

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2025**

		<u>The Group</u>		<u>The Company</u>	
		31 March 2025 RM'000	30 June 2024 RM'000	31 March 2025 RM'000	30 June 2024 RM'000
<b>Assets</b>	<b>Note</b>				
Cash and short-term funds		14,949,646	7,548,161	34,834	8,993
Deposits and placements with banks and other financial institutions		2,023,838	1,652,027	215,476	129,360
Securities purchased under resale agreements		724,829	297,315	-	-
Financial assets at fair value through profit or loss	A9	34,808,710	31,824,070	531,463	371,937
Financial investments at fair value through other comprehensive income	A10	33,153,568	43,142,054	-	-
Financial investments at amortised cost	A11	28,173,741	32,457,440	-	-
Derivative financial instruments	B10	1,697,364	1,389,900	-	-
Loans, advances and financing	A12	200,455,969	193,613,380	-	-
Clients' and brokers' balances		180,886	236,831	-	-
Other assets	A13	3,767,366	4,752,476	2,864	2,637
Statutory deposits with Central Banks		3,651,529	3,275,743	-	-
Tax recoverable		1,465	8,576	493	-
Investment in subsidiary companies		-	-	17,054,109	17,054,109
Investment in associated companies		11,385,742	10,889,153	-	-
Deferred tax assets		223,742	-	179	221
Property and equipment		1,088,871	1,145,889	3,574	4,504
Right-of-use assets		159,040	177,995	1,489	2,195
Investment properties		471,630	471,630	-	-
Goodwill arising on consolidation		2,410,644	2,410,644	-	-
Intangible assets		372,814	386,458	34	69
Insurance/reinsurance contract assets		482,663	525,721	-	-
<b>Total Assets</b>		<b>340,184,057</b>	<b>336,205,463</b>	<b>17,844,515</b>	<b>17,574,025</b>
<b>Liabilities</b>					
Deposits from customers	A14	224,112,052	220,075,326	-	-
Investment accounts of customers	A15	2,304,254	2,166,534	-	-
Deposits and placements of banks and other financial institutions	A16	12,646,233	14,178,774	-	-
Obligations on securities sold under repurchase agreements		7,180,607	9,823,649	-	-
Bills and acceptances payable		233,880	282,547	-	-
Derivative financial instruments	B10	1,533,132	1,833,231	-	-
Clients' and brokers' balances		184,238	233,891	-	-
Other liabilities	A17	11,369,269	8,911,178	12,800	15,122
Lease liabilities		163,053	181,312	1,666	2,408
Recourse obligations on loans/financing sold to Cagamas Berhad		2,379,517	3,277,003	-	-
Provision for taxation		328,129	202,818	-	252
Deferred tax liabilities		753,763	361,224	-	-
Borrowings	B7	834,767	751,862	29,918	201,991
Subordinated obligations	B8	1,919,901	2,205,168	-	-
Multi-currency Additional Tier 1 capital securities	B9	1,724,958	1,718,671	-	-
Insurance/reinsurance contract liabilities		26,252,738	25,633,476	-	-
<b>Total Liabilities</b>		<b>293,920,491</b>	<b>291,836,664</b>	<b>44,384</b>	<b>219,773</b>
<b>Equity</b>					
Share capital		2,267,008	2,267,008	2,267,008	2,267,008
Reserves		29,457,232	28,053,839	15,704,917	15,259,038
Treasury shares for ESS		(230,177)	(230,177)	(171,794)	(171,794)
<b>Total Shareholders' Equity</b>		<b>31,494,063</b>	<b>30,090,670</b>	<b>17,800,131</b>	<b>17,354,252</b>
Non-controlling interests		14,769,503	14,278,129	-	-
<b>Total Equity</b>		<b>46,263,566</b>	<b>44,368,799</b>	<b>17,800,131</b>	<b>17,354,252</b>
<b>Total Equity and Liabilities</b>		<b>340,184,057</b>	<b>336,205,463</b>	<b>17,844,515</b>	<b>17,574,025</b>
<b>Commitments and Contingencies</b>	A30	<b>379,487,495</b>	<b>323,287,166</b>	<b>-</b>	<b>-</b>
Net assets per share (net of treasury shares) attributable to ordinary equity holders of the parent (RM)		<b>27.77</b>	<b>26.53</b>	<b>15.64</b>	<b>15.25</b>

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

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

The Group	Note	3rd Quarter Ended		Nine Months Ended	
		31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
Interest income	A18	2,189,593	2,225,921	6,707,485	6,600,991
Interest income for financial assets at fair value through profit or loss	A19	45,520	50,320	126,210	134,370
Interest expense	A20	(1,243,906)	(1,284,611)	(3,790,625)	(3,820,027)
Net interest income		991,207	991,630	3,043,070	2,915,334
Income from Islamic banking business	A21	271,953	254,450	857,207	726,034
		1,263,160	1,246,080	3,900,277	3,641,368
Non-interest income	A22	440,755	518,418	1,553,280	1,396,787
Net income		1,703,915	1,764,498	5,453,557	5,038,155
Overhead expenses	A23	(665,027)	(652,001)	(2,045,937)	(1,900,117)
Operating profit before allowances		1,038,888	1,112,497	3,407,620	3,138,038
Write-back of impairment losses on loans, advances and financing and other losses	A24	398,499	26,391	386,311	83,211
Write-back of/(allowance for) impairment losses on other assets	A25	88	(724)	588	(1,170)
Operating profit after allowances		1,437,475	1,138,164	3,794,519	3,220,079
Associated companies					
- Share of results		344,211	412,751	1,152,348	1,260,338
- Dilution loss	A4	(407,602)	-	(407,602)	-
Profit before taxation		1,374,084	1,550,915	4,539,265	4,480,417
Taxation	B5	(309,062)	(327,363)	(941,094)	(896,350)
Net profit for the financial period		1,065,022	1,223,552	3,598,171	3,584,067
<b>Net profit for the financial period attributable to:</b>					
Owners of the parent		714,117	818,065	2,401,246	2,391,576
Non-controlling interests		350,905	405,487	1,196,925	1,192,491
		1,065,022	1,223,552	3,598,171	3,584,067
<b>Earnings per share attributable to equity holders of the Company - basic/diluted (sen)</b>	B13	63.0	72.1	211.7	210.9

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

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

	3rd Quarter Ended		Nine Months Ended	
	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
<b>The Group</b>				
<b>Net profit for the financial period</b>	<b>1,065,022</b>	<b>1,223,552</b>	<b>3,598,171</b>	<b>3,584,067</b>
Other comprehensive income:				
(i) Items that may be reclassified subsequently to profit or loss:				
(a) Share of other comprehensive (losses)/income of associated companies	-	-	(36,042)	32,860
(b) Debt instruments at fair value through other comprehensive income				
- Net fair value changes	97,461	50,205	258,695	324,600
- Changes in expected credit losses	586	987	(313)	1,148
(c) Currency translation differences	(14,832)	127,121	(720,383)	106,680
(d) Income tax relating to other comprehensive income	(19,548)	(12,810)	(51,595)	(70,537)
Other comprehensive income/(expense) for the financial period, net of tax	63,667	165,503	(549,638)	394,751
<b>Total comprehensive income for the financial period</b>	<b>1,128,689</b>	<b>1,389,055</b>	<b>3,048,533</b>	<b>3,978,818</b>
<b>Total comprehensive income for the financial period attributable to:</b>				
Owners of the parent	756,067	928,277	2,036,699	2,654,942
Non-controlling interests	372,622	460,778	1,011,834	1,323,876
	<b>1,128,689</b>	<b>1,389,055</b>	<b>3,048,533</b>	<b>3,978,818</b>

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

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

		3rd Quarter Ended		Nine Months Ended	
		31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
<b>The Company</b>	<b>Note</b>				
Interest income	A18	1,448	19,229	3,401	54,837
Interest expense	A20	(30)	(18,906)	(945)	(56,295)
Net interest income/(expense)		1,418	323	2,456	(1,458)
Non-interest income	A22	383,015	339,865	1,108,504	973,178
Net income		384,433	340,188	1,110,960	971,720
Overhead expenses	A23	(9,503)	(8,184)	(26,742)	(24,331)
Write-back of impairment losses on other assets	A25	-	726	-	2,147
Profit before taxation		374,930	332,730	1,084,218	949,536
Taxation	B5	(428)	(235)	(863)	(375)
<b>Net profit/total comprehensive income for the financial period</b>		<b>374,502</b>	<b>332,495</b>	<b>1,083,355</b>	<b>949,161</b>
<b>Earnings per share attributable to equity holders of the Company - basic/diluted (sen)</b>	B13	<b>32.9</b>	<b>29.2</b>	<b>95.2</b>	<b>83.4</b>

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

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

	Attributable to owner of the parent										
<b>The Group</b>	<b>Share capital RM'000</b>	<b>Regulatory* reserve RM'000</b>	<b>Fair value reserve RM'000</b>	<b>Other reserves RM'000</b>	<b>Share options reserve RM'000</b>	<b>Exchange fluctuation reserve RM'000</b>	<b>Retained profits RM'000</b>	<b>Treasury shares for ESS RM'000</b>	<b>Total shareholders' equity RM'000</b>	<b>Non- controlling interests RM'000</b>	<b>Total equity RM'000</b>
At 1 July 2024	2,267,008	1,276,817	(53,913)	213,825	28,572	974,855	25,613,683	(230,177)	30,090,670	14,278,129	44,368,799
<b>Comprehensive income</b>											
Net profit for the financial period	-	-	-	-	-	-	2,401,246	-	2,401,246	1,196,925	3,598,171
Currency translation differences	-	-	-	-	-	(476,774)	-	-	(476,774)	(243,609)	(720,383)
Share of other comprehensive losses of associated companies	-	-	(23,600)	-	-	-	-	-	(23,600)	(12,442)	(36,042)
Financial investments measured at fair value through other comprehensive income											
- Debt instruments	-	-	136,037	-	-	-	-	-	136,037	71,063	207,100
- Net fair value changes	-	-	(210)	-	-	-	-	-	(210)	(103)	(313)
- Changes in expected credit losses	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(expense)	-	-	112,227	-	-	(476,774)	2,401,246	-	2,036,699	1,011,834	3,048,533
<b>Transaction with owners</b>											
Transfer to regulatory reserve	-	533,288	-	-	-	-	(533,288)	-	-	-	-
Allocation of other reserves to non-controlling interests	-	-	-	-	-	-	(7,720)	-	(7,720)	7,720	-
Dividend paid	-	-	-	-	-	-	(637,476)	-	(637,476)	-	(637,476)
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	(529,637)	(529,637)
Non-controlling interests share of subsidiary's treasury shares	-	-	-	-	-	-	-	-	-	1,457	1,457
Options write back arising from executive share scheme ("ESS") granted/lapsed	-	-	-	-	11,056	-	2,291	-	13,347	-	13,347
Exercise of ESS	-	-	-	-	(3,972)	-	2,515	-	(1,457)	-	(1,457)
<b>At 31 March 2025</b>	<b>2,267,008</b>	<b>1,810,105</b>	<b>58,314</b>	<b>213,825</b>	<b>35,656</b>	<b>498,081</b>	<b>26,841,251</b>	<b>(230,177)</b>	<b>31,494,063</b>	<b>14,769,503</b>	<b>46,263,566</b>

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

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

	Attributable to owner of the parent										
<b>The Group</b>	<b>Share capital RM'000</b>	<b>Regulatory* reserve RM'000</b>	<b>Fair value reserve RM'000</b>	<b>Other reserves RM'000</b>	<b>Share options reserve RM'000</b>	<b>Exchange fluctuation reserve RM'000</b>	<b>Retained profits RM'000</b>	<b>Treasury shares for ESS RM'000</b>	<b>Total shareholders' equity RM'000</b>	<b>Non- controlling interests RM'000</b>	<b>Total equity RM'000</b>
At 1 July 2023	2,267,008	1,016,490	(318,005)	213,314	35,502	967,332	22,843,179	(233,108)	26,791,712	12,837,922	39,629,634
Effects of adopting MFRS 17	-	-	-	-	-	-	359,737	-	359,737	152,902	512,639
Restated	2,267,008	1,016,490	(318,005)	213,314	35,502	967,332	23,202,916	(233,108)	27,151,449	12,990,824	40,142,273
<b>Comprehensive income</b>											
Net profit for the financial period	-	-	-	-	-	-	2,391,576	-	2,391,576	1,192,491	3,584,067
Currency translation differences	-	-	-	-	-	71,006	-	-	71,006	35,674	106,680
Share of other comprehensive profit of associated companies	-	-	24,867	-	-	-	-	-	24,867	7,993	32,860
Financial investments measured at fair value through other comprehensive income											
- Debt instruments											
- Net fair value changes	-	-	166,734	-	-	-	-	-	166,734	87,329	254,063
- Changes in expected credit losses	-	-	759	-	-	-	-	-	759	389	1,148
Total comprehensive income	-	-	192,360	-	-	71,006	2,391,576	-	2,654,942	1,323,876	3,978,818
<b>Transaction with owners</b>											
Transfer to regulatory reserve	-	186,279	-	-	-	-	(186,279)	-	-	-	-
Allocation of other reserves to non-controlling interests	-	-	-	-	-	-	(5,872)	-	(5,872)	5,872	-
Dividend paid	-	-	-	-	-	-	(569,125)	-	(569,125)	-	(569,125)
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	(466,361)	(466,361)
Non-controlling interests share of subsidiary's treasury shares	-	-	-	-	-	-	-	-	-	6,093	6,093
Options write back arising from executive share scheme	-	-	-	-	574	-	-	-	574	-	574
Options write back arising from ESS lapsed	-	-	-	-	2,121	-	-	-	2,121	-	2,121
Exercise of ESS	-	-	-	-	(18,617)	-	9,593	2,931	(6,093)	-	(6,093)
At 31 March 2024	2,267,008	1,202,769	(125,645)	213,314	19,580	1,038,338	24,842,809	(230,177)	29,227,996	13,860,304	43,088,300

\* Comprise regulatory reserves maintained by the Group's banking subsidiary companies in Malaysia of RM1,791,008,000 (31 March 2024: RM1,188,673,000) in accordance with BNM's Policy Document on Classification and Impairment Provisions for Loans/Financing and the banking subsidiary company in Vietnam with the State Bank of Vietnam of RM19,097,000 (31 March 2024: RM14,096,000).

