

Affin Hwang Investment Bank Berhad
(Formerly known as HwangDBS Investment Bank Berhad)
(Incorporated in Malaysia)

Unaudited Statements of Financial Position
as at 31 March 2015

	Note	The Group		The Bank	
		As at	As at	As at	As at
		31-03-2015	31-12-2014	31-03-2015	31-12-2014
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and short-term funds		677,981	654,869	315,069	416,625
Deposits and placements with banks and other financial institutions		145,074	245,573	145,074	245,573
Financial assets held-for-trading	12	71,746	32,876	52,993	23,893
Financial investments held-to-maturity	12	96,356	176,346	96,356	176,346
Financial investments available-for-sale	12	4,084,025	3,577,748	4,041,560	3,536,702
Loans, advances and financing	13	967,415	1,035,844	967,415	1,035,844
Trade receivables	14	1,183,683	427,498	514,499	378,722
Derivative financial assets		107,517	82,127	107,517	82,127
Other assets	15	78,152	61,982	74,314	58,019
Deferred tax assets		7,302	10,836	5,469	5,990
Tax recoverable		14,556	14,625	14,496	14,569
Statutory deposits with Bank Negara Malaysia		146,040	135,000	146,040	135,000
Investment in subsidiaries		-	-	132,120	132,120
Subordinated loan to a subsidiary		-	-	-	5,000
Amount due from subsidiaries		-	-	-	126
Property and equipment		13,524	14,016	8,163	8,799
Intangible assets		321,063	320,806	314,924	314,772
Total ASSETS		7,914,434	6,790,146	6,936,009	6,570,227
LIABILITIES AND SHAREHOLDERS' EQUITY					
Deposits from customers	16	4,018,678	3,604,160	4,018,678	3,644,373
Deposits and placements of banks and other financial institutions	17	648,292	861,615	648,292	861,615
Amount due to subsidiaries		-	-	5,024	-
Trade payables	18	1,406,514	582,166	456,879	363,283
Derivative financial liabilities		119,610	89,079	119,610	89,079
Other liabilities	19	241,614	203,377	202,230	143,411
Provision for taxation		2,240	4,349	-	-
Total LIABILITIES		6,436,948	5,344,746	5,450,713	5,101,761
Share capital		780,000	780,000	780,000	780,000
Reserves		662,656	635,071	705,296	688,466
		1,442,656	1,415,071	1,485,296	1,468,466
Non-controlling interests		34,830	30,329	-	-
SHAREHOLDERS' EQUITY		1,477,486	1,445,400	1,485,296	1,468,466
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		7,914,434	6,790,146	6,936,009	6,570,227
COMMITMENTS AND CONTINGENCIES	26	3,933,486	4,172,294	3,933,486	4,172,294
CAPITAL ADEQUACY					
Basel III					
CET 1 capital ratio	25	25.101%	30.224%	30.253%	30.721%
Tier 1 capital ratio	25	25.171%	30.308%	30.253%	30.721%
Total capital ratio	25	25.442%	30.660%	30.253%	30.721%
After deducting proposed dividends:					
CET 1 capital ratio (net of proposed dividends)	25	25.101%	30.224%	30.253%	30.721%
Tier 1 capital ratio (net of proposed dividends)	25	25.171%	30.308%	30.253%	30.721%
Total capital ratio (net of proposed dividends)	25	25.442%	30.660%	30.253%	30.721%

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Unaudited Income Statements
for the financial period ended 31 March 2015

The Group	Note	Individual Quarter		Cumulative Quarter	
		Current Financial Period RM'000 31-03-2015	Preceding Year Corresponding Period RM'000 31-03-2014	Current Financial Period-to-date RM'000 31-03-2015	Preceding Year Corresponding Period-to-date RM'000 31-03-2014
Interest income	20	61,342	32,460	61,342	32,460
Interest expense	21	(41,737)	(19,355)	(41,737)	(19,355)
Net interest income		19,605	13,105	19,605	13,105
Other operating income	22	115,083	70,773	115,083	70,773
Net income		134,688	83,878	134,688	83,878
Other operating expenses	23	(101,605)	(29,529)	(101,605)	(29,529)
Operating profit before loan and financing loss and allowance		33,083	54,349	33,083	54,349
Write-back/(allowances) of losses on loans, advances and financing and receivables	24	454	604	454	604
Profit before zakat and taxation		33,537	54,953	33,537	54,953
Zakat		(211)	-	(211)	-
Profit before taxation		33,326	54,953	33,326	54,953
Taxation		(8,101)	(7,015)	(8,101)	(7,015)
Net Profit after zakat and taxation		25,225	47,938	25,225	47,938
Attributable to:					
- Equity holders of the Bank		20,496	47,870	20,496	47,870
- Non-controlling interests		4,729	68	4,729	68
		25,225	47,938	25,225	47,938
Earnings per share:					
- basic/fully diluted (sen)		3.23	9.59	3.23	9.59

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Unaudited Statement of Comprehensive Income
for the financial period ended 31 March 2015

The Group	Individual Quarter		Cumulative Quarter	
	Current Financial Period 31-03-2015 RM'000	Preceding Year Corresponding Period 31-03-2014 RM'000	Current Financial Period-to-date 31-03-2015 RM'000	Preceding Year Corresponding Period-to-date 31-03-2014 RM'000
Profit after taxation and zakat	25,225	47,938	25,225	47,938
Other comprehensive income:				
Net fair value changes in financial investments available-for-sale	21,466	242	21,466	242
Net gain transferred to income statement on disposal	(12,060)	(167)	(12,060)	(167)
Deferred tax on financial investments available-for-sale	(2,545)	(19)	(2,545)	(19)
Other comprehensive income for the period, net of tax	6,861	56	6,861	56
Total comprehensive income for the period	32,086	47,994	32,086	47,994
Attributable to equity holders of the Bank:				
Total comprehensive income	32,086	47,994	32,086	47,994

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Unaudited Income Statements
for the financial period ended 31 March 2015

The Bank	Note	Individual Quarter		Cumulative Quarter	
		Current Financial Period 31-03-2015 RM'000	Preceding Year Corresponding Period 31-03-2014 RM'000	Current Financial Period-to-date 31-03-2015 RM'000	Preceding Year Corresponding Period-to-date 31-03-2014 RM'000
Interest income	20	60,206	32,457	60,206	32,457
Interest expense	21	(41,725)	(19,355)	(41,725)	(19,355)
Net interest income		18,481	13,102	18,481	13,102
Other operating income	22	51,049	70,599	51,049	70,599
Net income		69,530	83,701	69,530	83,701
Other operating expenses	23	(57,232)	(29,034)	(57,232)	(29,034)
Operating profit before loan and financing loss and allowance		12,298	54,667	12,298	54,667
(Allowances) /write-back of losses on loans, advances and financing and receivables	24	454	604	454	604
Profit before zakat and taxation		12,752	55,271	12,752	55,271
Zakat		(183)	-	(183)	-
Profit before taxation		12,569	55,271	12,569	55,271
Taxation		(3,360)	(7,107)	(3,360)	(7,107)
Net Profit after zakat and taxation		9,209	48,164	9,209	48,164
Attributable to:					
- Equity holders of the Bank		9,209	48,164	9,209	48,164
Earnings per share:					
- basic/fully diluted (sen)		1.18	9.63	1.18	9.63

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Unaudited Statement of Comprehensive Income
for the financial period ended 31 March 2015

