

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

**Condensed Financial Statements**  
**Unaudited Statements of Financial Position As At 30 September 2024**

		<b>The Group</b>		<b>The Bank</b>	
	<b>Note</b>	<b>30/09/2024</b>	<b>30/06/2024</b>	<b>30/09/2024</b>	<b>30/06/2024</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>ASSETS</u></b>					
Cash and short-term funds		11,998,098	5,790,159	9,157,403	3,866,491
Deposits and placements with banks and other financial institutions		662,800	661,521	1,279,834	1,034,791
Securities purchased under resale agreements		474,065	297,315	-	-
Financial assets at fair value through profit or loss	A8	3,317,100	3,415,191	2,781,782	3,390,256
Financial investments at fair value through other comprehensive income	A9	33,029,109	41,099,194	28,683,128	35,868,198
Financial investments at amortised cost	A10	29,519,267	31,152,156	21,270,883	22,566,813
Loans, advances and financing	A11	192,698,711	193,304,468	143,489,409	144,048,721
Other assets	A12	2,356,636	4,243,571	2,032,954	4,190,388
Derivative financial instruments		2,961,140	1,362,654	2,561,016	1,309,701
Amount due from subsidiaries		-	-	209,701	104,124
Statutory deposits with Central Banks		3,323,959	3,214,478	2,443,072	2,320,111
Subsidiary companies		-	-	2,651,436	2,656,848
Investment in associated companies		9,055,257	9,639,404	2,087,699	2,087,699
Property and equipment		975,910	994,351	427,253	441,329
Intangible assets		337,574	353,477	307,108	318,725
Right-of-use assets		153,748	167,705	196,300	216,520
Goodwill		1,831,312	1,831,312	1,771,547	1,771,547
Deferred tax assets		223,391	262,116	155,350	187,679
<b>TOTAL ASSETS</b>		<b>292,918,077</b>	<b>297,789,072</b>	<b>221,505,875</b>	<b>226,379,941</b>
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>					
Deposits from customers	A13	219,436,862	220,432,800	164,343,279	165,753,434
Investment accounts of customers	A14	2,314,693	2,166,534	-	-
Deposits and placements of banks and other financial institutions	A15	5,994,709	11,370,939	5,722,678	10,786,903
Obligations on securities sold under repurchase agreements		9,920,845	9,823,649	9,920,845	9,823,649
Bills and acceptances payable		246,184	282,547	179,158	238,413
Lease liabilities		157,814	171,369	204,906	225,039
Other liabilities	A16	7,491,975	7,223,979	7,279,531	6,988,164
Derivative financial instruments		3,763,637	1,805,207	3,201,032	1,698,702
Recourse obligation on loans/financing sold to Cagamas Berhad ("Cagamas")		2,675,381	3,277,003	1,308,156	1,728,635
Senior debts	A17	1,036,786	549,912	833,062	344,204
Tier 2 subordinated bonds	A18	1,516,173	1,500,545	1,516,173	1,500,545
Multi-currency Additional Tier 1 capital securities	A19	1,724,909	1,718,671	1,724,909	1,718,671
Provision for taxation		196,552	171,829	139,709	124,845
<b>TOTAL LIABILITIES</b>		<b>256,476,520</b>	<b>260,494,984</b>	<b>196,373,438</b>	<b>200,931,204</b>
Share capital		7,739,063	7,739,063	7,739,063	7,739,063
Reserves		29,404,285	30,257,699	18,095,165	18,412,348
Less: Treasury shares		(701,791)	(702,674)	(701,791)	(702,674)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>36,441,557</b>	<b>37,294,088</b>	<b>25,132,437</b>	<b>25,448,737</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>292,918,077</b>	<b>297,789,072</b>	<b>221,505,875</b>	<b>226,379,941</b>
<b><u>COMMITMENTS AND CONTINGENCIES</u></b>					
Net asset per share attributable to ordinary equity holders of the parent (RM) *	A31	<b>336,672,960</b>	<b>311,897,584</b>	<b>317,431,506</b>	<b>294,327,279</b>

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

17.78                      18.20                      12.26                      12.42

\* 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 2024.*

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

**Condensed Financial Statements**  
**Unaudited Statements of Income**  
**For The Financial Period Ended 30 September 2024**

	Note	The Group			
		Current Quarter Ended 30/09/2024 RM'000	Corresponding Quarter Ended 30/09/2023 RM'000	Current Period Ended 30/09/2024 RM'000	Corresponding Period Ended 30/09/2023 RM'000
Interest income	A20(a)	2,226,852	2,108,715	2,226,852	2,108,715
Interest income for financial assets at fair value through profit or loss	A20(b)	25,842	26,452	25,842	26,452
Interest expense	A21	(1,242,653)	(1,213,498)	(1,242,653)	(1,213,498)
Net interest income		1,010,041	921,669	1,010,041	921,669
Net income from Islamic Banking business	A22	287,813	230,233	287,813	230,233
Other operating income	A23	300,020	242,213	300,020	242,213
Net income		1,597,874	1,394,115	1,597,874	1,394,115
Other operating expenses	A24	(625,510)	(556,272)	(625,510)	(556,272)
Operating profit before allowances (Allowance for)/write back of impairment losses on loans, advances and financing	A25	972,364	837,843	972,364	837,843
Allowance for impairment losses financial investments and other assets	A26	(7,451)	51,105	(7,451)	51,105
		(131)	(300)	(131)	(300)
Share of profit after tax of equity accounted associated companies		964,782	888,648	964,782	888,648
		374,588	354,481	374,588	354,481
Profit before taxation		1,339,370	1,243,129	1,339,370	1,243,129
Taxation	B5	(249,415)	(213,353)	(249,415)	(213,353)
Net profit for the financial period		1,089,955	1,029,776	1,089,955	1,029,776
<b>Attributable to:</b>					
Owners of the parent		1,089,955	1,029,776	1,089,955	1,029,776
Earnings per share - basic (sen)	B12(a)	53.2	50.3	53.2	50.3
Earnings per share - fully diluted (sen)	B12(b)	52.9	50.2	52.9	50.2

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**HONG LEONG BANK BERHAD**  
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**Condensed Financial Statements**  
**Unaudited Statements of Comprehensive Income**  
**For The Financial Period Ended 30 September 2024**

	<b>The Group</b>			
	<b>Current Quarter Ended 30/09/2024 RM'000</b>	<b>Corresponding Quarter Ended 30/09/2023 RM'000</b>	<b>Current Period Ended 30/09/2024 RM'000</b>	<b>Corresponding Period Ended 30/09/2023 RM'000</b>
Net profit for the financial period	<u>1,089,955</u>	<u>1,029,776</u>	<u>1,089,955</u>	<u>1,029,776</u>
Other comprehensive loss in respect of:				
(i) Items that may be reclassified subsequently to profit or loss:				
(a) Share of other comprehensive (loss)/income of associated company	(32,547)	31,526	(32,547)	31,526
(b) Currency translation differences	(1,174,803)	(62,645)	(1,174,803)	(62,645)
(c) Debt instruments at fair value through other comprehensive income				
- Net fair value changes	207,752	(5,191)	207,752	(5,191)
- Changes in expected credit losses	(667)	187	(667)	187
Income tax relating to components of other comprehensive (income)/loss	<u>(43,747)</u>	<u>1,430</u>	<u>(43,747)</u>	<u>1,430</u>
Other comprehensive loss for the financial period, net of tax	<u>(1,044,012)</u>	<u>(34,693)</u>	<u>(1,044,012)</u>	<u>(34,693)</u>
Total comprehensive income for the financial period	<u><u>45,943</u></u>	<u><u>995,083</u></u>	<u><u>45,943</u></u>	<u><u>995,083</u></u>
<b>Attributable to:</b>				
- Owners of the parent	<u><u>45,943</u></u>	<u><u>995,083</u></u>	<u><u>45,943</u></u>	<u><u>995,083</u></u>

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**Condensed Financial Statements**  
**Unaudited Statements of Income**  
**For The Financial Period Ended 30 September 2024**

	Note	<b>The Bank</b>			
		<b>Current Quarter Ended 30/09/2024 RM'000</b>	<b>Corresponding Quarter Ended 30/09/2023 RM'000</b>	<b>Current Period Ended 30/09/2024 RM'000</b>	<b>Corresponding Period Ended 30/09/2023 RM'000</b>
Interest income	A20(a)	2,163,206	2,033,254	2,163,206	2,033,254
Interest income for financial assets at fair value through profit or loss	A20(b)	25,842	26,452	25,842	26,452
Interest expense	A21	(1,218,547)	(1,170,995)	(1,218,547)	(1,170,995)
Net interest income		970,501	888,711	970,501	888,711
Other operating income	A23	292,735	688,305	292,735	688,305
Net income		1,263,236	1,577,016	1,263,236	1,577,016
Other operating expenses	A24	(509,827)	(459,262)	(509,827)	(459,262)
Operating profit before allowances (Allowance for)/write back of impairment losses on loans, advances and financing	A25	753,409	1,117,754	753,409	1,117,754
Write back of impairment losses on financial investments and other assets	A26	(2,698)	45,257	(2,698)	45,257
		400	946	400	946
Profit before taxation		751,111	1,163,957	751,111	1,163,957
Taxation	B5	(197,488)	(252,049)	(197,488)	(252,049)
Net profit for the financial period		553,623	911,908	553,623	911,908
Earnings per share - basic (sen)	B12(a)	27.0	44.5	27.0	44.5
Earnings per share - fully diluted (sen)	B12(b)	26.9	44.5	26.9	44.5

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**HONG LEONG BANK BERHAD**  
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**Condensed Financial Statements**  
**Unaudited Statements of Comprehensive Income**  
**For The Financial Period Ended 30 September 2024**

	<b>The Bank</b>			
	<b>Current Quarter Ended 30/09/2024 RM'000</b>	<b>Corresponding Quarter Ended 30/09/2023 RM'000</b>	<b>Current Period Ended 30/09/2024 RM'000</b>	<b>Corresponding Period Ended 30/09/2023 RM'000</b>
Net profit for the financial period	553,623	911,908	553,623	911,908
Other comprehensive income/(loss) in respect of:				
(i) Items that may be reclassified subsequently to profit or loss:				
(a) Currency translation differences	(117,654)	(2,204)	(117,654)	(2,204)
(b) Debt instruments at fair value through other comprehensive income				
- Net fair value changes	185,331	(4,197)	185,331	(4,197)
- Changes in expected credit losses	(655)	87	(655)	87
Income tax relating to components of other comprehensive (income)/loss	(38,356)	1,182	(38,356)	1,182
Other comprehensive income/(loss) for the financial period, net of tax	28,666	(5,132)	28,666	(5,132)
Total comprehensive income for the financial period	582,289	906,776	582,289	906,776

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**Condensed Financial Statements**  
**Unaudited Statements of Changes in Equity For The Financial Period Ended 30 September 2024**

**Attributable to owners of the parent**

<b>The Group</b>	<b>Share Capital RM'000</b>	<b>Other Reserves RM'000</b>	<b>Regulatory Reserves * RM'000</b>	<b>Retained Profits RM'000</b>	<b>Treasury Shares RM'000</b>	<b>Total RM'000</b>
<b>At 1 July 2024</b>	7,739,063	1,323,177	1,259,640	27,674,882	(702,674)	37,294,088
<u>Comprehensive income</u>						
Net profit for the financial period	-	-	-	1,089,955	-	1,089,955
- Share of other comprehensive loss of associated company	-	(32,547)	-	-	-	(32,547)
- Financial assets measured at fair value through other comprehensive income						
- Debt instruments						
- Net fair value changes	-	164,005	-	-	-	164,005
- Changes in expected credit losses	-	(667)	-	-	-	(667)
- Currency translation differences	-	(1,174,803)	-	-	-	(1,174,803)
Total comprehensive (loss)/income	-	(1,044,012)	-	1,089,955	-	45,943
<u>Transactions with owners</u>						
Transfer to regulatory reserve	-	-	(4,836)	4,836	-	-
Dividends payable	-	-	-	(897,245)	-	(897,245)
ESS exercised	-	(2,476)	-	1,593	883	-
Option charge arising from ESS granted	-	(1,229)	-	-	-	(1,229)
Total transactions with owners	-	(3,705)	(4,836)	(890,816)	883	(898,474)
<b>At 30 September 2024</b>	<b>7,739,063</b>	<b>275,460</b>	<b>1,254,804</b>	<b>27,874,021</b>	<b>(701,791)</b>	<b>36,441,557</b>
<b>At 1 July 2023</b>	7,739,063	936,591	1,002,061	25,017,703	(708,766)	33,986,652
<u>Comprehensive income</u>						
Net profit for the financial period	-	-	-	1,029,776	-	1,029,776
- Share of other comprehensive income of associated company	-	31,526	-	-	-	31,526
- Financial assets measured at fair value through other comprehensive income						
- Debt instruments						
- Net fair value changes	-	(3,761)	-	-	-	(3,761)
- Changes in expected credit losses	-	187	-	-	-	187
- Currency translation differences	-	(62,645)	-	-	-	(62,645)
Total comprehensive (loss)/income	-	(34,693)	-	1,029,776	-	995,083
<u>Transactions with owners</u>						
Transfer to regulatory reserve	-	-	64,969	(64,969)	-	-
Dividends payable	-	-	-	(792,914)	-	(792,914)
ESS exercised	-	(2,277)	-	1,353	924	-
Option written back arising from ESS lapsed	-	68	-	-	-	68
Total transactions with owners	-	(2,209)	64,969	(856,530)	924	(792,846)
<b>At 30 September 2023</b>	<b>7,739,063</b>	<b>899,689</b>	<b>1,067,030</b>	<b>25,190,949</b>	<b>(707,842)</b>	<b>34,188,889</b>

\* Comprise regulatory reserves maintained by the Group's banking subsidiaries of RM1,240,780,000 (30 September 2023: RM1,055,785,000) in accordance with BNM's Guideline and the banking subsidiary in Vietnam with the State Bank of Vietnam of RM14,024,000 (30 September 2023: RM11,245,000)

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**HONG LEONG BANK BERHAD**  
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**Condensed Financial Statements**  
**Unaudited Statements of Changes in Equity For The Financial Period Ended 30 September 2024**

