity related contracts are subject to market risk and credit risk.

Market risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amount subject to market risk. Exposure to market risk may be reduced through offsetting on and off-balance sheet positions. As at the end of the financial period, the amount of contracts which were not hedged effectively and hence, exposed to foreign exchange and interest rate market risk were RM237,679,000 (30 June 2022: RM480,304,000) and RM114,925,005,000 (30 June 2022: RM92,034,265,000) respectively.

Derivatives

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

Credit risk

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the Group has a gain position. As at the end of the financial period, the amount of credit risk, measured in terms of the cost to replace the profitable contracts, was RM2,403,552,000 (30 June 2022: RM2,203,729,000). 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

An interim single tier dividend of 21.0 sen per share has been declared for the current quarter.

- (i) Amount per share: 21.0 sen.
- (ii) Previous corresponding quarter: single tier dividend of 18.0 sen per share.
- (iii) Entitlement date: 15 March 2023
- (iv) Payment date: 28 March 2023

B12 Earnings per share

(a) Basic earnings per share

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

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
<u>The Group</u>				
Net profit attributable to equity holders	1,042,151	738,593	2,023,560	1,596,845
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	(119,200)	(119,852)	(119,200)	(119,852)
	<u>2,048,518</u>	<u>2,047,866</u>	<u>2,048,518</u>	<u>2,047,866</u>
Basic earnings per share (sen)	50.9	36.1	98.8	78.0
<u>The Bank</u>				
Net profit attributable to equity holders	524,361	421,919	1,109,826	974,782
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	(119,200)	(119,852)	(119,200)	(119,852)
	<u>2,048,518</u>	<u>2,047,866</u>	<u>2,048,518</u>	<u>2,047,866</u>
Basic earnings per share (sen)	25.6	20.6	54.2	47.6

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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.

	2nd Quarter Ended		Cumulative Six Months Ended	
	31/12/2022 RM'000	31/12/2021 RM'000	31/12/2022 RM'000	31/12/2021 RM'000
<u>The Group</u>				
Net profit attributable to equity holders	1,042,151	738,593	2,023,560	1,596,845
Weighted average number of ordinary shares in issue (diluted) ('000):				
- during the period	2,048,518	2,047,866	2,048,518	2,047,866
- adjustment for ESS	683	1,089	683	1,089
	2,049,201	2,048,955	2,049,201	2,048,955
Fully diluted earnings per share (sen)	50.9	36.0	98.7	77.9
<u>The Bank</u>				
Net profit attributable to equity holders	524,361	421,919	1,109,826	974,782
Weighted average number of ordinary shares in issue (diluted) ('000):				
- during the period	2,048,518	2,047,866	2,048,518	2,047,866
- adjustment for ESS	683	1,089	683	1,089
	2,049,201	2,048,955	2,049,201	2,048,955
Fully diluted earnings per share (sen)	25.6	20.6	54.2	47.6

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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 31 December 2022 based on the remaining contractual maturity:

	The Group							Total
	31 December 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	6,010,765	1,526,545	-	-	-	-	-	7,537,310
Deposits and placements with banks and other financial institutions	-	-	1,160,596	-	43,902	-	-	1,204,498
Securities purchased under resale agreements	-	-	179,568	-	-	-	-	179,568
Financial assets at fair value through profit or loss	130,837	441,617	396,936	10,854	81,446	4,716,717	982,007	6,760,414
Financial investments at fair value through other comprehensive income	228,959	232,215	1,498,796	163,635	647,015	25,962,442	83,386	28,816,448
Financial investments at amortised cost	671	30,161	477,262	426,455	850,485	29,733,051	-	31,518,085
Loans, advances and financing	12,089,328	6,742,451	5,552,464	2,646,186	1,316,268	142,158,624	-	170,505,321
Other assets	1,090,769	10,001	17,841	23,414	22,867	383	1,293,222	2,458,497
Derivative financial instruments	57,662	223,621	487,971	75,883	110,463	1,013,791	-	1,969,391
Statutory deposits with Central Banks	-	-	-	-	-	-	3,041,787	3,041,787
Investment in associated companies	-	-	-	-	-	-	7,251,296	7,251,296
Property and equipment	-	-	-	-	-	-	1,120,550	1,120,550
Intangible assets	-	-	-	-	-	-	310,387	310,387
Right-of-use assets	-	-	-	-	-	-	198,841	198,841
Goodwill	-	-	-	-	-	-	1,831,312	1,831,312
Deferred tax assets	-	-	-	-	-	-	485,442	485,442
Total assets	19,608,991	9,206,611	9,771,434	3,346,427	3,072,446	203,585,008	16,598,230	265,189,147

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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 31 December 2022 based on the remaining contractual maturity: (continued)