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

	← Non-distributable →				Distributable	
<u>The Company</u>	Share capital RM'000	Other capital reserve RM'000	Share options reserve RM'000	Treasury shares for ESS RM'000	Retained profits RM'000	Total equity RM'000
At 1 July 2024	2,267,008	254,991	-	(171,794)	15,004,047	17,354,252
Net profit for the financial period	-	-	-	-	1,083,355	1,083,355
Dividends paid	-	-	-	-	(637,476)	(637,476)
<b>At 31 March 2025</b>	<b>2,267,008</b>	<b>254,991</b>	<b>-</b>	<b>(171,794)</b>	<b>15,449,926</b>	<b>17,800,131</b>
At 1 July 2023	2,267,008	254,991	2,296	(174,725)	14,627,185	16,976,755
Net profit for the financial period	-	-	-	-	949,161	949,161
Dividends paid	-	-	-	-	(569,125)	(569,125)
Options write back arising from executive share scheme	-	-	574	-	-	574
Exercise of executive share scheme	-	-	(2,870)	2,931	(61)	-
At 31 March 2024	2,267,008	254,991	-	(171,794)	15,007,160	17,357,365

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

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

	<b>The Group</b>		<b>The Company</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>				
Profit before taxation	4,539,265	4,480,417	1,084,218	949,536
Adjustment for non-cash items	(1,577,755)	(2,926,496)	(1,099,994)	(961,713)
Operating profit/(loss) before working capital changes	2,961,510	1,553,921	(15,776)	(12,177)
Income tax paid	(685,920)	(582,459)	(1,566)	-
Interest received	3,401	5,711	3,401	5,711
Changes in working capital:				
Net changes in operating assets	(9,958,836)	(6,972,910)	(156,262)	(433,931)
Net changes in operating liabilities	2,339,869	8,449,458	(2,336)	(3,579)
Net cash (used in)/generated from operating activities	(5,339,976)	2,453,721	(172,539)	(443,976)
<b>Cash flows from investing activities</b>				
Net proceeds/(purchases) of financial investments at FVOCI	10,322,618	(6,068,216)	-	-
Net proceeds/(purchases) of financial investments at amortised cost	4,283,707	(1,342,190)	-	-
Interest received on financial investments at FVOCI	1,003,710	1,030,008	-	-
Interest received on financial investments at amortised cost	514,305	579,243	-	-
Purchase of intangible assets	(12,922)	(14,923)	(3)	(8)
Purchase of property and equipment	(60,772)	(71,207)	(20)	(381)
Net proceeds from disposal of property and equipment	18,894	2,251	-	-
Dividends received from other investments	70,619	59,890	9,145	1,805
Dividends received from subsidiary companies	-	-	1,089,735	961,334
Dividends received from associated companies	359,785	330,808	-	-
Proceeds from divestment of associate	84,071	-	-	-
Proceeds from redemption of Multi-currency AT1 capital securities	-	-	-	400,000
Interest received from investment in debt instrument issued by subsidiary company	-	-	-	-
- Interest on Multi-currency AT1 capital securities	-	-	-	18,932
- Interest on subordinated obligations	-	-	-	23,329
Net cash generated from/(used in) investing activities	16,584,015	(5,494,336)	1,098,857	1,405,011
<b>Cash flows from financing activities</b>				
Dividends paid to equity holders of the Company	(637,476)	(569,125)	(637,476)	(569,125)
Dividends paid to non-controlling interests	(529,637)	(466,361)	-	-
Interest paid on Multi-currency AT1 capital securities	(46,849)	(59,424)	-	(19,333)
Interest paid on subordinated obligations	(50,232)	(52,082)	-	(23,715)
Interest paid on borrowings	(20,627)	(6,009)	(2,924)	(7,130)
Interest paid on recourse obligations on loans sold to Cagamas Berhad	(86,921)	(88,194)	-	-
Repayment of Multi-currency AT1 capital securities	-	(400,000)	-	(400,000)
Repayment of subordinated obligations	(300,000)	-	-	-
Repayment of borrowings	(684,000)	-	(200,000)	-
Repayment of recourse obligations on loans sold to Cagamas Berhad	(1,400,000)	(901)	-	-
Repayment of lease liabilities	(23,735)	(15,417)	(821)	(821)
Proceeds from Multi-currency AT1 capital securities	-	400,000	-	-
Proceeds from borrowings	764,000	405,000	30,000	-
Proceeds from recourse obligations on loans sold to Cagamas Berhad	500,000	300,000	-	-
Net cash used in financing activities	(2,515,477)	(552,513)	(811,221)	(1,020,124)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>8,728,562</b>	<b>(3,593,128)</b>	<b>115,097</b>	<b>(59,089)</b>
<b>Effects of exchange rate changes</b>	<b>(714,708)</b>	<b>106,680</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>8,599,141</b>	<b>10,116,501</b>	<b>135,053</b>	<b>65,306</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>16,612,995</b>	<b>6,630,053</b>	<b>250,150</b>	<b>6,217</b>
<b>Analysis of cash and cash equivalents</b>				
Cash and short-term funds	14,949,646	7,170,534	34,834	6,157
Deposits and placements with banks and other financial institutions	2,023,838	1,767,333	215,476	133,360
	16,973,484	8,937,867	250,310	139,517
Less: deposits and placements with banks and other financial institutions with original maturity of more than three months	(360,489)	(2,307,814)	(160)	(133,300)
	16,612,995	6,630,053	250,150	6,217

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

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

**A1 Basis of preparation**

The unaudited condensed financial statements have been prepared under the historical cost convention, except for the following assets and liabilities which are stated at fair values: financial assets at fair value through profit or loss, financial investments at fair value through other comprehensive income and derivative financial instruments.

The unaudited condensed financial statements have been prepared in accordance with MFRS 134 'Interim Financial Reporting' issued by the Malaysian Accounting Standard Board and paragraph 9.22 of Bursa Malaysia Securities Berhad's Listing Requirements and should be read in conjunction with the audited annual financial statements for the Group and the Company for the financial year ended 30 June 2024. The explanatory notes attached to the unaudited condensed financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Company since the financial year ended 30 June 2024.

The unaudited condensed financial statements incorporate the activities relating to the Islamic banking and Takaful businesses which have been undertaken by its subsidiaries, Hong Leong Islamic Bank Berhad and Hong Leong MSIG Takaful Berhad in compliance with Shariah principles.

The significant accounting policies and methods of computation applied in the unaudited condensed financial statements are consistent with those adopted in the audited annual financial statements for the financial year ended 30 June 2024 and modified for the adoption of the following accounting standards applicable for financial year beginning on or after 1 July 2024:

- Amendments to MFRS 101 "Presentation of Financial Statements"
- Amendments to MFRS 16 "Lease Liability in a Sale and Leaseback"
- Supplier Finance Arrangements - Amendments to MFRS 107 "Statement of Cash Flows" and MFRS 7 "Financial Instruments: Disclosures"

The adoption of the above accounting standards, amendments to published standards and interpretation to existing standards are not expected to give rise to any material financial impact to the Group and the Company.

The preparation of unaudited condensed financial statements in conformity with the MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited condensed financial statements, and the reported amounts of income and expenses during the reported financial period. It also requires the Directors to exercise their judgement in the process of applying the Group and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates.

**A2 Status of matters giving rise to the auditor's qualified report in the preceding annual financial statement for the financial year ended 30 June 2024**

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

**A3 Seasonality or cyclicity of operations**

The business operations of the Group and the Company have not been materially affected by any seasonal and cyclical factors during the financial period.

**A4 Exceptional items or unusual events affecting financial statements**

There were no exceptional items or unusual events that materially affected the financial statements during the financial period, except for the following:

- a) During the financial period, our associate company, Bank of Chengdu Co.,Ltd's ("BOCD") had completed the conversion of its convertible bonds into new ordinary shares, following an early redemption process concluded in February 2025. This had resulted in an increase in BOCD's total issued share capital.

Consequently, the Group's equity interest in BOCD was diluted from 19.8% to 17.8%.

Pursuant to the equity accounting method applied by the Group for its investment in associates, the dilution of the Group's interest in BOCD resulted in the recognition of a non-cash loss. A dilution loss amounting to RM393 million has been recognised in the Group's statements of income for the period.

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

**A4 Exceptional items or unusual events affecting financial statements (continued)**

There were no exceptional items or unusual events that materially affected the financial statements during the financial period, except for the following: (continued)

- b) During the financial period, the Group had completed the sale of a 10% equity interest in its associate, Sichuan Jincheng Consumer Finance Limited Company ("JCCFC"), reducing our holding from 12% to 2%.

Post completion of the divestment exercise, the Group had ceased to apply the equity method of accounting for JCCFC and the remaining 2% stake was derecognised from the investment in associates and reclassified as financial investments at fair value through other comprehensive income.

The Group had recognised a dilution loss of RM15 million in the statements of income. This loss represents the difference between the carrying amount of the investment in associate at the date the equity method was discontinued, and the sum of the net proceeds received from the disposal of the 10% interest and the fair value of the retained 2% interest.

**A5 Variation from financial estimates reported in preceding financial year**

There were no material changes in estimates of amounts reported in the prior financial year that have a material effect during the financial period.

**A6 Issuance and repayment of debt and equity securities**

There was no issuance or repayment of debt or equity share, share buy-back, share cancellation, shares held as treasury shares nor resale of treasury shares during the financial year period other than those disclosed in Note B7, B8 and B9.

**A7 Dividend paid**

On 29 August 2024, the Board of Directors has declared a single-tier final dividend of 36.0 sen per share in respect of the financial year ended 30 June 2024. The dividend amounted to approximately RM409,806,000 was paid on 21 November 2024.

On 26 February 2025, the Board of Directors has declared a single-tier interim dividend of 20.0 sen per share in respect of the financial year ended 30 June 2025. The dividend amounted to approximately RM227,670,000 was paid on 27 March 2025.

**A8 Segmental reporting**

Operating segments are reported based on the Group's internal reporting provided to the Chief Operating Decision-Maker ("CODM"). The CODM is the person or a group that allocates resources to and assesses the performance of the operating segments of an entity.

Inter-segment pricing is based on the internal computed cost of funds.

Segment results, assets and liabilities include items directly attributable to the segment as well as those that can be allocated on a reasonable basis.

No analysis by geographical segments is presented as the Group's operations are substantially carried out in Malaysia.

