

HONG LEONG INVESTMENT BANK BERHAD
(Formerly known as MIMB INVESTMENT BANK BERHAD) (10209-W)
CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	The Group			The Bank		
		As at 30 Jun 2013 RM'000	As at 30 Jun 2012 RM'000	As at 1 Jan 2011 RM'000	As at 30 Jun 2013 RM'000	As at 30 Jun 2012 RM'000	As at 1 Jan 2011 RM'000
ASSETS							
Cash and short-term funds		556,269	70,112	55,993	554,702	69,693	55,709
Reverse repurchase agreements		274,388	-	-	274,388	-	-
Deposits and placements with banks and other financial institutions		325,201	271	162	324,930	-	-
Financial assets at fair value through profit or loss	8	662,973	-	-	662,973	-	-
Financial investments available-for-sale	9	264,638	-	50,960	264,638	-	50,960
Financial investments held-to-maturity	10	253,911	-	-	253,911	-	-
Derivative financial assets	17	40,941	-	-	40,941	-	-
Loans and advances	11	174,184	69,570	86,062	174,184	69,570	86,062
Clients' and brokers' balances	12	147,539	20,089	34,114	147,539	20,089	34,114
Other assets	13	13,070	12,885	7,356	13,067	12,941	7,330
Statutory deposits with Bank Negara Malaysia		24,500	-	59	24,500	-	59
Investment in subsidiaries		-	-	-	1,455	220	220
Deferred tax assets		61,978	35,271	35,317	61,978	35,271	35,317
Property and equipment		6,667	981	2,638	6,667	981	2,638
Intangible assets - computer software		1,054	23	309	1,054	23	309
Goodwill		28,986	-	86,610	28,986	-	66,663
TOTAL ASSETS		2,836,299	209,202	359,580	2,835,913	208,788	339,381
LIABILITIES AND SHAREHOLDER'S FUNDS							
Deposits from customers	15	470,169	-	-	470,169	-	-
Deposits and placements of banks and other financial institutions	16	1,542,975	-	40,006	1,542,975	-	40,006
Repurchased agreements		177,033	-	-	177,033	-	-
Derivative financial liabilities	17	32,773	-	-	32,773	-	-
Clients' and brokers' balances		127,327	10,157	21,116	127,327	10,157	21,116
Provision for tax		-	870	52	-	868	52
Other liabilities	18	92,265	22,641	20,627	92,245	22,444	20,585
TOTAL LIABILITIES		2,442,542	33,668	81,801	2,442,522	33,469	81,759
EQUITY							
Share capital		165,000	75,000	75,000	165,000	75,000	75,000
Redeemable preference shares		1,631	-	-	1,631	-	-
Reserves		227,126	100,534	202,779	226,760	100,319	182,622
TOTAL EQUITY		393,757	175,534	277,779	393,391	175,319	257,622
TOTAL EQUITY AND LIABILITIES		2,836,299	209,202	359,580	2,835,913	208,788	339,381
COMMITMENTS AND CONTINGENCIES							
	25	6,181,545	174,167	376,899	6,181,545	174,167	376,899
Net assets per ordinary share (RM)		2.39	2.34	3.70	2.38	2.34	3.43

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 30 June 2012.

HONG LEONG INVESTMENT BANK BERHAD
(Formerly known as *MIMB INVESTMENT BANK BERHAD*) (10209-W)

CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

	Note	Individual Quarter		The Group Cumulative Months Ended	
		Current quarter ended	Last year's quarter ended	12 months period ended	18 months period ended
		30 Jun 2013 RM'000	30 Jun 2012 RM'000	30 Jun 2013 RM'000	30 Jun 2012 RM'000
Interest income	19	19,283	2,066	59,262	18,761
Interest expense	20	(13,346)	(212)	(35,299)	(4,295)
Net interest income		5,937	1,854	23,963	14,466
Non-interest income	21	44,835	3,121	124,981	24,665
Net income		50,772	4,975	148,944	39,131
Other operating expenses	22	(26,639)	(3,597)	(86,345)	(46,055)
Net operating profit/(loss)		24,133	1,378	62,599	(6,924)
Allowance for impairment losses on loans and advances and other losses	23	(65)	(336)	(12)	(81)
(Impairment)/writeback of losses on securities	24	(1,759)	-	(1,759)	1,737
Provision for commitments and contingencies		-	-	-	(8,954)
Impairment of goodwill		-	(86,610)	-	(86,610)
Profit/(loss) before taxation		22,309	(85,568)	60,828	(100,832)
Taxation		39,253	(40,027)	28,764	(36,427)
Net profit/(loss) for the financial period		61,562	(125,595)	89,592	(137,259)
Earnings/(loss) per share (sen)					
- Basic		37.3	(167.5)	62.6	(183.0)
- Diluted		37.3	(167.5)	62.6	(183.0)

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 30 June 2012.

HONG LEONG INVESTMENT BANK BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

	Individual Quarter		The Group	
	Current	Last year's	Cummulative	Months Ended
	quarter ended	quarter ended	12 months	18 months
	30 Jun 2013	30 Jun 2012	period ended	period ended
	RM'000	RM'000	30 Jun 2013	30 Jun 2012
	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) for the financial period	61,562	(125,595)	89,592	(137,259)
Other comprehensive income/(loss):				
Net fair value changes on financial investments available-for-sale	(16,954)	36	(13,457)	(607)
Income tax relating to net fair value changes on financial investments available-for-sale	4,238	(9)	3,364	152
Other comprehensive income/(loss) for the financial period, net of tax	(12,716)	27	(10,093)	(455)
Total comprehensive income/(loss) for the financial period, net of tax	48,846	(125,568)	79,499	(137,714)

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 30 June 2012.

