

## Affin Hwang Investment Bank Berhad (Incorporated in Malaysia)

### Unaudited Statements of Financial Position as at 30 June 2018

	Note	The Group		The Bank	
		As at 30-06-2018 RM'000	As at 31-12-2017 RM'000	As at 30-06-2018 RM'000	As at 31-12-2017 RM'000
<b>ASSETS</b>					
Cash and short-term funds		434,512	588,245	170,675	214,687
Deposits and placements with banks and other financial institutions		-	10,313	-	10,313
Financial assets at fair value through profit or loss ("FVTPL")	11	355,233	95,051	294,179	69,269
Financial assets at fair value through other comprehensive income ("FVOCI")	11	4,758,894	-	4,758,894	-
Financial assets at amortised cost	11	48,304	-	48,304	-
Financial investments available-for-sale	11	-	4,824,526	-	4,793,901
Financial investments held-to-maturity	11	-	8,107	-	8,107
Loans, advances and financing	12	1,384,331	1,208,511	1,384,331	1,208,511
Trade receivables	13	801,356	549,359	727,945	420,747
Derivative financial assets		54,081	54,950	54,081	54,950
Commodity Gold at FVTPL		31,584	32,198	-	-
Other assets	14	56,011	33,958	51,855	30,713
Statutory deposits with Bank Negara Malaysia		188,702	169,000	188,600	169,000
Amount due from subsidiaries		-	-	21,920	21,660
Investment in subsidiaries		-	-	124,121	124,121
Investments in associated company		-	-	732	732
Taxation recoverable		10,295	12,338	10,233	12,202
Deferred tax assets		28,356	22,165	20,193	10,817
Property and equipment		32,512	33,136	20,102	20,719
Intangible assets		323,449	323,801	316,339	316,969
<b>Total ASSETS</b>		<b>8,507,620</b>	<b>7,965,658</b>	<b>8,192,504</b>	<b>7,487,418</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
Deposits from customers	15	4,991,409	4,491,527	4,991,409	4,491,527
Deposits and placements of banks and other financial institutions	16	562,081	590,600	562,081	590,600
Obligations on securities sold under repurchase agreements	17	95,476	96,013	95,476	96,013
Trade payables	18	869,335	676,938	724,671	393,714
Derivative financial liabilities		49,295	54,808	49,295	54,808
Amount due to holding company		42	-	-	-
Amount due to related companies		9,267	9,222	-	-
Other liabilities	19	327,973	384,152	228,601	254,715
Provision for taxation		5,719	6,964	-	-
<b>Total LIABILITIES</b>		<b>6,910,597</b>	<b>6,310,224</b>	<b>6,651,533</b>	<b>5,881,377</b>
Share capital		999,800	999,800	999,800	999,800
Reserves	20	542,708	603,086	541,171	606,241
		1,542,508	1,602,886	1,540,971	1,606,041
Non-controlling interests		54,515	52,548	-	-
<b>SHAREHOLDERS' EQUITY</b>		<b>1,597,023</b>	<b>1,655,434</b>	<b>1,540,971</b>	<b>1,606,041</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>8,507,620</b>	<b>7,965,658</b>	<b>8,192,504</b>	<b>7,487,418</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	30	<b>7,333,153</b>	<b>7,706,101</b>	<b>7,333,153</b>	<b>7,706,101</b>
<b>CAPITAL ADEQUACY</b>					
<b>Basel III</b>					
CET 1 capital ratio	29	31.658%	34.806%	34.296%	40.546%
Tier 1 capital ratio	29	32.137%	35.064%	34.296%	40.546%
Total capital ratio	29	32.971%	35.442%	35.225%	40.546%
<b>After deducting proposed dividends:</b>					
CET 1 capital ratio (net of proposed dividends)	29	30.435%	32.346%	32.827%	37.449%
Tier 1 capital ratio (net of proposed dividends)	29	30.914%	32.604%	32.827%	37.449%
Total capital ratio (net of proposed dividends)	29	31.748%	32.982%	33.756%	37.449%

The Group and the Bank have applied MFRS 9 and MFRS 15 on 1 January 2018. Under the transition methods adopted, comparative information are not restated.

## Affin Hwang Investment Bank Berhad

(Incorporated in Malaysia)

### Unaudited Income Statements for the financial period ended 30 June 2018

The Group	Note	Individual Quarter		Cumulative Quarter	
		Current Financial Period 30-06-2018	Preceding Year Corresponding Period 30-06-2017	Current Financial Period-to-date 30-06-2018	Preceding Year Corresponding Period-to-date 30-06-2017
		RM'000	RM'000	RM'000	RM'000
Interest income	21	75,653	71,446	146,520	138,820
Interest expense	22	(57,001)	(54,934)	(108,585)	(105,629)
Net interest income		18,652	16,512	37,935	33,191
Fee and commission income	23(a)	132,770	133,730	274,069	240,804
Fee and commission expense	23(b)	(39,386)	(51,037)	(94,094)	(89,354)
Net fee and commission income		93,384	82,693	179,975	151,450
Net gain and losses on financial instruments	24	21,624	28,019	47,373	64,034
Other operating income	25	4,364	7,718	5,314	12,201
<b>Net income</b>		<b>138,024</b>	<b>134,942</b>	<b>270,597</b>	<b>260,876</b>
Other operating expenses	26	(92,356)	(88,302)	(182,858)	(173,420)
<b>Operating profit before allowances</b>		<b>45,668</b>	<b>46,640</b>	<b>87,739</b>	<b>87,456</b>
Allowances of credit impairment losses	27(a)	(4,209)	-	(4,081)	-
(Allowances)/write-back of losses on loans, advances and financing and receivables	27(b)	-	(198)	-	747
Impairment loss on securities	28	-	-	-	(712)
<b>Profit before zakat and taxation</b>		<b>41,459</b>	<b>46,442</b>	<b>83,658</b>	<b>87,491</b>
Zakat		(406)	(386)	(643)	(723)
<b>Profit before taxation</b>		<b>41,053</b>	<b>46,056</b>	<b>83,015</b>	<b>86,768</b>
Taxation		(9,056)	(10,555)	(18,320)	(20,291)
<b>Net profit after zakat and taxation</b>		<b>31,997</b>	<b>35,501</b>	<b>64,695</b>	<b>66,477</b>
<b>Attributable to:</b>					
- Equity holders of the Bank		25,882	29,984	53,640	57,521
- Non-controlling interests		6,115	5,517	11,055	8,956
		<b>31,997</b>	<b>35,501</b>	<b>64,695</b>	<b>66,477</b>
Earnings per share:					
- basic/fully diluted (sen)		3.32	3.84	6.88	7.37

The Group and the Bank have applied MFRS 9 and MFRS 15 on 1 January 2018. Under the transition methods adopted, comparative information are not restated.

**Affin Hwang Investment Bank Berhad**  
(Incorporated in Malaysia)

**Unaudited Statement of Comprehensive Income  
for the financial period ended 30 June 2018**

The Group	Individual Quarter		Cumulative Quarter	
	Current Financial Period 30-06-2018 RM'000	Preceding Year Corresponding Period 30-06-2017 RM'000	Current Financial Period-to-date 30-06-2018 RM'000	Preceding Year Corresponding Period-to-date 30-06-2017 RM'000
<b>Net profit after zakat and taxation</b>	<b>31,997</b>	<b>35,501</b>	<b>64,695</b>	<b>66,477</b>
Other comprehensive income:				
Net fair value changes in financial assets at FVOCI	(24,939)	-	(27,287)	-
Net fair value changes in financial investments available-for-sale	-	44,267	-	53,338
Net credit impairment losses change in financial assets at FVOCI	(85)	-	(132)	-
Net gain on financial assets at FVOCI reclassified to profit or loss on disposal	(113)	-	(1,032)	-
Net (gain)/loss transferred to profit or loss on disposal of financial investments available-for-sale	-	295	-	(3,595)
Net transfer to profit or loss on impairment of financial investments available-for-sale	-	-	-	660
Deferred tax on financial assets at FVOCI	6,253	-	6,796	-
Deferred tax on financial investments available-for-sale	-	(10,779)	-	(12,107)
<b>Other comprehensive income for the period, net of tax</b>	<b>(18,884)</b>	<b>33,783</b>	<b>(21,655)</b>	<b>38,296</b>
<b>Total comprehensive income for the period</b>	<b>13,113</b>	<b>69,284</b>	<b>43,040</b>	<b>104,773</b>
<b>Attributable to:</b>				
<b>Equity holders of the Bank</b>	<b>6,998</b>	<b>63,872</b>	<b>32,073</b>	<b>95,830</b>
<b>Non-controlling interests</b>	<b>6,115</b>	<b>5,412</b>	<b>10,967</b>	<b>8,943</b>
<b>Total comprehensive income</b>	<b>13,113</b>	<b>69,284</b>	<b>43,040</b>	<b>104,773</b>

The Group and the Bank have applied MFRS 9 and MFRS 15 on 1 January 2018. Under the transition methods adopted, comparative information are not restated.

**Affin Hwang Investment Bank Berhad**  
(Incorporated in Malaysia)

**Unaudited Income Statements**  
**for the financial period ended 30 June 2018**

**The Bank**

	Note	Individual Quarter		Cumulative Quarter	
		Current Financial Period 30-06-2018 RM'000	Preceding Year Corresponding Period 30-06-2017 RM'000	Current Financial Period-to-date 30-06-2018 RM'000	Preceding Year Corresponding Period-to-date 30-06-2017 RM'000
Interest income	21	75,213	71,267	145,609	138,484
Interest expense	22	(57,001)	(54,934)	(108,585)	(105,629)
Net interest income		18,212	16,333	37,024	32,855
Fee and commission income	23(a)	30,025	24,001	58,789	50,620
Fee and commission expense	23(b)	-	-	-	-
Net fee and commission income		30,025	24,001	58,789	50,620
Net gain and losses on financial instruments	24	22,750	27,927	47,730	63,898
Other operating income	25	23,448	8,087	27,826	12,342
<b>Net income</b>		<b>94,435</b>	<b>76,348</b>	<b>171,369</b>	<b>159,715</b>
Other operating expenses	26	(52,630)	(53,059)	(107,981)	(110,277)
<b>Operating profit before allowances</b>		<b>41,805</b>	<b>23,289</b>	<b>63,388</b>	<b>49,438</b>
Allowances of credit impairment losses (Allowances)/write-back of losses on loans, advances and financing and receivables	27(a) 27(b)	(4,215) -	- (198)	(4,087) -	- 747
Impairment loss on securities	28	-	-	-	(712)
<b>Profit before zakat and taxation</b>		<b>37,590</b>	<b>23,091</b>	<b>59,301</b>	<b>49,473</b>
Zakat		(319)	(308)	(475)	(581)
<b>Profit before taxation</b>		<b>37,271</b>	<b>22,783</b>	<b>58,826</b>	<b>48,892</b>
Taxation		(4,372)	(5,419)	(9,814)	(11,474)
<b>Net profit after zakat and taxation</b>		<b>32,899</b>	<b>17,364</b>	<b>49,012</b>	<b>37,418</b>
<b>Attributable to:</b>					
- Equity holders of the Bank		<b>32,899</b>	<b>17,364</b>	<b>49,012</b>	<b>37,418</b>
Earnings per share:					
- basic/fully diluted (sen)		4.22	2.23	6.28	4.80

The Group and the Bank have applied MFRS 9 and MFRS 15 on 1 January 2018. Under the transition methods adopted, comparative information are not restated.

**Affin Hwang Investment Bank Berhad**  
(Incorporated in Malaysia)

**Unaudited Statement of Comprehensive Income  
for the financial period ended 30 June 2018**

The Bank	Individual Quarter		Cumulative Quarter	
	Current Financial Period 30-06-2018 RM'000	Preceding Year Corresponding Period 30-06-2017 RM'000	Current Financial Period-to-date 30-06-2018 RM'000	Preceding Year Corresponding Period-to-date 30-06-2017 RM'000
<b>Net profit after zakat and taxation</b>	<b>32,899</b>	<b>17,364</b>	<b>49,012</b>	<b>37,418</b>
Other comprehensive income:				
Net fair value changes in financial assets at FVOCI	(24,939)	-	(27,287)	-
Net fair value changes in financial investments available-for-sale	-	44,616	-	53,379
Net credit impairment losses change in financial assets at FVOCI	(85)	-	(132)	-
Net gain on financial assets at FVOCI reclassified to profit or loss on disposal	(111)	-	(1,030)	-
Net (gain)/loss transferred to profit or loss on disposal of financial investments available-for-sale	-	295	-	(3,595)
Net transfer to profit or loss on impairment of financial investments available-for-sale	-	-	-	660
Deferred tax on financial assets at FVOCI	6,253	-	6,796	-
Deferred tax on financial investments available-for-sale	-	(10,779)	-	(12,107)
<b>Other comprehensive income for the period, net of tax</b>	<b>(18,882)</b>	<b>34,132</b>	<b>(21,653)</b>	<b>38,337</b>
<b>Total comprehensive income for the period</b>	<b>14,017</b>	<b>51,496</b>	<b>27,359</b>	<b>75,755</b>
<b>Attributable to equity holders of the Bank: Total comprehensive income</b>	<b>14,017</b>	<b>51,496</b>	<b>27,359</b>	<b>75,755</b>

The Group and the Bank have applied MFRS 9 and MFRS 15 on 1 January 2018. Under the transition methods adopted, comparative information are not restated.