**Business segments**

The Group comprises the following main business segments:

Commercial banking	Commercial banking business
Investment banking and asset management	Investment banking, futures and stockbroking, fund and unit trust management
Insurance	Life and general insurance and family takaful business
Other operations	Investment holding and provision of management services

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

**A8 Segmental reporting (continued)**

<b>The Group</b>	<b>Commercial banking RM'000</b>	<b>Investment banking RM'000</b>	<b>Insurance RM'000</b>	<b>Other operations RM'000</b>	<b>Inter- Segment Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>3rd Quarter ended 31 March 2025</b>						
<b>Revenue</b>						
External revenue	1,539,435	46,202	101,365	16,913	-	1,703,915
Inter-segment revenue	8,533	430	5,526	367,520	(382,009)	-
Segment revenue	<u>1,547,968</u>	<u>46,632</u>	<u>106,891</u>	<u>384,433</u>	<u>(382,009)</u>	<u>1,703,915</u>
<b>Results</b>						
Segment results	1,345,637	15,335	73,278	374,930	(371,705)	1,437,475
Associated companies						
- Share of results	324,150	-	20,061	-	-	344,211
- Dilution loss	(407,602)	-	-	-	-	(407,602)
Profit before taxation	<u>1,262,185</u>	<u>15,335</u>	<u>93,339</u>	<u>374,930</u>	<u>(371,705)</u>	<u>1,374,084</u>
Taxation						<u>(309,062)</u>
Net profit for the financial period						<u><u>1,065,022</u></u>
Net profit for the financial period attributable to:						
Owners of the parent						714,117
Non-controlling interests						<u>350,905</u>
						<u><u>1,065,022</u></u>
<b>Nine months ended 31 March 2025</b>						
<b>Revenue</b>						
External revenue	4,740,358	154,601	517,444	41,154	-	5,453,557
Inter-segment revenue	37,533	404	28,353	1,069,809	(1,136,099)	-
Segment revenue	<u>4,777,891</u>	<u>155,005</u>	<u>545,797</u>	<u>1,110,963</u>	<u>(1,136,099)</u>	<u>5,453,557</u>
<b>Results</b>						
Segment results	3,310,854	56,519	435,850	1,084,222	(1,092,926)	3,794,519
Associated companies						
- Share of results	1,098,913	-	53,435	-	-	1,152,348
- Dilution loss	(407,602)	-	-	-	-	(407,602)
Profit before taxation	<u>4,002,165</u>	<u>56,519</u>	<u>489,285</u>	<u>1,084,222</u>	<u>(1,092,926)</u>	<u>4,539,265</u>
Taxation						<u>(941,094)</u>
Net profit for the financial period						<u><u>3,598,171</u></u>
Net profit for the financial period attributable to:						
Owners of the parent						2,401,246
Non-controlling interests						<u>1,196,925</u>
						<u><u>3,598,171</u></u>
<b>Other information</b>						
Segment assets	300,904,859	4,974,918	33,187,945	17,844,527	(16,728,192)	<u>340,184,057</u>
Segment liabilities	262,411,462	3,954,791	27,660,775	46,026	(152,563)	<u>293,920,491</u>

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

**A8 Segmental reporting (continued)**

The Group	Commercial banking RM'000	Investment banking RM'000	Insurance RM'000	Other operations RM'000	Inter- Segment Eliminations RM'000	Consolidated RM'000
<b>3rd Quarter ended 31 March 2024</b>						
<b>Revenue</b>						
External revenue	1,428,446	63,532	241,684	30,836	-	1,764,498
Inter-segment revenue	7,134	(233)	36,361	335,063	(378,325)	-
Segment revenue	<u>1,435,580</u>	<u>63,299</u>	<u>278,045</u>	<u>365,899</u>	<u>(378,325)</u>	<u>1,764,498</u>
<b>Results</b>						
Segment results	884,193	27,086	231,223	332,730	(337,068)	1,138,164
Share of results of associated companies	384,175	-	28,576	-	-	412,751
Profit before taxation	<u>1,268,368</u>	<u>27,086</u>	<u>259,799</u>	<u>332,730</u>	<u>(337,068)</u>	<u>1,550,915</u>
Taxation						(327,363)
Net profit for the financial period						<u><u>1,223,552</u></u>
Net profit for the financial period attributable to:						
Owners of the parent						818,065
Non-controlling interests						405,487
						<u><u>1,223,552</u></u>
The Group	Commercial banking RM'000	Investment banking RM'000	Insurance RM'000	Other operations RM'000	Inter- Segment Eliminations RM'000	Consolidated RM'000
<b>Nine months ended 31 March 2024</b>						
<b>Revenue</b>						
External revenue	4,277,923	176,573	568,641	15,018	-	5,038,155
Inter-segment revenue	16,486	667	36,830	956,702	(1,010,685)	-
Segment revenue	<u>4,294,409</u>	<u>177,240</u>	<u>605,471</u>	<u>971,720</u>	<u>(1,010,685)</u>	<u>5,038,155</u>
<b>Results</b>						
Segment results	2,665,645	73,945	491,810	949,531	(960,852)	3,220,079
Share of results of associated companies	1,186,815	-	73,523	-	-	1,260,338
Profit before taxation	<u>3,852,460</u>	<u>73,945</u>	<u>565,333</u>	<u>949,531</u>	<u>(960,852)</u>	<u>4,480,417</u>
Taxation						(896,350)
Net profit for the financial period						<u><u>3,584,067</u></u>
Net profit for the financial period attributable to:						
Owners of the parent						2,391,576
Non-controlling interests						1,192,491
						<u><u>3,584,067</u></u>
<b>Other information</b>						
Segment assets	291,150,320	4,956,167	31,440,101	18,685,853	(18,790,785)	<u>327,441,656</u>
Segment liabilities	254,912,702	3,965,699	26,182,198	1,330,122	(2,037,365)	<u>284,353,356</u>

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

**A9 Financial assets at fair value through profit or loss ("FVTPL")**

	<b>The Group</b>	
	<b>31 March 2025 RM'000</b>	<b>30 June 2024 RM'000</b>
<b>Money market instruments</b>		
Government treasury bills	660,685	277,607
Malaysian Government securities	4,383,259	4,823,917
Malaysian Government investment certificates	2,427,595	1,076,181
Negotiable instruments of deposit	2,119,142	2,044,989
Cagamas bonds	25,689	-
Other Government guaranteed assets	6,898,510	6,803,639
	<b>16,514,880</b>	<b>15,026,333</b>
<b>Quoted securities</b>		
Government sukuk	78,853	-
Shares in Malaysia	7,861,053	6,828,887
Shares outside Malaysia	541,449	598,875
Wholesale fund/unit trust investments	705,674	973,602
Portfolio Investment Accounts [Note]	779	898
Foreign currency bonds in Malaysia	76,672	-
Foreign currency bonds outside Malaysia	143,934	18,623
Investment-linked funds	267	259
Warrants in Malaysia	196	602
	<b>9,408,877</b>	<b>8,421,746</b>
<b>Unquoted securities</b>		
Shares in Malaysia	429,906	429,906
Foreign currency bonds outside Malaysia	27,323	56,861
Government sukuk	6,696	-
Corporate bonds and sukuk	8,331,958	7,803,081
Perpetual bonds	89,070	86,143
	<b>8,884,953</b>	<b>8,375,991</b>
Total financial assets at FVTPL	<b>34,808,710</b>	<b>31,824,070</b>
	<b>The Company</b>	
	<b>31 March 2025 RM'000</b>	<b>30 June 2024 RM'000</b>
<b>Quoted securities</b>		
Unit trust investments	531,463	371,937

**Note :**

Included in financial assets at FVTPL are the underlying assets for the Portfolio Investment Accounts ("PIA"). PIA is the restricted investment account offered to investors based on the Shariah principle of Wakalah bi Al-Istithmar, an agency contract where the investor authorises Hong Leong Islamic Bank to manage the customers' investment on their behalf.

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

**A10 Financial investments at fair value through other comprehensive income ("FVOCI")**

	<b>The Group</b>	
	<b>31 March 2025 RM'000</b>	<b>30 June 2024 RM'000</b>
<b>At fair value</b>		
(a) Debt instruments	<b>33,018,598</b>	43,025,257
(b) Equity instruments	<b>134,970</b>	116,797
	<b>33,153,568</b>	<b>43,142,054</b>

	<b>The Group</b>	
	<b>31 March 2025 RM'000</b>	<b>30 June 2024 RM'000</b>
(a) Debt instruments		
<b>Money market instruments</b>		
Government treasury bills	<b>1,908,963</b>	2,246,646
Malaysian Government securities	<b>1,801,066</b>	6,146,837
Malaysian Government investment certificates	<b>9,546,728</b>	13,267,317
Negotiable instruments of deposit	<b>1,239,220</b>	675,809
Other Government securities	<b>119,645</b>	-
Khazanah bonds	<b>186,324</b>	279,463
Cagamas bonds	<b>2,764,208</b>	3,053,248
	<b>17,566,154</b>	<b>25,669,320</b>
<b>Quoted securities</b>		
Government sukuk	<b>795,050</b>	889,288
Foreign currency bonds in Malaysia	<b>1,866,632</b>	1,734,169
Foreign currency bonds outside Malaysia	<b>2,088,777</b>	2,929,890
	<b>4,750,459</b>	<b>5,553,347</b>
<b>Unquoted securities</b>		
Corporate bonds and sukuk	<b>8,697,258</b>	8,826,152
Foreign currency bonds outside Malaysia	<b>2,004,727</b>	2,976,438
	<b>10,701,985</b>	<b>11,802,590</b>
	<b>33,018,598</b>	<b>43,025,257</b>

**Note :**

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

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
	<b>12 months ECL RM'000</b>	<b>Lifetime ECL not credit impaired RM'000</b>	<b>Lifetime ECL credit impaired RM'000</b>	<b>Total ECL RM'000</b>
<b>The Group</b>				
At 1 July 2024	3,275	-	18,442	21,717
New financial assets originated or purchased	1,328	-	-	1,328
Financial assets derecognised	(998)	-	-	(998)
Changes due to change in credit risk	(432)	-	-	(432)
Changes in models/risk parameters	(20)	-	-	(20)
Exchange differences	(192)	-	846	654
<b>At 31 March 2025</b>	<b>2,961</b>	<b>-</b>	<b>19,288</b>	<b>22,249</b>
At 1 July 2023	2,275	-	18,227	20,502
New financial assets originated or purchased	1,967	-	-	1,967
Financial assets derecognised	(1,218)	-	-	(1,218)
Changes due to change in credit risk	210	-	119	329
Exchange differences	41	-	96	137
<b>At 30 June 2024</b>	<b>3,275</b>	<b>-</b>	<b>18,442</b>	<b>21,717</b>

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

**A10 Financial investments at fair value through other comprehensive income ("FVOCI") (continued)**

	<b>The Group</b>	
	<b>31 March</b>	<b>30 June</b>
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
(b) Equity instruments		
<b>Unquoted securities</b>		
Shares in Malaysia	116,797	116,797
Shares outside in Malaysia	18,173	-
	<b>134,970</b>	<b>116,797</b>

**A11 Financial investments at amortised cost**

	<b>The Group</b>	
	<b>31 March</b>	<b>30 June</b>
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Money market instruments</b>		
Government treasury bills	-	60,785
Malaysian Government securities	5,263,204	6,096,307
Malaysian Government investment certificates	21,068,240	23,884,113
Cagamas bonds	1,307,500	1,517,030
Other Government securities	272,061	362,242
	<b>27,911,005</b>	<b>31,920,477</b>
<b>Unquoted securities</b>		
Corporate bonds and sukuk	262,742	536,977
Less: Expected credit losses	(6)	(14)
Total financial investments at amortised cost	<b>28,173,741</b>	<b>32,457,440</b>

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

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
	<b>12 months</b>	<b>Lifetime ECL</b>	<b>Lifetime ECL</b>	<b>Total ECL</b>
	<b>ECL</b>	<b>not credit</b>	<b>credit</b>	
	<b>RM'000</b>	<b>impaired</b>	<b>impaired</b>	<b>RM'000</b>
<b>The Group</b>				
At 1 July 2024	14	-	-	14
Changes due to change in credit risk	(6)	-	-	(6)
Changes in models/risk parameters	(2)	-	-	(2)
<b>At 31 March 2025</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>6</b>
At 1 July 2023	18	-	-	18
Changes due to change in credit risk	(1)	-	-	(1)
Exchange differences	(3)	-	-	(3)
At 30 June 2024	14	-	-	14

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

**A12 Loans, advances and financing**

	<b>The Group</b>	
	<b>31 March 2025 RM'000</b>	<b>30 June 2024 RM'000</b>
Overdrafts	3,577,976	3,858,994
Term loans/financing:		
- Housing and shop loans/financing	107,632,154	103,049,863
- Hire purchase receivables	23,837,097	22,250,979
- Ijarah receivables	234,900	249,051
- Other term loans/financing and syndicated term loans	37,770,084	37,397,465
Credit/charge card receivables	3,390,603	3,489,171
Bills receivable	3,100,141	2,947,444
Trust receipts	260,723	384,096
Claims on customers under acceptance credits	9,558,213	9,407,373
Revolving credits	11,797,718	11,802,126
Share margin financing	272,548	279,689
Staff loans/financing	116,861	120,339
Gross loans, advances and financing	<b>201,549,018</b>	<b>195,236,590</b>
Fair value changes arising from fair value hedges and unamortised fair value changes arising from terminated fair value hedges	(4,143)	(9,212)
Allowance for impairment losses:		
- Expected credit losses	(1,088,906)	(1,613,998)
Total net loans, advances and financing	<b>200,455,969</b>	<b>193,613,380</b>

Included in loans, advances and financing are housing loans sold to Cagamas Berhad with recourse to the Group amounting to RM2,233,239,000 (30 June 2024: RM3,136,775,000).