HONG LEONG INVESTMENT BANK BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

	Note	The Bank			
		Individual Quarter		Cumulative Months Ended	
		Current quarter ended 30 Jun 2013 RM'000	Last year's quarter ended 30 Jun 2012 RM'000	12 months period ended 30 Jun 2013 RM'000	18 months period ended 30 Jun 2012 RM'000
Interest income	19	19,294	2,071	59,262	18,757
Interest expense	20	(13,346)	(212)	(35,299)	(4,295)
Net interest income		5,948	1,859	23,963	14,462
Non-interest income	21	44,783	3,138	124,734	24,658
Net income		50,731	4,997	148,697	39,120
Other operating expenses	22	(26,532)	(3,600)	(86,111)	(46,051)
Net operating profit/(loss)		24,199	1,397	62,586	(6,931)
Allowance for impairment losses on loans and advances and other losses	23	(206)	(336)	(153)	(81)
(Impairment)/writeback of losses on securities	24	(1,759)	-	(1,759)	1,737
Provision for commitments and contingencies		-	-	-	(8,954)
Impairment of goodwill		-	(66,663)	-	(66,663)
Profit/(loss) before taxation		22,234	(65,602)	60,674	(80,892)
Taxation		39,252	(40,028)	28,767	(36,425)
Net profit/(loss) for the financial period		61,486	(105,630)	89,441	(117,317)
Earnings/(loss) per share (sen)					
- Basic		37.3	(140.8)	62.5	(156.4)
- Diluted		37.3	(140.8)	62.5	(156.4)

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 30 June 2012.

HONG LEONG INVESTMENT BANK BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

	The Bank			
	Individual Quarter		Cummulative Months Ended	
	Current quarter ended 30 Jun 2013 RM'000	Last year's quarter ended 30 Jun 2012 RM'000	12 months period ended 30 Jun 2013 RM'000	18 months period ended 30 Jun 2012 RM'000
Net profit/(loss) for the financial period	61,486	(105,630)	89,441	(117,317)
Other comprehensive income/(loss):				
Net fair value changes on financial investments available-for-sale	(16,954)	36	(13,457)	(607)
Income tax relating to net fair value changes on financial investments available-for-sale	4,238	(9)	3,364	152
Other comprehensive income/(loss) for the financial period, net of tax	(12,716)	27	(10,093)	(455)
Total comprehensive income/(loss) for the financial period, net of tax	48,770	(105,603)	79,348	(117,772)

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 30 June 2012.

HONG LEONG INVESTMENT BANK BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

	Note	Non-distributable				Distributable		Total RM'000
		Share capital RM'000	Redeemable Preference share RM'000	Share premium RM'000	Statutory reserve RM'000	Fair value reserve RM'000	Retained profits/ losses (accumulated) RM'000	
The Group								
At 1 July 2012								
- As previously reported		75,000	-	87,950	83,385	-	(71,396)	174,939
- Effects of full adoption of MFRS 139	32	-	-	-	-	-	595	595
At 1 July 2012, as restated		75,000	-	87,950	83,385	-	(70,801)	175,534
Net profit for the financial year		-	-	-	-	-	89,592	89,592
Other comprehensive loss		-	-	-	-	(10,093)	-	(10,093)
Total comprehensive profit for the financial year		-	-	-	-	(10,093)	89,592	79,499
Vesting of assets & liabilities from Promilia								
- Issuance of ordinary shares		90,000	-	-	-	-	-	90,000
- Issuance of Redeemable Preference Shares		-	1,631	-	-	-	-	1,631
- Issuance of predecessor accounting		-	-	-	47,352	11,047	(14,622)	43,777
- Merger deficit adjusted retained earnings		-	-	-	-	-	(1,848)	(1,848)
		90,000	1,631	-	47,352	11,047	(16,470)	133,560
Gain arising from purchased of shares held for ESOS		-	-	-	-	-	1,875	1,875
Gain arising from call option for purchase of shares for ESOS		-	-	-	-	-	3,289	3,289
Transfer to statutory reserve		-	-	-	22,360	-	(22,360)	-
At 30 June 2013		165,000	1,631	87,950	153,097	954	(14,875)	393,757
At 1 January 2011								
- As previously reported		75,000	-	87,950	83,385	455	29,874	276,664
- Effects of full adoption of MFRS 139		-	-	-	-	-	1,115	1,115
At 1 January 2011, as restated		75,000	-	87,950	83,385	455	30,989	277,779
Net loss for the financial period		-	-	-	-	-	(137,259)	(137,259)
Other comprehensive loss		-	-	-	-	(455)	-	(455)
Total comprehensive loss for the financial period		-	-	-	-	(455)	(137,259)	(137,714)
Recognition of deferred tax assets as equity contribution		-	-	-	-	-	35,469	35,469
At 30 June 2012		75,000	-	87,950	83,385	-	(70,801)	175,534

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 30 June 2012.

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

	Note	Non-distributable				Distributable	Total	
		Share capital RM'000	Redeemable Preference share RM'000	Share premium RM'000	Statutory reserve RM'000	Fair value reserve RM'000		Retained profits/ losses (accumulated) RM'000
The Bank								
At 1 July 2012								
- As previously reported		75,000	-	87,950	83,385	-	(71,611)	174,724
- Effects of full adoption of MFRS 139	32	-	-	-	-	-	595	595
At 1 July 2012, as restated		75,000	-	87,950	83,385	-	(71,016)	175,319
Net profit for the financial year		-	-	-	-	-	89,441	89,441
Other comprehensive loss		-	-	-	-	(10,093)	-	(10,093)
Total comprehensive profit for the financial year		-	-	-	-	(10,093)	89,441	79,348
Vesting of assets & liabilities from Promilia								
- Issuance of ordinary shares		90,000	-	-	-	-	-	90,000
- Issuance of Redeemable Preference Shares		-	1,631	-	-	-	-	1,631
- Issuance of predecessor accounting		-	-	-	47,352	11,047	(14,893)	43,506
- Merger deficit adjusted retained earnings		-	-	-	-	-	(1,577)	(1,577)
		90,000	1,631	-	47,352	11,047	(16,470)	133,560
Gain arising from purchased of shares held for ESOS		-	-	-	-	-	1,875	1,875
Gain arising from call option for purchase of shares for ESOS		-	-	-	-	-	3,289	3,289
Transfer to statutory reserve		-	-	-	22,360	-	(22,360)	-
At 30 June 2013		165,000	1,631	87,950	153,097	954	(15,241)	393,391
At 1 January 2011								
- As previously reported		75,000	-	87,950	83,385	455	9,717	256,507
- Effects of full adoption of MFRS 139		-	-	-	-	-	1,115	1,115
At 1 January 2011, as restated		75,000	-	87,950	83,385	455	10,832	257,622
Net loss for the financial period		-	-	-	-	-	(117,317)	(117,317)
Other comprehensive loss		-	-	-	-	(455)	-	(455)
Total comprehensive loss for the financial period		-	-	-	-	(455)	(117,317)	(117,772)
Recognition of deferred tax assets as equity		-	-	-	-	-	35,469	35,469
At 30 June 2012		75,000	-	87,950	83,385	-	(71,016)	175,319

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 30 June 2012.

