

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 31 MARCH 2013

	Note	The Group			The Bank		
		31 Mar 2013	30 Jun 2012	1 Jan 2011	31 Mar 2013	30 Jun 2012	1 Jan 2011
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS							
Cash and short-term funds		1,463,790	106,169	108,248	1,444,226	105,750	107,964
Deposits and placements with banks and other financial institutions		189,874	271	162	189,604	-	-
Financial assets at fair value through profit or loss	8	1,044,658	-	-	1,044,658	-	-
Financial investments available-for-sale	9	153,876	-	50,960	153,876	-	50,960
Financial investments held-to-maturity	10	250,238	-	-	250,238	-	-
Derivative financial assets	18	24,660	-	-	24,660	-	-
Loans and advances	11	218,744	69,570	86,004	218,744	69,570	86,004
Clients' and brokers' balances	12	124,867	20,089	34,114	124,867	20,089	34,114
Other assets	13	58,344	12,885	7,354	58,734	12,941	7,328
Statutory deposits with Bank Negara Malaysia		6,500	-	59	6,500	-	59
Investment in subsidiaries		-	-	-	1,555	220	220
Deferred tax assets		22,998	35,271	35,319	22,998	35,271	35,319
Property and equipment		6,937	981	2,638	6,937	981	2,638
Intangible assets - computer software		1,167	23	309	1,167	23	309
Goodwill		-	-	86,610	-	-	66,663
TOTAL ASSETS		3,566,653	245,259	411,777	3,548,764	244,845	391,578
LIABILITIES AND SHAREHOLDER'S FUNDS							
Deposits from customers	15	421,944	-	-	421,944	-	-
Deposits and placements of banks and other financial institutions	16	1,656,258	-	40,006	1,656,258	-	40,006
Repurchased agreements		113,175	-	-	113,175	-	-
Derivative financial liabilities	18	29,751	-	-	29,751	-	-
Clients' and brokers' balances	17	704,024	46,214	52,185	704,024	46,214	52,185
Provision for tax		810	870	52	810	868	52
Other liabilities	19	338,670	22,641	41,755	321,071	22,444	41,713
TOTAL LIABILITIES		3,264,632	69,725	133,998	3,247,033	69,526	133,956
EQUITY							
Share capital		165,000	75,000	75,000	165,000	75,000	75,000
Redeemable preference shares		1,631	-	-	1,631	-	-
Reserves		135,390	100,534	202,779	135,100	100,319	182,622
TOTAL EQUITY		302,021	175,534	277,779	301,731	175,319	257,622
TOTAL EQUITY AND LIABILITIES		3,566,653	245,259	411,777	3,548,764	244,845	391,578

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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AS AT 31 MARCH 2013

	Note	The Group			The Bank		
		31 Mar 2013	30 Jun 2012	1 Jan 2011	31 Mar 2013	30 Jun 2012	1 Jan 2011
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
COMMITMENTS AND CONTINGENCIES	25	6,054,752	138,110	324,644	6,054,752	138,110	324,644
<u>CAPITAL ADEQUACY</u>							
Before deducting proposed dividends							
Common equity tier 1 ("CET1") capital ratio		20.3%	145.8%	73.4%	20.4%	147.6%	73.4%
Total capital ratio		20.5%	146.9%	73.9%	20.4%	148.5%	73.9%
After deducting proposed dividends:							
CET1 capital ratio		20.3%	145.8%	73.4%	20.4%	147.6%	73.4%
Total capital ratio		20.5%	146.9%	73.9%	20.4%	148.5%	73.9%
Net assets per ordinary share (RM)		1.83	2.34	3.70	1.83	2.34	3.43

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER/PERIOD ENDED 31 MARCH 2013

	Note	Individual Quarter		The Group	
		Restated		Restated	
		Current quarter ended 31 Mar 2013 RM'000	Last year's quarter ended # 31 Mar 2012 RM'000	Current year ended 31 Mar 2013 RM'000	Last year's ended # 31 Mar 2012 RM'000
Interest income	20	32,435	2,560	66,604	9,428
Interest expense	21	(24,112)	(44)	(48,578)	(1,473)
Net interest income		8,323	2,516	18,026	7,955
Non-interest income	22	38,597	1,882	80,146	8,763
Net income		46,920	4,398	98,172	16,718
Other operating expenses	23	(29,269)	(4,409)	(59,706)	(25,713)
Net operating profit		17,651	(11)	38,466	(8,995)
(Allowance for)/write-back of impairment losses on loans and advances and other losses	24	(65)	(143)	53	365
Provision for commitments and contingencies		-	-	-	(8,954)
Write-back of allowances for impairment losses on securities		-	948	-	462
Profit/(loss) before taxation		17,586	794	38,519	(17,122)
Taxation		(5,329)	(199)	(10,489)	4,284
Net profit/(loss) for the financial quarter/period		12,257	595	28,030	(12,838)
Earnings/(loss) per share (sen)					
- Basic		7.43	0.79	20.65	(17.12)
- Diluted		7.43	0.79	20.65	(17.12)

Hong Leong Investment Bank Berhad (formerly known as MIMB Investment Bank Berhad) ("HLIB") has changed its financial year end from 31 December to 30 June. Comparatives for cumulative quarters consist of 9 months results beginning 1 July 2011 to 31 March 2012.