	The Group							Total
	31 December 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	79,325,146	36,417,311	30,652,810	17,641,246	25,006,725	9,825,259	-	198,868,497
Investment accounts of customers	15,234	507,332	1,132,435	456,751	190,319	-	-	2,302,071
Deposits and placements of banks and other financial institutions	2,065,357	1,814,729	2,907,655	174,129	103,008	1,612,998	-	8,677,876
Obligations on securities sold under repurchase agreements	-	745,065	3,252,632	3,824,568	6,356	-	-	7,828,621
Bills and acceptances payable	265	3,467	23,006	18,914	28	-	207,737	253,417
Lease liabilities	-	3,695	7,454	11,342	21,173	156,427	-	200,091
Other liabilities	6,416,007	194,185	39,703	496	11,895	28	126,081	6,788,395
Derivative financial instruments	205,630	525,421	514,962	111,022	199,008	1,247,005	-	2,803,048
Recourse obligation on loans/financing sold to Cagamas	-	-	5,153	7,136	-	1,950,020	-	1,962,309
Tier 2 subordinated bonds	-	-	-	502,389	-	1,000,000	-	1,502,389
Multi-currency Additional Tier 1 capital securities	-	-	4,862	7,022	3,850	1,702,115	-	1,717,849
Taxation	-	-	-	-	-	-	201,866	201,866
Total liabilities	88,027,639	40,211,205	38,540,672	22,755,015	25,542,362	17,493,852	535,684	233,106,429
Total equity	-	-	-	-	-	-	32,082,718	32,082,718
Total liabilities and equity	88,027,639	40,211,205	38,540,672	22,755,015	25,542,362	17,493,852	32,618,402	265,189,147
Net liquidity gap	(68,418,648)	(31,004,594)	(28,769,238)	(19,408,588)	(22,469,916)	186,091,156	16,062,546	32,082,718

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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 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 31 December 2022 based on the remaining contractual maturity:

	The Bank							Total
	31 December 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	5,301,209	365,687	-	-	-	-	-	5,666,896
Deposits and placements with banks and other financial institutions	-	-	1,876,912	-	43,902	426,927	-	2,347,741
Financial assets at fair value through profit or loss	130,837	440,751	396,936	10,015	81,446	4,716,717	1,058,511	6,835,213
Financial investments at fair value through other comprehensive income	228,959	232,215	1,498,796	133,417	616,190	22,242,966	83,386	25,035,929
Financial investments at amortised cost	671	30,161	350,224	215,181	738,253	20,826,207	-	22,160,697
Loans, advances and financing	9,373,543	5,735,949	4,926,906	2,049,734	900,676	105,723,319	-	128,710,127
Other assets	1,102,880	9,915	17,744	23,329	22,755	866	1,231,825	2,409,314
Derivative financial instruments	67,133	228,251	466,548	73,985	110,840	1,011,187	-	1,957,944
Amount due from subsidiaries	-	-	-	-	-	-	28,133	28,133
Statutory deposits with Central Banks	-	-	-	-	-	-	2,248,514	2,248,514
Subsidiary companies	-	-	-	-	-	-	2,649,003	2,649,003
Investment in associated companies	-	-	-	-	-	-	1,409,436	1,409,436
Property and equipment	-	-	-	-	-	-	546,376	546,376
Intangible assets	-	-	-	-	-	-	274,017	274,017
Right-of-use assets	-	-	-	-	-	-	295,765	295,765
Goodwill	-	-	-	-	-	-	1,771,547	1,771,547
Deferred tax assets	-	-	-	-	-	-	366,977	366,977
Total assets	16,205,232	7,042,929	9,534,066	2,505,661	2,514,062	154,948,189	11,963,490	204,713,629

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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 31 December 2022 based on the remaining contractual maturity: (continued)

	The Bank							Total
	31 December 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	66,809,297	26,947,402	19,334,632	13,066,230	18,884,638	8,405,223	-	153,447,422
Deposits and placements of banks and other financial institutions	2,335,900	1,505,051	2,037,787	72,327	103,008	1,590,286	-	7,644,359
Obligations on securities sold under repurchase agreements	-	745,065	2,691,642	3,824,568	6,356	-	-	7,267,631
Bills and acceptances payable	215	2,942	18,669	16,277	28	-	143,393	181,524
Lease liabilities	-	5,667	11,302	17,266	34,232	233,850	-	302,317
Other liabilities	5,675,648	194,134	39,636	443	1,698	432,470	82,692	6,426,721
Derivative financial instruments	191,381	525,860	494,263	107,744	204,209	1,230,827	-	2,754,284
Recourse obligation on loans sold to Cagamas	-	-	2,286	2,268	-	500,012	-	504,566
Tier 2 subordinated bonds	-	-	-	502,389	-	1,000,000	-	1,502,389
Multi-currency Additional Tier 1 capital securities	-	-	4,862	7,022	3,850	1,702,115	-	1,717,849
Taxation	-	-	-	-	-	-	135,975	135,975
Total liabilities	75,012,441	29,926,121	24,635,079	17,616,534	19,238,019	15,094,783	362,060	181,885,037
Total equity	-	-	-	-	-	-	22,828,592	22,828,592
Total liabilities and equity	75,012,441	29,926,121	24,635,079	17,616,534	19,238,019	15,094,783	23,190,652	204,713,629
Net liquidity gap	(58,807,209)	(22,883,192)	(15,101,013)	(15,110,873)	(16,723,957)	139,853,406	11,601,430	22,828,592

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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