HONG LEONG INVESTMENT BANK BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

	The Group		The Bank	
	30 Jun 2013	30 Jun 2012	30 Jun 2013	30 Jun 2012
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit/(loss) before taxation	60,828	(100,832)	60,674	(80,892)
Adjustments for non-cash items	(30,703)	91,059	(30,603)	71,112
Operating profit/(loss) before changes in working capital	30,125	(9,773)	30,071	(9,780)
Changes in working capital:				
Net changes in operating assets	177,481	77,358	183,017	77,385
Net changes in operating liabilities	238,812	(57,991)	238,966	(58,152)
Income tax paid	(30)	(6)	-	-
Net cash generated from operating activities	446,388	9,588	452,054	9,453
Cash flows from investing activities	39,769	4,531	32,955	4,531
Net changes in cash and cash equivalents	486,157	14,119	485,009	13,984
Cash and cash equivalents at beginning of the period	70,112	55,993	69,693	55,709
Cash and cash equivalents at end of the period	556,269	70,112	554,702	69,693
Cash and cash equivalents comprise:				
Cash and short term funds	556,269	70,112	554,702	69,693

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 30 June 2012.

EXPLANATORY NOTES

1. Basis of Preparation

The Malaysian Accounting Standards Board (MASB) announced on 19 November 2011 that Malaysian reporting entities are required to comply with the new International Financial Reporting Standards (IFRS) compliant framework, Malaysian Financial Reporting Standards (MFRS) for financial year commencing on or after 1 January 2012.

The financial statements of the Group and the Bank have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and the Bank for the year ended 30 June 2013 are the first set of financial statements prepared in accordance with the MFRS, including MFRS 1 "First-time adoption of MFRS".

Subject to certain transition elections disclosed in Note 32 to the financial statements, the Group and the Bank have consistently applied the same accounting policies in its opening MFRS statement of financial position at 1 January 2011 (transition date) and throughout all years presented, as if these policies had always been in effect. Comparative figures for 2012 in these financial statements have been restated to give effect to these changes. Note 32 discloses the impact of the transition to MFRS on the Group's and the Bank's reported financial position, financial performance and cash flows.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale securities and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with 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 financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires directors to exercise their judgement in the process of applying the Group's and the Bank's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ from those estimates.

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 Flow

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 2013.

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 2013.

6. Issuance and Repayments

There were no cancellation, repurchase, resale or repayment of debt and equity securities during the current financial quarter ended 30 June 2013.

7. Dividends Paid During the Current Financial Quarter

There were no dividends paid during the financial quarter ended 30 June 2013.

At the forthcoming Annual General Meeting, the Directors of the Bank recommend the payment of a single-tier final dividend of 17.17 sen per share on the Bank's issued and paid-up Redeemable Preference Shares comprising 163,076,524 of Redeemable Preference Shares amounting to RM28,000,239 for the financial year ended 30 June 2013.

HONG LEONG INVESTMENT BANK BERHAD
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EXPLANATORY NOTES

8. Financial assets at fair value through profit or loss

	The Group and the Bank	
	30 Jun 2013	30 Jun 2012
	RM'000	RM'000
Financial assets held-for-trading		
Money market instruments		
Malaysian Government Securities	20,107	-
Negotiable instruments of deposits	150,372	-
Bankers' acceptances	219,476	-
Quoted securities		
In Malaysia:		
Shares	9,570	-
Outside Malaysia:		
Foreign currency bonds	63,074	-
Unquoted securities		
Private and Islamic debt securities	194,599	-
	657,198	-
Financial assets designated at fair value through profit or loss		
Quoted securities		
In Malaysia:		
Shares	5,775	-
	662,973	-

9. Financial investments available-for-sale

	The Group and the Bank	
	30 Jun 2013	30 Jun 2012
	RM'000	RM'000
Money market instruments		
Malaysian Government Securities	20,205	-
Malaysian Government Investment Issues	59,669	-
Cagamas bonds	5,122	-
Quoted securities		
Outside Malaysia:		
Foreign currency bonds	86,476	-
Unquoted securities		
Shares	686	-
Private and Islamic debt securities	92,480	-
	264,638	-

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EXPLANATORY NOTES

10. Financial investments held-to-maturity

	The Group and the Bank	
	30 Jun 2013	30 Jun 2012
	RM'000	RM'000
Money market instruments		
Malaysian Government Investment Issues	5,107	-
Cagamas bonds	10,161	-
Quoted securities		
Outside Malaysia:		
Foreign currency bonds	192,912	-
Unquoted securities		
Private and Islamic debt securities	45,731	-
	253,911	-

11. Loans and Advances

	The Group and the Bank	
	30 Jun 2013	30 Jun 2012
	RM'000	RM'000
Term loan financing	33,533	-
Share margin financing	139,049	67,141
Revolving credits	60	-
Staff loans	458	734
Other loans	2,074	1,855
Gross loans and advances	175,174	69,730
Less: Allowance for losses on loans and advances		
- individual assessment allowance	(252)	-
- collective assessment allowance	(738)	(160)
Total net loans and advances	174,184	69,570

(i) Gross loans and advances disbursed by type of customers are as follows:

Domestic business enterprises		
- Small and medium enterprises	26,600	-
- Others	52,708	25,402
Individuals	95,563	40,783
Foreign entities	303	3,545
	175,174	69,730

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EXPLANATORY NOTES

11. Loans and Advances (continued)

	The Group and the Bank	
	30 Jun 2013	30 Jun 2012
	RM'000	RM'000
(ii) Gross loans and advances analysed by interest rate sensitivity are as follows:		
Variable rate	123,482	31,326
Fixed rate		
- Staff housing loans	2,466	1,957
- Other fixed rate loans	49,159	35,815
Non-interest bearing	67	632
	175,174	69,730
(iii) Gross loans and advances analysed by residual contractual maturity are as follows:		
Maturing within one year	172,658	67,181
One year to three years	149	338
Three years to five years	119	52
Over five years	2,248	2,159
	175,174	69,730
(iv) Loans and advances analysed by their economic purposes are as follows:		
Working capital	33,592	-
Purchase of securities	139,049	67,141
Purchase of transport vehicles	235	633
Purchase of landed properties	2,298	1,956
Gross loans and advances	175,174	69,730
(v) Gross loans and advances analysed by geographical distribution are as follows:		
Malaysia	175,174	69,730
(vi) Movements in impaired loans and advances ("impaired loans") are as follows:		
Balance at beginning of the year/period	-	-
Amount vested from Promilia Berhad (formerly known as Hong Leong Investment Bank Berhad) ("Promilia")	196	-
Impaired during the financial year/period	1,123	-
Amount written-back during the financial year/period	(196)	-
	1,123	-