The Bank	Individual Quarter		Cumulative Quarter	
	Current Financial Period 31-03-2015 RM'000	Preceding Year Corresponding Period 31-03-2014 RM'000	Current Financial Period-to-date 31-03-2015 RM'000	Preceding Year Corresponding Period-to-date 31-03-2014 RM'000
Profit after taxation and zakat	9,209	48,164	9,209	48,164
Other comprehensive income:				
Net fair value changes in financial investments available-for-sale	22,226	242	22,226	242
Net gain transferred to income statement on disposal	(12,060)	(167)	(12,060)	(167)
Deferred tax on financial investments available-for-sale	(2,545)	(19)	(2,545)	(19)
Other comprehensive income for the period, net of tax	7,621	56	7,621	56
Total comprehensive income for the period	16,830	48,220	16,830	48,220
Attributable to equity holders of the Bank:				
Total comprehensive income	16,830	48,220	16,830	48,220

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Unaudited Statement of Changes in Equity
for the financial period ended 31 March 2015

	Attributable to equity holders of the Bank								
	Nominal value RM'000	Share premium RM'000	Statutory reserve RM'000	Regulatory reserve RM'000	Available -for-sale revaluation reserve RM'000	Retained profits RM'000	Sub-total RM'000	Non-Controlling interests RM'000	Total equity RM'000
The Group									
At 1 January 2015	780,000	219,800	199,071	3,556	5,479	207,165	1,415,071	30,329	1,445,400
Comprehensive income:									
Net profit for the financial period	-	-	-	-	-	20,496	20,496	4,729	25,225
Other comprehensive income, (net of tax) -									
Financial investments available-for-sale	-	-	-	-	7,089	-	7,089	(228)	6,861
Total comprehensive income	-	-	-	-	7,089	20,496	27,585	4,501	32,086
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-
Transfer to regulatory reserve	-	-	-	(226)	-	226	-	-	-
At 31 March 2015	780,000	219,800	199,071	3,330	12,568	227,887	1,442,656	34,830	1,477,486
At 1 January 2014	500,000	-	148,861	-	2,284	231,610	882,755	314	883,069
Comprehensive income:									
Net profit for the financial period	-	-	-	-	-	47,870	47,870	68	47,938
Other comprehensive income, (net of tax) -									
Financial investments available-for-sale	-	-	-	-	56	-	56	-	56
Total comprehensive income	-	-	-	-	56	47,870	47,925	68	47,994
Disposal of subsidiary	-	-	-	-	-	-	-	(382)	(382)
At 31 March 2014	500,000	-	148,861	-	2,340	279,480	930,681	-	930,681

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Unaudited Statement of Changes in Equity
for the financial period ended 31 March 2015

	Non-distributable				Available -for-sale revaluation reserve RM'000	Distributable	
	Nominal value RM'000	Share premium RM'000	Statutory reserve RM'000	Regulatory reserve RM'000		Retained profits RM'000	Total equity RM'000
The Bank							
At 1 January 2015	780,000	219,800	199,071	3,556	5,347	260,692	1,468,466
Comprehensive income:							
Net profit for the financial period	-	-	-	-	-	9,209	9,209
Other comprehensive income:							
Other comprehensive income, (net of tax) -							
Financial investments available-for-sale	-	-	-	-	7,621	-	7,621
Total comprehensive income	-	-	-	-	7,621	9,209	16,830
Transfer to regulatory reserve	-	-	-	(226)	-	226	-
At 31 March 2015	<u>780,000</u>	<u>219,800</u>	<u>199,071</u>	<u>3,330</u>	<u>12,968</u>	<u>270,127</u>	<u>1,485,296</u>
At 1 January 2014	500,000	-	148,861	-	2,284	231,153	882,298
Comprehensive income:							
Net profit for the financial period	-	-	-	-	-	48,164	48,164
Other comprehensive income, (net of tax) -							
Financial investments available-for-sale	-	-	-	-	56	-	56
Total comprehensive income	-	-	-	-	56	48,164	48,220
At 31 March 2014	<u>500,000</u>	<u>-</u>	<u>148,861</u>	<u>-</u>	<u>2,340</u>	<u>279,317</u>	<u>930,518</u>

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Unaudited Statement of Cash Flows
for the financial period ended 31 March 2015

	The Group		The Bank	
	31-03-2015 RM'000	31-3-2014 RM'000	31-03-2015 RM'000	31-3-2014 RM'000
Cash flow from operating activities				
Net profit before tax for the financial period	33,326	54,953	12,569	55,271
Adjustments for items not involving the movement of cash and cash equivalents:				
Interest income				
- financial assets held-for trading	(357)	(711)	(357)	(711)
- financial investments available-for-sale	(34,727)	(11,275)	(34,727)	(11,275)
- financial investments held-to-maturity	(2,745)	(4,739)	(2,745)	(4,739)
Dividend income from subsidiary	-	-	-	(500)
Dividend income from financial instruments	(3,413)	(2,976)	(3,135)	(2,976)
Gain on disposal of property, plant and equipment	(40)	(80)	(40)	(80)
Gain on disposal of investment properties	-	(38,674)	-	(38,674)
Loss on disposal of subsidiary	-	399	-	-
Property and equipment written-off	26	18	1	18
Intangible assets written-off	6	-	-	-
Depreciation of property and equipment	1,395	463	865	452
Amortisation of intangible assets	353	-	158	-
Net (amortisation of premiums)/accretion of discounts	170	(205)	170	(205)
(Loss)/gain arising from disposal or redemption of :				
- derivative instruments	(10)	(12)	(10)	(12)
- financial assets held-for-trading	(7,751)	(10,505)	(7,751)	(10,505)
- financial investments available-for-sale	(11,740)	(167)	(11,838)	(167)
Unrealised gain/(loss) on derivative instruments	3,185	(6,037)	3,185	(6,037)
Unrealised (loss)/gain on financial assets held-for-trading	(1,024)	983	(362)	983
Net of collective impairment	(606)	(464)	(606)	(464)
Net of individual impairment	107	(151)	107	(151)
Allowance for bad and doubtful debts on other debtors	62	-	62	-
Zakat	211	-	183	-
Bad debts written off	-	41	-	41
Bad debts recovered	(17)	(30)	(17)	(30)
Unrealised foreign exchange (gain)/loss	4,092	(87)	4,609	(87)
<i>Operating profit before changes in operating assets and liabilities</i>	(19,497)	(19,255)	(39,679)	(19,848)
<i>Decrease/(increase) in operating assets</i>				
Loans, advances and financing	69,032	39,054	69,032	39,054
Deposits and placements with banks and other financial institutions	100,499	50,000	100,499	50,000
Statutory deposits with Bank Negara Malaysia	(11,040)	10,800	(11,040)	10,800
Intercompany balances	-	-	5,150	-
Trade receivables	(756,271)	(98,640)	(135,926)	(98,640)
Derivative assets	(28,564)	21,450	(28,564)	21,450
Other assets	(14,569)	(13,475)	(14,632)	(12,174)
Financial assets held-for-trading	(28,802)	(16,353)	(19,972)	(16,353)
	(669,715)	(7,164)	(35,453)	(5,863)
<i>Increase/(decrease) in operating liabilities</i>				
Deposits from customers	414,518	53,248	374,305	53,248
Deposits and placements of banks and other financial institutions	(213,323)	121,782	(213,323)	121,782
Trade payables	824,348	119,780	93,596	73,899
Derivative liabilities	30,531	(17,307)	30,531	(17,307)
Other liabilities	24,332	(46,382)	49,155	(68)
	1,080,406	231,121	334,264	231,554
Cash generated from operating activities	391,194	204,702	259,132	205,843