**Attributable to owners of the parent**

<b>The Bank</b>	<b>Share Capital RM'000</b>	<b>Other Reserves RM'000</b>	<b>Regulatory Reserve RM'000</b>	<b>Retained Profits RM'000</b>	<b>Treasury Shares RM'000</b>	<b>Total RM'000</b>
<b>At 1 July 2024</b>	7,739,063	255,247	1,019,677	17,137,424	(702,674)	25,448,737
<u>Comprehensive income</u>						
Net profit for the financial period	-	-	-	553,623	-	553,623
- Financial assets measured at fair value through other comprehensive income						
- Debt instruments						
- Net fair value changes	-	146,860	-	-	-	146,860
- Changes in expected credit losses	-	(655)	-	-	-	(655)
- Currency translation differences	-	(117,654)	-	-	-	(117,654)
Total comprehensive income	-	28,551	-	553,623	-	582,174
<u>Transactions with owners</u>						
Transfer to regulatory reserve	-	-	(17,311)	17,311	-	-
Dividends payable	-	-	-	(897,245)	-	(897,245)
ESS exercised	-	(2,476)	-	1,593	883	-
Option charge arising from ESS granted	-	(1,229)	-	-	-	(1,229)
Total transactions with owners	-	(3,705)	(17,311)	(878,341)	883	(898,474)
<b>At 30 September 2024</b>	<b>7,739,063</b>	<b>280,093</b>	<b>1,002,366</b>	<b>16,812,706</b>	<b>(701,791)</b>	<b>25,132,437</b>
<b>At 1 July 2023</b>	7,739,063	2,905	825,318	15,727,832	(708,766)	23,586,352
<u>Comprehensive income</u>						
Net profit for the financial period	-	-	-	911,908	-	911,908
- Financial assets measured at fair value through other comprehensive income						
- Debt instruments						
- Net fair value changes	-	(3,015)	-	-	-	(3,015)
- Changes in expected credit losses	-	87	-	-	-	87
- Currency translation differences	-	(2,204)	-	-	-	(2,204)
Total comprehensive (loss)/income	-	(5,132)	-	911,908	-	906,776
<u>Transactions with owners</u>						
Transfer to regulatory reserve	-	-	38,954	(38,954)	-	-
Dividends payable	-	-	-	(792,914)	-	(792,914)
ESS exercised	-	(2,277)	-	1,353	924	-
Option written back arising from ESS lapsed	-	68	-	-	-	68
Total transactions with owners	-	(2,209)	38,954	(830,515)	924	(792,846)
<b>At 30 September 2023</b>	<b>7,739,063</b>	<b>(4,436)</b>	<b>864,272</b>	<b>15,809,225</b>	<b>(707,842)</b>	<b>23,700,282</b>

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**HONG LEONG BANK BERHAD**  
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**Condensed Financial Statements**  
**Unaudited Condensed Statements of Cash Flows**  
**For The Financial Period Ended 30 September 2024**

	The Group		The Bank	
	Financial Period Ended 30/09/2024 RM'000	Financial Period Ended 30/09/2023 RM'000	Financial Period Ended 30/09/2024 RM'000	Financial Period Ended 30/09/2023 RM'000
Profit before taxation	1,339,370	1,243,129	751,111	1,163,957
Adjustments for non-cash items	(717,752)	(734,723)	(393,830)	(865,035)
Operating profit before working capital changes	621,618	508,406	357,281	298,922
Changes in working capital:				
Net changes in operating assets	(326,305)	101,963	1,029,543	686,609
Net changes in operating liabilities	(4,615,557)	1,690,913	(5,378,930)	951,370
Income taxes and zakat paid	(226,895)	(180,276)	(186,892)	(137,000)
Net cash (used in)/generated from operating activities	<u>(4,547,139)</u>	<u>2,121,006</u>	<u>(4,178,998)</u>	<u>1,799,901</u>
<b>Cash flows from investing activities</b>				
Net proceeds/(purchases) of financial investments at fair value through other comprehensive income	8,315,952	(3,440,451)	7,408,402	(2,644,996)
Net proceeds/(purchases) of financial investments at amortised cost	1,632,886	(59,352)	1,295,930	(110,456)
Interest received from:				
- Financial investments at fair value through other comprehensive income	349,318	317,223	349,268	317,204
- Financial investments at amortised cost	170,421	166,467	170,256	166,281
- Subordinated facilities	-	-	1,397	882
Purchase of property and equipment	(12,305)	(16,081)	(11,691)	(14,217)
Net proceeds from sale of property and equipment	5	408	5	406
Purchase of intangible assets	(1,436)	(7,921)	(1,178)	(7,378)
Dividends received from:				
- Associated company	359,785	330,808	359,785	330,808
- Financial assets at fair value through profit or loss	3,084	19,957	2,353	19,628
Net cash generated from/(used in) investing activities	<u>10,817,710</u>	<u>(2,688,942)</u>	<u>9,574,527</u>	<u>(1,941,838)</u>



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**Condensed Financial Statements**  
**Unaudited Condensed Statements of Cash Flows**  
**For The Financial Period Ended 30 September 2024**

	The Group		The Bank	
	Financial Period Ended 30/09/2024 RM'000	Financial Period Ended 30/09/2023 RM'000	Financial Period Ended 30/09/2024 RM'000	Financial Period Ended 30/09/2023 RM'000
<b>Cash flows from financing activities</b>				
Repayment of lease liabilities	(6,833)	(6,740)	(14,480)	(13,925)
Repayment of recourse obligation on loans sold to Cagamas	(600,000)	-	(410,000)	-
Repayment of Senior debts	(250,000)	-	(245,000)	-
Proceeds from debt issuance:				
- Recourse obligation on financing sold to Cagamas	-	300,000	-	210,000
- Senior debts	734,000	-	734,000	-
Interest/profit paid:				
- Recourse obligation on loans/financing sold to Cagamas	(32,783)	(27,079)	(26,515)	(22,504)
- Senior debts	(2,420)	-	(2,415)	-
- Tier 2 subordinated bonds	(166)	(44)	(166)	(44)
- Multi-currency Additional Tier 1 capital securities	(8,701)	(9,611)	(8,701)	(9,611)
- Lease liabilities	(1,874)	(1,987)	(2,363)	(2,935)
Net cash (used in)/generated from financing activities	<u>(168,777)</u>	<u>254,539</u>	<u>24,360</u>	<u>160,981</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>6,101,794</b>	<b>(313,397)</b>	<b>5,419,889</b>	<b>19,044</b>
<b>Currency translation differences</b>	<b>(201,858)</b>	<b>(19,443)</b>	<b>(99,811)</b>	<b>(1,365)</b>
<b>Cash and cash equivalents at the beginning of financial period</b>	<b>6,015,933</b>	<b>7,925,863</b>	<b>3,766,734</b>	<b>6,288,977</b>
<b>Cash and cash equivalents at the end of financial period</b>	<b><u>11,915,869</u></b>	<b><u>7,593,023</u></b>	<b><u>9,086,812</u></b>	<b><u>6,306,656</u></b>
<b>Cash and cash equivalents comprise the following:</b>				
<b>Cash and short-term funds</b>	<b>11,998,098</b>	<b>8,051,471</b>	<b>9,157,403</b>	<b>6,706,517</b>
<b>Deposits and placements with banks and other financial institutions</b>	<b>662,800</b>	<b>11,163</b>	<b>1,279,834</b>	<b>575,395</b>
	<b><u>12,660,898</u></b>	<b><u>8,062,634</u></b>	<b><u>10,437,237</u></b>	<b><u>7,281,912</u></b>
<b>Less:</b>				
<b>Cash and short-term funds and deposits and placements with banks and other financial institutions with original maturity of more than three months</b>	<b>(745,029)</b>	<b>(469,611)</b>	<b>(1,350,425)</b>	<b>(975,256)</b>
	<b><u>11,915,869</u></b>	<b><u>7,593,023</u></b>	<b><u>9,086,812</u></b>	<b><u>6,306,656</u></b>

*The unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2024.*

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

**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 30 SEPTEMBER 2024**

**A1 Basis of preparation**

The unaudited condensed financial statements for the financial period ended 30 September 2024 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 2024. 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 2024.

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 2024, and modified for the adoption of the following accounting standards applicable for financial period beginning on or after 1 July 2024:

- (i) \* Amendments to MFRS 101 'Presentation of Financial Statements'
- \* Amendments to MFRS 16 'Lease Liability in a Sale and Leaseback'
- \* Amendments to MFRS 121 'Lack of Exchangeability'

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 2024**

There was no qualified report issued by the auditors in the preceding annual financial statements for the year ended 30 June 2024.

**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.

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

**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 30 September 2024:

a) Share Buy-back

The total number of shares bought back, all of which were held as treasury shares as at 30 September 2024 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. This 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 holdings are recorded as “Treasury Shares for ESS”, 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 30 September 2024, the trust did not purchase any new shares. As at 30 September 2024, the total number of Treasury Shares for ESS was 36,649,232 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 grant shares to eligible executives of the Bank and its subsidiary pursuant to the Bank's ESS:

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.

On 1 March 2023, the Bank has granted 124,944 ordinary shares in HLB to eligible executives of the Bank pursuant to the Bank's ESS. The vesting of the 124,944 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 May 2023, the Bank has granted 123,608 ordinary shares in HLB to eligible executives of the Bank pursuant to the Bank's ESS. The vesting of the 123,608 free ordinary shares in HLB will be done in tranches over a period of 1.5 years from the date of the grant.

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

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

On 29 November 2023, the Bank has granted 346,354 ordinary shares in HLB to eligible executives of the Bank pursuant to the Bank's ESS. The vesting of the 346,354 free ordinary shares in HLB will be done in tranches over a period of 2.5 years from the date of the grant.

On 20 February 2024, the Bank has granted 144,520 ordinary shares in HLB to eligible executives of the Bank pursuant to the Bank's ESS. The vesting of the 144,520 free ordinary shares in HLB will be done in tranches over a period of 1.5 years from the date of the grant.

On 19 June 2024, the Bank has granted 6,459 ordinary shares in HLB to eligible executives of the Bank pursuant to the Bank's ESS. The vesting of the 6,459 free ordinary shares in HLB will be done in tranches over a period of 1.1 years from the date of the grant.

On 27 September 2024, the Bank has granted 10,964,590 ordinary shares in HLB to eligible executives of the Bank pursuant to the Bank's ESS. The grant shares of 10,964,590 shall be earned over two tranches commencing for financial year ended 30 June 2024 to financial year ending 2028 upon achievement of the HLB targets.

During the financial period ended 30 September 2024, a total of 5,860 grant shares lapsed and a total of 119,821 grant shares were vested and transferred pursuant to the Bank's ESS.

c) Issuance of Multi-currency Commercial Papers and Green Medium Term Notes

On 25 July 2024, the Bank issued its fourth tranche of RM234.0 million nominal value of commercial paper ("Senior CP") out of its RM10.0 billion Multi-currency Commercial Paper Programme ("Senior CP Programme"). The tenure for this Senior CP is 6 months, which was issued at a discount of 3.54% per annum. The proceeds from the issuance shall be utilised for the Bank's working capital, general banking and other corporate purposes and/or if required, the refinancing of any existing financing obligations of the Bank.

On 30 September 2024, the Bank issued its second tranche of RM500.0 million nominal value of green medium term notes ("Green Senior MTN") out of its RM10.0 billion Multi-currency Medium Term Notes Programme ("Senior MTN Programme"). The coupon rate for this second tranche of the Green Senior MTN is 3.80% per annum, which is payable semi-annually in arrears from the date of the issue. The tenure for this Senior MTN is 5 years. The proceeds from the issuance 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.

d) Repayment of debt and equity securities

On 12 July 2024, the Bank had fully redeemed the RM5.0 million nominal value of the Senior CP.

On 12 July 2024, the Hong Leong Islamic Bank Berhad had fully redeemed the RM5.0 million nominal value of the Senior ICP.

On 9 August 2024, the Bank had fully redeemed the RM240.0 million nominal value of the Senior CP.

**A7 Dividends payable**

On 29 August 2024, the Board of Directors declared a final single tier dividend of 43 sen per share in respect of the financial year ended 30 June 2024.

The final single tier dividend of 43 sen to be paid amounting to RM897.2 million and the payment date was fixed on 19 November 2024.

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

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

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/09/2024</u>	<u>30/06/2024</u>	<u>30/09/2024</u>	<u>30/06/2024</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Money market instruments:				
Government treasury bills	685,222	277,607	685,222	277,607
Malaysian Government securities	421,535	1,365,915	421,535	1,365,915
Malaysian Government investment certificates	812,279	751,945	585,424	720,539
Cagamas bonds	96,801	-	-	-
	<u>2,015,837</u>	<u>2,395,467</u>	<u>1,692,181</u>	<u>2,364,061</u>
Quoted securities:				
Shares in Malaysia	197,076	231,767	123,237	154,716
Wholesale fund/unit trust	228,456	226,756	309,729	311,176
Portfolio Investment Accounts (Note)	779	898	-	-
Foreign currency bonds in Malaysia	43	-	43	-
Foreign currency bonds outside Malaysia	30,950	18,623	30,950	18,623
Unquoted securities:				
Corporate bonds and sukuk	443,872	107,550	225,555	107,550
Shares in Malaysia	384,329	384,329	384,329	384,329
Foreign currency bonds outside Malaysia	15,758	49,801	15,758	49,801
Total financial assets at FVTPL	<u>3,317,100</u>	<u>3,415,191</u>	<u>2,781,782</u>	<u>3,390,256</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.

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

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

	<u>The Group</u>		<u>The Bank</u>	
	30/09/2024 RM'000	30/06/2024 RM'000	30/09/2024 RM'000	30/06/2024 RM'000
At fair value				
(a) Debt instruments	32,912,312	40,982,397	28,566,331	35,751,401
(b) Equity instruments	116,797	116,797	116,797	116,797
Total financial investments at FVOCI	<u>33,029,109</u>	<u>41,099,194</u>	<u>28,683,128</u>	<u>35,868,198</u>
(a) Debt instruments				
Money market instruments:				
Government treasury bills	1,736,438	2,246,646	1,736,438	2,246,646
Malaysian Government securities	3,032,081	5,785,506	3,032,081	5,785,506
Malaysian Government investment certificates	11,336,834	12,686,527	7,245,029	8,337,741
Negotiable instruments of deposit	271,515	675,809	271,515	78,759
Cagamas bonds	2,259,206	2,967,651	2,259,206	2,967,651
Khazanah bonds	117,141	279,463	117,141	279,463
	<u>18,753,215</u>	<u>24,641,602</u>	<u>14,661,410</u>	<u>19,695,766</u>
Quoted securities:				
Government sukuk	752,245	889,288	752,245	889,288
Foreign currency bonds in Malaysia	1,471,654	1,734,169	1,471,654	1,734,169
Foreign currency bonds outside Malaysia	2,035,341	2,929,890	2,035,341	2,929,890
Unquoted securities:				
Corporate bonds and sukuk	7,624,400	7,952,937	7,373,360	7,672,257
Foreign currency bonds outside Malaysia	2,275,457	2,834,511	2,272,321	2,830,031
	<u>32,912,312</u>	<u>40,982,397</u>	<u>28,566,331</u>	<u>35,751,401</u>

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

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

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

	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 Months	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
<b>The Group</b> <b>30 September 2024</b>	RM'000	RM'000	RM'000	RM'000
At 1 July	3,001	-	4,287	7,288
New financial assets originated or purchased	284	-	-	284
Financial assets derecognised	(447)	-	-	(447)
Changes due to change in credit risk	(222)	-	-	(222)
Exchange differences	(282)	-	-	(282)
At 30 September	2,334	-	4,287	6,621

