

HONG LEONG INVESTMENT BANK BERHAD
Registration No. 197001000928 (10209-W)
CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	The Group		The Bank	
		As at	As at	As at	As at
		31.03.2022	30.06.2021	31.03.2022	30.06.2021
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and short-term funds		239,128	118,351	236,987	116,519
Deposits and placements with banks and other financial institutions		-	31,139	-	31,139
Financial assets at fair value through profit or loss ("FVTPL")	8	308,029	523,419	307,831	523,223
Financial investments at fair value through other comprehensive income ("FVOCI")	9	1,462,776	1,350,820	1,462,776	1,350,820
Financial investments at amortised cost	10	1,092,137	1,059,286	1,092,137	1,059,286
Derivative financial assets	17	31,984	34,494	31,984	34,494
Loans and advances	11	400,393	335,759	400,393	335,759
Clients' and brokers' balances	12	272,385	199,794	272,385	199,794
Other assets	13	37,142	46,136	37,120	46,135
Investment in subsidiaries		-	-	200	200
Deferred tax assets		112,551	121,199	112,551	121,199
Property and equipment	14	8,191	8,418	8,191	8,418
Right-of-use ("ROU") assets		13,696	16,121	13,696	16,121
Intangible assets - computer software		4,516	2,759	4,516	2,759
Goodwill		28,986	28,986	28,986	28,986
TOTAL ASSETS		4,011,914	3,876,681	4,009,753	3,874,852
LIABILITIES AND SHAREHOLDER'S FUNDS					
Deposits from customers	15	923,185	701,538	923,185	701,538
Deposits and placements of banks and other financial institutions	16	2,060,737	2,049,422	2,060,737	2,049,422
Derivative financial liabilities	17	21,229	41,056	21,229	41,056
Clients' and brokers' balances		231,255	176,640	231,255	176,640
Lease liabilities		12,942	15,193	12,942	15,193
Provision for tax		-	9	-	-
Other liabilities	18	131,562	133,614	129,664	131,972
Subordinated obligations	19	101,248	100,192	101,248	100,192
TOTAL LIABILITIES		3,482,158	3,217,664	3,480,260	3,216,013
EQUITY					
Share capital		252,950	252,950	252,950	252,950
Reserves		276,806	406,067	276,543	405,889
TOTAL EQUITY		529,756	659,017	529,493	658,839
TOTAL EQUITY AND LIABILITIES		4,011,914	3,876,681	4,009,753	3,874,852
COMMITMENTS AND CONTINGENCIES					
	27	5,874,103	5,993,970	5,874,103	5,993,970
Net assets per ordinary share (RM)		3.21	3.99	3.21	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 PERIOD ENDED 31 MARCH 2022

	Note	The Group			
		Individual Quarter		Cumulative Months Ended	
		Current	Last year	Current	Last
		quarter ended	quarter ended	year to date	year to date
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
		RM'000	RM'000	RM'000	RM'000
Interest income	20a	26,766	24,116	80,958	77,170
Interest income for financial assets at FVTPL	20b	5,217	9,336	18,833	29,303
Interest expense	21	(19,176)	(21,299)	(63,592)	(69,500)
Net interest income		12,807	12,153	36,199	36,973
Non-interest income	22	27,590	51,071	90,169	169,836
Net income		40,397	63,224	126,368	206,809
Overhead expenses	23	(20,284)	(24,039)	(66,732)	(85,187)
Operating profit before allowances		20,113	39,185	59,636	121,622
(Allowance for)/write-back of impairment losses on loans and advances	24	(55)	124	147	2,828
Write-back of/(allowance for) impairment losses on financial investments and other other financial assets	25	166	(294)	363	342
Profit before taxation		20,224	39,015	60,146	124,792
Taxation		(4,869)	(4,273)	(14,408)	(14,532)
Net profit for the financial period		15,355	34,742	45,738	110,260
Earnings per share (sen)					
- Basic		9.3	21.1	27.7	66.8
- Diluted		9.3	21.1	27.7	66.8

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 PERIOD ENDED 31 MARCH 2022**