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Unaudited Statement of Cash Flows
for the financial period ended 31 March 2015

	The Group		The Bank	
	31-03-2015	31-3-2014	31-03-2015	31-3-2014
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities (continued)				
Net taxation paid	(9,153)	(3,471)	(5,310)	(3,439)
Net cash generated from operating activities	382,041	201,231	253,822	202,404
Cash flow from investing activities				
Proceeds from disposal of property and equipment	138	154	-	154
Proceeds from disposal of investment properties	-	87,500	-	87,500
Purchase of property and equipment	(1,176)	(226)	(69)	(142)
Purchase of intangible assets	(615)	-	(310)	-
Interest received:				
- financial investments available-for-sale	34,727	11,275	34,727	11,275
- financial investments held-to-maturity	2,745	4,739	2,745	4,739
Net proceeds on disposal/(purchase) of financial investments available-for-sale	(485,599)	104,235	(483,322)	104,235
Net proceeds on purchase/(redemption) of financial investments held-to-maturity	80,301	(699)	80,301	(699)
Net cashflow from disposal of subsidiary	-	(240)	-	-
Cash consideration for merger of businesses	3,467	-	3,467	-
Dividend income received from:				
- financial investments available-for-sale	2,465	2,297	2,465	2,297
- subsidiary	-	-	-	500
Net cash generated from investing activities	(363,547)	209,035	(359,996)	209,859
Cash flow from financing activities				
	-	-	-	-
Net increase in cash and cash equivalents	18,494	410,266	(106,174)	412,263
Cash and cash equivalents at beginning of the financial period	606,686	543,997	368,442	541,570
Cash and cash equivalents at end of the financial period	625,180	954,263	262,268	953,833
Analysis of cash and cash equivalents				
Cash and short term funds	677,981	992,942	315,069	992,512
Amount held on behalf of clients and commissioned dealers representatives	(52,801)	(38,679)	(52,801)	(38,679)
Cash and cash equivalents at end of the financial period	625,180	954,263	262,268	953,833

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Notes to the financial statement
for the financial period ended 31 March 2015

1. Review of financial performance

The Group recorded a Profit Before Tax ("PBT") of RM33.3 million for the 3 months period ended 31 March 2015 compared to a PBT of RM54.9 million for the previous corresponding period. The investment banking subsidiary contributed RM12.6 million (31.3.2014: RM55.3 million) and the asset management business (acquired in April 2015) contributed RM20.5 million (31.3.2014: NIL) to the Group's profit in the current period under review. The Group profit contribution in the previous financial period included an exceptional net gain on disposals of investment properties of RM38.7 million.

Summarised analysis of the Group PBT for the current quarter is as follows:

- Net interest income of RM19.6 million was 49.6% higher than the net interest income of RM13.1 million recorded in the previous corresponding period primarily due to higher average interest earning assets in the current period under review, in line with enlarged assets of the investment banking and asset management businesses.
- Other operating income registered an increase from RM70.8million in the previous corresponding period to RM115.1 million in current period under review. The increase was primarily due to contributions from the unit trusts' management and incentive fees as well as initial service fee income from the fund and asset management businesses. The increase is also attributable to higher brokerage income, higher net investment gains generated by the stockbroking and investment bank activities coupled with higher net foreign exchange gains during the current period under review.
- Operating expenses recorded for the period under review were higher at RM101.6 million compared to RM29.5 million incurred in the previous corresponding period. The increase was mainly due to higher personnel costs, higher marketing and establishment expenses arising from the enlarged entity as well as commission and incentives paid to agents of the fund and asset management business.
- Net write-back of losses on loans, advances and financing and receivables was slightly lower at RM0.5 million compared to a net write-back of RM0.6 million in the previous corresponding period.

2. Prospect for the current financial period

The Group continues to be optimistic on the potential opportunities in the capital markets, albeit at a slower pace, largely driven by the magnitude of fluctuations in global oil prices, movements of ringgit exchange rate and uncertainties in the global financial environment. Malaysia's economic fundamentals are expected to remain resilient to mitigate potential vulnerabilities arising from the external front.

The Group also looks forward to its first full year of operating as a merged entity upon successfully completed its merger exercise in the last quarter of 2014, which together with collaboration with Daiwa Securities Group Inc., of Japan has created a leading domestic stockbroking position for the Group. However, the Group takes cognizant of the increasingly-competitive operating environment for the investment banking industry as a whole, whereby the stockbroking volume and capital market assignments are highly dependent on the overall market sentiments.

The asset and fund management division shall continue to grow its business and selectively capitalise on potential regional growth opportunities to further expand its assets under management and client base. Moving forward as a merged asset management group that is backed by an investment bank, the segment is optimistic on its combined performance and its ability to offer a wider range of products and services to its enlarged clientele.

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Notes to the financial statement
for the financial period ended 31 March 2015

3. Basis of preparation

The unaudited condensed interim financial statements for the 3 months period ended 31 March 2015 has been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS"), Bank Negara Malaysia (BNM) Guidelines and the requirements of the Companies Act 1965 in Malaysia.

The unaudited condensed interim financial statements may be read in conjunction with the annual financial statements for the financial period ended 31 December 2014. The explanatory notes to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the Group and the Bank since the financial period ended 31 December 2014.

4. Qualification of preceding annual financial statements

The Bank's financial statements for financial period ended 31 December 2014 were not qualified by the auditors.

5. Seasonal or cyclical factors

The Group's and Bank's operations are generally not affected by any seasonal or cyclical factors but are in tandem with the country's economic situation.

6. Unusual items due to their nature, size or incidence

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank during the financial reporting period other than the merger of the business and assets and liabilities of AFFIN Hwang Futures Sdn Bhd as disclosed in explanatory note 9.

7. Changes in debt and equity securities

There were no issuances, cancellation, repurchases, resale or repayment of debt and equity securities at the Bank's level during the financial reporting period.

8. Litigations against the Bank

There were no material litigations as at 31 March 2015 which would materially affect the financial position or business of the Group.

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Notes to the financial statement
for the financial period ended 31 March 2015

9. Significant Events

On 30 January 2015, AFFIN Hwang Investment Bank Berhad ("AHIB") (formerly known as HwangDBS Investment Bank Berhad) and AFFIN Hwang Futures Sdn Bhd ("AHF") (formerly known as HDM Futures Sdn Bhd) entered into the business transfer agreement ("Business Transfer Agreement") for the transfer of the whole of the assets, liabilities and business undertakings of AHF as a going concern to AHIB for a cash consideration of RM10.86 million ("Transfer"). The purchase consideration was based on the net asset value of AHF minus excluded assets as set out in the Business Transfer Agreement based on the management accounts of AHF as at the month end before the effective date of 28 February 2015. A Vesting Order pursuant to Section 139 of the Capital Markets and Services Act 2007 was obtained from the High Court of Malaya on 12 February 2015. The Transfer was completed on 28 February 2015 and AHF had ceased its provision for futures broking business, which was then assumed by AHIB.

The net assets of AHF transferred to AHIB based on its carrying values as at 31 January 2015 are summarised below:

	AHF
	RM'000
Assets	
Cash and short-term funds	76
Deposits and placements with financial institutions	14,250
Assets segregated for customers	45,056
Other assets	1,663
Property and equipment	120
Total Assets	61,165
Liabilities	
Client balances	45,056
Subordinated loan from holding company	5,000
Other liabilities	250
Total Liabilities	50,306
Net assets acquired/ cost of merger	10,859
Less: Cash and short term funds acquired	(14,326)
Net cash flow arising from the merger	(3,467)

10. Subsequent events

There are no material events subsequent to the end of the financial period ended 31 March 2015.