	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 Months	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
<b>The Group</b> <b>30 June 2024</b>	RM'000	RM'000	RM'000	RM'000
At 1 July	2,014	-	4,287	6,301
New financial assets originated or purchased	1,749	-	-	1,749
Financial assets derecognised	(1,076)	-	-	(1,076)
Changes due to change in credit risk	297	-	-	297
Exchange differences	17	-	-	17
At 30 June	3,001	-	4,287	7,288

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

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

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

	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	
	<b>The Bank 30 September 2024</b>			
At 1 July	2,973	-	4,287	7,260
New financial assets originated or purchased	268	-	-	268
Financial assets derecognised	(420)	-	-	(420)
Changes due to change in credit risk	(222)	-	-	(222)
Exchange differences	(281)	-	-	(281)
At 30 September	2,318	-	4,287	6,605

	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	
	<b>The Bank 30 June 2024</b>			
At 1 July	2,007	-	4,287	6,294
New financial assets originated or purchased	1,722	-	-	1,722
Financial assets derecognised	(1,078)	-	-	(1,078)
Changes due to change in credit risk	301	-	-	301
Exchange differences	21	-	-	21
At 30 June	2,973	-	4,287	7,260

	<b>The Group</b>		<b>The Bank</b>	
	30/09/2024	30/06/2024	30/09/2024	30/06/2024
	RM'000	RM'000	RM'000	RM'000
(b) Equity instruments				
Unquoted securities:				
Shares in Malaysia	116,797	116,797	116,797	116,797



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

**A10 Financial investments at amortised cost**

	<u>The Group</u>		<u>The Bank</u>	
	30/09/2024 RM'000	30/06/2024 RM'000	30/09/2024 RM'000	30/06/2024 RM'000
Money market instruments:				
Government treasury bills	53,485	60,785	53,485	60,785
Malaysian Government securities	5,079,815	5,473,628	5,079,815	5,473,628
Malaysian Government investment certificates	22,119,814	23,241,501	14,703,984	15,504,541
Cagamas bonds	1,517,870	1,517,030	809,689	813,594
Other Government securities	266,765	362,242	213,742	303,837
	<u>29,037,749</u>	<u>30,655,186</u>	<u>20,860,715</u>	<u>22,156,385</u>
Unquoted securities:				
Corporate bonds and sukuk	481,534	496,984	410,168	410,428
Less: Expected credit losses	(16)	(14)	-	-
Total financial investments at amortised cost	<u>29,519,267</u>	<u>31,152,156</u>	<u>21,270,883</u>	<u>22,566,813</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> RM'000
	12 Months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
<b>The Group</b>				
<b>30 September 2024</b>				
At 1 July	14	-	-	14
Changes due to change in credit risk	3	-	-	3
Exchange differences	(1)	-	-	(1)
At 30 September	<u>16</u>	<u>-</u>	<u>-</u>	<u>16</u>
	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
	12 Months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total ECL RM'000
<b>The Group</b>				
<b>30 June 2024</b>				
At 1 July	18	-	-	18
Changes due to change in credit risk	(1)	-	-	(1)
Exchange differences	(3)	-	-	(3)
At 30 June	<u>14</u>	<u>-</u>	<u>-</u>	<u>14</u>

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

**A10 Financial investments at amortised cost** (continued)

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

	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 Months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
<b>The Bank</b> <b>30 September 2024</b>				
At 1 July/30 September	-	-	-	-

	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	
<b>The Bank</b> <b>30 June 2024</b>				
At 1 July/30 June	-	-	-	-

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

**A11 Loans, advances and financing**

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/09/2024</u>	<u>30/06/2024</u>	<u>30/09/2024</u>	<u>30/06/2024</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Overdrafts	3,651,823	3,858,994	2,465,500	2,468,545
Term loans/financing:				
- Housing and shop loans/financing	104,291,917	103,049,863	80,258,520	79,140,084
- Hire purchase receivables	22,548,842	22,250,979	15,613,287	15,322,144
- Ijarah receivables	244,999	249,051	-	-
- Other term loans/financing and syndicated term loans	37,456,730	37,367,992	25,335,384	25,096,607
Credit/charge card receivables	3,493,192	3,489,171	3,493,192	3,489,171
Bills receivable	2,306,671	2,947,444	1,810,016	2,513,500
Trust receipts	274,934	384,096	152,299	264,018
Claims on customers under				
acceptance credits	8,951,463	9,407,373	7,258,409	7,720,195
Revolving credit	10,896,331	11,802,126	8,102,873	9,050,514
Staff loans/financing	114,952	120,325	96,132	100,865
Gross loans, advances and financing	<u>194,231,854</u>	<u>194,927,414</u>	<u>144,585,612</u>	<u>145,165,643</u>
Fair value changes arising from fair value hedges and unamortised fair value changes arising from terminated fair value hedges	(6,832)	(9,212)	(5,199)	(7,239)
Allowance for impairment losses:				
- Expected credit losses	(1,526,311)	(1,613,734)	(1,091,004)	(1,109,683)
Total net loans, advances and financing	<u>192,698,711</u>	<u>193,304,468</u>	<u>143,489,409</u>	<u>144,048,721</u>

Included in loans, advances and financing are housing loans sold to Cagamas with recourse to the Group and the Bank amounting to RM2,546,856,000 (2024: RM3,136,775,000) and RM1,252,456,000 (2024: RM1,640,761,000) respectively.

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

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

A11a By type of customer

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/09/2024</u>	<u>30/06/2024</u>	<u>30/09/2024</u>	<u>30/06/2024</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Domestic non-bank financial institutions	1,837,325	1,862,581	1,641,970	1,639,598
Domestic business enterprises:				
- Small and medium enterprises ("SME")	37,143,423	37,538,518	26,297,259	25,837,011
- Others	27,109,330	28,606,782	20,693,282	22,523,710
Government and statutory bodies	739	816	-	-
Individuals	124,237,613	122,667,183	92,417,313	91,196,300
Other domestic entities	115,983	32,223	4,536	4,872
Foreign entities	3,787,441	4,219,311	3,531,252	3,964,152
Gross loans, advances and financing	<u>194,231,854</u>	<u>194,927,414</u>	<u>144,585,612</u>	<u>145,165,643</u>

A11b By interest/profit rate sensitivity

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/09/2024</u>	<u>30/06/2024</u>	<u>30/09/2024</u>	<u>30/06/2024</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Fixed rate:				
- Housing and shop loans/financing	5,247,792	5,422,715	4,038,140	4,105,549
- Hire purchase receivables	22,513,020	22,213,647	15,584,752	15,294,541
- Other fixed rate loans/financing	8,084,833	8,427,763	6,616,934	7,055,707
Variable rate:				
- Standardised base rate/base rate/ base lending rate plus	132,175,367	131,252,699	100,063,058	99,387,683
- Cost plus	26,144,327	27,563,602	18,278,947	19,319,008
- Other variables rates	66,515	46,988	3,781	3,155
Gross loans, advances and financing	<u>194,231,854</u>	<u>194,927,414</u>	<u>144,585,612</u>	<u>145,165,643</u>

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

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

A11c By economic purpose

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/09/2024</u>	<u>30/06/2024</u>	<u>30/09/2024</u>	<u>30/06/2024</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Purchase of securities	1,118,993	1,134,734	873,232	885,364
Purchase of transport vehicles	22,243,190	21,938,558	15,278,146	14,975,061
Purchase of landed properties				
- residential	95,974,745	94,770,034	72,936,215	71,872,713
- non-residential	24,281,475	23,825,854	17,826,156	17,402,417
Purchase of fixed assets (excluding landed properties)	1,653,356	1,719,202	1,159,521	1,193,949
Personal use	4,118,666	4,110,940	2,496,463	2,566,904
Credit card	3,493,192	3,489,171	3,493,192	3,489,171
Construction	6,020,830	5,836,501	4,146,187	4,086,722
Working capital	34,162,136	36,876,709	25,562,525	27,879,760
Other purpose	1,165,271	1,225,711	813,975	813,582
Gross loans, advances and financing	<u>194,231,854</u>	<u>194,927,414</u>	<u>144,585,612</u>	<u>145,165,643</u>

A11d By geographical distribution

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/09/2024</u>	<u>30/06/2024</u>	<u>30/09/2024</u>	<u>30/06/2024</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Malaysia	181,177,280	180,917,221	135,456,271	135,503,347
Singapore	9,092,953	9,619,561	9,092,953	9,619,561
Hong Kong	36,388	42,735	36,388	42,735
Vietnam	2,012,209	2,127,381	-	-
Cambodia	1,913,024	2,220,516	-	-
Gross loans, advances and financing	<u>194,231,854</u>	<u>194,927,414</u>	<u>144,585,612</u>	<u>145,165,643</u>

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

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

A11e By residual contractual maturity

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/09/2024</u>	<u>30/06/2024</u>	<u>30/09/2024</u>	<u>30/06/2024</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Within one year	33,485,557	36,339,322	26,221,942	28,716,634
One year to less than three years	6,347,891	6,441,024	5,175,993	5,182,551
Three years to less than five years	11,867,865	11,506,456	9,093,259	8,826,290
Five years and more	142,530,541	140,640,612	104,094,418	102,440,168
Gross loans, advances and financing	<u>194,231,854</u>	<u>194,927,414</u>	<u>144,585,612</u>	<u>145,165,643</u>

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

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/09/2024</u>	<u>30/06/2024</u>	<u>30/09/2024</u>	<u>30/06/2024</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
At 1 July	1,041,199	1,041,884	676,134	676,600
Classified as impaired during the financial period/year	520,422	1,641,898	370,918	1,115,572
Reclassified as non-impaired during the financial period/year	(258,453)	(1,065,120)	(169,015)	(715,970)
Amount written back in respect of recoveries	(107,024)	(291,734)	(82,072)	(201,002)
Amount written off	(137,425)	(286,172)	(61,512)	(199,075)
Exchange difference	(9,793)	443	(32)	9
At 30 September	<u>1,048,926</u>	<u>1,041,199</u>	<u>734,421</u>	<u>676,134</u>
Gross impaired loans and financing as a % of gross loans, advances and financing	<u>0.54%</u>	<u>0.53%</u>	<u>0.51%</u>	<u>0.47%</u>

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

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

A11g Impaired loans, advances and financing by economic purpose

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/09/2024</u>	<u>30/06/2024</u>	<u>30/09/2024</u>	<u>30/06/2024</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Purchase of securities	62	62	-	-
Purchase of transport vehicles	95,494	76,078	53,825	45,385
Purchase of landed properties				
- residential	396,843	388,241	239,526	234,277
- non-residential	122,717	126,314	106,314	107,783
Purchase of fixed assets (excluding landed properties)	5,864	7,123	5,864	7,123
Personal use	31,068	28,490	18,505	17,740
Credit card	24,088	26,655	24,088	26,655
Construction	76,232	25,225	59,265	6,291
Working capital	284,193	294,711	215,954	222,896
Other purpose	12,365	68,300	11,080	7,984
Gross impaired loans, advances and financing	<u>1,048,926</u>	<u>1,041,199</u>	<u>734,421</u>	<u>676,134</u>

A11h Impaired loans, advances and financing by geographical distribution

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/09/2024</u>	<u>30/06/2024</u>	<u>30/09/2024</u>	<u>30/06/2024</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Malaysia	981,916	963,209	734,112	675,675
Singapore	309	459	309	459
Vietnam	879	940	-	-
Cambodia	65,822	76,591	-	-
Gross impaired loans, advances and financing	<u>1,048,926</u>	<u>1,041,199</u>	<u>734,421</u>	<u>676,134</u>

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

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

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

	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	
	<b>The Group</b>			
<b>30 September 2024</b>				
At 1 July	902,823	341,901	369,010	1,613,734
Changes in ECL due to transfer within stages	(13,661)	(42,398)	56,059	-
Transfer to Stage 1	2,341	(2,336)	(5)	-
Transfer to Stage 2	(15,947)	30,596	(14,649)	-
Transfer to Stage 3	(55)	(70,658)	70,713	-
New financial assets originated	12,278	308	3	12,589
Financial assets derecognised	(4,631)	(8,854)	(5,750)	(19,235)
Changes due to change in credit risk	(6,601)	53,924	22,519	69,842
Modifications to contractual cash flows				
of financial asset	5	70	-	75
Amount written off	-	-	(137,402)	(137,402)
Exchange difference	(2,944)	(582)	(2,080)	(5,606)
Other movements	-	-	(7,686)	(7,686)
At 30 September	887,269	344,369	294,673	1,526,311

	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	
	<b>The Group</b>			
<b>30 June 2024</b>				
At 1 July	966,265	381,755	411,144	1,759,164
Changes in ECL due to transfer within stages	(55,354)	(132,819)	188,173	-
Transfer to Stage 1	14,515	(14,492)	(23)	-
Transfer to Stage 2	(69,094)	143,140	(74,046)	-
Transfer to Stage 3	(775)	(261,467)	262,242	-
New financial assets originated	51,454	700	118	52,272
Financial assets derecognised	(15,177)	(45,024)	(19,011)	(79,212)
Changes due to change in credit risk	(9,085)	169,144	88,159	248,218
Modifications to contractual cash flows				
of financial asset	26	2,039	5	2,070
Changes in models/risk parameters	(35,058)	(33,942)	-	(69,000)
Amount written off	-	-	(286,664)	(286,664)
Exchange difference	(248)	48	18	(182)
Other movements	-	-	(12,932)	(12,932)
At 30 June	902,823	341,901	369,010	1,613,734



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

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

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

	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 Months ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
	RM'000	RM'000	RM'000	
<b>The Bank</b>				
<b>30 September 2024</b>				
At 1 July	665,344	223,723	220,616	1,109,683
Changes in ECL due to transfer within stages	(9,668)	(28,670)	38,338	-
Transfer to Stage 1	1,654	(1,649)	(5)	-
Transfer to Stage 2	(11,267)	20,252	(8,985)	-
Transfer to Stage 3	(55)	(47,273)	47,328	-
New financial assets originated	10,319	229	-	10,548
Financial assets derecognised	(2,906)	(5,663)	(4,551)	(13,120)
Changes due to change in credit risk	(4,144)	33,744	20,141	49,741
Modifications to contractual cash flows of financial asset	5	70	-	75
Amount written off	-	-	(61,533)	(61,533)
Exchange difference	(2,202)	(52)	(17)	(2,271)
Other movements	-	-	(2,119)	(2,119)
At 30 September	656,748	223,381	210,875	1,091,004

	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 Months ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
	RM'000	RM'000	RM'000	
<b>The Bank</b>				
<b>30 June 2024</b>				
At 1 July	712,146	265,808	260,295	1,238,249
Changes in ECL due to transfer within stages	(38,909)	(96,098)	135,007	-
Transfer to Stage 1	10,638	(10,620)	(18)	-
Transfer to Stage 2	(49,290)	96,592	(47,302)	-
Transfer to Stage 3	(257)	(182,070)	182,327	-
New financial assets originated	35,608	511	-	36,119
Financial assets derecognised	(10,912)	(28,913)	(12,226)	(52,051)
Changes due to change in credit risk	(6,357)	105,790	45,094	144,527
Modifications to contractual cash flows of financial asset	2	1,428	5	1,435
Changes in models/risk parameters	(26,307)	(24,806)	-	(51,113)
Amount written off	-	-	(199,175)	(199,175)
Exchange difference	73	3	-	76
Other movements	-	-	(8,384)	(8,384)
At 30 June	665,344	223,723	220,616	1,109,683