**Affin Hwang Investment Bank Berhad**  
(Incorporated in Malaysia)

**Unaudited Statement of Changes in Equity  
for the financial period ended 30 June 2018**

	Attributable to equity holders of the Bank							Total equity RM'000
	Share Capital RM'000	Regulatory reserve RM'000	Foreign exchange reserve RM'000	FVOCI revaluation reserve RM'000	Retained profits RM'000	Sub-total RM'000	Non- controlling interests RM'000	
<b>The Group</b>								
At 1 January 2018								
- As previously reported	999,800	11,790	151	(14,466)	605,611	1,602,886	52,548	1,655,434
- Adjustment arising from adoption of MFRS 9	-	13,186	-	5,133	(21,830)	(3,511)	-	(3,511)
- Adjustment arising from adoption of MFRS 15	-	-	-	-	(940)	(940)	-	(940)
At 1 January 2018, as restated	999,800	24,976	151	(9,333)	582,841	1,598,435	52,548	1,650,983
<b>Comprehensive income:</b>								
Net profit for the financial period	-	-	-	-	53,640	53,640	11,055	64,695
<b>Other comprehensive income, (net of tax) -</b>								
Financial investments at FVOCI	-	-	-	(21,567)	-	(21,567)	(88)	(21,655)
<b>Total comprehensive income</b>	-	-	-	(21,567)	53,640	32,073	10,967	43,040
Transfer to regulatory reserve	-	1,126	-	-	(1,126)	-	-	-
Dividend paid	-	-	-	-	(88,000)	(88,000)	(9,000)	(97,000)
<b>At 30 June 2018</b>	<b>999,800</b>	<b>26,102</b>	<b>151</b>	<b>(30,900)</b>	<b>547,355</b>	<b>1,542,508</b>	<b>54,515</b>	<b>1,597,023</b>

Share Capital 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
780,000	219,800	251,343	9,667	(26,830)	246,496	1,480,476	41,372	1,521,848
-	-	-	-	-	57,521	57,521	8,956	66,477
-	-	-	-	38,309	-	38,309	(13)	38,296
-	-	-	-	38,309	57,521	95,830	8,943	104,773
-	-	-	2,340	-	(2,340)	-	-	-
-	-	(251,343)	-	-	251,343	-	-	-
219,800	(219,800)	-	-	-	-	-	-	-
-	-	-	-	-	(10,800)	(10,800)	-	(10,800)
999,800	-	-	12,007	11,479	542,220	1,565,506	50,315	1,615,821

The Group and the Bank have applied MFRS 9 and MFRS 15 on 1 January 2018. Under the transition methods adopted, comparative information are not restated.

**Affin Hwang Investment Bank Berhad**  
(Incorporated in Malaysia)

**Unaudited Statement of Changes in Equity  
for the financial period ended 30 June 2018**

	Attributable to equity holders of the Bank				
	Share Capital RM'000	Regulatory reserve RM'000	FVOCI revaluation reserve RM'000	Retained profits RM'000	Total equity RM'000
<b>The Bank</b>					
At 1 January 2018					
- As previously reported	999,800	11,790	(14,762)	609,213	1,606,041
- Adjustment arising from adoption of MFRS 9	-	13,186	5,434	(22,109)	(3,489)
- Adjustment arising from adoption of MFRS 15	-	-	-	(940)	(940)
At 1 January 2018, as restated	999,800	24,976	(9,328)	586,164	1,601,612
<b>Comprehensive income:</b>					
Net profit for the financial period	-	-	-	49,012	49,012
<b>Other comprehensive income, (net of tax) -</b>					
Financial investments at FVOCI	-	-	(21,653)	-	(21,653)
<b>Total comprehensive income</b>	-	-	<b>(21,653)</b>	<b>49,012</b>	<b>27,359</b>
Transfer to regulatory reserve	-	1,126	-	(1,126)	-
Dividend paid	-	-	-	(88,000)	(88,000)
<b>At 30 June 2018</b>	<b>999,800</b>	<b>26,102</b>	<b>(30,981)</b>	<b>546,050</b>	<b>1,540,971</b>

	Share Capital RM'000	Share premium RM'000	Statutory reserve RM'000	Regulatory reserve RM'000	Available	Retained profits RM'000	Total equity RM'000
					revaluation reserve RM'000		
At 1 January 2017	780,000	219,800	251,343	9,667	(26,901)	274,279	1,508,188
<b>Comprehensive income:</b>							
Net profit for the financial period	-	-	-	-	-	37,418	37,418
<b>Other comprehensive income, (net of tax) -</b>							
Financial investments available-for-sale	-	-	-	-	38,337	-	38,337
<b>Total comprehensive income</b>	-	-	-	-	38,337	37,418	75,755
Transfer to statutory reserve	-	-	-	2,340	-	(2,340)	-
Transfer pursuant to new BNM guidelines	-	-	(251,343)	-	-	251,343	-
Transfer pursuant to Companies Act 2016	219,800	(219,800)	-	-	-	-	-
Dividend paid	-	-	-	-	-	(10,800)	(10,800)
<b>At 30 June 2017</b>	<b>999,800</b>	<b>-</b>	<b>-</b>	<b>12,007</b>	<b>11,436</b>	<b>549,900</b>	<b>1,573,143</b>

The Group and the Bank have applied MFRS 9 and MFRS 15 on 1 January 2018. Under the transition methods adopted, comparative information are not restated.

## Affin Hwang Investment Bank Berhad (Incorporated in Malaysia)

### Unaudited Statement of Cash Flows for the financial period ended 30 June 2018

	The Group		The Bank	
	30-06-2018 RM'000	30-06-2017 RM'000	30-06-2018 RM'000	30-06-2017 RM'000
<b>Cash flow from operating activities</b>				
Net profit before tax for the financial period	83,015	86,768	58,826	48,892
Adjustments for items not involving the movement of cash and cash equivalents:				
Interest income				
- financial assets at FVTPL	(9,869)	(10,560)	(9,869)	(10,560)
- financial assets at FVOCI	(100,387)	-	(100,387)	-
- financial assets at amortised cost	(1,297)	-	(1,297)	-
- financial investments available-for-sale	-	(98,835)	-	(98,835)
- financial investments held-to-maturity	-	(1,025)	-	(1,025)
Dividend income:				
- financial assets at FVTPL	(2,217)	(133)	(1,332)	(133)
- financial assets at FVOCI	(1,942)	-	(1,942)	-
- from a subsidiary	-	-	(21,000)	-
- financial investments available-for-sale	-	(8,278)	-	(8,152)
Property and equipment written-off	13	1	13	-
Gain on disposal of property, plant and equipment	(121)	(414)	(104)	(130)
Gain arising from disposal/redemption of:				
- derivative instruments	54	-	54	-
- financial assets at FVTPL	(33,522)	(40,871)	(33,848)	(40,871)
- financial assets at FVOCI	(1,100)	-	(1,100)	-
- financial investments available-for-sale	-	(8,409)	-	(8,367)
Depreciation of property and equipment	4,541	4,333	2,984	2,964
Amortisation of intangible assets	1,171	1,131	630	606
Net accretion of discounts/(amortisation of premiums)	2,203	2,131	2,203	2,131
Unrealised (gain)/loss on derivative instruments	(739)	4,201	(739)	4,201
Unrealised loss on financial assets at FVTPL	2,105	280	1,189	248
Impairment loss on financial investment available-for-sale	-	712	-	712
Net writeback of collective impairment	-	(705)	-	(705)
Net allowances of expected credit loss ("ECL")	3,299	-	3,305	-
Net writeback of individual impairment	815	37	815	37
Allowances for other assets	-	(6)	-	(6)
Zakat	643	723	475	581
Unrealised foreign exchange gain	2,613	(6,076)	6,742	(6,294)
<i>Operating loss before changes in operating assets and liabilities</i>	<i>(50,722)</i>	<i>(74,995)</i>	<i>(94,382)</i>	<i>(114,706)</i>
<i>(Increase)/Decrease in operating assets</i>				
Deposits and placements with banks and other financial institutions	10,313	18	10,313	71
Financial assets at FVTPL	(216,679)	253,041	(181,050)	281,406
Loans, advances and financing	(180,634)	(136,363)	(184,017)	(136,363)
Statutory deposits with Bank Negara Malaysia	(19,702)	(3,360)	(19,600)	(3,360)
Intercompany balances	-	-	(260)	1,742
Trade receivables	(252,080)	(577,945)	(307,281)	(134,000)
Derivative financial assets	(1,059)	44,941	(5,188)	45,159
Reverse repurchase agreements	-	(19,502)	-	(19,502)
Commodity Gold at FVTPL	614	-	-	-
Other assets	(23,393)	32,204	(22,487)	33,528
	(682,620)	(406,966)	(709,570)	68,681
<i>Increase/(decrease) in operating liabilities</i>				
Deposits from customers	499,882	80,397	499,882	80,397
Deposits and placements of banks and other financial institutions	(28,519)	135,451	(28,519)	135,451
Repurchase agreements	(537)	(2,530)	(537)	(2,530)
Trade payables	192,397	461,497	330,957	151,486
Amount due to related companies	45	(90)	-	-
Amount due to ultimate holding company	42	-	-	-
Derivative financial liabilities	(5,513)	(55,920)	(5,513)	(55,919)
Other liabilities	(63,620)	9,716	(32,144)	16,060
	594,177	628,521	764,126	324,945
<b>Cash (used in)/generated from operating activities</b>	<b>(139,165)</b>	<b>146,560</b>	<b>(39,826)</b>	<b>278,920</b>



**Affin Hwang Investment Bank Berhad**  
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**Unaudited Statement of Cash Flows**  
**for the financial period ended 30 June 2018**

	<b>The Group</b>		<b>The Bank</b>	
	<b>30-06-2018</b>	<b>30-06-2017</b>	<b>30-06-2018</b>	<b>30-06-2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities (continued)</b>				
Net taxation paid	(14,155)	(11,422)	(8,906)	(6,169)
Zakat paid	(1,231)	(1,039)	(1,231)	(744)
<b>Net cash (used in)/generated from operating activities</b>	<b>(154,551)</b>	<b>134,099</b>	<b>(49,963)</b>	<b>272,007</b>
<b>Cash flow from investing activities</b>				
Proceeds from disposal of property and equipment	163	639	104	131
Purchase of property and equipment	(3,972)	(5,445)	(2,381)	(2,587)
Purchase of intangible assets	(819)	(730)	-	-
Interest received:				
- financial assets at FVOCI	100,387	-	100,387	-
- financial investments available-for-sale	-	98,835	-	98,835
- financial assets at amortised cost	1,297	-	1,297	-
- financial investments held-to-maturity	-	1,025	-	1,025
Net purchase of :				
- financial assets at FVOCI	(20,577)	-	(20,553)	-
- financial investments available-for-sale	-	(343,783)	-	(340,712)
Net proceeds on redemption of :				
- financial assets at amortised cost	(43,815)	-	(40,432)	-
- financial investments held-to-maturity	-	2,074	-	2,074
- financial assets at FVOCI	63,519	-	32,894	-
Capital injection for subsidiaries	-	-	-	(2,904)
Capital injection for associate	-	-	-	(726)
Acquisition of an equity interest in an associate	-	-	-	(52)
Dividend income received from:				
- financial assets at FVOCI	1,942	-	1,942	-
- financial investments available-for-sale	-	8,278	-	8,152
- subsidiary	-	-	21,000	-
<b>Net cash generated from/(used in) investing activities</b>	<b>98,125</b>	<b>(239,107)</b>	<b>94,258</b>	<b>(236,764)</b>
<b>Cash flow from financing activities</b>				
Dividend paid by a subsidiary to minority interests	(9,000)	-	-	-
Dividend paid	(88,000)	(10,800)	(88,000)	(10,800)
<b>Net cash used in financing activities</b>	<b>(97,000)</b>	<b>(10,800)</b>	<b>(88,000)</b>	<b>(10,800)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(153,426)</b>	<b>(115,808)</b>	<b>(43,705)</b>	<b>24,443</b>
Cash and cash equivalents at beginning of the financial period	539,126	554,378	165,568	218,352
<b>Cash and cash equivalents at end of the financial period</b>	<b>385,700</b>	<b>438,570</b>	<b>121,863</b>	<b>242,795</b>
<b>Analysis of cash and cash equivalents</b>				
<b>Cash and short term funds</b>	<b>434,512</b>	<b>487,275</b>	<b>170,675</b>	<b>291,500</b>
Amount held on behalf of clients and commissioned dealer's representatives	(48,812)	(48,705)	(48,812)	(48,705)
Cash and short-term funds and deposits and placements with banks and other financial institutions with original maturity of more than three months	-	-	-	-
<b>Cash and cash equivalents at end of the financial period</b>	<b>385,700</b>	<b>438,570</b>	<b>121,863</b>	<b>242,795</b>

# **Affin Hwang Investment Bank Berhad**

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## **Notes to the financial statement for the financial period ended 30 June 2018**

### **1. Review of financial performance**

The Group recorded a lower Profit Before Tax ("PBT") of RM83.0 million for the 6 months period ended 30 June 2018 compared to a PBT of RM86.8 million for the previous corresponding period. The investment bank contributed RM58.8 million (including dividend from subsidiary of RM21.0 million) (30.6.2017: RM48.9 million) while the asset management business contributed RM45.9 million (30.6.2017: RM38.6 million) to the Group's PBT in the current period under review.

Summarised analysis of the Group PBT for the 6 months period ended 30 June 2018 are as follows:

- Net interest income of RM37.9 million was higher than the net interest income of RM33.2 million recorded in the previous corresponding period primarily due to higher average interest earning assets in the current period under review.
- Net fee and commission income registered an increase from RM151.5 million in the previous corresponding period to RM180.0 million in the current period under review. The increase was primarily due to the higher net brokerage income, corporate advisory fees and higher unit trust management and incentive fees earned from the asset management business in the current period.
- Net gain and losses on financial instruments registered a decrease from RM64.0 million in the previous corresponding period to RM47.4 million in the current period mainly due to lower gains on disposal of financial assets measured at FVTPL and FVOCI during the current period.
- Other operating income registered a decrease from RM12.2 million to RM5.3 million in the current period mainly due to lower net foreign exchange gain.
- Operating expenses incurred for the period under review were higher at RM182.9 million compared to RM173.4 million incurred in the previous corresponding period contributed mainly by higher personnel costs and establishment-related expenses.
- Higher allowances of credit impairment losses was mainly due to increase in expected credit losses provided for loans and debt securities.

### **2. Prospect for the current financial year**

The Group remains cautiously optimistic for 2018 and 2019. The country's economic prospect remains promising and likely to be supported by healthy domestic demand, while exports growth will be vulnerable to external uncertainties such as the threat of trade war between US and China as well as monetary policy tightening by US Federal Reserve.

The Group shall continue to expand its present market leading positions in the securities and asset management businesses, whilst capitalising on potential investment banking activities. The Group shall also continue to build resilience across its businesses taking cognisance that a major part of its business and operations are highly dependent on the performance of the equity and capital markets.

# Affin Hwang Investment Bank Berhad

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## Notes to the financial statement for the financial period ended 30 June 2018

### 3. Basis of preparation

The unaudited interim financial statements for the period under review 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 2016 in Malaysia.

