

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

Condensed Interim Financial Statements
Unaudited Statements of Financial Position
as at 31 March 2023

	Note	The Group		The Bank	
		As at 31-03-2023 RM'000	As at 31-12-2022 RM'000	As at 31-03-2023 RM'000	As at 31-12-2022 RM'000
ASSETS					
Cash and short-term funds		262,545	311,873	260,599	309,523
Financial assets at fair value through profit or loss ("FVTPL")	12	115,386	36,070	114,165	34,863
Financial investments at fair value through other comprehensive income ("FVOCI")	12	3,880,641	3,575,501	3,880,641	3,575,501
Financial investments at amortised cost	12	940,283	879,647	940,283	879,647
Loans and advances	13	1,696,411	1,570,005	1,696,411	1,570,005
Trade receivables	14	386,694	403,754	386,694	403,754
Derivative financial assets		79,000	107,680	79,000	107,680
Other assets	15	56,934	45,502	56,730	45,346
Statutory deposits with Bank Negara Malaysia		110,901	101,600	110,800	101,500
Amount due from subsidiaries		-	-	277	308
Investment in subsidiaries	16	-	-	1,794	1,794
Investment in associates	17	-	-	372	372
Tax recoverable		38,466	37,156	38,465	37,155
Deferred tax assets		49,493	63,302	49,493	63,302
Property and equipment		7,211	6,694	7,193	6,686
Intangible assets		307,885	307,788	307,812	307,702
Right-of-use ("ROU") assets		12,301	13,707	12,301	13,707
TOTAL ASSETS		7,944,151	7,460,279	7,943,030	7,458,845
LIABILITIES AND EQUITY					
Deposits from customers	18	4,652,853	4,525,127	4,652,853	4,525,127
Deposits and placements of banks and other financial institutions	19	565,596	709,520	565,596	709,520
Obligations on securities sold under repurchase agreements	20	569,192	-	569,192	-
Trade payables	21	257,143	338,867	257,143	338,867
Lease liabilities		13,110	14,459	13,110	14,459
Derivative financial liabilities		62,927	102,874	62,927	102,874
Amount due to holding company		6,470	5,835	6,470	5,835
Other liabilities	22	334,396	326,370	333,280	324,941
Provision for taxation		1	1	-	-
TOTAL LIABILITIES		6,461,688	6,023,053	6,460,571	6,021,623
Share capital		999,800	999,800	999,800	999,800
Reserves	23	482,663	437,426	482,659	437,422
TOTAL EQUITY		1,482,463	1,437,226	1,482,459	1,437,222
TOTAL LIABILITIES AND EQUITY		7,944,151	7,460,279	7,943,030	7,458,845
COMMITMENTS AND CONTINGENCIES	32	14,041,802	10,899,639	14,041,802	10,899,639
CAPITAL ADEQUACY					
Basel III					
Before/After deducting proposed dividend:					
Common Equity Tier ("CET 1") capital ratio	31	42.592%	42.923%	53.348%	55.446%
Tier 1 capital ratio	31	42.592%	42.923%	53.348%	55.446%
Total capital ratio	31	43.170%	43.516%	54.072%	56.214%

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2022.

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

Condensed Interim Financial Statements
Unaudited Income Statements
for the financial period ended 31 March 2023

The Group	Note	Individual Quarter		Cumulative Quarter	
		Current Financial Period 31-03-2023 RM'000	Preceding Year Corresponding Period 31-03-2022 RM'000	Current Financial Period-to-date 31-03-2023 RM'000	Preceding Year Corresponding Period-to-date 31-03-2022 RM'000
Interest income	24	69,593	48,990	69,593	48,990
Interest expense	25	(50,414)	(29,472)	(50,414)	(29,472)
Net interest income		19,179	19,518	19,179	19,518
Net fee and commission income	26	21,213	26,410	21,213	26,410
Net gains and losses on financial instruments	27	8,737	14,222	8,737	14,222
Other operating income	28	1,507	1,864	1,507	1,864
Net income		50,636	62,014	50,636	62,014
Other operating expenses	29	(39,292)	(41,303)	(39,292)	(41,303)
Operating profit before allowances		11,344	20,711	11,344	20,711
Writeback/(Allowances) for credit impairment losses on financial assets	30	7,938	(7,307)	7,938	(7,307)
Profit before zakat and taxation		19,282	13,404	19,282	13,404
Zakat		-	(150)	-	(150)
Profit before taxation		19,282	13,254	19,282	13,254
Taxation		(4,796)	(4,546)	(4,796)	(4,546)
Profit/(loss) from continuing operations		14,486	8,708	14,486	8,708
Profit from discontinuing operation		-	26,617	-	26,617
Net profit after zakat and taxation		14,486	35,325	14,486	35,325
Attributable to:					
- Equity holder of the Bank		14,486	25,431	14,486	25,431
- Non-controlling interests		-	9,894	-	9,894
		14,486	35,325	14,486	35,325
Earnings per share (sen):					
Basic/fully diluted earnings per share (sen) attributable to equity holder of the Bank					
- Continuing operations		1.86	1.12	1.86	1.12
- Discontinuing operation		-	2.14	-	2.14
		1.86	3.26	1.86	3.26

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

Condensed Interim Financial Statements
Unaudited Statements of Comprehensive Income
for the financial period ended 31 March 2023

The Group

	Individual Quarter		Cumulative Quarter	
	Current Financial Period 31-03-2023 RM'000	Preceding Year Corresponding Period 31-03-2022 RM'000	Current Financial Period-to-date 31-03-2023 RM'000	Preceding Year Corresponding Period-to-date 31-03-2022 RM'000
Net profit after zakat and taxation	14,486	35,325	14,486	35,325
Other comprehensive income:				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Net fair value change in financial investments at FVOCI (debt instruments)	41,265	(33,901)	41,265	(33,901)
Net credit impairment losses change in financial investments at FVOCI (debt instruments)	(322)	73	(322)	73
Net gains on financial investments at FVOCI reclassified to profit or loss on disposal (debt instruments)	(379)	(2,380)	(379)	(2,380)
Deferred tax on financial investments at FVOCI	(9,813)	8,377	(9,813)	8,377
<u>Items that will not be reclassified subsequently to profit or loss</u>				
Net fair value change in financial investments designated at FVOCI (equity instruments)	-	1,378	-	1,378
Other comprehensive income for the financial period, net of tax	30,751	(26,453)	30,751	(26,453)
Total comprehensive income for the financial period	45,237	8,872	45,237	8,872
Attributable to:				
- Equity holder of the Bank	45,237	(1,022)	45,237	(1,022)
- Non-controlling interests	-	9,894	-	9,894
	45,237	8,872	45,237	8,872
Total comprehensive income attributable to equity holder of the bank from:				
- Continuing operations	45,237	(17,745)	45,237	(17,745)
- Discontinuing operation	-	16,723	-	16,723
	45,237	(1,022)	45,237	(1,022)

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

Condensed Interim Financial Statements
Unaudited Income Statements
for the financial period ended 31 March 2023

The Bank	Note	Individual Quarter		Cumulative Quarter	
		Current Financial Period 31-03-2023 RM'000	Preceding Year Corresponding Period 31-03-2022 RM'000	Current Financial Period-to-date 31-03-2023 RM'000	Preceding Year Corresponding Period-to-date 31-03-2022 RM'000
Interest income	24	69,587	48,986	69,587	48,986
Interest expense	25	(50,414)	(29,472)	(50,414)	(29,472)
Net interest income		19,173	19,514	19,173	19,514
Net fee and commission income	26	20,956	26,008	20,956	26,008
Net gains and losses on financial instruments	27	8,723	14,216	8,723	14,216
Other operating income	28	1,507	1,979	1,507	1,979
Net income		50,359	61,717	50,359	61,717
Other operating expenses	29	(39,018)	(41,005)	(39,018)	(41,005)
Operating profit before allowances		11,341	20,712	11,341	20,712
Writeback/(Allowances) for credit impairment losses on financial assets	30	7,940	(7,289)	7,940	(7,289)
Profit before zakat and taxation		19,281	13,423	19,281	13,423
Zakat		-	(150)	-	(150)
Profit before taxation		19,281	13,273	19,281	13,273
Taxation		(4,795)	(4,570)	(4,795)	(4,570)
Net profit after zakat and taxation		14,486	8,703	14,486	8,703
Attributable to:					
- Equity holder of the Bank		14,486	8,703	14,486	8,703
Earnings per share (sen):					
- basic/fully diluted		1.86	1.12	1.86	1.12

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

Condensed Interim Financial Statements
Unaudited Statements of Comprehensive Income
for the financial period ended 31 March 2023

