

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

Unaudited Statements of Financial Position
as at 30 June 2015

	Note	The Group		The Bank	
		As at 30-06-2015 RM'000	As at 31-12-2014 RM'000	As at 30-06-2015 RM'000	As at 31-12-2014 RM'000
ASSETS					
Cash and short-term funds		374,493	654,869	263,084	416,625
Deposits and placements with banks and other financial institutions		145,440	245,573	145,440	245,573
Financial assets held-for-trading	11	188,441	32,876	166,946	23,893
Financial investments held-to-maturity	11	91,008	176,346	91,008	176,346
Financial investments available-for-sale	11	4,108,611	3,577,748	4,063,138	3,536,702
Loans, advances and financing	12	1,138,943	1,035,844	1,138,943	1,035,844
Trade receivables	13	529,180	427,498	423,106	378,722
Derivative financial assets		89,718	82,127	89,718	82,127
Other assets	14	99,879	61,982	96,440	58,019
Deferred tax assets		10,397	10,836	7,411	5,990
Tax recoverable		19,050	14,625	18,941	14,569
Statutory deposits with Bank Negara Malaysia		178,850	135,000	178,850	135,000
Investment in subsidiaries		-	-	132,120	132,120
Subordinated loan to a subsidiary		-	-	-	5,000
Amount due from subsidiaries		-	-	-	126
Property and equipment		12,652	14,016	7,362	8,799
Intangible assets		320,648	320,806	314,491	314,772
Total ASSETS		7,307,310	6,790,146	7,136,998	6,570,227
LIABILITIES AND SHAREHOLDERS' EQUITY					
Deposits from customers	15	4,468,647	3,604,160	4,468,647	3,644,373
Deposits and placements of banks and other financial institutions	16	539,978	861,615	539,978	861,615
Trade payables	17	513,471	582,166	388,246	363,283
Derivative financial liabilities		115,080	89,079	115,080	89,079
Amount due to subsidiaries		-	-	10,156	-
Other liabilities	18	177,273	203,377	132,168	143,411
Provision for taxation		3,804	4,349	-	-
Total LIABILITIES		5,818,253	5,344,746	5,654,275	5,101,761
Share capital		780,000	780,000	780,000	780,000
Reserves		669,988	635,071	702,723	688,466
		1,449,988	1,415,071	1,482,723	1,468,466
Non-controlling interests		39,069	30,329	-	-
SHAREHOLDERS' EQUITY		1,489,057	1,445,400	1,482,723	1,468,466
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		7,307,310	6,790,146	7,136,998	6,570,227
COMMITMENTS AND CONTINGENCIES	26	4,197,576	4,172,294	4,197,576	4,172,294
CAPITAL ADEQUACY					
Basel III					
CET 1 capital ratio	25	28.911%	30.224%	31.039%	30.721%
Tier 1 capital ratio	25	28.992%	30.308%	31.039%	30.721%
Total capital ratio	25	29.362%	30.660%	31.039%	30.721%
After deducting proposed dividends:					
CET 1 capital ratio (net of proposed dividends)	25	28.911%	30.224%	31.039%	30.721%
Tier 1 capital ratio (net of proposed dividends)	25	28.992%	30.308%	31.039%	30.721%
Total capital ratio (net of proposed dividends)	25	29.362%	30.660%	31.039%	30.721%

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Unaudited Income Statements
for the financial period ended 30 June 2015

The Group	Note	Individual Quarter		Cumulative Quarter	
		Current Financial Period RM'000 30-06-2015	Preceding Year* Corresponding Period RM'000 30-06-2014	Current Financial Period-to-date RM'000 30-06-2015	Preceding Year* Corresponding Period-to-date RM'000 30-06-2014
Interest income	19	65,732	32,078	127,074	64,538
Interest expense	20	(44,206)	(19,991)	(85,943)	(39,346)
Net interest income		21,526	12,087	41,131	25,192
Other operating income	21	108,157	77,981	223,240	148,804
Net income		129,683	90,068	264,371	173,996
Other operating expenses	22	(106,577)	(66,186)	(208,182)	(95,715)
Operating profit before loan and financing loss and allowance		23,106	23,882	56,189	78,281
Write-back/(allowances) of losses on loans, advances and financing and receivables	23	(1,146)	958	(692)	1,562
Write-back of impairment loss on other assets	24	1,600	-	1,600	-
Profit before zakat and taxation		23,560	24,840	57,097	79,843
Investment in associate		-	529	-	529
Zakat		(229)	(78)	(440)	(78)
Profit before taxation		23,331	25,291	56,657	80,294
Taxation		(5,586)	(5,146)	(13,687)	(12,161)
Net Profit after zakat and taxation		17,745	20,145	42,970	68,133
Attributable to:					
- Equity holders of the Bank		13,807	17,100	34,303	65,020
- Non-controlling interests		3,938	3,045	8,667	3,113
		17,745	20,145	42,970	68,133
Earnings per share:					
- basic/fully diluted (sen)		1.77	3.42	4.40	13.00

* The Bank and its subsidiaries had changed their financial year end from 31 July 2014 to 31 December 2014. Therefore, the comparative figures stated in the preceding year corresponding period for 6 months are for comparison purposes only.