(a) By type of customers

	<b>The Group</b>	
	<b>31 March 2025 RM'000</b>	<b>30 June 2024 RM'000</b>
Domestic non-bank financial institutions	2,007,375	1,892,054
Domestic business enterprises:		
- Small and medium enterprises	38,281,569	37,590,482
- Others	27,441,929	28,652,314
Government and statutory bodies	587	816
Individuals	128,911,783	122,844,567
Other domestic entities	118,029	32,223
Foreign entities	4,787,746	4,224,134
Gross loans, advances and financing	<b>201,549,018</b>	<b>195,236,590</b>

(b) By interest/profit rate sensitivity

	<b>The Group</b>	
	<b>31 March 2025 RM'000</b>	<b>30 June 2024 RM'000</b>
Fixed rate		
- Housing and shop loans/financing	5,085,942	5,422,729
- Hire purchase receivables	23,694,737	22,213,647
- Other fixed rate loans/financing	8,292,637	8,427,763
Variable rate		
- Standardised base rate/base rate/base lending rate plus	136,253,952	131,252,699
- Cost plus	28,154,944	27,872,764
- Other variable rates	66,806	46,988
Gross loans, advances and financing	<b>201,549,018</b>	<b>195,236,590</b>

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

**A12 Loans, advances and financing (continued)**

(c) By economic purposes

	<b>The Group</b>	
	<b>31 March</b>	<b>30 June</b>
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Purchase of securities	1,309,217	1,414,423
Purchase of transport vehicles	23,515,286	21,938,558
Purchase of landed properties		
- Residential	99,090,550	94,770,048
- Non-residential	25,177,535	23,825,854
Purchase of fixed assets (excluding landed properties)	1,706,445	1,719,202
Personal use	4,544,087	4,110,940
Credit card	3,390,603	3,489,171
Construction	6,688,741	5,836,501
Working capital	34,839,980	36,876,709
Other purposes	1,286,574	1,255,184
Gross loans, advances and financing	<b>201,549,018</b>	<b>195,236,590</b>

(d) By geographical distribution

	<b>The Group</b>	
	<b>31 March</b>	<b>30 June</b>
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Malaysia	186,983,591	181,226,397
Outside Malaysia		
- Singapore	10,340,128	9,619,561
- Hong Kong	33,197	42,735
- Vietnam	2,236,022	2,127,381
- Cambodia	1,956,080	2,220,516
Gross loans, advances and financing	<b>201,549,018</b>	<b>195,236,590</b>

(e) By residual contractual maturity

	<b>The Group</b>	
	<b>31 March</b>	<b>30 June</b>
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Within one year	35,432,521	36,648,484
One year to less than three years	6,101,592	6,441,038
Three years to less than five years	12,359,027	11,506,456
Five years and more	147,655,878	140,640,612
Gross loans, advances and financing	<b>201,549,018</b>	<b>195,236,590</b>

(f) Movements in impaired loans, advances and financing are as follows:

	<b>The Group</b>	
	<b>31 March</b>	<b>30 June</b>
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning of financial year	1,041,199	1,042,010
Classified as impaired during the financial period/year	1,507,697	1,641,900
Reclassified as non-impaired during the financial period/year	(792,390)	(1,065,120)
Amount written back in respect of recoveries	(311,829)	(291,862)
Amount written off	(293,827)	(286,172)
Exchange differences	(4,719)	443
At end of financial period/year	<b>1,146,131</b>	<b>1,041,199</b>
Gross impaired loans, advances and financing as a % of gross loans, advances and financing	<b>0.57%</b>	<b>0.53%</b>

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

**A12 Loans, advances and financing (continued)**

(g) Impaired loans, advances and financing by economic purposes

	<b>The Group</b>	
	<b>31 March 2025 RM'000</b>	<b>30 June 2024 RM'000</b>
Purchase of securities	-	62
Purchase of transport vehicles	96,826	76,078
Purchase of landed properties		
- Residential	421,661	388,241
- Non-residential	120,128	126,314
Purchase of fixed assets (excluding landed properties)	4,545	7,123
Personal use	34,039	28,490
Credit card	25,338	26,655
Construction	76,766	25,225
Working capital	351,471	294,711
Other purposes	15,357	68,300
Gross impaired loans, advances and financing	<b>1,146,131</b>	<b>1,041,199</b>

(h) Impaired loans, advances and financing by geographical distribution

	<b>The Group</b>	
	<b>31 March 2025 RM'000</b>	<b>30 June 2024 RM'000</b>
Malaysia	1,030,508	963,209
Outside Malaysia		
- Singapore	20,432	459
- Vietnam	966	940
- Cambodia	94,225	76,591
Gross impaired loans, advances and financing	<b>1,146,131</b>	<b>1,041,199</b>

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

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
	<b>12 months</b>	<b>Lifetime ECL</b>	<b>Lifetime ECL</b>	
	<b>ECL</b>	<b>not credit</b>	<b>credit</b>	
	<b>RM'000</b>	<b>impaired</b>	<b>impaired</b>	<b>Total ECL</b>
<b>The Group</b>		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 July 2024	903,087	341,900	369,011	1,613,998
Changes in ECL due to transfer within stages	(40,841)	(119,246)	160,087	-
- Transfer to Stage 1	8,523	(8,464)	(59)	-
- Transfer to Stage 2	(49,118)	94,563	(45,445)	-
- Transfer to Stage 3	(246)	(205,345)	205,591	-
New financial assets originated	35,464	945	57	36,466
Financial assets derecognised	(14,055)	(36,472)	(16,400)	(66,927)
Changes due to change in credit risk	(431,339)	137,483	110,976	(182,880)
Modifications to contractual cash flow of financial assets	12	87	-	99
Amount written off	-	-	(294,274)	(294,274)
Exchange differences	92	(1,815)	(717)	(2,440)
Other movements	-	-	(15,136)	(15,136)
<b>At 31 March 2025</b>	<b>452,420</b>	<b>322,882</b>	<b>313,604</b>	<b>1,088,906</b>

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

**A12 Loans, advances and financing (continued)**

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

The Group	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
At 1 July 2023	966,580	381,777	411,145	1,759,502
Changes in ECL due to transfer within stages	(55,352)	(132,821)	188,173	-
- Transfer to Stage 1	14,521	(14,498)	(23)	-
- Transfer to Stage 2	(69,098)	143,144	(74,046)	-
- Transfer to Stage 3	(775)	(261,467)	262,242	-
New financial assets originated	51,472	700	118	52,290
Financial assets derecognised	(15,239)	(45,043)	(19,011)	(79,293)
Changes due to change in credit risk	(9,094)	169,142	88,160	248,208
Modifications to contractual cash flow of financial assets	26	2,039	5	2,070
Changes in models/risk parameters	(35,058)	(33,942)	-	(69,000)
Amount written off	-	-	(286,664)	(286,664)
Exchange differences	(248)	48	18	(182)
Other movements	-	-	(12,933)	(12,933)
At 30 June 2024	903,087	341,900	369,011	1,613,998

**A13 Other assets**

	The Group		The Company	
	31 March 2025 RM'000	30 June 2024 RM'000	31 March 2025 RM'000	30 June 2024 RM'000
Foreclosed properties	46	46	-	-
Sundry debtors and other prepayments	303,258	786,520	2,864	2,637
Settlement accounts	2,619,345	1,946,768	-	-
Treasury related receivables	217,129	815,332	-	-
Cash collateral pledged for derivative transactions	427,118	848,291	-	-
Fee income receivables net of expected credit losses	4,112	4,091	-	-
Other receivables	196,358	351,428	-	-
	3,767,366	4,752,476	2,864	2,637

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

**A14 Deposits from customers**

(a) By type of deposits

	<b>The Group</b>	
	<b>31 March</b>	<b>30 June</b>
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At amortised cost</b>		
Fixed deposits	121,354,020	115,789,535
Negotiable instruments of deposits	11,933,559	9,308,765
Short-term placements	14,620,840	17,761,634
	<b>147,908,419</b>	<b>142,859,934</b>
Demand deposits	44,011,454	47,403,113
Savings deposits	24,266,827	23,921,621
Others	356,907	340,249
	<b>216,543,607</b>	<b>214,524,917</b>
<b>At FVTPL</b>		
Structured deposits linked to interest rate derivatives	7,766,889	5,804,820
Fair value changes arising from designation at FVTPL [Note]	(198,444)	(254,411)
	<b>7,568,445</b>	<b>5,550,409</b>
	<b>224,112,052</b>	<b>220,075,326</b>

Note:

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

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

(b) By type of customers

	<b>The Group</b>	
	<b>31 March</b>	<b>30 June</b>
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Government and statutory bodies	5,320,018	3,699,286
Business enterprises	97,711,367	101,973,332
Individuals	118,176,210	111,929,041
Others	2,904,457	2,473,667
	<b>224,112,052</b>	<b>220,075,326</b>

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

	<b>The Group</b>	
	<b>31 March</b>	<b>30 June</b>
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Due within:		
- Six months	114,856,040	120,596,686
- Six months to one year	25,720,062	19,092,939
- One year to five years	6,356,575	2,264,001
- More than five years	975,742	906,308
	<b>147,908,419</b>	<b>142,859,934</b>

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

**A15 Investment accounts of customers**

	<b>The Group</b>	
	<b>31 March</b>	<b>30 June</b>
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Unrestricted investment accounts		
Mudarabah with maturity	<b>2,303,475</b>	2,165,636
Restricted investment accounts		
Wakalah bi Al-Istihmar	<b>779</b>	898
	<b>2,304,254</b>	<b>2,166,534</b>

The underlying assets for the investment accounts are house financing, personal financing, other term financing, cash and cash equivalent and unit trusts.

**A16 Deposits and placements of banks and other financial institutions**

	<b>The Group</b>	
	<b>31 March</b>	<b>30 June</b>
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Licensed banks	<b>8,901,627</b>	10,145,613
Licensed investment banks	<b>44,685</b>	47,481
Central banks [Note]	<b>1,569,145</b>	1,533,025
Other financial institutions	<b>2,130,776</b>	2,452,655
	<b>12,646,233</b>	<b>14,178,774</b>

Note:

Deposits and placements from central banks includes monies received by the Group under the various government financing scheme as part of the government support measure in response to COVID-19 pandemic for the purpose of SME lending amounting to RM1,569,145,000 (30 June 2024: RM1,533,025,000) at concession rates.

**A17 Other liabilities**

	<b>The Group</b>		<b>The Company</b>	
	<b>31 March</b>	<b>30 June</b>	<b>31 March</b>	<b>30 June</b>
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Amount due to subsidiary companies	-	-	<b>101</b>	10
Post employment benefits obligation				
- Defined contribution plan	<b>1,872</b>	1,908	<b>25</b>	41
Loan advance payment	<b>3,399,233</b>	3,515,763	-	-
Treasury and cheque clearing	<b>1,514,986</b>	255,702	-	-
Cash collateral pledge for derivative transactions	<b>188,163</b>	316,352	-	-
Sundry creditors and accruals	<b>653,207</b>	627,358	<b>2,712</b>	2,573
Provision for reinstatement cost	<b>20,593</b>	22,128	<b>305</b>	293
Provision for bonus and staff related expenses	<b>187,320</b>	250,879	<b>9,657</b>	12,205
Expected credit losses on financial guarantee contracts (a)	<b>5,294</b>	8,089	-	-
Financial liabilities due to third party investors (b)	<b>1,486,870</b>	863,581	-	-
Settlement accounts	<b>3,068,867</b>	2,115,051	-	-
Others	<b>842,864</b>	934,367	-	-
	<b>11,369,269</b>	<b>8,911,178</b>	<b>12,800</b>	<b>15,122</b>

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

**A17 Other liabilities (continued)**

Note:

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

	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
<b>The Group</b>				
At 1 July 2024	7,377	712	-	8,089
Changes in ECL due to transfer within stages	(23)	(4)	27	-
Transfer to Stage 1	5	(5)	-	-
Transfer to Stage 2	(28)	28	-	-
Transfer to Stage 3	-	(27)	27	-
New financial assets originated	282	-	-	282
Financial assets derecognised	(195)	-	-	(195)
Changes due to change in credit risk	(2,518)	(120)	(27)	(2,665)
Exchange differences	(218)	1	-	(217)
<b>At 31 March 2025</b>	<b>4,705</b>	<b>589</b>	<b>-</b>	<b>5,294</b>
At 1 July 2023	6,718	1,392	-	8,110
Changes in ECL due to transfer within stages	(16)	16	-	-
Transfer to Stage 1	36	(36)	-	-
Transfer to Stage 2	(52)	52	-	-
Transfer to Stage 3	-	-	-	-
New financial assets originated	446	-	-	446
Financial assets derecognised	(433)	(635)	-	(1,068)
Changes due to change in credit risk	812	(67)	-	745
Exchange differences	(150)	6	-	(144)
<b>At 30 June 2024</b>	<b>7,377</b>	<b>712</b>	<b>-</b>	<b>8,089</b>

(b) Financial liabilities due to third party investors relate to the net asset value of units held by the third party investors of unit trust funds deemed as subsidiary company pursuant to MFRS 10 'Consolidated Financial Statements'.