11. Changes in the composition of the Bank

There is no change to the composition of the Bank as at end of the reporting period.

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Notes to the financial statement
for the financial period ended 31 March 2015

12. Securities portfolio

	The Group		The Bank	
	31-03-2015 RM'000	31-12-2014 RM'000	31-03-2015 RM'000	31-12-2014 RM'000
<u>Classification of securities portfolio:</u>				
(i) Financial assets held-for-trading				
<u>At fair value</u>				
<u>Quoted securities</u>				
In Malaysia:				
Shares, warrants and REITS	33,014	18,903	33,014	18,903
Unit trusts	5,115	8,983	-	-
Outside Malaysia:				
Unit trusts	13,638	-	-	-
	<u>51,767</u>	<u>27,886</u>	<u>33,014</u>	<u>18,903</u>
<u>Unquoted securities</u>				
Malaysian Government Securities	19,979	-	19,979	-
Private Debt Securities in Malaysia	-	4,990	-	4,990
	<u>71,746</u>	<u>32,876</u>	<u>52,993</u>	<u>23,893</u>
(ii) Financial investments held-to-maturity				
<u>At amortised cost</u>				
<u>Unquoted securities</u>				
Private Debt Securities in Malaysia	96,356	176,346	96,356	176,346
Redeemable Convertible Secured Loan Stocks	1,554	1,554	1,554	1,554
	<u>97,910</u>	<u>177,900</u>	<u>97,910</u>	<u>177,900</u>
Allowance for impairment of securities	(1,554)	(1,554)	(1,554)	(1,554)
	<u>96,356</u>	<u>176,346</u>	<u>96,356</u>	<u>176,346</u>
(iii) Financial investments available-for-sale				
<u>At fair value</u>				
<u>Money Market Instruments</u>				
Malaysian Government Securities	80,807	80,967	80,807	80,967
Malaysian Government Sukuk	7,537	7,096	7,537	7,096
Malaysian Government Islamic Investment Issues	993,604	866,515	993,604	866,515
Cagamas Bonds	85,770	84,924	85,770	84,924
Sukuk Perumahan Kerajaan	88,830	48,642	88,830	48,642
Negotiable Instruments of Deposit	81,075	80,116	81,075	80,116
	<u>1,337,623</u>	<u>1,168,260</u>	<u>1,337,623</u>	<u>1,168,260</u>
<u>Quoted securities</u>				
In Malaysia:				
Shares	19,584	19,488	19,584	19,488
Unit Trusts	245,159	242,902	202,694	201,856
REITS	36,743	35,546	36,743	35,546
Outside Malaysia:				
REITS	38,186	37,367	38,186	37,367
<u>Unquoted securities</u>				
Private Debt Securities in Malaysia	2,220,521	1,781,304	2,220,521	1,781,304
Private Debt Securities outside Malaysia	208,622	315,294	208,622	315,294
Shares in Malaysia	19,001	19,001	19,001	19,001
	<u>4,125,439</u>	<u>3,619,162</u>	<u>4,082,974</u>	<u>3,578,116</u>
Allowance for impairment of securities	(41,414)	(41,414)	(41,414)	(41,414)
	<u>4,084,025</u>	<u>3,577,748</u>	<u>4,041,560</u>	<u>3,536,702</u>

Affin Hwang Investment Bank Berhad
(Formerly known as HwangDBS Investment Bank Berhad)
(Incorporated in Malaysia)

Notes to the financial statement
for the financial period ended 31 March 2015

13. Loans, advances and financing

(i) By type of Loan/Financing

	The Group and the Bank	
	31-03-2015	31-12-2014
	RM'000	RM'000
Term loans/financing		
- Syndicated term loan/financing	347,564	399,497
- Other term loans/financing	428,810	437,022
Staff loans	7,971	8,102
Share margin financing	198,561	207,186
Revolving credits	17,005	17,258
Gross loans, advances and financing	<u>999,911</u>	<u>1,069,065</u>
Less :		
Allowances for impaired loans, advances and financing		
- Individual allowance	(24,117)	(24,239)
- Collective allowance	(8,379)	(8,982)
Total net loans, advances and financing	<u><u>967,415</u></u>	<u><u>1,035,844</u></u>

(ii) By Type of Customers

Domestic business enterprises		
- Small medium enterprises	22,654	24,292
- Others	664,197	727,598
Individuals	308,518	312,635
Foreign business enterprises	1,321	1,456
Foreign individuals	3,221	3,084
Total gross loans, advances and financing	<u>999,911</u>	<u>1,069,065</u>

(iii) By Interest/Profit Rate Sensitivity

Fixed rate		
- Housing loans/financing	4,516	4,620
- Other fixed rate loans/financing	3,455	3,481
- Share margin financing	198,561	207,186
Variable rate		
- Cost-plus	793,379	853,778
Total gross loans, advances and financing	<u>999,911</u>	<u>1,069,065</u>

(iv) By Economic Purpose

Purchase of securities	363,661	374,424
Merger and acquisition	69,065	106,753
Working capital	216,701	211,146
Purchase of landed properties (non-residential)	41,283	41,810
Purchase of landed properties (residential)	4,516	4,620
Purchase of transport vehicles	51,487	50,614
Construction	51,057	29,111
Personal use	162	189
Others	201,979	250,398
Total gross loans, advances and financing	<u>999,911</u>	<u>1,069,065</u>

Affin Hwang Investment Bank Berhad
(Formerly known as HwangDBS Investment Bank Berhad)
(Incorporated in Malaysia)

Notes to the financial statement
for the financial period ended 31 March 2015

13. Loans, advances and financing (continued)

	The Group and the Bank	
	31-03-2015	31-12-2014
	RM'000	RM'000
<u>(v) By Sector</u>		
Household	313,060	315,719
Education, health & others	142,138	152,073
Construction	141,879	121,831
Electricity, gas and water	85,483	123,169
Finance, insurance and business services	83,965	91,242
Transport, storage and communication	69,871	69,519
Mining and quarrying	58,692	44,159
Real estate	44,879	55,499
Wholesale retail trade and restaurant and hotels	25,033	65,618
Manufacturing	22,500	22,500
Others	12,411	7,736
Total gross loans, advances and financing	<u>999,911</u>	<u>1,069,065</u>
<u>(vi) By Geographical Distribution</u>		
Wilayah Persekutuan	483,914	585,095
Selangor	378,415	344,153
Johor	110,208	108,671
Pulau Pinang	11,007	15,075
Sarawak	7,051	7,047
Perak	1,878	1,978
Sabah	1,762	887
Negeri Sembilan	951	1,344
Kedah	183	276
Outside Malaysia	4,542	4,539
Total gross loans, advances and financing	<u>999,911</u>	<u>1,069,065</u>
<u>(vii) By maturity structure</u>		
Maturing within one year	299,769	419,690
One year to three years	176,466	169,974
Three years to five years	351,854	304,944
Over five years	171,822	174,457
Total gross loans, advances and financing	<u>999,911</u>	<u>1,069,065</u>
<u>(viii) Movement of impaired loans, advances and financing</u>		
At beginning of the financial year/period	34,128	-
Vested from AFFIN Investment Bank Berhad ("AFFIN IB")	-	34,192
Amount written-off	(122)	-
Amount recovered	-	(64)
At end of the financial year/period	<u>34,006</u>	<u>34,128</u>
Gross impaired loans as a percentage of gross loans, advances and financing	<u>3.40%</u>	<u>3.19%</u>