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EXPLANATORY NOTES

11. Loans and Advances (continued)

	The Group and the Bank	
	30 Jun 2013	30 Jun 2012
	RM'000	RM'000
(vii) Movements in allowance for loans and advances are as follows:		
Individual assessment allowance		
Balance at beginning of the year/period	-	-
Allowance made during the financial year/period	252	-
Balance at end of the year/period	252	-
Collective assessment allowance		
Balance at beginning of the year/period		
- As previously reported	1,086	1,294
- Effects of full adoption of MFRS 139	(926)	(1,122)
Balance at beginning of the year/period, as restated	160	172
Amount vested from Promilia	745	-
Amount written back during the financial year/period	(167)	(12)
Balance at end of the year/period	738	160

12. Clients' and Brokers' Balances

	The Group and the Bank	
	30 Jun 2013	30 Jun 2012
	RM'000	RM'000
Performing accounts	147,145	20,169
Impaired accounts	805	185
	147,950	20,354
Less: Allowance for bad and doubtful debts		
- individual assessment allowance	(378)	(132)
- collective assessment allowance	(33)	(133)
	147,539	20,089

13. Other Assets

	The Group		The Bank	
	30 Jun 2013	30 Jun 2012	30 Jun 2013	30 Jun 2012
	RM'000	RM'000	RM'000	RM'000
Tax recoverable	5	17	-	-
Amount due from holding company	793	-	793	-
Amount due from subsidiary companies	-	-	3	73
Amount due from related companies	352	2,785	352	2,785
Other debtors, deposits and prepayments, net of allowances for bad and doubtful debts	11,920	10,083	11,919	10,083
	13,070	12,885	13,067	12,941

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 Jun 2013	30 Jun 2012
	RM'000	RM'000
Fixed Deposit	470,169	-
(i) By Type of deposit		
Fixed Deposit	470,169	-
(ii) By Type of customer		
Government & statutory bodies	429,322	-
Business enterprises	40,847	-
	470,169	-
(iii) The maturity structure of fixed deposits is as follows:		
Due within six months	470,169	-

16. Deposits and Placements of Banks and Other Financial Institutions

	The Group and the Bank	
	30 Jun 2013	30 Jun 2012
	RM'000	RM'000
Bank Negara Malaysia	316,207	-
Licensed banks	128,060	-
Licensed investment banks	105,866	-
Other financial institutions	992,842	-
	1,542,975	-

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17. Derivative financial instruments

	The Group and the Bank		
	Contract or underlying principal amount RM'000	Positive fair value RM'000	Negative fair value RM'000
30 June 2013			
Interest rate related contracts:			
- Interest rate swaps	1,888,500	6,615	(11,778)
- Futures	894,809	2,239	(942)
- Cross currency swaps	94,809	222	(278)
Foreign exchange related contracts:			
- Foreign currency swaps	2,064,470	14,835	(19,645)
- Foreign currency forwards	19,011	-	(128)
- Foreign currency spots	12,641	12	(2)
Equity related contracts:			
- Call options	12,858	17,018	-
	4,987,098	40,941	(32,773)

18. Other liabilities

	The Group		The Bank	
	30 Jun 2013 RM'000	30 Jun 2012 RM'000	30 Jun 2013 RM'000	30 Jun 2012 RM'000
Remisiers' trust deposits	15,482	6,093	15,482	6,093
ESOS liabilities	8,428	-	8,428	-
Other payables and accrued liabilities	68,059	7,509	68,039	7,312
Provision for commitments and contingencies	-	9,039	-	9,039
Provision for post employment benefits	296	-	296	-
	92,265	22,641	92,245	22,444

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19. Interest Income

	The Group			
	Individual Quarter		Cummulative Months Ended	
	Current	Last year's	12 months	18 months
	quarter ended	quarter ended	period ended	period ended
	30 Jun 2013	30 Jun 2012	30 Jun 2013	30 Jun 2012
	RM'000	RM'000	RM'000	RM'000
Loans and advances	3,357	(68)	12,343	9,861
Money at call and deposit placements with financial institutions	3,927	379	9,305	1,191
Financial assets at fair value through profit or loss	6,990	-	21,225	-
Financial investments available-for-sale	1,778	75	4,140	6,029
Financial investments held-to-maturity	2,020	-	8,782	-
Derivative financial instruments	783	-	2,417	-
Others	428	1,680	1,050	1,680
Total interest income	19,283	2,066	59,262	18,761

	The Bank			
	Individual Quarter		Cummulative Months Ended	
	Current	Last year's	12 months	18 months
	quarter ended	quarter ended	period ended	period ended
	30 Jun 2013	30 Jun 2012	30 Jun 2013	30 Jun 2012
	RM'000	RM'000	RM'000	RM'000
Loans and advances	3,357	(68)	12,343	9,861
Money at call and deposit placements with financial institutions	3,927	384	9,305	1,187
Financial assets at fair value through profit or loss	6,990	-	21,225	-
Financial investments available-for-sale	1,778	75	4,140	6,029
Financial investments held-to-maturity	2,020	-	8,782	-
Derivative financial instruments	783	-	2,417	-
Others	439	1,680	1,050	1,680
Total interest income	19,294	2,071	59,262	18,757

20. Interest Expense

	The Group and the Bank			
	Individual Quarter		Cummulative Months Ended	
	Current	Last year's	12 months	18 months
	quarter ended	quarter ended	period ended	period ended
	30 Jun 2013	30 Jun 2012	30 Jun 2013	30 Jun 2012
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	2,292	3	6,763	2,740
Deposits from customers	9,774	-	25,277	-
Derivative financial instruments	1,136	-	3,255	-
Others	144	209	4	1,555
Total interest expense	13,346	212	35,299	4,295