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Unaudited Statement of Comprehensive Income
for the financial period ended 30 June 2015

The Group	Individual Quarter		Cumulative Quarter	
	Current Financial Period 30-06-2015 RM'000	Preceding Year* Corresponding Period 30-06-2014 RM'000	Current Financial Period-to-date 30-06-2015 RM'000	Preceding Year* Corresponding Period-to-date 30-06-2014 RM'000
Profit after taxation and zakat	17,745	20,145	42,970	68,133
Other comprehensive income:				
Net fair value changes in financial investments available-for-sale	(6,958)	3,282	14,508	3,524
Net gain transferred to income statement on disposal	(1,614)	(720)	(13,674)	(887)
Share of available-for-sale reserve of an associate	-	(20)	-	(20)
Deferred tax on financial investments available-for-sale	2,398	(620)	(147)	(639)
Other comprehensive income for the period, net of tax	(6,174)	1,922	687	1,978
Total comprehensive income for the period	11,571	22,067	43,657	70,111
Attributable to equity holders of the Bank:				
Total comprehensive income	11,571	22,067	43,657	70,111

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Unaudited Income Statements
for the financial period ended 30 June 2015

The Bank	Note	Individual Quarter		Cumulative Quarter	
		Current Financial Period 30-06-2015	Preceding Year* Corresponding Period 30-06-2014	Current Financial Period-to-date 30-06-2015	Preceding Year* Corresponding Period-to-date 30-06-2014
		RM'000	RM'000	RM'000	RM'000
Interest income	19	64,971	31,144	125,177	63,601
Interest expense	20	(44,241)	(20,029)	(85,966)	(39,384)
Net interest income		20,730	11,115	39,211	24,217
Other operating income	21	42,554	30,152	93,603	100,806
Net income		63,284	41,267	132,814	125,023
Other operating expenses	22	(57,401)	(29,692)	(114,633)	(58,726)
Operating profit before loan and financing loss and allowance		5,883	11,575	18,181	66,297
(Allowances) /write-back of losses on loans, advances and financing and receivables	23	(1,146)	958	(692)	1,562
Write-back of impairment loss on other assets	24	1,600	-	1,600	-
Profit before zakat and taxation		6,337	12,533	19,089	67,859
Zakat		(197)	(8)	(380)	(8)
Profit before taxation		6,140	12,525	18,709	67,851
Taxation		(1,534)	(2,920)	(4,894)	(10,027)
Net Profit after zakat and taxation		4,606	9,605	13,815	57,824
Attributable to:					
- Equity holders of the Bank		4,606	9,605	13,815	57,824
Earnings per share:					
- basic/fully diluted (sen)		0.59	1.92	1.77	11.56

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Unaudited Statement of Comprehensive Income
for the financial period ended 30 June 2015

The Bank

	Individual Quarter		Cumulative Quarter	
	Current Financial Period 30-06-2015 RM'000	Preceding Year* Corresponding Period 30-06-2014 RM'000	Current Financial Period-to-date 30-06-2015 RM'000	Preceding Year* Corresponding Period-to-date 30-06-2014 RM'000
Profit after taxation and zakat	4,606	9,605	13,815	57,824
Other comprehensive income:				
Net fair value changes in financial investments available-for-sale	(7,963)	3,200	14,263	3,442
Net gain transferred to income statement on disposal	(1,614)	(720)	(13,674)	(887)
Deferred tax on financial investments available-for-sale	2,398	(620)	(147)	(639)
Other comprehensive income for the period, net of tax	(7,179)	1,860	442	1,916
Total comprehensive income for the period	(2,573)	11,465	14,257	59,740
Attributable to equity holders of the Bank:				
Total comprehensive income	(2,573)	11,465	14,257	59,740

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Unaudited Statement of Changes in Equity
for the financial period ended 30 June 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	-	-	-	-	-	34,303	34,303	8,667	42,970
Other comprehensive income, (net of tax) -									
Financial investments available-for-sale	-	-	-	-	614	-	614	73	687
Total comprehensive income	-	-	-	-	614	34,303	34,917	8,740	43,657
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-
Transfer to regulatory reserve	-	-	-	678	-	(678)	-	-	-
At 30 June 2015	780,000	219,800	199,071	4,234	6,093	240,790	1,449,988	39,069	1,489,057
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	-	-	-	-	-	65,020	65,020	3,113	68,133
Other comprehensive income, (net of tax) -									
Financial investments available-for-sale	-	-	-	-	1,958	-	1,958	20	1,978
Total comprehensive income	-	-	-	-	1,958	65,020	66,978	3,133	70,111
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	51,942	51,942
Acquisition of equity interest	-	-	-	-	-	(43,853)	(43,853)	(18,787)	(62,640)
Disposal of subsidiary	-	-	-	-	-	-	-	(382)	(382)
At 30 June 2014	500,000	-	148,861	-	4,242	252,777	905,880	36,220	942,100

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Unaudited Statement of Changes in Equity
for the financial period ended 30 June 2015

	Non-distributable				Distributable		Total equity RM'000
	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	
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	-	-	-	-	-	13,815	13,815
Other comprehensive income:							
Other comprehensive income, (net of tax) -							
Financial investments available-for-sale	-	-	-	-	442	-	442
Total comprehensive income	-	-	-	-	442	13,815	14,257
Transfer to regulatory reserve	-	-	-	678	-	(678)	-
At 30 June 2015	<u>780,000</u>	<u>219,800</u>	<u>199,071</u>	<u>4,234</u>	<u>5,789</u>	<u>273,829</u>	<u>1,482,723</u>
At 1 January 2014	500,000	-	148,861	-	2,284	231,153	882,298
Comprehensive income:							
Net profit for the financial period	-	-	-	-	-	57,824	57,824
Other comprehensive income, (net of tax) -							
Financial investments available-for-sale	-	-	-	-	1,916	-	1,916
Total comprehensive income	-	-	-	-	1,916	57,824	59,740
At 30 June 2014	<u>500,000</u>	<u>-</u>	<u>148,861</u>	<u>-</u>	<u>4,200</u>	<u>288,977</u>	<u>942,038</u>

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Unaudited Statement of Cash Flows
for the financial period ended 30 June 2015