The Bank	Individual Quarter		Cumulative Quarter	
	Current Financial Period 31-03-2023 RM'000	Preceding Year Corresponding Period 31-03-2022 RM'000	Current Financial Period-to-date 31-03-2023 RM'000	Preceding Year Corresponding Period-to-date 31-03-2022 RM'000
Net profit after zakat and taxation	14,486	8,703	14,486	8,703
Other comprehensive income:				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Net fair value change in financial investments at FVOCI (debt instruments)	41,265	(33,901)	41,265	(33,901)
Net credit impairment losses change in financial investments at FVOCI (debt instruments)	(322)	73	(322)	73
Net gains on financial investments at FVOCI reclassified to profit or loss on disposal (debt instruments)	(379)	(2,380)	(379)	(2,380)
Deferred tax on financial investments at FVOCI	(9,813)	8,377	(9,813)	8,377
<u>Items that will not be reclassified subsequently to profit or loss</u>				
Net fair value change in financial investments designated at FVOCI (equity instruments)	-	1,378	-	1,378
Other comprehensive income for the financial period, net of tax	30,751	(26,453)	30,751	(26,453)
Total comprehensive income for the financial period	45,237	(17,750)	45,237	(17,750)
Attributable to equity holder of the Bank	45,237	(17,750)	45,237	(17,750)

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

Condensed Interim Financial Statements
Unaudited Statements of Changes in Equity
for the financial period ended 31 March 2023

The Group

At 1 January 2023

Comprehensive income:

Net profit for the financial period

Other comprehensive income (net of tax)

- Financial investments at FVOCI

Total comprehensive income

Transfer to regulatory reserves

At 31 March 2023

<----- Attributable to equity holder of the Bank ----->

	Share Capital RM'000	Regulatory reserves RM'000	FVOCI revaluation reserves RM'000	Retained profits RM'000	Total equity RM'000
	999,800	16,709	(92,555)	513,272	1,437,226
	-	-	-	14,486	14,486
	-	-	30,751	-	30,751
	-	-	30,751	14,486	45,237
	-	1,304	-	(1,304)	-
	999,800	18,013	(61,804)	526,454	1,482,463

<----- Attributable to equity holder of the Bank ----->

	Share Capital RM'000	Regulatory reserves RM'000	Foreign exchange reserves RM'000	Other reserves # RM'000	FVOCI revaluation reserves RM'000	Retained profits RM'000	Sub-total RM'000	Non- controlling interest RM'000	Total equity RM'000
At 1 January 2022	999,800	12,894	39	(88,737)	(50,927)	486,407	1,359,476	44,685	1,404,161
Comprehensive income:									
Net profit for the financial period	-	-	-	-	-	25,431	25,431	9,894	35,325
Other comprehensive income (net of tax)									
- Financial investments at FVOCI	-	-	-	-	(26,453)	-	(26,453)	-	(26,453)
Total comprehensive income	-	-	-	-	(26,453)	25,431	(1,022)	9,894	8,872
Obligation to buy a subsidiary's shares from non-controlling interest	-	-	-	(177)	-	-	(177)	(105)	(282)
Transfer from regulatory reserves	-	864	-	-	-	(864)	-	-	-
At 31 March 2022	999,800	13,758	39	(88,914)	(77,380)	510,974	1,358,277	54,474	1,412,751

Other reserves represents corresponding debit arising from Group's obligation to purchase subsidiaries' shares held by non-controlling interest.

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2022.

Affin Hwang Investment Bank Berhad
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Condensed Interim Financial Statements
Unaudited Statements of Changes in Equity
for the financial period ended 31 March 2023

The Bank

At 1 January 2023

Comprehensive income:

Net profit for the financial period
Other comprehensive income (net of tax)
- Financial investments at FVOCI

Total comprehensive income

Transfer to regulatory reserves

At 31 March 2023

	<----- Non-distributable ----->	<- Distributable ->			
	Share Capital RM'000	Regulatory reserves RM'000	FVOCI revaluation reserves RM'000	Retained profits RM'000	Total equity RM'000
At 1 January 2023	999,800	16,709	(92,555)	513,268	1,437,222
Comprehensive income:					
Net profit for the financial period	-	-	-	14,486	14,486
Other comprehensive income (net of tax)					
- Financial investments at FVOCI	-	-	30,751	-	30,751
Total comprehensive income	-	-	30,751	14,486	45,237
Transfer to regulatory reserves	-	1,304	-	(1,304)	-
At 31 March 2023	999,800	18,013	(61,804)	526,450	1,482,459

At 1 January 2022

Comprehensive income:

Net profit for the financial period
Other comprehensive income (net of tax)
- Financial investments at FVOCI

Total comprehensive income

Transfer from regulatory reserves

At 31 March 2022

	<----- Non-distributable ----->	<- Distributable ->			
	Share Capital RM'000	Regulatory reserves RM'000	FVOCI revaluation reserves RM'000	Retained profits RM'000	Total equity RM'000
At 1 January 2022	999,800	12,894	(50,982)	447,257	1,408,969
Comprehensive income:					
Net profit for the financial period	-	-	-	8,703	8,703
Other comprehensive income (net of tax)					
- Financial investments at FVOCI	-	-	(26,453)	-	(26,453)
Total comprehensive income	-	-	(26,453)	8,703	(17,750)
Transfer from regulatory reserves	-	864	-	(864)	-
At 31 March 2022	999,800	13,758	(77,435)	455,096	1,391,219

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2022.

Affin Hwang Investment Bank Berhad
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Condensed Interim Financial Statements
Unaudited Condensed Statements of Cash Flows
for the financial period ended 31 March 2023

	The Group		The Bank	
	31-03-2023 RM'000	31-03-2022 RM'000	31-03-2023 RM'000	31-03-2022 RM'000
Cash flow from operating activities				
Profit before taxation from:				
- Continuing operation	19,282	13,254	19,281	13,273
- Discontinuing operation	-	34,639	-	-
Profit before taxation including discontinuing operation	19,282	47,893	19,281	13,273
Adjustments for non-operating and not involving the movement of cash and cash equivalents	(55,263)	(23,835)	(55,443)	(31,350)
<i>Operating profit/(loss) before changes in working capital</i>	(35,981)	24,058	(36,162)	(18,077)
Net changes in operating assets	(168,628)	(133,763)	(168,349)	(179,355)
Net changes in operating liabilities	440,021	(32,904)	440,334	336,963
Net cash generated from/(used in) operating activities	235,412	(142,609)	235,823	139,531
Tax paid	(2,109)	(12,969)	(2,107)	(5,530)
Zakat paid	-	(2,789)	-	(2,789)
Net cash generated from/(used in) operating activities	233,303	(158,367)	233,716	131,212
Cash flow from investing activities				
Interest received from financial investments	36,603	34,045	36,603	34,045
Purchase of financial assets	-	(4,199)	-	-
Purchase of financial investments	(401,090)	(354,637)	(401,090)	(354,637)
Redemption/disposal of financial assets	-	7,680	-	-
Redemption/disposal of financial investments	85,481	139,287	85,481	139,287
Dividend income received from:				
- financial assets	8	609	-	454
Proceeds from disposal of property and equipment	1	195	1	186
Purchase of property and equipment	(1,182)	(592)	(1,182)	(441)
Purchase of intangible assets	(303)	(789)	(303)	(263)
Net cash used in investing activities	(280,482)	(178,401)	(280,490)	(181,369)
Cash flow from financing activities				
Lease payments	(1,469)	(2,127)	(1,469)	(1,046)
Net cash used in financing activities	(1,469)	(2,127)	(1,469)	(1,046)
Net decrease in cash and cash equivalents	(48,648)	(338,895)	(48,243)	(51,203)
Cash and cash equivalents at beginning of the financial period	247,379	1,871,835	245,028	1,139,252
Cash and cash equivalents at end of the financial period	198,731	1,532,940	196,785	1,088,049
Analysis of cash and cash equivalents				
Cash and short term funds	262,545	1,602,123	260,599	1,157,232
Amount held on behalf of commissioned dealer's representatives	(63,814)	(69,183)	(63,814)	(69,183)
Cash and cash equivalents at end of the financial period	198,731	1,532,940	196,785	1,088,049
Cash flows from discontinuing operation	-	(290,025)	-	-

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2022.

Affin Hwang Investment Bank Berhad (Incorporated in Malaysia)

Notes to the unaudited condensed interim financial statements for the financial period ended 31 March 2023

1. Review of financial performance

The Group had accounted for the proposed divestment of 7,000,000 ordinary shares in Affin Hwang Asset Management Berhad ("AHAM"), representing 63.0% equity interest in AHAM ("Proposed Divestment") as a discontinued operation in accordance with MFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", which was completed on 29 July 2022. As such, post-tax profit contribution from AHAM for the three months period ended 31 March 2022 ("3M2022") of RM26.6 million was disclosed as "profit from discontinuing operation" in the Income Statements.

The Group recorded a profit before zakat and taxation ("PBZT") of RM19.3 million for the 3 months period ended 31 March 2023 ("3M2023"), 44% higher as compared to the previous corresponding financial period of RM13.4 million.

Analysis of the Group's 3M2023 financial performance is as follows:

- Net fee and commission income of RM21.2 million in 3M2023 was 20% lower than the previous corresponding period of RM26.4 million. The decrease was primarily due to the lower net brokerage income and lower arrangement fees earned in the current period.
- Net gains and losses on financial instruments decreased by 39% or RM5.5 million to RM8.7 million in the current period, from RM14.2 million in the previous corresponding period. This was mainly due to lower net trading gains from financial assets at FVTPL of RM7.7 million (3M2022: RM11.3 million) and lower gains on disposal of financial investments at FVOCI of RM0.4 million (3M2022: RM2.4 million).
- Other operating income registered a decrease from RM1.9 million in the previous corresponding period to RM1.5 million in the current period mainly due to lower net foreign exchange gains.
- Operating expenses for the period under review were lower at RM39.3 million compared to RM41.3 million incurred in the previous corresponding period mainly due to lower personnel costs, partially offset by higher administration cost and marketing costs.
- Net write back on credit impairment losses of RM7.9 million compared to net expected credit losses made of RM7.3 million in the previous corresponding period was mainly due to net write back on financial investments of RM7.2 million (3M2022: ECL made of RM91 thousand) and loans and advances of RM0.6 million (3M2023: ECL made of RM6.9 million).