	Individual Quarter		The Group Cumulative Months Ended	
	Current	Last year	Current	Last
	quarter ended	quarter ended	year to date	year to date
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	15,355	34,742	45,738	110,260
Other comprehensive (expense)/income:				
Items that will be reclassified subsequently to income statements				
Debt instruments at FVOCI				
- Net fair value changes	(7,567)	(17,813)	(24,000)	(18,354)
- Net changes in expected credit losses	15	(6)	(9)	68
Income tax relating to net fair value changes on financial investments at FVOCI	1,816	4,275	5,760	4,405
Other comprehensive expense for the financial period, net of tax	(5,736)	(13,544)	(18,249)	(13,881)
Total comprehensive income for the financial period, net of tax	9,619	21,198	27,489	96,379

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 PERIOD ENDED 31 MARCH 2022

	Note	The Bank			
		Individual Quarter		Cumulative Months Ended	
		Current	Last year	Current	Last
		quarter ended	quarter ended	year to date	year to date
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
		RM'000	RM'000	RM'000	RM'000
Interest income	20a	26,753	24,095	80,903	77,119
Interest income for financial assets at FVTPL	20b	5,217	9,336	18,833	29,303
Interest expense	21	(19,176)	(21,299)	(63,592)	(69,500)
Net interest income		12,794	12,132	36,144	36,922
Non-interest income	22	27,542	51,024	90,024	169,707
Net income		40,336	63,156	126,168	206,629
Overhead expenses	23	(20,252)	(23,992)	(66,617)	(85,061)
Operating profit before allowances (Allowance for)/write-back of impairment losses on loans and advances	24	(55)	124	147	2,828
Write-back of/(allowance for) impairment losses on financial investments and other other financial assets	25	166	(294)	363	342
Profit before taxation		20,195	38,994	60,061	124,738
Taxation		(4,869)	(4,273)	(14,408)	(14,532)
Net profit for the financial period		15,326	34,721	45,653	110,206
Earnings per share (sen)					
- Basic		9.3	21.0	27.7	66.8
- Diluted		9.3	21.0	27.7	66.8

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 PERIOD ENDED 31 MARCH 2022

	The Bank			
	Individual Quarter		Cumulative Months Ended	
	Current	Last year	Current	Last
	quarter ended	quarter ended	year to date	year to date
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	15,326	34,721	45,653	110,206
Other comprehensive (expense)/income:				
Items that will be reclassified subsequently to income statements				
Debt instruments at FVOCI				
- Net fair value changes	(7,567)	(17,813)	(24,000)	(18,354)
- Net changes in expected credit losses	15	(6)	(9)	68
Income tax relating to net fair value changes on financial investments at FVOCI	1,816	4,275	5,760	4,405
Other comprehensive expense for the financial period, net of tax	(5,736)	(13,544)	(18,249)	(13,881)
Total comprehensive income for the financial period, net of tax	9,590	21,177	27,404	96,325

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 PERIOD ENDED 31 MARCH 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 period	-	-	-	45,738	45,738
Other comprehensive expense, net of tax	-	-	(18,249)	-	(18,249)
Total comprehensive (expense)/income for the financial period	-	-	(18,249)	45,738	27,489
Transfer to regulatory reserve	-	1,547	-	(1,547)	-
Dividend paid	-	-	-	(156,750)	(156,750)
At 31 March 2022	252,950	14,696	(14,885)	276,995	529,756
At 1 July 2020	252,950	12,076	9,349	279,903	554,278
Net profit for the financial period	-	-	-	110,260	110,260
Other comprehensive expense, net of tax	-	-	(13,881)	-	(13,881)
Total comprehensive (expense)/income for the financial period	-	-	(13,881)	110,260	96,379
Transfer to regulatory reserve	-	1,889	-	(1,889)	-
Dividend paid	-	-	-	(66,000)	(66,000)
At 31 March 2021	252,950	13,965	(4,532)	322,274	584,657

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

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	Non-distributable			Distributable	
	Share capital RM'000	Regulatory reserve RM'000	Fair value reserve RM'000	Retained profits RM'000	Total 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 period	-	-	-	45,653	45,653
Other comprehensive expense, net of tax	-	-	(18,249)	-	(18,249)
Total comprehensive (expense)/income for the financial period	-	-	(18,249)	45,653	27,404
Transfer to regulatory reserve	-	1,547	-	(1,547)	-
Dividend paid	-	-	-	(156,750)	(156,750)
At 31 March 2022	252,950	14,696	(14,885)	276,732	529,493
At 1 July 2020	252,950	12,076	9,349	279,828	554,203
Net profit for the financial period	-	-	-	110,206	110,206
Other comprehensive expense, net of tax	-	-	(13,881)	-	(13,881)
Total comprehensive (expense)/income for the financial period	-	-	(13,881)	110,206	96,325
Transfer to regulatory reserve	-	1,889	-	(1,889)	-
Dividend paid	-	-	-	(66,000)	(66,000)
At 31 March 2021	252,950	13,965	(4,532)	322,145	584,528