The unaudited interim financial statements may be read in conjunction with the annual financial statements for the financial year ended 31 December 2017. The explanatory notes to the unaudited 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 2017.

There are no changes to the accounting policies adopted since the last financial year except for the adoption of MFRS 9 "Financial Instruments" and MFRS 15 "Revenue from Contracts with Customers" with effect from 1 January 2018. In addition to the adoption of these 2 new standards, IFRS 9 introduced a consequential amendment to paragraph 82(a) of IAS 1 "Presentation of Financial Statements" which is effective from 1 January 2018.

#### (i) Adoption of MFRS 9 "Financial Instruments"

##### Classification and measurements

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main changes are:

- For financial liabilities classified as FVTPL, the fair value changes due to own credit risk should be recognised directly to OCI. There is no subsequent recycling to profit or loss.
- When a financial liability measured at amortised cost is modified without this resulting in derecognition, a gain or loss, being the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate, should be recognised immediately in profit or loss.

The combined application of the entity's business model and the cash flow characteristics of the financial assets do not result in the significant change in the classification of financial asset when compared to the existing classification of financial assets in the statement of financial position as at 31 December 2017. However, the Group and the Bank have identified certain instruments currently held at financial investments available for sales of which that fail the solely for the payment of principal and interest ("SPPI") test will be reclassified as fair value through profit or loss ("FVTPL") with certain equity instruments elected at inception to be fair valued in OCI accordingly on 1 January 2018.

The Group and the Bank do not expect a significant impact arising from the changes in classification and measurement of the financial assets.

There are no changes to the Group's and the Bank's accounting for financial liabilities. All the financial liabilities, except for derivatives financial liabilities which is at FVTPL, will remain as amortised cost as there has not been significant change in the requirements for financial liabilities under MFRS 9.

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**Notes to the financial statement  
for the financial period ended 30 June 2018**

**3. Basis of preparation (continued)**

(i) Adoption of MFRS 9 "Financial Instruments" (continued)

Impairment of financial assets

MFRS 9 introduces an expected credit loss model on impairment that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The new impairment model requires the recognition of impairment allowances based on expected credit losses ("ECL") rather than only incurred credit losses as is the case under MFRS 139. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, loan commitments and financial guarantee contracts.

Under MFRS 9, impairment is measured on each reporting date according to a three-stage expected credit loss impairment model:

- Stage 1 – from initial recognition of a financial assets to the date on which the credit risk of the asset has increased significantly relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults occurring over the next 12 months (12-month ECL).
- Stage 2 – following a significant increase in credit risk relative to the initial recognition of the financial assets, a loss allowance is recognised equal to the credit losses expected over the remaining life of the asset (Lifetime ECL).
- Stage 3 – When a financial asset is considered to be credit-impaired, a loss allowance equal to full lifetime expected credit losses is to be recognised (Lifetime ECL).

As all financial assets within the scope of MFRS 9 impairment model will be assessed for at least 12-month ECL, and the population of financial assets to which full lifetime ECL applies is larger than the population of impaired loans for which there is objective evidence of impairment in accordance with MFRS 139, the total allowance for credit losses is expected to increase under MFRS 9 relative to the allowance for credit losses under MFRS 139.

In addition, changes in the required credit loss allowance, including the impact of movements between Stage 1 (12-month ECL) and Stage 2 (lifetime ECL) and the application of forward looking information, is recorded in profit or loss, and allowance for credit losses will be more volatile under MFRS 9.

The impact of adoption of the MFRS 9 on the Group's and the Bank's classification and measurement categories and opening retained profits as at 1 January 2018 are set out below:

The following table shows the original measurement categories in accordance with MFRS 139 and the new measurement categories under MFRS 9 for the Group's financial assets and financial liabilities as at 1 January 2018.

Group	MFRS 139	Reclassification	Remeasurement	MFRS 9 carrying
	carrying value			value
	31 December 2017			1 January 2018
	RM'000	RM'000	RM'000	RM'000
<b>Financial assets at amortised cost</b>				
Cash and short-term funds				
Opening balance	588,245	-	-	588,245
Closing balance	588,245	-	-	588,245
Deposits and placements with banks and other financial institutions				
Opening balance	10,313	-	-	10,313
To FVTPL - Negotiable instruments of deposits	-	(10,313)	-	(10,313)
	10,313	(10,313)	-	-
Financial Investments held-to-maturity ("HTM")				
Opening balance	8,107	-	-	8,107
To financial assets at amortised cost	-	(8,107)	-	(8,107)
Closing balance	8,107	(8,107)	-	-
Loans, advances and financing				
Opening balance	1,208,511	-	-	1,208,511
To financial assets at amortised cost	-	(40,497)	-	(40,497)
Remeasurement -expected credit loss ("ECL")	-	-	(3,785)	(3,785)
Closing balance	1,208,511	(40,497)	(3,785)	1,164,229

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**Notes to the financial statement  
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**3. Basis of preparation (continued)**

(i) Adoption of MFRS 9 "Financial Instruments" (continued)

The following table shows the original measurement categories in accordance with MFRS 139 and the new measurement categories under MFRS 9 for the Group's financial assets and financial liabilities as at 1 January 2018. (continued)

Group	MFRS 139	Reclassification	Remeasurement	MFRS 9 carrying
	carrying value			value
	31 December 2017	RM'000	RM'000	1 January 2018
	RM'000		RM'000	RM'000
<b>Financial assets at amortised cost</b>				
Opening balance	-	-	-	-
From Loans, advances and financing	-	40,497	-	40,497
From HTM	-	8,107	-	8,107
Remeasurement	-	-	(235)	(235)
Closing balance	-	48,604	(235)	48,369
<b>Trade receivables</b>				
Opening balance	549,359	-	-	549,359
Remeasurement	-	-	(105)	(105)
Closing balance	549,359	-	(105)	549,254
<b>Other assets</b>				
Other assets	33,958	-	(12)	33,946
Statutory deposits with Bank Negara Malaysia	169,000	-	-	169,000
<b>Total financial assets at amortised cost</b>	<b>2,567,493</b>	<b>(10,313)</b>	<b>(4,137)</b>	<b>2,553,043</b>
<b>Financial assets at FVOCI</b>				
<b>Financial investments available-for-sale ("AFS")</b>				
Opening balance	4,824,526	-	-	4,824,526
AFS to FVOCI - debt	-	(4,487,401)	-	(4,487,401)
AFS to FVOCI -equity	-	(118,847)	-	(118,847)
AFS to FVTPL	-	(218,278)	-	(218,278)
Remeasurement	-	-	-	-
Closing balance	4,824,526	(4,824,526)	-	-
<b>Financial assets at FVOCI - debt</b>				
<b>Investment securities:</b>				
Opening balance	-	-	-	-
From AFS	-	4,487,401	-	4,487,401
From amortised cost	-	-	-	-
Remeasurement	-	-	(5,092)	-
Closing balance	-	4,487,401	(5,092)	4,487,401
<b>Financial assets at FVOCI - equity</b>				
Opening balance	-	-	-	-
From amortised cost	-	-	-	-
From AFS	-	118,847	-	118,847
Remeasurement	-	-	-	-
Closing balance	-	118,847	-	118,847
<b>Total financial assets at FVOCI</b>	<b>4,824,526</b>	<b>(218,278)</b>	<b>(5,092)</b>	<b>4,606,248</b>

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**Notes to the financial statement  
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**3. Basis of preparation (continued)**

(i) Adoption of MFRS 9 "Financial Instruments" (continued)

The following table shows the original measurement categories in accordance with MFRS 139 and the new measurement categories under MFRS 9 for the Group's financial assets and financial liabilities as at 1 January 2018. (continued)

Group	MFRS 139 carrying value 31 December 2017	Reclassification RM'000	Remeasurement RM'000	MFRS 9 carrying value 1 January 2018
	RM'000			RM'000
<b>Financial assets at FVTPL and derivative financial assets</b>				
Opening balance	150,001	-	-	150,001
From amortised cost - Deposits & placements with banks and other financial institutions	-	10,313	-	10,313
AFS	-	218,278	-	218,278
<b>Total financial assets at FVTPL and derivative financial assets</b>	<b>150,001</b>	<b>228,591</b>	<b>-</b>	<b>378,592</b>
<b>Other liabilities</b>				
Opening balance	384,152	-	-	384,152
Remeasurement off-balance sheet loan, loan commitments and financial guarantee issues	-	-	(596)	(596)
Closing balance	384,152	-	(596)	383,556

The following table shows the effects of the reclassification of financial assets from MFRS 139 categories into the amortised cost category under MFRS 9.

	MFRS 9 carrying value 1 January 2018 RM'000
<b>From financial investments AFS under MFRS 139</b>	
Fair value at 31 December 2017	-
Fair value gain that would have been recognised during 2018 in OCI if the financial assets had not been reclassified	-

The following table analyses the impact, net of tax, of transition to MFRS 9 on reserves and retained earnings. The impact relates to the liability credit reserve, the fair value reserve and retained earnings. There is no impact on other components of equity.

Group	Impact of adopting MFRS 9 at 1 January 2018 RM'000
<b>Fair value reserve</b>	
Closing balance under MFRS 139 (31 December 2017)	(14,466)
Recognition of expected credit losses under MFRS 9 for debt financial assets at FVOCI	5,092
Reclassification of financial assets (debt and equity) from AFS to FVTPL	41
Opening balance under MFRS 9 (1 January 2018)	(9,333)
<b>Collective allowance ("CA") reserve - 1.2%</b>	
Closing balance under MFRS 139 (31 December 2017)	11,790
Reserve to retained earnings on adoption of MFRS 9	(11,790)
Opening balance under MFRS 9 (1 January 2018)	-
<b>Regulatory reserve ("RR") - 1%</b>	
Transfer from retained earnings	24,976
Opening balance under MFRS 9 (1 January 2018)	24,976

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**Notes to the financial statement  
for the financial period ended 30 June 2018**

**3. Basis of preparation (continued)**

(i) Adoption of MFRS 9 "Financial Instruments" (continued)

The following table analyses the impact, net of tax, of transition to MFRS 9 on reserves and retained earnings. The impact relates to the liability credit reserve, the fair value reserve and retained earnings. There is no impact on other components of equity. (continued)

<b>Group</b>	<b>Impact of adopting MFRS 9 at 1 January 2018 RM'000</b>
<b>Retained earnings</b>	
Closing balance under MFRS 139 (31 December 2017)	605,611
Reclassification under MFRS 9	(41)
Recognition of expected credit losses under MFRS 9 (including loan commitments)	(12,571)
BNM 1% RR	(24,976)
Reversal of 1.2% CA reserves	11,790
Reversal of Collective Allowance under MFRS 139	2,746
Deferred Tax	1,222
Opening balance under MFRS 9 (1 January 2018)	583,781

The following table reconciles:

- the closing impairment allowance for financial assets in accordance with MFRS 139
- the opening ECL allowance determined in accordance with MFRS 9 as at 1 January 2018.

<b>Group</b>	<b>MFRS 139 CA</b>	<b>Reclassification</b>	<b>ECL</b>	<b>MFRS 9 ECL</b>
	<b>31 December 2017 RM'000</b>	<b>RM'000</b>	<b>Remeasurement RM'000</b>	<b>1 January 2018 RM'000</b>
Loans, advances and financing				
- Individual and collective impairment	2,756	-	3,785	6,541
Loans/financing commitments	-	-	596	596
Financial assets at FVTPL	-	-	-	-
Financial assets at FVOCI and amortised cost	16,509	(7,818)	5,444	14,135
	19,265	(7,818)	9,825	21,272
Deferred tax assets				
Opening balance	22,165	-	-	22,165
Remeasurement - deferred tax assets	-	-	1,222	1,222
Closing balance	22,165	-	1,222	23,387

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**Notes to the financial statement  
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**3. Basis of preparation (continued)**

(i) Adoption of MFRS 9 "Financial Instruments" (continued)

The following table shows the original measurement categories in accordance with MFRS 139 and the new measurement categories under MFRS 9 for the Bank's financial assets and financial liabilities as at 1 January 2018.

Bank	MFRS 139	Reclassification	Remeasurement	MFRS 9
	Carrying value			Carrying value
	31 December 2017			1 January 2018
	RM'000	RM'000	RM'000	RM'000
<b>Financial assets at amortised cost</b>				
Cash and short-term funds				
Opening balance	214,687	-	-	214,687
Closing balance	214,687	-	-	214,687
Deposits and placements with banks and banks and other financial institutions				
Opening balance	10,313	-	-	10,313
To FVTPL - Negotiable instruments of deposits	-	(10,313)	-	(10,313)
Closing balance	10,313	(10,313)	-	-
Financial Investments held-to-maturity ("HTM"):				
Opening balance	8,107	-	-	8,107
To financial assets at amortised cost	-	(8,107)	-	(8,107)
Closing balance	8,107	(8,107)	-	-
Loans, advances and financing:				
Opening balance	1,208,511	-	-	1,208,511
To financial assets at amortised cost	-	(40,497)	-	(40,497)
Remeasurement	-	-	(3,785)	(3,785)
Closing balance	1,208,511	(40,497)	(3,785)	1,164,229
Financial assets at amortised cost:				
Opening balance	-	-	-	-
From Loans, advances and financing	-	40,497	-	40,497
From HTM	-	8,107	-	8,107
Remeasurement	-	-	(235)	(235)
Closing balance	-	48,604	(235)	48,369
Trade receivables				
Opening balance	420,747	-	-	420,747
Remeasurement	-	-	(83)	(83)
Closing balance	420,747	-	(83)	420,664
Other assets	30,713	-	(12)	30,701
Statutory deposits with Bank Negara Malaysia	169,000	-	-	169,000
Amount due from subsidiaries	21,660	-	-	21,660
Amount due from associates	732	-	-	732
<b>Total financial assets at amortised cost</b>	<b>2,084,470</b>	<b>(10,313)</b>	<b>(4,115)</b>	<b>2,070,042</b>



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**Notes to the financial statement  
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**3. Basis of preparation (continued)**

(i) Adoption of MFRS 9 "Financial Instruments" (continued)

The following table shows the original measurement categories in accordance with MFRS 139 and the new measurement categories under MFRS 9 for the Bank's financial assets and financial liabilities as at 1 January 2018. (continued)