2. Prospect for the current financial year

The global economy is expected to slow in the months ahead as the risks to the global outlook remain tilted to the downside. The inflation rate in advanced economy have declined from its peak, however, it remains at high level as compared to the respective central banks' inflation target. As a result, the global financial condition is likely to be further tighten, albeit a slower pace, which will further weigh on the global demand. Besides, the food and energy price shocks arising from the strained supply chain might cause the inflationary pressure to persist for longer due to the prolonged geopolitical tension.

Despite strong Gross Domestic Product ("GDP") growth of 8.7% in 2022, Malaysia's economy is expected to expand at a slower pace in 2023 due to the multiple headwinds in the global economy. In its annual report, Bank Negara Malaysia ("BNM") projected Malaysia's economy to grow at 4.0-5.0% for 2023, it was in line with the earlier official projection of 4.5% announced in the Revised Budget 2023. Nevertheless, the Group is maintaining its cautious view with a lower economic growth projection of 3.7-4.0%. In view of the challenging external demand, the economic growth in 2023 will be largely driven by domestic demand, particularly private sector expenditure, underpinned by continuing improvement in the labour market and sustained household spending. Furthermore, the Government's continuous cash assistance to the targeted groups as well as tax cuts for the M40 households will be supportive of private spending. On the supply side, Malaysia's tourism sector has been recovering since the reopening of international border and it will be further boosted by the gradual relaxation of China's travel restriction.

On the monetary policy front, BNM said that the stance of monetary policy remains accommodative and supportive of economic growth, any potential adjustments to the degree of monetary accommodation will be carefully calibrated, considering the balance of risks surrounding inflation and growth. The Monetary Policy Committee ("MPC") will continue to assess the cumulative impact of the past interest rate hike as well as the time lag effects of its monetary policy decision in ensuring the inflation risks are manageable while supporting sustainable economic growth.

The Group which comprises investment banking and securities businesses, will continue to identify and capitalise on opportunities within the Malaysian Capital Market, despite the challenging environment. The Group will also continue its focus on diversifying its revenue base, by expanding and strengthening its products and services offerings with the aim of delivering value added propositions to the Group's clients and stakeholders. The Group will also continue with its digitalisation and innovation initiatives, and adopt best practices to deliver seamless customer experience.

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

**Notes to the unaudited condensed interim financial statements
for the financial period ended 31 March 2023**

3. Basis of preparation

The unaudited interim financial statements for the period under review have been prepared in accordance with the applicable provisions of the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS"), and relevant Bank Negara Malaysia ("BNM") policy documents.

The unaudited condensed interim financial statements should be read in conjunction with the annual financial statements for the financial year ended 31 December 2022. 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 2022.

The significant accounting policies and methods of computation applied in the condensed interim financial statements are consistent with those applied in the annual financial statements for the financial year ended 31 December 2022, except for the amendments to MFRS 17 "Initial Application of MFRS 17 and MFRS 9 - Comparative Information", and MFRS 112 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction" that are effective and applicable to the Group and the Bank for the financial period beginning or after 1 January 2023.

4. Qualification of preceding annual financial statements

The Group's and the Bank's financial statements for financial year ended 31 December 2022 were not qualified by the auditors.

5. Seasonal or cyclical factors

The operations of the Group and the Bank are generally not affected by any seasonal or cyclical factors, but are in tandem with the domestic and global economy, and the performance of the capital markets.

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 period.

7. Changes in debt and equity securities

There were no issuances, cancellation, repurchases, resale or repayment of debt and equity securities by the Group and the Bank during the financial period.

8. Material litigations

There is no material litigation during the financial period ended 31 March 2023.

9. Changes in the composition of the Group

There is no change to the composition of the Group as at end of the financial period. In previous corresponding financial period ("3M2022"). Following the completion of the Proposed Divestment on 29 July 2022, AHAM has ceased to be a subsidiary of the Group.

10. Dividends

The Directors did not recommend any payment of interim dividend for the financial period ended 31 March 2023.

11. Significant event subsequent to the financial period

There is no significant event subsequent to the financial period.

Affin Hwang Investment Bank Berhad

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Notes to the unaudited condensed interim financial statements for the financial period ended 31 March 2023

12. Securities portfolio

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

	The Group		The Bank	
	31-03-2023 RM'000	31-12-2022 RM'000	31-03-2023 RM'000	31-12-2022 RM'000
At fair value				
Money market instruments				
Malaysian government islamic investment issues	60,731	-	60,731	-
	<u>60,731</u>	<u>-</u>	<u>60,731</u>	<u>-</u>
Quoted securities				
Unit trusts in Malaysia	1,221	1,207	-	-
Shares and warrants in Malaysia	53,260	34,631	53,260	34,631
Shares and warrants outside Malaysia	174	230	174	230
	<u>54,655</u>	<u>36,068</u>	<u>53,434</u>	<u>34,861</u>
Unquoted securities				
Corporate bonds and/or Sukuk in Malaysia	-	2	-	2
	<u>115,386</u>	<u>36,070</u>	<u>114,165</u>	<u>34,863</u>

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

	The Group and the Bank	
	31-03-2023 RM'000	31-12-2022 RM'000
At fair value		
Money market instruments		
Malaysian government islamic investment issues	1,200,208	1,090,216
Malaysian government securities	946,829	797,643
Cagamas bonds	124,828	124,487
Khazanah bonds	9,885	9,797
	<u>2,281,750</u>	<u>2,022,143</u>
Unquoted securities		
Corporate bonds and/or Sukuk in Malaysia	1,574,976	1,529,443
Shares in Malaysia ^	23,915	23,915
	<u>3,880,641</u>	<u>3,575,501</u>

^ Equity securities designated at fair value through other comprehensive income.

(a) The Group and the Bank designated certain equity investments at FVOCI as shown in the following table. The FVOCI designation was made as the investments were made for strategic purposes rather than with a view to profit on a subsequent sale, these strategic investment is more of medium term investment.

	The Group and the Bank	
	31-03-2023 RM'000	31-12-2022 RM'000
Unquoted securities		
Shares in Malaysia:		
Cagamas Berhad	22,662	22,662
Malaysian Rating Corporation Berhad	1,253	1,253
	<u>23,915</u>	<u>23,915</u>

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12. Securities portfolio (continued)

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

(b) Movements in allowance for impairment which reflect the expected credit losses ("ECL") model on impairment are as follows:

The Group and the Bank 31-03-2023	12-month ECL Stage 1 RM'000	Lifetime ECL not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
At beginning of the financial period	803	18,376	-	19,179
Transfer between stages due to change in credit risk:				
- Transfer to 12-month ECL (Stage 1)	-	-	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	-	-	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	-	-	-
Total transfer between stages	-	-	-	-
Derecognised during the financial period (other than write-offs)	(13)	-	-	(13)
New originated or purchased	67	-	-	67
Changes due to change in credit risk	(376)	-	-	(376)
At end of the financial period	481	18,376	-	18,857

The Group and the Bank 31-12-2022	12-month ECL Stage 1 RM'000	Lifetime ECL not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
At beginning of the financial year	252	19,107	-	19,359
Transfer between stages due to change in credit risk:				
- Transfer to 12-month ECL (Stage 1)	-	-	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	-	-	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	-	-	-
Total transfer between stages	-	-	-	-
Derecognised during the financial year (other than write-offs)	(12)	(731)	-	(743)
New originated or purchased	204	-	-	204
Changes due to change in credit risk	359	-	-	359
At end of the financial year	803	18,376	-	19,179

The gross carrying amount of financial investments at FVOCI is at fair value. ECL are provided based on Exposure at Default ("EAD") of the assets. ECL is recognised in reserves with the corresponding entry to income statement.