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 PERIOD ENDED 31 MARCH 2022

	The Group		The Bank	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before taxation	60,146	124,792	60,061	124,738
Adjustments for non-cash items	(54,836)	(54,984)	(54,834)	(55,090)
Operating profit before changes in working capital	5,310	69,808	5,227	69,648
Changes in working capital:				
Net changes in operating assets	85,808	91,228	85,821	91,332
Net changes in operating liabilities	285,525	(10,349)	285,269	(10,134)
Net income tax paid	(19)	(16)	-	-
Net cash generated from operating activities	376,624	150,671	376,317	150,846
Net cash used in investing activities	(125,215)	(12,760)	(125,217)	(12,654)
Net cash used in financing activities	(161,771)	(70,996)	(161,771)	(70,996)
Net changes in cash and cash equivalents	89,638	66,915	89,329	67,196
Cash and cash equivalents at beginning of financial period	149,490	272,603	147,658	271,013
Cash and cash equivalents at end of financial period	239,128	339,518	236,987	338,209
Cash and cash equivalents comprise:				
Cash and short term funds	239,128	339,518	236,987	338,209

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 period ended 31 March 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 cyclical 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 31 March 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 31 March 2022.

6. Issuance and repayments

Save as detailed below, there were no other new shares issuance, no cancellation, repurchase, resale or repayment of debt and equity securities during the current financial quarter ended 31 March 2022.

7. Dividends

There were no dividends paid during the financial quarter ended 31 March 2022.

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

	The Group		The Bank	
	31.03.2022	30.06.2021	31.03.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Money market instruments				
Malaysian Government Securities	29,539	20,953	29,539	20,953
Malaysian Government Investment Issues	31,016	31,180	31,016	31,180
Negotiable instruments of deposits	149,576	398,979	149,576	398,979
Cagamas bonds	-	15,015	-	15,015
	210,131	466,127	210,131	466,127
Quoted securities				
In Malaysia:				
Shares	25,233	7,384	25,233	7,384
Unit trust investment	198	196	-	-
	25,431	7,580	25,233	7,384
Unquoted securities				
Foreign currency bonds	27,474	-	27,474	-
Corporate bond and/or sukuk	44,993	49,712	44,993	49,712
	72,467	49,712	72,467	49,712
	308,029	523,419	307,831	523,223

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EXPLANATORY NOTES

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

	The Group and the Bank	
	31.03.2022	30.06.2021
	RM'000	RM'000
Money market instruments		
Malaysian Government Securities	133,473	32,232
Malaysian Government Investment Issues	278,444	283,907
Cagamas bonds	85,519	75,488
	497,436	391,627
Unquoted securities		
Foreign currency bonds	110,178	105,169
Corporate bond and/or sukuk	855,162	854,024
	965,340	959,193
	1,462,776	1,350,820

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

	12 Months	Lifetime ECL	Lifetime ECL	Total ECL
	ECL	not credit	credit	
The Group and the Bank	(Stage 1)	(Stage 2)	(Stage 3)	RM'000
	RM'000	RM'000	RM'000	RM'000
At 1 July 2021	372	-	-	372
Allowances made	12	-	-	12
Amount written back	(13)	-	-	(13)
New financial assets originated or purchased	59	-	-	59
Financial assets derecognised	(63)	-	-	(63)
Exchange differences	(4)	-	-	(4)
At 31 March 2022	363	-	-	363
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	
	31.03.2022	30.06.2021
	RM'000	RM'000
Money market instruments		
Malaysian Government Securities	480,485	462,996
Malaysian Government Investment Issues	572,622	515,821
	1,053,107	978,817
Unquoted securities		
Foreign currency bonds	-	16,639
Corporate bond and/or sukuk	39,030	63,842
	39,030	80,481
Less: Expected credit losses	-	(12)
	1,092,137	1,059,286

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

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	12	-	-	12
Amount written back	(12)			(12)
At 31 March 2022	-	-	-	-
At 1 July 2020	15	-	-	15
Financial assets derecognised	(1)			(1)
Exchange differences	(2)			(2)
At 30 June 2021	12	-	-	12