<b>Bank</b>	<b>MFRS 139 Carrying value 31 December 2017 RM'000</b>	<b>Reclassification RM'000</b>	<b>Remeasurement RM'000</b>	<b>MFRS 9 Carrying value 1 January 2018 RM'000</b>
<b>Financial assets at FVOCI</b>				
Financial Investments AFS :				
Opening balance	4,793,901	-	-	4,793,901
To financial assets at FVOCI - debt	-	(4,487,401)	-	(4,487,401)
To financial assets at FVOCI - equity	-	(118,847)	-	(118,847)
To financial assets at FVTPL - equity	-	(187,653)	-	(187,653)
Closing balance	4,793,901	(4,793,901)	-	-
Financial assets at FVOCI - debt				
Opening balance	-	-	-	-
From AFS	-	4,487,401	-	4,487,401
Remeasurement	-	-	(5,092)	-
Closing balance	-	4,487,401	(5,092)	4,487,401
Financial assets at FVOCI - equity				
Opening balance	-	-	-	-
From AFS	-	118,847	-	118,847
Remeasurement	-	-	-	-
Closing balance	-	118,847	-	118,847
<b>Total financial assets at FVOCI</b>	<b>4,793,901</b>	<b>(187,653)</b>	<b>(5,092)</b>	<b>4,606,248</b>
<b>Financial assets at FVTPL and derivative financial assets</b>				
Opening balance	124,219	-	-	124,219
From amortised cost - Deposits & placements with banks and other financial institutions	-	10,313	-	10,313
From AFS	-	187,653	-	187,653
<b>Total financial assets at FVTPL and derivative financial assets</b>	<b>124,219</b>	<b>197,966</b>	<b>-</b>	<b>322,185</b>
<b>Other liabilities</b>				
Opening balance	254,715	-	-	254,715
Remeasurement off-balance sheet loan, loan commitments and financial guarantee issues	-	-	(596)	(596)
Closing balance	254,715	-	(596)	254,119

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**Notes to the financial statement  
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**3. Basis of preparation (continued)**

(i) Adoption of MFRS 9 "Financial Instruments" (continued)

The following table shows the effects of the reclassification of financial assets from MFRS 139 categories into the amortised cost category under MFRS 9.

	<b>MFRS 9 Carrying value 1 January 2018 RM'000</b>
<b>Bank</b>	
<b>From financial investments AFS under MFRS 139</b>	
Fair value at 31 December 2017	-
Fair value gain that would have been recognised during 2018 in OCI if the financial assets had not been reclassified	-

The following table analyses the impact, net of tax, of transition to MFRS 9 on reserves and retained earnings. The impact relates to the liability credit reserve, the fair value reserve and retained earnings. There is no impact on other components of equity.

	<b>Impact of adopting MFRS 9 1 January 2018 RM'000</b>
<b>Bank</b>	
<b>Fair value reserve</b>	
Closing balance under MFRS 139 (31 December 2017)	(14,762)
Recognition of expected credit losses under MFRS 9 for debt financial assets at FVOCI	5,092
Reclassification of financial assets (debt and equity) from AFS to FVTPL	342
Opening balance under MFRS 9 (1 January 2018)	<u>(9,328)</u>
<b>Collective allowance ("CA") reserve - 1.2%</b>	
Closing balance under MFRS 139 (31 December 2017)	11,790
Reserve to retained earnings on adoption of MFRS 9	(11,790)
Opening balance under MFRS 9 (1 January 2018)	<u>-</u>
<b>Regulatory reserve ("RR") - 1%</b>	
Transfer from retained earnings	24,976
Opening balance under MFRS 9 (1 January 2018)	<u>24,976</u>
<b>Retained earnings</b>	
Closing balance under MFRS 139 (31 December 2017)	609,213
Reclassification under MFRS 9	(342)
Recognition of expected credit losses under MFRS 9 (including loan commitments)	(12,549)
BNM 1% RR	(24,976)
Reversal of 1.2% CA Reserve	11,790
Reversal of Collective Allowance under MFRS 139	2,746
Deferred Tax	1,222
Opening balance under MFRS 9 (1 January 2018)	<u>587,104</u>

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**Notes to the financial statement  
for the financial period ended 30 June 2018**

**3. Basis of preparation (continued)**

(i) Adoption of MFRS 9 "Financial Instruments" (continued)

The following table reconciles:

- the closing impairment allowance for financial assets in accordance with MFRS 139
- the opening ECL allowance determined in accordance with MFRS 9 as at 1 January 2018.

	<b>MFRS 139 CA</b>		<b>ECL</b>	<b>MFRS 9 ECL</b>
	<b>31 December 2017</b>	<b>Reclassification</b>	<b>Remeasurement</b>	<b>1 January 2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Loans, advances and financing				
- Individual and collective impairment	2,756	-	3,785	6,541
Loans/financing commitments	-	-	596	596
FVTPL	-	-	-	-
FVOCI and amortised cost	16,509	(7,818)	5,422	14,113
	<u>19,265</u>	<u>(7,818)</u>	<u>9,803</u>	<u>21,250</u>
Deferred tax assets				
Opening balance	10,817	-	-	10,817
Remeasurement - deferred tax assets	-	-	1,222	1,222
Closing balance	<u>10,817</u>	<u>-</u>	<u>1,222</u>	<u>12,039</u>

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**Notes to the financial statement  
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**3. Basis of preparation (continued)**

(ii) Adoption of MFRS 15 "Revenue from Contracts with Customers"

MFRS 15 "Revenue from contracts with customers" replaces MFRS 118 "Revenue" and MFRS 111 "Construction contracts" and related interpretations. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

A new five-step process is applied before revenue can be recognised:

- Identify contracts with customers;
- Identify the separate performance obligations;
- Determine the transaction price of the contract;
- Allocate the transaction price to each of the separate performance obligations; and
- Recognise the revenue as each performance obligation is satisfied.

Key provisions of the new standard are as follows:

- If the consideration varies (such as for incentives, rebates, performance fees, royalties, success of an outcome etc), minimum amounts of revenue must be recognised if they are not at significant risk of reversal;
- There are new specific rules on licenses, warranties, non-refundable upfront fees, and consignment arrangements, to name a few;
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa; and
- As with any new standard, there are also increased disclosures.

The Group and Bank have adopted MFRS 15 using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under MFRS 118 "Revenue" and related interpretations. The impact of adoption of the MFRS 15 on the Group's and the Bank's opening retained profits are set out below:

<b>Group and Bank</b>	<b>As at 1.1.2018</b>		
	<b>Gross fees</b>	<b>Tax effect</b>	<b>Net impact</b>
	<b>DR/(CR)</b>	<b>DR/(CR)</b>	<b>DR/(CR)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Impact to Opening Retained Profits arising from:-			
Fees for services transferred at a point in time upon satisfaction performance obligations	(755)	181	(574)
Fees for services transferred over time in respect of agency and guarantee fees	1,991	(477)	1,514
Net debit impact to Retained Profits as at 1.1.2018	<b>1,236</b>	<b>(296)</b>	<b>940</b>

There is no material impact on the financial position, comprehensive income, cashflows and earnings per share of the Group and the Bank on the adoption of MFRS 15 for the financial reporting period.

(iii) Presentation of interest for derivatives and other financial instruments measured at Fair Value through Profit or Loss ("FVTPL")

MFRS 9 introduced a consequential amendment to paragraph 82 (a) of IAS 1 "Presentation of Financial Statements", which is effective for accounting periods beginning on or after 1 January 2018. Under this amendment, interest revenue calculated using the effective interest method should be separately presented as a component of revenue on the face of the income statement.

As the effective interest method does not apply to derivatives and other instruments measured at FVTPL, the interest arising on such instruments should not be included in the line item of "interest income" (except for gains and losses arising from related hedging instruments that are accounted for as hedges under IFRS 9).

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**Notes to the financial statement  
for the financial period ended 30 June 2018**

**3. Basis of preparation (continued)**

(iii) Presentation of interest for derivatives and other financial instruments measured at Fair Value through Profit or Loss ("FVTPL") (continued)

Accordingly, the Bank changed the classification of interest income for financial assets measured at FVTPL from "Interest Income" to "Net gain and losses on financial instruments" for the current and previous financial quarters as reflected in Note 24 to the interim financial statements.

Interest income and interest expense on derivatives instruments are also correspondingly reclassified to "Net gain and losses on financial instruments" as reflected in Note 24 to the interim financial statements.

**4. Qualification of preceding annual financial statements**

The Bank's financial statements for financial year ended 31 December 2017 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**

A chargor of a piece of land ("the Land") charged to the Bank as part of the collaterals for a syndicated facility granted to a borrower by a consortium financial institutions, had filed a claim against the Bank on 9 June 2016 for the sum of RM5,185,683.19 or in the alternative damages to be assessed, interests and costs, alleging that the Bank as Security Agent had failed to perform its contractual and/or statutory obligations in relation to the application of the sales proceeds of the Land and had wrongfully deducted the recovery and enforcement expenses, which included expenses for other properties/securities from the surplus of the sales proceed of the Land. As Security Agent, the consortium financial institutions will indemnify the Bank for the claim instituted against the Bank. The Bank had filed an application for disposal of the claim under Order 14A of the Rules of Court 2012. On 4 May 2018, the Kuala Lumpur High Court ("KLHC") decided in favour of the Bank, by dismissing the chargor's suit, with costs. Nevertheless, one out of the four questions posed by the Bank was not answered in favour of the Bank, i.e. the chargor was not estopped from disputing the redemption sum. In this regard, the Bank had filed its appeal against the said part of the decision, which is fixed for case management on 7 August 2018. The chargor had also filed its appeal against the KLHC's decision.

**9. Changes in the composition of the Bank**

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

**10. Dividends**

A final dividend of 11.282 sen gross per share, amounting to RM88,000,000 in respect of the previous financial year ended 31 December 2017 was paid on 16 April 2018.

The Directors now recommend the payment of an interim dividend of 5.769 sen gross per share amounting to RM45,000,000 for the financial year ending 31 December 2018, which is subject to approval from Bank Negara Malaysia.

# Affin Hwang Investment Bank Berhad

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## Notes to the financial statement for the financial period ended 30 June 2018

### 11. Securities portfolio

	The Group		The Bank	
	30-06-2018 RM'000	31-12-2017 RM'000	30-06-2018 RM'000	31-12-2017 RM'000
<b>Classification of securities portfolio:</b>				
<b>(i) Financial assets at fair value through profit or loss</b>				
<u>At fair value</u>				
<u>Money Market Instruments</u>				
<u>Quoted</u>				
Negotiable Instruments of Deposit	9,982	-	9,982	-
Malaysian Government Securities	117,408	20,349	117,408	20,349
Malaysian Government Islamic Investment Issues	40,279	10,224	40,279	10,224
	<u>167,669</u>	<u>30,573</u>	<u>167,669</u>	<u>30,573</u>
<u>At fair value</u>				
<u>Quoted securities</u>				
In Malaysia:				
Shares, warrants and REITS	31,521	38,696	31,521	38,696
Unit trusts	130,465	6,979	89,200	-
Outside Malaysia:				
Shares, warrants and REITS	5,767	-	5,767	-
	<u>167,753</u>	<u>45,675</u>	<u>126,488</u>	<u>38,696</u>
<u>Unquoted securities</u>				
Corporate bonds and/or Sukuk in Malaysia	2,783	1,775	22	-
Corporate bonds and/or Sukuk outside Malaysia	17,028	17,028	-	-
	<u>355,233</u>	<u>95,051</u>	<u>294,179</u>	<u>69,269</u>

	The Group		The Bank	
	30-06-2018 RM'000	31-12-2017 RM'000	30-06-2018 RM'000	31-12-2017 RM'000
<b>(ii) Financial assets at fair value through other comprehensive income ("FVOCI")/Financial investments available-for-sale</b>				
<u>At fair value</u>				
<u>Money Market Instruments</u>				
Malaysian Government Securities	273,311	151,279	273,311	151,279
Negotiable Instruments of Deposit	-	50,594	-	50,594
Malaysian Government Islamic Investment Issues	539,887	392,090	539,887	392,090
Cagamas Bonds	101,315	61,391	101,315	61,391
Sukuk Perumahan Kerajaan	80,264	80,280	80,264	80,280
	<u>994,777</u>	<u>735,634</u>	<u>994,777</u>	<u>735,634</u>
<u>Quoted securities</u>				
In Malaysia:				
Shares	-	6,296	-	6,296
Unit Trusts	-	208,907	-	179,272
REITS	14,920	13,083	14,920	13,083
Outside Malaysia:				
REITS	33,831	10,977	33,831	10,977
<u>Unquoted securities</u>				
Corporate bonds and/or Sukuk in Malaysia	3,540,154	3,628,578	3,540,154	3,627,588
Corporate bonds and/or Sukuk outside Malaysia	153,403	206,066	153,403	206,066
Shares in Malaysia	21,809	22,803	21,809	22,803
	<u>4,758,894</u>	<u>4,832,344</u>	<u>4,758,894</u>	<u>4,801,719</u>
Allowance for impairment of securities (a)	-	(7,818)	-	(7,818)
	<u>4,758,894</u>	<u>4,824,526</u>	<u>4,758,894</u>	<u>4,793,901</u>

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**Notes to the financial statement**  
**for the financial period ended 30 June 2018**

**11. Securities portfolio**

(ii) Financial assets at fair value through other comprehensive income ("FVOCI")/Financial investments available-for-sale (continued)

**(a) Movement in allowance for impairment losses:**

At beginning of the financial period/year  
MFRS 9 reclassification to cost  
At 1 January 2018, as restated  
Amount made during the financial period/year  
Amount disposal

<b>The Group and the Bank</b>	
<b>30-06-2018</b>	<b>31-12-2017</b>
<b>RM'000</b>	<b>RM'000</b>
<b>7,818</b>	23,238
<b>(7,818)</b>	-
-	23,238
-	2,298
-	(17,718)
<b>-</b>	<b>7,818</b>

**(b) Expected credit loss:**

At beginning of the financial period, on adoption of MFRS 9  
Allowance made/(written back) due to changes in credit risk  
Exchange differences  
At the end of financial period