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12. Securities portfolio (continued)

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

(c) Movements in the gross carrying amount of financial investments that contributed to changes in the expected credit losses ("ECL") are as follows:

The Group and the Bank 31-03-2023	12-month	Lifetime ECL	Lifetime ECL	Total RM'000
	ECL Stage 1 RM'000	not Credit Impaired Stage 2 RM'000	Credit Impaired Stage 3 RM'000	
At beginning of the financial period	3,450,924	100,662	-	3,551,586
Transfer between stages due to change in credit risk:				
- Transfer to 12-month ECL (Stage 1)	-	-	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	-	-	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	-	-	-
Total transfer between stages	-	-	-	-
Derecognised during the financial period (other than write-offs)	(60,647)	-	-	(60,647)
New originated or purchased	326,305	-	-	326,305
Changes due to interest accruals	82	(1,487)	-	(1,405)
Changes due to fair value	40,247	640	-	40,887
At end of the financial period	3,756,911	99,815	-	3,856,726

The Group and the Bank 31-12-2022	12-month	Lifetime ECL	Lifetime ECL	Total 31-12-2022 RM'000
	ECL Stage 1 RM'000	not Credit Impaired Stage 2 RM'000	Credit Impaired Stage 3 RM'000	
At beginning of the financial year	3,524,179	128,588	-	3,652,767
Transfer between stages due to change in credit risk:				
- Transfer to 12-month ECL (Stage 1)	-	-	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	-	-	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	-	-	-
Total transfer between stages	-	-	-	-
Derecognised during the financial year (other than write-offs)	(402,632)	(30,169)	-	(432,801)
New originated or purchased	411,930	-	-	411,930
Changes due to interest accruals	(28,979)	(289)	-	(29,268)
Changes due to fair value	(53,574)	105	-	(53,469)
Other adjustments:				
- Foreign exchange and other adjustments	-	2,427	-	2,427
At end of the financial year	3,450,924	100,662	-	3,551,586

The gross carrying amount of financial investments at FVOCI is at fair value. ECL is recognised in reserves with the corresponding entry to income statement.

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12. Securities portfolio (continued)

(iii) Financial investments at amortised cost

	The Group and the Bank	
	31-03-2023	31-12-2022
	RM'000	RM'000
At fair value		
Money market instruments		
Malaysian government islamic investment issues	139,500	139,361
Malaysian government securities	67,470	67,125
	206,970	206,486
Unquoted securities		
Corporate bonds and/or Sukuk in Malaysia	719,278	658,994
Corporate bonds and/or Sukuk outside Malaysia	14,819	15,016
Loan stocks in Malaysia	8,347	15,560
	949,414	896,056
Expected credit losses	(9,131)	(16,409)
	940,283	879,647

(a) Movements in allowance for impairment which reflect the expected credit losses ("ECL") model on impairment are as follows:

The Group and the Bank	12-month	Lifetime ECL	Lifetime ECL	Total
	ECL	not Credit	Credit	
31-03-2023	Stage 1	Stage 2	Stage 3	RM'000
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial period	849	-	15,560	16,409
Derecognised during the financial period (other than write-offs)	(9)	-	(6,819)	(6,828)
New originated or purchased	78	-	-	78
Changes due to change in credit risk	(134)	-	-	(134)
	-	-	(394)	(394)
At end of the financial period	784	-	8,347	9,131

The Group and the Bank	12-month	Lifetime ECL	Lifetime ECL	Total
	ECL	not Credit	Credit	
31-12-2022	Stage 1	Stage 2	Stage 3	RM'000
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial year	32	-	15,000	15,032
Derecognised during the financial period (other than write-offs)	(2)	-	-	(2)
New originated or purchased	472	-	-	472
Changes due to change in credit risk	347	-	-	347
Other adjustments	-	-	560	560
At end of the financial year	849	-	15,560	16,409

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12. Securities portfolio (continued)

(iii) Financial investments at amortised cost (continued)

(b) Movements in the gross carrying amount of financial assets that contributed to changes in the expected credit losses:

The Group and the Bank 31-03-2023	12-month	Lifetime ECL	Lifetime ECL	Total RM'000
	ECL Stage 1 RM'000	not Credit Impaired Stage 2 RM'000	Credit Impaired Stage 3 RM'000	
At beginning of the financial period	880,496	-	15,560	896,056
Derecognised during the financial period (other than write-offs)	(15,658)	-	(6,819)	(22,477)
New originated or purchased	74,785	-	-	74,785
Changes due to interest accruals	1,639	-	-	1,639
Other adjustments:				
- Foreign exchange and other adjustments	(195)	-	(394)	(589)
At end of the financial period	<u>941,067</u>	<u>-</u>	<u>8,347</u>	<u>949,414</u>

The Group and the Bank 31-12-2022	12-month	Lifetime ECL	Lifetime ECL	Total RM'000
	ECL Stage 1 RM'000	not Credit Impaired Stage 2 RM'000	Credit Impaired Stage 3 RM'000	
At beginning of the financial year	40,484	-	15,000	55,484
Derecognised during the financial period (other than write-offs)	(35,000)	-	-	(35,000)
New originated or purchased	867,741	-	-	867,741
Changes due to interest accruals	7,318	-	-	7,318
Other adjustments:				
- Foreign exchange and other adjustments	(47)	-	560	513
At end of the financial period	<u>880,496</u>	<u>-</u>	<u>15,560</u>	<u>896,056</u>

13. Loans and advances

	The Group and the Bank	
	31-03-2023 RM'000	31-12-2022 RM'000
(i) By Type of Loans		
Term loans:		
- Syndicated term loans	96,898	99,255
- Other term loans	104,455	112,621
Share margin financing	1,331,167	1,195,788
Revolving credits	226,015	224,142
Staff loans	2,831	2,939
Gross loans and advances	<u>1,761,366</u>	<u>1,634,745</u>
Less : expected credit losses	(64,955)	(64,740)
Total net loans and advances	<u>1,696,411</u>	<u>1,570,005</u>
(ii) By Type of Customers		
Domestic business enterprises:		
- Small medium enterprises	6,795	7,864
- Others	487,036	485,193
Domestic non-bank financial institutions	277,861	279,052
Individuals	989,114	862,143
Foreign individuals	560	493
Total gross loans and advances	<u>1,761,366</u>	<u>1,634,745</u>

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13. Loans and advances (continued)

	The Group and the Bank	
	31-03-2023	31-12-2022
	RM'000	RM'000
(iii) By Interest Rate Sensitivity		
Fixed rate		
- Other fixed rate loans	44,902	44,117
- Housing loans	1,533	1,596
- Hire purchase receivables	1,298	1,343
Variable rate		
- Cost-plus	1,559,682	1,434,020
- BFR plus *	124,365	122,054
- Other floating rate	29,586	31,615
Total gross loans and advances	1,761,366	1,634,745
* refers to Base Financing Rate ("BFR") from Affin Bank.		
(iv) By Economic Purpose		
Purchase of securities	1,396,841	1,263,083
Purchase of landed properties of which		
- Residential	1,533	1,596
- Non-residential	28,671	31,426
Working capital	76,002	76,050
Construction	31,133	30,332
Purchase of transport vehicles	32,929	35,008
Merger and acquisition	21,533	21,536
Others	172,724	175,714
Total gross loans and advances	1,761,366	1,634,745
(v) By Economic Sectors		
Household	989,674	862,636
Finance, insurance and business services	283,895	284,878
Construction	219,045	214,904
Real estate	110,383	116,242
Transport, storage and communication	81,731	83,337
Manufacturing	30,738	24,344
Agriculture	26,450	28,428
Wholesale, retail trade, restaurants & hotels	9,507	10,032
Education, health and others	7,808	7,808
Mining and quarrying	2,123	2,127
Electricity, gas and water supply	12	9
Total gross loans and advances	1,761,366	1,634,745
(vi) By Geographical Distribution		
Wilayah Persekutuan	1,119,618	994,692
Selangor	386,300	397,163
Johor	101,788	93,353
Sarawak	57,484	52,451
Terengganu	29,628	28,826
Pulau Pinang	27,415	26,769
Sabah	27,114	29,300
Perak	4,899	4,487
Kedah	4,484	4,872
Negeri Sembilan	2,636	2,832
Total gross loans and advances	1,761,366	1,634,745

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13. Loans and advances (continued)

	The Group and the Bank	
	31-03-2023 RM'000	31-12-2022 RM'000
(vii) By Maturity Structure		
Maturing within one year	1,331,209	1,444,483
One year to three years	567	31,796
Three years to five years	640	62,525
Over five years	428,950	95,941
Total gross loans and advances	1,761,366	1,634,745
(viii) Movements of impaired loans and advances		
At beginning of the financial period	78,325	82,528
Amount recovered	(1,236)	(11,981)
Interest on credit impaired loans and advances	818	7,778
At end of the financial period	77,907	78,325
Gross impaired loans as a percentage of gross loans and advances	4.42%	4.79%
(ix) Impaired loans and advances analysed by economic purpose		
Working capital	48,522	48,227
Purchase of securities	21,132	21,856
Purchase of transport vehicles	2,123	2,127
Others	6,130	6,115
Total impaired loans and advances	77,907	78,325
(x) Impaired loans and advances analysed by economic sector		
Construction	44,902	44,117
Real estate	27,263	27,971
Manufacturing	3,619	4,110
Mining and quarrying	2,123	2,127
Total impaired loans and advances	77,907	78,325
(xi) Impaired loans and advances by geographical distribution		
Sarawak	44,902	44,117
Selangor	30,882	32,081
Wilayah Persekutuan	2,123	2,127
Total impaired loans and advances	77,907	78,325

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**Notes to the unaudited condensed interim financial statements
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13. Loans and advances (continued)

(xii) Movement in expected credit losses for loans and advances

The Group and the Bank 31-03-2023	12-month ECL Stage 1 RM'000	Lifetime ECL not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
At beginning of the financial period	1,582	26,769	36,389	64,740
Transfer between stages due to change in credit risk:				
- Transfer to 12-month ECL (Stage 1)	-	-	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	-	-	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	-	-	-
Total transfer between stages	-	-	-	-
Loans derecognised during the period (other than write-offs)	(15)	-	-	(15)
New loans originated or purchased	17	-	-	17
Changes due to change in credit risk	(100)	10	(515)	(605)
Other adjustments:				
- Foreign exchange and other adjustments	-	-	818	818
At end of the financial period	1,484	26,779	36,692	64,955

