

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

**Unaudited Statements of Financial Position
as at 31 March 2016**

	Note	The Group		The Bank	
		As at	As at	As at	As at
		31-03-2016	31-12-2015	31-03-2016	31-12-2015
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and short-term funds		509,857	462,004	261,355	244,732
Deposits and placements with banks and other financial institutions		125,510	145,474	125,510	145,474
Financial assets held-for-trading	12	157,370	273,302	150,467	264,657
Financial investments held-to-maturity	12	77,869	78,651	77,869	78,651
Financial investments available-for-sale	12	4,002,915	4,008,065	3,951,299	3,958,666
Loans, advances and financing	13	1,153,862	1,240,693	1,153,862	1,240,693
Trade receivables	14	1,013,511	550,093	566,282	481,617
Derivative financial assets		103,515	119,991	103,515	119,991
Other assets	15	71,354	112,541	63,832	106,957
Deferred tax assets		3,114	12,741	626	7,770
Taxation recoverable		24,020	27,289	22,065	27,196
Statutory deposits with Bank Negara Malaysia		143,840	177,850	143,840	177,850
Investment in subsidiaries		-	-	121,217	121,217
Amount due from subsidiaries		-	-	14,494	24,004
Property and equipment		28,347	26,544	24,283	21,646
Intangible assets		323,646	326,240	317,317	320,046
Total ASSETS		7,738,730	7,561,478	7,097,833	7,341,167
LIABILITIES AND SHAREHOLDERS' EQUITY					
Deposits from customers	16	4,083,420	4,314,040	4,083,420	4,314,040
Deposits and placements of banks and other financial institutions	17	620,802	749,852	620,802	749,852
Trade payables	18	1,169,250	642,321	553,517	470,090
Derivative financial liabilities		131,824	141,891	131,824	141,891
Amount due to related companies		591	689	-	-
Other liabilities	19	215,048	235,765	183,437	185,249
Provision for taxation		-	1,747	-	-
Total LIABILITIES		6,220,935	6,086,305	5,573,000	5,861,122
Share capital		780,000	780,000	780,000	780,000
Reserves		702,627	659,346	744,833	700,045
		1,482,627	1,439,346	1,524,833	1,480,045
Non-controlling interests		35,168	35,827	-	-
SHAREHOLDERS' EQUITY		1,517,795	1,475,173	1,524,833	1,480,045
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		7,738,730	7,561,478	7,097,833	7,341,167
COMMITMENTS AND CONTINGENCIES	26	3,913,272	5,793,810	3,913,272	5,793,810
CAPITAL ADEQUACY					
Basel III					
CET 1 capital ratio	25	28.951%	30.481%	34.260%	32.168%
Tier 1 capital ratio	25	29.028%	30.565%	34.260%	32.168%
Total capital ratio	25	29.403%	30.983%	34.260%	32.168%
After deducting proposed dividends:					
CET 1 capital ratio (net of proposed dividends)	25	28.951%	30.397%	34.260%	32.074%
Tier 1 capital ratio (net of proposed dividends)	25	29.028%	30.480%	34.260%	32.074%
Total capital ratio (net of proposed dividends)	26	29.403%	30.898%	34.260%	32.074%

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Unaudited Income Statements for the financial period ended 31 March 2016

The Group	Note	Individual Quarter		Cumulative Quarter	
		Current Financial Period 31-03-2016 RM'000	Preceding Year Corresponding Period 31-03-2015 RM'000	Current Financial Period-to-date 31-03-2016 RM'000	Preceding Year Corresponding Period-to-date 31-03-2015 RM'000
Interest income	20	66,069	61,342	66,069	61,342
Interest expense	21	(46,954)	(41,737)	(46,954)	(41,737)
Net interest income		19,115	19,605	19,115	19,605
Other operating income	22	98,311	115,083	98,311	115,083
Net income		117,426	134,688	117,426	134,688
Other operating expenses	23	(92,882)	(101,605)	(92,882)	(101,605)
Operating profit before loan and financing loss and allowance		24,544	33,083	24,544	33,083
(Allowances)/write-back of losses on loans, advances and financing and receivables	24	(81)	454	(81)	454
Profit before zakat and taxation		24,463	33,537	24,463	33,537
Zakat		(198)	(211)	(198)	(211)
Profit before taxation		24,265	33,326	24,265	33,326
Taxation		(6,286)	(8,101)	(6,286)	(8,101)
Net profit after zakat and taxation		17,979	25,225	17,979	25,225
Attributable to:					
- Equity holders of the Bank		15,322	20,496	15,322	20,496
- Non-controlling interests		2,657	4,729	2,657	4,729
		17,979	25,225	17,979	25,225
Earnings per share:					
- basic/fully diluted (sen)		1.96	2.63	1.96	2.63

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**Unaudited Statement of Comprehensive Income
for the financial period ended 31 March 2016**

The Group	Individual Quarter		Cumulative Quarter	
	Current Financial Period 31-03-2016 RM'000	Preceding Year Corresponding Period 31-03-2015 RM'000	Current Financial Period-to-date 31-03-2016 RM'000	Preceding Year Corresponding Period-to-date 31-03-2015 RM'000
Net profit after zakat and taxation	17,979	25,225	17,979	25,225
Other comprehensive income:				
Net fair value changes in financial investments available-for-sale	45,217	21,466	45,217	21,466
Net gain transferred to income statement on disposal	(4,509)	(12,060)	(4,509)	(12,060)
Deferred tax on financial investments available-for-sale	(10,023)	(2,545)	(10,023)	(2,545)
Other comprehensive income for the period, net of tax	30,685	6,861	30,685	6,861
Total comprehensive income for the period	48,664	32,086	48,664	32,086
Attributable to:				
Equity holders of the Bank	46,323	27,585	46,323	27,585
Non-controlling interests	2,341	4,501	2,341	4,501
Total comprehensive income	48,664	32,086	48,664	32,086

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Unaudited Income Statements
for the financial period ended 31 March 2016