**A18 Interest income**

	3rd Quarter Ended		Nine Months Ended	
	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
<b>The Group</b>				
Loans, advances and financing	1,651,327	1,595,324	4,987,223	4,767,075
Money at call and deposit placements with financial institutions	57,117	58,214	158,553	182,127
Financial investments at FVOCI	303,360	369,106	1,003,710	1,061,094
Financial investments at amortised cost	164,494	188,916	514,305	548,159
Others	13,295	14,361	43,694	42,536
	<b>2,189,593</b>	<b>2,225,921</b>	<b>6,707,485</b>	<b>6,600,991</b>
Of which:				
Interest income earned on impaired loans, advances and financing	<b>13,404</b>	<b>12,550</b>	<b>47,300</b>	<b>37,264</b>

	3rd Quarter Ended		Nine Months Ended	
	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
<b>The Company</b>				
Money at call and deposit placements with financial institutions	1,448	3,077	3,401	5,711
Subordinated obligations	-	11,601	-	35,057
Multi-currency Additional Tier 1 capital securities	-	4,551	-	14,069
	<b>1,448</b>	<b>19,229</b>	<b>3,401</b>	<b>54,837</b>

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

**A19 Interest income for financial assets at FVTPL**

	3rd Quarter Ended		Nine Months Ended	
	31 March	31 March	31 March	31 March
	2025	2024	2025	2024
<b>The Group</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Financial assets at FVTPL	<b>45,520</b>	<b>50,320</b>	<b>126,210</b>	<b>134,370</b>

**A20 Interest expense**

	3rd Quarter Ended		Nine Months Ended	
	31 March	31 March	31 March	31 March
	2025	2024	2025	2024
<b>The Group</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Deposits and placements of banks and other financial institutions	<b>78,166</b>	165,055	<b>300,637</b>	413,802
Deposits from customers	<b>972,523</b>	950,482	<b>2,953,155</b>	2,824,056
Short-term placements	<b>125,786</b>	102,307	<b>334,670</b>	388,381
Borrowings	<b>6,214</b>	3,804	<b>18,458</b>	7,906
Subordinated obligations	<b>20,172</b>	23,350	<b>64,965</b>	69,245
Recourse obligations on loans sold to Cagamas Berhad	<b>17,556</b>	16,453	<b>48,112</b>	47,728
Multi-currency Additional Tier 1 capital securities	<b>18,834</b>	19,713	<b>57,335</b>	59,290
Others	<b>4,655</b>	3,447	<b>13,293</b>	9,619
	<b>1,243,906</b>	<b>1,284,611</b>	<b>3,790,625</b>	<b>3,820,027</b>

	3rd Quarter Ended		Nine Months Ended	
	31 March	31 March	31 March	31 March
	2025	2024	2025	2024
<b>The Company</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Borrowings	-	2,295	<b>851</b>	5,767
Subordinated obligations	-	11,882	-	35,908
Multi-currency Additional Tier 1 capital securities	-	4,685	-	14,481
Others	<b>30</b>	44	<b>94</b>	139
	<b>30</b>	<b>18,906</b>	<b>945</b>	<b>56,295</b>

**A21 Income from Islamic banking business**

	3rd Quarter Ended		Nine Months Ended	
	31 March	31 March	31 March	31 March
	2025	2024	2025	2024
<b>The Group</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income derived from investment of depositors' funds and others	<b>578,938</b>	564,904	<b>1,788,465</b>	1,671,228
Income derived from investment of shareholders' funds	<b>113,940</b>	88,581	<b>329,739</b>	241,971
Income derived from investment of investment accounts	<b>27,858</b>	30,567	<b>90,852</b>	87,781
Income attributable to depositors	<b>(430,081)</b>	(407,960)	<b>(1,292,257)</b>	(1,214,332)
Income attributable to depositors on investment accounts	<b>(18,702)</b>	(21,642)	<b>(59,592)</b>	(60,614)
	<b>271,953</b>	<b>254,450</b>	<b>857,207</b>	<b>726,034</b>
Of which:				
Financing income earned on impaired financing and advances	<b>3,394</b>	2,312	<b>8,892</b>	7,531

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

**A22 Non-interest income**

	3rd Quarter Ended		Nine Months Ended	
	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
<b>The Group</b>				
<b>Insurance service results</b>	<b>49,587</b>	14,343	<b>198,928</b>	129,103
<b>Insurance/reinsurance finance &amp; Investment (expense)/income</b>	<b>(15,233)</b>	168,901	<b>107,932</b>	262,228
<b>Fee income</b>				
Commissions	64,813	43,034	165,128	124,932
Service charges and fees	12,766	12,994	30,876	29,627
Guarantee fees	5,663	6,161	21,904	19,113
Credit card related fees	64,730	58,688	186,174	175,124
Corporate advisory fees	1,859	1,215	5,954	3,701
Commitment fees	8,288	8,870	25,960	27,612
Loans, advances and financing fees	10,148	12,716	35,181	35,646
Placement fees	1,238	2,451	5,057	6,229
Arranger fees	556	74	1,451	2,450
Unit trust fees income	11,799	11,321	33,075	34,882
Brokerage income	11,769	16,660	44,096	44,068
Other fees income	69,164	57,887	203,948	172,166
	<b>262,793</b>	232,071	<b>758,804</b>	675,550
<b>Net income from securities</b>				
Net realised gain/(loss) from sale of:				
- Financial assets at FVTPL	23,661	32,959	87,972	56,971
- Financial investments at FVOCI	8,538	9,199	61,922	17,984
- Derivative financial instruments	(25,062)	(40,748)	(8,594)	(70,618)
Gross dividend income from:				
- Financial assets at FVTPL	29,120	18,382	70,619	59,890
Net unrealised (loss)/gain on revaluation of:				
- Financial assets at FVTPL	(11,691)	36,531	34,640	80,299
- Derivative financial instruments	5,691	64,675	(45,887)	33,986
Net realised gain on fair value changes arising from fair value hedges	1,774	2,222	6,479	6,189
Net unrealised (loss)/gain on fair value changes arising from fair value hedges	(43)	463	(3,662)	1,895
	<b>31,988</b>	123,683	<b>203,489</b>	186,596
<b>Other income</b>				
Foreign exchange gain/(loss)	88,429	(32,221)	247,867	116,239
Rental income	3,065	3,714	9,490	10,979
Net gain on disposal of property and equipment	9,113	29	9,239	1,831
Other non-operating income	11,013	7,898	17,531	14,261
	<b>111,620</b>	(20,580)	<b>284,127</b>	143,310
<b>Total non-interest income</b>	<b>440,755</b>	518,418	<b>1,553,280</b>	1,396,787

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

**A22 Non-interest income (continued)**

	3rd Quarter Ended		Nine Months Ended	
	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
<b>The Company</b>				
<b>Fees income</b>				
Management fees and outsourcing fees	2,975	2,813	9,016	9,687
<b>Net income from securities</b>				
Net realised gain from sale of:				
- Financial assets at FVTPL	-	80	30	80
Gross dividend income from:				
- Financial assets at FVTPL	4,344	1,805	9,145	1,805
- Subsidiary companies	375,239	335,035	1,089,735	961,334
Net unrealised gain on revaluation of:				
- Financial assets at FVTPL	363	64	319	92
<b>Other income</b>				
Other non-operating income	94	68	259	180
<b>Total non-interest income</b>	<b>383,015</b>	<b>339,865</b>	<b>1,108,504</b>	<b>973,178</b>

**A23 Overhead expenses**

	3rd Quarter Ended		Nine Months Ended	
	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
<b>The Group</b>				
<b>Personnel costs</b>				
- Salaries, bonus and allowances	332,429	339,406	1,020,607	992,688
- Medical expenses	22,006	9,534	38,982	25,477
- Training and convention expenses	(386)	2,557	12,144	11,319
- Staff welfare	4,494	3,475	11,852	9,554
- Others	20,840	11,799	44,380	35,750
	<b>379,383</b>	<b>366,771</b>	<b>1,127,965</b>	<b>1,074,788</b>
<b>Establishment costs</b>				
- Depreciation of property and equipment	23,313	27,453	73,230	83,777
- Depreciation of right-of-use assets	11,543	12,107	35,464	36,227
- Amortisation of intangible assets	18,797	21,666	55,594	53,874
- Rental of premises	470	498	1,370	1,588
- Information technology expenses	56,679	54,851	186,181	173,399
- Security services	5,314	6,109	17,551	18,262
- Electricity, water and sewerage	5,160	5,432	16,430	16,975
- Hire of plant and machinery	3,092	3,554	10,423	10,896
- Others	8,172	7,379	25,793	23,391
	<b>132,540</b>	<b>139,049</b>	<b>422,036</b>	<b>418,389</b>
<b>Marketing expenses</b>				
- Advertisement and publicity	9,933	4,730	25,991	10,956
- Sales commission and credit card related fees	25,763	43,956	126,935	105,101
- Others	10,376	(374)	29,876	25,622
	<b>46,072</b>	<b>48,312</b>	<b>182,802</b>	<b>141,679</b>
<b>Administration and general expenses</b>				
- Teletransmission expenses	4,440	4,761	13,579	13,803
- Stationery and printing expenses	2,797	2,569	8,306	8,181
- Professional fees	25,787	28,048	83,998	71,230
- Insurance fees	16,598	14,532	42,787	40,600
- Stamp, postage and courier	4,063	3,644	11,573	10,512
- Credit card fees	31,013	24,106	93,098	70,581
- Travelling and transport expenses	900	1,032	3,234	2,986
- Registration and license fees	2,563	2,709	7,906	8,086
- Brokerage and commission	2,504	3,179	7,696	10,003
- Others	16,367	13,289	40,957	29,279
	<b>107,032</b>	<b>97,869</b>	<b>313,134</b>	<b>265,261</b>
<b>Total overhead expenses</b>	<b>665,027</b>	<b>652,001</b>	<b>2,045,937</b>	<b>1,900,117</b>

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

**A23 Overhead expense (continued)**

	3rd Quarter Ended		Nine Months Ended	
	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
<b>The Company</b>				
Personnel costs				
- Salaries, bonus and allowances	6,720	5,973	19,211	17,283
- Medical expenses	5	10	9	12
- Training and convention expenses	10	8	35	10
- Staff welfare	219	206	583	527
- Others	427	450	1,382	1,757
	<u>7,381</u>	<u>6,647</u>	<u>21,220</u>	<u>19,589</u>
Establishment costs				
- Depreciation of property and equipment	316	314	948	943
- Depreciation of right-of-use assets	235	235	705	705
- Amortisation of intangible assets	13	22	38	65
- Information technology expenses	118	(76)	307	40
- Electricity, water and sewerage	11	11	37	32
- Others	84	108	334	228
	<u>777</u>	<u>614</u>	<u>2,369</u>	<u>2,013</u>
Administration and general expenses				
- Teletransmission expenses	7	8	17	18
- Stationery and printing expenses	6	11	17	20
- Professional fees	691	178	1,165	674
- Management fees	533	533	1,598	1,598
- Travelling and transport expenses	1	1	1	1
- Others	107	192	355	418
	<u>1,345</u>	<u>923</u>	<u>3,153</u>	<u>2,729</u>
Total overhead expense	<u>9,503</u>	<u>8,184</u>	<u>26,742</u>	<u>24,331</u>

**A24 Write-back of impairment losses on loans, advances and financing and other losses**

	3rd Quarter Ended		Nine Months Ended	
	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
<b>The Group</b>				
(Write-back of)/allowance for impairment losses on:				
- Loans, advances and financing	(343,141)	41,179	(215,820)	124,507
- Clients' and brokers' balances	(11)	(19)	9	(31)
Impaired loans, advances and financing:				
- Written off	6,812	5,519	21,465	17,779
- Recovered from bad debt written off	(62,159)	(73,070)	(191,965)	(225,466)
	<u>(398,499)</u>	<u>(26,391)</u>	<u>(386,311)</u>	<u>(83,211)</u>

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

**A25 (Write-back of)/allowance for impairment losses on other assets**

	3rd Quarter Ended		Nine Months Ended	
	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
<b>The Group</b>				
Expected credit losses on:				
- Financial investments at FVOCI	594	959	(122)	1,132
- Financial investments at amortised cost	(5)	(3)	(8)	2
- Other receivables	(296)	(115)	(339)	(32)
- Cash and short-term funds	(325)	(31)	5	119
- Deposits and placements with banks and other financial institutions	(56)	(86)	(124)	(51)
	<u>(88)</u>	<u>724</u>	<u>(588)</u>	<u>1,170</u>
	3rd Quarter Ended		Nine Months Ended	
	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
<b>The Company</b>				
Expected credit losses on:				
- Investment in debt instruments issued by subsidiary	-	(726)	-	(2,147)

**A26 Capital adequacy**

The capital adequacy ratios are computed in accordance with BNM's Capital Adequacy Framework (Capital Components). The consolidated capital adequacy of the Group includes consolidation of all financial and non-financial subsidiary companies, except the insurance/takaful subsidiary companies which shall be deducted in the calculation of Common Equity Tier 1 ("CET 1") capital. The total risk-weighted assets ("RWA") of the Group are computed based on Standardised Approach for Credit Risk and Market Risk, and Basic Indicator Approach for Operational Risk.