11. Loans and advances

	The Group and the Bank	
	31.03.2022	30.06.2021
	RM'000	RM'000
Term loan financing	63,955	41,986
Share margin financing	336,653	294,054
Staff loans	32	37
Other loans	126	265
Gross loans and advances	400,766	336,342
Less: Expected credit losses	(373)	(583)
Total net loans and advances	400,393	335,759

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EXPLANATORY NOTES

11. Loans and advances (continued)

	The Group and the Bank	
	31.03.2022	30.06.2021
	RM'000	RM'000
(i) Gross loans and advances disbursed by type of customers		
Domestic non-bank financial institutions		
- Others	29,538	-
Domestic business enterprises		
- Small and medium enterprises	60,040	60,590
- Others	77,896	90,417
Individuals	230,643	181,065
Foreign entities	2,649	4,270
	400,766	336,342
(ii) Gross loans and advances analysed by interest rate sensitivity		
Variable rate	400,608	336,040
Fixed rate		
- Staff housing loans	32	37
- Other fixed rate loans	126	265
	400,766	336,342
(iii) Gross loans and advances analysed by residual contractual maturity		
Maturing within one year	359,656	322,201
One year to three years	35,667	-
Three years to five years	32	8,163
Over five years	5,411	5,978
	400,766	336,342
(iv) Loans and advances analysed by their economic purposes		
Working capital	28,288	33,860
Purchase of securities	342,782	302,180
Purchase of transport vehicles	-	126
Purchase of landed properties	158	176
Others	29,538	-
	400,766	336,342
(v) Gross loans and advances analysed by geographical distribution		
Malaysia	400,766	336,342
(vi) Impaired loans and advances		
(a) Movements in impaired loans and advances		
At 1 July	265	6,522
Impaired during the financial period/year	4	-
Amount written-back during the financial period/year	(80)	(6,257)
Amount written-off during the financial period/year	(63)	-
At 31 March/30 June	126	265

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EXPLANATORY NOTES

11. Loans and advances (continued)

	The Group and the Bank	
	31.03.2022	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	126	139
	126	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	140	(25)	(115)	-
Transferred to Stage 2	(16)	16	-	-
New financial assets originated	9	10	-	19
Financial assets derecognised	(2)	-	(80)	(82)
Allowance made	174	1	115	290
Allowance written-back	(234)	(157)	-	(391)
Allowance written-off	-	-	(46)	(46)
At 31 March 2022	334	39	-	373
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	
	31.03.2022	30.06.2021
	RM'000	RM'000
Performing accounts	264,992	195,735
Impaired accounts	8,351	5,247
	273,343	200,982
Less: Expected credit losses	(958)	(1,188)
	272,385	199,794

13. Other assets

	The Group		The Bank	
	31.03.2022	30.06.2021	31.03.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Tax recoverable	10	-	-	-
Amount due from holding company	145	130	145	130
Amount due from related companies	382	-	380	-
Deposits and prepayments	7,795	12,587	7,787	12,587
Fee income receivables	7,514	5,202	7,514	5,202
Collaterals pledged for derivative transactions	3,382	7,227	3,382	7,227
Treasury related receivables	14,873	20,624	14,873	20,624
Other receivables	4,960	2,308	4,958	2,307
	39,061	48,078	39,039	48,077
Less: Expected credit losses	(1,919)	(1,942)	(1,919)	(1,942)
	37,142	46,136	37,120	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	
	31.03.2022	30.06.2021
	RM'000	RM'000
Fixed Deposit	923,185	701,538
(i) The deposits are sourced from the following customers:		
Government & statutory bodies	749,590	530,754
Business enterprises	159,149	157,569
Individuals	14,446	13,215
	923,185	701,538
(ii) The maturity structure of fixed deposits is as follows:		
Due within:		
- six months	921,961	701,538
- six months to one year	1,224	-
	923,185	701,538