	The Bank	Note	Individual Quarter		Cumulative Quarter	
			Current Financial Period 31-03-2016 RM'000	Preceding Year Corresponding Period 31-03-2015 RM'000	Current Financial Period-to-date 31-03-2016 RM'000	Preceding Year Corresponding Period-to-date 31-03-2015 RM'000
Interest income		20	65,414	60,206	65,414	60,206
Interest expense		21	(46,954)	(41,725)	(46,954)	(41,725)
Net interest income			18,460	18,481	18,460	18,481
Other operating income		22	53,112	51,049	53,112	51,049
Net income			71,572	69,530	71,572	69,530
Other operating expenses		23	(50,905)	(57,232)	(50,905)	(57,232)
Operating profit before loan and financing loss and allowance			20,667	12,298	20,667	12,298
(Allowances) /write-back of losses on loans, advances and financing and receivables		24	(81)	454	(81)	454
Profit before zakat and taxation			20,586	12,752	20,586	12,752
Zakat			(156)	(183)	(156)	(183)
Profit before taxation			20,430	12,569	20,430	12,569
Taxation			(4,339)	(3,360)	(4,339)	(3,360)
Net profit after zakat and taxation			16,091	9,209	16,091	9,209
Attributable to:						
- Equity holders of the Bank			16,091	9,209	16,091	9,209
Earnings per share:						
- basic/fully diluted (sen)			2.06	1.18	2.06	1.18

Affin Hwang Investment Bank Berhad
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**Unaudited Statement of Comprehensive Income
for the financial period ended 31 March 2016**

The Bank	Individual Quarter		Cumulative Quarter	
	Current Financial Period 31-03-2016 RM'000	Preceding Year Corresponding Period 31-03-2015 RM'000	Current Financial Period-to-date 31-03-2016 RM'000	Preceding Year Corresponding Period-to-date 31-03-2015 RM'000
Net profit after zakat and taxation	16,091	9,209	16,091	9,209
Other comprehensive income:				
Net fair value changes in financial investments available-for-sale	46,271	22,226	46,271	22,226
Net gain transferred to income statement on disposal	(4,509)	(12,060)	(4,509)	(12,060)
Deferred tax on financial investments available-for-sale	(10,023)	(2,545)	(10,023)	(2,545)
Other comprehensive income for the period, net of tax	31,739	7,621	31,739	7,621
Total comprehensive income for the period	47,830	16,830	47,830	16,830
Attributable to equity holders of the Bank:				
Total comprehensive income	47,830	16,830	47,830	16,830

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Unaudited Statement of Changes in Equity
for the financial period ended 31 March 2016

	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 2016	780,000	219,800	214,915	5,594	(14,831)	233,868	1,439,346	35,827	1,475,173
Comprehensive income:									
Net profit for the financial period	-	-	-	-	-	15,322	15,322	2,657	17,979
Other comprehensive income, (net of tax) -									
Financial investments available-for-sale	-	-	-	-	31,001	-	31,001	(316)	30,685
Total comprehensive income	-	-	-	-	31,001	15,322	46,323	2,341	48,664
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-
Transfer to regulatory reserve	-	-	-	(628)	-	628	-	-	-
Dividend paid	-	-	-	-	-	(3,042)	(3,042)	(3,000)	(6,042)
At 31 March 2016	780,000	219,800	214,915	4,966	16,170	246,776	1,482,627	35,168	1,517,795
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 regulatory reserve	-	-	-	(226)	-	226	-	-	-
Acquisition of equity interest	-	-	-	-	-	-	-	-	-
Disposal of subsidiary	-	-	-	-	-	-	-	-	-
Issuance of shares	-	-	-	-	-	-	-	-	-
At 31 March 2015	780,000	219,800	199,071	3,330	12,568	227,887	1,442,656	34,830	1,477,486

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Unaudited Statement of Changes in Equity
for the financial period ended 31 March 2016

	Non-distributable					Distributable	
	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	Total equity RM'000
The Bank							
At 1 January 2016	780,000	219,800	214,915	5,594	(14,762)	274,498	1,480,045
Comprehensive income:							
Net profit for the financial period	-	-	-	-	-	16,091	16,091
Other comprehensive income:							
Other comprehensive income, (net of tax) -							
Financial investments available-for-sale	-	-	-	-	31,739	-	31,739
Total comprehensive income	-	-	-	-	31,739	16,091	47,830
Transfer to regulatory reserve	-	-	-	(628)	-	628	-
Transfer to statutory reserve	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	(3,042)	(3,042)
At 31 March 2016	<u>780,000</u>	<u>219,800</u>	<u>214,915</u>	<u>4,966</u>	<u>16,977</u>	<u>288,175</u>	<u>1,524,833</u>
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, (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>

Affin Hwang Investment Bank Berhad

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Unaudited Statement of Cash Flows for the financial period ended 31 March 2016