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

**A12 Other assets**

	<u>The Group</u>		<u>The Bank</u>	
	30/09/2024 RM'000	30/06/2024 RM'000	30/09/2024 RM'000	30/06/2024 RM'000
Foreclosed properties	46	46	46	46
Sundry debtors and other prepayments	190,118	618,814	190,271	605,612
Settlement accounts	1,094,218	1,946,768	1,093,226	1,945,754
Treasury related receivables	682,647	622,028	410,478	609,026
Cash collateral pledged for derivative transactions	238,165	843,084	238,165	843,084
Other receivables	151,442	212,831	100,768	186,866
	<u>2,356,636</u>	<u>4,243,571</u>	<u>2,032,954</u>	<u>4,190,388</u>

**A13 Deposits from customers**

A13a By type of deposit

	<u>The Group</u>		<u>The Bank</u>	
	30/09/2024 RM'000	30/06/2024 RM'000	30/09/2024 RM'000	30/06/2024 RM'000
<b>Amortised cost</b>				
Fixed deposits	113,980,503	115,136,963	85,773,557	86,974,344
Negotiable instruments of deposits	10,509,376	9,308,765	6,702,178	5,301,246
Short-term placements	18,173,018	18,479,033	10,902,088	11,270,297
	<u>142,662,897</u>	<u>142,924,761</u>	<u>103,377,823</u>	<u>103,545,887</u>
Demand deposits	46,578,089	47,695,760	38,164,482	38,940,998
Saving deposits	23,780,214	23,921,621	19,252,869	19,460,943
Others	325,397	340,249	209,885	216,875
	<u>213,346,597</u>	<u>214,882,391</u>	<u>161,005,059</u>	<u>162,164,703</u>
<b>At fair value through profit and loss</b>				
Structured deposits linked to interest rate derivatives	6,295,166	5,804,820	3,496,158	3,785,946
Fair value changes arising from designation at fair value through profit or loss *	(204,901)	(254,411)	(157,938)	(197,215)
	<u>6,090,265</u>	<u>5,550,409</u>	<u>3,338,220</u>	<u>3,588,731</u>
	<u>219,436,862</u>	<u>220,432,800</u>	<u>164,343,279</u>	<u>165,753,434</u>

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

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

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

**A13 Deposits from customers (continued)**

A13b By type of customer

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/09/2024</u>	<u>30/06/2024</u>	<u>30/09/2024</u>	<u>30/06/2024</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Government and statutory bodies	3,278,943	3,217,463	777,723	363,053
Business enterprises	102,976,853	102,827,248	74,133,601	74,606,333
Individuals	110,663,080	111,914,422	87,521,803	88,903,682
Others	2,517,986	2,473,667	1,910,152	1,880,366
	<u>219,436,862</u>	<u>220,432,800</u>	<u>164,343,279</u>	<u>165,753,434</u>

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

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/09/2024</u>	<u>30/06/2024</u>	<u>30/09/2024</u>	<u>30/06/2024</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Due within:				
- Six months	118,535,015	120,661,513	85,007,141	86,163,215
- Six months to one year	22,058,301	19,092,939	17,405,478	15,427,941
- One year to five years	2,068,521	2,264,001	965,134	1,053,722
- More than five years	1,060	906,308	70	901,009
	<u>142,662,897</u>	<u>142,924,761</u>	<u>103,377,823</u>	<u>103,545,887</u>

**A14 Investment accounts of customers**

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/09/2024</u>	<u>30/06/2024</u>	<u>30/09/2024</u>	<u>30/06/2024</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Unrestricted investment accounts				
Mudarabah with maturity	2,313,914	2,165,636	-	-
Restricted investment accounts *				
Wakalah bi Al-Istithmar	779	898	-	-
	<u>2,314,693</u>	<u>2,166,534</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 Hong Leong Islamic Bank Berhad ("HLISB") 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 HLISB 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.

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

**A15 Deposits and placements of banks and other financial institutions**

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/09/2024</u>	<u>30/06/2024</u>	<u>30/09/2024</u>	<u>30/06/2024</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Licensed banks	4,453,511	9,837,914	4,201,697	9,274,915
Central banks (Note)	1,541,198	1,533,025	1,520,981	1,511,988
	<u>5,994,709</u>	<u>11,370,939</u>	<u>5,722,678</u>	<u>10,786,903</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 RM1,541,198,000 (2024: RM1,533,025,000) and RM1,520,981,000 (2024: RM1,511,988,000) respectively at concession rates.

**A16 Other liabilities**

	Note	<u>The Group</u>		<u>The Bank</u>	
		<u>30/09/2024</u>	<u>30/06/2024</u>	<u>30/09/2024</u>	<u>30/06/2024</u>
		<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Zakat		437	350	-	-
Post employment benefits obligation					
- Defined contribution plan		277	277	277	277
Loan advance payment		3,471,684	3,515,763	2,877,777	2,909,342
Amount due to subsidiary companies		-	-	432,107	432,252
Treasury and cheque clearing		105,389	255,702	91,013	246,237
Cash collateral pledged for derivative transactions		870,200	316,352	870,200	316,352
Sundry creditors and accruals		273,306	524,041	259,177	504,548
Provision for bonus and staff related expenses		232,557	179,811	217,192	166,426
Expected credit losses on financial guarantee contracts	(a)	7,358	8,089	6,297	7,528
Provision for reinstatement cost		19,898	20,820	25,395	26,150
Settlement accounts		1,374,197	2,115,051	1,373,823	2,114,945
Others		1,136,672	287,723	1,126,273	264,107
		<u>7,491,975</u>	<u>7,223,979</u>	<u>7,279,531</u>	<u>6,988,164</u>

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

**A16 Other liabilities** (continued)

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

	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	
	<b>The Group</b> <b>30 September 2024</b>			
At 1 July	7,377	712	-	8,089
Changes in ECL due to transfer within stages	(1)	(26)	27	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(1)	1	-	-
Transfer to Stage 3	-	(27)	27	-
New financial assets originated	181	-	-	181
Financial assets derecognised	(79)	-	-	(79)
Changes due to change in credit risk	(396)	50	(27)	(373)
Exchange difference	(457)	(3)	-	(460)
At 30 September	6,625	733	-	7,358

	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	
	<b>The Group</b> <b>30 June 2024</b>			
At 1 July	6,718	1,392	-	8,110
Changes in ECL due to transfer within stages	(16)	16	-	-
Transfer to Stage 1	36	(36)	-	-
Transfer to Stage 2	(52)	52	-	-
Transfer to Stage 3	-	-	-	-
New financial assets originated	446	-	-	446
Financial assets derecognised	(433)	(635)	-	(1,068)
Changes due to change in credit risk	812	(67)	-	745
Exchange difference	(150)	6	-	(144)
At 30 June	7,377	712	-	8,089

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

**A16 Other liabilities** (continued)

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

	<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>	
<b>The Bank</b>				
<b>30 September 2024</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 July	6,884	644	-	7,528
Changes in ECL due to transfer within stages	-	(27)	27	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	(27)	27	-
New financial assets originated	181	-	-	181
Financial assets derecognised	(79)	-	-	(79)
Changes due to change in credit risk	(779)	(75)	(27)	(881)
Exchange difference	(449)	(3)	-	(452)
At 30 September	<u>5,758</u>	<u>539</u>	<u>-</u>	<u>6,297</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>	
<b>The Bank</b>				
<b>30 June 2024</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 July	6,051	1,362	-	7,413
Changes in ECL due to transfer within stages	(3)	3	-	-
Transfer to Stage 1	35	(35)	-	-
Transfer to Stage 2	(38)	38	-	-
Transfer to Stage 3	-	-	-	-
New financial assets originated	413	-	-	413
Financial assets derecognised	(430)	(635)	-	(1,065)
Changes due to change in credit risk	1,004	(92)	-	912
Exchange difference	(151)	6	-	(145)
At 30 June	<u>6,884</u>	<u>644</u>	<u>-</u>	<u>7,528</u>

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

**A17 Senior debts**

	Note	<u>The Group</u>		<u>The Bank</u>	
		30/09/2024 RM'000	30/06/2024 RM'000	30/09/2024 RM'000	30/06/2024 RM'000
RM600.0 million Multi-currency Medium Term Notes, at par	(a)	600,000	100,000	600,000	100,000
Add: Interest payable		1,736	658	1,736	658
		<u>601,736</u>	<u>100,658</u>	<u>601,736</u>	<u>100,658</u>
Less: Unamortised discounts		(423)	(462)	(423)	(462)
Add: Fair value changes arising from fair value hedges and unamortised fair value changes arising from terminated fair value hedges		467	11	467	11
		<u>601,780</u>	<u>100,207</u>	<u>601,780</u>	<u>100,207</u>
RM200.0 million Multi-currency Islamic Medium Term Notes, at par	(b)	200,000	200,000	-	-
Add: Profit payable		3,368	1,316	-	-
		<u>203,368</u>	<u>201,316</u>	<u>-</u>	<u>-</u>
Less: Unamortised discounts		(480)	(524)	-	-
Add: Fair value changes arising from fair value hedges and unamortised fair value changes arising from terminated fair value hedges		936	21	-	-
		<u>203,824</u>	<u>200,813</u>	<u>-</u>	<u>-</u>
RM234.0 million Multi-currency Commercial Paper, at par	(c)	234,000	245,000	234,000	245,000
Less: Unamortised discounts		(2,718)	(1,003)	(2,718)	(1,003)
		<u>231,282</u>	<u>243,997</u>	<u>231,282</u>	<u>243,997</u>
RM5.0 million Multi-currency Islamic Commercial Paper, at par	(d)	-	5,000	-	-
Less: Unamortised discounts		(100)	(105)	-	-
		<u>(100)</u>	<u>4,895</u>	<u>-</u>	<u>-</u>
		<u>1,036,786</u>	<u>549,912</u>	<u>833,062</u>	<u>344,204</u>

(a) On 3 November 2023, the Bank issued its first tranche of RM100.0 million nominal value of medium term notes (“Senior MTN”) out of its RM10.0 billion Multi-currency Medium Term Notes Programme (“Senior MTN Programme”). The coupon rate for this first tranche of the Senior MTN is 4.07% per annum, which is payable semi-annually in arrears from the date of the issue. The tenure for this Senior MTN is 3 years. The proceeds from the issuance shall be utilised for the Bank’s working capital, general banking and other corporate purposes and/or if required, the refinancing of any existing financing obligations of the Bank.

On 30 September 2024, the Bank issued its second tranche of RM500.0 million nominal value of green medium term notes (“Green Senior MTN”) out of its RM10.0 billion Senior MTN Programme. The coupon rate for this second tranche of the Green Senior MTN is 3.80% per annum, which is payable semi-annually in arrears from the date of the issue. The tenure for this Senior MTN is 5 years. The proceeds from the issuance 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.

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

**A17 Senior debts** (continued)

(b) On 3 November 2023, Hong Leong Islamic Bank Berhad ("HLISB"), a wholly owned subsidiary of the Bank, issued its first tranche of RM200.0 million nominal value of Islamic medium term notes (Senior IMTN) out of its RM5.0 billion Multi-currency Islamic Medium Term Notes programme (Senior IMTN Programme). The coupon rate for this first tranche of the Senior IMTN is 4.07% per annum, which is payable semi-annually in arrears from the date of the issue. The tenure for this Senior IMTN is 3 years. The proceeds from the issuance shall be utilised for the HLISB's working capital, general banking and other corporate purposes and/or if required, the refinancing of any existing Islamic financing obligations of HLISB.

(c) On 12 January 2024, the Bank issued its first tranche of RM5.0 million nominal value of commercial paper ("Senior CP") out of its RM10.0 billion Multi-currency Commercial Paper Programme ("Senior CP Programme"). The tenure for this Senior CP is 6 months, which was issued at a discount of 3.66% per annum. The proceeds from the issuance shall be utilised for the Bank's working capital, general banking and other corporate purposes and/or if required, the refinancing of any existing financing obligations of the Bank.

On 12 July 2024, HLB had fully redeemed the RM5.0 million nominal value of this Senior CP.

On 9 May 2024, the Bank issued its third tranche of RM240.0 million nominal value of Senior CP out of its RM10.0 billion Multi-currency Senior CP Programme. The tenure for this Senior CP is 3 months, which was issued at a discount of 3.49% per annum. The proceeds from the issuance shall be utilised for the Bank's working capital, general banking and other corporate purposes and/or if required, the refinancing of any existing financing obligations of the Bank.

On 9 August 2024, HLB had fully redeemed the RM240.0 million nominal value of this Senior CP.

On 25 July 2024, the Bank issued its fourth tranche of RM234.0 million nominal value of Senior CP out of its RM10.0 billion Multi-currency Senior CP Programme. The tenure for this Senior CP is 6 months, which was issued at a discount of 3.54% per annum. The proceeds from the issuance shall be utilised for the Bank's working capital, general banking and other corporate purposes and/or if required, the refinancing of any existing financing obligations of the Bank.

(d) On 12 January 2024, HLISB issued its first tranche of RM5.0 million nominal value of Islamic commercial paper ("Senior ICP") out of its RM5.0 billion Multi-currency Islamic Commercial Paper Programme ("Senior ICP Programme") based on the Shariah principle of Wakalah Bi Al-Istithmar. The tenure for this Senior ICP is 6 months, which was issued at a discount of 3.65% per annum. The proceeds from the issuance shall be utilised for the HLISB's working capital, general banking and other corporate purposes and/or if required, the refinancing of any existing financing obligations of HLISB.

On 12 July 2024, HLISB had fully redeemed the RM5.0 million nominal value of this Senior ICP.

**A18 Tier 2 subordinated bonds**

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/09/2024</u>	<u>30/06/2024</u>	<u>30/09/2024</u>	<u>30/06/2024</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
RM1.5 billion Tier 2 subordinated notes, at par	1,500,000	1,500,000	1,500,000	1,500,000
Add: Interest payable	18,411	2,910	18,411	2,910
	<u>1,518,411</u>	<u>1,502,910</u>	<u>1,518,411</u>	<u>1,502,910</u>
Less: Unamortised discounts	(2,238)	(2,365)	(2,238)	(2,365)
	<u><u>1,516,173</u></u>	<u><u>1,500,545</u></u>	<u><u>1,516,173</u></u>	<u><u>1,500,545</u></u>

On 19 June 2023, the Bank issued a fourth tranche of RM500.0 million nominal value of 10-years non-callable 5 years Sub Notes callable on 19 June 2028 (and thereafter) and due on 17 June 2033 out of its RM10.0 billion Multi-Currency Sub Notes Programme. The coupon rate for this fourth tranche of the Sub Notes is 4.20% per annum, which is payable semi-annually in arrears from the date of the issue.