16. Deposits and placements of banks and other financial institutions

	The Group and the Bank	
	31.03.2022	30.06.2021
	RM'000	RM'000
Licensed banks	302,901	209,916
Licensed investment banks	-	101,016
Other financial institutions	1,757,836	1,738,490
	2,060,737	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
31.03.2022			
Derivatives at FVTPL:			
(i) Interest rate related contracts:			
- interest rate swaps	3,148,000	25,107	(18,033)
- futures	113,515	2,642	-
- cross currency swaps	84,085	1,617	-
(ii) Foreign exchange related contracts:			
- foreign currency swaps	1,201,785	1,944	(2,231)
- foreign currency forwards	258,918	467	(722)
- foreign currency spots	33,634	4	(1)
(iii) Equity related contracts:			
- Futures	18,731	137	-
- Call options	200	66	-
Derivatives designated as fair value hedge:			
- Interest rate swap	70,000	-	(242)
	4,928,868	31,984	(21,229)
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	
	31.03.2022	30.06.2021	31.03.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Amount due to holding company	169	203	169	203
Amount due to a subsidiary companies	-	-	2	-
Amount due to related companies	678	643	676	639
Remisiers' trust deposits	15,532	16,392	15,532	16,392
Treasury related payables	-	42,465	-	42,465
Advance payments received for corporate exercise	55,297	-	55,297	-
Other payables and accrued liabilities	59,665	73,693	57,767	72,055
Provision for post employment benefits	220	218	220	218
Expected credit losses - loans & advances commitments	1	-	1	-
	131,562	133,614	129,664	131,972

19. Subordinated obligations

	The Group and the Bank	
	31.03.2022	30.06.2021
	RM'000	RM'000
RM100.0 million Tier 2 subordinated notes, at par	100,000	100,000
Add: Interest payable	1,252	197
	101,252	100,197
Less: Unamortised discounts	(4)	(5)
	101,248	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
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Loans and advances	4,184	3,547	12,194	10,850
Money at call and deposit placements with financial institutions	108	870	443	4,014
Financial investments at FVOCI	10,146	7,926	30,903	26,728
Financial investments at amortised cost	8,373	7,671	25,223	22,902
Others	3,955	4,102	12,195	12,676
Total interest income	26,766	24,116	80,958	77,170

	The Bank			
	Individual Quarter		Cumulative Months Ended	
	Current	Last year	Current	Last
	quarter ended	quarter ended	year to date	year to date
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Loans and advances	4,184	3,547	12,194	10,850
Money at call and deposit placements with financial institutions	95	849	388	3,963
Financial investments at FVOCI	10,146	7,926	30,903	26,728
Financial investments at amortised cost	8,373	7,671	25,223	22,902
Others	3,955	4,102	12,195	12,676
Total interest income	26,753	24,095	80,903	77,119

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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
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Financial assets at FVTPL	5,217	9,336	18,833	29,303

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
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	896	1,361	3,350	4,025
Deposits from customers	11,042	8,703	32,881	30,091
Derivative financial instruments	5,588	9,983	23,141	31,591
Subordinated obligations	1,044	1,043	3,177	3,177
Lease liabilities	162	197	511	619
Others	444	12	532	(3)
	19,176	21,299	63,592	69,500

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22. Non-interest income

	The Group			
	Individual Quarter		Cumulative Months Ended	
	Current quarter ended 31.03.2022 RM'000	Last year quarter ended 31.03.2021 RM'000	Current year to date 31.03.2022 RM'000	Last year to date 31.03.2021 RM'000
<u>Fee and commission income:</u>				
Corporate advisory fees	1,900	2,888	4,975	4,684
Arranger fees	710	1,162	1,473	3,033
Underwriting commissions	603	-	603	129
Placement fees	665	8,096	4,149	13,354
Brokerage income	17,244	33,314	55,793	110,939
Fees on loans and advances	258	157	340	241
Commission from future contracts	394	231	745	656
Other fee income	840	1,174	3,537	6,762
	22,614	47,022	71,615	139,798
<u>Net income from securities</u>				
Net realised (loss)/gain arising from sale of:				
- financial assets at FVTPL	(460)	(2,220)	(5,091)	5,952
- financial investments at FVOCI	(1,454)	729	766	15,273
- derivative financial instruments	(2,872)	7,627	11,519	(29,053)
Net unrealised (loss)/gain on revaluation of:				
- financial assets at FVTPL	(1,468)	(875)	(1,921)	(6,027)
- derivative financial instruments	10,149	18,822	14,855	20,973
Dividend income from:				
- financial assets at FVTPL	479	108	1,218	768
Net unrealised loss on fair value changes arising from fair value hedges				
	(516)	(603)	(1,666)	(1,637)
	3,858	23,588	19,680	6,249
<u>Other income:</u>				
Foreign exchange gain/(loss)	1,114	(19,555)	(1,146)	23,760
Other non-operating income	4	16	20	29
	1,118	(19,539)	(1,126)	23,789
Total non-interest income	27,590	51,071	90,169	169,836