	The Group		The Bank	
	31-03-2016 RM'000	31-03-2015 RM'000	31-03-2016 RM'000	31-03-2015 RM'000
Cash flow from operating activities				
Net profit before tax for the financial period	24,265	33,326	20,430	12,569
Adjustments for items not involving the movement of cash and cash equivalents:				
Interest income				
- financial assets held-for trading	(5,517)	(357)	(5,517)	(357)
- financial investments available-for-sale	(37,681)	(34,727)	(37,681)	(34,727)
- financial investments held-to-maturity	(1,401)	(2,745)	(1,401)	(2,745)
Dividend income from subsidiary	-	-	(7,000)	-
Dividend income from financial instruments	(2,098)	(3,413)	(1,981)	(3,135)
Gain on disposal of property, plant and equipment	(99)	(40)	(47)	(40)
Property and equipment written-off	1,033	26	133	1
Intangible assets written-off	17	6	-	-
Depreciation of property and equipment	2,101	1,395	1,582	865
Amortisation of intangible assets	486	353	262	158
Net (amortisation of premiums)/accretion of discounts	754	170	754	170
(Loss)/gain arising from disposal or redemption of :				
- derivative instruments	-	(10)	-	(10)
- financial assets held-for-trading	(4,787)	(7,751)	(4,787)	(7,751)
- financial investments available-for-sale	(3,530)	(11,740)	(3,647)	(11,838)
Unrealised gain/(loss) on derivative instruments	10,045	3,185	10,045	3,185
Unrealised (loss)/gain on financial assets held-for-trading	(2,004)	(1,024)	(1,884)	(362)
Net of collective impairment	192	(606)	192	(606)
Net of individual impairment	278	107	278	107
(Write-back)/impairment loss on :				
Allowance for bad and doubtful debts on other debtors	39	62	39	62
Zakat	198	211	156	183
Bad debts recovered	(427)	(17)	(427)	(17)
Unrealised foreign exchange (gain)/loss	8,623	4,092	8,062	4,609
<i>Operating profit before changes in operating assets and liabilities</i>	(9,513)	(19,497)	(22,439)	(39,679)
<i>(Increase)/decrease in operating assets</i>				
Loans, advances and financing	86,648	69,032	86,648	69,032
Deposits and placements with banks and other financial institutions	19,964	100,499	19,964	100,499
Statutory deposits with Bank Negara Malaysia	34,010	(11,040)	34,010	(11,040)
Intercompany balances	-	-	9,510	5,150
Trade receivables	(463,695)	(756,271)	(84,943)	(135,926)
Derivative assets	(2,192)	(28,564)	(1,631)	(28,564)
Other assets	41,575	(14,569)	43,513	(14,632)
Financial assets held-for-trading	128,669	(28,802)	126,807	(19,972)
	(155,021)	(669,715)	233,878	(35,453)
<i>Increase/(decrease) in operating liabilities</i>				
Deposits from customers	(230,620)	414,518	(230,620)	374,305
Deposits and placements of banks and other financial institutions	(129,050)	(213,323)	(129,050)	(213,323)
Trade payables	526,929	824,348	83,427	93,596
Amount due from related company	(98)	-	-	-
Derivative liabilities	(10,067)	30,531	(10,067)	30,531
Other liabilities	(20,309)	24,332	(1,361)	49,155
	136,785	1,080,406	(287,671)	334,264
Cash generated from/(used in) operating activities	(27,749)	391,194	(76,232)	259,132

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**Unaudited Statement of Cash Flows
for the financial period ended 31 March 2016**

	The Group		The Bank	
	31-03-2016	31-03-2015	31-03-2016	31-03-2015
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities (continued)				
Net taxation paid	(5,160)	(9,153)	(2,087)	(5,310)
Zakat paid	(10)	-	(10)	-
Net cash generated from operating activities	(32,919)	382,041	(78,329)	253,822
Cash flow from investing activities				
Proceeds from disposal of property and equipment	109	138	57	-
Purchase of property and equipment	(1,797)	(1,176)	(1,213)	(69)
Purchase of intangible assets	(1,059)	(615)	(682)	(310)
Interest received:				
- financial investments available-for-sale	37,681	34,727	37,681	34,727
- financial investments held-to-maturity	1,401	2,745	1,401	2,745
Net proceeds on (purchase)/disposal of financial investments available-for-sale	48,705	(485,599)	52,093	(483,322)
Net proceeds on purchase of financial investments held-to-maturity	708	80,301	708	80,301
Cash consideration for merger of businesses	-	3,467	-	3,467
Dividend income received from:				
- financial investments available-for-sale	1,662	2,465	1,545	2,465
- subsidiary	-	-	7,000	-
Net cash (used in)/generated from investing activities	87,410	(363,547)	98,590	(359,996)
Cash flow from financing activities				
Dividend paid by a subsidiary to minority interests	(3,000)	-	-	-
Dividend paid	(3,042)	-	(3,042)	-
Net cash used in financing activities	(6,042)	-	(3,042)	-
Net increase in cash and cash equivalents	48,449	18,494	17,219	(106,174)
Cash and cash equivalents at beginning of the financial year	413,380	606,686	196,108	368,442
Cash and cash equivalents at end of the financial year	461,829	625,180	213,327	262,268
Analysis of cash and cash equivalents				
Cash and short term funds	509,857	677,981	261,355	315,069
Amount held on behalf of clients and commissioned dealer's representatives	(48,028)	(52,801)	(48,028)	(52,801)
Cash and cash equivalents at end of the financial year	461,829	625,180	213,327	262,268

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**Notes to the financial statement
for the financial period ended 31 March 2016**

1. Review of financial performance

The Group recorded a lower Profit Before Tax ("PBT") of RM24.3 million for the 3 months period ended 31 March 2016 compared to a PBT of RM33.3 million for the previous corresponding period. The investment banking subsidiary contributed RM20.4 million [including interco dividend from subsidiary of RM7.0 million] (31.3.2015: RM12.6 million) and the asset management business contributed RM10.8 million (31.3.2015: RM20.5 million) to the Group's profit in the current period under review.

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

- Net interest income of RM19.1 million was 2.6% lower than the net interest income of RM19.6 million recorded in the previous corresponding period primarily due to lower average interest earning assets in the current period under review.
- Other operating income registered a decrease from RM115.1 million in the previous corresponding period to RM98.3 million in current period under review. The decrease was primarily due to lower initial service fee income from the fund and asset management businesses. The decrease is also attributable to lower brokerage income, lower net investment gains generated by the stockbroking and investment bank activities, offset by higher net foreign exchange gains during the current period under review.
- Operating expenses recorded for the period under review were lower at RM92.9 million compared to RM101.6 million incurred in the previous corresponding period. The decrease was mainly due to lower personnel costs and marketing expenses, offset by higher establishment & general administrative expenses.
- Net impairment loss on loans, advances and financing and receivables was at RM0.1 million, compared to a net write-back of RM0.4 million in the previous corresponding period.

2. Prospect for the current financial period

The Bank remains cautiously optimistic of the growth and business prospects in 2016. Its diversified business profile coupled by a sturdy capitalisation should mitigate the expected volatility in the financial markets. The strategic alliances with some leading securities houses in Asia will further consolidate the Bank's position as a leading broker in Malaysia and support its ambition to grow regionally.

However, the Group also 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.

The asset management segment will continue to grow its business and capitalise on growth opportunities in the retail and high net worth segments to further expand its assets under administration and client base. Under the merged asset management group that is backed by an investment bank and Affin Banking Group, it is optimistic on its performance through collaborative efforts within these groups 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 2016**

3. Basis of preparation

The unaudited condensed interim financial statements for the 3 months period ended 31 March 2016 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 year ended 31 December 2015. 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 year ended 31 December 2015.

4. Qualification of preceding annual financial statements

The Bank's financial statements for financial year ended 31 December 2015 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.

