

HONG LEONG INVESTMENT BANK BERHAD
Registration No. 197001000928 (10209-W)
CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	The Group		The Bank	
		As at	As at	As at	As at
		30.06.2022	30.06.2021	30.06.2022	30.06.2021
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and short-term funds		251,447	118,351	251,259	116,519
Deposits and placements with banks and other financial institutions		100,021	31,139	100,021	31,139
Financial assets at fair value through profit or loss ("FVTPL")	8	26,496	523,419	26,297	523,223
Financial investments at fair value through other comprehensive income ("FVOCI")	9	1,256,640	1,350,820	1,256,640	1,350,820
Financial investments at amortised cost	10	1,250,442	1,059,286	1,250,442	1,059,286
Derivative financial assets	17	38,393	34,494	38,393	34,494
Loans and advances	11	393,720	335,759	393,720	335,759
Clients' and brokers' balances	12	103,077	199,794	103,077	199,794
Other assets	13	32,173	46,136	32,145	46,135
Investment in subsidiaries		-	-	200	200
Deferred tax assets		110,559	121,199	110,559	121,199
Property and equipment	14	7,623	8,418	7,623	8,418
Right-of-use ("ROU") assets		14,589	16,121	14,589	16,121
Intangible assets - computer software		4,652	2,759	4,652	2,759
Goodwill		28,986	28,986	28,986	28,986
TOTAL ASSETS		3,618,818	3,876,681	3,618,603	3,874,852
LIABILITIES AND SHAREHOLDER'S FUNDS					
Deposits from customers	15	759,636	701,538	759,636	701,538
Deposits and placements of banks and other financial institutions	16	1,907,235	2,049,422	1,907,235	2,049,422
Derivative financial liabilities	17	26,705	41,056	26,705	41,056
Clients' and brokers' balances		76,502	176,640	76,502	176,640
Lease liabilities		13,901	15,193	13,901	15,193
Provision for tax		-	9	-	-
Other liabilities	18	201,169	133,614	201,244	131,972
Subordinated obligations	19	100,193	100,192	100,193	100,192
TOTAL LIABILITIES		3,085,341	3,217,664	3,085,416	3,216,013
EQUITY					
Share capital		252,950	252,950	252,950	252,950
Reserves		280,527	406,067	280,237	405,889
TOTAL EQUITY		533,477	659,017	533,187	658,839
TOTAL EQUITY AND LIABILITIES		3,618,818	3,876,681	3,618,603	3,874,852
COMMITMENTS AND CONTINGENCIES					
	27	5,967,639	5,993,970	5,967,639	5,993,970
Net assets per ordinary share (RM)		3.23	3.99	3.23	3.99

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

HONG LEONG INVESTMENT BANK BERHAD
Registration No. 197001000928 (10209-W)

CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	The Group			
		Individual Quarter		Cumulative Months Ended	
		Current	Last year	Current	Last
		quarter ended	quarter ended	year to date	year to date
		30.06.2022	30.06.2021	30.06.2022	30.06.2021
		RM'000	RM'000	RM'000	RM'000
Interest income	20a	27,192	25,243	108,150	102,413
Interest income for financial assets at FVTPL	20b	5,156	8,120	23,989	37,423
Interest expense	21	(19,362)	(21,147)	(82,954)	(90,647)
Net interest income		12,986	12,216	49,185	49,189
Non-interest income	22	24,175	28,070	114,344	197,906
Net income		37,161	40,286	163,529	247,095
Overhead expenses	23	(25,199)	(21,858)	(91,931)	(107,045)
Operating profit before allowances		11,962	18,428	71,598	140,050
Write-back of allowance for impairment losses on loans and advances	24	27	198	174	3,026
Write-back of/(allowance for) impairment losses on financial investments and other other financial assets	25	116	(46)	479	296
Profit before taxation		12,105	18,580	72,251	143,372
Taxation		(3,477)	47,884	(17,885)	33,352
Net profit for the financial year		8,628	66,464	54,366	176,724
Earnings per share (sen)					
- Basic		5.2	40.3	32.9	107.1
- Diluted		5.2	40.3	32.9	107.1

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

HONG LEONG INVESTMENT BANK BERHAD

Registration No. 197001000928 (10209-W)

**CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

	The Group			
	Individual Quarter		Cumulative Months Ended	
	Current	Last year	Current	Last
	quarter ended	quarter ended	year to date	year to date
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial year	8,628	66,464	54,366	176,724
Other comprehensive (expense)/income:				
Items that will be reclassified subsequently to income statements				
Debt instruments at FVOCI				
- Net fair value changes	(6,187)	10,437	(30,187)	(7,917)
- Net changes in expected credit losses	(205)	(37)	(214)	31
Income tax relating to net fair value changes on financial investments at FVOCI	1,485	(2,504)	7,245	1,901
Other comprehensive (expense)/income for the financial year, net of tax	(4,907)	7,896	(23,156)	(5,985)
Total comprehensive income for the financial year, net of tax	3,721	74,360	31,210	170,739

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

HONG LEONG INVESTMENT BANK BERHAD
Registration No. 197001000928 (10209-W)

CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	The Bank			
		Individual Quarter		Cumulative Months Ended	
		Current	Last year	Current	Last
		quarter ended	quarter ended	year to date	year to date
		30.06.2022	30.06.2021	30.06.2022	30.06.2021
		RM'000	RM'000	RM'000	RM'000
Interest income	20a	27,182	25,210	108,085	102,329
Interest income for financial assets at FVTPL	20b	5,156	8,120	23,989	37,423
Interest expense	21	(19,362)	(21,147)	(82,954)	(90,647)
Net interest income		12,976	12,183	49,120	49,105
Non-interest income	22	24,126	27,997	114,150	197,704
Net income		37,102	40,180	163,270	246,809
Overhead expenses	23	(25,167)	(21,822)	(91,784)	(106,883)
Operating profit before allowances		11,935	18,358	71,486	139,926
Write-back of allowance for impairment losses on loans and advances	24	27	198	174	3,026
Write-back of/(allowance for) impairment losses on financial investments and other other financial assets	25	116	(46)	479	296
Profit before taxation		12,078	18,510	72,139	143,248
Taxation		(3,477)	47,905	(17,885)	33,373
Net profit for the financial year		8,601	66,415	54,254	176,621
Earnings per share (sen)					
- Basic		5.2	40.3	32.9	107.0
- Diluted		5.2	40.3	32.9	107.0

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

HONG LEONG INVESTMENT BANK BERHAD
Registration No. 197001000928 (10209-W)

CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	The Bank			
	Individual Quarter		Cumulative Months Ended	
	Current	Last year	Current	Last
	quarter ended	quarter ended	year to date	year to date
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial year	8,601	66,415	54,254	176,621
Other comprehensive (expense)/income:				
Items that will be reclassified subsequently to income statements				
Debt instruments at FVOCI				
- Net fair value changes	(6,187)	10,437	(30,187)	(7,917)
- Net changes in expected credit losses	(205)	(37)	(214)	31
Income tax relating to net fair value changes on financial investments at FVOCI	1,485	(2,504)	7,245	1,901
Other comprehensive (expense)/income for the financial year, net of tax	(4,907)	7,896	(23,156)	(5,985)
Total comprehensive income for the financial year, net of tax	3,694	74,311	31,098	170,636

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

HONG LEONG INVESTMENT BANK BERHAD

Registration No. 197001000928 (10209-W)

CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

<u>The Group</u>	Attributable to owner of the parent				Total RM'000
	Share capital RM'000	Regulatory reserve RM'000	Fair value reserve RM'000	Retained profits RM'000	
At 1 July 2021	252,950	13,149	3,364	389,554	659,017
Net profit for the financial year	-	-	-	54,366	54,366
Other comprehensive expense, net of tax	-	-	(23,156)	-	(23,156)
Total comprehensive (expense)/income for the financial year	-	-	(23,156)	54,366	31,210
Transfer from regulatory reserve	-	(1,001)	-	1,001	-
Dividend paid	-	-	-	(156,750)	(156,750)
At 30 June 2022	252,950	12,148	(19,792)	288,171	533,477
At 1 July 2020	252,950	12,076	9,349	279,903	554,278
Net profit for the financial year	-	-	-	176,724	176,724
Other comprehensive expense, net of tax	-	-	(5,985)	-	(5,985)
Total comprehensive (expense)/income for the financial year	-	-	(5,985)	176,724	170,739
Transfer to regulatory reserve	-	1,073	-	(1,073)	-
Dividend paid	-	-	-	(66,000)	(66,000)
At 30 June 2021	252,950	13,149	3,364	389,554	659,017

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

HONG LEONG INVESTMENT BANK BERHAD

Registration No. 197001000928 (10209-W)

**CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

	Non-distributable			Distributable	Total RM'000
	Share capital RM'000	Regulatory reserve RM'000	Fair value reserve RM'000	Retained profits RM'000	
<u>The Bank</u>					
At 1 July 2021	252,950	13,149	3,364	389,376	658,839
Net profit for the financial year	-	-	-	54,254	54,254
Other comprehensive expense, net of tax	-	-	(23,156)	-	(23,156)
Total comprehensive (expense)/income for the financial year	-	-	(23,156)	54,254	31,098
Transfer from regulatory reserve	-	(1,001)	-	1,001	-
Dividend paid	-	-	-	(156,750)	(156,750)
At 30 June 2022	252,950	12,148	(19,792)	287,881	533,187
At 1 July 2020	252,950	12,076	9,349	279,828	554,203
Net profit for the financial year	-	-	-	176,621	176,621
Other comprehensive expense, net of tax	-	-	(5,985)	-	(5,985)
Total comprehensive (expense)/income for the financial year	-	-	(5,985)	176,621	170,636
Transfer to regulatory reserve	-	1,073	-	(1,073)	-
Dividend paid	-	-	-	(66,000)	(66,000)
At 30 June 2021	252,950	13,149	3,364	389,376	658,839

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

HONG LEONG INVESTMENT BANK BERHAD
Registration No. 197001000928 (10209-W)

CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	The Group		The Bank	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before taxation	72,251	143,372	72,139	143,248
Adjustments for non-cash items	(69,338)	(67,103)	(69,334)	(67,100)
Operating profit before changes in working capital	2,913	76,269	2,805	76,148
Changes in working capital:				
Net changes in operating assets	547,519	184,131	547,533	184,232
Net changes in operating liabilities	(116,743)	(84,342)	(115,025)	(84,581)
Net income tax paid	(22)	(19)	-	-
Net cash generated from operating activities	433,667	176,039	435,313	175,799
Net cash used in investing activities	(66,927)	(225,091)	(66,929)	(225,093)
Net cash used in financing activities	(164,762)	(74,061)	(164,762)	(74,061)
Net changes in cash and cash equivalents	201,978	(123,113)	203,622	(123,355)
Cash and cash equivalents at beginning of financial year	149,490	272,603	147,658	271,013
Cash and cash equivalents at end of financial year	351,468	149,490	351,280	147,658
Cash and cash equivalents comprise:				
Cash and short term funds	251,447	118,351	251,259	116,519
Deposit and placements with bank and other financial institutions	100,021	31,139	100,021	31,139
	351,468	149,490	351,280	147,658

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

EXPLANATORY NOTES

1. Basis of preparation

The unaudited condensed financial statements for the financial year ended 30 June 2022 have been prepared under the historical cost convention, as modified by the revaluation of financial investments at fair value through other comprehensive income ("FVOCI") and financial assets/financial liabilities (including derivative financial instruments) at fair value through profit or loss ("FVTPL").