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22. Non-interest income (continued)

	The Bank			
	Individual Quarter		Cumulative Months Ended	
	Current	Last year	Current	Last
	quarter ended	quarter ended	year to date	year to date
31.03.2022	31.03.2021	31.03.2022	31.03.2021	
	RM'000	RM'000	RM'000	RM'000
<u>Fee and commission income:</u>				
Corporate advisory fees	1,900	2,888	4,975	4,684
Arranger fees	710	1,162	1,473	3,033
Underwriting commissions	603	-	603	129
Placement fees	665	8,096	4,149	13,354
Brokerage income	17,244	33,314	55,793	110,939
Fees on loans and advances	258	157	340	241
Commission from future contracts	394	231	745	656
Other fee income	793	1,128	3,395	6,635
	22,567	46,976	71,473	139,671
<u>Net income from securities</u>				
Net realised (loss)/gain arising from sale of:				
- financial assets at FVTPL	(460)	(2,220)	(5,091)	5,952
- financial investments at FVOCI	(1,454)	729	766	15,273
- derivative financial instruments	(2,872)	7,627	11,519	(29,053)
Net unrealised (loss)/gain on revaluation of:				
- financial assets at FVTPL	(1,469)	(875)	(1,922)	(6,027)
- derivative financial instruments	10,149	18,822	14,855	20,973
Dividend income from:				
- financial assets at FVTPL	479	107	1,216	766
Net unrealised loss on fair value changes arising from fair value hedges				
	(516)	(603)	(1,666)	(1,637)
	3,857	23,587	19,677	6,247
<u>Other income:</u>				
Foreign exchange gain/(loss)	1,114	(19,555)	(1,146)	23,760
Other non-operating income	4	16	20	29
	1,118	(19,539)	(1,126)	23,789
Total non-interest income	27,542	51,024	90,024	169,707

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23. Overhead expenses

	The Group			
	Individual Quarter		Cumulative Months Ended	
	Current quarter ended 31.03.2022 RM'000	Last year quarter ended 31.03.2021 RM'000	Current year to date 31.03.2022 RM'000	Last year to date 31.03.2021 RM'000
Personnel expenses	12,162	14,847	41,439	57,609
Promotion and marketing related expenses	261	(20)	731	283
Establishment related expenses	4,071	4,344	12,479	12,428
General administrative expenses	3,790	4,868	12,083	14,867
	20,284	24,039	66,732	85,187
(i) Personnel expenses comprise the following:				
Salaries, bonuses and allowances	10,575	13,110	36,567	52,788
Defined contribution plan	1,872	1,674	5,309	5,003
Other employee benefits	(285)	63	(437)	(182)
	12,162	14,847	41,439	57,609
(ii) Promotion and marketing related expenses comprise the following:				
Advertisement and publicity expenses	-	-	-	20
Entertainment and business improvement	254	(22)	713	227
Others	7	2	18	36
	261	(20)	731	283
(iii) Establishment related expenses comprise the following:				
Depreciation of property and equipment	898	788	2,475	2,211
Amortisation of intangible assets	429	293	1,160	911
Depreciation of ROU assets	857	852	2,563	2,556
Rental expenses	28	30	90	71
Others	1,859	2,381	6,191	6,679
	4,071	4,344	12,479	12,428
(iv) General administrative expenses comprise the following:				
Management fee	843	1,380	2,780	4,391
Teletransmission expenses	1,882	1,690	5,418	5,007
Auditors' remuneration				
- Statutory audit fees	60	60	196	156
Legal and professional fees	35	648	621	2,117
Property and equipment written off	-	-	-	22
Others	970	1,090	3,068	3,174
	3,790	4,868	12,083	14,867

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23. Overhead expenses (continued)