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 2016 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 2016**

9. Significant Events

There are no material events subsequent to the end of the reporting period.

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.

11 Dividends

A final dividend of 0.39 sen per ordinary share, amounting to RM3,042,000 in respect of the previous financial year ended 31 December 2015 was paid on 28 March 2016.

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**Notes to the financial statement
for the financial period ended 31 March 2016****12. Securities portfolio**

	The Group		The Bank	
	31-03-2016 RM'000	31/12/2015 RM'000	31-03-2016 RM'000	31/12/2015 RM'000
<u>Classification of securities portfolio:</u>				
(i) Financial assets held-for-trading				
<u>At fair value</u>				
<u>Money Market instruments</u>				
Malaysian Government Islamic Investment Issues	10,110	-	10,110	-
	<u>10,110</u>	<u>-</u>	<u>10,110</u>	<u>-</u>
<u>At fair value</u>				
<u>Quoted securities</u>				
In Malaysia:				
Shares, warrants and REITS	35,146	33,564	35,146	33,564
Unit trusts	6,903	8,645	-	-
Negotiable Instruments of Deposit	105,211	231,093	105,211	231,093
	<u>157,370</u>	<u>273,302</u>	<u>150,467</u>	<u>264,657</u>
(ii) Financial investments held-to-maturity				
<u>At amortised cost</u>				
<u>Unquoted securities</u>				
Private Debt Securities in Malaysia	77,869	78,651	77,869	78,651
	<u>77,869</u>	<u>78,651</u>	<u>77,869</u>	<u>78,651</u>
(iii) Financial investments available-for-sale				
<u>At fair value</u>				
<u>Money Market Instruments</u>				
Malaysian Government Securities	10,159	19,895	10,159	19,895
Malaysian Government Islamic Investment Issues	222,419	675,049	222,419	675,049
Cagamas Bonds	46,311	20,102	46,311	20,102
Sukuk Perumahan Kerajaan	99,578	97,695	99,578	97,695
Negotiable Instruments of Deposit	80,851	80,036	80,851	80,036
	<u>459,318</u>	<u>892,777</u>	<u>459,318</u>	<u>892,777</u>
<u>Quoted securities</u>				
In Malaysia:				
Shares	29,204	18,896	29,204	18,896
Unit Trusts	245,229	240,850	194,599	192,437
REITS	41,850	40,219	41,850	40,219
Outside Malaysia:				
REITS	46,600	39,618	46,600	39,618
<u>Unquoted securities</u>				
Private Debt Securities in Malaysia	2,852,134	2,605,743	2,851,148	2,604,757
Private Debt Securities outside Malaysia	310,449	151,831	310,449	151,831
Shares in Malaysia	20,323	20,323	20,323	20,323
	<u>4,005,107</u>	<u>4,010,257</u>	<u>3,953,491</u>	<u>3,960,858</u>
Allowance for impairment of securities	(2,192)	(2,192)	(2,192)	(2,192)
	<u>4,002,915</u>	<u>4,008,065</u>	<u>3,951,299</u>	<u>3,958,666</u>

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for the financial period ended 31 March 2016

13. Loans, advances and financing

(i) By type of Loan/Financing

	The Group and the Bank	
	31-03-2016	31/12/2015
	RM'000	RM'000
Term loans/financing		
- Syndicated term loan/financing	232,370	269,288
- Other term loans/financing	659,739	702,427
Staff loans	6,837	7,582
Share margin financing	148,761	157,979
Revolving credits	49,764	46,573
Receivables	91,116	91,377
Gross loans, advances and financing	1,188,587	1,275,226
Less :		
Allowances for impaired loans, advances and financing		
- Individual allowance	(25,126)	(25,126)
- Collective allowance	(9,599)	(9,407)
Total net loans, advances and financing	1,153,862	1,240,693

(ii) By Type of Customers

Domestic business enterprises		
- Small medium enterprises	358,127	409,454
- Others	650,779	525,267
Domestic non-bank financial institutions	67,144	69,541
Individuals	110,244	267,489
Foreign business enterprises	1,364	2,509
Foreign individuals	929	966
Total gross loans, advances and financing	1,188,587	1,275,226

(iii) By Interest/Profit Rate Sensitivity

Fixed rate		
- Housing loans/financing	4,216	4,543
- Hire purchase receivables	-	2,968
- Other fixed rate loans/financing	2,621	71
- Receivables	91,116	91,377
- Share margin financing	148,761	157,979
Variable rate		
- Cost-plus	941,873	1,018,288
Total gross loans, advances and financing	1,188,587	1,275,226

(iv) By Economic Purpose

Purchase of securities	557,921	605,790
Working capital	263,199	242,645
Others	128,800	131,197
Merger and acquisition	-	51,379
Purchase of transport vehicles	63,900	71,385
Construction	119,874	117,384
Purchase of landed properties (residential)	22,623	22,950
Purchase of landed properties (non-residential)	32,224	32,424
Personal use	46	72
Total gross loans, advances and financing	1,188,587	1,275,226

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13. Loans, advances and financing (continued)

	The Group and the Bank	
	31-03-2016	31/12/2015
	RM'000	RM'000
<u>(v) By Sector</u>		
Household	251,288	260,118
Transport, storage and communication	191,210	206,920
Finance, insurance and business services	83,334	113,811
Construction	55,215	55,213
Wholesale retail trade and restaurant and hotels	115,123	115,121
Real estate	242,718	229,125
Electricity, gas and water	20,020	70,794
Mining and quarrying	65,119	66,722
Education, health & others	65,259	60,158
Manufacturing	89,291	86,400
Others	10,010	10,844
Total gross loans, advances and financing	<u>1,188,587</u>	<u>1,275,226</u>
<u>(vi) By Geographical Distribution</u>		
Wilayah Persekutuan	541,733	595,874
Selangor	517,401	546,660
Johor	107,699	108,004
Pulau Pinang	14,759	14,283
Sarawak	3,013	6,687
Perak	2,328	2,106
Negeri Sembilan	1,009	1,025
Sabah	396	420
Kedah	249	167
Total gross loans, advances and financing	<u>1,188,587</u>	<u>1,275,226</u>
<u>(vii) By maturity structure</u>		
Maturing within one year	328,558	311,872
One year to three years	320,214	270,622
Three years to five years	291,786	236,969
Over five years	248,029	455,763
Total gross loans, advances and financing	<u>1,188,587</u>	<u>1,275,226</u>
<u>(viii) Movement of impaired loans, advances and financing</u>		
At beginning of the financial year	66,375	34,128
Classified as impaired during the financial year	-	32,655
Amount written-off	-	(122)
Amount recovered	(200)	(286)
At end of the financial year	<u>66,175</u>	<u>66,375</u>
Gross impaired loans as a percentage of gross loans, advances and financing	<u>5.57%</u>	<u>5.20%</u>