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21. Non-interest Income

<u>The Group</u>	<u>Individual Quarter</u>		<u>Cummulative Months Ended</u>	
	<u>Current quarter ended 30 Jun 2013 RM'000</u>	<u>Last year's quarter ended 30 Jun 2012 RM'000</u>	<u>12 months period ended 30 Jun 2013 RM'000</u>	<u>18 months period ended 30 Jun 2012 RM'000</u>
<u>Fee and commission income:</u>				
Corporate advisory fees	2,630	518	5,675	7,524
Arranger fees	314	-	9,277	-
Underwriting commissions	369	(7)	855	548
Brokerage commissions	15,046	125	33,724	11,793
Fees on loans and advances	474	-	1,755	-
Other fee income	16,876	18	41,025	258
	35,709	654	92,311	20,123
<u>Net income from securities</u>				
Net realised gain/(loss) arising from sale of:				
- financial assets at fair value through profit or loss	(1,338)	-	1,859	93
- financial investments available-for-sale	-	2,337	15,724	3,413
- derivative financial instruments	(7,889)	-	(12,748)	-
Net unrealised gain/(loss) on revaluation of:				
- financial assets at fair value through profit or loss	(4,445)	-	(151)	-
- derivative financial instruments	9,879	-	9,185	-
Dividend income from:				
- financial assets at fair value through profit or loss	44	-	553	-
- financial investments available-for-sale	6	-	118	-
	(3,743)	2,337	14,540	3,506
<u>Other income:</u>				
Gains on disposal of property and equipment	13	-	-	200
Foreign exchange gain	12,815	-	17,920	-
Other non-operating income	41	130	210	836
	12,869	130	18,130	1,036
	44,835	3,121	124,981	24,665

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21. Non-interest Income (continued)

	<u>Individual Quarter</u>		<u>Cummulative Months Ended</u>	
	<u>Current</u> <u>quarter ended</u> <u>30 Jun 2013</u> <u>RM'000</u>	<u>Last year's</u> <u>quarter ended</u> <u>30 Jun 2012</u> <u>RM'000</u>	<u>12 months</u> <u>period ended</u> <u>30 Jun 2013</u> <u>RM'000</u>	<u>18 months</u> <u>period ended</u> <u>30 Jun 2012</u> <u>RM'000</u>
<u>The Bank</u>				
<u>Fee and commission income:</u>				
Corporate advisory fees	2,630	518	5,675	7,524
Arranger fees	314	-	9,277	-
Underwriting commissions	369	(13)	855	542
Brokerage commissions	15,046	125	33,724	11,793
Fees on loans and advances	474	-	1,755	-
Other fee income	16,793	41	40,778	257
	<u>35,626</u>	<u>671</u>	<u>92,064</u>	<u>20,116</u>
<u>Net income from securities</u>				
Net realised gain/(loss) arising from sale of:				
- financial assets at fair value through profit or loss	(1,338)	-	1,859	93
- financial investments available-for-sale	-	2,337	15,724	3,413
- derivative financial instruments	(7,889)	-	(12,748)	-
Net unrealised gain/(loss) on revaluation of:				
- financial assets at fair value through profit or loss	(4,445)	-	(151)	-
- derivative financial instruments	9,879	-	9,185	-
Dividend income from:				
- financial assets at fair value through profit or loss	44	-	553	-
- financial investments available-for-sale	6	-	118	-
	<u>(3,743)</u>	<u>2,337</u>	<u>14,540</u>	<u>3,506</u>
<u>Other income:</u>				
Gains on disposal of property and equipment	13	-	-	200
Foreign exchange gain	12,815	-	17,920	-
Other non-operating income	72	130	210	836
	<u>12,900</u>	<u>130</u>	<u>18,130</u>	<u>1,036</u>
	<u>44,783</u>	<u>3,138</u>	<u>124,734</u>	<u>24,658</u>

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EXPLANATORY NOTES

22. Other Operating Expenses

	Individual Quarter		The Group	
	Current	Last year's	Cummulative Months Ended	18 months
	quarter ended	quarter ended	12 months	period ended
	30 Jun 2013	30 Jun 2012	30 Jun 2013	30 Jun 2012
	RM'000	RM'000	RM'000	RM'000
Personnel expenses	18,204	290	60,588	29,144
Promotion and marketing related expenses	441	158	1,160	936
Establishment related expenses	4,100	1,055	12,509	7,163
General administrative expenses	3,894	2,094	12,088	8,812
	26,639	3,597	86,345	46,055
(i) Personnel expenses comprise the following:				
Salaries, bonuses and allowances	11,786	(517)	46,601	15,266
Defined contribution plan	1,278	(2,613)	3,982	-
Voluntary separation scheme	-	-	-	8,833
Option charge arising from ESOS	3,314	-	8,141	-
Other employee benefits	1,826	3,420	1,864	5,045
	18,204	290	60,588	29,144
(ii) Promotion and marketing related expenses comprise the following:				
Advertisement and publicity expenses	22	49	77	160
Entertainment and business improvement	249	-	839	-
Others	170	109	244	776
	441	158	1,160	936
(iii) Establishment related expenses comprise the following:				
Depreciation of property and equipment	442	(162)	1,673	1,336
Amortisation of intangible assets	132	414	427	414
Rental of premises	1,294	488	4,344	2,732
Others	2,232	315	6,065	2,681
	4,100	1,055	12,509	7,163
(iv) General administrative expenses comprise the following:				
Auditors' remuneration				
- Statutory audit	249	25	299	175
- Tax compliance fee	24	124	24	124
- Other fees	21	-	21	-
Legal and professional fees	1,175	99	3,414	250
Others	2,425	1,846	8,330	8,263
	3,894	2,094	12,088	8,812

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22. Other Operating Expenses (continued)