The unaudited condensed financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standard Board ("MASB") and should be read in conjunction with the audited annual financial statements for the Group and the Bank for the financial year ended 30 June 2021. The explanatory notes attached to the unaudited condensed financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the financial year ended 30 June 2021.

The significant accounting policies and methods of computation applied in the unaudited condensed financial statements are consistent with those adopted in the annual audited financial statements for the financial year ended 30 June 2021 and modified for the adoption of the following Amendments to MFRSs applicable for financial period beginning on or after 1 July 2021:

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 'Interest Rate Benchmark (IBOR) Reform - Phase 2'

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 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 assumptions are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates.

2. Audit report

The audit report of the latest audited annual financial statements was not subject to any qualification.

3. Seasonality or cyclicity of operations

The business operations of the Group and the Bank have not been affected by any material seasonal or cyclical factors.

4. Items affecting net income and cash flows

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank during the financial quarter ended 30 June 2022.

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EXPLANATORY NOTES

5. Changes in estimates

There were no significant changes in estimates arising from prior financial quarter that have a material effect on the financial results and position of the Group and the Bank for the financial quarter ended 30 June 2022.

6. Issuance and repayments

There were no other new shares issuance, no cancellation, repurchase, resale or repayment of debt and equity securities during the current financial quarter ended 30 June 2022.

7. Dividends

There were no dividends paid during the financial quarter ended 30 June 2022.

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

	The Group		The Bank	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Money market instruments				
Malaysian Government Securities	-	20,953	-	20,953
Malaysian Government Investment Issues	-	31,180	-	31,180
Negotiable instruments of deposits	-	398,979	-	398,979
Cagamas bonds	-	15,015	-	15,015
	-	466,127	-	466,127
Quoted securities				
In Malaysia:				
Shares	6,554	7,384	6,554	7,384
Unit trust investment	199	196	-	-
	6,753	7,580	6,554	7,384
Unquoted securities				
Corporate bond and/or sukuk	19,743	49,712	19,743	49,712
	26,496	523,419	26,297	523,223

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EXPLANATORY NOTES

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

	The Group and the Bank	
	30.06.2022	30.06.2021
	RM'000	RM'000
Money market instruments		
Malaysian Government Securities	120,972	32,232
Malaysian Government Investment Issues	242,625	283,907
Cagamas bonds	69,603	75,488
	433,200	391,627
Unquoted securities		
Foreign currency bonds	70,227	105,169
Corporate bond and/or sukuk	753,213	854,024
	823,440	959,193
	1,256,640	1,350,820

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

	12 Months ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total ECL RM'000
The Group and the Bank				
At 1 July 2021	372	-	-	372
Allowances made	15	-	-	15
Amount written back	(18)	-	-	(18)
New financial assets originated or purchased	59	-	-	59
Financial assets derecognised	(261)	-	-	(261)
Exchange differences	(9)	-	-	(9)
At 30 June 2022	158	-	-	158
At 1 July 2020	341	-	-	341
Allowances made	37	-	-	37
Amount written back	(38)	-	-	(38)
New financial assets originated or purchased	148	-	-	148
Financial assets derecognised	(89)	-	-	(89)
Exchange differences	(27)	-	-	(27)
At 30 June 2021	372	-	-	372

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EXPLANATORY NOTES

10. Financial investments at amortised cost

	The Group and the Bank	
	30.06.2022	30.06.2021
	RM'000	RM'000
Money market instruments		
Malaysian Government Securities	626,305	462,996
Malaysian Government Investment Issues	585,104	515,821
	1,211,409	978,817
Unquoted securities		
Foreign currency bonds	-	16,639
Corporate bond and/or sukuk	39,033	63,842
	39,033	80,481
Less: Expected credit losses	-	(12)
	1,250,442	1,059,286

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

	12 Months ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total ECL RM'000
The Group and the Bank				
At 1 July 2021	12	-	-	12
Financial assets derecognised	(12)	-	-	(12)
At 30 June 2022	-	-	-	-
At 1 July 2020	15	-	-	15
Amount written back	(1)	-	-	(1)
Exchange differences	(2)	-	-	(2)
At 30 June 2021	12	-	-	12

11. Loans and advances

	The Group and the Bank	
	30.06.2022	30.06.2021
	RM'000	RM'000
Term loan financing	64,536	41,986
Share margin financing	329,373	294,054
Staff loans	30	37
Other loans	128	265
Gross loans and advances	394,067	336,342
Less: Expected credit losses	(347)	(583)
Total net loans and advances	393,720	335,759