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**Notes to the financial statement
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The Group and the Bank
31-03-2016 **31/12/2015**
RM'000 **RM'000**

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

At beginning of the financial year	25,126	24,239
Allowance made	-	1,009
Amount written-off	-	(122)
At end of the financial year	<u>25,126</u>	<u>25,126</u>

Collective allowance

At beginning of the financial year	9,407	8,982
Allowance made	461	3,863
Amount written-back	(269)	(3,438)
At end of the financial year	<u>9,599</u>	<u>9,407</u>

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

Purchase of landed properties (non-residential)	32,224	32,424
Other purpose	33,951	33,951
Total impaired loans, advances and financing	<u>66,175</u>	<u>66,375</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	11,451
Real estate	14,264	14,264
Finance, insurance and business services	17,960	18,160
Total impaired loans, advances and financing	<u>66,175</u>	<u>66,375</u>

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

Selangor	66,175	66,375
Total impaired loans, advances and financing	<u>66,175</u>	<u>66,375</u>

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14. Trade receivables

	The Group		The Bank	
	31-03-2016 RM'000	31/12/2015 RM'000	31-03-2016 RM'000	31/12/2015 RM'000
Amount in respect of management fees receivable and cancellation of funds' units	447,228	68,476	-	-
Amount due from clients (a)	216,205	294,716	216,204	294,716
Amount due from brokers	121,415	140,007	121,415	140,007
Amount due from Bursa Securities Clearing Sdn. Bhd.	229,628	51,033	229,628	51,033
	<u>1,014,476</u>	<u>554,232</u>	<u>567,247</u>	<u>485,756</u>
Less : Allowance for bad and doubtful accounts (b)				
- Individual allowance	(948)	(4,123)	(948)	(4,123)
- Collective allowance	(17)	(16)	(17)	(16)
	<u>1,013,511</u>	<u>550,093</u>	<u>566,282</u>	<u>481,617</u>

The Group and the Bank	
31-03-2016 RM'000	31/12/2015 RM'000

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

At beginning of the financial year	4,460	4,420
Addition during the year	373	108
Amount recovered	(101)	(68)
Amount written off	(3,447)	-
At end of the financial year	<u>1,285</u>	<u>4,460</u>

(b) Movement in allowances are as follows:

Individual allowance

At beginning of the financial year	4,123	4,083
Allowance made	373	108
Amount written back	(101)	(68)
Amount written off	(3,447)	-
At end of the financial year	<u>948</u>	<u>4,123</u>

Collective allowance

At beginning of the financial year	16	19
Allowance made	1	31
Amount written-back	-	(34)
At end of the financial year	<u>17</u>	<u>16</u>

15. Other assets

	The Group		The Bank	
	31-03-2016 RM'000	31/12/2015 RM'000	31-03-2016 RM'000	31/12/2015 RM'000
Other debtors, deposits and prepayments	79,073	120,329	71,651	114,845
Clearing Guarantee Fund	1,247	1,139	1,247	1,139
Clearing Fund	1,000	1,000	1,000	1,000
Transferable membership	210	210	110	110
Allowance for bad and doubtful debts (a)	(10,176)	(10,137)	(10,176)	(10,137)
	<u>71,354</u>	<u>112,541</u>	<u>63,832</u>	<u>106,957</u>

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

	The Group and the Bank	
	31-03-2016	31/12/2015
	RM'000	RM'000
Individual allowance		
At beginning of the financial year	10,137	9,894
Allowance made	39	365
Amount written back	-	(122)
At end of the financial year	<u>10,176</u>	<u>10,137</u>

16. Deposit from customers

	The Group		The Bank	
	31-03-2016	31/12/2015	31-03-2016	31/12/2015
	RM'000	RM'000	RM'000	RM'000
<u>By type of deposits:</u>				
Fixed deposits	2,764,737	2,930,883	2,764,737	2,930,883
Negotiable instruments of deposits	1,187,892	1,191,217	1,187,892	1,191,217
Other deposits	130,791	191,940	130,791	191,940
	<u>4,083,420</u>	<u>4,314,040</u>	<u>4,083,420</u>	<u>4,314,040</u>
<u>By maturity structure:</u>				
Due within six months	2,660,536	3,066,058	2,660,536	3,066,058
Six months to one year	1,017,566	238,849	1,017,566	238,849
More than one year	405,318	1,009,133	405,318	1,009,133
	<u>4,083,420</u>	<u>4,314,040</u>	<u>4,083,420</u>	<u>4,314,040</u>
<u>By type of customer:</u>				
Government and statutory bodies	554,107	621,118	554,107	621,118
Business enterprises	946,968	1,115,296	946,968	1,115,296
Individuals	69,109	74,779	69,109	74,779
Others	22,089	27,671	22,089	27,671
Domestic banking institutions	1,186,727	1,190,461	1,186,727	1,190,461
Domestic non-banking financial institutions	1,302,077	1,278,851	1,302,077	1,278,851
Foreign entities	2,343	5,864	2,343	5,864
	<u>4,083,420</u>	<u>4,314,040</u>	<u>4,083,420</u>	<u>4,314,040</u>

17. Deposit and placements of banks and other financial institution

	The Group and the Bank	
	31-03-2016	31/12/2015
	RM'000	RM'000
Licensed banks	542,739	749,852
Licensed investment banks	78,063	-
	<u>620,802</u>	<u>749,852</u>