Affin Hwang Investment Bank Berhad
(Formerly known as HwangDBS Investment Bank Berhad)
(Incorporated in Malaysia)

Notes to the financial statement
for the financial period ended 31 March 2015

13. Loans, advances and financing (continued)

The Group and the Bank
31-03-2015 **31-12-2014**
RM'000 **RM'000**

(ix) Movement in allowances are as follows:**Individual allowance**

At beginning of the financial year/period	24,239	-
Vested from AFFIN IB	-	20,269
Allowance made	-	3,970
Amount written-off	(122)	-
At end of the financial year/period	<u>24,117</u>	<u>24,239</u>

Collective allowance

At beginning of the financial year/period	8,982	5,476
Vested from AFFIN IB	-	7,388
Allowance made	5	-
Amount written-back	(608)	(3,882)
At end of the financial year/period	<u>8,379</u>	<u>8,982</u>

(x) Impaired loans, advances and financing analysed by their economic purpose

Working capital	34,006	34,006
Purchase of securities	-	122
Total impaired loans, advances and financing	<u>34,006</u>	<u>34,128</u>

(xi) Impaired loans, advances and financing analysed by their economic sector

Manufacturing	22,500	22,500
Wholesale retail trade and restaurant and hotels	11,506	11,506
Household	-	122
Total impaired loans, advances and financing	<u>34,006</u>	<u>34,128</u>

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

Selangor	34,006	34,006
Wilayah Persekutuan	-	122
Total impaired loans, advances and financing	<u>34,006</u>	<u>34,128</u>

Affin Hwang Investment Bank Berhad
(Formerly known as HwangDBS Investment Bank Berhad)
(Incorporated in Malaysia)

Notes to the financial statement
for the financial period ended 31 March 2015

14. Trade receivables

	The Group		The Bank	
	31-03-2015 RM'000	31-12-2014 RM'000	31-03-2015 RM'000	31-12-2014 RM'000
Amount in respect of management fees receivable and cancellation of funds' units	669,184	48,776	-	-
Amount due from clients (a)	370,050	321,850	370,050	321,850
Amount due from brokers	148,656	34,125	148,656	34,125
Amount due from Bursa Securities Clearing Sdn. Bhd.	-	26,849	-	26,849
	<u>1,187,890</u>	<u>431,600</u>	<u>518,706</u>	<u>382,824</u>
Less : Allowance for bad and doubtful accounts (b)				
- Individual allowance	(4,190)	(4,083)	(4,190)	(4,083)
- Collective allowance	(17)	(19)	(17)	(19)
	<u>1,183,683</u>	<u>427,498</u>	<u>514,499</u>	<u>378,722</u>

The Group and the Bank	
31-03-2015 RM'000	31-12-2014 RM'000

(a) Movement of impaired amount due from clients are as follows:

At beginning of the financial year/period	4,420	692
Vested from AFFIN IB	-	3,727
Addition during the year/period	-	140
Amount recovered	(200)	(139)
At end of the financial year/period	<u>4,220</u>	<u>4,420</u>

(b) Movement in allowances are as follows:

Individual allowance

At beginning of the financial year/period	4,083	539
Vested from AFFIN IB	-	3,727
Allowance made	139	259
Amount written back	(32)	(420)
Amount written off	-	(22)
At end of the financial year/period	<u>4,190</u>	<u>4,083</u>

Collective allowance

At beginning of the financial year/period	19	-
Vested from AFFIN IB	-	118
Allowance made	31	103
Amount written-back	(33)	(202)
At end of the financial year/period	<u>17</u>	<u>19</u>

15. Other assets

	The Group		The Bank	
	31-03-2015 RM'000	31-12-2014 RM'000	31-03-2015 RM'000	31-12-2014 RM'000
Other debtors, deposits and prepayments	84,826	68,035	81,088	65,172
Clearing Guarantee Fund	2,172	2,731	2,172	2,731
Clearing Fund	1,000	1,000	1,000	-
Transferable membership	110	110	10	10
Allowance for bad and doubtful debts (a)	(9,956)	(9,894)	(9,956)	(9,894)
	<u>78,152</u>	<u>61,982</u>	<u>74,314</u>	<u>58,019</u>

Affin Hwang Investment Bank Berhad
(Formerly known as HwangDBS Investment Bank Berhad)
(Incorporated in Malaysia)

Notes to the financial statement
for the financial period ended 31 March 2015

15. (a) Movement in allowances are as follows:

	The Group and the Bank	
	31-03-2015	31-12-2014
	RM'000	RM'000
Individual allowance		
At beginning of the financial year/period	9,894	510
Vested from AFFIN IB	-	9,616
Allowance made	62	278
Amount written back	-	(170)
Amount written off	-	(340)
At end of the financial year/period	<u>9,956</u>	<u>9,894</u>

16. Deposit from customers

	The Group		The Bank	
	31-03-2015	31-12-2014	31-03-2015	31-12-2014
	RM'000	RM'000	RM'000	RM'000
<u>By type of deposits:</u>				
Fixed deposits	2,811,560	2,578,945	2,811,560	2,619,158
Negotiable instruments of deposits	993,674	865,155	993,674	865,155
Other deposits	213,444	160,060	213,444	160,060
	<u>4,018,678</u>	<u>3,604,160</u>	<u>4,018,678</u>	<u>3,644,373</u>
<u>By maturity structure:</u>				
Due within six months	3,013,474	2,613,650	3,013,474	2,653,863
Six months to one year	223,147	202,819	223,147	202,819
More than one year	782,057	787,691	782,057	787,691
	<u>4,018,678</u>	<u>3,604,160</u>	<u>4,018,678</u>	<u>3,644,373</u>
<u>By type of customer:</u>				
Government and statutory bodies	732,810	619,959	732,810	619,959
Business enterprises	719,211	696,593	719,211	736,806
Individuals	72,261	75,478	72,261	75,478
Others	2,494,396	2,212,130	2,494,396	2,212,130
	<u>4,018,678</u>	<u>3,604,160</u>	<u>4,018,678</u>	<u>3,644,373</u>

17. Deposit and placements of banks and other financial institution

	The Group and the Bank	
	31-03-2015	31-12-2014
	RM'000	RM'000
Licensed banks	396,335	821,478
Licensed investment banks	251,957	40,137
	<u>648,292</u>	<u>861,615</u>

18. Trade payables

	The Group		The Bank	
	31-03-2015	31-12-2014	31-03-2015	31-12-2014
	RM'000	RM'000	RM'000	RM'000
Amount due to unit trust funds	516,064	141,521	-	-
Amount due to unit holders	433,365	30,800	-	-
Amount due to external fund managers	40	86	-	-
Amount due to clients	351,895	309,184	351,895	309,184
Amount due to brokers	89,867	100,390	89,867	54,099
Amount due to Bursa Securities Clearing Sdn. Bhd.	15,117	-	15,117	-
Amount due to related party	166	185	-	-
	<u>1,406,514</u>	<u>582,166</u>	<u>456,879</u>	<u>363,283</u>

Affin Hwang Investment Bank Berhad
(Formerly known as HwangDBS Investment Bank Berhad)
(Incorporated in Malaysia)

Notes to the financial statement
for the financial period ended 31 March 2015

19. Other liabilities

	The Group		The Bank	
	31-03-2015 RM'000	31-12-2014 RM'000	31-03-2015 RM'000	31-12-2014 RM'000
Commissioned dealer's representative trust balances	47,718	48,183	47,718	48,183
Amounts payable to dealer's representative	3,692	5,727	3,692	5,727
Other liabilities	190,204	149,467	150,820	89,501
	241,614	203,377	202,230	143,411