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER/PERIOD ENDED 31 MARCH 2013

	Individual Quarter		The Group	
	Current	Last year's	Cummulative 9 Months	Ended
	quarter ended	quarter ended #	year ended	ended #
	31 Mar 2013	31 Mar 2012	31 Mar 2013	31 Mar 2012
	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) for the financial quarter/period	12,257	595	28,030	(12,838)
Other comprehensive income/(loss):				
Net fair value changes on financial investments available-for-sale	(14,122)	274	3,497	(646)
Income tax relating to net fair value changes on financial investments available-for-sale	3,531	(68)	(874)	162
Other comprehensive income/(loss) for the financial quarter/period, net of tax	(10,591)	206	2,623	(484)
Total comprehensive income/(loss) for the financial quarter/period, net of tax	1,666	801	30,653	(13,322)

Hong Leong Investment Bank Berhad (formerly known as MIMB Investment Bank Berhad) ("HLIB") has changed its financial year end from 31 December to 30 June. Comparatives for cumulative quarters consist of 9 months results beginning 1 July 2011 to 31 March 2012.

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER/PERIOD ENDED 31 MARCH 2013

	Note	Individual Quarter		Cumulative 9 Months Ended	
		Restated		Restated	
		Current	Last year's	Current	Last year's
		quarter ended	quarter ended #	year ended	ended #
		31 Mar 2013	31 Mar 2012	31 Mar 2013	31 Mar 2012
		RM'000	RM'000	RM'000	RM'000
Interest income	20	32,435	2,558	66,593	9,422
Interest expense	21	(24,112)	(44)	(48,578)	(1,473)
Net interest income		8,323	2,514	18,015	7,949
Non-interest income	22	38,496	1,878	79,951	8,747
Net income		46,819	4,392	97,966	16,696
Other operating expenses	23	(29,205)	(4,408)	(59,579)	(25,706)
Net operating profit		17,614	(16)	38,387	(9,010)
(Allowance for)/write-back of impairment losses on loans and advances and other losses	24	(65)	(143)	53	365
Provision for commitments and contingencies		-	-	-	(8,954)
Write-back of allowances for impairment losses on securities		-	948	-	462
Profit/(loss) before taxation		17,549	789	38,440	(17,137)
Taxation		(5,329)	(199)	(10,485)	4,283
Net profit/(loss) for the financial quarter/period		12,220	590	27,955	(12,854)
Earnings/(loss) per share (sen)					
- Basic		7.41	0.79	20.59	(17.14)
- Diluted		7.41	0.79	20.59	(17.14)

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UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER/PERIOD ENDED 31 MARCH 2013

	The Bank			
	Individual Quarter		Cummulative 9 Months Ended	
	Current	Last year's	Current	Last year's
	quarter ended #	quarter ended #	year ended	ended #
	31 Mar 2013	31 Mar 2012	31 Mar 2013	31 Mar 2012
	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) for the financial quarter/period	12,220	590	27,955	(12,854)
Other comprehensive income/(loss):				
Net fair value changes on financial investments available-for-sale	(14,122)	274	3,497	(646)
Income tax relating to net fair value changes on financial investments available-for-sale	3,531	(68)	(874)	162
Other comprehensive income/(loss) for the financial quarter/period, net of tax	(10,591)	206	2,623	(484)
Total comprehensive income/(loss) for the financial quarter/period, net of tax	1,629	796	30,578	(13,338)

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013

The Group	Note	Share capital RM'000	Redeemable Preference share RM'000	Share premium RM'000	Statutory reserve RM'000	Financial investments available- for-sale reserve RM'000	Retained profits/ losses (accumulated)	Total RM'000
At 1 July 2012								
- As previously reported		75,000	-	87,950	83,385	-	(71,396)	174,939
- Effects of adopting MFRS 1 and changes in accounting policies	34	-	-	-	-	-	595	595
At 1 July 2012, as restated		75,000	-	87,950	83,385	-	(70,801)	175,534
Net profit for the financial period		-	-	-	-	-	28,030	28,030
Other comprehensive income		-	-	-	-	2,623	-	2,623
Total comprehensive profit for the financial period		-	-	-	-	2,623	28,030	30,653
Issuance of ordinary shares		90,000	-	-	-	-	-	90,000
Issuance of Redeemable Preference Shares		-	1,631	-	-	-	-	1,631
Effect of adopting MFRS for amount vested from Promilia		-	-	-	-	-	2,328	2,328
Revaluation gain on quoted shares held for ESOS		-	-	-	-	-	1,875	1,875
At 31 March 2013		165,000	1,631	87,950	83,385	2,623	(38,568)	302,021
At 1 July 2011								
- As previously reported		75,000	-	87,950	83,385	457	30,908	277,700
- Effects of adopting MFRS 1 and changes in accounting policies		-	-	-	-	-	879	879
At 1 July 2011, as restated		75,000	-	87,950	83,385	457	31,787	278,579
Net loss for the financial period		-	-	-	-	-	(12,838)	(12,838)
Other comprehensive loss		-	-	-	-	(484)	-	(484)
Total comprehensive loss for the financial period		-	-	-	-	(484)	(12,838)	(13,322)
At 31 March 2012		75,000	-	87,950	83,385	(27)	18,949	265,257