18. Trade payables

	The Group		The Bank	
	31-03-2016	31/12/2015	31-03-2016	31/12/2015
	RM'000	RM'000	RM'000	RM'000
Amount due to unit trust funds	207,372	154,948	-	-
Amount due to unit holders	408,303	17,213	-	-
Amount due to external fund managers	58	70	-	-
Amount due to clients	337,271	342,714	337,271	342,714
Amount due to brokers	216,246	127,376	216,246	127,376
	<u>1,169,250</u>	<u>642,321</u>	<u>553,517</u>	<u>470,090</u>

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Notes to the financial statement for the financial period ended 31 March 2016

19. Other liabilities

	The Group		The Bank	
	31-03-2016 RM'000	31/12/2015 RM'000	31-03-2016 RM'000	31/12/2015 RM'000
Commissioned dealer's representative trust balances	48,028	48,624	48,028	48,624
Amounts payable to dealer's representative	3,675	3,051	3,675	3,051
Other liabilities	163,345	184,090	131,734	133,574
	215,048	235,765	183,437	185,249

20. Interest income

	The Group			
	Individual Quarter		Cumulative Quarter	
	Current Financial Period ended	Preceding Year Corresponding Period ended	Current Financial Period-to-date	Preceding Year Corresponding Period-to-date
	31-03-2016 RM'000	31-03-2015 RM'000	31-03-2016 RM'000	31-03-2015 RM'000
Loans, advances and financing				
- Interest income on loans and advances	15,369	11,647	15,369	11,647
- Margin financing	2,959	3,907	2,959	3,907
Money at call and deposit placements with financial institutions	3,536	5,035	3,536	5,035
Derivative instruments	907	2,981	907	2,981
Financial assets held-for-trading	5,517	357	5,517	357
Financial investment available-for-sale	37,681	34,727	37,681	34,727
Financial investment held-to-maturity	1,401	2,745	1,401	2,745
Others	(547)	113	(547)	113
	66,823	61,512	66,823	61,512
Net accretion of discounts less amortisation of premiums	(754)	(170)	(754)	(170)
	66,069	61,342	66,069	61,342
of which:				
Interest income earned on impaired loans, advances and financing	-	-	-	-

	The Bank			
	Individual Quarter		Cumulative Quarter	
	Current Financial Period ended	Preceding Year Corresponding Period ended	Current Financial Period-to-date	Preceding Year Corresponding Period-to-date
	31-03-2016 RM'000	31-03-2015 RM'000	31-03-2016 RM'000	31-03-2015 RM'000
Loans, advances and financing				
- Interest income on loans and advances	15,369	11,647	15,369	11,647
- Margin financing	2,959	3,907	2,959	3,907
Money at call and deposit placements with financial institutions	2,881	3,899	2,881	3,899
Derivative instruments	907	2,981	907	2,981
Financial assets held-for-trading	5,517	357	5,517	357
Financial investment available-for-sale	37,681	34,727	37,681	34,727
Financial investment held-to-maturity	1,401	2,745	1,401	2,745
Others	(547)	113	(547)	113
	66,168	60,376	66,168	60,376
Net accretion of discounts less amortisation of premiums	(754)	(170)	(754)	(170)
	65,414	60,206	65,414	60,206
of which:				
Interest income earned on impaired loans, advances and financing	-	-	-	-

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**Notes to the financial statement
for the financial period ended 31 March 2016****21. Interest expense**

	The Group			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period ended	Period ended	Period-to-date	Period-to-date
31-03-2016	31-03-2015	31-03-2016	31-03-2015	
RM'000	RM'000	RM'000	RM'000	
Deposits from customers	41,719	35,417	41,719	35,417
Deposits and placements of banks and other financial institutions	3,884	3,894	3,884	3,894
Derivative instruments	821	1,870	821	1,870
Foreign currency borrowings	311	364	311	364
Others	219	192	219	192
	46,954	41,737	46,954	41,737

	The Bank			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period ended	Period ended	Period-to-date	Period-to-date
31-03-2016	31-03-2015	31-03-2016	31-03-2015	
RM'000	RM'000	RM'000	RM'000	
Deposits from customers	41,719	35,448	41,719	35,448
Deposits and placements of banks and other financial institutions	3,884	3,894	3,884	3,894
Derivative instruments	821	1,870	821	1,870
Foreign currency borrowings	311	364	311	364
Others	219	149	219	149
	46,954	41,725	46,954	41,725

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**Notes to the financial statement
for the financial period ended 31 March 2016****22. Other operating income**

	The Group			
	Individual Quarter Current Financial Period ended 31-03-2016 RM'000	Preceding Year Corresponding Period ended 31-03-2015 RM'000	Cumulative Quarter Current Financial Period-to-date 31-03-2016 RM'000	Preceding Year Corresponding Period-to-date 31-03-2015 RM'000
Fees income				
Fees on loans, advances and financing	278	176	278	176
Corporate advisory fees	2,821	1,400	2,821	1,400
Underwriting commissions and placement fees	445	1,393	445	1,393
Unit trust management and incentive fee	43,355	38,777	43,355	38,777
Brokerage	21,502	22,853	21,502	22,853
Initial service charge	8,914	22,350	8,914	22,350
Agency fees	385	430	385	430
Arrangement fees	2,895	2,388	2,895	2,388
Others	1,005	477	1,005	477
Income from financial instruments				
Gains arising on financial assets held-for-trading				
- net gain on disposal	4,787	7,751	4,787	7,751
- unrealised (loss)/gain	2,004	1,024	2,004	1,024
- gross dividend income	436	948	436	948
Gains on derivative instruments				
- net gain on disposal	-	10	-	10
- unrealised (loss)/gain	(10,045)	(3,185)	(10,045)	(3,185)
Gains arising on financial investments available-for-sale				
- net gain on disposal	3,530	11,740	3,530	11,740
- gross dividend income	1,662	2,465	1,662	2,465
Other income				
Foreign exchange (loss)/gain				
- realised	21,368	7,776	21,368	7,776
- unrealised	(8,623)	(4,092)	(8,623)	(4,092)
Gain on disposal of property, plant and equipment	99	40	99	40
Other non-operating income	1,493	362	1,493	362
	98,311	115,083	98,311	115,083

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**Notes to the financial statement
for the financial period ended 31 March 2016****22. Other operating income (continued)**