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

**A18 Tier 2 subordinated bonds (continued)**

On 11 June 2024, the Bank issued a fifth tranche of RM1.0 billion nominal value of 10-years non-callable 5 years Sub-Notes callable on 11 June 2029 (and thereafter) and due on 11 June 2034 out of its Multi-Currency Tier 2 Subordinated Notes Programme (“HLB T2 Programme”). The coupon rate for this fifth tranche of the Sub Notes is 4.05% per annum, which is payable semi-annually in arrears from the date of the issue. RM400.0 million of the proceeds from the Sub-Notes were used to subscribe for RM400.0 million Tier 2 subordinated sukuk murabahah (“HLISB T2 Sukuk Murabahah”) issued by its wholly-owned subsidiary, Hong Leong Islamic Bank Berhad (“HLISB”) on even date. The HLISB T2 Sukuk Murabahah were issued pursuant to HLISB’s multi-currency perpetual subordinated sukuk programme. The remaining proceeds from the Sub-Notes shall be utilised, without limitation, for HLB’s working capital, general banking and other corporate purposes, and the refinancing of any existing borrowings incurred, subordinated debt issued by HLB and/or any existing subordinated notes issued under the HLB T2 Programme.

**A19 Multi-currency Additional Tier 1 capital securities**

	<u>The Group</u>		<u>The Bank</u>	
	<u>30/09/2024</u>	<u>30/06/2024</u>	<u>30/09/2024</u>	<u>30/06/2024</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	25,992	15,443	25,992	15,443
	<u>1,725,992</u>	<u>1,715,443</u>	<u>1,725,992</u>	<u>1,715,443</u>
Less: Unamortised discounts	(1,758)	(1,890)	(1,758)	(1,890)
Add: Fair value changes arising from fair value hedges	675	5,118	675	5,118
	<u>1,724,909</u>	<u>1,718,671</u>	<u>1,724,909</u>	<u>1,718,671</u>

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.

On 25 March 2024, 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 4.25% per annum. The HLB 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 29 March 2019.

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

**A20(a) Interest income**

<b>Group</b>	<b>1st Quarter Ended</b>		<b>Cumulative Three Months Ended</b>	
	<b>30/09/2024</b>	<b>30/09/2023</b>	<b>30/09/2024</b>	<b>30/09/2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Loan, advances and financing	1,654,041	1,571,205	1,654,041	1,571,205
Money at call and deposit placements with financial institutions	46,234	48,726	46,234	48,726
Financial investments at FVOCI	349,318	317,223	349,318	317,223
Financial investments at amortised cost	170,421	166,467	170,421	166,467
Others	6,838	5,094	6,838	5,094
	<u>2,226,852</u>	<u>2,108,715</u>	<u>2,226,852</u>	<u>2,108,715</u>
Interest income earned on impaired loans, advances and financing during the financial period	<u>19,315</u>	<u>12,006</u>	<u>19,315</u>	<u>12,006</u>

<b>Bank</b>	<b>1st Quarter Ended</b>		<b>Cumulative Three Months Ended</b>	
	<b>30/09/2024</b>	<b>30/09/2023</b>	<b>30/09/2024</b>	<b>30/09/2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Loan, advances and financing	1,584,775	1,486,201	1,584,775	1,486,201
Money at call and deposit placements with financial institutions	52,069	58,474	52,069	58,474
Financial investments at FVOCI	349,268	317,204	349,268	317,204
Financial investments at amortised cost	170,256	166,281	170,256	166,281
Others	6,838	5,094	6,838	5,094
	<u>2,163,206</u>	<u>2,033,254</u>	<u>2,163,206</u>	<u>2,033,254</u>
Interest income earned on impaired loans, advances and financing during the financial period	<u>14,446</u>	<u>11,746</u>	<u>14,446</u>	<u>11,746</u>

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

**A20(b) Interest income for financial assets at FVTPL**

	1st Quarter Ended		Cumulative Three Months Ended	
	30/09/2024	30/09/2023	30/09/2024	30/09/2023
	RM'000	RM'000	RM'000	RM'000
<b><u>Group</u></b>				
Financial assets at FVTPL	25,842	26,452	25,842	26,452

	1st Quarter Ended		Cumulative Three Months Ended	
	30/09/2024	30/09/2023	30/09/2024	30/09/2023
	RM'000	RM'000	RM'000	RM'000
<b><u>Bank</u></b>				
Financial assets at FVTPL	25,842	26,452	25,842	26,452

**A21 Interest expense**

	1st Quarter Ended		Cumulative Three Months Ended	
	30/09/2024	30/09/2023	30/09/2024	30/09/2023
	RM'000	RM'000	RM'000	RM'000
<b><u>Group</u></b>				
Deposits and placements of banks and other financial institutions	125,260	103,815	125,260	103,815
Deposits from customers	964,963	902,123	964,963	902,123
Short-term placements	96,218	155,261	96,218	155,261
Senior debts	3,493	-	3,493	-
Tier 2 subordinated bonds	15,667	15,999	15,667	15,999
Multi-currency Additional Tier-1 capital securities	19,250	19,685	19,250	19,685
Recourse obligation on loans sold to Cagamas	15,928	14,628	15,928	14,628
Others	1,874	1,987	1,874	1,987
	<u>1,242,653</u>	<u>1,213,498</u>	<u>1,242,653</u>	<u>1,213,498</u>

	1st Quarter Ended		Cumulative Three Months Ended	
	30/09/2024	30/09/2023	30/09/2024	30/09/2023
	RM'000	RM'000	RM'000	RM'000
<b><u>Bank</u></b>				
Deposits and placements of banks and other financial institutions	142,431	112,557	142,431	112,557
Deposits from customers	923,197	849,930	923,197	849,930
Short-term placements	96,218	155,261	96,218	155,261
Senior debts	3,493	-	3,493	-
Tier 2 subordinated bonds	15,667	15,999	15,667	15,999
Multi-currency Additional Tier-1 capital securities	19,250	19,685	19,250	19,685
Recourse obligation on loans sold to Cagamas	15,928	14,628	15,928	14,628
Others	2,363	2,935	2,363	2,935
	<u>1,218,547</u>	<u>1,170,995</u>	<u>1,218,547</u>	<u>1,170,995</u>

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

**A22 Net income from Islamic Banking business**

	<b>1st Quarter Ended</b>		<b>Cumulative Three Months Ended</b>	
	<b>30/09/2024</b>	<b>30/09/2023</b>	<b>30/09/2024</b>	<b>30/09/2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Group</u></b>				
Income derived from investment of depositors' funds and others	599,900	543,968	599,900	543,968
Income derived from investment of shareholders' funds	102,681	70,665	102,681	70,665
Income derived from investment of investment account	32,314	29,125	32,314	29,125
Income attributable to depositors	(424,819)	(393,762)	(424,819)	(393,762)
Income attributable to depositors on investment account	(22,263)	(19,763)	(22,263)	(19,763)
	<u>287,813</u>	<u>230,233</u>	<u>287,813</u>	<u>230,233</u>
Financing income earned on impaired financing and advances during the financial period	<u>2,702</u>	<u>2,381</u>	<u>2,702</u>	<u>2,381</u>

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

**A23 Other operating income**

<b>Group</b>	<b>1st Quarter Ended</b>		<b>Cumulative Three Months Ended</b>	
	<b>30/09/2024</b>	<b>30/09/2023</b>	<b>30/09/2024</b>	<b>30/09/2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(a) <u>Fee income:</u>				
Commissions	57,247	56,593	57,247	56,593
Service charges and fees	6,996	6,097	6,996	6,097
Guarantee fees	8,645	7,813	8,645	7,813
Credit card related fees	57,322	57,680	57,322	57,680
Commitment fees	8,430	9,212	8,430	9,212
Fee on loans, advances and financing	11,910	11,099	11,910	11,099
Other fee income	12,147	11,464	12,147	11,464
	<u>162,697</u>	<u>159,958</u>	<u>162,697</u>	<u>159,958</u>
(b) <u>Gain arising from sale of financial assets:</u>				
Net gain from sale of financial assets at FVTPL	44,707	7,531	44,707	7,531
Net (loss)/gain from sale of derivative financial instruments	(40,316)	10,268	(40,316)	10,268
Net gain from sale of financial investments at FVOCI	38,397	1,828	38,397	1,828
	<u>42,788</u>	<u>19,627</u>	<u>42,788</u>	<u>19,627</u>
(c) <u>Gross dividend income from:</u>				
Financial assets at FVTPL	3,084	19,957	3,084	19,957

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

**A23 Other operating income** (continued)

	1st Quarter Ended		Cumulative Three Months Ended	
	30/09/2024 RM'000	30/09/2023 RM'000	30/09/2024 RM'000	30/09/2023 RM'000
(d) <u>Net unrealised loss on revaluation of:</u>				
- Financial assets at FVTPL	7,530	(8,996)	7,530	(8,996)
- Derivatives financial instruments	(36,376)	1,719	(36,376)	1,719
	<u>(28,846)</u>	<u>(7,277)</u>	<u>(28,846)</u>	<u>(7,277)</u>
(e) <u>Net realised gain on fair value changes arising from fair value hedges and amortisation of fair value changes arising from terminated fair value hedges</u>	<u>2,315</u>	<u>2,102</u>	<u>2,315</u>	<u>2,102</u>
(f) <u>Net unrealised loss on fair value changes arising from fair value hedges</u>	<u>(2,419)</u>	<u>(586)</u>	<u>(2,419)</u>	<u>(586)</u>
(g) <u>Other income:</u>				
Foreign exchange gain	112,943	42,590	112,943	42,590
Rental income	5,142	4,629	5,142	4,629
Gain on disposal of property and equipment	4	333	4	333
Other non-operating income	2,312	880	2,312	880
	<u>120,401</u>	<u>48,432</u>	<u>120,401</u>	<u>48,432</u>
Total other operating income	<u>300,020</u>	<u>242,213</u>	<u>300,020</u>	<u>242,213</u>

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

**A23 Other operating income** (continued)

	1st Quarter Ended		Cumulative Three Months Ended	
	30/09/2024	30/09/2023	30/09/2024	30/09/2023
	RM'000	RM'000	RM'000	RM'000
<b><u>Bank</u></b>				
<b>(a) <u>Fee income:</u></b>				
Commissions	56,480	55,924	56,480	55,924
Service charges and fees	6,639	5,726	6,639	5,726
Guarantee fees	8,627	7,803	8,627	7,803
Credit card related fees	57,322	57,680	57,322	57,680
Commitment fees	8,108	8,864	8,108	8,864
Fee on loans, advances and financing	9,940	8,646	9,940	8,646
Other fee income	12,036	11,374	12,036	11,374
	<u>159,152</u>	<u>156,017</u>	<u>159,152</u>	<u>156,017</u>
<b>(b) <u>Gain arising from sale of financial assets:</u></b>				
Net gain from sale of financial assets at FVTPL	43,432	8,548	43,432	8,548
Net (loss)/gain from sale of derivative financial instruments	(40,316)	10,268	(40,316)	10,268
Net gain from sale of financial investments at FVOCI	38,397	1,828	38,397	1,828
	<u>41,513</u>	<u>20,644</u>	<u>41,513</u>	<u>20,644</u>
<b>(c) <u>Gross dividend income from:</u></b>				
Associated companies	-	453,330	-	453,330
Financial assets at FVTPL	2,353	19,628	2,353	19,628
	<u>2,353</u>	<u>472,958</u>	<u>2,353</u>	<u>472,958</u>

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

**A23 Other operating income** (continued)

	1st Quarter Ended		Cumulative Three Months Ended	
	30/09/2024 RM'000	30/09/2023 RM'000	30/09/2024 RM'000	30/09/2023 RM'000
(d) <u>Net unrealised loss on revaluation of:</u>				
- Financial assets at FVTPL	9,585	(9,561)	9,585	(9,561)
- Derivatives financial instruments	(36,376)	1,719	(36,376)	1,719
	<u>(26,791)</u>	<u>(7,842)</u>	<u>(26,791)</u>	<u>(7,842)</u>
(e) <u>Net realised gain on fair value changes arising from fair value hedges and amortisation of fair value changes arising from terminated fair value hedges</u>	<u>2,315</u>	<u>2,102</u>	<u>2,315</u>	<u>2,102</u>
(f) <u>Net unrealised loss on fair value changes arising from fair value hedges</u>	<u>(2,419)</u>	<u>(586)</u>	<u>(2,419)</u>	<u>(586)</u>
(g) <u>Other income:</u>				
Foreign exchange gain	111,311	41,372	111,311	41,372
Rental income	3,030	2,512	3,030	2,512
Gain on disposal of property and equipment	4	333	4	333
Other non-operating income	2,267	795	2,267	795
	<u>116,612</u>	<u>45,012</u>	<u>116,612</u>	<u>45,012</u>
Total other operating income	<u>292,735</u>	<u>688,305</u>	<u>292,735</u>	<u>688,305</u>



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

**A24 Other operating expenses**

<u>Group</u>	1st Quarter Ended		Cumulative Three Months Ended	
	30/09/2024	30/09/2023	30/09/2024	30/09/2023
	RM'000	RM'000	RM'000	RM'000
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	312,341	284,824	312,341	284,824
- Medical expenses	8,274	7,779	8,274	7,779
- Training and convention expenses	6,898	2,474	6,898	2,474
- Staff welfare	3,208	2,714	3,208	2,714
- Others	6,000	6,571	6,000	6,571
	336,721	304,362	336,721	304,362
<u>Establishment costs</u>				
- Depreciation of property and equipment	23,642	25,932	23,642	25,932
- Depreciation of right-of-use assets	11,422	11,709	11,422	11,709
- Amortisation of intangible assets	16,795	16,409	16,795	16,409
- Rental of premises	438	476	438	476
- Information technology expenses	59,233	57,049	59,233	57,049
- Security services	6,534	6,447	6,534	6,447
- Electricity, water and sewerage	5,467	5,613	5,467	5,613
- Hire of plant and machinery	3,402	3,668	3,402	3,668
- Others	8,471	7,003	8,471	7,003
	135,404	134,306	135,404	134,306
<u>Marketing expenses</u>				
- Advertisement and publicity	6,809	2,031	6,809	2,031
- Sales commission and credit card related fees	47,659	33,000	47,659	33,000
- Others	4,594	4,327	4,594	4,327
	59,062	39,358	59,062	39,358
<u>Administration and general expenses</u>				
- Teletransmission expenses	4,117	4,198	4,117	4,198
- Stationery and printing expenses	2,655	2,397	2,655	2,397
- Professional fees	30,419	27,025	30,419	27,025
- Insurance fees	12,928	12,368	12,928	12,368
- Stamp, postage and courier	3,500	2,993	3,500	2,993
- Travelling and transport expenses	940	813	940	813
- Registration and license fees	2,103	2,335	2,103	2,335
- Brokerage and commission	2,487	3,454	2,487	3,454
- Credit card fees	31,573	24,277	31,573	24,277
- Others	3,601	(1,614)	3,601	(1,614)
	94,323	78,246	94,323	78,246
	625,510	556,272	625,510	556,272