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EXPLANATORY NOTES

11. Loans and advances (continued)

	The Group and the Bank	
	30.06.2022	30.06.2021
	RM'000	RM'000
(i) Gross loans and advances disbursed by type of customers		
Domestic non-bank financial institutions		
- Others	30,060	-
Domestic business enterprises		
- Small and medium enterprises	60,626	60,590
- Others	77,956	90,417
Individuals	222,711	181,065
Foreign entities	2,714	4,270
	394,067	336,342
(ii) Gross loans and advances analysed by interest rate sensitivity		
Variable rate	393,909	336,040
Fixed rate		
- Staff housing loans	30	37
- Other fixed rate loans	128	265
	394,067	336,342
(iii) Gross loans and advances analysed by residual contractual maturity		
Maturing within one year	352,548	322,201
One year to three years	36,121	-
Three years to five years	-	8,163
Over five years	5,398	5,978
	394,067	336,342
(iv) Loans and advances analysed by their economic purposes		
Working capital	28,277	33,860
Purchase of securities	335,572	302,180
Purchase of transport vehicles	-	126
Purchase of landed properties	158	176
Others	30,060	-
	394,067	336,342
(v) Gross loans and advances analysed by geographical distribution		
Malaysia	394,067	336,342
(vi) Impaired loans and advances		
(a) Movements in impaired loans and advances		
At 1 July	265	6,522
Impaired during the financial year	12	-
Amount written-back during the financial year	(87)	(6,257)
Amount written-off during the financial year	(62)	-
At 30 June	128	265

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EXPLANATORY NOTES

11. Loans and advances (continued)

	The Group and the Bank	
	30.06.2022	30.06.2021
	RM'000	RM'000
(vi) Impaired loans and advances (continued)		
(b) By economic purposes		
Purchase of transport vehicles	-	126
Purchase of landed properties	128	139
	128	265

(vii) Movements in expected credit losses:

The Group and the Bank	12 Months ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total ECL RM'000
At 1 July 2021	263	194	126	583
Transferred to Stage 1	144	(29)	(115)	-
Transferred to Stage 2	(22)	22	-	-
New financial assets originated	11	10	-	21
Financial assets derecognised	(4)	-	(80)	(84)
Allowance made	188	-	115	303
Allowance written-back	(270)	(160)	-	(430)
Allowance written-off	-	-	(46)	(46)
At 30 June 2022	310	37	-	347
At 1 July 2020	656	1	2,978	3,635
Transferred to Stage 1	223	(13)	(210)	-
Transferred to Stage 2	(13)	2,342	(2,329)	-
New financial assets originated	12	1	-	13
Financial assets derecognised	(3)	-	-	(3)
Allowance made	105	79	2	186
Allowance written-back	(717)	(2,216)	(315)	(3,248)
At 30 June 2021	263	194	126	583

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EXPLANATORY NOTES

12. Clients' and brokers' balances

	The Group and the Bank	
	30.06.2022	30.06.2021
	RM'000	RM'000
Performing accounts	101,214	195,735
Impaired accounts	2,861	5,247
	104,075	200,982
Less: Expected credit losses	(998)	(1,188)
	103,077	199,794

13. Other assets

	The Group		The Bank	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Tax recoverable	14	-	-	-
Amount due from holding company	130	130	130	130
Deposits and prepayments	8,525	12,587	8,525	12,587
Fee income receivables	10,930	5,202	10,930	5,202
Collaterals pledged for derivative transactions	10,120	7,227	10,120	7,227
Treasury related receivables	-	20,624	-	20,624
Other receivables	4,424	2,308	4,410	2,307
	34,143	48,078	34,115	48,077
Less: Expected credit losses	(1,970)	(1,942)	(1,970)	(1,942)
	32,173	46,136	32,145	46,135

14. Valuation of property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

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15. Deposits from customers

	The Group and the Bank	
	30.06.2022	30.06.2021
	RM'000	RM'000
Fixed Deposit	759,636	701,538
 (i) The deposits are sourced from the following customers:		
Government & statutory bodies	553,869	530,754
Business enterprises	192,248	157,569
Individuals	13,519	13,215
	759,636	701,538
 (ii) The maturity structure of fixed deposits is as follows:		
Due within:		
- six months	758,405	701,538
- six months to one year	1,231	-
	759,636	701,538

16. Deposits and placements of banks and other financial institutions

	The Group and the Bank	
	30.06.2022	30.06.2021
	RM'000	RM'000
Licensed banks	264,951	209,916
Licensed investment banks	22,067	101,016
Other financial institutions	1,620,217	1,738,490
	1,907,235	2,049,422

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17. Derivative financial assets/(liabilities)

	The Group and the Bank		
	Contract or underlying principal amount RM'000	Positive fair value RM'000	Negative fair value RM'000
30.06.2022			
Derivatives at FVTPL:			
(i) Interest rate related contracts:			
- interest rate swaps	3,303,000	31,048	(16,729)
- futures	149,897	236	(1,061)
(ii) Foreign exchange related contracts:			
- foreign currency swaps	1,340,695	5,249	(8,601)
- foreign currency forwards	175,960	931	(194)
(iii) Equity related contracts:			
- Call options	200	50	-
Derivatives designated as fair value hedge:			
- Interest rate swap	70,000	879	(120)
	5,039,752	38,393	(26,705)
30.06.2021			
Derivatives at FVTPL:			
(i) Interest rate related contracts:			
- interest rate swaps	3,515,000	26,970	(38,673)
- cross currency swaps	82,995	2,791	-
(ii) Foreign exchange related contracts:			
- foreign currency swaps	1,048,158	2,814	(238)
- foreign currency forwards	311,456	1,812	(501)
- foreign currency spots	23,611	23	-
(iii) Equity related contracts:			
- Call options	200	84	-
Derivatives designated as fair value hedge:			
- Interest rate swap	70,000	-	(1,644)
	5,051,420	34,494	(41,056)