	Individual Quarter		The Bank Cummulative Months Ended	
	Current quarter ended 30 Jun 2013 RM'000	Last year's quarter ended 30 Jun 2012 RM'000	12 months period ended 30 Jun 2013 RM'000	18 months period ended 30 Jun 2012 RM'000
	Personnel expenses	18,173	290	60,500
Promotion and marketing related expenses	441	158	1,160	936
Establishment related expenses	4,087	1,055	12,459	7,163
General administrative expenses	3,831	2,097	11,992	8,808
	26,532	3,600	86,111	46,051
(i) Personnel expenses comprise the following:				
Salaries, bonuses and allowances	11,761	(517)	46,530	15,266
Defined contribution plan	1,287	(2,613)	3,982	-
Voluntary separation scheme	-	-	-	8,833
Option charge arising from ESOS	3,314	-	8,141	-
Other employee benefits	1,811	3,420	1,847	5,045
	18,173	290	60,500	29,144
(ii) Promotion and marketing related expenses comprise the following:				
Advertisement and publicity expenses	22	49	77	160
Entertainment and business improvement	249	-	839	-
Others	170	109	244	776
	441	158	1,160	936
(iii) Establishment related expenses comprise the following:				
Depreciation of property and equipment	442	(162)	1,673	1,336
Amortisation of intangible assets	132	414	427	414
Rental of premises	1,283	488	4,320	2,732
Others	2,230	315	6,039	2,681
	4,087	1,055	12,459	7,163
(iv) General administrative expenses comprise the following:				
Auditors' remuneration				
- Statutory audit	238	22	282	170
- Tax compliance fee	24	124	24	124
- Other fees	21	-	21	-
Legal and professional fees	1,113	96	3,344	247
Others	2,435	1,855	8,321	8,267
	3,831	2,097	11,992	8,808

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23. (Allowance for)/write-back of Impairment Losses on Loans and Advances and Other Losses

	Individual Quarter		The Group Cummulative Months Ended	
	Current quarter ended 30 Jun 2013 RM'000	Last year's quarter ended 30 Jun 2012 RM'000	12 months period ended 30 Jun 2013 RM'000	18 months period ended 30 Jun 2012 RM'000
	(Allowance for)/Write-back of losses on impaired loans and advances:			
(a) Individual assessment allowance				
- made during the financial year/period	(252)	-	(252)	-
(b) Collective assessment allowance				
- (made)/written back during the financial year/period	(84)	(124)	167	12
Bad debts on loans & advances				
- written-off	-	-	(2)	-
- recovered	-	102	-	102
Allowance for losses on clients' and brokers' balances:				
(a) Individual assessment allowance				
- made during the financial year/period	74	(142)	(138)	(142)
- written back during the financial year/period	27	27	152	135
(b) Collective assessment (made)/written back during the year/period	(22)	(126)	117	(126)
Bad debts on clients' and brokers' balances				
- recovered	104	(78)	309	-
Allowance for losses on other debtors:				
(a) Individual assessment allowance				
- made during the year/period	38	5	(415)	(62)
- written-back during the year/period	70	-	70	-
Bad debts on other assets				
- written off	(20)	-	(20)	-
	(65)	(336)	(12)	(81)

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23. (Allowance for)/write-back of Impairment Losses on Loans and Advances and Other Losses (continued)

	Individual Quarter		The Bank Cummulative Months Ended	
	Current	Last year's	12 months	18 months
	quarter ended	quarter ended	period ended	period ended
	30 Jun 2013	30 Jun 2012	30 Jun 2013	30 Jun 2012
	RM'000	RM'000	RM'000	RM'000
(Allowance for)/Write-back of losses on impaired loans and advances:				
(a) Individual assessment allowance				
- made during the financial year/period	(252)	-	(252)	-
(b) Collective assessment allowance				
- (made)/written back during the financial year/period	(84)	(124)	167	12
Bad debts on loans & advances				
- written-off	-	-	(2)	-
- recovered	-	102	-	102
Allowance for losses on clients' and brokers' balances:				
(a) Individual assessment allowance				
- made during the financial year/period	74	(142)	(138)	(142)
- written back during the financial year/period	27	27	152	135
(b) Collective assessment (made)/written back during the year/period	(22)	(126)	117	(126)
Bad debts on clients' and brokers' balances				
- recovered	104	(78)	309	-
Allowance for losses on other debtors:				
(a) Individual assessment allowance				
- made during the year/period	38	5	(415)	(62)
- written-back during the year/period	70	-	70	-
Bad debts on other assets				
- written off	(61)	-	(61)	-
Allowance for impairment on subsidiary	(100)	-	(100)	-
	(206)	(336)	(153)	(81)

24. Impairment/(writeback of) losses on securities

	Individual Quarter		The Group and the Bank Cummulative Months Ended	
	Current	Last year's	12 months	18 months
	quarter ended	quarter ended	period ended	period ended
	30 Jun 2013	30 Jun 2012	30 Jun 2013	30 Jun 2012
	RM'000	RM'000	RM'000	RM'000
Financial investments available-for-sale	1,759	-	1,759	(1,737)

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25. 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 Jun 2013	30 Jun 2012
	Principal Amount RM'000	Principal Amount RM'000
Commitments and Contingent Liabilities		
Direct Credit Substitutes	50,750	-
Other commitments, such as formal standby facilities and credit lines		
- maturity over one year	69	641
Any commitments that are unconditionally cancelled at any time by the Bank without prior notice		
- maturity less than one year	507,022	137,469
Others	636,606	36,057
	1,194,447	174,167
Derivative Financial Instruments		
Interest rate related contracts:		
- One year or less	716,412	-
- Over one year to five years	2,161,706	-
Foreign exchange related contracts:		
- One year or less	2,096,122	-
Equity related contracts:		
- One year or less	1,429	-
- Over one year to five years	11,429	-
	4,987,098	-
	6,181,545	174,167

26. 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.

30 June 2013 - Basel III

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

	The Group	The Bank
	RM'000	RM'000
Before deducting proposed dividends:		
Common equity tier 1 ("CET1") capital ratio	33.200%	33.194%
Tier 1 capital ratio	33.200%	33.194%
Total capital ratio	33.455%	33.288%

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26. Capital Adequacy (continued)

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

	The Group	The Bank
	RM'000	RM'000
After deducting proposed dividends:		
CET1 capital ratio	30.108%	30.099%
Tier 1 capital ratio	30.108%	30.099%
Total capital ratio	30.363%	30.193%

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

	The Group	The Bank
	RM'000	RM'000
CET1 Capital		
Paid-up ordinary share capital	165,000	165,000
Share premium	87,950	87,950
Other reserves	139,176	138,810
	392,126	391,760
Regulatory adjustments:		
- Goodwill	(28,986)	(28,986)
- Deferred tax assets	(61,978)	(61,978)
- Other regulatory adjustments	(525)	(525)
Total CET1 Capital	300,637	300,271
Tier 1 Capital	300,637	300,271
Tier 2 Capital		
Redeemable preference shares ("RPS")	1,631	1,631
Collective assessment allowance for losses on loans and advances ⁽¹⁾	678	678
Regulatory adjustments:		
- Investment in subsidiaries	-	(1,455)
Total Tier 2 Capital	2,309	854
Total Capital	302,946	301,125

Note:

⁽¹⁾ Excludes collective assessment allowance attributable to loans and advances classified as impaired.