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

**A24 Other operating expenses (continued)**

	1st Quarter Ended		Cumulative Three Months Ended	
	30/09/2024 RM'000	30/09/2023 RM'000	30/09/2024 RM'000	30/09/2023 RM'000
<b><u>Bank</u></b>				
<b><u>Personnel costs</u></b>				
- Salaries, allowances and bonuses	243,549	223,531	243,549	223,531
- Medical expenses	6,529	6,613	6,529	6,613
- Training and convention expenses	5,839	2,204	5,839	2,204
- Staff welfare	2,382	1,589	2,382	1,589
- Others	4,639	5,383	4,639	5,383
	262,938	239,320	262,938	239,320
<b><u>Establishment costs</u></b>				
- Depreciation of property and equipment	19,881	22,052	19,881	22,052
- Depreciation of right-of-use assets	17,261	17,388	17,261	17,388
- Amortisation of intangible assets	15,027	14,626	15,027	14,626
- Rental of premises	491	465	491	465
- Information technology expenses	40,334	44,372	40,334	44,372
- Security services	4,929	4,884	4,929	4,884
- Electricity, water and sewerage	3,602	4,077	3,602	4,077
- Hire of plant and machinery	702	797	702	797
- Others	1,552	782	1,552	782
	103,779	109,443	103,779	109,443
<b><u>Marketing expenses</u></b>				
- Advertisement and publicity	6,166	1,314	6,166	1,314
- Sales commission and credit card related fees	41,544	29,015	41,544	29,015
- Others	3,542	3,112	3,542	3,112
	51,252	33,441	51,252	33,441
<b><u>Administration and general expenses</u></b>				
- Teletransmission expenses	4,017	4,071	4,017	4,071
- Stationery and printing expenses	2,522	2,267	2,522	2,267
- Professional fees	29,193	25,839	29,193	25,839
- Insurance fees	10,611	10,136	10,611	10,136
- Stamp, postage and courier	3,479	2,935	3,479	2,935
- Travelling and transport expenses	748	621	748	621
- Registration and license fees	1,806	2,035	1,806	2,035
- Brokerage and commission	1,480	1,893	1,480	1,893
- Credit card fees	31,573	24,277	31,573	24,277
- Others	6,429	2,984	6,429	2,984
	91,858	77,058	91,858	77,058
	509,827	459,262	509,827	459,262

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

**A25 Allowance for/(write back of) impairment losses on loans, advances and financing**

	1st Quarter Ended		Cumulative Three Months Ended	
	30/09/2024	30/09/2023	30/09/2024	30/09/2023
	RM'000	RM'000	RM'000	RM'000
<b><u>Group</u></b>				
Allowance for impairment on loans, advances and financing:				
- expected credit losses	63,000	9,687	63,000	9,687
Impaired loans, advances and financing:				
- written off	7,670	6,024	7,670	6,024
- recovered from bad debt written off	(63,219)	(66,816)	(63,219)	(66,816)
	<u>7,451</u>	<u>(51,105)</u>	<u>7,451</u>	<u>(51,105)</u>

	1st Quarter Ended		Cumulative Three Months Ended	
	30/09/2024	30/09/2023	30/09/2024	30/09/2023
	RM'000	RM'000	RM'000	RM'000
<b><u>Bank</u></b>				
Allowance for impairment on loans, advances and financing:				
- expected credit losses	46,465	5,256	46,465	5,256
Impaired loans, advances and financing:				
- written off	5,228	4,630	5,228	4,630
- recovered from bad debt written off	(48,995)	(55,143)	(48,995)	(55,143)
	<u>2,698</u>	<u>(45,257)</u>	<u>2,698</u>	<u>(45,257)</u>

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

**A26 Allowance for/(write back of) impairment losses on financial investments and other assets**

	<b>1st Quarter Ended</b>		<b>Cumulative Three Months Ended</b>	
	<b>30/09/2024</b>	<b>30/09/2023</b>	<b>30/09/2024</b>	<b>30/09/2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Group</u></b>				
Expected credit losses and impairment losses on:				
- Financial investments at FVOCI	(385)	187	(385)	187
- Financial investments at amortised cost	3	8	3	8
- Cash and short-term funds	592	112	592	112
- Deposits and placements with banks and other financial institutions	(79)	(7)	(79)	(7)
	<u>131</u>	<u>300</u>	<u>131</u>	<u>300</u>

	<b>1st Quarter Ended</b>		<b>Cumulative Three Months Ended</b>	
	<b>30/09/2024</b>	<b>30/09/2023</b>	<b>30/09/2024</b>	<b>30/09/2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Bank</u></b>				
Expected credit losses and impairment losses on:				
- Financial investments at FVOCI	(374)	83	(374)	83
- Cash and short-term funds	(31)	(1,004)	(31)	(1,004)
- Deposits and placements with banks and other financial institutions	5	(25)	5	(25)
	<u>(400)</u>	<u>(946)</u>	<u>(400)</u>	<u>(946)</u>

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

**A27 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.

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

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

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

	<b>The Group</b>		<b>The Bank</b>	
	<b>Financial Period Ended 30/09/2024</b>	<b>Financial Year Ended 30/06/2024</b>	<b>Financial Period Ended 30/09/2024</b>	<b>Financial Year Ended 30/06/2024</b>
<b>Before deducting proposed dividends</b>				
CET I capital ratio	13.171%	13.855%	13.124%	13.621%
Tier I capital ratio	14.159%	14.837%	14.102%	14.591%
Total capital ratio	16.156%	16.828%	16.031%	16.515%
<b>After deducting proposed dividends</b>				
CET I capital ratio	13.171%	13.336%	13.124%	12.950%
Tier I capital ratio	14.159%	14.318%	14.102%	13.920%
Total capital ratio	16.156%	16.309%	16.031%	15.844%

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

**A27 Capital adequacy (continued)**

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

	<b>The Group</b>		<b>The Bank</b>	
	<b>Financial Period Ended 30/09/2024 RM'000</b>	<b>Financial Year Ended 30/06/2024 RM'000</b>	<b>Financial Period Ended 30/09/2024 RM'000</b>	<b>Financial Year Ended 30/06/2024 RM'000</b>
<b>CET I capital</b>				
Share capital	7,739,063	7,739,063	7,739,063	7,739,063
Retained profits	26,782,473	27,674,882	16,257,490	17,137,424
Other reserves	269,169	1,337,201	280,093	255,247
Less: Treasury shares	(701,791)	(702,674)	(701,791)	(702,674)
Less: Deferred tax assets	(223,391)	(262,116)	(155,350)	(187,679)
Less: Other intangible assets	(337,574)	(353,477)	(307,108)	(318,725)
Less: Goodwill	(1,831,312)	(1,831,312)	(1,771,547)	(1,771,547)
Less: Investment in subsidiary companies/ associated companies	(9,055,257)	(9,639,404)	(3,925,459)	(3,939,693)
<b>Total CET I capital</b>	<b>22,641,380</b>	<b>23,962,163</b>	<b>17,415,391</b>	<b>18,211,416</b>
<b>Additional Tier I capital</b>				
Multi-currency Additional Tier 1 capital securities	1,698,242	1,698,110	1,698,242	1,698,110
Additional Tier I capital before regulatory adjustments	1,698,242	1,698,110	1,698,242	1,698,110
Less: Investment in Additional Tier 1 perpetual subordinated sukuk wakalah	-	-	(400,000)	(400,000)
Additional Tier I capital after regulatory adjustments	1,698,242	1,698,110	1,298,242	1,298,110
<b>Total Tier I capital</b>	<b>24,339,622</b>	<b>25,660,273</b>	<b>18,713,633</b>	<b>19,509,526</b>
<b>Tier II capital</b>				
Stage 1 and Stage 2 expected credit loss allowances and regulatory reserves <sup>#</sup>	1,934,698	1,946,326	1,462,540	1,474,029
Subordinated bonds	1,497,762	1,497,635	1,497,762	1,497,635
Less: Investment in Tier 2 Subordinated Sukuk Murabahah	-	-	(400,000)	(400,000)
<b>Total Tier II capital</b>	<b>3,432,460</b>	<b>3,443,961</b>	<b>2,560,302</b>	<b>2,571,664</b>
<b>Total capital</b>	<b>27,772,082</b>	<b>29,104,234</b>	<b>21,273,935</b>	<b>22,081,190</b>

<sup>#</sup> Includes the qualifying regulatory reserves for non-impaired loans of the Group and the Bank of RM1,240,780,000 (2024: RM1,245,616,000) and RM1,002,366,000 (2024: RM1,019,677,000) respectively.

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

**A27 Capital adequacy (continued)**

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

	<b>The Group</b>		<b>The Bank</b>	
	<b>Financial Period Ended 30/09/2024 RM'000</b>	<b>Financial Year Ended 30/06/2024 RM'000</b>	<b>Financial Period Ended 30/09/2024 RM'000</b>	<b>Financial Year Ended 30/06/2024 RM'000</b>
Credit risk *	154,775,814	155,706,094	117,003,198	117,922,342
Market risk	6,488,212	6,756,645	7,212,044	7,391,831
Operational risk	10,640,337	10,486,074	8,487,197	8,390,596
<b>Total RWA</b>	<b>171,904,363</b>	<b>172,948,813</b>	<b>132,702,439</b>	<b>133,704,769</b>

\* In accordance with BNM Investment Account Policy, the credit RWA of HLISB funded by Investment Account of RM1,669,028,000 (2024: RM1,540,749,000) is excluded from the calculation of capital adequacy ratio of the Group.

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

	<b>Hong Leong Islamic Bank Berhad</b>	
	<b>Financial Period Ended 30/09/2024</b>	<b>Financial Year Ended 30/06/2024</b>
<b>Before deducting proposed dividends</b>		
CET I capital ratio	11.177%	11.540%
Tier I capital ratio	12.243%	12.643%
Total capital ratio	<u>14.461%</u>	<u>14.908%</u>
<b>After deducting proposed dividends</b>		
CET I capital ratio	11.177%	11.540%
Tier I capital ratio	12.243%	12.643%
Total capital ratio	<u>14.461%</u>	<u>14.908%</u>

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

**A28 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 consist of results from head office and other subsidiaries in the Group, which inter alia consist of dividend income from associates and rental income.

**Financial quarter ended 30/09/2024**

	<b>Personal Financial Services RM'000</b>	<b>Business &amp; Corporate Banking RM'000</b>	<b>Global Markets RM'000</b>	<b>Overseas/ International Operations RM'000</b>	<b>Other Operations RM'000</b>	<b>Inter- Segment Elimination RM'000</b>	<b>Total RM'000</b>
<b><u>By business segment</u></b>							
External revenue	969,786	327,108	208,761	137,264	(37,098)	(7,947)	1,597,874
Inter-segment revenue	(110,706)	172,611	(175,602)	-	113,697	-	-
Segment revenue	<u>859,080</u>	<u>499,719</u>	<u>33,159</u>	<u>137,264</u>	<u>76,599</u>	<u>(7,947)</u>	<u>1,597,874</u>
Segment profit before taxation	468,673	390,129	6,640	61,742	49,269	(11,671)	964,782
Share of profit after tax of equity accounted associated companies				374,588			374,588
Profit before taxation							<u>1,339,370</u>
Taxation							(249,415)
Profit after taxation							<u><u>1,089,955</u></u>



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

**A28 Group segmental reporting on revenue, profit and assets (continued)**

**Financial period ended 30/09/2024**

	<b>Personal Financial Services RM'000</b>	<b>Business &amp; Corporate Banking RM'000</b>	<b>Global Markets RM'000</b>	<b>Overseas/ International Operations RM'000</b>	<b>Other Operations RM'000</b>	<b>Inter- Segment Elimination RM'000</b>	<b>Total RM'000</b>
<b><u>By business segment</u></b>							
External revenue	969,786	327,108	208,761	137,264	(37,098)	(7,947)	1,597,874
Inter-segment revenue	(110,706)	172,611	(175,602)	-	113,697	-	-
Segment revenue	<u>859,080</u>	<u>499,719</u>	<u>33,159</u>	<u>137,264</u>	<u>76,599</u>	<u>(7,947)</u>	<u>1,597,874</u>
Segment profit before taxation	468,673	390,129	6,640	61,742	49,269	(11,671)	964,782
Share of profit after tax of equity accounted associated companies				374,588			374,588
Profit before taxation							<u>1,339,370</u>
Taxation							(249,415)
Profit after taxation							<u><u>1,089,955</u></u>
Segment assets	128,366,895	52,224,725	72,894,152	24,397,389	-	-	277,883,161
Unallocated assets							15,034,916
Total assets							<u><u>292,918,077</u></u>

**Corresponding quarter ended 30/09/2023**

	<b>Personal Financial Services RM'000</b>	<b>Business &amp; Corporate Banking RM'000</b>	<b>Global Markets RM'000</b>	<b>Overseas/ International Operations RM'000</b>	<b>Other Operations RM'000</b>	<b>Inter- Segment Elimination RM'000</b>	<b>Total RM'000</b>
<b><u>By business segment</u></b>							
External revenue	895,468	257,422	189,084	92,312	420,738	(460,909)	1,394,115
Inter-segment revenue	(95,922)	184,785	(184,412)	2,669	92,880	-	-
Segment revenue	<u>799,546</u>	<u>442,207</u>	<u>4,672</u>	<u>94,981</u>	<u>513,618</u>	<u>(460,909)</u>	<u>1,394,115</u>
Segment profit before taxation	491,358	366,668	(19,969)	25,268	490,746	(465,423)	888,648
Share of profit after tax of equity accounted associated companies				354,481			354,481
Profit before taxation							<u>1,243,129</u>
Taxation							(213,353)
Profit after taxation							<u><u>1,029,776</u></u>

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

**A28 Group segmental reporting on revenue, profit and assets (continued)**

**Corresponding financial period ended 30/09/2023**

	<b>Personal Financial Services RM'000</b>	<b>Business &amp; Corporate Banking RM'000</b>	<b>Global Markets RM'000</b>	<b>Overseas/ International Operations RM'000</b>	<b>Other Operations RM'000</b>	<b>Inter- Segment Elimination RM'000</b>	<b>Total RM'000</b>
<b><u>By business segment</u></b>							
External revenue	895,468	257,422	189,084	92,312	420,738	(460,909)	1,394,115
Inter-segment revenue	(95,922)	184,785	(184,412)	2,669	92,880	-	-
Segment revenue	<u>799,546</u>	<u>442,207</u>	<u>4,672</u>	<u>94,981</u>	<u>513,618</u>	<u>(460,909)</u>	<u>1,394,115</u>
Segment profit before taxation	491,358	366,668	(19,969)	25,268	490,746	(465,423)	888,648
Share of profit after tax of equity accounted associated companies				354,481			354,481
Profit before taxation							<u>1,243,129</u>
Taxation							<u>(213,353)</u>
Profit after taxation							<u>1,029,776</u>
Segment assets	119,694,227	48,082,281	74,695,516	24,876,452	-	-	267,348,476
Unallocated assets							15,225,703
Total assets							<u>282,574,179</u>

**A29 Property and equipment**

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

**A30(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 30 September 2024.

**A30(b) Changes in the composition of the Group**

There were no changes in the composition of the Group for the current financial period ended 30 September 2024 and up to the date of this report.