	The Bank			
	Individual Quarter		Cumulative Months Ended	
	Current	Last year	Current	Last
	quarter ended	quarter ended	year to date	year to date
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Personnel expenses	12,138	14,816	41,368	57,517
Promotion and marketing related expenses	261	(20)	731	283
Establishment related expenses	4,066	4,331	12,465	12,406
General administrative expenses	3,787	4,865	12,053	14,855
	20,252	23,992	66,617	85,061
(i) Personnel expenses comprise the following:				
Salaries, bonuses and allowances	10,555	13,083	36,507	52,710
Defined contribution plan	1,868	1,669	5,298	4,989
Other employee benefits	(285)	64	(437)	(182)
	12,138	14,816	41,368	57,517
(ii) Promotion and marketing related expenses comprise the following:				
Advertisement and publicity expenses	-	-	-	20
Entertainment and business improvement	254	(22)	713	227
Others	7	2	18	36
	261	(20)	731	283
(iii) Establishment related expenses comprise the following:				
Depreciation of property and equipment	898	788	2,475	2,211
Amortisation of intangible assets	429	293	1,160	911
Depreciation of ROU assets	857	852	2,563	2,556
Rental expenses	24	26	78	59
Others	1,858	2,372	6,189	6,669
	4,066	4,331	12,465	12,406
(iv) General administrative expenses comprise the following:				
Management fee	842	1,379	2,777	4,389
Teletransmission expenses	1,882	1,690	5,418	5,007
Auditors' remuneration				
- Statutory audit fees	59	59	191	151
Legal and professional fees	35	647	601	2,113
Property and equipment written off	-	-	-	22
Others	969	1,090	3,066	3,173
	3,787	4,865	12,053	14,855

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24. (Allowance for)/write-back of 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
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Expected credit losses				
(i) Loans and advances	(38)	124	164	2,854
(ii) Loans and advances commitments	(1)	-	(1)	-
Impaired loans and advances written-off	(16)	-	(16)	(26)
	(55)	124	147	2,828

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
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
(a) Financial investments				
(i) Financial investments at FVOCI	(15)	6	9	(68)
(ii) Financial investments at amortised cost	-	(1)	12	-
	(15)	5	21	(68)
(b) Other financial assets:				
(i) Clients' and brokers' balances:				
- Expected credit losses	91	42	229	930
- Impaired clients' and brokers' balances recovered	91	-	91	-
(ii) Other assets	(1)	(341)	22	(520)
	181	(299)	342	410
	166	(294)	363	342

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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.

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	
	31.03.2022	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	18,460	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity:		
- over one year	500	30,000
Any commitments that are unconditionally cancelled at any time by the Bank without prior notice		
- maturity less than one year	925,275	911,550
	945,235	942,550
Derivative Financial Instruments		
Interest rate related contracts:		
- One year or less	1,207,600	1,592,995
- Over one year to five years	2,208,000	2,075,000
Foreign exchange related contracts:		
- One year or less	1,494,337	1,383,225
Equity related contracts:		
- One year or less	18,731	-
- Over one year to five years	200	200
	4,928,868	5,051,420
	5,874,103	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
31.03.2022	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial assets at FVTPL	25,431	282,598	-	308,029
- Money market instruments	-	210,131	-	210,131
- Quoted securities	25,431	-	-	25,431
- Unquoted securities	-	72,467	-	72,467
Financial investments at FVOCI	-	1,462,776	-	1,462,776
- Money market instruments	-	497,436	-	497,436
- Unquoted securities	-	965,340	-	965,340
Derivative financial assets	-	31,984	-	31,984
	25,431	1,777,358	-	1,802,789
Financial liability				
Derivative financial liabilities	-	21,229	-	21,229
30.06.2021				
Financial assets				
Financial assets at FVTPL	18,121	632,119	1,432	651,672
- Money market instruments	-	588,325	-	588,325
- Quoted securities	18,121	-	-	18,121
- Unquoted securities	-	43,794	1,432	45,226
Financial investments at FVOCI	-	1,266,529	-	1,266,529
- Money market instruments	-	124,569	-	124,569
- Unquoted securities	-	1,141,960	-	1,141,960
Derivative financial assets	-	54,957	-	54,957
	18,121	1,953,605	1,432	1,973,158
Financial liability				
Derivative financial liabilities	-	81,620	-	81,620

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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
31.03.2022	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial assets at FVTPL	25,233	282,598	-	307,831
- Money market instruments	-	210,131	-	210,131
- Quoted securities	25,233	-	-	25,233
- Unquoted securities	-	72,467	-	72,467
Financial investments at FVOCI	-	1,462,776	-	1,462,776
- Money market instruments	-	497,436	-	497,436
- Unquoted securities	-	965,340	-	965,340
Derivative financial assets	-	31,984	-	31,984
	25,233	1,777,358	-	1,802,591
Financial liability				
Derivative financial liabilities	-	21,229	-	21,229
30.06.2021				
Financial assets				
Financial assets at FVTPL	18,033	632,119	1,432	651,584
- Money market instruments	-	588,325	-	588,325
- Quoted securities	18,033	-	-	18,033
- Unquoted securities	-	43,794	1,432	45,226
Financial investments at FVOCI	-	1,266,529	-	1,266,529
- Money market instruments	-	124,569	-	124,569
- Unquoted securities	-	1,141,960	-	1,141,960
Derivative financial assets	-	54,957	-	54,957
	18,033	1,953,605	1,432	1,973,070
Financial liability				
Derivative financial liabilities	-	81,620	-	81,620