The Group and the Bank 31-12-2022	12-month ECL Stage 1 RM'000	Lifetime ECL not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
At beginning of the financial year	1,045	22,304	32,752	56,101
Transfer between stages due to change in credit risk:				
- Transfer to 12-month ECL (Stage 1)	-	-	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	-	-	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	-	-	-
Total transfer between stages	-	-	-	-
Loans derecognised during the financial year (other than write-offs)	(27)	-	(4,470)	(4,497)
New loans originated or purchased	914	-	-	914
Changes due to change in credit risk	(351)	4,465	329	4,443
- Foreign exchange and other adjustments	1	-	7,778	7,779
At end of the financial year	1,582	26,769	36,389	64,740

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13. Loans and advances (continued)

(xiii) Movement in the gross carrying amount of financial assets that contributed to changes in the expected credit losses

The Group and the Bank 31-03-2023	12-month ECL Stage 1 RM'000	Lifetime ECL not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
At beginning of the financial period	1,497,059	59,361	78,325	1,634,745
Transfer between stages due to change in credit risk:				
- Transfer to 12-months ECL (Stage 1)	-	-	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	-	-	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	-	-	-
Total transfer between stages	-	-	-	-
Loans derecognised during the financial period (other than write-offs)	(26,574)	-	-	(26,574)
New loans originated or purchased	284,632	-	-	284,632
Changes due to change in credit risk	(128,730)	(2,451)	(1,236)	(132,417)
Other adjustments:				
- Foreign exchange and other adjustments	83	79	818	980
At end of the financial period	1,626,470	56,989	77,907	1,761,366

The Group and the Bank 31-12-2022	12-month ECL Stage 1 RM'000	Lifetime ECL not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
At beginning of the financial year	990,270	61,712	82,528	1,134,510
Transfer between stages due to change in credit risk:				
- Transfer to 12-months ECL (Stage 1)	1,650	(1,650)	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(917)	917	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	-	-	-
Total transfer between stages	733	(733)	-	-
Loans derecognised during the financial year (other than write-offs)	(134,246)	-	(4,470)	(138,716)
New loans originated or purchased	987,775	-	-	987,775
Changes due to change in credit risk	(350,181)	(3,296)	(7,511)	(360,988)
Other adjustments:				
- Foreign exchange and other adjustments	2,708	1,678	7,778	12,164
At end of the financial year	1,497,059	59,361	78,325	1,634,745

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14. Trade receivables

	The Group and the Bank	
	31-03-2023	31-12-2022
	RM'000	RM'000
Amount in respect of asset management related fees receivables	-	-
Amount due from clients:		
- performing accounts	263,899	376,714
- impaired accounts (a)	450	941
Amount due from brokers	62,582	26,855
Amount due from Bursa Securities Clearing Sdn. Bhd.	60,177	-
	<u>387,108</u>	<u>404,510</u>
Less: expected credit losses	(414)	(756)
	<u><u>386,694</u></u>	<u><u>403,754</u></u>

(a) Movement of impaired amount due from clients

	The Group and the Bank	
	31-03-2023	31-12-2022
	RM'000	RM'000
At beginning of the financial period/year	941	942
Classified as impaired during the financial period/year	365	1,504
Amount recovered	(856)	(1,505)
At end of the financial period/year	<u>450</u>	<u>941</u>

(b) Movements in expected credit losses ("ECL") on trade receivables

The Group	Lifetime ECL	Lifetime ECL	Total
31-03-2023	not Credit	Credit	Impaired
	Impaired	Impaired	Impaired
	RM'000	RM'000	RM'000
At beginning of financial period	71	685	756
Allowance made	24	250	274
Amount written back	(16)	(600)	(616)
At end of financial period	<u>79</u>	<u>335</u>	<u>414</u>

The Group	Lifetime ECL	Lifetime ECL	Total
31-12-2022	not Credit	Credit	Impaired
	Impaired	Impaired	Impaired
	RM'000	RM'000	RM'000
At beginning of the financial year	685	848	1,533
Allowance made	1,846	1,248	3,094
Amount written back	(2,190)	(1,411)	(3,601)
Disposal of a subsidiary	(270)	-	(270)
At end of the financial year	<u>71</u>	<u>685</u>	<u>756</u>

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14. Trade receivables (continued)

(b) Movements in expected credit losses ("ECL") on trade receivables (continued)

The Bank 31-03-2023	Lifetime ECL not Credit Impaired RM'000	Lifetime ECL Credit Impaired RM'000	Total RM'000
At beginning of financial period	71	685	756
Allowance made	24	250	274
Amount written back	(16)	(600)	(616)
At end of financial period	<u>79</u>	<u>335</u>	<u>414</u>

The Bank 31-12-2022	Lifetime ECL not Credit Impaired RM'000	Lifetime ECL Credit Impaired RM'000	Total RM'000
At beginning of the financial year	452	848	1,300
Allowance made	1,809	1,248	3,057
Amount written back	(2,190)	(1,411)	(3,601)
At end of the financial year	<u>71</u>	<u>685</u>	<u>756</u>

15. Other assets

	The Group		The Bank	
	31-03-2023 RM'000	31-12-2022 RM'000	31-03-2023 RM'000	31-12-2022 RM'000
Other debtors, deposits and prepayments	32,487	28,284	32,282	28,124
Securities lending	24,807	17,438	24,807	17,438
Clearing guarantee fund	1,723	1,722	1,723	1,722
Clearing fund	2,716	2,557	2,716	2,557
Transferable membership	250	250	250	250
	<u>61,983</u>	<u>50,251</u>	<u>61,778</u>	<u>50,091</u>
Less : expected credit losses ("ECL")	<u>(5,049)</u>	<u>(4,749)</u>	<u>(5,048)</u>	<u>(4,745)</u>
	<u>56,934</u>	<u>45,502</u>	<u>56,730</u>	<u>45,346</u>

Movement in credit impaired accounts

	The Group		The Bank	
	31-03-2023 RM'000	31-12-2022 RM'000	31-03-2023 RM'000	31-12-2022 RM'000
At beginning of the financial period/year	4,757	4,107	4,753	4,100
Additional during the period	1,140	2,349	1,137	2,292
Amount recovered	(827)	(1,699)	(820)	(1,639)
At end of the financial period/year	<u>5,070</u>	<u>4,757</u>	<u>5,070</u>	<u>4,753</u>

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15. Other assets (continued)

(a) Movements in expected credit losses ("ECL") on other assets

The Group 31-03-2023	Lifetime ECL not Credit Impaired RM'000	Lifetime ECL Credit Impaired RM'000	Total RM'000
At beginning of the financial period	17	4,732	4,749
Allowance made	8	1,140	1,148
Amount written back	(7)	(841)	(848)
At end of the financial period	<u>18</u>	<u>5,031</u>	<u>5,049</u>
The Group 31-12-2022	Lifetime ECL not Credit Impaired RM'000	Lifetime ECL Credit Impaired RM'000	Total RM'000
At beginning of the financial year	9	4,030	4,039
Allowance made	71	2,346	2,417
Amount written back	(63)	(1,644)	(1,707)
At end of the financial year	<u>17</u>	<u>4,732</u>	<u>4,749</u>
The Bank 31-03-2023	Lifetime ECL not Credit Impaired RM'000	Lifetime ECL Credit Impaired RM'000	Total RM'000
At beginning of the financial period	16	4,729	4,745
Allowance made	5	1,137	1,142
Amount written back	(4)	(835)	(839)
At end of the financial period	<u>17</u>	<u>5,031</u>	<u>5,048</u>
The Bank 31-12-2022	Lifetime ECL not Credit Impaired RM'000	Lifetime ECL Credit Impaired RM'000	Total RM'000
At beginning of the financial year	7	4,023	4,030
Allowance made	59	2,290	2,349
Amount written back	(50)	(1,584)	(1,634)
At end of the financial year	<u>16</u>	<u>4,729</u>	<u>4,745</u>

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16. Investment in subsidiaries

	The Bank	
	31-03-2023 RM'000	31-12-2022 RM'000
Unquoted shares at cost at beginning of the financial year	1,794	126,521
Disposal of a subsidiary (a)	-	(121,211)
Accumulated impairment losses (b)	-	(3,516)
Unquoted shares at cost at end of the financial year	<u>1,794</u>	<u>1,794</u>

- (a) Affin Hwang Asset Management Berhad was disposed off on 29 July 2022.
 (b) During the financial period, no impairment losses was recognised (31.12.2022: RM3.5 million) for investments in Affin Hwang Nominees (Asing) Sdn. Bhd., Affin Hwang Nominees (Tempatan) Sdn. Bhd., AHC Global Sdn. Bhd. and AHC Associates Sdn. Bhd.