	The Bank			
	Individual Quarter Current Financial Period ended 31-03-2016 RM'000	Preceding Year Corresponding Period ended 31-03-2015 RM'000	Cumulative Quarter Current Financial Period-to-date 31-03-2016 RM'000	Preceding Year Corresponding Period-to-date 31-03-2015 RM'000
Fees income				
Fees on loans, advances and financing	278	176	278	176
Corporate advisory fees	2,821	1,400	2,821	1,400
Underwriting commissions and placement fees	360	835	360	835
Brokerage	21,502	22,482	21,502	22,482
Agency fees	385	430	385	430
Arrangement fees	2,895	2,388	2,895	2,388
Others	983	147	983	147
Income from financial instruments				
Gains arising on financial assets held-for-trading				
- net gain on disposal	4,787	7,751	4,787	7,751
- unrealised gain/(loss)	1,884	362	1,884	362
- gross dividend income	436	670	436	670
Gains on derivative instruments				
- net gain on disposal	-	10	-	10
- unrealised (loss)/gain	(10,045)	(3,185)	(10,045)	(3,185)
Gains arising on financial investments available-for-sale				
- net gain on disposal	3,647	11,838	3,647	11,838
- gross dividend income	1,545	2,465	1,545	2,465
Gross dividend income				
- subsidiary	7,000	-	7,000	-
Other income				
Foreign exchange (loss)/gain				
- realised	21,355	7,462	21,355	7,462
- unrealised	(8,062)	(4,609)	(8,062)	(4,609)
Gain on disposal of property and equipment	47	40	47	40
Other non-operating income	1,294	387	1,294	387
	53,112	51,049	53,112	51,049

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**Notes to the financial statement
for the financial period ended 31 March 2016****23. Other operating expenses**

	The Group			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period ended	Period ended	Period-to-date	Period-to-date
	31-03-2016	31-03-2015	31-03-2016	31-03-2015
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
Salaries, allowances and bonuses	34,860	41,862	34,860	41,862
Contributions to defined contribution plan	5,863	6,456	5,863	6,456
Other personnel costs	6,231	6,438	6,231	6,438
	<u>46,954</u>	<u>54,756</u>	<u>46,954</u>	<u>54,756</u>
Promotion and marketing-related expenses				
Business promotion and advertisement	1,359	3,844	1,359	3,844
Entertainment	441	456	441	456
Travelling and accomodation	830	644	830	644
Dealers' performance incentive	1,722	1,310	1,722	1,310
Commission and brokerage expenses	16,646	18,328	16,646	18,328
Dealers' handling fees	2,208	2,452	2,208	2,452
Others	1,176	1,152	1,176	1,152
	<u>24,382</u>	<u>28,186</u>	<u>24,382</u>	<u>28,186</u>
Establishment-related expenses				
Rental of premises	4,148	4,383	4,148	4,383
Equipment rental	401	453	401	453
Repair and maintenance	2,811	1,499	2,811	1,499
Depreciation of property and equipment	2,101	1,395	2,101	1,395
Amortisation of intangible assets	486	353	486	353
Electricity, water and sewerage	628	802	628	802
Insurance and indemnities	391	306	391	306
	<u>10,966</u>	<u>9,191</u>	<u>10,966</u>	<u>9,191</u>
General administrative expenses				
Directors' remuneration	451	622	565	622
Telecommunication expenses	2,331	2,278	2,331	2,278
Professional fees	(338)	1,093	(338)	1,093
Auditors' remuneration	167	135	167	135
Property, plant & equipment written off	1,033	26	1,033	26
Intangible assets written off	17	6	17	6
Subsidies	849	284	849	284
Transaction levy	1,898	1,998	1,898	1,998
Subscription	1,764	639	1,764	639
Others	2,408	2,391	2,294	2,391
	<u>10,580</u>	<u>9,472</u>	<u>10,580</u>	<u>9,472</u>
Total other operating expenses	<u><u>92,882</u></u>	<u><u>101,605</u></u>	<u><u>92,882</u></u>	<u><u>101,605</u></u>

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**Notes to the financial statement
for the financial period ended 31 March 2016****23. Other operating expenses (continued)**

	The Bank			
	Individual Quarter		Cumulative Quarter	
	Current Financial Period ended 31-03-2016 RM'000	Preceding Year Corresponding Period ended 31-03-2015 RM'000	Current Financial Period-to-date 31-03-2016 RM'000	Preceding Year Corresponding Period-to-date 31-03-2015 RM'000
Personnel costs				
Salaries, allowances and bonuses	24,399	29,860	24,399	29,860
Contributions to defined contribution plan	3,574	4,160	3,574	4,160
Other personnel costs	2,237	3,873	2,237	3,873
	<u>30,210</u>	<u>37,893</u>	<u>30,210</u>	<u>37,893</u>
Promotion and marketing-related expenses				
Business promotion and advertisement	344	543	344	543
Entertainment	235	202	235	202
Travelling and accomodation	455	320	455	320
Dealers' performance incentive	1,722	1,299	1,722	1,299
Commission and brokerage expenses	111	59	111	59
Dealers' handling fees	2,208	2,452	2,208	2,452
Others	-	4	-	4
	<u>5,075</u>	<u>4,879</u>	<u>5,075</u>	<u>4,879</u>
Establishment-related expenses				
Rental of premises	3,027	3,606	3,027	3,606
Equipment rental	66	124	66	124
Repair and maintenance	1,574	1,109	1,574	1,109
Depreciation of property and equipment	1,582	865	1,582	865
Amortisation of intangible assets	262	158	262	158
Electricity, water and sewerage	549	687	549	687
Insurance and indemnities	325	205	325	205
	<u>7,385</u>	<u>6,754</u>	<u>7,385</u>	<u>6,754</u>
General administrative expenses				
Directors' remuneration	416	464	416	464
Telecommunication expenses	1,983	1,849	1,983	1,849
Professional fees	(694)	395	(694)	395
Auditors' remuneration	126	104	126	104
Property, plant & equipment written off	133	1	133	1
Subsidies	849	284	849	284
Transaction levy	1,898	1,998	1,898	1,998
Subscription	1,715	568	1,715	568
Others	1,809	2,043	1,809	2,043
	<u>8,235</u>	<u>7,706</u>	<u>8,235</u>	<u>7,706</u>
Total other operating expenses	<u><u>50,905</u></u>	<u><u>57,232</u></u>	<u><u>50,905</u></u>	<u><u>57,232</u></u>