<b>The Group and the Bank</b>			
<b>Lifetime ECL</b>			
<b>12 months ECL</b>		<b>Non Credit</b>	
<b>(Stage 1)</b>		<b>Impaired</b>	
<b>(Stage 2)</b>		<b>Credit Impaired</b>	
<b>Total</b>	<b>(Stage 1)</b>	<b>(Stage 2)</b>	<b>(Stage 3-IA)</b>
<b>30-06-2018</b>	<b>30-06-2018</b>	<b>30-06-2018</b>	<b>30-06-2018</b>
<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
5,092	912	4,180	-
(40)	(89)	49	-
(92)	(2)	(90)	-
<b>4,960</b>	<b>821</b>	<b>4,139</b>	<b>-</b>

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**Notes to the financial statement**  
**for the financial period ended 30 June 2018**

11. Securities portfolio (continued)

	The Group and the Bank	
	30-06-2018	31-12-2017
	RM'000	RM'000
<b>(iii) Financial assets at amortised cost/</b>		
<b>Financial investments held-to-maturity</b>		
<u>At amortised cost</u>		
<u>Unquoted securities</u>		
Corporate bonds and/or Sukuk in Malaysia	40,490	16
Redeemable Secured Loan Stocks (a)	15,041	15,041
	<u>55,531</u>	<u>15,057</u>
Impairment transferred from loan and advances (b)	-	(6,950)
Expected credit loss ("ECL") (c)	(7,227)	-
	<u><b>48,304</b></u>	<u><b>8,107</b></u>

	The Group and the Bank	
	Lifetime ECL	
	Credit Impaired	
	(Stage 3-IA)	
	30-06-2018	
	RM'000	
<b>(a) Movement of credit impaired account:</b>		
At beginning of the financial period, on adoption of MFRS 9		15,041
Classified as credit impaired during the financial period		-
At end of the financial period		<u><b>15,041</b></u>

	The Group and the Bank	
	30-06-2018	31-12-2017
	RM'000	RM'000
<b>(b) Movement in allowance for impairment losses of financial investment held-to-maturity:</b>		
At beginning of the financial period	6,950	6,950
Effect of adoption of MFRS 9	(6,950)	-
At end of the financial period	<u><b>-</b></u>	<u><b>6,950</b></u>

	The Group and the Bank			
	Lifetime ECL			
	Non Credit		Lifetime ECL	
	Impaired		Credit Impaired	
	(Stage 2)		(Stage 3-IA)	
	30-06-2018	30-06-2018	30-06-2018	30-06-2018
	RM'000	RM'000	RM'000	RM'000
<b>(c) Expected credit loss:</b>				
At beginning of the financial period, on adoption of MFRS 9	7,185	235	-	6,950
Allowance made	42	42	-	-
At end of the financial period	<u><b>7,227</b></u>	<u><b>277</b></u>	<u><b>-</b></u>	<u><b>6,950</b></u>



**Affin Hwang Investment Bank Berhad**  
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**Notes to the financial statement**  
**for the financial period ended 30 June 2018**

12. Loans, advances and financing

**(i) By Type of Loan/Financing**

	<b>The Group and the Bank</b>	
	<b>30-06-2018</b>	<b>31-12-2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Term loans/financing		
- Syndicated term loan/financing	252,863	342,131
- Other term loans/financing	706,850	412,788
Staff loans	5,103	5,225
Share margin financing	374,191	357,181
Revolving credits	55,922	53,445
Receivables	-	40,497
Gross loans, advances and financing	<u>1,394,929</u>	<u>1,211,267</u>
Less :		
Allowances for impaired loans, advances and financing		
- Expected credit loss ("ECL")	(10,598)	-
- Individual allowance	-	(10)
- Collective allowance	-	(2,746)
Total net loans, advances and financing	<u><u>1,384,331</u></u>	<u><u>1,208,511</u></u>

**(ii) By Type of Customers**

Domestic business enterprises		
- Small medium enterprises	113,836	65,900
- Others	958,702	790,599
Domestic non-bank financial institutions	56,033	44,523
Individuals	266,202	251,779
Foreign individuals	156	58,466
Total gross loans, advances and financing	<u><u>1,394,929</u></u>	<u><u>1,211,267</u></u>

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12. Loans, advances and financing (continued)

(iii) By Interest/Profit Rate Sensitivity

	<b>The Group and the Bank</b>	
	<b>30-06-2018</b>	<b>31-12-2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed rate		
- Share margin financing	374,191	357,181
- Receivables	-	40,497
- Other fixed rate loans/financing	36,598	106,868
- Housing loans/financing	2,783	2,913
- Hire purchase receivables	2,268	2,253
Variable rate		
- Cost-plus	918,823	640,192
- BLR plus	23,379	23,383
- Other floating rate	36,887	37,980
Total gross loans, advances and financing	<u><u>1,394,929</u></u>	<u><u>1,211,267</u></u>

(iv) By Economic Purpose

Purchase of securities	620,307	685,610
Working capital	265,972	190,779
Purchase of transport vehicles	41,737	51,745
Construction	37,553	38,687
Purchase of landed properties (non-residential)	18,482	19,511
Purchase of landed properties (residential)	52,882	9,140
Personal use	52	59
Others	357,944	215,736
Total gross loans, advances and financing	<u><u>1,394,929</u></u>	<u><u>1,211,267</u></u>

(v) By Sector

Manufacturing	364,428	108,716
Household	266,358	310,245
Real estate	246,247	228,449
Finance, insurance and business services	138,912	194,165
Wholesale retail trade and restaurant and hotels	108,659	61,764
Transport, storage and communication	93,288	138,984
Education, health & others	58,271	58,203
Construction	56,027	56,811
Agriculture	51,596	1,461
Mining and quarrying	5,591	6,424
Others	5,552	46,045
Total gross loans, advances and financing	<u><u>1,394,929</u></u>	<u><u>1,211,267</u></u>

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**Notes to the financial statement**  
**for the financial period ended 30 June 2018**

12. Loans, advances and financing (continued)

**(vi) By Geographical Distribution**

	<b>The Group and the Bank</b>	
	<b>30-06-2018</b>	<b>31-12-2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Wilayah Persekutuan	703,635	575,151
Selangor	557,768	502,450
Johor	51,424	51,499
Sarawak	42,926	38,193
Perak	24,944	26,479
Pulau Pinang	13,040	15,540
Sabah	218	442
Negeri Sembilan	660	1,234
Kedah	248	203
Melaka	66	76
Total gross loans, advances and financing	<u><u>1,394,929</u></u>	<u><u>1,211,267</u></u>

**(vii) By Maturity Structure**

Maturing within one year	601,393	598,590
One year to three years	487,658	281,014
Three years to five years	182,461	203,970
Over five years	123,417	127,693
Total gross loans, advances and financing	<u><u>1,394,929</u></u>	<u><u>1,211,267</u></u>

**(viii) Movement of credit impaired loans, advances and financing**

At beginning of the financial period	65,910	49,307
Classified as impaired during the financial period	2,581	36,558
Amount written-off	-	(18,176)
Amount recovered	(1,067)	(1,779)
At end of the financial period	<u><u>67,424</u></u>	<u><u>65,910</u></u>
Gross impaired loans as a percentage of gross loans, advances and financing	<u><u>4.83%</u></u>	<u><u>5.44%</u></u>

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## Notes to the financial statement for the financial period ended 30 June 2018

### 12. Loans, advances and financing (continued)

**The Group and the Bank**  
**30-06-2018**                      **31-12-2017**  
**RM'000**                              **RM'000**

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

**Individual allowance**

At beginning of the financial period	10	18,176
Effect of adoption of MFRS 9	(10)	-
At beginning of the financial period, as restated	-	18,176
Allowance made	-	13
Amount written off	-	(18,176)
Amount written-back	-	(3)
At end of the financial period	-	10

**Collective allowance**

At beginning of the financial period	2,746	3,323
Effect of adoption of MFRS 9	(2,746)	-
At beginning of the financial period, as restated	-	3,323
Allowance made	-	542
Amount written-back	-	(1,119)
At end of the financial period	-	2,746

**The Group and the Bank**

**Lifetime ECL**

**Non Credit  
Impaired**

**Lifetime ECL  
Credit Impaired**

<b>Total</b>	<b>12 months ECL (Stage 1)</b>	<b>Non Credit Impaired (Stage 2)</b>	<b>Lifetime ECL Credit Impaired (Stage 3-IA)</b>
<b>30-06-2018</b>	<b>30-06-2018</b>	<b>30-06-2018</b>	<b>30-06-2018</b>
<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>

**Expected credit loss**

At beginning of the financial period, on adoption of MFRS 9	6,540	5,756	774	10
Effect of adoption of MFRS9:-				
Total transfer between stages	-	(758)	580	178
Transfer to 12-month ECL (Stage 1)	-	-	-	-
Transfer to Lifetime ECL not credit impaired (Stage 2):				
- Changes due to change in credit risk	-	(758)	758	-
Transfer to Lifetime ECL credit impaired provision (Stage 3):				
- Changes due to change in credit risk	-	-	(178)	178
Loans/Financing derecognised during the period (other than write-offs)	(2,052)	(1,614)	(438)	-
New loans/financing originated or purchased	2,075	1,973	102	-
Changes due to change in credit risk	4,035	404	3,152	479
At the end of financial period	<b>10,598</b>	<b>5,761</b>	<b>4,170</b>	<b>667</b>

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**Notes to the financial statement**  
**for the financial period ended 30 June 2018**

12. Loans, advances and financing (continued)

**The Group and the Bank**  
**30-06-2018**                      **31-12-2017**  
**RM'000**                              **RM'000**

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

Working capital	36,545	36,545
Purchase of landed properties (non-residential)	18,482	19,511
Other purpose	9,808	9,844
Purchase of transport vehicles	2,584	5
Personal use	5	5
Total impaired loans, advances and financing	<u>67,424</u>	<u>65,910</u>

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

Construction	36,545	36,545
Finance, insurance and business services	13,910	14,938
Real estate	14,263	14,264
Mining and quarrying	2,581	-
Wholesale retail trade and restaurant and hotels	117	153
Household	8	10
Total impaired loans, advances and financing	<u>67,424</u>	<u>65,910</u>

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

Sarawak	36,545	36,545
Selangor	28,177	29,359
Wilayah Persekutuan	2,702	6
Total impaired loans, advances and financing	<u>67,424</u>	<u>65,910</u>

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## Notes to the financial statement for the financial period ended 30 June 2018

### 13. Trade receivables

	The Group		The Bank	
	30-06-2018 RM'000	31-12-2017 RM'000	30-06-2018 RM'000	31-12-2017 RM'000
Amount in respect of management fees receivable and cancellation of funds' units	73,427	128,612	-	-
Amount due from clients (a)	625,435	267,165	625,435	267,165
Amount due from brokers	103,419	71,330	103,419	71,330
	<u>802,281</u>	<u>467,107</u>	<u>728,854</u>	<u>338,495</u>
Amount due from Bursa Securities Clearing Sdn. Bhd.	-	83,281	-	83,281
	<u>802,281</u>	<u>550,388</u>	<u>728,854</u>	<u>421,776</u>
Less: - Individual allowance (b)	-	(1,029)	-	(1,029)
- Expected credit loss ("ECL") (c)	(925)	-	(909)	-
	<u><b>801,356</b></u>	<u><b>549,359</b></u>	<u><b>727,945</b></u>	<u><b>420,747</b></u>

	The Group and the Bank	
	30-06-2018 RM'000	31-12-2017 RM'000
<b>(a) Movement of impaired amount due from clients</b>		
At beginning of the financial period	1,366	1,705
Classified as impaired during the financial period	102	541
Amount recovered	(604)	(880)
At end of the financial period	<u><b>864</b></u>	<u><b>1,366</b></u>

<b>(b) Movement in individual allowances</b>		
At beginning of the financial period	1,029	1,368
Effect of adoption of MFRS 9	(1,029)	-
At beginning of the financial period, as restated	-	1,368
Allowance made	-	541
Amount written back	-	(880)
At end of the financial period	<u><b>-</b></u>	<u><b>1,029</b></u>

	The Group		Lifetime ECL Credit Impaired 30-06-2018 RM'000
	Total 30-06-2018 RM'000	Lifetime ECL Non Credit Impaired 30-06-2018 RM'000	
<b>(c) Expected credit loss</b>			
At beginning of the financial period, on adoption of MFRS 9	1,134	105	1,029
Allowance made	15	15	-
Amount written back	(224)	-	(224)
At end of the financial period	<u><b>925</b></u>	<u><b>120</b></u>	<u><b>805</b></u>

	The Bank		Lifetime ECL Credit Impaired 30-06-2018 RM'000
	Total 30-06-2018 RM'000	Lifetime ECL Non Credit Impaired 30-06-2018 RM'000	
<b>(c) Expected credit loss</b>			
At beginning of the financial period, on adoption of MFRS 9	1,112	83	1,029
Allowance made	21	21	-
Amount written back	(224)	-	(224)
At end of the financial period	<u><b>909</b></u>	<u><b>104</b></u>	<u><b>805</b></u>

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## Notes to the financial statement for the financial period ended 30 June 2018

### 14. Other assets

	The Group		The Bank	
	30-06-2018 RM'000	31-12-2017 RM'000	30-06-2018 RM'000	31-12-2017 RM'000
Other debtors, deposits and prepayments	53,576	31,475	49,520	28,330
Collateral pledged for derivative transactions	520	168	520	168
Clearing Guarantee Fund	1,833	1,827	1,833	1,827
Clearing Fund	1,000	1,000	1,000	1,000
Transferable membership	200	200	100	100
Less : Individual allowance (a)	-	(712)	-	(712)
Expected credit loss ("ECL") (b)	(1,118)	-	(1,118)	-
	<b>56,011</b>	<b>33,958</b>	<b>51,855</b>	<b>30,713</b>

#### Movement in credit impaired accounts

	The Group and the Bank Lifetime ECL Credit Impaired 30-06-2018 RM'000
At beginning of the financial period	712
Classified as impaired during the financial period	382
At end of the financial period	<b>1,094</b>

#### Movement in allowances are as follows:

##### (a) Individual allowance

	The Group and the Bank 30-06-2018 RM'000	31-12-2017 RM'000
At beginning of the financial period	712	6,134
Effect of adoption of MFRS 9	(712)	-
At beginning of the financial period, as restated	-	6,134
Allowance made	-	661
Amount written back	-	(663)
Amount written off	-	(5,420)
At end of the financial period	-	712