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18. Other liabilities

	The Group		The Bank	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Amount due to holding company	80	203	80	203
Amount due to related companies	577	643	574	639
Remisiers' trust deposits	14,605	16,392	14,605	16,392
Treasury related payables	20,317	42,465	20,317	42,465
Advance payments received for corporate exercise	65,383	-	65,383	-
Other payables and accrued liabilities	99,986	73,693	100,064	72,055
Provision for post employment benefits	221	218	221	218
	201,169	133,614	201,244	131,972

19. Subordinated obligations

	The Group and the Bank	
	30.06.2022	30.06.2021
	RM'000	RM'000
RM100.0 million Tier 2 subordinated notes, at par	100,000	100,000
Add: Interest payable	197	197
	100,197	100,197
Less: Unamortised discounts	(4)	(5)
	100,193	100,192

On 6 November 2014, Hong Leong Investment Bank Berhad ("HLIB") had completed the first issuance of RM50.0 million nominal value of Tier 2 Subordinated Notes ("Sub-Notes") out of its RM1.0 billion Multi-Currency Sub-Notes Programme. The RM50.0 million Sub-Notes will mature in 2024 and is callable on any coupon payment date falling on or after the 5th anniversary of the issue date. The Sub-Notes which bears interest rate of 5.30% per annum is payable semi-annually in arrears. The exercise of the call option on the Sub-Notes shall be subject to the approval of BNM.

The Sub-Notes constitute unsecured liabilities of HLIB, and is subordinated in right of payment to the deposit liabilities and all other liabilities of HLIB in accordance with the terms and conditions of the issue, except to those liabilities, which by their terms, rank equally in right of payment with or are subordinated to the Sub-Notes. The Sub-Notes qualify as Tier 2 capital for the purpose of determining the capital adequacy ratio of HLIB.

On 14 June 2019, the Bank issued a second tranche of RM100.0 million nominal value of 10-year non-callable 5 years Sub Notes callable on 14 June 2024 (and thereafter) and due on 14 June 2029 out of its RM1.0 billion Multi-Currency Sub Notes Programme. The coupon rate for this second tranche of the Sub Notes is 4.23% per annum, which is payable semi-annually in arrears from the date of the issue.

On 6 November 2019, HLIB had fully redeemed the first issuance of RM50.0 million nominal value of this Sub Notes.

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20a. Interest income

	The Group			
	Individual Quarter		Cumulative Months Ended	
	Current	Last year	Current	Last
	quarter ended	quarter ended	year to date	year to date
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Loans and advances	4,290	3,452	16,484	14,302
Money at call and deposit placements with financial institutions	598	350	1,041	4,364
Financial investments at FVOCI	9,750	8,736	40,653	35,464
Financial investments at amortised cost	8,402	8,255	33,625	31,157
Others	4,152	4,450	16,347	17,126
Total interest income	27,192	25,243	108,150	102,413

	The Bank			
	Individual Quarter		Cumulative Months Ended	
	Current	Last year	Current	Last
	quarter ended	quarter ended	year to date	year to date
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Loans and advances	4,290	3,452	16,484	14,302
Money at call and deposit placements with financial institutions	588	317	976	4,280
Financial investments at FVOCI	9,750	8,736	40,653	35,464
Financial investments at amortised cost	8,402	8,255	33,625	31,157
Others	4,152	4,450	16,347	17,126
Total interest income	27,182	25,210	108,085	102,329

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20b. Interest income for financial assets at FVTPL

	Individual Quarter		The Group and the Bank Cumulative Months Ended	
	Current	Last year	Current	Last
	quarter ended	quarter ended	year to date	year to date
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Financial assets at FVTPL	5,156	8,120	23,989	37,423

21. Interest expense

	Individual Quarter		The Group and the Bank Cumulative Months Ended	
	Current	Last year	Current	Last
	quarter ended	quarter ended	year to date	year to date
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	1,486	1,095	4,836	5,120
Deposits from customers	11,148	8,891	44,029	38,982
Derivative financial instruments	5,437	9,909	28,578	41,500
Subordinated obligations	1,054	1,055	4,231	4,232
Lease liabilities	170	189	681	808
Others	67	8	599	5
	19,362	21,147	82,954	90,647

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22. Non-interest income

	The Group			
	Individual Quarter		Cumulative Months Ended	
	Current	Last year	Current	Last
	quarter ended	quarter ended	year to date	year to date
30.06.2022	30.06.2021	30.06.2022	30.06.2021	
	RM'000	RM'000	RM'000	RM'000
<u>Fee and commission income:</u>				
Corporate advisory fees	4,995	1,942	9,970	6,626
Arranger fees	30	823	1,503	3,856
Underwriting commissions	740	-	1,343	129
Placement fees	4,824	372	8,973	13,726
Brokerage income	11,448	24,326	67,241	135,265
Fees on loans and advances	1	253	341	494
Commission from future contracts	163	165	908	821
Other fee income	1,206	1,300	4,743	8,062
	23,407	29,181	95,022	168,979
<u>Net income from securities</u>				
Net realised (loss)/gain arising from sale of:				
- financial assets at FVTPL	(2,854)	(946)	(7,945)	5,006
- financial investments at FVOCI	(7,130)	(2,342)	(6,364)	12,931
- derivative financial instruments	23,881	1,866	35,400	(27,187)
Net unrealised gain/(loss) on revaluation of:				
- financial assets at FVTPL	1,230	1,592	(691)	(4,435)
- derivative financial instruments	(832)	(1,441)	14,023	19,532
Dividend income from:				
- financial assets at FVTPL	19	116	1,237	884
Net unrealised loss on fair value changes arising from fair value hedges				
	(500)	(431)	(2,166)	(2,068)
	13,814	(1,586)	33,494	4,663
<u>Other income:</u>				
Gain on disposal of property and equipment	35	-	35	-
Foreign exchange (loss)/gain	(13,090)	117	(14,236)	23,877
Other non-operating income	9	358	29	387
	(13,046)	475	(14,172)	24,264
Total non-interest income	24,175	28,070	114,344	197,906