20. Interest income

	The Group			
	Individual Quarter		Cumulative Quarter	
	Current Financial Period ended	Preceding Year Financial Period ended	Current Financial Period-to-date	Preceding Year Financial Period-to-date
	31-03-2015 RM'000	31-03-2014 RM'000	31-03-2015 RM'000	31-03-2014 RM'000
Loans, advances and financing				
- Interest income on loans and advances	11,647	4,231	11,647	4,231
- Margin financing	3,907	3,555	3,907	3,555
Money at call and deposit placements with financial institutions	5,035	6,287	5,035	6,287
Derivative instruments	2,981	1,353	2,981	1,353
Financial assets held-for-trading	357	711	357	711
Financial investment available-for-sale	34,727	11,275	34,727	11,275
Financial investment held-to-maturity	2,745	4,739	2,745	4,739
Others	113	104	113	104
	61,512	32,255	61,512	32,255
Net accretion of discounts less amortisation of premiums	(170)	205	(170)	205
	61,342	32,460	61,342	32,460

of which:

Interest income earned on impaired loans, advances
and financing

	-	-	-	-
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	The Bank			
	Individual Quarter		Cumulative Quarter	
	Current Financial Period ended	Preceding Year Financial Period ended	Current Financial Period-to-date	Preceding Year Financial Period-to-date
	31-03-2015 RM'000	31-03-2014 RM'000	31-03-2015 RM'000	31-03-2014 RM'000
Loans, advances and financing				
- Interest income on loans and advances	11,647	4,231	11,647	4,231
- Margin financing	3,907	3,555	3,907	3,555
Money at call and deposit placements with financial institutions	3,899	6,284	3,899	6,284
Derivative instruments	2,981	1,353	2,981	1,353
Financial assets held-for-trading	357	711	357	711
Financial investment available-for-sale	34,727	11,275	34,727	11,275
Financial investment held-to-maturity	2,745	4,739	2,745	4,739
Others	113	104	113	104
	60,376	32,252	60,376	32,252
Net accretion of discounts less amortisation of premiums	(170)	205	(170)	205
	60,206	32,457	60,206	32,457

of which:

Interest income earned on impaired loans, advances
and financing

	-	-	-	-
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Affin Hwang Investment Bank Berhad
(Formerly known as HwangDBS Investment Bank Berhad)
(Incorporated in Malaysia)

Notes to the financial statement
for the financial period ended 31 March 2015

21. Interest expense

	The Group			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Financial	Financial	Financial
	Period ended	Period ended	Period-to-date	Period-to-date
	31-03-2015	31-03-2014	31-03-2015	31-03-2014
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	35,417	17,812	35,417	17,812
Deposits and placements of banks and other financial institutions	3,894	568	3,894	568
Derivative instruments	1,870	458	1,870	458
Foreign currency borrowings	364	416	364	416
Others	192	101	192	101
	41,737	19,355	41,737	19,355

	The Bank			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Financial	Financial	Financial
	Period ended	Period ended	Period-to-date	Period-to-date
	31-03-2015	31-03-2014	31-03-2015	31-03-2014
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	35,448	17,812	35,448	17,812
Deposits and placements of banks and other financial institutions	3,894	568	3,894	568
Derivative instruments	1,870	458	1,870	458
Foreign Currency Borrowing	364	416	364	416
Others	149	101	149	101
	41,725	19,355	41,725	19,355

Affin Hwang Investment Bank Berhad
(Formerly known as HwangDBS Investment Bank Berhad)
(Incorporated in Malaysia)

Notes to the financial statement
for the financial period ended 31 March 2015

22. Other operating income

	The Group			
	Individual Quarter Current Financial Period ended 31-03-2015 RM'000	Preceding Year Financial Period ended 31-03-2014 RM'000	Cumulative Quarter Current Financial Period-to-date 31-03-2015 RM'000	Preceding Year Financial Period-to-date 31-03-2014 RM'000
Fees income				
Fees on loans, advances and financing	176	185	176	185
Corporate advisory fees	1,400	544	1,400	544
Underwriting commissions and placement fees	1,393	2	1,393	2
Unit trust management and incentive fee	38,777	-	38,777	-
Brokerage	22,853	14,791	22,853	14,791
Initial service charge	22,350	-	22,350	-
Agency fees	430	20	430	20
Arrangement fees	2,388	-	2,388	-
Others	477	292	477	292
Income from financial instruments				
Gains arising on financial assets held-for-trading				
- net gain on disposal	7,751	10,505	7,751	10,505
- unrealised gain/(loss)	1,024	(983)	1,024	(983)
- gross dividend income	948	679	948	679
Gains on derivative instruments				
- net gain on disposal	10	12	10	12
- unrealised (loss)/gain	(3,185)	6,037	(3,185)	6,037
Gains arising on financial investments available-for-sale				
- net gain on disposal	11,740	167	11,740	167
- gross dividend income	2,465	2,297	2,465	2,297
Other income				
Foreign exchange gain/(loss)				
- realised	7,776	(3,852)	7,776	(3,852)
- unrealised	(4,092)	87	(4,092)	87
Gain on disposal of property, plant and equipment	40	80	40	80
Other non-operating income	362	39,910	362	39,910
	115,083	70,773	115,083	70,773

Affin Hwang Investment Bank Berhad
(Formerly known as HwangDBS Investment Bank Berhad)
(Incorporated in Malaysia)

Notes to the financial statement
for the financial period ended 31 March 2015

22. Other operating income (continued)

	The Bank			
	Individual Quarter		Cumulative Quarter	
	Current Financial Period ended 31-03-2015 RM'000	Preceding Year Financial Period ended 31-03-2014 RM'000	Current Financial Period-to-date 31-03-2015 RM'000	Preceding Year Financial Period-to-date 31-03-2014 RM'000
Fees income				
Fees on loans, advances and financing	176	185	176	185
Corporate advisory fees	1,400	544	1,400	544
Underwriting commissions and placement fees	835	2	835	2
Brokerage	22,482	14,791	22,482	14,791
Agency fees	430	20	430	20
Arrangement fees	2,388	-	2,388	-
Others	147	192	147	192
Income from financial instruments				
Gains arising on financial assets held-for-trading				
- net gain on disposal	7,751	10,505	7,751	10,505
- unrealised gain/(loss)	362	(983)	362	(983)
- gross dividend income	670	679	670	679
Gains on derivative instruments				
- net gain/(loss) on disposal	10	12	10	12
- unrealised gain/(loss)	(3,185)	6,037	(3,185)	6,037
Gains arising on financial investments available-for-sale				
- net gain on disposal	11,838	167	11,838	167
- gross dividend income	2,465	2,297	2,465	2,297
Gross dividend income				
- subsidiary	-	500	-	500
Other income				
Foreign exchange gain/(loss)				
- realised	7,462	(3,852)	7,462	(3,852)
- unrealised	(4,609)	87	(4,609)	87
Gain on disposal of property and equipment	40	80	40	80
Other non-operating income	387	39,336	387	39,336
	51,049	70,599	51,049	70,599

Affin Hwang Investment Bank Berhad
(Formerly known as HwangDBS Investment Bank Berhad)
(Incorporated in Malaysia)