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**Notes to the financial statement
for the financial period ended 31 March 2016****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	Corresponding	Financial	Corresponding
Period ended	Period ended	Period-to-date	Period-to-date	
31-03-2016	31-03-2015	31-03-2016	31-03-2015	
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	(373)	(139)	(373)	(139)
- Written back during the financial year	95	32	95	32
Collective allowance				
- Made during the financial year	(461)	(36)	(461)	(36)
- Written back during the financial year	270	642	270	642
Bad debts recovered	427	17	427	17
(Write-back)/allowance for other bad and doubtful debt:				
- Trade debtors	(39)	(62)	(39)	(62)
	(81)	454	(81)	454

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25. Capital adequacy

	The Group		The Bank	
	31-03-2016 RM'000	31/12/2015 RM'000	31-03-2016 RM'000	31/12/2015 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	214,915	214,915	214,915	214,915
Retained profits	236,420	239,462	277,050	280,092
Unrealised gains on AFS instruments	16,169	(14,831)	16,976	(14,762)
	<u>1,467,304</u>	<u>1,439,346</u>	<u>1,508,741</u>	<u>1,480,045</u>
Less : Regulatory adjustment				
Goodwill and Intangible assets	(323,646)	(326,240)	(317,317)	(320,046)
Investment in subsidiaries /associates	-	-	(106,636)	(106,200)
Collective allowance reserve	(4,966)	(5,594)	(4,966)	(5,594)
55% of unrealised gains on AFS instruments	(8,893)	-	(9,337)	-
Deferred tax assets	(3,114)	(12,741)	(626)	(7,770)
Total CET 1 capital	<u>1,126,685</u>	<u>1,094,771</u>	<u>1,069,859</u>	<u>1,040,435</u>
Additional Tier 1 Capital				
Non-controlling interests	3,000	3,000	-	-
Total CET 1 capital / Tier 1 capital (a)	<u>1,129,685</u>	<u>1,097,771</u>	<u>1,069,859</u>	<u>1,040,435</u>
Tier 2 capital				
Collective allowance for financing & trade receivables	14,581	15,017	14,581	15,017
Less : Regulatory adjustment				
Investment in subsidiaries	-	-	(14,581)	(15,017)
Total Tier 2 capital (b)	<u>14,581</u>	<u>15,017</u>	<u>-</u>	<u>-</u>
Total Capital (a) + (b)	<u>1,144,266</u>	<u>1,112,788</u>	<u>1,069,859</u>	<u>1,040,435</u>
Proposed dividends	<u>-</u>	<u>3,042</u>	<u>-</u>	<u>3,042</u>
Capital Ratio				
CET 1 capital ratio	28.951%	30.481%	34.260%	32.168%
Tier 1 capital ratio	29.028%	30.565%	34.260%	32.168%
Total capital ratio	29.403%	30.983%	34.260%	32.168%
CET 1 capital ratio (net of proposed dividends)	28.951%	30.397%	34.260%	32.074%
Tier 1 capital ratio (net of proposed dividends)	29.028%	30.480%	34.260%	32.074%
Total capital ratio (net of proposed dividends)	29.403%	30.898%	34.260%	32.074%
Breakdown of risk-weighted assets in the various categories of risk-weights:				
Credit risk	3,072,329	2,739,271	2,522,137	2,589,933
Market risk	230,389	298,820	219,160	279,305
Operational risk	588,925	553,536	381,443	365,105
Total Risk-Weighted Assets	<u>3,891,643</u>	<u>3,591,627</u>	<u>3,122,740</u>	<u>3,234,343</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	
	31/3/2016	31/12/2015
	Principal amount RM'000	Principal amount RM'000
Direct credit substitutes	98,850	98,850
Obligations under underwriting agreements	-	25,500
Forward assets purchases	5,170	-
Commitments to extend credit:		
- maturity not exceeding one year	177,997	192,609
- maturity exceeding one year	21	21
Interest rate related contracts:		
- less than one year	-	-
- one year to less than five years	150,000	150,000
Foreign exchange related contracts:		
- less than one year	2,341,205	4,087,984
- one year to less than five years	756,456	835,755
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	383,573	403,091
Total	<u>3,913,272</u>	<u>5,793,810</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 2016 are as follows:

(i) The aggregate value of outstanding credit exposures with connected parties (RM'000)	588,449
(ii) The percentage of outstanding credit exposures to connected parties as a proportion of credit exposures	13.05%
(iii) The percentage of outstanding credit exposures with connected parties which is non-performing or in default	Nil

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Notes to the financial statement for the financial period ended 31 March 2016

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:-

- Level 1 - quoted price (unadjusted) in active markets for identical assets and liabilities
- 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
- 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
31-03-2016				
Assets				
Financial assets held-for-trading				
- Other financial assets	-	115,321	-	115,321
- Equity securities	35,146	6,903	-	42,049
Financial investments available-for-sale				
- Private debt securities	-	3,162,583	-	3,162,583
- Equity securities	117,654	245,229	18,131	381,014
- Other financial assets	-	459,318	-	459,318
Derivative financial assets	-	103,515	-	103,515
	152,800	4,092,869	18,131	4,263,800
Liabilities				
Derivative financial liabilities	-	131,824	-	131,824
31-12-2015				
Assets				
Financial assets held-for-trading				
- Other financial assets	-	231,093	-	231,093
- Equity securities	33,564	8,645	-	42,209
Financial investments available-for-sale				
- Private debt securities	-	2,757,574	-	2,757,574
- Other financial assets	-	892,777	-	892,777
- Equity securities	98,733	240,850	18,131	357,714
Derivative financial assets	-	119,991	-	119,991
	132,297	4,250,930	18,131	4,401,358
Liabilities				
Derivative financial liabilities	-	141,891	-	141,891

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**Notes to the financial statement
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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 year ended:-

	The Group and The Bank	
	31-03-2016	31-12-2015
	RM'000	RM'000
Opening	18,131	16,808
AFS revaluation reserve	-	1,323
Closing	18,131	18,131

Effect of changes in significant unobservable assumptions to reasonably possible alternatives

As at end of the current reporting date and last financial year ended 31 December 2015, 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.