	The Group		The Bank	
	30-06-2015 RM'000	30-06-2014 RM'000	30-06-2015 RM'000	30-06-2014 RM'000
Cash flow from operating activities				
Net profit before tax for the financial period	56,657	80,294	18,709	67,851
Adjustments for items not involving the movement of cash and cash equivalents:				
Interest income				
- financial assets held-for trading	(2,372)	(1,437)	(2,372)	(1,437)
- financial investments available-for-sale	(73,405)	(21,964)	(73,405)	(21,964)
- financial investments held-to-maturity	(5,167)	(9,435)	(5,167)	(9,435)
Dividend income from subsidiary	-	-	-	(500)
Dividend income from financial instruments	(6,602)	(5,535)	(5,623)	(5,535)
Gain on disposal of property, plant and equipment	(95)	(85)	(95)	(85)
Loss on disposal of subsidiary	-	399	-	394
Property and equipment written-off	26	18	1	18
Intangible assets written-off	6	-	-	-
Depreciation of property and equipment	2,768	1,498	1,671	865
Amortisation of intangible assets	691	-	301	-
Net (amortisation of premiums)/accretion of discounts	1,092	(377)	1,092	(377)
(Loss)/gain arising from disposal or redemption of :				
- derivative instruments	(20)	(16)	(20)	(16)
- financial assets held-for-trading	(12,038)	(18,304)	(12,152)	(18,304)
- financial investments available-for-sale	(14,067)	(984)	(14,101)	(984)
Unrealised gain/(loss) on derivative instruments	6,156	(5,162)	6,156	(5,162)
Unrealised (loss)/gain on financial assets held-for-trading	(210)	(408)	(26)	(403)
Net of collective impairment	564	(1,389)	564	(1,389)
Net of individual impairment	82	(148)	82	(148)
Allowance for bad and doubtful debts on other debtors	76	-	76	-
Zakat	440	78	380	8
Bad debts written off	-	41	-	41
Bad debts recovered	(30)	(66)	(30)	(66)
Unrealised foreign exchange (gain)/loss	3,995	6,645	4,508	6,652
<i>Operating profit before changes in operating assets and liabilities</i>	(41,453)	23,664	(79,451)	10,024
<i>Decrease/(increase) in operating assets</i>				
Loans, advances and financing	(103,645)	166,926	(103,645)	166,967
Deposits and placements with banks and other financial institutions	100,133	50,000	100,133	50,000
Statutory deposits with Bank Negara Malaysia	(43,850)	11,100	(43,850)	11,100
Intercompany balances	-	-	10,282	-
Trade receivables	(101,762)	(16,109)	(44,540)	42,446
Derivative assets	(17,722)	8,269	(18,234)	8,269
Other assets	(35,134)	153,438	(36,580)	48,925
Financial assets held-for-trading	(139,779)	29,240	(127,482)	29,787
	(341,759)	402,864	(263,916)	357,494
<i>Increase/(decrease) in operating liabilities</i>				
Deposits from customers	864,487	971,916	824,274	984,611
Deposits and placements of banks and other financial institutions	(321,637)	(952,118)	(321,637)	(952,118)
Trade payables	(68,695)	111,175	24,963	(50,236)
Derivative liabilities	26,001	(13,342)	26,001	(13,342)
Other liabilities	(32,925)	(65,714)	(13,002)	44,814
	467,231	51,917	540,599	13,729
Cash generated from operating activities	84,019	478,445	197,232	381,247

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Unaudited Statement of Cash Flows
for the financial period ended 30 June 2015

	The Group		The Bank	
	30-06-2015	30-06-2014	30-06-2015	30-06-2014
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities (continued)				
Net taxation paid	(19,342)	(16,200)	(10,835)	(7,234)
Net cash generated from operating activities	64,677	462,245	186,397	374,013
Cash flow from investing activities				
Proceeds from disposal of property and equipment	200	24	116	24
Purchase of property and equipment	(1,414)	(879)	(135)	(73)
Purchase of intangible assets	(737)	-	(198)	-
Interest received:				
- financial investments available-for-sale	73,405	21,964	73,405	21,964
- financial investments held-to-maturity	5,167	9,435	5,167	9,435
Net proceeds on (purchase)/disposal of financial investments available-for-sale	(517,131)	212,306	(512,914)	212,585
Net proceeds on purchase/(redemption) of financial investments held-to-maturity	85,439	3,060	85,439	3,060
Net cashflow from disposal of subsidiary	-	(240)	-	-
Acquisition of subsidiaries, net of cash acquired	-	22,509	-	(109,606)
Cash consideration for merger of businesses	3,467	-	3,467	-
Acquisition of interest in an associate	-	(4,054)	-	(4,054)
Dividend income received from:				
- financial investments available-for-sale	5,422	4,854	4,586	4,854
- subsidiary	-	-	-	500
Net cash (used in)/generated from investing activities	(346,182)	268,979	(341,067)	138,689
Cash flow from financing activities				
Subordinated loan to a subsidiary	-	-	-	(5,000)
Net cash used in financing activities	-	-	-	(5,000)
Net increase in cash and cash equivalents	(281,505)	731,224	(154,670)	507,702
Cash and cash equivalents at beginning of the financial year	606,686	543,997	368,442	541,570
Cash and cash equivalents at end of the financial period	325,181	1,275,221	213,772	1,049,272
Analysis of cash and cash equivalents				
Cash and short term funds	374,493	1,359,830	263,084	1,133,881
Amount held on behalf of clients and commissioned dealers representatives	(49,312)	(84,609)	(49,312)	(84,609)
Cash and cash equivalents at end of the financial period	325,181	1,275,221	213,772	1,049,272