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22. Non-interest income (continued)

	The Bank			
	Individual Quarter		Cumulative Months Ended	
	Current quarter ended 30.06.2022 RM'000	Last year quarter ended 30.06.2021 RM'000	Current year to date 30.06.2022 RM'000	Last year to date 30.06.2021 RM'000
<u>Fee and commission income:</u>				
Corporate advisory fees	4,995	1,942	9,970	6,626
Arranger fees	30	823	1,503	3,856
Underwriting commissions	740	-	1,343	129
Placement fees	4,824	372	8,973	13,726
Brokerage income	11,448	24,326	67,241	135,265
Fees on loans and advances	1	253	341	494
Commission from future contracts	163	165	908	821
Other fee income	1,158	1,228	4,553	7,863
	23,359	29,109	94,832	168,780
<u>Net income from securities</u>				
Net realised (loss)/gain arising from sale of:				
- financial assets at FVTPL	(2,854)	(946)	(7,945)	5,006
- financial investments at FVOCI	(7,130)	(2,342)	(6,364)	12,931
- derivative financial instruments	23,881	1,866	35,400	(27,187)
Net unrealised gain/(loss) on revaluation of:				
- financial assets at FVTPL	1,229	1,591	(693)	(4,436)
- derivative financial instruments	(832)	(1,441)	14,023	19,532
Dividend income from:				
- financial assets at FVTPL	19	116	1,235	882
Net unrealised loss on fair value changes arising from fair value hedges				
	(500)	(431)	(2,166)	(2,068)
	13,813	(1,587)	33,490	4,660
<u>Other income:</u>				
Gain on disposal of property and equipment	35	-	35	-
Foreign exchange (loss)/gain	(13,090)	117	(14,236)	23,877
Other non-operating income	9	358	29	387
	(13,046)	475	(14,172)	24,264
Total non-interest income	24,126	27,997	114,150	197,704

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23. Overhead expenses

	The Group			
	Individual Quarter		Cumulative Months Ended	
	Current quarter ended 30.06.2022 RM'000	Last year quarter ended 30.06.2021 RM'000	Current year to date 30.06.2022 RM'000	Last year to date 30.06.2021 RM'000
Personnel expenses	17,196	13,133	58,635	70,742
Promotion and marketing related expenses	281	258	1,012	541
Establishment related expenses	4,154	4,045	16,633	16,473
General administrative expenses	3,568	4,422	15,651	19,289
	25,199	21,858	91,931	107,045
(i) Personnel expenses comprise the following:				
Salaries, bonuses and allowances	14,817	12,178	51,384	64,966
Defined contribution plan	1,901	1,681	7,210	6,684
Other employee benefits	478	(726)	41	(908)
	17,196	13,133	58,635	70,742
(ii) Promotion and marketing related expenses comprise the following:				
Advertisement and publicity expenses	20	-	20	20
Entertainment and business improvement	258	256	971	483
Others	3	2	21	38
	281	258	1,012	541
(iii) Establishment related expenses comprise the following:				
Depreciation of property and equipment	938	792	3,413	3,003
Amortisation of intangible assets	455	291	1,615	1,202
Depreciation of ROU assets	848	853	3,411	3,409
Rental expenses	12	13	102	84
Others	1,901	2,096	8,092	8,775
	4,154	4,045	16,633	16,473
(iv) General administrative expenses comprise the following:				
Management fee	655	973	3,435	5,364
Teletransmission expenses	1,571	1,593	6,989	6,600
Auditors' remuneration				
- Statutory audit fees	66	134	262	290
- Regulatory related fees	23	23	23	23
- Tax compliance fee	16	15	16	15
- Other fees	-	120	-	120
Legal and professional fees	538	656	1,159	2,773
Property and equipment written off	-	-	-	22
Others	699	908	3,767	4,082
	3,568	4,422	15,651	19,289

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23. Overhead expenses (continued)

	The Bank			
	Individual Quarter		Cumulative Months Ended	
	Current quarter ended 30.06.2022 RM'000	Last year quarter ended 30.06.2021 RM'000	Current year to date 30.06.2022 RM'000	Last year to date 30.06.2021 RM'000
Personnel expenses	17,171	13,109	58,539	70,626
Promotion and marketing related expenses	281	258	1,012	541
Establishment related expenses	4,150	4,041	16,615	16,447
General administrative expenses	3,565	4,414	15,618	19,269
	25,167	21,822	91,784	106,883
(i) Personnel expenses comprise the following:				
Salaries, bonuses and allowances	14,796	12,158	51,303	64,868
Defined contribution plan	1,898	1,678	7,196	6,667
Other employee benefits	477	(727)	40	(909)
	17,171	13,109	58,539	70,626
(ii) Promotion and marketing related expenses comprise the following:				
Advertisement and publicity expenses	20	-	20	20
Entertainment and business improvement	258	256	971	483
Others	3	2	21	38
	281	258	1,012	541
(iii) Establishment related expenses comprise the following:				
Depreciation of property and equipment	938	792	3,413	3,003
Amortisation of intangible assets	455	291	1,615	1,202
Depreciation of ROU assets	848	853	3,411	3,409
Rental expenses	16	9	94	68
Others	1,893	2,096	8,082	8,765
	4,150	4,041	16,615	16,447
(iv) General administrative expenses comprise the following:				
Management fee	655	971	3,432	5,360
Teletransmission expenses	1,571	1,593	6,989	6,600
Auditors' remuneration				
- Statutory audit fees	64	132	255	283
- Regulatory related fees	23	23	23	23
- Tax compliance fee	16	15	16	15
- Other fees	-	120	-	120
Legal and professional fees	539	654	1,140	2,767
Property and equipment written off	-	-	-	22
Others	697	906	3,763	4,079
	3,565	4,414	15,618	19,269