Details of entities that holds interest in Affin Hwang Trustee Berhad ("AHTB") are as follows:

	Percentage of equity held	
	31-03-2023 %	31-12-2022 %
<u>Held by the Bank -</u>		
Affin Hwang Investment Bank Berhad	20	20
<u>Held by subsidiaries of the Bank -</u>		
Affin Hwang Nominees (Asing) Sdn. Bhd.	20	20
Affin Hwang Nominees (Tempatan) Sdn. Bhd.	20	20
AHC Global Sdn. Bhd.	20	20
AHC Associates Sdn. Bhd.	20	20

At Group level, AHTB is deemed as wholly owned subsidiary of the Bank by virtue of its 100% effective equity interest in AHTB.

17. Investment in associates

	The Bank	
	31-03-2023 RM'000	31-12-2022 RM'000
Cost at beginning of the financial year	372	1,332
Accumulated impairment losses (a)	-	(960)
Cost at end of the financial year	<u>372</u>	<u>372</u>

- (a) During the financial period, no impairment losses was recognised (31.12.2022: RM0.96 million) for investment in AHTB. Recoverable amount is tested annually or more frequently if events, or changes in circumstances indicate that impairment might be required. The loss of key customers has impacted the performance of AHTB in 2022. Management has assessed the recoverable amount of AHTB based on its VIU, calculated based on the cash flow projections derived from the financial budgets and business plans prepared by management that were updated to reflect the most recent market developments. The impairment test has resulted in an impairment loss of RM0.96 million.
 (b) Information about associates:

The Bank Name	Principal Activities	Issued and paid up share capital RM'000	Percentage of equity held	
			31-03-2023 %	31-12-2022 %
Affin Hwang Trustee Berhad ("AHTB") #	Provision of trustee services	6,500	20%	20%

The associate company is deemed as a wholly owned subsidiary of the Bank at Group level by virtue of the 20% shareholding by each of the subsidiary companies of the Bank as disclosed in Note 17 to the condensed interim financial statements.

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18. Deposits from customers

	The Group and the Bank	
	31-03-2023	31-12-2022
	RM'000	RM'000
(i) By Type of Deposits		
Fixed deposits	3,800,050	3,672,556
Negotiable instruments of deposits	755,869	754,595
Other deposits	96,934	97,976
	<u>4,652,853</u>	<u>4,525,127</u>
(ii) By Maturity Structure		
Due within six months	4,109,363	4,246,452
Six months to one year	242,707	266,554
One year to three years	300,783	12,121
	<u>4,652,853</u>	<u>4,525,127</u>
(iii) By Type of Customer		
Domestic non-banking financial institutions	1,748,019	1,871,572
Business enterprises	1,530,479	1,304,897
Domestic banking institutions	755,870	754,595
Government and statutory bodies	519,578	503,031
Individuals	73,511	68,575
Foreign entities	11,533	11,410
Other entities	13,863	11,047
	<u>4,652,853</u>	<u>4,525,127</u>

19. Deposits and placements of banks and other financial institutions

	The Group and the Bank	
	31-03-2023	31-12-2022
	RM'000	RM'000
Licensed banks	420,549	549,496
Licensed investment banks	145,047	160,024
	<u>565,596</u>	<u>709,520</u>

20. Obligations on securities sold under repurchase agreements

	The Group and the Bank	
	31-03-2023	31-12-2022
	RM'000	RM'000
Financial investments at FVOCI	<u>569,192</u>	<u>-</u>

21. Trade payables

	The Group		The Bank	
	31-03-2023	31-12-2022	31-03-2023	31-12-2022
	RM'000	RM'000	RM'000	RM'000
Amount due to clients	151,826	132,889	151,826	132,889
Amount due to brokers	105,317	105,246	105,317	105,246
Amount due to Bursa Securities Clearing Sdn. Bhd.	-	100,732	-	100,732
	<u>257,143</u>	<u>338,867</u>	<u>257,143</u>	<u>338,867</u>

Trade payables include amount payable under outstanding contracts from the stock and share broking activities and amounts due to unit trust funds and unit holders from asset management activities. The credit terms of amounts due to creditors range from 1 to 30 days (2021: 1 to 30 days).

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22. Other liabilities

	The Group		The Bank	
	31-03-2023 RM'000	31-12-2022 RM'000	31-03-2023 RM'000	31-12-2022 RM'000
Commissioned dealer's representative trust balances	63,814	64,495	63,814	64,495
Amounts payable to commissioned and salaried dealer's representatives	59,528	62,788	59,528	62,788
Accrued employee benefit	27,743	31,218	27,658	31,146
Securities borrowing	102,950	71,962	102,950	71,962
Other creditors and accruals	47,306	49,782	46,275	48,425
Collaterals pledged for derivatives transactions	1,452	28,131	1,452	28,131
Structured warrants	13,468	-	13,468	-
	316,261	308,376	315,145	306,947
Add: expected credit losses - loans commitments and financial guarantees	18,135	17,994	18,135	17,994
	334,396	326,370	333,280	324,941

Movement in expected credit losses ("ECL") on loans commitments and financial guarantees:

The Group and the Bank 31-03-2023	12-month ECL Stage 1 RM'000	Lifetime ECL not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
	At beginning of the financial period	69	-	17,925
New loan commitments/financial guarantees issued	184	-	-	184
Changes due to change in credit risk	(43)	-	-	(43)
At end of the financial period	210	-	17,925	18,135

The Group and the Bank 31-12-2022	12-month ECL Stage 1 RM'000	Lifetime ECL not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
	At beginning of the financial year	1	2,000	17,925
New loan commitments/financial guarantees issued	12	-	-	12
Changes due to change in credit risk	56	(2,000)	-	(1,944)
At end of the financial year	69	-	17,925	17,994

23. Reserves

	The Group		The Bank	
	31-03-2023 RM'000	31-12-2022 RM'000	31-03-2023 RM'000	31-12-2022 RM'000
FVOCI revaluation reserves (a)	(61,804)	(92,555)	(61,804)	(92,555)
Regulatory reserves (b)	18,013	16,709	18,013	16,709
	(43,791)	(75,846)	(43,791)	(75,846)
Retained profits	526,454	513,272	526,450	513,268
	482,663	437,426	482,659	437,422

(a) The FVOCI revaluation reserves, net of deferred tax represent the unrealised gains or losses arising from a change in the fair value of investments classified as financial investments at FVOCI, as well as the expected credit loss allowance for financial investments at FVOCI. The gains or losses are transferred to the income statement upon disposal or when the securities becomes impaired.

(b) Pursuant to BNM Financial Reporting policy dated 29 April 2022, the Group and the Bank shall maintain, in aggregate, loss allowance for non-credit-impaired exposures and regulatory reserves of no less than 1% of all credit exposures, net of loss allowance for credit-impaired exposures.

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24. Interest income

	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
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
	RM'000	RM'000	RM'000	RM'000
Loans and advances	24,360	13,780	24,360	13,780
Money at call and deposit placements with financial institutions	5,259	5,865	5,259	5,865
Financial investments at FVOCI	27,950	27,135	27,950	27,135
Financial investments at amortised cost	10,828	986	10,828	986
Others	1,196	1,224	1,196	1,224
	<u>69,593</u>	<u>48,990</u>	<u>69,593</u>	<u>48,990</u>
of which:				
Interest income earned on impaired loans and advances	<u>481</u>	483	<u>481</u>	483

	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
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
	RM'000	RM'000	RM'000	RM'000
Loans and advances	24,360	13,780	24,360	13,780
Money at call and deposit placements with financial institutions	5,253	5,861	5,253	5,861
Financial investments at FVOCI	27,950	27,135	27,950	27,135
Financial investments at amortised cost	10,828	986	10,828	986
Others	1,196	1,224	1,196	1,224
	<u>69,587</u>	<u>48,986</u>	<u>69,587</u>	<u>48,986</u>
of which:				
Interest income earned on impaired loans and advances	<u>481</u>	483	<u>481</u>	483

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25. 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
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	43,907	25,874	43,907	25,874
Deposits and placements of banks and other financial institutions	4,290	3,475	4,290	3,475
Deposits on obligations on securities sold under repurchase agreements	970	-	970	-
Lease liabilities	120	30	120	30
Others	1,127	93	1,127	93
	50,414	29,472	50,414	29,472

	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
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	43,907	25,874	43,907	25,874
Deposits and placements of banks and other financial institutions	4,290	3,475	4,290	3,475
Obligations on securities sold under repurchase agreements	970	-	970	-
Lease liabilities	120	30	120	30
Others	1,127	93	1,127	93
	50,414	29,472	50,414	29,472

26. Net fee and commission income

	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
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
	RM'000	RM'000	RM'000	RM'000
Fee and commission income				
Net brokerage income	11,739	19,313	11,739	19,313
Loans related fees	3,390	2,279	3,390	2,279
Placement fees	1,365	242	1,365	242
Corporate advisory fees	1,057	1,122	1,057	1,122
Underwriting commissions	647	141	647	141
Arrangement fees	427	1,471	427	1,471
Others	2,588	1,842	2,588	1,842
	21,213	26,410	21,213	26,410

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26. Net fee and commission income (continued)