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Notes to the financial statement
for the financial period ended 30 June 2015

1. Review of financial performance

The Group recorded a Profit Before Tax ("PBT") of RM56.7 million for the 6 months period ended 30 June 2015 compared to a PBT of RM80.3 million for the previous corresponding period. The investment banking subsidiary contributed RM18.7 million (30.6.2014: RM67.9 million) and the asset management business (acquired in April 2014) contributed RM37.6 million (30.6.2014 - 3 months PBT of RM12.6 million) to the Group's profit in the current period under review. The Group's 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 6 months period is as follows:

- Net interest income of RM41.1 million was 63.3% higher than the net interest income of RM25.2 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 RM148.8 million in the previous corresponding period to RM223.2 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 was 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 RM208.2 million compared to RM95.7 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 & other assets was slightly lower at RM0.9 million compared to a net write-back of RM1.6 million in the previous corresponding period.

2. Prospect for the current financial period

Notwithstanding the bearish market conditions, the Group continues to look 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 Group will continue to build resilience across its businesses and drive efficiency savings in all its business operations under current dampening investor sentiments and volatile market conditions.

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 30 June 2015

3. Basis of preparation

The unaudited condensed interim financial statements for the 6 months period ended 30 June 2015 have 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 30 June 2015 which would materially affect the financial position or business of the Group.

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Notes to the financial statement
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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 a 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. 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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11. Securities portfolio

	The Group		The Bank	
	30-06-2015 RM'000	31-12-2014 RM'000	30-06-2015 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	26,764	18,903	26,764	18,903
Unit trusts	7,194	8,983	-	-
Negotiable Instruments of Deposit	140,182	-	140,182	-
Outside Malaysia:				
Unit trusts	14,301	-	-	-
	<u>188,441</u>	<u>27,886</u>	<u>166,946</u>	<u>18,903</u>
<u>Unquoted securities</u>				
Private Debt Securities in Malaysia	-	4,990	-	4,990
	<u>188,441</u>	<u>32,876</u>	<u>166,946</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	91,008	176,346	91,008	176,346
Redeemable Convertible Secured Loan Stocks	-	1,554	-	1,554
	<u>91,008</u>	<u>177,900</u>	<u>91,008</u>	<u>177,900</u>
Allowance for impairment of securities	-	(1,554)	-	(1,554)
	<u>91,008</u>	<u>176,346</u>	<u>91,008</u>	<u>176,346</u>
(iii) Financial investments available-for-sale				
<u>At fair value</u>				
<u>Money Market Instruments</u>				
Malaysian Government Securities	30,753	80,967	30,753	80,967
Malaysian Government Sukuk	-	7,096	-	7,096
Malaysian Government Islamic Investment Issues	708,414	866,515	708,414	866,515
Cagamas Bonds	-	84,924	-	84,924
Sukuk Perumahan Kerajaan	98,705	48,642	98,705	48,642
Negotiable Instruments of Deposit	80,235	80,116	80,235	80,116
	<u>918,107</u>	<u>1,168,260</u>	<u>918,107</u>	<u>1,168,260</u>
<u>Quoted securities</u>				
In Malaysia:				
Shares	19,465	19,488	19,465	19,488
Unit Trusts	248,215	242,902	203,741	201,856
REITS	36,945	35,546	36,945	35,546
Outside Malaysia:				
REITS	39,400	37,367	39,400	37,367
<u>Unquoted securities</u>				
Private Debt Securities in Malaysia	2,619,347	1,781,304	2,618,348	1,781,304
Private Debt Securities outside Malaysia	210,444	315,294	210,444	315,294
Shares in Malaysia	19,001	19,001	19,001	19,001
	<u>4,110,924</u>	<u>3,619,162</u>	<u>4,065,451</u>	<u>3,578,116</u>
Allowance for impairment of securities	(2,313)	(41,414)	(2,313)	(41,414)
	<u>4,108,611</u>	<u>3,577,748</u>	<u>4,063,138</u>	<u>3,536,702</u>

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12. Loans, advances and financing

(i) By type of Loan/Financing

	The Group and the Bank	
	30-06-2015	31-12-2014
	RM'000	RM'000
Term loans/financing		
- Syndicated term loan/financing	274,869	399,497
- Other term loans/financing	565,599	437,022
Staff loans	8,342	8,102
Share margin financing	189,823	207,186
Revolving credits	42,612	17,258
Receivables	91,363	-
Gross loans, advances and financing	<u>1,172,608</u>	<u>1,069,065</u>
Less :		
Allowances for impaired loans, advances and financing		
- Individual allowance	(24,117)	(24,239)
- Collective allowance	(9,548)	(8,982)
Total net loans, advances and financing	<u><u>1,138,943</u></u>	<u><u>1,035,844</u></u>

(ii) By Type of Customers

Domestic business enterprises		
- Small medium enterprises	48,651	24,292
- Others	831,094	727,598
Individuals	288,625	312,635
Foreign business enterprises	1,217	1,456
Foreign individuals	3,021	3,084
Total gross loans, advances and financing	<u>1,172,608</u>	<u>1,069,065</u>

(iii) By Interest/Profit Rate Sensitivity

Fixed rate		
- Housing loans/financing	4,924	4,620
- Other fixed rate loans/financing	3,412	3,481
- Receivables	91,362	-
- Share margin financing	189,823	207,186
Variable rate		
- Cost-plus	883,087	853,778
Total gross loans, advances and financing	<u>1,172,608</u>	<u>1,069,065</u>