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 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	Financial investments available- for-sale 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 adopting MFRS 1 and changes in accounting policies	34	-	-	-	-	-	595	595
At 1 July 2012, as restated		75,000	-	87,950	83,385	-	(71,016)	175,319
Net profit for the financial period		-	-	-	-	-	27,955	27,955
Other comprehensive income		-	-	-	-	2,623	-	2,623
Total comprehensive profit for the financial period		-	-	-	-	2,623	27,955	30,578
Issuance of ordinary shares		90,000	-	-	-	-	-	90,000
Issuance of Redeemable Preference Shares		-	1,631	-	-	-	-	1,631
Effect of adopting MFRS for amount vested from Promilia		-	-	-	-	-	2,328	2,328
Revaluation gain on quoted shares held for ESOS		-	-	-	-	-	1,875	1,875
At 31 March 2013		165,000	1,631	87,950	83,385	2,623	(38,858)	301,731
At 1 July 2011								
- As previously reported		75,000	-	87,950	83,385	457	10,744	257,536
- Effects of adopting MFRS 1 and changes in accounting policies		-	-	-	-	-	879	879
At 1 July 2011, as restated		75,000	-	87,950	83,385	457	11,623	258,415
Net loss for the financial period		-	-	-	-	-	(12,854)	(12,854)
Other comprehensive loss		-	-	-	-	(484)	-	(484)
Total comprehensive loss for the financial period		-	-	-	-	(484)	(12,854)	(13,338)
At 31 March 2012		75,000	-	87,950	83,385	(27)	(1,231)	245,077

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013

	<u>The Group</u>		<u>The Bank</u>	
	<u>31 Mar 2013</u>	<u>31 Mar 2012</u>	<u>31 Mar 2013</u>	<u>31 Mar 2012</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Cash flows from operating activities				
Profit/(loss) before taxation	38,519	(17,122)	38,440	(17,137)
Adjustments for non-cash items	(54,150)	(2,363)	(54,150)	(2,363)
Operating loss before changes in working capital	(15,631)	(19,485)	(15,710)	(19,500)
Changes in working capital:				
Net changes in operating assets	280,646	150,314	285,812	150,408
Net changes in operating liabilities	(169,961)	(177,953)	(187,386)	(177,992)
Income tax paid	(9)	(6)	-	-
Net cash generated from/(used in) operating activities	95,045	(47,130)	82,716	(47,084)
Cash flows from investing activities	514,093	(905)	507,277	(905)
Net cash generated from financing activities	-	-	-	-
Net changes in cash and cash equivalents	609,138	(48,035)	589,993	(47,989)
Cash and cash equivalents at beginning of the period	56,965	75,847	56,546	75,552
Cash and cash equivalents at end of the period	666,103	27,812	646,539	27,563
Cash and cash equivalents comprise:				
Cash and short term funds	1,463,790	68,642	1,444,226	68,393
Less: Remisiers' and clients' trust monies	(797,687)	(40,830)	(797,687)	(40,830)
	666,103	27,812	646,539	27,563

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

These condensed financial statements is the Group's and the Bank's first financial reports prepared in accordance with the Malaysian Financial Reporting Standard ('MFRS'), including MFRS 1 'First-time adoption of MFRS'. Subject to certain transition elections disclosed in note 34, the Group and the Bank have consistently applied the same accounting policies in its opening MFRS statement of financial position at 1 July 2011 (transition date) and throughout all years presented, as if these policies had always been in effect. Comparative figures for 2011/2012 in these condensed financial statements have been restated to give effect to these changes. Note 34 discloses the impact of the transition to MFRS on the Group and Bank's reported financial position and financial performance.

The interim financial statements are unaudited and have been prepared in compliance with MFRS 134 'Interim Financial Reporting' issued by MASB and should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 30 June 2012.

The accounting policies and presentation adopted by the Group and the Bank for the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2012, except for the adoption of the following relevant accounting standards, amendments to published accounting standards and interpretations to existing accounting standards which are effective from 1 July 2012:

- MFRS 139 "Financial Instruments: Recognition and Measurement"
- Revised MFRS 124 "Related Party Disclosures"
- Amendment to MFRS 112 "Income Taxes"
- Amendment to MFRS 1 "First Time Adoption on Fixed Dates and Hyperinflation"
- Amendment to MFRS 7 "Financial Instruments: Disclosures on Transfers of Financial Assets"
- Amendment to MFRS 101 "Presentation of Items of Other Comprehensive Income"

The adoption of the above accounting standards, amendments to published accounting standards and interpretations to existing accounting standards does not give rise to any material financial effects to the Group and the Bank, except for the adoption of MFRS 139.

Previously, the Group applied the Amendment to FRS 139, which included an additional transitional arrangement for financial sectors, whereby the Bank Negara Malaysia ('BNM') may prescribed the use of an alternative basis for collective assessment of impairments in loans and advances. This transitional arrangement is prescribed in BNM's Guidelines on Classification and Impairment Provisions for Loans/Financing issued on 8 January 2010 and subsequently updated on 26 January 2010 and 17 December 2010, 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 effective from 1 January 2012, BNM has removed the transitional provision for banking institution 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.

Previously, when a collectively assessed loans and receivable is deemed impaired, the Group reversed out the interest income recognised in income statements and set off against the interest receivable in the statements of financial position.