Notes to the financial statement
for the financial period ended 31 March 2015

23. Other operating expenses

	The Group			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Financial	Financial	Financial
	Period ended 31-03-2015 RM'000	Period ended 31-03-2014 RM'000	Period-to-date 31-03-2015 RM'000	Period-to-date 31-03-2014 RM'000
Personnel costs				
Salaries, allowances and bonuses	41,862	13,537	41,862	13,537
Contributions to defined contribution plan	6,456	1,355	6,456	1,355
Other personnel costs	6,438	1,032	6,438	1,032
	<u>54,756</u>	<u>15,924</u>	<u>54,756</u>	<u>15,924</u>
Promotion and marketing-related expenses				
Business promotion and advertisement	3,844	79	3,844	79
Entertainment	456	152	456	152
Travelling and accomodation	644	127	644	127
Dealers' handling fees	2,452	2,169	2,452	2,169
Others	1,152	176	1,152	176
	<u>8,548</u>	<u>2,703</u>	<u>8,548</u>	<u>2,703</u>
Establishment-related expenses				
Rental of premises	4,383	2,420	4,383	2,420
Equipment rental	453	365	453	365
Repair and maintenance	1,499	909	1,499	909
Depreciation of property and equipment	1,395	463	1,395	463
Amortisation of intangible assets	353	-	353	-
Electricity, water and sewerage	802	563	802	563
Insurance and indemnities	306	97	306	97
	<u>9,191</u>	<u>4,817</u>	<u>9,191</u>	<u>4,817</u>
General administrative expenses				
Directors' remuneration	622	207	622	207
Telecommunication expenses	2,278	1,533	2,278	1,533
Professional fees	1,093	93	1,093	93
Auditors' remuneration	135	(97)	135	(97)
Property, plant & equipment written off	26	18	26	18
Intangible assets written off	6	-	6	-
Dealers' representative performance incentive	1,310	1,302	1,310	1,302
Subsidies	284	-	284	-
Commission and brokerage expenses	18,328	53	18,328	53
Transaction levy	1,998	1,503	1,998	1,503
Subscription	639	117	639	117
Others	2,391	1,356	2,391	1,356
	<u>29,110</u>	<u>6,085</u>	<u>29,110</u>	<u>6,085</u>
Total other operating expenses	<u>101,605</u>	<u>29,529</u>	<u>101,605</u>	<u>29,529</u>

Affin Hwang Investment Bank Berhad
(Formerly known as HwangDBS Investment Bank Berhad)
(Incorporated in Malaysia)

Notes to the financial statement
for the financial period ended 31 March 2015

23. Other operating expenses (continued)

	The Bank			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Financial	Financial	Financial
	Period ended 31-03-2015 RM'000	Period ended 31-03-2014 RM'000	Period-to-date 31-03-2015 RM'000	Period-to-date 31-03-2014 RM'000
Personnel costs				
Salaries, allowances and bonuses	29,860	12,482	29,860	12,482
Contributions to defined contribution plan	4,160	1,191	4,160	1,191
Other personnel costs	3,873	1,021	3,873	1,021
	<u>37,893</u>	<u>14,694</u>	<u>37,893</u>	<u>14,694</u>
Promotion and marketing-related expenses				
Business promotion and advertisement	543	79	543	79
Entertainment	202	153	202	153
Travelling and accomodation	320	122	320	122
Dealers' handling fees	2,452	2,286	2,452	2,286
Others	4	172	4	172
	<u>3,521</u>	<u>2,812</u>	<u>3,521</u>	<u>2,812</u>
Establishment-related expenses				
Rental of premises	3,606	2,375	3,606	2,375
Equipment rental	124	365	124	365
Repair and maintenance	1,109	915	1,109	915
Depreciation of property and equipment	865	452	865	452
Amortisation of intangible assets	158	-	158	-
Electricity, water and sewerage	687	563	687	563
Insurance and indemnities	205	97	205	97
	<u>6,754</u>	<u>4,767</u>	<u>6,754</u>	<u>4,767</u>
General administrative expenses				
Directors' remuneration	464	207	464	207
Telecommunication expenses	1,849	1,538	1,849	1,538
Professional fees	395	78	395	78
Auditors' remuneration	104	(96)	104	(96)
Property, plant & equipment written off	1	18	1	18
Dealers' representative performance incentive	1,299	1,302	1,299	1,302
Subsidies	284	-	284	-
Commission and brokerage expenses	59	53	59	53
Transaction levy	1,998	1,503	1,998	1,503
Subscription	568	117	568	117
Research expenses	-	743	-	743
Others	2,043	1,298	2,043	1,298
	<u>9,064</u>	<u>6,761</u>	<u>9,064</u>	<u>6,761</u>
Total other operating expenses	<u><u>57,232</u></u>	<u><u>29,034</u></u>	<u><u>57,232</u></u>	<u><u>29,034</u></u>

Affin Hwang Investment Bank Berhad
(Formerly known as HwangDBS Investment Bank Berhad)
(Incorporated in Malaysia)

Notes to the financial statement
for the financial period ended 31 March 2015

24. Allowance for losses on loans, advances and financing and receivables

	The Group and the Bank			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Financial	Financial	Financial
	Period ended	Period ended	Period-to-date	Period-to-date
	31-03-2015	31-03-2014	31-03-2015	31-03-2014
	RM'000	RM'000	RM'000	RM'000
Write-back/(allowance) for losses on loans, advances and financing and trade receivables:				
Individual allowance				
- Made during the financial year/period	(139)	(115)	(139)	(115)
- Written back during the financial year/period	32	266	32	266
Collective allowance				
- Made during the financial year/period	(36)	(5)	(36)	(5)
- Written back during the financial year/period	642	469	642	469
Bad debts recovered	17	30	17	30
Bad debts written off	-	(41)	-	(41)
(Write-back)/allowance for other bad and doubtful debt:				
- Trade debtors	(62)	-	(62)	-
	454	604	454	604

Affin Hwang Investment Bank Berhad
(Formerly known as HwangDBS Investment Bank Berhad)
(Incorporated in Malaysia)

Notes to the financial statement
for the financial period ended 31 March 2015

25. Capital adequacy

	The Group		The Bank	
	31-03-2015 RM'000	31-12-2014 RM'000	31-03-2015 RM'000	31-12-2014 RM'000
Basel III				
Common Equity Tier (CET) 1 Capital :				
Paid-up share capital	780,000	780,000	780,000	780,000
Share premium	219,800	219,800	219,800	219,800
Statutory reserve	199,071	199,071	199,071	199,071
Retained profits	210,721	210,721	264,248	264,248
Unrealised gains on AFS instruments	12,568	5,479	12,968	5,347
	<u>1,422,160</u>	<u>1,415,071</u>	<u>1,476,087</u>	<u>1,468,466</u>
Less : Regulatory adjustment				
Goodwill and Intangible assets	(321,063)	(320,806)	(314,924)	(314,772)
Investment in subsidiaries /associates	-	-	(115,370)	(124,563)
Collective allowance reserve	(3,330)	(3,556)	(3,330)	(3,556)
55% of unrealised gains on AFS instruments	(6,912)	(3,013)	(7,132)	(2,941)
Deferred tax assets	(7,302)	(10,836)	(5,469)	(5,990)
Total CET 1 capital	<u>1,083,553</u>	<u>1,076,860</u>	<u>1,029,862</u>	<u>1,016,644</u>
Additional Tier 1 Capital				
Non-controlling interests	3,000	3,000	-	-
Total CET 1 capital / Tier 1 capital (a)	<u>1,086,553</u>	<u>1,079,860</u>	<u>1,029,862</u>	<u>1,016,644</u>
Tier 2 capital				
Collective allowance for financing & trade receivables	11,726	12,557	11,726	12,557
Less : Regulatory adjustment				
Investment in subsidiaries	-	-	(11,726)	(12,557)
Total Tier 2 capital (b)	<u>11,726</u>	<u>12,557</u>	<u>-</u>	<u>-</u>
Total Capital (a) + (b)	<u>1,098,279</u>	<u>1,092,417</u>	<u>1,029,862</u>	<u>1,016,644</u>
Proposed dividends	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Ratio				
CET 1 capital ratio	25.101%	30.224%	30.253%	30.721%
Tier 1 capital ratio	25.171%	30.308%	30.253%	30.721%
Total capital ratio	25.442%	30.660%	30.253%	30.721%
CET 1 capital ratio (net of proposed dividends)	25.101%	30.224%	30.253%	30.721%
Tier 1 capital ratio (net of proposed dividends)	25.171%	30.308%	30.253%	30.721%
Total capital ratio (net of proposed dividends)	25.442%	30.660%	30.253%	30.721%