(iv) By Economic Purpose

Purchase of securities	475,759	374,424
Working capital	322,985	211,146
Others	128,886	250,398
Merger and acquisition	96,962	106,753
Construction	52,797	29,111
Purchase of transport vehicles	50,497	50,614
Purchase of landed properties (non-residential)	39,662	41,810
Purchase of landed properties (residential)	4,924	4,620
Personal use	136	189
Total gross loans, advances and financing	<u>1,172,608</u>	<u>1,069,065</u>

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12. Loans, advances and financing (continued)

	The Group and the Bank	
	30-06-2015	31-12-2014
	RM'000	RM'000
<u>(v) By Sector</u>		
Household	291,645	315,719
Finance, insurance and business services	148,675	91,242
Transport, storage and communication	135,533	69,519
Construction	131,193	121,831
Wholesale retail trade and restaurant and hotels	115,087	65,618
Real estate	93,229	55,499
Electricity, gas and water	85,026	123,169
Mining and quarrying	58,170	44,159
Education, health & others	53,859	152,073
Manufacturing	48,258	22,500
Others	11,933	7,736
Total gross loans, advances and financing	<u>1,172,608</u>	<u>1,069,065</u>
<u>(vi) By Geographical Distribution</u>		
Wilayah Persekutuan	694,551	585,095
Selangor	340,453	344,153
Johor	107,678	108,671
Pulau Pinang	13,140	15,075
Sarawak	7,671	7,047
Outside Malaysia	4,238	4,539
Perak	2,096	1,978
Sabah	1,675	887
Negeri Sembilan	880	1,344
Kedah	226	276
Total gross loans, advances and financing	<u>1,172,608</u>	<u>1,069,065</u>
<u>(vii) By maturity structure</u>		
Maturing within one year	364,283	419,690
One year to three years	225,934	169,974
Three years to five years	296,360	304,944
Over five years	286,031	174,457
Total gross loans, advances and financing	<u>1,172,608</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	(55)	(64)
At end of the financial year/period	<u>33,951</u>	<u>34,128</u>
Gross impaired loans as a percentage of gross loans, advances and financing	<u>2.90%</u>	<u>3.19%</u>

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12. Loans, advances and financing (continued)

The Group and the Bank
30-06-2015 **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	1,892	-
Amount written-back	(1,326)	(3,882)
At end of the financial year/period	<u>9,548</u>	<u>8,982</u>

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

Working capital	33,951	34,006
Purchase of securities	-	122
Total impaired loans, advances and financing	<u>33,951</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	11,451	11,506
Household	-	122
Total impaired loans, advances and financing	<u>33,951</u>	<u>34,128</u>

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

Selangor	33,951	34,006
Wilayah Persekutuan	-	122
Total impaired loans, advances and financing	<u>33,951</u>	<u>34,128</u>

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13. Trade receivables

	The Group		The Bank	
	30-06-2015 RM'000	31-12-2014 RM'000	30-06-2015 RM'000	31-12-2014 RM'000
Amount in respect of management fees receivable and cancellation of funds' units	105,835	48,776	-	-
Amount due from clients (a)	216,551	321,850	216,551	321,850
Amount due from brokers	79,113	34,125	78,874	34,125
Amount due from Bursa Securities Clearing Sdn. Bhd.	131,863	26,849	131,863	26,849
	533,362	431,600	427,288	382,824
Less : Allowance for bad and doubtful accounts (b)				
- Individual allowance	(4,165)	(4,083)	(4,165)	(4,083)
- Collective allowance	(17)	(19)	(17)	(19)
	529,180	427,498	423,106	378,722

The Group and the Bank	
30-06-2015 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	4,220	4,420

(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	148	259
Amount written back	(66)	(420)
Amount written off	-	(22)
At end of the financial year/period	4,165	4,083

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	17	19

14. Other assets

	The Group		The Bank	
	30-06-2015 RM'000	31-12-2014 RM'000	30-06-2015 RM'000	31-12-2014 RM'000
Other debtors, deposits and prepayments	107,629	68,035	104,290	65,172
Clearing Guarantee Fund	1,010	2,731	1,010	2,731
Clearing Fund	1,000	1,000	1,000	-
Transferable membership	210	110	110	10
Allowance for bad and doubtful debts (a)	(9,970)	(9,894)	(9,970)	(9,894)
	99,879	61,982	96,440	58,019

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

	The Group and the Bank	
	30-06-2015	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	76	278
Amount written back	-	(170)
Amount written off	-	(340)
At end of the financial year/period	<u>9,970</u>	<u>9,894</u>

15. Deposit from customers

	The Group		The Bank	
	30-06-2015	31-12-2014	30-06-2015	31-12-2014
	RM'000	RM'000	RM'000	RM'000
<u>By type of deposits:</u>				
Fixed deposits	3,229,902	2,578,945	3,229,902	2,619,158
Negotiable instruments of deposits	1,092,151	865,155	1,092,151	865,155
Other deposits	146,594	160,060	146,594	160,060
	<u>4,468,647</u>	<u>3,604,160</u>	<u>4,468,647</u>	<u>3,644,373</u>
<u>By maturity structure:</u>				
Due within six months	3,125,211	2,613,650	3,125,211	2,653,863
Six months to one year	555,833	202,819	555,833	202,819
More than one year	787,603	787,691	787,603	787,691
	<u>4,468,647</u>	<u>3,604,160</u>	<u>4,468,647</u>	<u>3,644,373</u>
<u>By type of customer:</u>				
Government and statutory bodies	673,112	619,959	673,112	619,959
Business enterprises	1,195,823	696,593	1,195,823	736,806
Individuals	73,670	75,478	73,670	75,478
Others	2,526,042	2,212,130	2,526,042	2,212,130
	<u>4,468,647</u>	<u>3,604,160</u>	<u>4,468,647</u>	<u>3,644,373</u>