Upon the adoption of MFRS 139, with effect from 1 July 2012, once a collectively assessed loans and receivables has been written down as a result of an impairment loss, interest income is thereafter recognised using the original effective interest rate in the income statements.

The change in accounting policies mentioned above have been accounted for retrospectively by re-measuring the relevant financial assets, as appropriate, and recording any adjustments to the previous carrying amounts to the Group's and Bank's opening retained profits. As such, comparatives have been restated to conform with current year's presentation. The principal effects of the changes in accounting policies arising from the adoption of MFRS 139 are disclosed in Note 34.

EXPLANATORY NOTES

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 31 March 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 31 March 2013.

6. Issuance and Repayments

There were no cancellation, repurchase, resale or repayment of debt and equity securities during the current financial quarter ended 31 March 2013.

7. Dividends Paid During the Current Financial Quarter

There were no interim dividends paid or declared during the financial quarter ended 31 March 2013.

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EXPLANATORY NOTES

8. Financial assets at fair value through profit or loss

	The Group and the Bank	
	31 Mar 2013	30 Jun 2012
	RM'000	RM'000
Financial assets held-for-trading		
Money market instruments		
Negotiable instruments of deposits	180,563	-
Bank Negara Malaysia Bills	350,551	-
Bankers' acceptances	320,269	-
Quoted securities		
In Malaysia:		
Shares	8,912	-
Outside Malaysia:		
Foreign currency bonds	59,156	-
Unquoted securities		
Private and Islamic debt securities	117,134	-
	1,036,585	-
Financial assets designated at fair value through profit or loss		
Quoted securities		
In Malaysia:		
Shares	8,073	-
	1,044,658	-

9. Financial investments available-for-sale

	The Group and the Bank	
	31 Mar 2013	30 Jun 2012
	RM'000	Restated RM'000
Money market instruments		
Cagamas bonds	5,188	-
Quoted securities		
Outside Malaysia:		
Foreign currency bonds	58,479	-
Unquoted securities		
Shares	2,445	-
Private and Islamic debt securities	87,764	-
	153,876	-

Following from the approval by the regulator, the Group and the Bank designated a previously held financial investments held-to-maturity to financial investments available-for-sale, as allowed under MFRS 1. The fair value and the carrying amount of the financial investments at the date of designation is RM230,224,000 and RM213,688,000 respectively for the Group and the Bank.

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EXPLANATORY NOTES

10. Financial investments held-to-maturity

	The Group and the Bank	
	31 Mar 2013	30 Jun 2012
	RM'000	RM'000
Money market instruments		
Malaysian Government Investment Issues	5,064	-
Cagamas bonds	10,295	-
Quoted securities		
Outside Malaysia:		
Foreign currency bonds	189,155	-
Unquoted securities		
Private and Islamic debt securities	45,724	-
	250,238	-

Following from the approval by the regulator, the Group and the Bank designated a previously held financial investments held-to-maturity to financial investments available-for-sale, as allowed under MFRS 1. The fair value and the carrying amount of the financial investments at the date of designation is RM230,224,000 and RM213,688,000 respectively for the Group and the Bank.

11. Loans and Advances

	The Group and the Bank	
	31 Mar 2013	30 Jun 2012
	RM'000	RM'000
Term loan financing	63,420	-
Share margin financing	153,265	67,141
Revolving credits	211	-
Staff loans	2,502	2,589
Gross loans and advances	219,398	69,730
Less: Allowance for losses on loans and advances		
- collective assessment allowance	(654)	(160)
Total net loans and advances	218,744	69,570

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

Domestic business enterprises		
- Small and medium enterprises	31,696	-
- Others	85,219	25,402
Individuals	99,545	40,783
Foreign entities	2,938	3,545
	219,398	69,730

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EXPLANATORY NOTES

11. Loans and Advances (continued)

	The Group and the Bank	
	2,502	Restated 2,589
	RM'000	RM'000
(ii) Gross loans and advances analysed by interest rate sensitivity are as follows:		
Variable rate	110,332	31,326
Fixed rate		
- Staff housing loans	2,206	1,957
- Other fixed rate loans	106,564	35,815
Non-interest bearing	296	632
	219,398	69,730
(iii) Gross loans and advances analysed by residual contractual maturity are as follows:		
Maturing within one year	216,896	67,181
One year to three years	-	338
Three years to five years	2,502	52
Over five years	-	2,159
	219,398	69,730
(iv) Loans and advances analysed by their economic purposes are as follows:		
Working capital	34,538	-
Purchase of securities	154,600	67,141
Purchase of transport vehicles	297	633
Purchase of landed properties	2,205	1,956
Personal use	27,758	-
Gross loans and advances	219,398	69,730
(v) Gross loans and advances analysed by geographical distribution are as follows:		
Malaysia	219,398	69,730
(vi) Movements in impaired loans and advances ("impaired loans") are as follows:		
Balance at beginning of the period/year	-	-
Amount vested over from Promilia Berhad (formerly known as Hong Leong Investment Bank Berhad) ("Promilia")	196	-
Amount written-back	(196)	-
	-	-

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11. Loans and Advances (continued)