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

**A31 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	
	30/09/2024 RM'000	30/06/2024 RM'000	30/09/2024 RM'000	30/06/2024 RM'000
<b>Principal amount</b>				
Direct credit substitutes	228,531	236,994	220,613	229,048
Certain transaction related contingent items	3,115,082	3,065,445	2,265,012	2,241,323
Short-term self liquidating trade related contingencies	1,305,937	1,135,592	965,171	988,962
Irrevocable commitments to extend credit:				
- maturity more than one year	17,047,464	16,125,330	12,829,494	12,265,729
- maturity less than one year	28,476,330	26,686,909	22,671,215	21,158,872
Foreign exchange related contracts:				
- less than one year	76,644,472	80,918,753	65,768,118	71,947,524
- one year to five years	5,475,946	7,228,599	5,535,196	7,228,601
- over five years	541,638	725,481	541,638	725,481
Interest rate related contracts:				
- less than one year	68,246,382	46,580,035	68,246,382	46,580,035
- one year to five years	119,925,590	114,446,949	122,832,149	116,227,207
- over five years	4,765,712	4,232,730	4,656,642	4,219,730
Equity related contracts:				
- less than one year	326,938	495,443	326,938	495,443
- one year to five years	943,813	1,045,424	943,813	1,045,424
Credit related contracts:				
- less than one year	257,336	142,845	257,336	142,845
- one year to five years	14,478	15,150	14,478	15,150
- over five years	1,472,273	1,435,804	1,472,273	1,435,804
Commodity related contracts:				
- less than one year	63,203	57,292	63,203	57,292
- one year to five years	280,365	-	280,365	-
Unutilised credit card lines	7,541,470	7,322,809	7,541,470	7,322,809
<b>Total</b>	<b>336,672,960</b>	<b>311,897,584</b>	<b>317,431,506</b>	<b>294,327,279</b>

**A32 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.

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

**A33 Fair value of financial instruments**

Financial instruments comprise of financial assets and financial liabilities. Fair value is the amount at which a financial asset could be exchanged or a financial liability settled, between knowledgeable and willing parties in an arm's length transaction. The information presented herein represents the estimates of fair values as at the statements of financial position date.

Where available, quoted and observable market prices are used as the measure of fair values. Where such quoted and observable market prices are not available, fair values are estimated based on a range of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in the uncertainties and assumptions could materially affect these estimates and the resulting fair value estimates.

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

The Group and the Bank measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Valuations derived from valuation techniques in which one or more significant inputs are not based on observable market data.

Valuation techniques

Financial instruments are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted prices are readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an on-going basis. These would include actively traded listed equities and actively exchange-traded derivatives.

Where fair value is determined using unquoted market prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Group and the Bank then determine fair value based upon valuation techniques such as discounted cash flow that uses inputs such as market parameters including but not limited to yield curves, volatilities and foreign exchange rates. The majority of valuation techniques employ only observable market data and so reliability of the fair value measurement is high. These would include certain corporate bonds, government bonds and derivatives.

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). Such inputs are generally determined based on observable inputs of a similar nature, historical observations on the level of the input or other analytical techniques. This category includes unquoted shares held for socio-economic reasons. Fair value for shares held for socio-economic reasons are based on the net tangible assets of the affected companies.

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

**A33 Fair value of financial instruments (continued)**

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

The table below analyses financial instruments carried at fair value analysed by level within the fair value hierarchy:

	<b>The Group</b>			
	<b>Financial Period Ended 30/09/2024</b>			
	<b>Fair Value</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><i>Recurring fair value measurements</i></b>				
<b><u>Financial Assets</u></b>				
Financial assets at FVTPL				
- Money market instrument	-	2,015,837	-	2,015,837
- Quoted securities	457,304	-	-	457,304
- Unquoted securities	-	459,630	384,329	843,959
Financial investments at FVOCI				
- Money market instrument	-	18,753,215	-	18,753,215
- Quoted securities	4,259,240	-	-	4,259,240
- Unquoted securities	-	9,899,857	116,797	10,016,654
Derivative financial instruments	1,689	2,890,466	68,985	2,961,140
	<u>4,718,233</u>	<u>34,019,005</u>	<u>570,111</u>	<u>39,307,349</u>
<b><u>Financial Liabilities</u></b>				
Derivative financial instruments	7,968	3,667,771	87,898	3,763,637
Financial liabilities designated at fair value				
- Structured deposits linked to interest rate derivatives	-	6,090,265	-	6,090,265
	<u>7,968</u>	<u>9,758,036</u>	<u>87,898</u>	<u>9,853,902</u>

	<b>The Group</b>			
	<b>Financial Year Ended 30/06/2024</b>			
	<b>Fair Value</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><i>Recurring fair value measurements</i></b>				
<b><u>Financial Assets</u></b>				
Financial assets at FVTPL				
- Money market instrument	-	2,395,467	-	2,395,467
- Quoted securities	478,044	-	-	478,044
- Unquoted securities	-	157,351	384,329	541,680
Financial investments at FVOCI				
- Money market instrument	-	24,641,602	-	24,641,602
- Quoted securities	5,553,347	-	-	5,553,347
- Unquoted securities	-	10,787,448	116,797	10,904,245
Derivative financial instruments	2,690	1,285,201	74,763	1,362,654
	<u>6,034,081</u>	<u>39,267,069</u>	<u>575,889</u>	<u>45,877,039</u>
<b><u>Financial Liabilities</u></b>				
Derivative financial instruments	11,409	1,712,643	81,155	1,805,207
Financial liabilities designated at fair value				
- Structured deposits linked to interest rate derivatives	-	5,550,409	-	5,550,409
	<u>11,409</u>	<u>7,263,052</u>	<u>81,155</u>	<u>7,355,616</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 (2024: RM Nil).

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

**A33 Fair value of financial instruments (continued)**

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

The table below analyses financial instruments carried at fair value analysed by level within the fair value hierarchy: (continued)

	<b>The Bank</b>			
	<b>Financial Period Ended 30/09/2024</b>			
	<b>Fair Value</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><i>Recurring fair value measurements</i></b>				
<b><u>Financial Assets</u></b>				
Financial assets at FVTPL				
- Money market instrument	-	1,692,181	-	1,692,181
- Quoted securities	463,959	-	-	463,959
- Unquoted securities	-	241,313	384,329	625,642
Financial investments at FVOCI				
- Money market instrument	-	14,661,410	-	14,661,410
- Quoted securities	4,259,240	-	-	4,259,240
- Unquoted securities	-	9,645,681	116,797	9,762,478
Derivative financial instruments	1,689	2,490,439	68,888	2,561,016
	<u>4,724,888</u>	<u>28,731,024</u>	<u>570,014</u>	<u>34,025,926</u>
<b><u>Financial Liabilities</u></b>				
Derivative financial instruments	7,968	3,105,263	87,801	3,201,032
Financial liabilities designated at fair value				
- Structured deposits linked to interest rate derivatives	-	3,338,220	-	3,338,220
	<u>7,968</u>	<u>6,443,483</u>	<u>87,801</u>	<u>6,539,252</u>
<b>The Bank</b>				
<b>Financial Year Ended 30/06/2024</b>				
<b>Fair Value</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><i>Recurring fair value measurements</i></b>				
<b><u>Financial Assets</u></b>				
Financial assets at FVTPL				
- Money market instrument	-	2,364,061	-	2,364,061
- Quoted securities	484,515	-	-	484,515
- Unquoted securities	-	157,351	384,329	541,680
Financial investments at FVOCI				
- Money market instrument	-	19,695,766	-	19,695,766
- Quoted securities	5,553,347	-	-	5,553,347
- Unquoted securities	-	10,502,288	116,797	10,619,085
Derivative financial instruments	2,690	1,232,318	74,693	1,309,701
	<u>6,040,552</u>	<u>33,951,784</u>	<u>575,819</u>	<u>40,568,155</u>
<b><u>Financial Liabilities</u></b>				
Derivative financial instruments	11,409	1,606,209	81,084	1,698,702
Financial liabilities designated at fair value				
- Structured deposits linked to interest rate derivatives	-	3,588,731	-	3,588,731
	<u>11,409</u>	<u>5,194,940</u>	<u>81,084</u>	<u>5,287,433</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 (2024: RM Nil).

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

**A33 Fair value of financial instruments (continued)**

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

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

<b>The Group</b>	<b>Financial Assets</b>			<b>Financial</b>
<b>30 September 2024</b>	<b>Financial assets</b>	<b>investments</b>	<b>Derivative</b>	<b>Liability</b>
	<b>at FVTPL</b>	<b>at FVOCI</b>	<b>financial</b>	<b>Derivative</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>instruments</b>	<b>financial</b>
			<b>RM'000</b>	<b>instruments</b>
				<b>RM'000</b>
At 1 July	384,329	116,797	74,763	81,155
Fair value changes recognised in statements of income	-	-	(62,180)	(62,180)
Purchases	-	-	2,906	1,860
Settlements	-	-	53,496	67,063
At 30 September	<u>384,329</u>	<u>116,797</u>	<u>68,985</u>	<u>87,898</u>
Fair value changes recognised in statements of income relating to assets/liability held on 30 September 2024	<u>-</u>	<u>-</u>	<u>(62,180)</u>	<u>(62,180)</u>
<b>The Group</b>	<b>Financial Assets</b>			<b>Financial</b>
<b>30 June 2024</b>	<b>Financial assets</b>	<b>investments</b>	<b>Derivative</b>	<b>Liability</b>
	<b>at FVTPL</b>	<b>at FVOCI</b>	<b>financial</b>	<b>Derivative</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>instruments</b>	<b>financial</b>
			<b>RM'000</b>	<b>instruments</b>
				<b>RM'000</b>
At 1 July	364,985	97,650	74,354	71,839
Fair value changes recognised in statements of income	19,344	-	(2,207)	(2,207)
Net fair value changes recognised in other comprehensive income	-	19,147	-	-
Purchases	-	-	38,360	39,324
Settlements	-	-	(35,744)	(27,801)
At 30 June	<u>384,329</u>	<u>116,797</u>	<u>74,763</u>	<u>81,155</u>
Fair value changes recognised in statements of income relating to assets/liability held on 30 June 2024	<u>19,344</u>	<u>-</u>	<u>(2,207)</u>	<u>(2,207)</u>
Total gain recognised in other comprehensive income relating to assets held on 30 June 2024	<u>-</u>	<u>19,147</u>	<u>-</u>	<u>-</u>

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

**A33 Fair value of financial instruments (continued)**

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

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

<b>The Bank</b>	<b>Financial Assets</b>			<b>Financial</b>
	<b>Financial assets</b>	<b>investments</b>	<b>Derivative</b>	<b>Liability</b>
<b>30 September 2024</b>	<b>at FVTPL</b>	<b>at FVOCI</b>	<b>financial</b>	<b>Derivative</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>instruments</b>	<b>financial</b>
			<b>RM'000</b>	<b>instruments</b>
				<b>RM'000</b>
At 1 July	384,329	116,797	74,693	81,084
Fair value changes recognised in statements of income	-	-	(62,180)	(62,180)
Purchases	-	-	2,906	1,860
Settlements	-	-	53,469	67,037
At 30 September	<u>384,329</u>	<u>116,797</u>	<u>68,888</u>	<u>87,801</u>
Fair value changes recognised in statements of income relating to assets/liability held on 30 September 2024	<u>-</u>	<u>-</u>	<u>(62,180)</u>	<u>(62,180)</u>
<b>The Bank</b>	<b>Financial Assets</b>			<b>Financial</b>
<b>30 June 2024</b>	<b>Financial assets</b>	<b>investments</b>	<b>Derivative</b>	<b>Liability</b>
	<b>at FVTPL</b>	<b>at FVOCI</b>	<b>financial</b>	<b>Derivative</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>instruments</b>	<b>financial</b>
			<b>RM'000</b>	<b>instruments</b>
				<b>RM'000</b>
At 1 July	364,985	97,650	63,994	61,479
Fair value changes recognised in statements of income	19,344	-	(2,207)	(2,207)
Net fair value changes recognised in other comprehensive income	-	19,147	-	-
Purchases	-	-	38,360	39,324
Settlements	-	-	(25,454)	(17,512)
At 30 June	<u>384,329</u>	<u>116,797</u>	<u>74,693</u>	<u>81,084</u>
Fair value changes recognised in statements of income relating to assets/liability held on 30 June 2024	<u>19,344</u>	<u>-</u>	<u>(2,207)</u>	<u>(2,207)</u>
Total gain recognised in other comprehensive income relating to assets held on 30 June 2024	<u>-</u>	<u>19,147</u>	<u>-</u>	<u>-</u>



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

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

**B1 Review of performance**

**Current Quarter vs. Previous Year Corresponding Quarter**

The Group recorded a pre-tax profit of RM1,339.4 million for the current financial quarter ended 30 September 2024, an increase of RM96.2 million or 7.7% as compared to previous corresponding quarter. The increase in pre-tax profit was mainly due to higher net income of RM203.7 million, higher share of profit from associated company of RM20.1 million and lower allowance for impairment losses on financial investments and other assets of RM0.2 million. However, this was mitigated by higher operating expenses of RM69.2 million and allowance for impairment losses on loans, advances and financing of RM58.6 million.

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

Personal Financial Services

The Personal Financial Services's segment recorded a pre-tax profit of RM468.7 million for the first quarter ended 30 September 2024 as compared to previous corresponding quarter of RM491.4 million. The decrease in pre-tax profit was mainly contributed by higher operating expenses and higher allowance for impairment losses on loans, advances and financing, partially offset by higher total income.

Business and Corporate Banking

The Business and Corporate Banking's segment recorded a pre-tax profit of RM390.1 million for the first quarter ended 30 September 2024 as compared to previous corresponding quarter of RM366.7 million. The increase in pre-tax profit was mainly contributed by higher total income, partially offset by higher allowance for impairment losses on loans, advances and financing and higher operating expenses.

Global Markets

The Global Markets's segment recorded a pre-tax profit of RM6.6 million for the first quarter ended 30 September 2024 as compared to a pre-tax loss in previous corresponding quarter of RM20.0 million. The pre-tax profit was mainly contributed by higher total income, partially offset by higher operating expenses and higher impairment losses on financial investments and other assets.

International Banking

The International Banking's segment recorded a pre-tax profit of RM436.3 million for the first quarter ended 30 September 2024 as compared to previous corresponding quarter of RM379.7 million. The increase in pre-tax profit was mainly contributed by higher total income, higher share of profit from associated company in China, lower operating expenses and lower impairment losses on financial investments and other assets, partially offset by higher allowance for impairment losses on loans, advances and financing.

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

**B2 Current Quarter vs. Preceding Quarter**

For the current financial quarter, the Group recorded a pre-tax profit of RM1,339.4 million as compared to RM1,281.8 million in the preceding quarter, an increase of RM57.6 million mainly contributed by higher net income of RM121.2 million and lower operating expenses of RM2.6 million. This was mitigated by allowance for impairment losses on loans, advances and financing of RM38.6 million, lower share of profit from associated company of RM27.5 million and allowance for impairment losses on financial investments and other assets of RM0.1 million.