16. Deposit and placements of banks and other financial institution

	The Group and the Bank	
	30-06-2015	31-12-2014
	RM'000	RM'000
Licensed banks	313,961	821,478
Licensed investment banks	226,017	40,137
	<u>539,978</u>	<u>861,615</u>

17. Trade payables

	The Group		The Bank	
	30-06-2015	31-12-2014	30-06-2015	31-12-2014
	RM'000	RM'000	RM'000	RM'000
Amount due to unit trust funds	75,808	141,521	-	-
Amount due to unit holders	49,060	30,800	-	-
Amount due to external fund managers	59	86	-	-
Amount due to clients	216,537	309,184	216,537	309,184
Amount due to brokers	171,745	100,390	171,709	54,099
Amount due to related party	262	185	-	-
	<u>513,471</u>	<u>582,166</u>	<u>388,246</u>	<u>363,283</u>

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18. Other liabilities

	The Group		The Bank	
	30-06-2015 RM'000	31-12-2014 RM'000	30-06-2015 RM'000	31-12-2014 RM'000
Commissioned dealer's representative trust balances	46,258	48,183	46,258	48,183
Amounts payable to dealer's representative	3,581	5,727	3,581	5,727
Other liabilities	127,434	149,467	82,329	89,501
	177,273	203,377	132,168	143,411

19. 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
	30-06-2015 RM'000	30-06-2014 RM'000	30-06-2015 RM'000	30-06-2014 RM'000
Loans, advances and financing				
- Interest income on loans and advances	12,622	2,628	24,269	6,859
- Margin financing	3,980	3,183	8,308	6,738
Money at call and deposit placements with financial institutions	6,115	8,513	11,150	14,800
Derivative instruments	217	1,394	3,198	2,747
Financial assets held-for-trading	2,015	726	2,372	1,437
Financial investment available-for-sale	38,678	10,689	73,405	21,964
Financial investment held-to-maturity	2,422	4,696	5,167	9,435
Others	605	77	297	181
	66,654	31,906	128,166	64,161
Net accretion of discounts less amortisation of premiums	(922)	172	(1,092)	377
	65,732	32,078	127,074	64,538

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
	30-06-2015 RM'000	30-06-2014 RM'000	30-06-2015 RM'000	30-06-2014 RM'000
Loans, advances and financing				
- Interest income on loans and advances	12,622	2,628	24,269	6,859
- Margin financing	3,980	3,183	8,308	6,738
Money at call and deposit placements with financial institutions	5,354	7,579	9,253	13,863
Derivative instruments	217	1,394	3,198	2,747
Financial assets held-for-trading	2,015	726	2,372	1,437
Financial investment available-for-sale	38,678	10,689	73,405	21,964
Financial investment held-to-maturity	2,422	4,696	5,167	9,435
Others	605	77	297	181
	65,893	30,972	126,269	63,224
Net accretion of discounts less amortisation of premiums	(922)	172	(1,092)	377
	64,971	31,144	125,177	63,601

of which:

Interest income earned on impaired loans, advances
and financing

	-	-	-	-
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20. 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
	30-06-2015	30-06-2014	30-06-2015	30-06-2014
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	42,388	19,067	77,805	36,879
Deposits and placements of banks and other financial institutions	1,890	1	5,784	569
Derivative instruments	(681)	419	1,189	877
Foreign currency borrowings	511	343	875	759
Others	98	161	290	262
	44,206	19,991	85,943	39,346

	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
	30-06-2015	30-06-2014	30-06-2015	30-06-2014
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	42,357	19,168	77,805	36,980
Deposits and placements of banks and other financial institutions	1,956	1	5,850	569
Derivative instruments	(681)	419	1,189	877
Foreign currency borrowings	511	343	875	759
Others	98	98	247	199
	44,241	20,029	85,966	39,384

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21. Other operating income

	The Group			
	Individual Quarter Current Financial Period ended 30-06-2015 RM'000	Preceding Year Financial Period ended 30-06-2014 RM'000	Cumulative Quarter Current Financial Period-to-date 30-06-2015 RM'000	Preceding Year Financial Period-to-date 30-06-2014 RM'000
Fees income				
Fees on loans, advances and financing	458	1,542	634	1,727
Corporate advisory fees	1,675	262	3,075	806
Underwriting commissions and placement fees	2,788	135	4,181	137
Unit trust management and incentive fee	46,713	34,032	85,490	34,032
Brokerage	22,813	15,057	45,666	29,848
Initial service charge	18,481	11,626	40,831	11,626
Agency fees	694	-	1,124	20
Arrangement fees	454	-	2,842	-
Others	1,776	1,506	2,253	1,798
Income from financial instruments				
Gains arising on financial assets held-for-trading				
- net gain on disposal	4,287	7,799	12,038	18,304
- unrealised gain/(loss)	(814)	1,391	210	408
- gross dividend income	232	356	1,180	1,035
Gains on derivative instruments				
- net gain on disposal	10	4	20	16
- unrealised (loss)/gain	(2,971)	(875)	(6,156)	5,162
Gains arising on financial investments available-for-sale				
- net gain on disposal	2,327	817	14,067	984
- gross dividend income	2,957	2,557	5,422	4,854
Other income				
Foreign exchange gain/(loss)				
- realised	5,592	8,158	13,368	4,306
- unrealised	97	(6,732)	(3,995)	(6,645)
Gain on disposal of property, plant and equipment	55	5	95	85
Other non-operating income	533	341	895	40,301
	108,157	77,981	223,240	148,804

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21. Other operating income (continued)