	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
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
	RM'000	RM'000	RM'000	RM'000
Fee and commission income				
Net brokerage income	11,739	19,313	11,739	19,313
Loans related fees	3,390	2,279	3,390	2,279
Placement fees	1,365	242	1,365	242
Corporate advisory fees	1,057	1,122	1,057	1,122
Underwriting commissions	647	141	647	141
Arrangement fees	427	1,471	427	1,471
Others	2,331	1,440	2,331	1,440
	20,956	26,008	20,956	26,008

27. Net gains and losses on financial instruments

	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
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
	RM'000	RM'000	RM'000	RM'000
Gains/(Losses) arising on financial assets at FVTPL				
- net gains on disposal	5,813	7,330	5,813	7,330
- unrealised losses	(2,864)	(1,199)	(2,864)	(1,199)
- gross dividend income	131	537	131	537
- interest income	4,599	4,672	4,599	4,672
Gains/(Losses) on derivative instruments				
- net gains on disposal	91	34	91	34
- unrealised losses	(153)	(738)	(153)	(738)
- interest income	2,182	5,025	2,182	5,025
- interest expense	(1,478)	(3,856)	(1,478)	(3,856)
Gains arising on financial investments at FVOCI				
- net gains on disposal	416	2,417	416	2,417
	8,737	14,222	8,737	14,222

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27. Net gains and losses on financial instruments (continued)

	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
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
	RM'000	RM'000	RM'000	RM'000
Gains/(Losses) arising on financial assets at FVTPL				
- net gains on disposal	5,813	7,330	5,813	7,330
- unrealised losses	(2,870)	(1,198)	(2,870)	(1,198)
- gross dividend income	123	530	123	530
- interest income	4,599	4,672	4,599	4,672
Gains/(Losses) on derivative instruments				
- net gains on disposal	91	34	91	34
- unrealised losses	(153)	(738)	(153)	(738)
- interest income	2,182	5,025	2,182	5,025
- interest expense	(1,478)	(3,856)	(1,478)	(3,856)
Gains arising on financial investments at FVOCI				
- net gains on disposal	416	2,417	416	2,417
	8,723	14,216	8,723	14,216

28. Other operating income

	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
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
	RM'000	RM'000	RM'000	RM'000
Foreign exchange (losses)/gains				
- realised	(6,557)	(2,520)	(6,557)	(2,520)
- unrealised	8,081	4,206	8,081	4,206
Gains on disposal of property and equipment	1	186	1	186
Others	(18)	(8)	(18)	(8)
	1,507	1,864	1,507	1,864

	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
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
	RM'000	RM'000	RM'000	RM'000
Foreign exchange (losses)/gains				
- realised	(6,557)	(2,520)	(6,557)	(2,520)
- unrealised	8,081	4,206	8,081	4,206
Gains on disposal of property and equipment	1	186	1	186
Others	(18)	107	(18)	107
	1,507	1,979	1,507	1,979

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29. Other operating expenses

	The Group			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial Period Ended 31-03-2023 RM'000	Corresponding Period Ended 31-03-2022 RM'000	Financial Period-to-date 31-03-2023 RM'000	Corresponding Period-to-date 31-03-2022 RM'000
Personnel costs				
Salaries, allowances and bonuses	15,073	23,173	15,073	23,173
Defined contribution plan	2,461	3,736	2,461	3,736
Other personnel costs	1,995	3,104	1,995	3,104
	<u>19,529</u>	<u>30,013</u>	<u>19,529</u>	<u>30,013</u>
Marketing expenses				
Business promotion and advertisement	191	440	191	440
Brokerage expenses	50	144	50	144
Entertainment	79	76	79	76
Travelling and accomodation	80	44	80	44
	<u>400</u>	<u>704</u>	<u>400</u>	<u>704</u>
Establishment cost				
Repair and maintenance	2,114	1,128	2,114	1,128
Depreciation – ROU	1,405	1,005	1,405	1,005
Rental of premises and equipment	1,781	1,012	1,781	1,012
Depreciation of property and equipment	664	784	664	784
Electricity, water and sewerage	374	250	374	250
Insurance and indemnities	132	311	132	311
Amortisation of intangible assets	206	247	206	247
	<u>6,676</u>	<u>4,737</u>	<u>6,676</u>	<u>4,737</u>
Administration and general expenses				
Subscription fees	2,536	2,231	2,536	2,231
Telecommunication expenses	1,993	1,864	1,993	1,864
Directors' remuneration	572	595	572	595
Professional fees	1,170	127	1,170	127
Auditors' remuneration	154	152	154	152
Management fees #	5,589	-	5,589	-
Others	673	880	673	880
	<u>12,687</u>	<u>5,849</u>	<u>12,687</u>	<u>5,849</u>
Total other operating expenses	<u>39,292</u>	<u>41,303</u>	<u>39,292</u>	<u>41,303</u>

The Group and the Bank incur intercompany charges for shared operating costs of Affin Banking Group in Malaysia. The services received for group shared services are in respect of Finance, Company Secretary, Legal, People Office, Procurement, Admin & Facility Management, Information Technology, Corporate Affairs, Internal Audit, Risk Management, Compliance, and Treasury & Markets effective from 1 October 2022.

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29. Other operating expenses (continued)

	The Bank			
	Individual Quarter Current Financial Period Ended 31-03-2023 RM'000	Preceding Year Corresponding Period Ended 31-03-2022 RM'000	Cumulative Quarter Current Financial Period-to-date 31-03-2023 RM'000	Preceding Year Corresponding Period-to-date 31-03-2022 RM'000
Personnel costs				
Salaries, allowances and bonuses	14,934	22,778	14,934	22,778
Defined contribution plan	2,437	3,668	2,437	3,668
Other personnel costs	1,973	3,081	1,973	3,081
	<u>19,344</u>	<u>29,527</u>	<u>19,344</u>	<u>29,527</u>
Marketing expenses				
Business promotion and advertisement	191	440	191	440
Brokerage expenses	39	114	39	114
Entertainment	79	76	79	76
Travelling and accomodation	80	43	80	43
	<u>389</u>	<u>673</u>	<u>389</u>	<u>673</u>
Establishment cost				
Repair and maintenance	2,097	1,091	2,097	1,091
Depreciation – ROU	1,405	1,005	1,405	1,005
Rental of premises and equipment	1,756	988	1,756	988
Depreciation of property and equipment	675	763	675	763
Electricity, water and sewerage	374	250	374	250
Insurance and indemnities	132	311	132	311
Amortisation of intangible assets	193	224	193	224
	<u>6,632</u>	<u>4,632</u>	<u>6,632</u>	<u>4,632</u>
Administration and general expenses				
Subscription fees	2,527	2,227	2,527	2,227
Telecommunication expenses	1,990	1,846	1,990	1,846
Directors' remuneration	572	595	572	595
Professional fees	1,154	108	1,154	108
Auditors' remuneration	150	150	150	150
Management fees #	5,589	-	5,589	-
Property and equipment written off	-	-	-	-
Others	671	877	671	877
	<u>12,653</u>	<u>5,803</u>	<u>12,653</u>	<u>5,803</u>
Professional and legal fees for the divestment of a subsidiary *	-	370	-	370
Total other operating expenses	<u>39,018</u>	<u>41,005</u>	<u>39,018</u>	<u>41,005</u>

The Group and the Bank incur intercompany charges for shared operating costs of Affin Banking Group in Malaysia. The services received for group shared services are in respect of Finance, Company Secretary, Legal, People Office, Procurement, Admin & Facility Management, Information Technology, Corporate Affairs, Internal Audit, Risk Management, Compliance, and Treasury & Markets effective from 1 October 2022.

* This represents the professional and legal fees incurred by the Group in relation to the divestment of its entire 63% equity interest in AHAM which was completed on 29 July 2022.

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30. Allowances for credit impairment losses on financial assets

	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
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
	RM'000	RM'000	RM'000	RM'000
Expected credit losses (made)/written-back on:				
- loans and advances	603	(6,860)	603	(6,860)
- trade receivables	342	(86)	342	(86)
- financial investments	7,206	(91)	7,206	(91)
- deposits and placements with financial institutions	-	2	-	2
- other assets	(300)	(270)	(300)	(270)
- loans commitments and financial guarantees	(141)	(2)	(141)	(2)
Bad debts recovered	233	-	233	-
Bad debts written off	(5)	-	(5)	-
	7,938	(7,307)	7,938	(7,307)

	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
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
	RM'000	RM'000	RM'000	RM'000
Expected credit losses (made)/written-back on:				
- loans and advances	603	(6,860)	603	(6,860)
- trade receivables	342	(85)	342	(85)
- financial investments	7,206	(91)	7,206	(91)
- deposits and placements with financial institutions	-	2	-	2
- other assets	(303)	(253)	(303)	(253)
- loans commitments and financial guarantees	(141)	(2)	(141)	(2)
Bad debts recovered	233	-	233	-
	7,940	(7,289)	7,940	(7,289)

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31. Capital adequacy

The total capital and capital adequacy ratios of the Group and the Bank are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework (Capital Components) updated on 9 December 2020.

The Group and the Bank are currently adopting Standardised Approach for Credit Risk and Market Risk and the Basic Indicator Approach for Operational Risk.

The Group and the Bank have elected to apply transitional arrangements for four financial years beginning on 1 January 2020. Under the transitional arrangements, the amount of loss allowances measured at an amount equal to 12-month ECL and lifetime ECL to the extent they are ascribed to non-credit-impaired exposures (which is Stage 1 and Stage 2 provisions), is allowed to be added back in the calculation of CET1 capital ratio.