The Capital Adequacy Framework (Capital Components) sets out the minimum capital adequacy ratios as well as requirements on Capital Conservation Buffer ("CCB") and Counter Cyclical Buffer ("CCyB"). The minimum capital adequacy requirements for CET 1 capital ratio, Tier 1 capital ratio and Total capital ratio are 4.5%, 6.0% and 8.0% respectively. The Group is also required to maintain CCB of up to 2.5% of total RWA. The CCyB which ranges from 0% up to 2.5% is determined as the weighted average of prevailing CCyB rates applied in the jurisdictions in which the Group has credit exposures. The minimum capital adequacy including CCB for CET 1 capital ratio, Tier 1 capital ratio and Total capital ratio for year 2019 onwards are 7.0%, 8.5% and 10.5% respectively.

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

**A26 Capital adequacy (continued)**

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

	<b>Hong Leong Financial Group</b>		<b>Hong Leong Bank Group</b>		<b>Hong Leong Bank Berhad</b>		<b>Hong Leong Investment Bank Berhad</b>	
	<b>31 March 2025</b>	<b>30 June 2024</b>	<b>31 March 2025</b>	<b>30 June 2024</b>	<b>31 March 2025</b>	<b>30 June 2024</b>	<b>31 March 2025</b>	<b>30 June 2024</b>
<b>Before deducting proposed dividends</b>								
CET 1 capital ratio	<b>11.113%</b>	11.685%	<b>12.804%</b>	13.855%	<b>12.678%</b>	13.621%	<b>34.065%</b>	39.073%
Tier 1 capital ratio	<b>12.107%</b>	12.653%	<b>13.750%</b>	14.837%	<b>13.604%</b>	14.591%	<b>34.065%</b>	39.073%
Total capital ratio	<b>13.987%</b>	14.517%	<b>15.712%</b>	16.828%	<b>15.482%</b>	16.515%	<b>42.734%</b>	48.419%
<b>After deducting proposed dividends</b>								
CET 1 capital ratio	<b>11.113%</b>	11.450%	<b>12.804%</b>	13.336%	<b>12.678%</b>	12.950%	<b>34.065%</b>	35.814%
Tier 1 capital ratio	<b>12.107%</b>	12.418%	<b>13.750%</b>	14.318%	<b>13.604%</b>	13.920%	<b>34.065%</b>	35.814%
Total capital ratio	<b>13.987%</b>	14.283%	<b>15.712%</b>	16.309%	<b>15.482%</b>	15.844%	<b>42.734%</b>	45.160%

(b) The components of CET 1, Tier 1 and Tier 2 capital under the Capital Components Framework are as follows:

	<b>Hong Leong Financial Group</b>		<b>Hong Leong Bank Group</b>		<b>Hong Leong Bank Berhad</b>		<b>Hong Leong Investment Bank Berhad</b>	
	<b>31 March 2025</b>	<b>30 June 2024</b>	<b>31 March 2025</b>	<b>30 June 2024</b>	<b>31 March 2025</b>	<b>30 June 2024</b>	<b>31 March 2025</b>	<b>30 June 2024</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>CET 1 capital</b>								
Share capital	<b>2,267,008</b>	2,267,008	<b>7,739,063</b>	7,739,063	<b>7,739,063</b>	7,739,063	<b>252,950</b>	252,950
Retained profit	<b>25,370,485</b>	25,613,683	<b>27,122,110</b>	27,674,882	<b>16,472,610</b>	17,137,424	<b>264,671</b>	301,631
Other reserves	<b>792,906</b>	1,177,363	<b>769,356</b>	1,337,201	<b>357,430</b>	255,247	<b>1,581</b>	(526)
Qualifying non-controlling interests	<b>9,131,403</b>	8,414,086	-	-	-	-	-	-
Less: Treasury shares	<b>(230,177)</b>	(230,177)	<b>(701,217)</b>	(702,674)	<b>(701,217)</b>	(702,674)	-	-
Less: Goodwill and intangible assets	<b>(2,693,408)</b>	(2,705,591)	<b>(2,171,224)</b>	(2,184,789)	<b>(2,081,863)</b>	(2,090,272)	<b>(35,268)</b>	(33,766)
Less: Deferred tax assets	<b>(208,694)</b>	(340,906)	<b>(141,048)</b>	(262,116)	<b>(102,746)</b>	(187,679)	<b>(65,714)</b>	(76,877)
Less: Investment in subsidiary companies/ associated companies	<b>(14,589,173)</b>	(13,774,895)	<b>(9,632,813)</b>	(9,639,404)	<b>(3,908,392)</b>	(3,939,693)	<b>(200)</b>	(200)
Total CET 1 capital	<b>19,840,350</b>	20,420,571	<b>22,984,227</b>	23,962,163	<b>17,774,885</b>	18,211,416	<b>418,020</b>	443,212

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

**A26 Capital adequacy (continued)**

(b) The components of CET 1, Tier 1 and Tier 2 capital under the Capital Components Framework are as follows: (continued)

	<b>Hong Leong Financial Group</b>		<b>Hong Leong Bank Group</b>		<b>Hong Leong Bank Berhad</b>		<b>Hong Leong Investment Bank Berhad</b>	
	<b>31 March 2025 RM'000</b>	<b>30 June 2024 RM'000</b>	<b>31 March 2025 RM'000</b>	<b>30 June 2024 RM'000</b>	<b>31 March 2025 RM'000</b>	<b>30 June 2024 RM'000</b>	<b>31 March 2025 RM'000</b>	<b>30 June 2024 RM'000</b>
<b>Tier 1 capital</b>								
Multi-currency Additional Tier 1 capital securities	-	-	<b>1,698,506</b>	1,698,110	<b>1,698,506</b>	1,698,110	-	-
Qualifying CET 1 and Additional Tier 1 capital instruments held by third parties	<b>1,773,798</b>	1,691,442	-	-	-	-	-	-
Tier 1 capital before regulatory adjustments	<b>1,773,798</b>	1,691,442	<b>1,698,506</b>	1,698,110	<b>1,698,506</b>	1,698,110	-	-
Less: Investment in Additional Tier 1 perpetual subordinated sukuk wakalah	-	-	-	-	<b>(400,000)</b>	(400,000)	-	-
Tier 1 capital after regulatory adjustments	<b>1,773,798</b>	1,691,442	<b>1,698,506</b>	1,698,110	<b>1,298,506</b>	1,298,110	-	-
Total Tier 1 capital	<b>21,614,148</b>	22,112,013	<b>24,682,733</b>	25,660,273	<b>19,073,391</b>	19,509,526	<b>418,020</b>	443,212
<b>Tier 2 capital</b>								
Stage 1 and Stage 2 expected credit loss allowances and regulatory reserves	<b>2,005,616</b>	1,953,184	<b>2,024,690</b>	1,946,326	<b>1,534,568</b>	1,474,029	<b>6,385</b>	6,015
Subordinated obligations	-	-	<b>1,498,016</b>	1,497,635	<b>1,498,016</b>	1,497,635	<b>100,000</b>	100,000
Qualifying non-controlling interests	<b>1,350,809</b>	1,305,044	-	-	-	-	-	-
Less: Investment in Tier 2 subordinated sukuk murabahah	-	-	-	-	<b>(400,000)</b>	(400,000)	-	-
Total Tier 2 capital	<b>3,356,425</b>	3,258,228	<b>3,522,706</b>	3,443,961	<b>2,632,584</b>	2,571,664	<b>106,385</b>	106,015
Total capital	<b>24,970,573</b>	25,370,241	<b>28,205,439</b>	29,104,234	<b>21,705,975</b>	22,081,190	<b>524,405</b>	549,227

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

**A26 Capital adequacy (continued)**

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

	<b>Hong Leong Financial Group</b>		<b>Hong Leong Bank Group</b>		<b>Hong Leong Bank Berhad</b>		<b>Hong Leong Investment Bank Berhad</b>	
	<b>31 March 2025</b>	<b>30 June 2024</b>	<b>31 March 2025</b>	<b>30 June 2024</b>	<b>31 March 2025</b>	<b>30 June 2024</b>	<b>31 March 2025</b>	<b>30 June 2024</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Credit risk [Note]	<b>160,449,318</b>	156,388,827	<b>161,975,237</b>	155,706,094	<b>122,765,477</b>	117,922,342	<b>510,777</b>	481,209
Market risk	<b>6,899,851</b>	7,460,818	<b>6,849,222</b>	6,756,645	<b>8,091,354</b>	7,391,831	<b>429,258</b>	354,403
Operational risk	<b>11,181,098</b>	10,911,176	<b>10,688,627</b>	10,486,074	<b>9,343,417</b>	8,390,596	<b>287,097</b>	298,716
Total RWA	<b>178,530,267</b>	174,760,821	<b>179,513,086</b>	172,948,813	<b>140,200,248</b>	133,704,769	<b>1,227,132</b>	1,134,328

Note:

In accordance with BNM Investment Account Policy, the credit RWA of Hong Leong Islamic Bank Berhad funded by Investment Account of RM1,575,322,000 (30 June 2024: RM1,540,749,000) is excluded from the calculation of capital adequacy ratio of the Group.

(d) The capital adequacy ratios of Hong Leong Bank Group's subsidiary company are as follows:

	<b>Hong Leong Islamic Bank Berhad</b>	
	<b>31 March 2025</b>	<b>30 June 2024</b>
<b>Before deducting proposed dividends</b>		
CET 1 capital ratio	<b>11.333%</b>	11.540%
Tier 1 capital ratio	<b>12.367%</b>	12.643%
Total capital ratio	<b>14.548%</b>	14.908%
<b>After deducting proposed dividends</b>		
CET 1 capital ratio	<b>11.333%</b>	11.540%
Tier 1 capital ratio	<b>12.367%</b>	12.643%
Total capital ratio	<b>14.548%</b>	14.908%

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

**A27 Material events subsequent to the end of the financial period**

There were no material events subsequent to the end of the financial period ended 31 March 2025

**A28 Changes in composition of the Group**

There were no changes in the composition of the Group for the current financial period and up to the date of the report except for the items disclosed in note A4 and the following:

- (a) EB Nominees (Tempatan) Sendirian Berhad, a wholly-owned subsidiary of Hong Leong Bank Berhad ("HLB"), was dissolved on 16 April 2025.
- (b) On 3 March 2025, HLB announced that the liquidator of Promizul Sdn Bhd ("Promizul"), a wholly-owned subsidiary of HLF Credit (Perak) Bhd, which in turn is a wholly-owned subsidiary of HLB, had convened a final meeting to conclude the member's voluntary winding up of Promizul. The Returns by Liquidator Relating to Final Meeting of Promizul were lodged with the Companies Commission of Malaysia and the Official Receiver on 3 March 2025 ("Lodgement Date"), and on the expiration of 3 months after the Lodgement Date, Promizul will be dissolved.

**A29 Related party transactions**

All related party transactions within the Group had been entered into in the normal course of business and were carried out on normal commercial terms.

**A30 Commitments and contingencies**

In the normal course of business, the Group makes various commitments and incurs certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions. These commitments and contingencies are also not secured over the assets of the Group.

The notional/principal amount of the commitments and contingencies constitute the following:

	<b>The Group</b>	
	<b>31 March 2025</b>	<b>30 June 2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Commitments and contingencies</u></b>		
Direct credit substitutes	231,014	237,994
Certain transaction related contingent items	3,456,925	3,065,445
Short-term self liquidating trade related contingencies	1,357,208	1,135,592
Any commitments that are unconditionally cancellable at any time by the Group without prior notice:		
- less than one year	862,435	868,108
Irrevocable commitments to extend credit:		
- maturity more than one year	18,402,943	16,125,330
- maturity less than one year	29,330,435	26,687,509
Unutilised credit card lines	7,970,129	7,322,809
	<b>61,611,089</b>	<b>55,442,787</b>
<b><u>Derivative financial instruments</u></b>		
Foreign exchange related contracts:		
- less than one year	88,627,328	85,997,627
- one year to five years	4,929,179	7,228,599
- over five years	646,713	725,481
Interest rate related contracts:		
- less than one year	74,208,471	48,316,035
- one year to five years	140,319,090	118,151,949
- over five years	4,818,598	4,232,730
Equity related contracts:		
- less than one year	493,401	495,443
- one year to five years	1,119,424	1,045,424
Credit related contracts:		
- less than one year	280,746	142,845
- one year to less than five years	13,241	15,150
- over five years	1,544,146	1,435,804
Commodity related contracts:		
- less than one year	254,401	57,292
- one year to five years	621,668	-
	<b>317,876,406</b>	<b>267,844,379</b>
	<b>379,487,495</b>	<b>323,287,166</b>

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

**A31 Fair value of financial instruments**

Financial instruments comprise financial assets and financial liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The information presented herein represents the estimates of fair values as at the statements of financial position date.