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24. Write-back of allowance for impairment losses on loans and advances

	The Group and the Bank			
	Individual Quarter		Cumulative Months Ended	
	Current	Last year	Current	Last
	quarter ended	quarter ended	year to date	year to date
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Expected credit losses				
(i) Loans and advances	26	198	190	3,052
(ii) Loans and advances commitments	1	-	-	-
Impaired loans and advances written-off	-	-	(16)	(26)
	27	198	174	3,026

25. Write-back of/(allowance for) impairment losses on financial investments and other financial assets

	The Group and the Bank			
	Individual Quarter		Cumulative Months Ended	
	Current	Last year	Current	Last
	quarter ended	quarter ended	year to date	year to date
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
(a) Financial investments				
(i) Financial investments at FVOCI	205	37	214	(31)
(ii) Financial investments at amortised cost	-	3	12	3
	205	40	226	(28)
(b) Other financial assets:				
(i) Clients' and brokers' balances:				
- Expected credit losses	(39)	(92)	190	838
- Impaired clients' and brokers' balances recovered	-	-	91	-
(ii) Other assets	(50)	6	(28)	(514)
	(89)	(86)	253	324
	116	(46)	479	296

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26. 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.

Credit transactions and exposure with connected parties

Credit exposures with connected parties as per Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties are as follows:

	The Group and the Bank	
	30.06.2022	30.06.2021
	RM'000	RM'000
Outstanding credit exposures with connected parties	17,377	2,226
Percentage of outstanding credit exposures with connected parties as a proportion of total credit exposures	3.13%	3.17%
Percentage of outstanding credit exposures with connected parties which is non-performing or in default	0.00%	0.00%

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27. Commitments and contingencies

In the normal course of business, the Bank makes various commitments and incur certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these.

	The Group and the Bank	
	30.06.2022	30.06.2021
	Principal Amount RM'000	Principal Amount RM'000
Commitments and Contingent Liabilities		
Direct Credit Substitutes	1,000	1,000
Obligations under underwriting agreement	7,140	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity:		
- over one year	-	30,000
Any commitments that are unconditionally cancelled at any time by the Bank without prior notice		
- maturity less than one year	919,747	911,550
	927,887	942,550
Derivative Financial Instruments		
Interest rate related contracts:		
- One year or less	1,019,897	1,592,995
- Over one year to five years	2,503,000	2,075,000
Foreign exchange related contracts:		
- One year or less	1,516,655	1,383,225
Equity related contracts:		
- Over one year to five years	200	200
	5,039,752	5,051,420
	5,967,639	5,993,970

EXPLANATORY NOTES

28. Fair value of financial instruments

Determination of fair value and fair value hierarchy

The Group and the Company measures 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.

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 market where the quoted prices is 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, unit trust investments 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 then determine fair value based upon valuation techniques that use as inputs, 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.

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). This category includes unquoted shares held for socio economic reasons. Fair values for shares held for socio economic reasons are based on the net tangible assets of the affected companies. The Group's and the Bank's exposure to financial instruments classified as Level 3 comprised a small number of financial instruments which constitute an insignificant component of the Group's and the Bank's portfolio of financial instruments. Hence, changing one or more of the inputs to reasonable alternative assumptions would not change the value significantly for the financial assets in Level 3 of the fair value hierarchy.

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28. Fair value of financial instruments (continued)

Determination of fair value and fair value hierarchy

The Group	Level 1	Level 2	Level 3	Total
30.06.2022	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial assets at FVTPL	6,753	19,743	-	26,496
- Quoted securities	6,753	-	-	6,753
- Unquoted securities	-	19,743	-	19,743
Financial investments at FVOCI	-	1,256,640	-	1,256,640
- Money market instruments	-	433,200	-	433,200
- Unquoted securities	-	823,440	-	823,440
Derivative financial assets	-	38,393	-	38,393
	6,753	1,314,776	-	1,321,529
Financial liability				
Derivative financial liabilities	-	26,705	-	26,705
30.06.2021				
Financial assets				
Financial assets at FVTPL	7,580	515,839	-	523,419
- Money market instruments	-	466,127	-	466,127
- Quoted securities	7,580	-	-	7,580
- Unquoted securities	-	49,712	-	49,712
Financial investments at FVOCI	-	1,350,820	-	1,350,820
- Money market instruments	-	391,627	-	391,627
- Unquoted securities	-	959,193	-	959,193
Derivative financial assets	-	34,494	-	34,494
	7,580	1,901,153	-	1,908,733
Financial liability				
Derivative financial liabilities	-	41,056	-	41,056

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28. Fair value of financial instruments (continued)

Determination of fair value and fair value hierarchy (continued)