	The Group and the Bank	
	Restated	
	31 Mar 2013	30 Jun 2012
	RM'000	RM'000
(vii) Movements in allowances for loans and advances are as follows:		
Collective assessment allowance		
Balance at beginning of the period/year		1,294
- As previously reported	1,086	
- Effects of adopting MFRS	(926)	(1,122)
- As restated	160	172
Amount vested from Promilia Berhad (formerly known as Hong Leong Investment Bank Berhad) ("Promilia")	3,091	-
- Effects of adopting MFRS	(2,346)	-
Amount written back during the financial period/year	(251)	(12)
Balance at end of the period/year	654	160

12. Clients' and Brokers' Balances

	The Group and the Bank	
	Restated	
	31 Mar 2013	30 Jun 2012
	RM'000	RM'000
Performing accounts	124,346	20,169
Impaired accounts	991	185
	125,337	20,354
Less: Allowance for bad and doubtful debts		
- individual assessment allowance	(459)	(132)
- collective assessment allowance	(11)	(133)
	124,867	20,089

13. Other Assets

	The Group		The Bank	
	31 Mar 2013	30 Jun 2012	31 Mar 2013	30 Jun 2012
	RM'000	RM'000	RM'000	RM'000
Tax recoverable	17	17	-	-
Amount due from subsidiary companies	-	-	439	73
Amount due from related companies	-	2,785	-	2,785
Other debtors, deposits and prepayments, net of allowances for bad and doubtful debts	58,327	10,083	58,295	10,083
	58,344	12,885	58,734	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	
	31 Mar 2013	30 Jun 2012
	RM'000	RM'000
Fixed Deposit	421,944	-
(i) By Type of deposit		
Fixed Deposit	421,944	-
(ii) By Type of customer		
Government & statutory bodies	398,011	-
Business enterprises	23,933	-
	421,944	-
(iii) The maturity structure of fixed deposits is as follows:		
Due within six months	421,944	-

16. Deposits and Placements of Banks and Other Financial Institutions

	The Group and the Bank	
	31 Mar 2013	30 Jun 2012
	RM'000	RM'000
Bank Negara Malaysia	309,522	-
Licensed banks	235,001	-
Licensed investment banks	40,013	-
Other financial institutions	1,071,722	-
	1,656,258	-

17. Clients' and Brokers' Balances

Included in clients' and brokers' balances are clients' trust balances, held in trust for clients of RM516,294,000 (30 June 2012: RM26,676,000).

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18. 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
	31 March 2013		
Interest rate related contracts:			
- Interest rate swaps	1,658,500	13,628	19,796
- Futures	1,336,016	412	2,367
- Cross currency swaps	92,812	287	202
Foreign exchange related contracts:			
- Foreign currency swaps	2,339,255	7,736	7,371
- Foreign currency forwards	332	5	-
- Foreign currency spots	52,594	36	15
Equity related contracts:			
- Call option	10,000	2,556	-
	5,489,509	24,660	29,751

19. Other liabilities

	The Group		The Bank	
	31 Mar 2013 RM'000	30 Jun 2012 RM'000	31 Mar 2013 RM'000	30 Jun 2012 RM'000
Remisiers' trust deposits	14,779	6,093	14,779	6,093
Other payables and accrued liabilities	314,852	7,509	297,253	7,312
Provision for commitments and contingencies	9,039	9,039	9,039	9,039
	338,670	22,641	321,071	22,444

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20. Interest Income

	The Group			
	Individual Quarter		Cummulative 9 Months Ended	
	Current	Last year's	Current	Last year's
	quarter ended	quarter ended #	year ended	ended #
	31 Mar 2013	31 Mar 2012	31 Mar 2013	31 Mar 2012
	RM'000	RM'000	RM'000	RM'000
Loans and advances	3,671	1,345	8,986	3,886
Money at call and deposit placements with financial institutions	2,955	182	5,378	1,549
Financial assets held-for-trading	7,633	-	14,235	-
Financial investments available-for-sale	1,578	610	2,362	2,985
Financial investments held-to-maturity	2,310	-	6,762	-
Derivative financial instruments	13,978	-	28,259	-
Others	310	423	622	1,008
Total interest income	32,435	2,560	66,604	9,428

	The Bank			
	Individual Quarter		Cummulative 9 Months Ended	
	Current	Last year's	Current	Last year's
	quarter ended	quarter ended #	year ended	ended #
	31 Mar 2013	31 Mar 2012	31 Mar 2013	31 Mar 2012
	RM'000	RM'000	RM'000	RM'000
Loans and advances	3,671	1,345	8,986	3,886
Money at call and deposit placements with financial institutions	2,955	182	5,378	1,549
Financial assets held-for-trading	7,633	-	14,235	-
Financial investments available-for-sale	1,578	610	2,362	2,985
Financial investments held-to-maturity	2,310	-	6,762	-
Derivative financial instruments	13,978	-	28,259	-
Others	310	421	611	1,002
Total interest income	32,435	2,558	66,593	9,422

21. Interest Expense

	The Group and the Bank			
	Individual Quarter		Cummulative 9 Months Ended	
	Current	Last year's	Current	Last year's
	quarter ended	quarter ended #	year ended	ended #
	31 Mar 2013	31 Mar 2012	31 Mar 2013	31 Mar 2012
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	2,039	44	4,471	1,473
Deposits from customer	7,986	-	15,503	-
Derivative financial instruments	14,210	-	28,744	-
Others	(123)	-	(140)	-
	24,112	44	48,578	1,473