Breakdown of risk-weighted assets in the various categories of risk-weights:

Credit risk	3,499,617	2,938,442	2,727,028	2,791,978
Market risk	340,263	196,759	340,263	191,477
Operational risk	476,885	427,786	336,864	325,813
Total Risk-Weighted Assets	<u>4,316,765</u>	<u>3,562,987</u>	<u>3,404,155</u>	<u>3,309,268</u>

With effect from 1 January 2013, the regulatory capital ratios as well as the level of these ratios of which the Bank is required to operate are computed in accordance with Bank Negara Malaysia's revised Risk-Weighted Capital Adequacy Framework: Standardised Approach for Credit Risk and Market Risk, and Basic Indicator Approach for Operational Risk (Basel III) and Capital Adequacy framework (capital components).

Affin Hwang Investment Bank Berhad
(Formerly known as HwangDBS Investment Bank Berhad)
(Incorporated in Malaysia)

Notes to the financial statement
for the financial period ended 31 March 2015

26. Commitments and contingencies

	The Group and the Bank	
	31-03-2015	31-12-2014
	Principal amount RM'000	Principal amount RM'000
Direct credit substitutes	133,850	133,850
Obligations under underwriting agreements	122,083	17,122
Forward assets purchases	25,532	-
Commitments to extend credit:		
- maturity not exceeding one year	312,473	346,843
- maturity exceeding one year	571	571
Interest rate related contracts:		
- less than one year	100,000	100,000
- one year to less than five years	150,000	150,000
Foreign exchange related contracts:		
- less than one year	1,774,209	2,292,667
- one year to less than five years	914,644	808,480
Any commitments that are unconditionally cancelled at any time by the Bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	400,124	322,761
Total	<u>3,933,486</u>	<u>4,172,294</u>

* The credit equivalent amount and risk weighted amount is arrived at using the credit conversion factors as per Bank Negara Malaysia's revised Risk Weighted Capital Adequacy Framework ("RWCAF").

27. Credit exposures arising from transactions with connected parties

In compliance with the requirement of BNM's guidelines on Credit Transactions and Exposures with Connected Parties for the Bank (Ref No: BNM/RH/GL 001-25), the following information as at 31 March 2015 are as follows:

(i) The aggregate value of outstanding credit exposures with connected parties (RM'000)	505,885
(ii) The percentage of outstanding credit exposures to connected parties as a proportion of credit exposures	8.00%
(iii) The percentage of outstanding credit exposures with connected parties which is non-performing or in default	Nil

Affin Hwang Investment Bank Berhad
(Formerly known as HwangDBS Investment Bank Berhad)
(Incorporated in Malaysia)

Notes to the financial statement
for the financial period ended 31 March 2015

28. FAIR VALUE MEASUREMENTS

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:-

- (a) Level 1 - quoted price (unadjusted) in active markets for identical assets and liabilities
(b) Level 2 - inputs other than quoted price included within level 1 that are observable for the assets or liability, (i.e. as prices) or indirectly (i.e. derived from prices); and
(c) Level 3 - inputs for the asset and liability that are not based on observable market data (unobservable inputs).

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31-03-2015				
Assets				
Financial assets held-for-trading	33,014	38,732	-	71,746
Financial investments available-for-sale				
- Private debt securities	-	2,389,922	-	2,389,922
- Equity securities	94,513	42,465	16,808	153,786
- Other financial assets	-	1,540,317	-	1,540,317
Derivative financial assets	-	107,517	-	107,517
	<u>127,527</u>	<u>4,118,953</u>	<u>16,808</u>	<u>4,263,288</u>
Liabilities				
Derivative financial liabilities	-	119,610	-	119,610
31-12-2014				
Assets				
Financial assets held-for-trading	18,903	13,973	-	32,876
Financial investments available-for-sale				
- Private debt securities	-	2,057,377	-	2,057,377
- Equity securities	92,401	41,046	16,808	150,255
- Other financial assets	-	1,370,116	-	1,370,116
Derivative financial assets	-	82,127	-	82,127
	<u>111,304</u>	<u>3,564,639</u>	<u>16,808</u>	<u>3,692,751</u>
Liabilities				
Derivative financial liabilities	-	89,079	-	89,079

Affin Hwang Investment Bank Berhad
(Formerly known as HwangDBS Investment Bank Berhad)
(Incorporated in Malaysia)

Notes to the financial statement
for the financial period ended 31 March 2015

28. FAIR VALUE MEASUREMENTS (continued)

Financial instruments that are valued using quoted prices in active markets are classified as Level 1 of the valuation hierarchy. These would include listed equities which are actively traded. Where fair value is determined using quoted 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 and the Bank then determine fair value based upon valuation techniques that use as inputs, market parameters including but not limited to yield curves, volatilities and foreign exchange rates. The majority of valuation techniques employ only observable market data and so reliability of the fair value measurement is high. These would include corporate private debt securities, corporate notes and most of the Group's over-the-counter ("OTC") derivatives.

The Group and the Bank classify financial instruments as Level 3 when there is reliance on unobservable inputs to the valuation model attributing to a significant contribution to the instrument value. Valuation reserves or pricing adjustments where applicable will be used to converge to fair value.

The Group and the Bank may also use valuation models or discounted cash flow technique to determine the fair value.

Most of the OTC derivatives are priced using valuation models. Where derivative products have been established in the markets for some time, the Group and the Bank use models that are widely accepted by the industry. The valuation techniques and inputs used generally depend on the contractual terms and the risks inherent in the instrument as well as the availability of pricing information in the market. Principal techniques used include discounted cash flows, and other appropriate valuation models. OTC derivatives which are valued using unobservable inputs that are supported by little or no market activity which are significant to the fair value of the assets or liabilities are classified as Level 3.

The following table present the changes in Level 3 instruments for the financial period/year ended:-

	The Group and The Bank	
	31-03-2015	31-12-2014
	RM'000	RM'000
Opening	16,808	-
Vested from AFFIN IB -		
- AFS revaluation reserve	-	16,808
Transfer in	-	-
Closing	16,808	16,808

Effect of changes in significant unobservable assumptions to reasonably possible alternatives

As at end of the current reporting date and last financial period ended 31 December 2014, financial instruments measured with valuation techniques using significant unobservable inputs (Level 3) mainly include unquoted shares held for socio economic purpose.

In estimating its significance, the Group used an approach that is currently based on methodologies used for fair value adjustments. These adjustments reflect the values that the Group estimates are appropriate to adjust from the valuations produced to reflect for uncertainties in the inputs used. The methodologies used can be statistical or other relevant approved techniques.