	The Bank			
	Individual Quarter Current Financial Period ended 30-06-2015 RM'000	Preceding Year Financial Period ended 30-06-2014 RM'000	Cumulative Quarter Current Financial Period-to-date 30-06-2015 RM'000	Preceding Year Financial Period-to-date 30-06-2014 RM'000
Fees income				
Fees on loans, advances and financing	458	1,542	634	1,727
Corporate advisory fees	1,675	262	3,075	806
Underwriting commissions and placement fees	2,650	135	3,485	137
Brokerage	22,813	14,385	45,295	29,176
Agency fees	694	-	1,124	20
Arrangement fees	454	-	2,842	-
Others	1,519	204	1,666	396
Income from financial instruments				
Gains arising on financial assets held-for-trading				
- net gain on disposal	4,401	7,799	12,152	18,304
- unrealised gain/(loss)	(336)	1,386	26	403
- gross dividend income	367	2	1,037	681
Gains on derivative instruments				
- net gain on disposal	10	4	20	16
- unrealised (loss)/gain	(2,971)	(875)	(6,156)	5,162
Gains arising on financial investments available-for-sale				
- net gain on disposal	2,263	817	14,101	984
- gross dividend income	2,121	2,557	4,586	4,854
Gross dividend income				
- subsidiary	-	-	-	500
Other income				
Foreign exchange gain/(loss)				
- realised	5,766	8,230	13,228	4,378
- unrealised	101	(6,739)	(4,508)	(6,652)
Gain on disposal of property and equipment	55	5	95	85
Other non-operating income	514	438	901	39,829
	42,554	30,152	93,603	100,806

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22. Other operating expenses

	The Group			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Financial	Financial	Financial
	Period ended 30-06-2015 RM'000	Period ended 30-06-2014 RM'000	Period-to-date 30-06-2015 RM'000	Period-to-date 30-06-2014 RM'000
Personnel costs				
Salaries, allowances and bonuses	38,976	22,062	80,838	35,599
Contributions to defined contribution plan	6,597	3,476	13,053	4,831
Other personnel costs	7,269	3,596	13,707	4,628
	<u>52,842</u>	<u>29,134</u>	<u>107,598</u>	<u>45,058</u>
Promotion and marketing-related expenses				
Business promotion and advertisement	3,025	1,686	6,869	1,765
Entertainment	419	251	875	403
Travelling and accomodation	712	308	1,356	435
Dealers' performance incentive	2,629	1,980	3,939	3,282
Commission and brokerage expenses	21,230	17,781	39,558	17,834
Dealers' handling fees	3,249	2,233	5,701	4,402
Others	1,578	3	2,730	179
	<u>32,842</u>	<u>24,242</u>	<u>61,028</u>	<u>28,300</u>
Establishment-related expenses				
Rental of premises	4,532	2,684	8,915	5,104
Equipment rental	377	587	830	952
Repair and maintenance	1,974	879	3,473	1,788
Depreciation of property and equipment	1,373	1,035	2,768	1,498
Amortisation of intangible assets	338	-	691	-
Electricity, water and sewerage	689	460	1,491	1,023
Insurance and indemnities	496	106	802	203
	<u>9,779</u>	<u>5,751</u>	<u>18,970</u>	<u>10,568</u>
General administrative expenses				
Directors' remuneration	648	313	1,270	520
Telecommunication expenses	2,764	1,946	5,042	3,479
Professional fees	956	947	2,049	1,040
Auditors' remuneration	149	93	284	(4)
Property, plant & equipment written off	-	-	26	18
Intangible assets written off	-	-	6	-
Subsidies	253	-	537	-
Transaction levy	2,480	1,499	4,478	3,002
Subscription	1,612	57	2,251	174
Others	2,252	2,204	4,643	3,560
	<u>11,114</u>	<u>7,059</u>	<u>20,586</u>	<u>11,789</u>
Total other operating expenses	<u>106,577</u>	<u>66,186</u>	<u>208,182</u>	<u>95,715</u>

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22. Other operating expenses (continued)

	The Bank			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Financial	Financial	Financial
	Period ended 30-06-2015 RM'000	Period ended 30-06-2014 RM'000	Period-to-date 30-06-2015 RM'000	Period-to-date 30-06-2014 RM'000
Personnel costs				
Salaries, allowances and bonuses	27,247	13,323	57,107	25,805
Contributions to defined contribution plan	3,827	1,520	7,987	2,711
Other personnel costs	2,683	1,064	6,556	2,085
	<u>33,757</u>	<u>15,907</u>	<u>71,650</u>	<u>30,601</u>
Promotion and marketing-related expenses				
Business promotion and advertisement	546	33	1,089	112
Entertainment	235	96	437	249
Travelling and accomodation	345	33	665	155
Dealers' performance incentive	2,629	1,731	3,928	3,033
Commission and brokerage expenses	100	23	159	76
Dealers' handling fees	3,249	2,266	5,701	4,552
Others	-	3	4	175
	<u>7,104</u>	<u>4,185</u>	<u>11,983</u>	<u>8,352</u>
Establishment-related expenses				
Rental of premises	3,833	2,321	7,439	4,696
Equipment rental	61	345	185	710
Repair and maintenance	1,152	697	2,261	1,612
Depreciation of property and equipment	806	413	1,671	865
Amortisation of intangible assets	143	-	301	-
Electricity, water and sewerage	639	407	1,326	970
Insurance and indemnities	437	104	642	201
	<u>7,071</u>	<u>4,287</u>	<u>13,825</u>	<u>9,054</u>
General administrative expenses				
Directors' remuneration	484	293	948	500
Telecommunication expenses	2,225	1,690	4,074	3,228
Professional fees	220	27	615	105
Auditors' remuneration	111	77	215	(19)
Property, plant & equipment written off	-	-	1	18
Subsidies	253	-	537	-
Transaction levy	2,480	1,499	4,478	3,002
Subscription	1,532	57	2,100	174
Research expenses	-	50	-	793
Others	2,164	1,620	4,207	2,918
	<u>9,469</u>	<u>5,313</u>	<u>17,175</u>	<u>10,719</u>
Total other operating expenses	<u><u>57,401</u></u>	<u><u>29,692</u></u>	<u><u>114,633</u></u>	<u><u>58,726</u></u>