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22. Non-interest Income

	Individual Quarter		Cummulative 9 Months Ended	
	Current quarter ended 31 Mar 2013	Last year's quarter ended # 31 Mar 2012	Current year ended 31 Mar 2013	Last year's ended # 31 Mar 2012
<u>The Group</u>	RM'000	RM'000	RM'000	RM'000
<u>Fee and commission income:</u>				
Corporate advisory fees	1,604	155	3,045	2,491
Arranger fees	5,395	-	8,963	(1,019)
Underwriting commissions	356	56	486	271
Brokerage commissions	8,714	1,606	18,678	5,262
Fees on loans and advances	593	83	1,281	488
Other fee income	2,442	(81)	24,149	-
	19,104	1,819	56,602	7,493
<u>Net income from securities</u>				
Net realised gain/(loss) arising from sale of:				
- financial assets held-for-trading	1,126	(4)	3,197	29
- financial investments available-for-sale	15,724	25	15,724	997
- derivative financial instruments	(5,486)	-	(4,859)	-
Net unrealised gain/(loss) on revaluation of:				
- financial assets held-for-trading	2,976	-	4,294	-
- derivative financial instruments	448	-	(694)	-
Dividend income from:				
- financial assets held-for-trading	410	-	509	-
- financial investments available-for-sale	91	-	112	-
	15,289	21	18,283	1,026
<u>Other income/(expense):</u>				
(Loss)/gains on disposal of property and equipment	(1)	-	(13)	1
Foreign exchange gain	4,131	-	5,105	-
Other non-operating income	74	42	169	243
	4,204	42	5,261	244
	38,597	1,882	80,146	8,763

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22. Non-interest Income (continued)

	<u>Individual Quarter</u>		<u>Cummulative 9 Months Ended</u>	
	<u>Current</u> quarter ended 31 Mar 2013 RM'000	<u>Last year's</u> quarter ended # 31 Mar 2012 RM'000	<u>Current</u> year ended 31 Mar 2013 RM'000	<u>Last year's</u> ended # 31 Mar 2012 RM'000
<u>The Bank</u>				
<u>Fee and commission income:</u>				
Corporate advisory fees	1,604	155	3,045	2,491
Arranger fees	5,395	0	8,963	(1,019)
Underwriting commissions	356	56	486	271
Brokerage commissions	8,714	1,606	18,678	5,262
Fees on loans and advances	593	83	1,281	488
Other fee income	2,340	(81)	23,985	-
	19,002	1,819	56,438	7,493
<u>Net income from securities</u>				
Net realised gain/(loss) arising from sale of:				
- financial assets held-for-trading	1,126	(4)	3,197	29
- financial investments available-for-sale	15,724	25	15,724	997
- derivative financial instruments	(5,486)	-	(4,859)	-
Net unrealised gain/(loss) on revaluation of:				
- financial assets held-for-trading	2,976	-	4,294	-
- derivative financial instruments	448	-	(694)	-
Dividend income from:				
- financial assets held-for-trading	410	-	509	-
- financial investments available-for-sale	91	-	112	-
	15,289	21	18,283	1,026
<u>Other income/(expense):</u>				
(Loss)/gains on disposal of property and equipment	(1)	-	(13)	1
Foreign exchange gain	4,131	-	5,105	-
Other non-operating income	75	38	138	227
	4,205	38	5,230	228
	38,496	1,878	79,951	8,747

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23. Other Operating Expenses

	The Group			
	Individual Quarter		Cummulative 9 Months Ended	
	Current	Last year's	Current	Last year's
	quarter ended	quarter ended #	year ended	ended #
	31 Mar 2013	31 Mar 2012	31 Mar 2013	31 Mar 2012
	RM'000	RM'000	RM'000	RM'000
Personnel expenses	21,713	2,362	42,384	19,264
Promotion and marketing related expenses	417	6	719	83
Establishment related expenses	3,361	1,248	8,409	3,968
General administrative expenses	3,778	793	8,194	2,398
	29,269	4,409	59,706	25,713
(i) Personnel expenses comprise the following:				
Salaries, bonuses and allowances	16,162	1,888	34,815	8,177
Defined contribution plan	1,271	312	2,704	1,340
Voluntary separation scheme	-	-	-	8,833
Other employee benefits	4,280	162	4,865	914
	21,713	2,362	42,384	19,264
(ii) Promotion and marketing related expenses comprise the following:				
Advertisement and publicity expenses	55	-	55	-
Entertainment and business improvement	318	4	590	79
Others	44	2	74	4
	417	6	719	83
(iii) Establishment related expenses comprise the following:				
Depreciation of property and equipment	462	248	1,231	705
Amortisation of intangible assets	140	75	295	228
Rental of premises	1,303	574	3,050	1,758
Others	1,456	351	3,833	1,277
	3,361	1,248	8,409	3,968
(iv) General administrative expenses comprise the following:				
Auditors' remuneration				
- Statutory audit	47	30	50	89
- Tax compliance fee	-	11	-	69
Legal and professional fees	1,038	203	2,239	178
Others	2,693	549	5,905	2,062
	3,778	793	8,194	2,398

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23. Other Operating Expenses (continued)