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

**Determination of fair value and fair value hierarchy**

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

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Valuations derived from valuation techniques in which one or more significant inputs are not based on observable market data.

Valuation techniques

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

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

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

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

	Fair value			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>The Group</b>				
<b>31 March 2025</b>				
<b><u>Recurring fair value measurements</u></b>				
<b><u>Financial assets</u></b>				
Financial assets at FVTPL				
- Money market instruments	-	16,514,880	-	16,514,880
- Quoted securities	9,408,877	-	-	9,408,877
- Unquoted securities	-	8,455,047	429,906	8,884,953
Financial investments at FVOCI				
- Money market instruments	-	17,566,154	-	17,566,154
- Quoted securities	4,750,459	-	-	4,750,459
- Unquoted securities	-	10,701,985	134,970	10,836,955
Derivative financial instruments	4,152	1,603,709	89,503	1,697,364
	<b>14,163,488</b>	<b>54,841,775</b>	<b>654,379</b>	<b>69,659,642</b>

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

**A31 Fair value of financial instruments (continued)**

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

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

	Fair value			
The Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>31 March 2025</b>				
<b><i>Recurring fair value measurements</i></b>				
<b><u>Financial liabilities</u></b>				
Derivative financial instruments	18,978	1,431,193	82,961	1,533,132
Financial liabilities designated at fair value				
- Structured deposits linked to interest rate derivatives	-	7,568,445	-	7,568,445
	<u>18,978</u>	<u>8,999,638</u>	<u>82,961</u>	<u>9,101,577</u>
<b>30 June 2024</b>				
<b><i>Recurring fair value measurements</i></b>				
<b><u>Financial assets</u></b>				
Financial assets at FVTPL				
- Money market instruments	-	15,026,333	-	15,026,333
- Quoted securities	8,421,746	-	-	8,421,746
- Unquoted securities	-	7,946,085	429,906	8,375,991
Financial investments at FVOCI				
- Money market instruments	-	25,669,320	-	25,669,320
- Quoted securities	5,553,347	-	-	5,553,347
- Unquoted securities	-	11,802,590	116,797	11,919,387
Derivative financial instruments	2,690	1,312,447	74,763	1,389,900
	<u>13,977,783</u>	<u>61,756,775</u>	<u>621,466</u>	<u>76,356,024</u>
<b><u>Financial liabilities</u></b>				
Derivative financial instruments	11,409	1,740,667	81,155	1,833,231
Financial liabilities designated at fair value				
- Structured deposits linked to interest rate derivatives	-	5,550,409	-	5,550,409
	<u>11,409</u>	<u>7,291,076</u>	<u>81,155</u>	<u>7,383,640</u>

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period/year during which the transfer has occurred. The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the financial year (30 June 2024: RM Nil).

**HONG LEONG FINANCIAL GROUP BERHAD 196801000439 (8024-W)**  
**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

**A31 Fair value of financial instruments (continued)**

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

Reconciliation of fair value measurements in Level 3 of the fair value hierarchy:

	Financial assets			Financial liability
	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Derivative financial instruments RM'000	Derivative financial instruments RM'000
<b>The Group</b>				
At 1 July 2024	429,906	116,797	74,763	81,155
Fair value changes recognised in statements of income	-	-	98,292	98,292
Purchases/reclassification	-	18,173	21,305	16,104
Settlements	-	-	(104,857)	(112,590)
<b>At 31 March 2025</b>	<b>429,906</b>	<b>134,970</b>	<b>89,503</b>	<b>82,961</b>
Fair value changes recognised in statements of income relating to assets held on 31 March 2025	-	-	98,292	98,292
At 1 July 2023	393,370	97,650	74,354	71,839
Fair value changes recognised in statements of income	36,536	-	(2,207)	(2,207)
Net fair value changes recognised in other comprehensive income	-	19,147	-	-
Purchases	-	-	38,360	39,324
Settlements	-	-	(35,744)	(27,801)
<b>At 30 June 2024</b>	<b>429,906</b>	<b>116,797</b>	<b>74,763</b>	<b>81,155</b>
Fair value changes recognised in statements of income relating to assets held on 30 June 2024	36,536	-	(2,207)	(2,207)
Total gain recognised in other comprehensive income relating to assets held on 30 June 2024	-	19,147	-	-

**A32 Reclassification for comparatives**

The comparative balances under non-interest income relating to insurance/reinsurance investment/finance income at the Group are reclassified to taxation, to conform with current year presentation, as follow:

**Statements of Income**

	3rd Quarter Ended 31 March 2024			Nine Months Ended 31 March 2024		
	As previously stated RM'000	Reclassification RM'000	As restated RM'000	As previously stated RM'000	Reclassification RM'000	As restated RM'000
Non-interest income	452,736	65,682	518,418	1,284,440	112,347	1,396,787
Taxation	(261,681)	(65,682)	(327,363)	(784,003)	(112,347)	(896,350)

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

**B1 Review of performance**

**Current quarter against previous corresponding quarter**

HLFG Group recorded a profit before tax of RM1,374.1 million for the current quarter ended 31 March 2025 as compared to RM1,550.9 million in the previous corresponding quarter, a decrease of RM176.8 million or 11.4%. The decrease was due to lower contribution from across all operating divisions.

Hong Leong Bank Berhad ("HLB") recorded a profit before tax of RM1,262.2 million for the current quarter ended 31 March 2025 as compared to RM1,268.4 million in the previous corresponding quarter, a decrease of RM6.2 million or 0.5%. The decrease was mainly due to dilution loss from associated companies of RM407.6 million, coupled with lower share of profit from an associated company of RM60.0 million and higher operating expenses of RM23.7 million. This was mitigated by higher write back of impairment losses of RM372.7 million and higher revenue of RM112.4 million driven primarily by a rise in net income from islamic bank division and non-interest income.

HLA Holdings Sdn Bhd ("HLAH") recorded a profit before tax of RM93.3 million for the current quarter ended 31 March 2025 as compared to RM259.8 million in the previous corresponding quarter, a decrease of RM166.5 million or 64.1%. The decrease was mainly due to lower net investment income and others of RM168.8 million and lower share of profit from associated company of RM8.6 million. This was mitigated by higher insurance service income of RM10.9 million.

Hong Leong Capital Berhad ("HLCB") recorded a profit before tax of RM15.3 million for the current quarter ended 31 March 2025 as compared to RM27.1 million in the previous corresponding quarter, a decrease of RM11.8 million or 43.4%. The decrease was mainly due to lower contribution from investment banking & stockbroking and investment holding divisions.

**Current year-to-date against previous year-to-date**

HLFG Group recorded a profit before tax of RM4,539.3 million for the current period ended 31 March 2025 as compared to RM4,480.4 million in the previous corresponding period, an increase of RM58.9 million or 1.3%. The increase was due to higher contribution from banking divisions.

HLB recorded a profit before tax of RM4,002.2 million for the current period ended 31 March 2025 as compared to RM3,852.5 million in the previous corresponding period, an increase of RM149.7 million or 3.9%. Revenue surged by RM483.5 million or 11.3% driven primarily by a rise in net income and higher write back of impairment losses of RM304.5 million. This was offset by dilution loss from associated companies of RM407.6 million, lower share of profit from an associated company of RM87.9 million and higher operating expenses of RM142.8 million.

HLAH recorded a profit before tax of RM489.3 million for the current period ended 31 March 2025 as compared to RM565.4 million in the previous corresponding period, a decrease of RM76.1 million or 13.5%. The decrease was mainly due to lower net investment income and others of RM125.8 million and lower share of profit from associated company of RM20.1 million. This was mitigated by higher insurance service income of RM69.8 million.

HLCB recorded a profit before tax of RM56.5 million for the current period ended 31 March 2025 as compared to RM73.9 million in the previous corresponding period, a decrease of RM17.4 million or 23.6%. The decrease was mainly due to lower contribution from investment banking & stockbroking and investment holding divisions.

**B2 Current quarter against preceding quarter**

HLFG Group recorded a profit before tax of RM1,374.1 million for the current quarter ended 31 March 2025 as compared to RM1,575.4 million in the preceding quarter, a decrease of RM201.3 million or 12.8%. The decrease was due to lower contribution from across all operating divisions.

HLB recorded a profit before tax of RM1,262.2 million for the current quarter ended 31 March 2025 as compared to RM1,400.6 million in the preceding quarter, a decrease of RM138.4 million or 9.9%. The decrease was mainly due to dilution loss from associated companies of RM407.6 million, coupled with lower share of profit from an associated company of RM76.0 million and lower revenue of RM84.1 million. This was mitigated by higher write back of impairment losses of RM402.4 million and lower operating expenses of RM26.9 million.

HLAH recorded a profit before tax of RM93.3 million for the current quarter ended 31 March 2025 as compared to RM156.0 million in the preceding quarter, a decrease of RM62.7 million or 40.2%. The decrease was mainly due to lower insurance service income of RM42.4 million and lower net investment income and others of RM26.2 million. This was mitigated by higher share of profit from associated company of RM5.9 million.

HLCB recorded a profit before tax of RM15.3 million for the current quarter ended 31 March 2025 as compared to RM19.4 million in the preceding quarter, a decrease of RM4.1 million or 20.9%. The decrease was mainly due to lower contribution from investment holding divisions.

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

**B3 Prospects for the current financial year**

The global economic outlook is expected to be uncertain due to evolving trade policies and escalating trade tensions across major economies, leading to heightened market volatility. Consequently, these uncertainties have dampened business and consumer confidence, disrupted supply chains, and potentially fuel inflationary and recession risks.

Similarly, Malaysia's projected GDP growth of 4.5% to 5.5%, as indicated by Bank Negara Malaysia, also faces risks arising from the anticipated pullback in global trade, which could lead to softer investment and external demand, especially for export-oriented sectors. However, Malaysia's comparatively lower exposure to U.S. reciprocal tariffs and diversified trade, coupled with resilient macroeconomic fundamentals and ongoing structural reforms, should help mitigate the impact of global uncertainties. On the monetary policy front, the current OPR of 3.0% may be subject to change should signs of economic weakness materialize due to evolving trade policy shifts, especially from the U.S.

Given these external headwinds, Hong Leong Financial Group will continue to vigilantly manage key risks in our capital and liquidity position in light of the fluid macroeconomic developments. The Group will maintain a strong emphasis on cost discipline and prudent asset quality management while pursuing strategic priorities by utilizing our integrated financial ecosystem to foster cross-selling, broaden our product range, and deliver customer-centric solutions to meet the financial services needs of our customers.

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

There was no profit forecast or profit guarantee issued by the Group.

**B5 Taxation**

	3rd Quarter Ended		Nine Months Ended	
	31 March	31 March	31 March	31 March
	2025	2024	2025	2024
The Group	RM'000	RM'000	RM'000	RM'000
Income tax	258,279	280,817	822,621	784,880
(Over)/under provision in prior year	(3,444)	1,937	(3,436)	(69,316)
	<u>254,835</u>	<u>282,754</u>	<u>819,185</u>	<u>715,564</u>
Deferred taxation	54,227	44,609	121,909	180,786
	<u>309,062</u>	<u>327,363</u>	<u>941,094</u>	<u>896,350</u>

	3rd Quarter Ended		Nine Months Ended	
	31 March	31 March	31 March	31 March
	2025	2024	2025	2024
The Company	RM'000	RM'000	RM'000	RM'000
Income tax	308	127	821	340
Deferred taxation	120	108	42	35
	<u>428</u>	<u>235</u>	<u>863</u>	<u>375</u>

The Company's effective tax rate for the current financial year was lower than the statutory tax rate of 24% due to certain income was not subjected to tax.

**B6 Status of corporate proposals**

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

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

## B7 Borrowings

		The Group		The Company	
		31 March 2025 RM'000	30 June 2024 RM'000	31 March 2025 RM'000	30 June 2024 RM'000
<b>Unsecured</b>	Note				
Senior notes	(a)	-	201,950	-	201,991
Medium term notes	(b)	804,849	301,020	-	-
Commercial papers	(c)	29,918	248,892	29,918	-
		<b>834,767</b>	<b>751,862</b>	<b>29,918</b>	<b>201,991</b>

Note:

(a) On 23 August 2021, the Company issued an unsecured RM200.0 million in aggregate principal amount of new Senior Notes ("the new Notes") out of its multi-currency perpetual notes programme. The new Notes were issued for a period of 3 years with a coupon rate of 2.85% per annum. On 23 August 2024, the Company had fully redeemed the RM200.0 million nominal value of the Senior Notes.