**B3 Current year prospects**

We remain optimistic that outlook of the Malaysian economy will remain favourable and expand at a faster than expected pace of above 5.0% this year, barring black swan events from geopolitical conflicts and hard landing from the US and China economies. Externally, we expect continuous expansion in external demand reinforced by global tech upturn. Domestically, sustained household spending and faster implementation of investment projects, coupled with greater spillovers from the global tech upswing and tourism activities, shall all augur well with growth prospects of the Malaysian economy.

As the Bank pursues the aspiration to be the best-run bank in Malaysia, we remain committed in the execution of our 3-5 Year Strategic Plan while upholding our core values and prudent culture. We continue to offer innovative products and customer-centric banking solution to customers that stay true to our brand promise of “Built Around You”.

In order to drive the growth of our core businesses and build a strong ASEAN franchise in the backdrop of a dynamic business environment, we will continue to place a significant emphasis on our digital capabilities, foster strategic partnerships and develop world class talent pool. In our journey towards carbon neutrality, the Bank remains committed to step up environmental, social and governance (“ESG”) efforts to deliver meaningful impact to all of our stakeholders.

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

This note is not applicable to the Group.

**B5 Taxation**

	<b>1st Quarter Ended</b>		<b>Cumulative Three Months Ended</b>	
	<b>30/09/2024</b>	<b>30/09/2023</b>	<b>30/09/2024</b>	<b>30/09/2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>The Group</b>				
Income tax	253,582	223,797	253,582	223,797
Transfer to deferred taxation	(4,167)	(10,444)	(4,167)	(10,444)
	<u>249,415</u>	<u>213,353</u>	<u>249,415</u>	<u>213,353</u>

	<b>1st Quarter Ended</b>		<b>Cumulative Three Months Ended</b>	
	<b>30/09/2024</b>	<b>30/09/2023</b>	<b>30/09/2024</b>	<b>30/09/2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>The Bank</b>				
Income tax	203,391	266,605	203,391	266,605
Transfer to deferred taxation	(5,903)	(14,556)	(5,903)	(14,556)
	<u>197,488</u>	<u>252,049</u>	<u>197,488</u>	<u>252,049</u>

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

**B6 Profit on sale of unquoted investments/properties**

There were no material gains or losses on disposal of unquoted investments (other than in the ordinary course of business) and/or properties for the financial period under review.

**B7 Purchase and disposal of quoted securities**

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

**B8 Status of corporate proposals**

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

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

**B9 Off-balance sheet financial instruments**

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

**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	60,913,753	1,505,858	(2,407,294)
(ii) 1 year to 3 years	1,323,347	2,601	(109,925)
(iii) More than 3 years	1,010,258	-	(83,433)
Swaps			
(i) Less than 1 year	8,164,850	209,243	(58,778)
(ii) 1 year to 3 years	2,216,990	143,374	(22,233)
(iii) More than 3 years	1,466,989	140,514	(13,087)
Options			
(i) Less than 1 year	7,565,869	36,603	(13,601)
Interest rate related contracts			
Futures			
(i) Less than 1 year	23,580,080	1,195	(7,968)
(ii) 1 year to 3 years	1,712,696	494	-
Swaps			
(i) Less than 1 year	44,666,302	27,828	(26,263)
(ii) 1 year to 3 years	65,572,095	283,571	(356,156)
(iii) More than 3 years	57,406,511	443,405	(479,692)
Equity related contracts			
(i) Less than 1 year	326,938	8,579	(28,731)
(ii) 1 year to 3 years	525,251	34,440	(33,200)
(iii) More than 3 years	418,562	25,870	(25,870)
Credit related contracts			
(i) Less than 1 year	257,336	6,341	(6,341)
(ii) More than 3 years	1,486,751	89,997	(89,997)
Commodity related contracts			
(i) Less than 1 year	63,203	1,227	(1,068)
(ii) 1 year to 3 years	280,365	-	-
<b>Total</b>	<b>278,958,146</b>	<b>2,961,140</b>	<b>(3,763,637)</b>

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

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

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

**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	60,853,578	181,483	(355,550)
(ii) 1 year to 3 years	1,559,477	41,548	(584)
(iii) More than 3 years	1,231,790	21,371	(902)
Swaps			
(i) Less than 1 year	11,566,735	125,738	(171,615)
(ii) 1 year to 3 years	3,322,891	26,369	(170,021)
(iii) More than 3 years	1,839,922	108,103	(98,157)
Options			
(i) Less than 1 year	8,498,440	14,737	(15,378)
Interest rate related contracts			
Futures			
(i) Less than 1 year	6,632,842	2,690	(11,409)
Swaps			
(i) Less than 1 year	39,947,193	37,570	(34,697)
(ii) 1 year to 3 years	56,619,764	234,477	(242,859)
(iii) More than 3 years	62,059,915	372,089	(501,252)
Equity related contracts			
(i) Less than 1 year	495,443	10,199	(17,974)
(ii) 1 year to 3 years	148,470	7,633	(6,249)
(iii) More than 3 years	896,954	56,862	(56,862)
Credit related contracts			
(i) Less than 1 year	142,845	3,666	(3,666)
(ii) More than 3 years	1,450,954	116,508	(116,508)
Commodity related contracts			
(i) Less than 1 year	57,292	1,611	(1,524)
<b>Total</b>	<b>257,324,505</b>	<b>1,362,654</b>	<b>(1,805,207)</b>

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

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

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

**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	50,034,926	1,081,636	(1,865,281)
(ii) 1 year to 3 years	1,382,595	4,749	(112,073)
(iii) More than 3 years	1,010,258	-	(83,433)
Swaps			
(i) Less than 1 year	8,164,849	209,243	(58,778)
(ii) 1 year to 3 years	2,216,992	143,374	(22,233)
(iii) More than 3 years	1,466,989	139,804	(13,087)
Options			
(i) Less than 1 year	7,568,343	36,722	(13,720)
Interest rate related contracts			
Futures			
(i) Less than 1 year	23,580,080	1,195	(7,968)
(ii) 1 year to 3 years	1,712,696	494	-
Swaps			
(i) Less than 1 year	44,666,302	27,828	(26,263)
(ii) 1 year to 3 years	66,602,275	286,050	(342,043)
(iii) More than 3 years	59,173,820	463,467	(470,946)
Equity related contracts			
(i) Less than 1 year	326,938	8,579	(28,731)
(ii) 1 year to 3 years	525,251	34,440	(33,200)
(iii) More than 3 years	418,562	25,870	(25,870)
Credit related contracts			
(i) Less than 1 year	257,336	6,341	(6,341)
(ii) More than 3 years	1,486,751	89,997	(89,997)
Commodity related contracts			
(i) Less than 1 year	63,203	1,227	(1,068)
(ii) 1 year to 3 years	280,365	-	-
<b>Total</b>	<b>270,938,531</b>	<b>2,561,016</b>	<b>(3,201,032)</b>

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

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

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

**The Bank**

Items	Principal amount RM'000	Fair value	
		Assets RM'000	Liabilities RM'000
Foreign exchange related contracts			
Forwards			
(i) Less than 1 year	51,873,855	164,574	(342,532)
(ii) 1 year to 3 years	1,559,477	41,548	(584)
(iii) More than 3 years	1,231,790	21,371	(902)
Swaps			
(i) Less than 1 year	11,566,734	125,738	(171,615)
(ii) 1 year to 3 years	3,322,893	26,369	(170,021)
(iii) More than 3 years	1,839,922	51,658	(42,336)
Options			
(i) Less than 1 year	8,506,935	14,780	(15,421)
Interest rate related contracts			
Futures			
(i) Less than 1 year	6,632,842	2,690	(11,409)
Swaps			
(i) Less than 1 year	39,947,193	37,570	(34,697)
(ii) 1 year to 3 years	57,254,054	235,766	(239,949)
(iii) More than 3 years	63,192,883	391,160	(466,455)
Equity related contracts			
(i) Less than 1 year	495,443	10,199	(17,974)
(ii) 1 year to 3 years	148,470	7,633	(6,249)
(iii) More than 3 years	896,954	56,861	(56,861)
Credit related contracts			
(i) Less than 1 year	142,845	3,666	(3,666)
(ii) More than 3 years	1,450,954	116,507	(116,507)
Commodity related contracts			
(i) Less than 1 year	57,292	1,611	(1,524)
<b>Total</b>	<b>250,120,536</b>	<b>1,309,701</b>	<b>(1,698,702)</b>

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

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

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

**Market risk**

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amount subject to market risk. Exposure to market risk may be reduced through offsetting on and off-balance sheet positions. As at the end of the financial period, the amount of contracts which were not hedged effectively and hence, exposed to foreign exchange and interest rate market risk were RM293,975,000 (30 June 2024: RM453,288,000) and RM196,428,077,000 (30 June 2024: RM169,376,326,000) 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 RM3,432,761,000 (30 June 2024: RM1,487,106,000). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Derivatives

The amount subject to credit risk is limited to the current fair value of instruments that are favourable to the Group (i.e. assets where their fair value is positive), which in relation to derivatives is only a small fraction of the contract, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments, except where the Group requires margin deposits from counterparties.

The Group uses the following derivative instruments for both hedging and non-hedging purposes:

Currency forwards represent commitments to purchase foreign and domestic currency, including undelivered spot transactions. Interest rate futures are contractual obligations to receive or pay a net amount based on changes in currency rates or interest rates, or to buy or sell foreign currency or a financial instrument on a future date at a specified price, established in an organised financial market. The credit risk of futures contracts is negligible, as futures contracts are collateralised by cash or marketable securities, and changes in the futures contract value are settled daily with the exchange.

Currency and interest rate swaps are commitments to exchange one set of cash flows for another. Swaps result in an economic exchange of currencies or interest rates (for example, fixed rate for floating rate) or a combination of all these (i.e. cross-currency interest rate swaps). No exchange of principal takes place, except for certain currency swaps. The Group's credit risk represents the potential cost to replace the swap contracts if counterparties fail to fulfil their obligation. This risk is monitored on an ongoing basis with reference to the current fair value, a proportion of the notional amount of the contracts and the liquidity of the market. To control the level of credit risk taken, the Group assesses counterparties using the same techniques as for its lending activities.



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

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

**Credit risk** (continued)

Derivatives (continued)

Foreign currency and interest rate options are contractual agreements under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of a foreign currency or a financial instrument at a predetermined price. The seller receives a premium from the purchaser in consideration for the assumption of foreign exchange or interest rate risk. Options may be either exchange-traded or negotiated between the Group and a customer (OTC). The Group is exposed to credit risk on purchased options only, and only to the extent of their carrying amount, which is their fair value.

The notional amounts of certain types of financial instruments provide a basis for comparison with instruments recognised on the statements of financial position but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Group's exposure to credit or price risks. The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates or foreign exchange rates relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favourable or unfavourable, and thus the aggregate fair values of derivative financial assets and liabilities, can fluctuate significantly from time to time.

**Liquidity risk**

Derivatives

Liquidity risk arises in any situation where a payment in cash, securities or equities is made in the expectation of a corresponding receipt in cash, securities or equities. Daily settlement limits are established for each counterparty to cover the aggregate of all settlement risk arising from the Group's market transactions on any single day.

**Related accounting policies**

Derivative financial instruments are measured at fair value and are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gain or loss arising from a change in the fair value of the derivatives is recognised in the statements of income unless they are part of a hedging relationship which qualifies for hedge accounting where the gain or loss is recognised as follows:

Fair value hedge

Where a derivative financial instrument hedges the changes in fair value of a recognised asset or liability, any gain or loss on the hedging instrument is recognised in the statements of income. The hedged item is also stated at fair value in respect of the risk being hedged, with any gain or loss being recognised in the statements of income.

Cash flow hedge

Gains and losses on the hedging instrument, to the extent that the hedge is effective, are deferred in the separate component of equity. The ineffective part of any gain or loss is recognised in the statements of income. The deferred gains and losses are then released to the statements of income in the periods when the hedged items affects the statements of income.

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

**B10 Material litigation**

The Group does not have any material litigation which, in the opinion of the Directors, would have a material adverse impact on the financial results of the Group.

**B11 Dividend**

No interim dividend has been declared for the current quarter.

**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.

	<b>1st Quarter Ended</b>		<b>Cumulative Three Months Ended</b>	
	<b>30/09/2024</b>	<b>30/09/2023</b>	<b>30/09/2024</b>	<b>30/09/2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>The Group</u></b>				
Net profit attributable to equity holders	1,089,955	1,029,776	1,089,955	1,029,776
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	(117,799)	(118,623)	(117,799)	(118,623)
	<u>2,049,919</u>	<u>2,049,095</u>	<u>2,049,919</u>	<u>2,049,095</u>
<b>Basic earnings per share (sen)</b>	53.2	50.3	53.2	50.3
<b><u>The Bank</u></b>				
Net profit attributable to equity holders	553,623	911,908	553,623	911,908
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	(117,799)	(118,623)	(117,799)	(118,623)
	<u>2,049,919</u>	<u>2,049,095</u>	<u>2,049,919</u>	<u>2,049,095</u>
<b>Basic earnings per share (sen)</b>	27.0	44.5	27.0	44.5

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

**B12 Earnings per share** (continued)

**(b) Fully diluted earnings per share**

The Bank has two categories of dilutive potential ordinary shares, which are the share options and ordinary shares granted under the ESS. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Bank's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as below is compared with the number of shares that would have been issued assuming the exercise of the share options.

	<b>1st Quarter Ended</b>		<b>Cumulative Three Months Ended</b>	
	<b>30/09/2024</b>	<b>30/09/2023</b>	<b>30/09/2024</b>	<b>30/09/2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>The Group</u></b>				
Net profit attributable to equity holders	1,089,955	1,029,776	1,089,955	1,029,776
Weighted average number of ordinary shares in issue (diluted) ('000):				
- During the period	2,049,919	2,049,095	2,049,919	2,049,095
- Adjustment for ESS	11,308	679	11,308	679
	<u>2,061,227</u>	<u>2,049,774</u>	<u>2,061,227</u>	<u>2,049,774</u>
<b>Fully diluted earnings per share (sen)</b>	<b>52.9</b>	<b>50.2</b>	<b>52.9</b>	<b>50.2</b>
<b><u>The Bank</u></b>				
Net profit attributable to equity holders	553,623	911,908	553,623	911,908
Weighted average number of ordinary shares in issue (diluted) ('000):				
- During the period	2,049,919	2,049,095	2,049,919	2,049,095
- Adjustment for ESS	11,308	679	11,308	679
	<u>2,061,227</u>	<u>2,049,774</u>	<u>2,061,227</u>	<u>2,049,774</u>
<b>Fully diluted earnings per share (sen)</b>	<b>26.9</b>	<b>44.5</b>	<b>26.9</b>	<b>44.5</b>

Dated this 28 November 2024