	The Bank			
	Individual Quarter		Cummulative 9 Months Ended	
	Current	Last year's	Current	Last year's
	quarter ended #	quarter ended #	year ended	ended #
	31 Mar 2013	31 Mar 2012	31 Mar 2013	31 Mar 2012
	RM'000	RM'000	RM'000	RM'000
Personnel expenses	21,681	2,362	42,327	19,264
Promotion and marketing related expenses	417	6	719	83
Establishment related expenses	3,340	1,248	8,372	3,968
General administrative expenses	3,767	792	8,161	2,391
	29,205	4,408	59,579	25,706
(i) Personnel expenses comprise the following:				
Salaries, bonuses and allowances	16,135	1,888	34,769	8,177
Defined contribution plan	1,266	312	2,695	1,340
Voluntary separation scheme	-	-	-	8,833
Other employee benefits	4,280	162	4,863	914
	21,681	2,362	42,327	19,264
(ii) Promotion and marketing related expenses comprise the following:				
Advertisement and publicity expenses	55	-	55	-
Entertainment and business improvement	318	4	590	79
Others	44	2	74	4
	417	6	719	83
(iii) Establishment related expenses comprise the following:				
Depreciation of property and equipment	462	248	1,231	705
Amortisation of intangible assets	140	75	295	228
Rental of premises	1,293	574	3,037	1,758
Others	1,445	351	3,809	1,277
	3,340	1,248	8,372	3,968
(iv) General administrative expenses comprise the following:				
Auditors' remuneration				
- Statutory audit	45	29	44	87
- Tax compliance fee	-	10	-	65
Legal and professional fees	1,038	203	2,231	178
Others	2,684	550	5,886	2,061
	3,767	792	8,161	2,391

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

	The Group and the Bank			
	Individual Quarter		Cummulative 9 Months Ended	
	Current quarter ended 31 Mar 2013 RM'000	Last year's quarter ended # 31 Mar 2012 RM'000	Current year ended 31 Mar 2013 RM'000	Last year's ended # 31 Mar 2012 RM'000
Impairment losses on loans and advances:				
Collective assessment allowance written back/(made) during the period	105	(36)	251	76
Bad debts on loans & advances - written-off	-	-	(2)	-
Bad debts on other receivables - recovered	205	-	205	55
Allowance for losses on clients' and brokers' balances:				
Collective assessment written back/(made) during the period	21	(14)	139	210
Individual assessment allowance - made during the period	(21)	-	(212)	-
- written-back during the period	78	9	125	64
Allowance for losses on other debtors:				
Individual assessment allowance - made during the period	(453)	(102)	(453)	(102)
- written-back during the period	-	-	-	62
	(65)	(143)	53	365

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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.

	31 March 2013			30 June 2012		
	Principal Amount RM'000	Credit Equivalent Amount * RM'000	Risk- weighted Assets * RM'000	Principal Amount RM'000	Credit Equivalent Amount * RM'000	Risk- weighted Assets * RM'000
The Group and the Bank						
Commitments and Contingent Liabilities						
Obligations under underwriting agreement	55,250	27,625	27,625	-	-	-
Direct Credit Substitutes	50,750	50,750	50,750	-	-	-
Other commitments, such as formal standby facilities and credit lines						
- Maturity over one year	277	139	139	641	321	321
Any commitments that are unconditionally cancelled at any time by the Bank without prior notice						
- Maturity less than one year	458,966	-	-	137,469	-	-
	<u>565,243</u>	<u>78,514</u>	<u>78,514</u>	<u>138,110</u>	<u>321</u>	<u>321</u>
Derivative Financial Instruments						
<u>Interest rate related contracts:</u>						
- One year or less	898,828	3,393	679	-	-	-
- Over one year to five years	2,188,500	55,618	13,475	-	-	-
Foreign exchange related contracts						
- One year or less	2,392,181	40,894	8,179	-	-	-
Equity related contracts						
- One year or less	-	-	-	-	-	-
- Over one year to five years	10,000	-	-	-	-	-
	<u>5,489,509</u>	<u>99,905</u>	<u>22,333</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>6,054,752</u>	<u>178,419</u>	<u>100,847</u>	<u>138,110</u>	<u>321</u>	<u>321</u>

* The credit equivalent amount and risk-weighted assets are arrived at using the credit conversion factors and risk-weights as defined in Bank Negara Malaysia's ("BNM") revised Risk-Weighted Capital Adequacy Framework ("RWCAF").

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26. Capital Adequacy

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

	The Group		The Bank	
	31 Mar 2013	30 Jun 2012 ^	31 Mar 2013	30 Jun 2012 ^
	RM'000	RM'000	RM'000	RM'000
Before and after deducting proposed dividends:				
Common equity tier 1 ("CET1") capital ratio	20.3%	145.8%	20.4%	147.6%
Tier 1 capital ratio	20.3%	145.8%	20.4%	147.6%
Total capital ratio	20.5%	146.9%	20.4%	148.5%

(b) The components of CET1, Tier 1 and Tier 2 Capital of the Bank are as follows:

	The Group		The Bank	
	31 Mar 2013	30 Jun 2012 ^	31 Mar 2013	30 Jun 2012 ^
	RM'000	RM'000	RM'000	RM'000
CET1 Capital				
Paid-up share capital	165,000	75,000	165,000	75,000
Share premium	87,950	87,950	87,950	87,950
Other reserve	14,612	11,989	14,397	11,774
	267,562	174,939	267,347	174,724
Regulatory adjustments:				
- Deferred tax assets (net)	(35,469)	(35,469)	(35,469)	(35,469)
- Other regulatory adjustments	(1,443)	-	(1,443)	-
Total CET1 Capital	230,650	139,470	230,435	139,255
Tier 1 Capital	230,650	139,470	230,435	139,255
Tier 2 Capital				
Redeemable preference shares ("RPS")	1,631	-	1,631	-
Collective assessment allowance	654	1,086	654	1,086
Regulatory adjustments:				
- Investment in subsidiaries	-	-	(1,555)	(220)
Total Tier 2 Capital	2,285	1,086	730	866
Total Capital	232,935	140,556	231,165	140,121

The capital adequacy ratios of the Bank are computed in accordance with Bank Negara Malaysia's ("BNM") revised Risk-Weighted Capital Adequacy Framework ("RWCAF") - Basel II. The Bank has adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk.

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

	The Group		The Bank	
	31 Mar 2013	30 Jun 2012 ^	31 Mar 2013	30 Jun 2012 ^
	RM'000	RM'000	RM'000	RM'000
Credit risk	721,613	34,670	718,050	34,602
Market risk	315,606	-	315,606	-
Operational risk	98,467	60,999	98,281	59,760
	1,135,686	95,669	1,131,937	94,362

^ The above capital adequacy ratio has not been adjusted for the effect of the adoption of FRS 139.

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27. Significant Events During the Financial Quarter Ended 31 March 2013

There were no material events during the reporting quarter.

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. Other Commitments

There were no significant outstanding material commitments contracted by the Group and the Bank as at 31 March 2013.

31. Review of performance for the financial quarter ended 31 March 2013 against the corresponding financial quarter.

For the current financial quarter ended 31 March 2013, the Group recorded a profit before tax of RM17.6 million, as compared to a profit before tax of RM0.8 million recorded in the corresponding financial quarter. The increase in profit of RM16.8 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.

32. Prospects for 2012

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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33. Adoption of MFRS 1 and changes in accounting policies

(A) Adoption of MFRS 1

(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) MFRS 1 exemption options

Designation of previously recognised financial instruments

MFRS 1 permits a previously recognised financial instrument to be designated as available for sale on the transition date provided the criteria in MFRS 139 'Financial instruments: Recognition and measurement' are met. Following from the approval by the regulator, the Group and the Bank designated a previously held financial investments held-to-maturity to financial investments available-for-sale, as allowed under MFRS 1.

(iii) 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 equity and total comprehensive income arising from the adoption of the new MFRS framework and the change in accounting policy on impairment of loans and advances as disclosed in Note 1.

(B) Impact on adoption of MFRSs

(i) Impacts on Statements of Financial Position

As at 1 January 2011	As previously reported RM'000	Adoption of MFRS 139 RM'000	As restated RM'000
The Group			
Assets			
Loans and advances			
- Net loans and advances	84,882	1,122	86,004
- 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)
Deferred tax assets	35,319	-	35,319
Total equity	276,664	1,115	277,779
Retained profits	29,874	1,115	30,989

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EXPLANATORY NOTES

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

(A) Adoption of MFRS 1 (continued)

(i) Impacts on Statements of Financial Position

As at 1 January 2011	As previously reported RM'000	Adoption of MFRS 139 RM'000	As restated RM'000
The Bank			
Assets			
Loans and advances			
- Net loans and advances	84,882	1,122	86,004
- 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)
Deferred tax assets	35,319	-	35,319
 Total equity	 256,507	 1,115	 257,622
Retained profits	9,717	1,115	10,832

As at 30 June 2012	As previously reported RM'000	Adoption of MFRS 139 RM'000	As restated RM'000
The Group			
Assets			
Loans and advances			
- Net loans and advances	68,644	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
 Total equity	 174,939	 595	 175,534
Retained profits	(71,396)	595	(70,801)

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EXPLANATORY NOTES

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

(B) Impact on adoption of MFRSs (continued)

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

As at 30 June 2012	As previously reported RM'000	Adoption of MFRS 139 RM'000	As restated RM'000
The Bank			
Assets			
Loans and advances			
- Net loans and advances	68,644	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
Total equity	174,724	595	175,319
Retained profits	(71,611)	595	(71,016)

**(ii) Impacts on the Group's Income Statements/Statements of Comprehensive Income
For the 9 months ended 31 March 2012**

	As previously reported RM'000	Adoption of MFRS 139 RM'000	As restated RM'000
The Group			
Write-back of allowance for impairment on and other losses	551	(186)	365
Loss before taxation	(16,936)	(186)	(17,122)
Taxation	4,238	46	4,284
Net profit for the financial period	(12,698)	(140)	(12,838)
Earnings per share (sen) - basic	(16.9)	(0.2)	(17.1)
The Bank			
Write-back of allowance for impairment on loans, advances and other losses	551	(186)	365
Loss before taxation	(16,951)	(186)	(17,137)
Taxation	4,237	46	4,283
Net profit for the financial period	(12,714)	(140)	(12,854)
Earnings per share (sen) - basic	(17.0)	(0.2)	(17.1)