##### (b) Expected credit loss:

	The Group and the Bank		
	Total 30-06-2018 RM'000	Lifetime ECL Non Credit Impaired 30-06-2018 RM'000	Lifetime ECL Credit Impaired 30-06-2018 RM'000
At beginning of the financial period, on adoption of MFRS 9	724	12	712
Net allowances made	394	12	382
At end of the financial period	<b>1,118</b>	<b>24</b>	<b>1,094</b>

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**for the financial period ended 30 June 2018**

**15. Deposit from customers**

	<b>The Group and the Bank</b>	
	<b>30-06-2018</b>	<b>31-12-2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>By type of deposits:</u></b>		
Fixed deposits	3,896,372	3,377,252
Negotiable instruments of deposits	1,009,299	1,012,464
Other deposits	85,738	101,811
	<b><u>4,991,409</u></b>	<b><u>4,491,527</u></b>
<b><u>By maturity structure:</u></b>		
Due within six months	2,973,654	3,167,525
Six months to one year	1,095,519	367,127
More than one year	922,236	956,875
	<b><u>4,991,409</u></b>	<b><u>4,491,527</u></b>
<b><u>By type of customer:</u></b>		
Domestic non-banking financial institutions	2,623,446	2,099,370
Business enterprises	982,166	1,024,714
Domestic banking institutions	1,009,011	1,012,181
Government and statutory bodies	291,544	286,167
Individuals	53,977	37,650
Foreign entities	16,542	5,125
Others	14,723	26,320
	<b><u>4,991,409</u></b>	<b><u>4,491,527</u></b>

**16. Deposit and placements of banks and other financial institution**

	<b>The Group and the Bank</b>	
	<b>30-06-2018</b>	<b>31-12-2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Licensed banks	486,944	590,600
Licensed investment banks	75,137	-
	<b><u>562,081</u></b>	<b><u>590,600</u></b>



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**17. Obligations on securities sold under repurchase agreements**

	<b>The Group and the Bank</b>	
	<b>30-06-2018</b>	<b>31-12-2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Financial assets at FVOCI	95,476	-
Financial investments available-for-sale	-	96,013
	<b>95,476</b>	<b>96,013</b>

**18. Trade payables**

	<b>The Group</b>		<b>The Bank</b>	
	<b>30-06-2018</b>	<b>31-12-2017</b>	<b>30-06-2018</b>	<b>31-12-2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Amount due to clients	469,771	299,655	469,771	299,655
Amount due to brokers	163,236	94,059	163,236	94,059
Amount due to unit trust funds	97,066	253,359	-	-
Amount due to unit holders	47,598	29,865	-	-
Amount due to Bursa Securities Clearing Sdn. Bhd.	91,664	-	91,664	-
	<b>869,335</b>	<b>676,938</b>	<b>724,671</b>	<b>393,714</b>

**19. Other liabilities**

	<b>The Group</b>		<b>The Bank</b>	
	<b>30-06-2018</b>	<b>31-12-2017</b>	<b>30-06-2018</b>	<b>31-12-2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Commissioned dealer's representative trust balances	48,812	49,119	48,812	49,119
Collateral pledged for derivative transactions	29	29	29	29
Amount payable to dealer's representative	43,765	39,505	43,765	39,505
Accrued employee benefit	67,971	89,338	25,196	31,115
Securities borrowing and lending - borrow	62,013	82,030	62,013	82,030
Other liabilities	104,826	124,131	48,229	52,917
Less : Expected credit loss -loan commitments and financial guarantee (a)	557	-	557	-
	<b>327,973</b>	<b>384,152</b>	<b>228,601</b>	<b>254,715</b>

**The Group and the Bank**  
**30-06-2018**  
**RM'000**

**(a) Movement in expected credit loss**

At beginning of the financial period, on adoption of MFRS 9	596
Net loan commitments and financial guarantees issued during the financial period	1,124
Net remeasurement of loss allowance	(1,163)
At end of the financial period	<b>557</b>

## Affin Hwang Investment Bank Berhad

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### Notes to the financial statement for the financial period ended 30 June 2018

#### 20. Reserves

	The Group		The Bank	
	30-06-2018 RM'000	31-12-2017 RM'000	30-06-2018 RM'000	31-12-2017 RM'000
Foreign exchange reserve	151	151	-	-
Regulatory reserves (a)	26,102	11,790	26,102	11,790
FVOCI/available-for-sale revaluation reserves (b)	(30,900)	(14,466)	(30,981)	(14,762)
	<u>(4,647)</u>	<u>(2,525)</u>	<u>(4,879)</u>	<u>(2,972)</u>
Retained profits	547,355	605,611	546,050	609,213
	<u>542,708</u>	<u>603,086</u>	<u>541,171</u>	<u>606,241</u>

(a) The Group and the Bank are required to maintain in aggregate expected credit allowances and regulatory reserves of no less than 1.0% of total exposure amount net of impaired credit allowances.

(b) The FVOCI/available-for-sale revaluation reserves represent the unrealised gains or losses arising from a change in the fair value of investments classified as financial assets at fair value through other comprehensive income ("FVOCI") and expected credit loss allowances on financial assets at FVOCI. The gains or losses are transferred to the income statement upon disposal or when the securities becomes impaired.

#### 21. 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
	30-06-2018 RM'000	30-06-2017 RM'000	30-06-2018 RM'000	30-06-2017 RM'000
Loans, advances and financing				
- Interest income on loans and advances	14,401	12,592	26,132	24,575
- Margin financing	6,569	5,641	13,112	10,344
Money at call and deposit placements with financial institutions	3,920	3,055	7,520	5,942
Financial assets at amortised cost	657	-	1,297	-
Financial assets at FVOCI	51,089	-	100,387	-
Financial investments available-for-sale	-	50,595	-	98,835
Financial investments held-to-maturity	-	516	-	1,025
Others	107	132	275	230
	<u>76,743</u>	<u>72,531</u>	<u>148,723</u>	<u>140,951</u>
Net accretion of discounts less amortisation of premiums	(1,090)	(1,085)	(2,203)	(2,131)
	<u>75,653</u>	<u>71,446</u>	<u>146,520</u>	<u>138,820</u>
of which:				
Interest income earned on impaired loans, advances and financing	929	309	1,779	555

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**Notes to the financial statement**  
**for the financial period ended 30 June 2018**

**21. Interest income (continued)**

	<b>The Bank</b>			
	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current</b>	<b>Preceding Year</b>	<b>Current</b>	<b>Preceding Year</b>
	<b>Financial</b>	<b>Corresponding</b>	<b>Financial</b>	<b>Corresponding</b>
	<b>Period ended</b>	<b>Period ended</b>	<b>Period-to-date</b>	<b>Period-to-date</b>
	<b>30-06-2018</b>	<b>30-06-2017</b>	<b>30-06-2018</b>	<b>30-06-2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Loans, advances and financing				
- Interest income on loans and advances	14,393	12,592	26,117	24,575
- Margin financing	6,569	5,641	13,112	10,344
Money at call and deposit placements with financial institutions	3,488	2,877	6,624	5,606
Financial assets at amortised cost	657	-	1,297	-
Financial assets at FVOCI	51,089	-	100,387	-
Financial investments available-for-sale	-	50,595	-	98,835
Financial investments held-to-maturity	-	516	-	1,025
Others	107	131	275	230
	<u>76,303</u>	<u>72,352</u>	<u>147,812</u>	<u>140,615</u>
Net accretion of discounts less amortisation of premiums	(1,090)	(1,085)	(2,203)	(2,131)
	<u><b>75,213</b></u>	<u><b>71,267</b></u>	<u><b>145,609</b></u>	<u><b>138,484</b></u>
of which:				
Interest income earned on impaired loans, advances and financing	<u><b>929</b></u>	<u><b>309</b></u>	<u><b>1,779</b></u>	<u><b>555</b></u>

**22. Interest expense**

	<b>The Group and the Bank</b>			
	<b>Current</b>	<b>Preceding Year</b>	<b>Current</b>	<b>Preceding Year</b>
	<b>Financial</b>	<b>Corresponding</b>	<b>Financial</b>	<b>Corresponding</b>
	<b>Period ended</b>	<b>Period ended</b>	<b>Period-to-date</b>	<b>Period-to-date</b>
	<b>30-06-2018</b>	<b>30-06-2017</b>	<b>30-06-2018</b>	<b>30-06-2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Deposits from customers	53,730	49,340	102,180	94,756
Deposits and placements of banks and other financial institutions	1,841	3,572	3,694	7,287
Obligations on securities sold under repurchase agreements	611	1,021	1,028	2,085
Foreign currency borrowings	473	848	973	1,226
Others	346	153	710	275
	<u><b>57,001</b></u>	<u><b>54,934</b></u>	<u><b>108,585</b></u>	<u><b>105,629</b></u>

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**Notes to the financial statement**  
**for the financial period ended 30 June 2018**

## 23. 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
30-06-2018	30-06-2017	30-06-2018	30-06-2017	
	RM'000	RM'000	RM'000	RM'000
<b>(a) Fee and commission income :</b>				
Unit trust management and incentive fee	77,515	71,329	151,639	122,236
Initial service charge	23,926	37,718	61,699	66,159
Net brokerage income	17,370	18,416	37,578	35,628
Private placement Fee	2,649	1,172	2,911	3,659
Corporate advisory fees	3,942	3,003	7,716	4,853
Underwriting commissions and placement fees	2,112	707	2,362	2,003
Fees on loans, advances and financing	2,511	1,319	3,544	1,813
Arrangement fees	575	400	1,425	1,000
Agency fees	250	529	2,045	1,044
Guarantee fees	-	150	561	192
Others	1,920	(1,013)	2,589	2,217
	<b>132,770</b>	<b>133,730</b>	<b>274,069</b>	<b>240,804</b>
<b>(b) Fee and commission expense :</b>				
Commission and referral expenses	(39,386)	(51,037)	(94,094)	(89,354)
<b>Net fee and commission income</b>	<b>93,384</b>	<b>82,693</b>	<b>179,975</b>	<b>151,450</b>

	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
30-06-2018	30-06-2017	30-06-2018	30-06-2017	
	RM'000	RM'000	RM'000	RM'000
<b>Fee income</b>				
Net brokerage income	17,370	18,416	37,578	35,628
Private placement Fee	2,649	1,172	2,911	3,659
Corporate advisory fees	3,821	3,003	7,459	4,853
Fees on loans, advances and financing	2,511	1,319	3,544	1,813
Arrangement fees	575	400	1,425	1,000
Agency fees	250	529	2,045	1,044
Underwriting commissions and placement fees	1,116	94	1,116	435
Guarantee fees	-	150	561	192
Others	1,733	(1,082)	2,150	1,996
	<b>30,025</b>	<b>24,001</b>	<b>58,789</b>	<b>50,620</b>
<b>(b) Fee and commission expense :</b>				
Commission and referral expenses	-	-	-	-
<b>Net fee and commission income</b>	<b>30,025</b>	<b>24,001</b>	<b>58,789</b>	<b>50,620</b>

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## Notes to the financial statement for the financial period ended 30 June 2018

### 24. Net gain and losses on financial instruments

	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
	30-06-2018 RM'000	30-06-2017 RM'000	30-06-2018 RM'000	30-06-2017 RM'000
Gains/(losses) arising on financial assets at FVTPL				
- net gain on disposal	15,513	17,577	33,522	40,871
- unrealised loss	(1,978)	(74)	(2,105)	(280)
- gross dividend income	316	39	2,217	133
- interest income	5,194	5,267	9,869	10,560
Gains/(losses) on derivative instruments				
- net loss on disposal	(54)	-	(54)	-
- unrealised gain/(loss)	786	(2,737)	739	(4,201)
- interest income	424	765	1,102	1,521
- interest expense	(444)	(646)	(959)	(1,257)
Gains arising on financial assets at FVOCI				
- net gain on disposal	111	-	1,100	-
- gross dividend income	1,756	-	1,942	-
Gains arising on financial investments available-for-sale				
- net gain on disposal	-	4,192	-	8,409
- gross dividend income	-	3,636	-	8,278
	<b>21,624</b>	<b>28,019</b>	<b>47,373</b>	<b>64,034</b>

	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
	30-06-2018 RM'000	30-06-2017 RM'000	30-06-2018 RM'000	30-06-2017 RM'000
Gains/(losses) arising on financial assets at FVTPL				
- net gain on disposal	15,513	17,577	33,848	40,871
- unrealised loss	(581)	(78)	(1,189)	(248)
- gross dividend income	162	39	1,332	133
- interest income	5,194	5,267	9,869	10,560
Gains/(losses) on derivative instruments				
- net loss on disposal	(54)	-	(54)	-
- unrealised gain/(loss)	786	(2,737)	739	(4,201)
- interest income	424	765	1,102	1,521
- interest expense	(444)	(646)	(959)	(1,257)
Gains arising on financial assets at FVOCI				
- net gain on disposal	111	-	1,100	-
- gross dividend income	1,639	-	1,942	-
Gains arising on financial investments available-for-sale				
- net gain on disposal	-	4,192	-	8,367
- gross dividend income	-	3,548	-	8,152
	<b>22,750</b>	<b>27,927</b>	<b>47,730</b>	<b>63,898</b>

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## 25. Other operating income

	<b>The Group</b>			
	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current</b>	<b>Preceding Year</b>	<b>Current</b>	<b>Preceding Year</b>
	<b>Financial</b>	<b>Corresponding</b>	<b>Financial</b>	<b>Corresponding</b>
	<b>Period ended</b>	<b>Period ended</b>	<b>Period-to-date</b>	<b>Period-to-date</b>
	<b>30-06-2018</b>	<b>30-06-2017</b>	<b>30-06-2018</b>	<b>30-06-2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Foreign exchange gain/(loss)				
- realised	3,548	(3,840)	7,301	5,361
- unrealised	474	11,160	(2,613)	6,076
Gain on disposal of property, plant and equipment	22	284	121	414
Other non-operating income	320	114	505	350
	<b>4,364</b>	<b>7,718</b>	<b>5,314</b>	<b>12,201</b>

  