The Bank	Level 1	Level 2	Level 3	Total
30.06.2022	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial assets at FVTPL	6,554	19,743	-	26,297
- Quoted securities	6,554	-	-	6,554
- Unquoted securities	-	19,743	-	19,743
Financial investments at FVOCI	-	1,256,640	-	1,256,640
- Money market instruments	-	433,200	-	433,200
- Unquoted securities	-	823,440	-	823,440
Derivative financial assets	-	38,393	-	38,393
	6,554	1,314,776	-	1,321,330
Financial liability				
Derivative financial liabilities	-	26,705	-	26,705
30.06.2021				
Financial assets				
Financial assets at FVTPL	7,384	515,839	-	523,223
- Money market instruments	-	466,127	-	466,127
- Quoted securities	7,384	-	-	7,384
- Unquoted securities	-	49,712	-	49,712
Financial investments at FVOCI	-	1,350,820	-	1,350,820
- Money market instruments	-	391,627	-	391,627
- Unquoted securities	-	959,193	-	959,193
Derivative financial assets	-	34,494	-	34,494
	7,384	1,901,153	-	1,908,537
Financial liability				
Derivative financial liabilities	-	41,056	-	41,056

There were no transfers between Level 1 and 2 during the financial year.

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EXPLANATORY NOTES

28. Fair value of financial instruments (continued)

Reconciliation of fair value measurement in Level 3 of the fair value hierarchy are as follows:

	The Group and the Bank	
	30.06.2022	30.06.2021
	RM'000	RM'000
Financial assets at FVTPL		
At 1 July	-	1,432
Disposed during the financial year	-	(1,432)
At 30 June	-	-

29. Capital adequacy

The risk-weighted assets ("RWA") of 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.

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

	The Group		The Bank	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Before deducting proposed dividends:				
Common equity tier 1 ("CET1") capital ratio	39.464%	50.556%	39.445%	50.575%
Tier 1 capital ratio	39.464%	50.556%	39.445%	50.575%
Total capital ratio	50.447%	61.379%	50.437%	61.409%
After deducting proposed dividends: ⁽¹⁾				
CET1 capital ratio	35.389%	34.419%	35.367%	34.419%
Tier 1 capital ratio	35.389%	34.419%	35.367%	34.419%
Total capital ratio	46.372%	45.241%	46.359%	45.253%

Note:

⁽¹⁾ Proposed dividends of RM38,940,000 (30.06.2021: RM156,750,000).

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EXPLANATORY NOTES

29. Capital adequacy (continued)

(b) The components of CET1, Tier 1 and total capital of the Group and the Bank are as follows:

	The Group		The Bank	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
CET1 Capital				
Paid-up ordinary share capital	252,950	252,950	252,950	252,950
Retained profits	288,171	389,554	287,881	389,376
Other reserves	(19,792)	3,364	(19,792)	3,364
Less: goodwill and intangibles	(33,638)	(31,745)	(33,638)	(31,745)
Less: deferred tax assets	(110,559)	(121,199)	(110,559)	(121,199)
Less: investment in subsidiary companies	-	-	(200)	(200)
Less: 55% of cumulative gains of financial investments at FVOCI	-	(1,850)	-	(1,850)
Total CET1 Capital	377,132	491,074	376,642	490,696
Tier 1 Capital	377,132	491,074	376,642	490,696
Tier 2 Capital				
Stage 1 and Stage 2 expected credit loss allowances and regulatory reserves ⁽²⁾	4,952	5,120	4,952	5,115
Subordinated obligations	100,000	100,000	100,000	100,000
Total Tier 2 Capital	104,952	105,120	104,952	105,115
Total Capital	482,084	596,194	481,594	595,811

Note:

⁽²⁾ Includes the qualifying regulatory reserve for non-impaired loans and advances.

(c) Breakdown of risk-weighted assets in the various risk weights:

	The Group		The Bank	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Credit risk	396,174	409,572	396,120	409,205
Market risk	217,522	248,500	217,123	248,108
Operational risk	341,935	313,267	341,603	312,925
	955,631	971,339	954,846	970,238

EXPLANATORY NOTES

30. Changes in the composition of the Group

There were no changes in the composition of the Group since last financial quarter.

31. Significant events subsequent to the financial quarter

There were no material events subsequent to the end of the reporting quarter that require disclosure or adjustments to the unaudited financial statements.

32. Review of performance for the financial quarter ended 30 June 2022 against the corresponding financial quarter

For the current financial quarter ended 30 June 2022, the Group recorded a profit before tax of RM12.1 million, as compared to a RM18.6 million in the corresponding financial quarter. The decrease in profit of RM6.5 million was primarily attributable to lower Bursa market volume recorded in the current quarter compared to the previous year's corresponding financial quarter. This has resulted in a decrease in profit contribution from the Stockbroking Division.

33. Prospects for 2022

In the second half of FY2022, the global economy was confronted with renewed difficulties. Geopolitical tensions escalated between Russia and Ukraine, resulting in a military conflict that intensified pre-existing strains from the pandemic, such as disruptions to global supply chains and spikes in food and energy prices. To address the persistent and rising inflationary pressures, central banks around the world have begun to remove policy accommodation at a quicker pace, risking a sharper slowdown in global growth.

Back at home, social and economic restrictions continued to loosen. Notwithstanding the rising external headwinds, domestic growth prospects have improved following the nation's transition to endemicity, reopening of international borders and improvement in labour market conditions. Consequently, as Malaysia's recovery is on a stronger footing, Bank Negara Malaysia began to normalise monetary conditions by raising the Overnight Policy Rate by 25 basis points in May 2022 to 2.00% and another 25 basis points in July 2022 to 2.25% from the record low rate of 1.75%.

The Group and the Bank will continue to remain prudent and exercise vigilance as we strive to improve business performance amid continued uncertainty in the operating environment.