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

	The Group	The Bank
	RM'000	RM'000
Credit risk	465,326	464,961
Market risk	321,448	321,448
Operational risk	118,761	118,189
	905,535	904,598

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26. Capital Adequacy (continued)

Restated 30 June 2012 - Basel II

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

	The Group	The Bank
	RM'000	RM'000
Before deducting proposed dividends:		
Core capital ratio	143.8%	145.5%
Risk-weighted capital ratio	143.9%	145.4%
After deducting proposed dividends:		
Core capital ratio	143.8%	145.5%
Risk-weighted capital ratio	143.9%	145.4%

(b) The components of Tier 1 and Tier 2 capital of the Group and the Bank are as follows:

	The Group	The Bank
	RM'000	RM'000
Tier 1 capital		
Paid-up ordinary share capital	75,000	75,000
Share premium	87,950	87,950
Other reserves ⁽¹⁾	12,584	12,369
	175,534	175,319
Less:		
- Goodwill	-	-
- Deferred tax assets	(35,271)	(35,271)
Total Tier 1 capital	140,263	140,048
Tier 2 capital		
Collective assessment allowance for losses on loans and advances ⁽²⁾	160	160
Total Tier 2 capital	160	160
Total capital	140,423	140,208
Less: Investment in subsidiaries	-	(220)
Total capital base	140,423	139,988

Note:

(1) Fair value reserve has been excluded from the capital base.

(2) Excludes collective assessment allowance attributable to loans and advances classified as impaired.

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

	The Group	The Bank
	RM'000	RM'000
Credit risk	36,564	36,496
Operational risk	60,999	59,760
	97,563	96,256

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27. Significant Events During the Financial Quarter Ended 30 June 2013

On 26 June 2013, HLIB, a wholly-owned subsidiary of HLCB, had placed the following wholly-owned subsidiaries of HLIB under member's voluntary winding-up pursuant to Section 254(1)(b) of the Companies Act, 1965:

1. RC Research Sdn Bhd
2. RC Nominees (Asing) Sdn Bhd
3. RC Nominees (Tempatan) Sdn Bhd
4. MIMB Nominees (Asing) Sendirian Berhad
5. MIMB Nominees (Tempatan) Sendirian Berhad

28. Changes in the Composition of the Group and Bank

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

29. 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 interim financial statements.

30. Review of performance for the financial quarter ended 30 June 2013 against the corresponding financial quarter

For the current financial quarter ended 30 June 2013, the Group recorded a profit before tax of RM22.3 million, as compared to a loss before tax of RM85.6 million recorded in the corresponding financial quarter. The increase in profit of RM107.9 million was primarily attributable to the higher revenue arising from the vesting of business, assets and liabilities from Promilia Berhad (formerly known as Hong Leong Investment Bank Berhad) effective 1 October 2012.

31. Prospects for 2014

The key focus for the coming financial year is to strengthen and build on the existing stockbroking business and to offer innovative investment banking solutions while leveraging on Hong Leong Group relationship.

On top of this, the Bank seek to capitalize on its enlarged scale from the vesting of business from former HLIB to further improve our market presence.

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32. Changes in accounting policies and comparatives

(A) Adoption of MFRS 1

The Group and the Bank have not taken advantage of certain mandatory exceptions and optional exceptions provided in MFRS 1 for first time adoption of MFRS, except for those mentioned below.

(i) MFRS 1 mandatory exceptions

Estimates

MFRS estimates as at transition date are consistent with the estimates as at the same date made in conformity with FRS.

(ii) Explanation of transition from FRSs to MFRSs

MFRS 1 requires an entity to reconcile equity, total comprehensive income and cash flows for prior years. The following tables represent the reconciliations from FRSs to MFRSs for the respective years noted for total equity, total comprehensive income/(loss) and statements of cash flows.

(a) Reconciliation of equity

	30.06.2012	01.01.2011
The Group	RM'000	RM'000
Total equity as reported under FRS	174,939	276,664
Add/(Less): Transitioning adjustments:		
Effect of full adoption of MFRS 139		
- Collective impairment allowances written back	793	1,115
- Income tax effects	(198)	-
Total equity on transition to MFRS	175,534	277,779
The Bank	30.06.2012	01.01.2011
	RM'000	RM'000
Total equity as reported under FRS	174,724	256,507
Add/(Less): Transitioning adjustments:		
Effect of full adoption of MFRS 139		
- Collective impairment allowances written back	793	1,115
- Income tax effects	(198)	-
Total equity on transition to MFRS	175,319	257,622

(b) Reconciliation of total comprehensive income/(loss)

	The Group	The Bank
	30.06.2012	30.06.2012
	RM'000	RM'000
Total comprehensive loss as reported under FRS	(137,194)	(117,252)
Add/(Less): Transitioning adjustments:		
Effect of full adoption of MFRS 139		
- Collective impairment allowances written back	(322)	(322)
- Income tax effects	(198)	(198)
Total comprehensive loss upon transition to MFRS	(137,714)	(117,772)

EXPLANATORY NOTES

32. Changes in accounting policies and comparatives (continued)

(A) Adoption of MFRS 1 (continued)

(ii) Explanation of transition from FRSs to MFRSs (continued)

(c) Reconciliation of statements of cash flows

The transition from FRS to MFRS had no significant effect on the reported cash flows generated by the Group and the Bank.

(B) Change in accounting policies

Financial Reporting Standards Implementation Committee (“FRSIC”) Consensus 18

According to FRSIC 18, although a participating organisation is required by Capital Markets and Services Act (CMSA), 2007 and Bursa Securities Rules to maintain the trust account, it does not have any contractual or statutory obligation to its clients on the money deposited in the trust account that would result in an outflow of resources embodying economic benefits from the participating organisation. In addition, a participating organisation is prohibited under the provisions contained in Section 113 of CMSA 2007 to utilise the monies either for its own economic benefits or settlement of its own liability. The monies are also not available for distribution in the event the participating organisation is liquidated. As such, a participating organisation does not have any control over the trust monies to obtain the future economic benefits embodied in the trust monies. Accordingly, the trust monies should not be recognised as part of the participating organisation’s asset with a corresponding liability.