The Group's and the Bank's objectives when managing capital are:

- To comply with the capital requirements set by the regulators of the banking markets where the entities within the Group and the Bank operates;
- To safeguard the Group's and the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

The table below summarises the composition of regulatory capital and the ratios of the Group and of the Bank:

	The Group		The Bank	
	31-03-2023 RM'000	31-12-2022 RM'000	31-03-2023 RM'000	31-12-2022 RM'000
Basel III				
Common Equity Tier (CET) 1 Capital :				
Share capital	999,800	999,800	999,800	999,800
Retained profits	529,981	529,981	529,977	529,977
Unrealised losses on FVOCI instruments	(61,804)	(92,555)	(61,804)	(92,555)
	<u>1,467,977</u>	<u>1,437,226</u>	<u>1,467,973</u>	<u>1,437,222</u>
Less : Regulatory adjustments				
Goodwill and other intangible assets	(307,885)	(307,788)	(307,812)	(307,702)
Investment in subsidiaries/associates	-	-	(2,166)	(3,657)
Regulatory reserves	(18,013)	(16,709)	(18,013)	(16,709)
Deferred tax assets	(49,493)	(63,302)	(49,493)	(63,302)
Other CET1 regulatory adjustments specified by BNM	13,219	19,830	13,232	19,849
Total CET 1 capital/Total Tier 1 Capital (a)	<u>1,105,805</u>	<u>1,069,257</u>	<u>1,103,721</u>	<u>1,065,701</u>
Tier 2 capital				
Qualifying loss provisions #	14,991	14,779	14,971	14,760
Total Tier 2 capital (b)	<u>14,991</u>	<u>14,779</u>	<u>14,971</u>	<u>14,760</u>
Total Capital (a) + (b)	<u>1,120,796</u>	<u>1,084,036</u>	<u>1,118,692</u>	<u>1,080,461</u>

Qualifying loss provisions are restricted to allowances on unimpaired portion of the loans and advances.

	The Group		The Bank	
	31-03-2023 RM'000	31-12-2022 RM'000	31-03-2023 RM'000	31-12-2022 RM'000
Breakdown of risk-weighted assets in the various categories of risk-weights:				
Credit risk	1,199,263	1,182,333	1,197,686	1,180,781
Market risk	360,101	216,533	360,101	216,537
Operational risk	1,036,883	1,092,257	511,122	524,730
Total Risk-Weighted Assets	<u>2,596,247</u>	<u>2,491,123</u>	<u>2,068,909</u>	<u>1,922,048</u>

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31. Capital adequacy (continued)

The table below summarises the composition of regulatory capital and the ratios of the Group and the Bank:

	The Group		The Bank	
	31-03-2023 RM'000	31-12-2022 RM'000	31-03-2023 RM'000	31-12-2022 RM'000
Capital Ratios:				
<u>With transitional arrangements</u>				
CET 1 capital ratio	42.592%	42.923%	53.348%	55.446%
Tier 1 capital ratio	42.592%	42.923%	53.348%	55.446%
Total capital ratio	43.170%	43.516%	54.072%	56.214%
CET 1 capital ratio (net of proposed dividends)	42.592%	42.923%	53.348%	55.446%
Tier 1 capital ratio (net of proposed dividends)	42.592%	42.923%	53.348%	55.446%
Total capital ratio (net of proposed dividends)	43.170%	43.516%	54.072%	56.214%
<u>Before transitional arrangements</u>				
CET 1 capital ratio	42.083%	42.127%	52.708%	54.413%
Tier 1 capital ratio	42.083%	42.127%	52.708%	54.413%
Total capital ratio	42.661%	42.720%	53.432%	55.181%
CET 1 capital ratio (net of proposed dividends)	42.083%	42.127%	52.708%	54.413%
Tier 1 capital ratio (net of proposed dividends)	42.083%	42.127%	52.708%	54.413%
Total capital ratio (net of proposed dividends)	42.661%	42.720%	53.432%	55.181%

32. Commitments and contingencies

	The Group and The Bank	
	31-03-2023 Principal amount RM'000	31-12-2022 Principal amount RM'000
Transaction related contingent items	64,606	64,606
Irrevocable commitments to extend credit:		
- maturity less than one year	43,322	17,390
- maturity more than one year	26,444	24,847
Interest rate related contracts:		
- less than one year	850,000	940,000
- one year to less than five years	2,297,000	2,160,000
- more than five years	-	-
Foreign exchange related contracts:		
- less than one year	8,626,341	5,562,497
- one year to less than five years	777,039	842,979
- more than five years	-	-
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	1,357,050	1,279,899
Other/Miscellaneous Commitments and Contingencies	-	7,421
Total	14,041,802	10,899,639

33. 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 2023 are as follows:

(i) The aggregate value of outstanding credit exposures with connected parties (RM'000)	865,246
(ii) The percentage of outstanding credit exposures to connected parties as a proportion of credit exposures	14.2%
(iii) The percentage of outstanding credit exposures with connected parties which is non-performing or in default	Nil

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

The Group 31-03-2023	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Financial assets at FVTPL				
- Money market instruments	-	60,731	-	60,731
- Shares, warrants and unit trusts	54,655	-	-	54,655
Financial investments at FVOCI				
- Money market instruments	-	2,281,750	-	2,281,750
- Corporate bonds or sukuk	-	1,574,976	-	1,574,976
- Shares	-	-	23,915	23,915
Derivative financial assets	-	79,000	-	79,000
Total	54,655	3,996,457	23,915	4,075,027
Liabilities				
Derivative financial liabilities	-	62,927	-	62,927
Other liabilities - structured warrants	13,468	-	-	13,468
Other liabilities - equities trading	44	-	-	44
Total	13,512	62,927	-	76,439
The Group 31-12-2022	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Financial assets at FVTPL				
- Corporate bonds or sukuk	-	2	-	2
- Shares, warrants and unit trusts	36,068	-	-	36,068
Financial investments at FVOCI				
- Money market instruments	-	2,022,143	-	2,022,143
- Corporate bonds or sukuk	-	1,529,443	-	1,529,443
- Shares	-	-	23,915	23,915
Derivative financial assets	-	107,680	-	107,680
Total	36,068	3,659,268	23,915	3,719,251
Liabilities				
Derivative financial liabilities	-	102,874	-	102,874
Other liabilities -equities trading	149	-	-	149
Total	149	102,874	-	103,023

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34. Fair value measurements (continued)

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

The Bank 31-03-2023	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Financial assets at FVTPL				
- Money market instruments	-	60,731	-	60,731
- Shares, warrants and unit trusts	53,434	-	-	53,434
Financial investments at FVOCI				
- Money market instruments	-	2,281,750	-	2,281,750
- Corporate bonds or sukuk	-	1,574,976	-	1,574,976
- Shares	-	-	23,915	23,915
Derivative financial assets	-	79,000	-	79,000
Total	53,434	3,996,457	23,915	4,073,806
Liabilities				
Derivative financial liabilities	-	62,927	-	62,927
Other liabilities - structured warrants	13,468	-	-	13,468
Other liabilities - equities trading	44	-	-	44
Total	44	62,927	-	62,971
The Bank 31-12-2022	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Financial assets at FVTPL				
- Corporate bonds or sukuk	-	2	-	2
- Shares, warrants and unit trusts	34,861	-	-	34,861
Financial investments at FVOCI				
- Money market instruments	-	2,022,143	-	2,022,143
- Corporate bonds or sukuk	-	1,529,443	-	1,529,443
- Shares	-	-	23,915	23,915
Derivative financial assets	-	107,680	-	107,680
Total	34,861	3,659,268	23,915	3,718,044
Liabilities				
Derivative financial liabilities	-	102,874	-	102,874
Other liabilities - equities trading	149	-	-	149
Total	149	102,874	-	103,023

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34. Fair value measurements (continued)

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

Where fair value is determined using unquoted market prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Group 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.

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). Such inputs are generally determined based on observable inputs of a similar nature, historical observations on the level of the input or other analytical techniques.

This category includes unquoted shares held for socio economic reasons. Fair values for shares held for socio economic reasons are based on the net tangible assets of the affected companies. The Group's and the Bank's exposure to financial instruments classified as Level 3 comprised a small number of financial instruments which constitute an insignificant component of the Group's and the Bank's portfolio of financial instruments. Hence, changing one or more of the inputs to reasonable alternative assumptions would not change the value significantly for the financial assets in Level 3 of the fair value hierarchy.

The Group and the Bank recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. Transfers between fair value hierarchy primarily due to change in the level of trading activity, change in observable market activity related to an input, reassessment of available pricing information and change in the significance of the unobservable input. There were no transfers between Level 1, 2 and 3 of the fair value hierarchy during the financial period (2022: Nil).

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

	The Group and The Bank	
	31-03-2023	31-12-2022
	RM'000	RM'000
Opening	23,915	26,697
FVOCI revaluation reserves	-	(2,782)
Closing	23,915	23,915

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 2022, financial instruments measured with valuation techniques using significant unobservable inputs (Level 3) are unquoted shares held for socio economic purpose.