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

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

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

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

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

On 12 January 2024, HLISB issued its first tranche of RM5.0 million nominal value of Islamic commercial paper ("Senior ICP") out of its RM5.0 billion Multi-currency Islamic Commercial Paper Programme ("Senior ICP Programme") based on the Shariah principle of Wakalah Bi Al-Istithmar. The tenure for this Senior ICP is 6 months, which was issued at a discount of 3.65% per annum. On 12 July 2024, HLISB had fully redeemed the RM5.0 million nominal value of this Senior ICP. On 12 July 2024, HLISB had fully redeemed the RM5.0 million nominal value of this Senior ICP.

On 26 July 2024, HLB issued its fourth tranche of RM234.0 million nominal value of green medium term notes ("Green Senior MTN") out of its RM10.0 billion Multi-currency Senior CP Programme. The tenure for this Senior CP is 6 months, which was issued at a discount of 3.54% per annum. The proceeds from the issuance shall be utilised for the HLB working capital, general banking and other corporate purposes and/or if required, the refinancing of any existing financing obligations of HLB. On 24 January 2025, HLB had fully redeemed the RM234.0 million nominal value of this Senior CP.

On 27 March 2025, HLFG issued its first tranche of RM30.0 million nominal value of Commercial Paper ("CP") out of its RM5.0 billion CP Programme. The tenure for this CP is 29 days, which was issued at a discount of 3.45% per annum. The proceeds from the issuance of CPs shall be utilised, without limitation, to on-lend to HLFG's subsidiaries, for investment into HLFG's subsidiaries, for working capital, general investment and other corporate purposes and/or if required, the refinancing of any existing financing obligations of HLFG and/or any existing CPs issued under the CP Programme.

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

## B8 Subordinated obligations

	Note	The Group		The Company	
		31 March 2025 RM'000	30 June 2024 RM'000	31 March 2025 RM'000	30 June 2024 RM'000
RM600.0 million Tier 2 subordinated debt, at par	(a)	300,000	600,000	-	-
Add: Interest payable		2,674	4,679	-	-
		<u>302,674</u>	<u>604,679</u>	<u>-</u>	<u>-</u>
RM1.6 billion Tier 2 subordinated notes, at par	(b)	1,600,000	1,600,000	-	-
Add: Interest payable		19,469	3,113	-	-
		<u>1,619,469</u>	<u>1,603,113</u>	<u>-</u>	<u>-</u>
Less: Unamortised discounts		(2,242)	(2,624)	-	-
		<u>1,617,227</u>	<u>1,600,489</u>	<u>-</u>	<u>-</u>
		<u>1,919,901</u>	<u>2,205,168</u>	<u>-</u>	<u>-</u>

Note:

- (a) On 3 February 2020, Hong Leong Assurance Berhad ("HLA"), a wholly owned subsidiary of HLA Holdings Sdn Bhd and also an indirect subsidiary of the Company, completed the Subordinated Notes ("Sub-Notes") issuance of RM300.0 million in nominal value. The Sub-Notes were issued for a period of 10 years on a 10 non-callable 5 years basis with a coupon rate of 3.85% per annum. On 3 February 2025, HLA had fully redeemed the RM300.0 million nominal value of this Sub-Notes.

On 28 December 2020, HLA completed two issuances of Sub-Notes for RM150.0 million in nominal value each. The Sub-Notes were issued for a period of 5 years basis with a coupon rate of 3.45% per annum and 8 years basis with a coupon rate of 3.70% respectively.

The above Sub-Notes are unsecured liabilities and classified as Tier 2 capital under Risk-Based Capital Framework for Insurers.

- (b) On 19 June 2023, HLB issued an unsecured RM500.0 million nominal value of Tier 2 subordinated notes ("Sub-Notes") out of its multi-currency subordinated notes programme. The Sub-Notes carry a distribution rate of 4.20% per annum with a tenure of 10 years non-callable 5 years.

On 11 June 2024, HLB issued an unsecured RM1.0 billion nominal value of Tier 2 subordinated notes ("Sub-Notes") out of its multi-currency subordinated notes programme. The Sub-Notes carry a distribution rate of 4.05% per annum with a tenure of 10 years non-callable 5 years.

On 13 June 2024, Hong Leong Investment Bank Berhad ("HLIB") issued an unsecured RM100.0 million nominal value of Tier 2 subordinated notes ("Sub-Notes") out of its multi-currency subordinated notes programme. The Sub-Notes carry a distribution rate of 4.11% per annum with a tenure of 10 years non-callable 5 years.

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

## B9 Multi-currency Additional Tier 1 capital securities

	The Group		The Company	
	31 March 2025 RM'000	30 June 2024 RM'000	31 March 2025 RM'000	30 June 2024 RM'000
Multi-currency Additional Tier 1 capital securities, at par	1,700,000	1,700,000	-	-
Add: Interest payable	25,928	15,443	-	-
	<u>1,725,928</u>	<u>1,715,443</u>	<u>-</u>	<u>-</u>
Less: Unamortised discounts	(1,494)	(1,890)	-	-
Add: Fair value changes arising from fair value hedges	524	5,118	-	-
	<u>1,724,958</u>	<u>1,718,671</u>	<u>-</u>	<u>-</u>

On 29 April 2022, HLB issued a nominal value of RM900.0 million Basel III-compliant Additional Tier 1 Green capital securities ("Green Capital Securities"), out of its multi-currency Additional Tier 1 capital securities programme. The Green Capital Securities carry a distribution rate of 4.45% per annum and are perpetual and non-callable for 5 years with an Issuer's call option to redeem at the end of year 5.

On 14 October 2022, HLB issued a nominal value of RM400.0 million Additional Tier 1 capital securities ("Capital Securities") out of its multi-currency Additional Tier 1 capital securities programme. The Capital Securities carry a distribution rate of 4.70% per annum are perpetual and non-callable for 5 years with an Issuer's call option to redeem at the end of year 5.

On 25 March 2024, HLB issued a nominal value of RM400.0 million Additional Tier1 capital securities ("Capital Securities"), out to its multi-currency Additional Tier 1 capital securities programme. The Capital Securities carry a distribution rate of 4.25% per annum are perpetual and non-callable for 5 years with an Issuer's call option to redeem at the end of year 5.

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

## B10 Off-balance sheet financial instruments

Details of financial instruments with off-balance sheet risk as at 31 March 2025

## The Group

Items	Principal amount RM'000	Fair value	
		Assets RM'000	Liabilities RM'000
Foreign exchange related contracts			
- Forwards			
(i) Less than 1 year	76,298,346	556,788	(324,739)
(ii) 1 year to 3 years	1,358,763	4,837	(26,649)
(iii) More than 3 years	825,375	742	(17,541)
- Swaps			
(i) Less than 1 year	8,449,738	84,017	(48,912)
(ii) 1 year to 3 years	1,944,604	50,794	(33,209)
(iii) More than 3 years	1,447,150	73,842	(12,312)
- Options			
(i) Less than 1 year	3,879,244	20,087	(18,218)
Interest rate related contracts			
- Futures			
(i) Less than 1 year	11,181,218	5,889	(19,285)
(ii) 1 year to 3 years	2,647,000	6,911	(7,294)
(iii) More than 3 years	2,460,500	5,530	(9,703)
- Swaps			
(i) Less than 1 year	63,027,253	40,964	(55,818)
(ii) 1 year to 3 years	79,586,309	278,473	(348,359)
(iii) More than 3 years	60,443,879	331,290	(380,505)
Equity related contracts			
(i) Less than 1 year	493,401	27,603	(23,365)
(ii) 1 year to 3 years	686,122	32,473	(30,169)
(iii) More than 3 years	433,302	29,366	(29,366)
Credit related contracts			
(i) Less than 1 year	280,746	6,153	(6,153)
(ii) More than 3 years	1,557,387	102,248	(102,248)
Commodity related contracts			
(i) Less than 1 year	254,401	8,878	(8,807)
(ii) 1 year to 3 years	621,668	30,479	(30,480)
<b>Total</b>	<b>317,876,406</b>	<b>1,697,364</b>	<b>(1,533,132)</b>

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

## B10 Off-balance sheet financial instruments (continued)

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

## The Group

Items	Principal amount RM'000	Fair value	
		Assets RM'000	Liabilities RM'000
Foreign exchange related contracts			
- Forwards			
(i) Less than 1 year	65,932,452	193,177	(369,019)
(ii) 1 year to 3 years	1,559,477	41,548	(584)
(iii) More than 3 years	1,231,790	21,371	(902)
- Swaps			
(i) Less than 1 year	11,566,735	125,738	(171,615)
(ii) 1 year to 3 years	3,322,891	26,369	(170,021)
(iii) More than 3 years	1,839,922	108,103	(98,157)
- Options			
(i) Less than 1 year	8,498,440	14,737	(15,378)
Interest rate related contracts			
- Futures			
(i) Less than 1 year	8,368,842	6,258	(13,076)
(ii) 1 year to 3 years	1,487,000	5,791	(2,903)
(iii) More than 3 years	2,218,000	6,193	(9,985)
- Swaps			
(i) Less than 1 year	39,947,193	37,570	(34,697)
(ii) 1 year to 3 years	56,619,764	234,477	(242,859)
(iii) More than 3 years	62,059,915	372,089	(501,252)
Equity related contracts			
(i) Less than 1 year	495,443	10,199	(17,974)
(ii) 1 year to 3 years	148,470	7,633	(6,249)
(iii) More than 3 years	896,954	56,862	(56,862)
Credit related contracts			
(i) Less than 1 year	142,845	3,666	(3,666)
(ii) More than 3 years	1,450,954	116,508	(116,508)
Commodity related contracts			
(i) Less than 1 year	57,292	1,611	(1,524)
<b>Total</b>	<b>267,844,379</b>	<b>1,389,900</b>	<b>(1,833,231)</b>

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

**Market risk**

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amount subject to market risk. Exposure to market risk may be reduced through offsetting on and off-balance sheet positions. As at the end of the financial year, the amount of contracts which were not hedged effectively and hence, exposed to foreign exchange and interest rate market risk were RM140,259,000 (30 June 2024: RM453,288,000) and RM222,261,683,000 (30 June 2024: RM169,376,326,000) respectively.

Derivatives

Market risk arises from the impact on trading positions of changes in foreign exchange rates and interest rates. It also includes the impact from changes in the correlations and volatilities of other risk factors. The Group manages trading market risk in the course of market-making, structuring and packaging products for investors and other clients, as well as to benefit from market opportunities. The Group's market risk framework identifies the types of the market risk to be covered, the risk metrics and methodologies to be used to capture such risk and the standards governing the management of market risk within the Group including limit setting and independent model validation, monitoring and valuation. Management of derivatives risks is continually reviewed and enhanced to ensure that the complexities of the business are appropriately controlled.

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

B10 Off-balance sheet financial instruments (continued)

**Credit risk**

Derivatives

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the Group has a gain position. As at the end of the financial period, the amount of credit risk, measured in terms of the cost to replace the profitable contracts was RM1,755,803,000 (30 June 2024: RM1,487,106,000). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

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

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

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

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

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

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

**Liquidity risk**

Derivatives

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

**Related accounting policies**

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

Fair value hedge

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

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

## B10 Off-balance sheet financial instruments (continued)

## Related accounting policies (continued)

Cash flow hedge

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

## B11 Material litigation

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

## B12 Dividend declared

No dividend has been declared for the current financial quarter ended 31 March 2025.

## B13 Earnings per share

## (a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period/year, excluding the treasury shares.

	3rd Quarter Ended		Nine Months Ended	
	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
<b>The Group</b>				
Net profit attributable to equity holders	714,117	818,065	2,401,246	2,391,576
Weighted average number of ordinary shares ('000)	1,134,258	1,134,258	1,134,258	1,134,172
<b>Basic earnings per share (sen)</b>	<b>63.0</b>	<b>72.1</b>	<b>211.7</b>	<b>210.9</b>
	3rd Quarter Ended		Nine Months Ended	
	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
<b>The Company</b>				
Net profit attributable to equity holders	374,502	332,495	1,083,355	949,161
Weighted average number of ordinary shares ('000)	1,138,350	1,138,350	1,138,350	1,138,264
<b>Basic earnings per share (sen)</b>	<b>32.9</b>	<b>29.2</b>	<b>95.2</b>	<b>83.4</b>

## (b) Diluted earnings per share

The Group has no dilution in its earnings per ordinary share in the current and previous financial year as there are no dilutive potential ordinary shares. As a result, the diluted earnings per share was equal to basic earnings per share for the current and previous financial year.

Dated this 28 May 2025