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23. 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
	30-06-2015	30-06-2014	30-06-2015	30-06-2014
	RM'000	RM'000	RM'000	RM'000
(Allowance)/write-back for losses on loans, advances and financing and trade receivables:				
Individual allowance				
- Made during the financial year/period	(9)	(6)	(148)	(121)
- Written back during the financial year/period	34	3	66	269
Collective allowance				
- Made during the financial year/period	(1,887)	-	(1,923)	(5)
- Written back during the financial year/period	717	925	1,359	1,394
Bad debts recovered	13	36	30	66
Bad debts written off	-	-	-	(41)
(Write-back)/allowance for other bad and doubtful debt:				
- Trade debtors	(14)	-	(76)	-
	<u>(1,146)</u>	<u>958</u>	<u>(692)</u>	<u>1,562</u>

24. Writeback of impairment loss on other assets

	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
	30-06-2015	30-06-2014	30-06-2015	30-06-2014
	RM'000	RM'000	RM'000	RM'000
Writeback of impairment loss on -				
- Financial investments held-to-maturity	1,554	-	1,554	-
- Financial investments available for sale	46	-	46	-
	<u>1,600</u>	<u>-</u>	<u>1,600</u>	<u>-</u>

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25. Capital adequacy

	The Group		The Bank	
	30-06-2015 RM'000	31-12-2014 RM'000	30-06-2015 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	6,093	5,479	5,789	5,347
	<u>1,415,685</u>	<u>1,415,071</u>	<u>1,468,908</u>	<u>1,468,466</u>
Less : Regulatory adjustment				
Goodwill and Intangible assets	(320,648)	(320,806)	(314,491)	(314,772)
Investment in subsidiaries /associates	-	-	(118,321)	(124,563)
Collective allowance reserve	(4,234)	(3,556)	(4,234)	(3,556)
55% of unrealised gains on AFS instruments	(3,351)	(3,013)	(3,184)	(2,941)
Deferred tax assets	(10,397)	(10,836)	(7,411)	(5,990)
Total CET 1 capital	<u>1,077,055</u>	<u>1,076,860</u>	<u>1,021,267</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>1,080,055</u>	<u>1,079,860</u>	<u>1,021,267</u>	<u>1,016,644</u>
Tier 2 capital				
Collective allowance for financing & trade receivables	13,799	12,557	13,799	12,557
Less : Regulatory adjustment				
Investment in subsidiaries	-	-	(13,799)	(12,557)
Total Tier 2 capital (b)	<u>13,799</u>	<u>12,557</u>	<u>-</u>	<u>-</u>
Total Capital (a) + (b)	<u>1,093,854</u>	<u>1,092,417</u>	<u>1,021,267</u>	<u>1,016,644</u>
Proposed dividends	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Ratio				
CET 1 capital ratio	28.911%	30.224%	31.039%	30.721%
Tier 1 capital ratio	28.992%	30.308%	31.039%	30.721%
Total capital ratio	29.362%	30.660%	31.039%	30.721%
CET 1 capital ratio (net of proposed dividends)	28.911%	30.224%	31.039%	30.721%
Tier 1 capital ratio (net of proposed dividends)	28.992%	30.308%	31.039%	30.721%
Total capital ratio (net of proposed dividends)	29.362%	30.660%	31.039%	30.721%
Breakdown of risk-weighted assets in the various categories of risk-weights:				
Credit risk	2,932,970	2,938,442	2,754,577	2,791,978
Market risk	228,948	196,759	193,505	191,477
Operational risk	563,469	427,786	342,183	325,813
Total Risk-Weighted Assets	<u>3,725,387</u>	<u>3,562,987</u>	<u>3,290,265</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).

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26. Commitments and contingencies

	The Group and the Bank	
	30-06-2015	31-12-2014
	Principal amount RM'000	Principal amount RM'000
Direct credit substitutes	98,850	133,850
Obligations under underwriting agreements	-	17,122
Commitments to extend credit:		
- maturity not exceeding one year	233,281	346,843
- maturity exceeding one year	21	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	2,402,520	2,292,667
- one year to less than five years	829,472	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	383,432	322,761
Total	<u>4,197,576</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 30 June 2015 are as follows:

(i) The aggregate value of outstanding credit exposures with connected parties (RM'000)	644,810
(ii) The percentage of outstanding credit exposures to connected parties as a proportion of credit exposures	12.61%
(iii) The percentage of outstanding credit exposures with connected parties which is non-performing or in default	Nil

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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, either (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
30-06-2015				
Assets				
Financial assets held-for-trading	166,946	21,495	-	188,441
Financial investments available-for-sale				
- Private debt securities	-	2,827,478	-	2,827,478
- Equity securities	98,003	-	16,808	114,811
- Other financial assets	-	1,166,322	-	1,166,322
Derivative financial assets	-	89,718	-	89,718
	<u>264,949</u>	<u>4,105,013</u>	<u>16,808</u>	<u>4,386,770</u>
Liabilities				
Derivative financial liabilities	-	115,080	-	115,080
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

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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	
	30-06-2015	31-12-2014
	RM'000	RM'000
Opening	16,808	-
Vested from AFFIN IB - - AFS revaluation reserve	-	16,808
Transfer in	-	-
Closing	<u>16,808</u>	<u>16,808</u>

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.