	<b>The Bank</b>			
	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current</b>	<b>Preceding Year</b>	<b>Current</b>	<b>Preceding Year</b>
	<b>Financial</b>	<b>Corresponding</b>	<b>Financial</b>	<b>Corresponding</b>
	<b>Period ended</b>	<b>Period ended</b>	<b>Period-to-date</b>	<b>Period-to-date</b>
	<b>30-06-2018</b>	<b>30-06-2017</b>	<b>30-06-2018</b>	<b>30-06-2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Foreign exchange gain/(loss)				
- realised	8,773	(3,276)	12,682	5,359
- unrealised	(6,907)	10,989	(6,742)	6,294
Gain on disposal of property and equipment	22	-	104	130
Gross dividend income from subsidiaries	21,000	-	21,000	-
Other non-operating income	560	374	782	559
	<b>23,448</b>	<b>8,087</b>	<b>27,826</b>	<b>12,342</b>

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### 26. 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
30-06-2018	30-06-2017	30-06-2018	30-06-2017	
	RM'000	RM'000	RM'000	RM'000
<b>Personnel costs</b>				
Salaries, allowances and bonuses	49,285	46,594	100,461	96,080
Contributions to defined contribution plan	8,140	7,267	15,751	13,877
Other personnel costs	12,808	9,027	21,886	16,785
	<u>70,233</u>	<u>62,888</u>	<u>138,098</u>	<u>126,742</u>
<b>Promotion and marketing-related expenses</b>				
Business promotion and advertisement	2,047	4,165	4,073	5,602
Travelling and accomodation	1,000	1,029	1,801	1,586
Entertainment	781	925	1,496	1,733
Others	338	1,021	1,277	1,425
Dealers' handling fees	300	300	600	600
Commission and brokerage expenses	219	144	358	262
	<u>4,685</u>	<u>7,584</u>	<u>9,605</u>	<u>11,208</u>
<b>Establishment-related expenses</b>				
Rental of premises	3,228	3,299	6,393	6,588
Depreciation of property and equipment	2,269	2,190	4,541	4,333
Repair and maintenance	1,425	1,744	3,318	3,381
Electricity, water and sewerage	644	624	1,260	1,208
Amortisation of intangible assets	594	565	1,171	1,131
Equipment rental	421	330	743	617
Insurance and indemnities	252	230	489	432
Others	48	46	94	99
	<u>8,881</u>	<u>9,028</u>	<u>18,009</u>	<u>17,789</u>
<b>General administrative expenses</b>				
Telecommunication expenses	2,372	2,350	4,683	4,328
Subscription	2,668	1,787	4,613	3,723
Professional fees	896	1,925	2,338	4,049
Directors' remuneration (a)	754	573	1,431	1,291
Auditors' remuneration	181	287	361	458
Property, plant and equipment written off	1	1	13	1
Others	1,685	1,879	3,707	3,831
	<u>8,557</u>	<u>8,802</u>	<u>17,146</u>	<u>17,681</u>
<b>Total other operating expenses</b>	<u><b>92,356</b></u>	<u><b>88,302</b></u>	<u><b>182,858</b></u>	<u><b>173,420</b></u>

### 26. (a) Directors' Remuneration

	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
30-06-2018	30-06-2017	30-06-2018	30-06-2017	
	RM'000	RM'000	RM'000	RM'000
<b>Group Managing Director</b>				
<b>Fixed and non-deferred remuneration</b>				
- Salary	450	450	900	900
- Other emoluments*	11	11	21	21
<b>Variable and non-deferred remuneration</b>				
- Bonus	1,950	-	1,950	1,600
- Estimate money value of benefit-in-kind	15	15	31	31
	<u>2,426</u>	<u>476</u>	<u>2,902</u>	<u>2,552</u>
<b>Non-executive directors</b>				
<b>Fixed and non-deferred remuneration</b>				
- Fees	581	418	1,161	945
- Other emoluments*	173	155	270	346
	<u>754</u>	<u>573</u>	<u>1,431</u>	<u>1,291</u>

\* Other emoluments comprise mainly fixed allowances and meeting allowances.

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### 26. Other operating expenses (continued)

	The Bank			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period ended 30-06-2018 RM'000	Period ended 30-06-2017 RM'000	Period-to-date 30-06-2018 RM'000	Period-to-date 30-06-2017 RM'000
<b>Personnel costs</b>				
Salaries, allowances and bonuses	31,789	32,335	67,119	69,725
Contributions to defined contribution plan	4,092	3,821	8,085	7,677
Other personnel costs	2,856	2,964	5,129	5,725
	<u>38,737</u>	<u>39,120</u>	<u>80,333</u>	<u>83,127</u>
<b>Promotion and marketing-related expenses</b>				
Business promotion and advertisement	841	571	1,581	1,064
Travelling and accomodation	486	504	804	765
Dealers' handling fees	300	300	600	600
Commission and brokerage expenses	219	217	354	262
Entertainment	128	190	269	345
	<u>1,974</u>	<u>1,782</u>	<u>3,608</u>	<u>3,036</u>
<b>Establishment-related expenses</b>				
Rental of premises	2,270	2,409	4,515	4,809
Depreciation of property and equipment	1,494	1,473	2,984	2,964
Repair and maintenance	869	1,120	2,005	2,236
Electricity, water and sewerage	548	545	1,085	1,046
Amortisation of intangible assets	314	294	630	606
Insurance and indemnities	239	186	420	351
Equipment rental	22	26	46	38
Others	48	46	94	99
	<u>5,804</u>	<u>6,099</u>	<u>11,779</u>	<u>12,149</u>
<b>General administrative expenses</b>				
Telecommunication expenses	1,976	1,876	3,930	3,473
Subscription	1,711	1,681	3,518	3,504
Directors' remuneration (a)	675	535	1,162	1,040
Auditors' remuneration	126	126	252	252
Professional fees	124	177	176	353
Property, plant and equipment written off	1	-	13	-
Others	1,502	1,663	3,210	3,343
	<u>6,115</u>	<u>6,058</u>	<u>12,261</u>	<u>11,965</u>
<b>Total other operating expenses</b>	<u><u>52,630</u></u>	<u><u>53,059</u></u>	<u><u>107,981</u></u>	<u><u>110,277</u></u>

### 26. (a) Directors' Remuneration

	The Bank			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period ended 30-06-2018 RM'000	Period ended 30-06-2017 RM'000	Period-to-date 30-06-2018 RM'000	Period-to-date 30-06-2017 RM'000
<b>Group Managing Director</b>				
<b>Fixed and non-deferred remuneration</b>				
- Salary	450	450	900	900
- Other emoluments*	11	11	21	21
<b>Variable and non-deferred remuneration</b>				
- Bonus	1,950	-	1,950	1,600
- Estimate money value of benefit-in-kind	15	15	31	31
	<u>2,426</u>	<u>476</u>	<u>2,902</u>	<u>2,552</u>
<b>Non-executive directors</b>				
<b>Fixed and non-deferred remuneration</b>				
- Fees	543	380	974	752
- Other emoluments*	132	155	188	288
	<u>675</u>	<u>535</u>	<u>1,162</u>	<u>1,040</u>

\* Other emoluments comprise mainly fixed allowances and meeting allowances.



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## 27 (a). Allowances of credit impairment losses

	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	
30-06-2018	30-06-2017	30-06-2018	30-06-2017	
RM'000	RM'000	RM'000	RM'000	
(Allowances)/write-back of credit impairment losses :				
Expected credit losses				
- loans, advances and financing and trade receivables	(4,793)	-	(3,849)	-
- securities placements and other assets	(254)	-	(304)	-
- loan and financing commitments and contingencies	807	-	39	-
Bad debts recovered	31	-	33	-
	<u>(4,209)</u>	<u>-</u>	<u>(4,081)</u>	<u>-</u>

	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	
30-06-2018	30-06-2017	30-06-2018	30-06-2017	
RM'000	RM'000	RM'000	RM'000	
(Allowances)/write-back of credit impairment losses :				
Expected credit losses				
- loans, advances and financing and trade receivables	(4,798)	-	(3,855)	-
- securities placements and other assets	(255)	-	(304)	-
- loan and financing commitments and contingencies	807	-	39	-
Bad debts recovered	31	-	33	-
	<u>(4,215)</u>	<u>-</u>	<u>(4,087)</u>	<u>-</u>

## 27(b). (Allowances)/write-back of 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	
30-06-2018	30-06-2017	30-06-2018	30-06-2017	
RM'000	RM'000	RM'000	RM'000	
Allowances/(write-back) of losses on loans, advances and financing and receivables:				
Individual allowance				
- Made during the financial period	-	(373)	-	(405)
- Written back during the financial period	-	122	-	368
Collective allowance				
- Made during the financial period	-	(198)	-	(198)
- Written back during the financial period	-	166	-	903
Bad debts recovered	-	31	-	73
Write-back for other assets	-	54	-	6
	<u>-</u>	<u>(198)</u>	<u>-</u>	<u>747</u>

## 28. Impairment loss on securities

	The Group and the Bank			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Financial	Financial	Financial
Period ended	Period ended	Period-to-date	Period-to-date	
30-06-2018	30-06-2017	30-06-2018	30-06-2017	
RM'000	RM'000	RM'000	RM'000	
Allowances for impairment loss:				
- Financial investments available-for-sale	-	-	-	(712)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(712)</u>

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## Notes to the financial statement for the financial period ended 30 June 2018

### 29. Capital adequacy

	The Group		The Bank	
	30-06-2018 RM'000	31-12-2017 RM'000	30-06-2018 RM'000	31-12-2017 RM'000
<b>Basel III</b>				
<b>Common Equity Tier (CET) 1 Capital :</b>				
Paid-up share capital	999,800	999,800	999,800	999,800
Foreign exchange translation reserve	151	151	-	-
Retained profits	573,457	617,401	572,153	621,003
Unrealised losses on FVOCI instruments/AFS instruments	(30,900)	(14,466)	(30,982)	(14,762)
	<u>1,542,508</u>	<u>1,602,886</u>	<u>1,540,971</u>	<u>1,606,041</u>
Less : Regulatory adjustment				
Goodwill and Intangible assets	(323,449)	(323,801)	(316,339)	(316,969)
Investment in subsidiaries /associates	-	-	(127,784)	(114,235)
Regulatory reserve	(26,102)	(11,790)	(26,102)	(11,790)
Deferred tax assets	(28,356)	(22,165)	(20,193)	(10,817)
Total CET 1 capital	<u>1,164,601</u>	<u>1,245,130</u>	<u>1,050,553</u>	<u>1,152,230</u>
<b>Additional Tier 1 Capital</b>				
Non-controlling interests	17,620	9,213	-	-
Total CET 1 capital / Tier 1 capital (a)	<u>1,182,221</u>	<u>1,254,343</u>	<u>1,050,553</u>	<u>1,152,230</u>
<b>Tier 2 capital</b>				
Collective allowance for financial assets	30,660	13,549	28,439	13,549
Less : Regulatory adjustment				
Investment in subsidiaries	-	-	-	(13,549)
Total Tier 2 capital (b)	<u>30,660</u>	<u>13,549</u>	<u>28,439</u>	<u>-</u>
<b>Total Capital (a) + (b)</b>	<b><u>1,212,881</u></b>	<b><u>1,267,892</u></b>	<b><u>1,078,992</u></b>	<b><u>1,152,230</u></b>
Proposed dividends	<u>45,000</u>	<u>88,000</u>	<u>45,000</u>	<u>88,000</u>
<b>Capital Ratio</b>				
CET 1 capital ratio	31.658%	34.806%	34.296%	40.546%
Tier 1 capital ratio	32.137%	35.064%	34.296%	40.546%
Total capital ratio	32.971%	35.442%	35.225%	40.546%
CET 1 capital ratio (net of proposed dividends)	30.435%	32.346%	32.827%	37.449%
Tier 1 capital ratio (net of proposed dividends)	30.914%	32.604%	32.827%	37.449%
Total capital ratio (net of proposed dividends)	31.748%	32.982%	33.756%	37.449%
Breakdown of risk-weighted assets in the various categories of risk-weights:				
Credit risk	2,452,760	2,359,199	2,275,138	2,131,880
Market risk	398,713	440,245	348,488	299,635
Operational risk	827,176	777,901	439,534	410,291
Total Risk-Weighted Assets	<u>3,678,649</u>	<u>3,577,345</u>	<u>3,063,160</u>	<u>2,841,806</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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**30. Commitments and contingencies**

	<b>The Group and the Bank</b>	
	<b>30-06-2018</b>	<b>31-12-2017</b>
	<b>Principal amount RM'000</b>	<b>Principal amount RM'000</b>
Direct credit substitutes	159,470	104,927
Commitments to extend credit:		
- maturity not exceeding one year	113,200	58,339
- maturity exceeding one year	353	480
Interest rate related contracts:		
- less than one year	300,000	250,000
- one year to less than five years	2,255,000	1,515,000
- more than five years	30,000	-
Foreign exchange related contracts:		
- less than one year	3,956,760	5,084,328
- one year to less than five years	143,717	283,764
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	374,653	409,263
<b>Total</b>	<b><u>7,333,153</u></b>	<b><u>7,706,101</u></b>

**31. Credit exposures arising from transactions with connected parties**

In compliance with the requirement of BNM's guidelines on Credit Transactions and Exposures with Connected Parties for the Bank (Ref No: BNM/RH/GL 001-25), the following information as at 30 June 2018 are as follows:

(i) The aggregate value of outstanding credit exposures with connected parties (RM'000)	607,329
(ii) The percentage of outstanding credit exposures to connected parties as a proportion of credit exposures	9.63%
(iii) The percentage of outstanding credit exposures with connected parties which is non-performing or in default	Nil

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#### 32. 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
<b>30-06-2018</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss				
- Money market instruments	-	167,669	-	167,669
- Corporate bonds or sukuk	-	19,811	-	19,811
- Shares, warrant unit trusts and REITs	167,753	-	-	167,753
Financial assets at FVOCI				
- Money market instruments	-	994,777	-	994,777
- Corporate bonds or sukuk	-	3,693,557	-	3,693,557
- Equity securities	48,751	-	21,809	70,560
Derivative financial assets	-	54,081	-	54,081
	216,504	4,929,895	21,809	5,168,208
<b>Liabilities</b>				
Derivative financial liabilities	-	49,295	-	49,295
<b>31-12-2017</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss				
- Money market instruments	-	30,573	-	30,573
- Corporate bonds or sukuk	-	18,803	-	18,803
- Shares, warrant unit trusts and REITs	45,675	-	-	45,675
Financial investments available-for-sale *				
- Money market instruments	-	735,634	-	735,634
- Corporate bonds or sukuk	-	3,834,644	-	3,834,644
- Shares, warrant unit trusts and REITs	233,637	-	20,611	254,248
Derivative financial assets	-	54,950	-	54,950
	279,312	4,674,604	20,611	4,974,527
<b>Liabilities</b>				
Derivative financial liabilities	-	54,808	-	54,808