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

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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	
	31.03.2022	30.06.2021
	RM'000	RM'000
Financial assets at FVTPL		
At 1 July	-	1,432
Disposed during the financial period/year	-	(1,432)
At 31 March/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	
	31.03.2022	30.06.2021	31.03.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Before deducting proposed dividends:				
Common equity tier 1 ("CET1") capital ratio	32.450%	50.556%	32.451%	50.575%
Tier 1 capital ratio	32.450%	50.556%	32.451%	50.575%
Total capital ratio	42.956%	61.379%	42.969%	61.409%
After deducting proposed dividends: ⁽¹⁾				
CET1 capital ratio	32.450%	34.419%	32.451%	34.419%
Tier 1 capital ratio	32.450%	34.419%	32.451%	34.419%
Total capital ratio	42.956%	45.241%	42.969%	45.253%

Note:

⁽¹⁾ Proposed dividends of RM Nil (30.06.2021: RM156,750,000).

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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	
	31.03.2022	30.06.2021	31.03.2022	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	232,804	389,554	232,626	389,376
Other reserves	(14,885)	3,364	(14,885)	3,364
Less: goodwill and intangibles	(33,502)	(31,745)	(33,502)	(31,745)
Less: deferred tax assets	(112,551)	(121,199)	(112,551)	(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	324,816	491,074	324,438	490,696
Tier 1 Capital	324,816	491,074	324,438	490,696
Tier 2 Capital				
Stage 1 and Stage 2 expected credit loss allowances and regulatory reserves ⁽²⁾	5,167	5,120	5,161	5,115
Subordinated obligations	100,000	100,000	100,000	100,000
Total Tier 2 Capital	105,167	105,120	105,161	105,115
Total Capital	429,983	596,194	429,599	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	
	31.03.2022	30.06.2021	31.03.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Credit risk	413,359	409,572	412,917	409,205
Market risk	252,178	248,500	251,781	248,108
Operational risk	335,445	313,267	335,092	312,925
	1,000,982	971,339	999,790	970,238

EXPLANATORY NOTES

30. Significant events during the financial quarter ended 31 March 2022

COVID-19 pandemic

The Malaysian economy had fared better following the reopening of its international border on 1 April 2022 after two years of travel restrictions

The Group and the Bank will continue to monitor the situation closely and assess the impact on the Group's earnings as the situation evolves.

31. Changes in the composition of the Group

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

32. 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.

33. Review of performance for the financial quarter ended 31 March 2022 against the corresponding financial quarter

For the current financial quarter ended 31 March 2022, the Group recorded a profit before tax of RM20.2 million, as compared to a RM39.0 million in the corresponding financial quarter. The decrease in profit of RM18.8 million was primarily attributable to lower Bursa market volume recorded in the current quarter compared to the previous corresponding financial quarter. This has resulted in a decrease in profit contribution from the Stockbroking Division.

EXPLANATORY NOTES

34. Prospects for 2022

Inflationary pressure continues to dominate the market headlines with the Russia-Ukraine war adding pressure to international supply chain. In relation to that, US Federal Reserve (“US Fed”) has litted off the rate hike cycle with a 25bps hike in March; and highly likely to increase the policy rate by another 50bps in The Federal Open Market Committee (“FOMC”) meet in May.

We are positive on Malaysia's outlook for the remaining calendar year 2022 arising from (i) Malaysia's relative safe-haven appeal amid the geopolitical conflict, (ii) transition to endemicity and reopening international borders, and (iii) possible "election rally" based on past GE12/13/14 trends.

With improving economic fundamentals helped by both the oil and gas and plantation sectors, we are cautiously optimistic that consumption and domestic demand will increase. FDIs have rebounded from \$64.2 billion to \$208.6 billion in 2021, signalling to an obviously more robust financial market outlook.

However, the ongoing Russia-Ukraine conflict and fear over the impact of lockdowns in China will continue to post risks and uncertainties globally which may affect our country’s economic recovery.