Previously, monies held in trust forms part of the assets in the financial statements with a corresponding liability. Upon adoption of FRSIC 18, the monies held in trust are no longer included in the assets with corresponding liabilities in the financial statements of the Group and the Bank.

MFRS 139 “Financial Instruments: Recognition and Measurement”

Previously, the Group applied the Amendment to FRS 139 “Financial Instruments: Recognition and Measurement”, which included an additional transitional arrangement for financial sectors, whereby BNM prescribed the use of an alternative basis for collective assessment of impairments on loans, advances and financing. This transitional arrangement is prescribed in BNM’s Guidelines on Classification and Impairment Provisions for Loans/Financing, whereby banking institutions are required to maintain collective allowances of at least 1.5% of total outstanding loans/financing, net of individual impairment allowances under the transitional provisions in the guidelines.

With effect from 1 January 2012, BNM has removed the transitional provision for banking institutions on collective evaluation of loan impairment assessment and loan loss provisioning to comply with MFRS 139 requirements. Exposures not individually known to be impaired are placed into pools of similar assets with similar risk characteristics to be collectively assessed for losses that have been incurred but not identified yet. The required loan loss allowance is estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the collective pool. The historical loss experience is adjusted based on current observable data.

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EXPLANATORY NOTES

32. Changes in accounting policies and comparatives (continued)

(C) Impacts on Statements of Financial Position

The effects of the changes in accounting policy described above on the financial positions of the Group and the Bank as at 30 June 2012 and 1 January 2011 are as follows:

As at 1 January 2011	As previously reported RM'000	Adoption of FRSIC Consensus 18 RM'000	Full adoption of MFRS 139 RM'000	As restated RM'000
The Group				
<u>Assets</u>				
Cash and short term funds	108,248	(52,255)	-	55,993
Loans and advances				
- Net loans and advances	84,882	58	1,122	86,062
- Collective impairment allowances	(1,294)	-	1,122	(172)
Clients' and brokers' balances				
- Net clients' and brokers' balances	34,121	-	(7)	34,114
- Collective impairment allowances	-	-	(7)	(7)
<u>Liabilities</u>				
Clients' and brokers' balances	52,185	(31,069)	-	21,116
Other liabilities	41,755	(21,128)	-	20,627
<u>Equity</u>				
Retained profits	29,874	-	1,115	30,989
Total equity	276,664	-	1,115	277,779
As at 1 January 2011	As previously reported RM'000	Adoption of FRSIC Consensus 18 RM'000	Full adoption of MFRS 139 RM'000	As restated RM'000
The Bank				
<u>Assets</u>				
Cash and short term funds	107,964	(52,255)	-	55,709
Loans and advances				
- Net loans and advances	84,882	58	1,122	86,062
- Collective impairment allowances	(1,294)	-	1,122	(172)
Clients' and brokers' balances				
- Net clients' and brokers' balances	34,121	-	(7)	34,114
- Collective impairment allowances	-	-	(7)	(7)
<u>Liabilities</u>				
Clients' and brokers' balances	52,185	(31,069)	-	21,116
Other liabilities	41,713	(21,128)	-	20,585
<u>Equity</u>				
Retained profits	9,717	-	1,115	10,832
Total equity	256,507	-	1,115	257,622

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EXPLANATORY NOTES

32. Changes in accounting policies and comparatives (continued)

(C) Impacts on Statements of Financial Position (continued)

As at 30 June 2012	As previously reported RM'000	Adoption of FRSIC Consensus 18 RM'000	Full adoption of MFRS 139 RM'000	As restated RM'000
The Group				
<u>Assets</u>				
Cash and short term funds	106,169	(36,057)	-	70,112
Loans and advances				
- Net loans and advances	59,263	9,381	926	69,570
- Collective impairment allowances	(1,086)	-	926	(160)
Clients' and brokers' balances				
- Net clients' and brokers' balances	20,222	-	(133)	20,089
- Collective impairment allowances	-	-	(133)	(133)
Deferred tax assets	35,469	-	(198)	35,271
<u>Liabilities</u>				
Clients' and brokers' balances	36,833	(26,676)	-	10,157
<u>Total equity</u>				
Retained profits	(71,396)	-	595	(70,801)
Total equity	174,939	-	595	175,534
As at 30 June 2012	As previously reported RM'000	Adoption of FRSIC Consensus 18 RM'000	Full adoption of MFRS 139 RM'000	As restated RM'000
The Bank				
<u>Assets</u>				
Cash and short term funds	105,750	(36,057)	-	69,693
Loans and advances				
- Net loans and advances	59,263	9,381	926	69,570
- Collective impairment allowances	(1,086)	-	926	(160)
Clients' and brokers' balances				
- Net clients' and brokers' balances	20,222	-	(133)	20,089
- Collective impairment allowances	-	-	(133)	(133)
Deferred tax assets	35,469	-	(198)	35,271
<u>Liabilities</u>				
Clients' and brokers' balances	36,833	(26,676)	-	10,157
<u>Total equity</u>				
Retained profits	(71,611)	-	595	(71,016)
Total equity	174,724	-	595	175,319

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EXPLANATORY NOTES

32. Adoption of MFRS 1 and changes in accounting policies (continued)

(D) Impacts on the Group's Income Statements for the 18 months financial period ended 30 June 2012

The Group	As previously reported RM'000	Full adoption of MFRS 139 RM'000	As restated RM'000
Writeback of/(allowance for) impairment on loans and advances and other losses	241	(322)	(81)
Loss before taxation	(100,510)	(322)	(100,832)
Taxation	(36,229)	(198)	(36,427)
Net loss for the financial period	(136,739)	(520)	(137,259)
Earnings per share (sen) - basic	(182.3)	(0.7)	(183.0)
The Bank			
Writeback of/(allowance for) impairment on loans and advances and other losses	241	(322)	(81)
Loss before taxation	(80,570)	(322)	(80,892)
Taxation	(36,227)	(198)	(36,425)
Net loss for the financial period	(116,797)	(520)	(117,317)
Earnings per share (sen) - basic	(155.7)	(0.7)	(156.4)