\* Net of allowance for impairment

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**32. 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):

<b>Bank</b>	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>30-06-2018</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss				
- Money market instruments	-	167,669	-	167,669
- Corporate bonds and/or sukuk	-	22	-	22
- Shares, warrant unit trusts and REITs	126,488	-	-	126,488
Financial assets at FVOCI				
- Money market instruments	-	994,777	-	994,777
- Corporate bonds and/or sukuk	-	3,693,557	-	3,693,557
- Equity securities	48,751	-	21,809	70,560
Derivative financial assets	-	54,081	-	54,081
	175,239	4,910,106	21,809	5,107,154
<b>Liabilities</b>				
Derivative financial liabilities	-	49,295	-	49,295
<b>31-12-2017</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss				
- Money market instruments	-	30,573	-	30,573
- Shares, warrant unit trusts and REITs	38,696	-	-	38,696
Financial investments available-for-sale *				
- Money market instruments	-	735,634	-	735,634
- Corporate bonds and/or sukuk	-	3,833,654	-	3,833,654
- Shares, warrant unit trusts and REITs	204,002	-	20,611	224,613
Derivative financial assets	-	54,950	-	54,950
	242,698	4,654,811	20,611	4,918,120
<b>Liabilities</b>				
Derivative financial liabilities	-	54,808	-	54,808

\* Net of allowance for impairment

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**32. FAIR VALUE MEASUREMENTS (continued)**

Financial instruments that are valued using quoted prices in active markets are classified as Level 1 of the valuation hierarchy. These would include listed equities which are actively traded. Where fair value is determined using quoted prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Group and the Bank then determine fair value based upon valuation techniques that use as inputs, market parameters including but not limited to yield curves, volatilities and foreign exchange rates. The majority of valuation techniques employ only observable market data and so reliability of the fair value measurement is high. These would include corporate private debt securities, corporate notes and most of the Group's over-the-counter ("OTC") derivatives.

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

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

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

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

	<b>The Group and The Bank</b>	
	<b>30-06-2018</b>	<b>31-12-2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Opening	20,611	19,528
FVOCI revaluation reserve	1,198	-
AFS revaluation reserve	-	1,083
Closing	<u>21,809</u>	<u>20,611</u>

**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 2017, 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.

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**Notes to the financial statement  
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Liquidity risk for assets and liabilities based on remaining contractual maturities :-

The maturities of on-balance sheet assets and liabilities as well as other off-balance sheet assets and liabilities, commitments and counter-guarantees are important factors in assessing the liquidity of the Group. The table below provides analysis of assets and liabilities into relevant maturity tenures based on remaining contractual maturities:

<b>Group</b>	<b>Up to 1 month</b>	<b>&gt; 1-3 months</b>	<b>&gt; 3-12 months</b>	<b>&gt; 1-5 years</b>	<b>Over 5 years</b>	<b>No specific maturity</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>30-06-2018</b>							
<b>Assets</b>							
Cash and short-term funds	434,512	-	-	-	-	-	434,512
Financial assets at fair value through profit or loss ("FVTPL")	-	-	-	-	157,687	197,546	355,233
Financial assets at fair value through other comprehensive income ("FVOCI")	10,222	57,602	260,066	1,666,891	2,693,554	70,560	4,758,894
Financial assets at amortised cost	-	-	-	48,304	-	-	48,304
Derivative financial assets	15,167	18,144	10,569	10,147	54	-	54,081
Loans, advances and financing	374,591	300	179,326	661,005	169,109	-	1,384,331
Trade Receivables	801,356	-	-	-	-	-	801,356
Other assets	22,346	-	2,265	12,407	1,660	17,333	56,011
Other non financial assets (Note 1)	-	-	-	-	-	426,196	426,196
Statutory deposits with Bank Negara Malaysia	188,702	-	-	-	-	-	188,702
<b>Total assets</b>	<b>1,846,896</b>	<b>76,046</b>	<b>452,226</b>	<b>2,398,754</b>	<b>3,022,064</b>	<b>711,635</b>	<b>8,507,620</b>
<b>Liabilities</b>							
Deposits from customers	1,637,123	738,778	1,693,271	922,237	-	-	4,991,409
Deposits and placements with banks and other financial institutions	562,081	-	-	-	-	-	562,081
Obligations on securities sold under repurchase agreements	95,476	-	-	-	-	-	95,476
Derivatives financial liabilities	10,146	15,595	14,912	8,642	-	-	49,295
Trade payables	869,335	-	-	-	-	-	869,335
Other liabilities	146,467	45,952	121,432	14,122	-	-	327,973
Other non financial liabilities (Note 2)	-	-	-	-	-	15,028	15,028
<b>Total liabilities</b>	<b>3,320,628</b>	<b>800,325</b>	<b>1,829,615</b>	<b>945,001</b>	<b>-</b>	<b>15,028</b>	<b>6,910,597</b>
<b>Net liquidity gap</b>	<b>(1,473,732)</b>	<b>(724,279)</b>	<b>(1,377,389)</b>	<b>1,453,753</b>	<b>3,022,064</b>	<b>696,607</b>	<b>1,597,023</b>

Note 1 : Other non-financial assets includes commodity gold at FVTPL, property and equipment, intangible assets, taxation recoverable and deferred tax assets.

Note 2 : Other non-financial liabilities include provision for taxation, and amount due to holding and related companies.

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**Notes to the financial statement  
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The maturities of on-balance sheet assets and liabilities as well as other off-balance sheet assets and liabilities, commitments and counter-guarantees are important factors in assessing the liquidity of the Group. The table below provides analysis of assets and liabilities into relevant maturity tenures based on remaining contractual maturities: (continued)

	Up to 1 month	> 1-3 months	> 3-12 months	> 1-5 years	Over 5 years	No specific maturity	Total
Group 31-12-2017	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Assets</b>							
Cash and short-term funds	588,245	-	-	-	-	-	588,245
Deposits and placements with banks and other financial institutions	-	-	-	10,313	-	-	10,313
Financial assets at fair value through profit or loss	797	818	1,595	15,846	30,321	45,674	95,051
Financial investments available-for-sale	74,948	15,268	298,424	1,578,685	2,602,953	254,248	4,824,526
Financial investments held-to-maturity	-	-	-	8,107	-	-	8,107
Derivative financial assets	18,381	12,274	13,251	11,044	-	-	54,950
Loans, advances and financing	371,383	-	101,137	523,694	212,297	-	1,208,511
Trade Receivables	549,359	-	-	-	-	-	549,359
Other assets	8,659	146	1,996	7,708	290	15,159	33,958
Other non financial assets (Note 1)	-	-	-	-	-	423,638	423,638
Statutory deposits with Bank Negara Malaysia	169,000	-	-	-	-	-	169,000
<b>Total assets</b>	<b>1,780,772</b>	<b>28,506</b>	<b>416,403</b>	<b>2,155,397</b>	<b>2,845,861</b>	<b>738,719</b>	<b>7,965,658</b>
<b>Liabilities</b>							
Deposits from customers	1,571,167	1,118,794	844,691	956,875	-	-	4,491,527
Deposits and placements with banks and other financial institutions	590,600	-	-	-	-	-	590,600
Obligations on securities sold under repurchase agreements	96,013	-	-	-	-	-	96,013
Derivatives financial liabilities	16,952	15,579	12,188	10,089	-	-	54,808
Trade payables	676,938	-	-	-	-	-	676,938
Other liabilities	205,781	40,455	136,814	1,102	-	-	384,152
Other non financial liabilities (Note 2)	-	-	-	-	-	16,186	16,186
<b>Total liabilities</b>	<b>3,157,451</b>	<b>1,174,828</b>	<b>993,693</b>	<b>968,066</b>	<b>-</b>	<b>16,186</b>	<b>6,310,224</b>
<b>Net liquidity gap</b>	<b>(1,376,679)</b>	<b>(1,146,322)</b>	<b>(577,290)</b>	<b>1,187,331</b>	<b>2,845,861</b>	<b>722,533</b>	<b>1,655,434</b>

Note 1 : Other non-financial assets includes commodity gold at FVTPL, property and equipment, intangible assets, taxation recoverable and deferred tax assets.

Note 2 : Other non-financial liabilities include provision for taxation, and amount due to related companies.



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**Notes to the financial statement  
for the financial period ended 30 June 2018****33. LIQUIDITY RISK (continued)**

Liquidity risk for assets and liabilities based on remaining contractual maturities :-

The maturities of on-balance sheet assets and liabilities as well as other off-balance sheet assets and liabilities, commitments and counter-guarantees are important factors in assessing the liquidity of the Group. The table below provides analysis of assets and liabilities into relevant maturity tenures based on remaining contractual maturities: (continued)

	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	> 1-5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
<b>Bank 30-06-2018</b>							
<b>Assets</b>							
Cash and short-term funds	170,675	-	-	-	-	-	170,675
Financial assets at fair value through profit or loss ("FVTPL")	-	-	-	-	157,687	136,492	294,179
Financial assets at fair value through other comprehensive income ("FVOCI")	10,222	57,602	260,066	1,666,891	2,693,554	70,560	4,758,894
Financial assets at amortised cost	-	-	-	48,304	-	-	48,304
Derivative financial assets	15,167	18,144	10,569	10,147	54	-	54,081
Loans, advances and financing	374,591	300	179,326	661,005	169,109	-	1,384,331
Trade Receivables	727,945	-	-	-	-	-	727,945
Amount due from subsidiaries	-	-	-	-	-	21,920	21,920
Other assets	21,518	128	2,726	11,973	-	15,510	51,855
Other non financial assets (Note 1)	-	-	-	-	-	491,720	491,720
Statutory deposits with Bank Negara Malaysia	188,600	-	-	-	-	-	188,600
<b>Total assets</b>	<b>1,508,718</b>	<b>76,174</b>	<b>452,687</b>	<b>2,398,320</b>	<b>3,020,404</b>	<b>736,202</b>	<b>8,192,504</b>
<b>Liabilities</b>							
Deposits from customers	1,637,123	738,778	1,693,271	922,237	-	-	4,991,409
Deposits and placements with banks and other financial institutions	562,081	-	-	-	-	-	562,081
Obligations on securities sold under repurchase agreements	95,476	-	-	-	-	-	95,476
Derivatives financial liabilities	10,146	15,595	14,912	8,642	-	-	49,295
Trade payables	724,671	-	-	-	-	-	724,671
Other liabilities	126,721	45,952	54,206	1,722	-	-	228,601
<b>Total liabilities</b>	<b>3,156,218</b>	<b>800,325</b>	<b>1,762,389</b>	<b>932,601</b>	<b>-</b>	<b>-</b>	<b>6,651,533</b>
<b>Net liquidity gap</b>	<b>(1,647,500)</b>	<b>(724,151)</b>	<b>(1,309,702)</b>	<b>1,465,719</b>	<b>3,020,404</b>	<b>736,202</b>	<b>1,540,971</b>

Note 1 : Other non-financial assets includes property and equipment, intangible assets, taxation recoverable, deferred tax assets, investment in subsidiaries and investment in associated company.

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**Notes to the financial statement  
for the financial period ended 30 June 2018****33. LIQUIDITY RISK (continued)**

The maturities of on-balance sheet assets and liabilities as well as other off-balance sheet assets and liabilities, commitments and counter-guarantees are important factors in assessing the liquidity of the Group. The table below provides analysis of assets and liabilities into relevant maturity tenures based on remaining contractual maturities: (continued)

	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	> 1-5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
Bank 31-12-2017							
Assets							
Cash and short-term funds	214,687	-	-	-	-	-	214,687
Deposits and placements with banks and other financial institutions	-	-	-	10,313	-	-	10,313
Financial assets at fair value through profit or loss	(19)	-	-	10,309	20,283	38,696	69,269
Financial investments available-for-sale	74,948	15,268	298,424	1,577,695	2,602,953	224,613	4,793,901
Financial investments held-to-maturity	-	-	-	8,107	-	-	8,107
Derivative financial assets	18,381	12,274	13,251	11,044	-	-	54,950
Loans, advances and financing	371,383	-	101,137	523,694	212,297	-	1,208,511
Trade Receivables	420,747	-	-	-	-	-	420,747
Amount due from subsidiaries	-	-	-	-	-	21,660	21,660
Other assets	8,099	146	1,996	6,385	190	13,897	30,713
Other non financial assets (Note 1)	-	-	-	-	-	485,560	485,560
Statutory deposits with Bank Negara Malaysia	169,000	-	-	-	-	-	169,000
<b>Total assets</b>	<b>1,277,226</b>	<b>27,688</b>	<b>414,808</b>	<b>2,147,547</b>	<b>2,835,723</b>	<b>784,426</b>	<b>7,487,418</b>
Deposits from customers	1,571,167	1,118,794	844,691	956,875	-	-	4,491,527
Deposits and placements with banks and other financial institutions	590,600	-	-	-	-	-	590,600
Obligations on securities sold under repurchase agreements	96,013	-	-	-	-	-	96,013
Derivatives financial liabilities	16,952	15,579	12,188	10,089	-	-	54,808
Trade payables	393,714	-	-	-	-	-	393,714
Other liabilities	153,571	40,452	59,590	1,102	-	-	254,715
<b>Total liabilities</b>	<b>2,822,017</b>	<b>1,174,825</b>	<b>916,469</b>	<b>968,066</b>	<b>-</b>	<b>-</b>	<b>5,881,377</b>
<b>Net liquidity gap</b>	<b>(1,544,791)</b>	<b>(1,147,137)</b>	<b>(501,661)</b>	<b>1,179,481</b>	<b>2,835,723</b>	<b>784,426</b>	<b>1,606,041</b>

Note 1 : Other non-financial assets includes property and equipment, intangible assets, taxation recoverable, deferred tax assets, investment in subsidiaries and investment in associated company.