

Affin Hwang Investment Bank Berhad

(Incorporated in Malaysia)

Condensed Interim Financial Statements

Unaudited Statements of Financial Position as at 30 June 2019

	Note	The Group		The Bank	
		As at 30-06-2019 RM'000	As at 31-12-2018 RM'000	As at 30-06-2019 RM'000	As at 31-12-2018 RM'000
ASSETS					
Cash and short-term funds		923,427	624,791	325,306	204,360
Financial assets at fair value through profit or loss ("FVTPL")	11	518,889	232,824	433,880	181,365
Financial investments at fair value through other comprehensive income ("FVOCI")	11	4,661,625	5,038,173	4,661,625	5,038,173
Financial investments at amortised cost	11	44,556	48,381	44,556	48,381
Loans, advances and financing	12	1,172,900	1,276,004	1,172,900	1,276,004
Trade receivables	13	473,679	368,429	313,426	279,537
Derivative financial assets		39,760	29,857	39,730	29,784
Commodity Gold at FVTPL		47,489	42,733	-	-
Other assets	14	129,791	35,195	122,100	30,227
Statutory deposits with Bank Negara Malaysia		168,602	196,600	168,500	196,500
Amount due from subsidiaries		-	-	474	273
Amount due from related company		328	-	-	-
Amount due from ultimate holding company		65	-	-	-
Investment in subsidiaries		-	-	125,721	125,721
Investments in associated company		-	-	1,132	1,132
Taxation recoverable		39,379	28,879	23,318	22,095
Deferred tax assets		3,700	26,597	-	14,506
Property and equipment		30,737	30,334	18,077	18,658
Intangible assets		322,860	323,102	315,838	315,963
Right-of-use assets	15	9,372	-	5,666	-
TOTAL ASSETS		8,587,159	8,301,899	7,772,249	7,782,679
LIABILITIES AND SHAREHOLDERS' EQUITY					
Deposits from customers	16	5,510,687	5,131,652	5,510,687	5,131,652
Deposits and placements of banks and other financial institutions	17	25,306	424,913	25,306	424,913
Obligations on securities sold under repurchase agreements	18	-	142,477	-	142,477
Trade payables	19	899,118	600,898	305,570	292,945
Lease Liabilities	20	9,464	-	5,721	-
Derivative financial liabilities		37,651	28,107	37,651	28,107
Amount due to holding company		16	47	-	-
Amount due to related company		-	448	-	-
Other liabilities	21	374,533	415,947	283,896	298,651
Deferred tax liabilities		7,873	-	7,873	-
TOTAL LIABILITIES		6,864,648	6,744,489	6,176,704	6,318,745
Share capital		999,800	999,800	999,800	999,800
Reserves	22	629,070	491,837	595,745	464,134
		1,628,870	1,491,637	1,595,545	1,463,934
Non-controlling interests		93,641	65,773	-	-
SHAREHOLDERS' EQUITY		1,722,511	1,557,410	1,595,545	1,463,934
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		8,587,159	8,301,899	7,772,249	7,782,679
COMMITMENTS AND CONTINGENCIES	31	9,184,844	6,376,955	9,184,844	6,376,955
CAPITAL ADEQUACY					
Basel III					
CET 1 capital ratio	30	33.914%	30.644%	38.848%	34.177%
Tier 1 capital ratio	30	34.508%	31.194%	38.848%	34.177%
Total capital ratio	30	35.331%	32.005%	39.738%	35.099%
After deducting proposed dividends:					
CET 1 capital ratio (net of proposed dividends)	30	32.268%	30.644%	36.694%	34.177%
Tier 1 capital ratio (net of proposed dividends)	30	32.862%	31.194%	36.694%	34.177%
Total capital ratio (net of proposed dividends)	30	33.685%	32.005%	37.584%	35.099%

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2018.

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

Condensed Interim Financial Statements
Unaudited Income Statements
for the financial period ended 30 June 2019

The Group	Note	Individual Quarter		Cumulative Quarter	
		Current Financial Period 30-06-2019	Preceding Year Corresponding Period 30-06-2018	Current Financial Period-to-date 30-06-2019	Preceding Year Corresponding Period-to-date 30-06-2018
		RM'000	RM'000	RM'000	RM'000
Interest income	23	73,547	75,653	149,584	146,520
Interest expense	24	(58,915)	(57,001)	(119,314)	(108,585)
Net interest income		14,632	18,652	30,270	37,935
Fee and commission income	25(a)	116,651	132,770	221,838	274,069
Fee and commission expense	25(b)	(33,748)	(39,401)	(63,359)	(94,267)
Net fee and commission income		82,903	93,369	158,479	179,802
Net gain and losses on financial instruments	26	42,041	21,624	83,127	47,373
Other operating income	27	3,411	4,364	6,171	5,314
Net income		142,987	138,009	278,047	270,424
Other operating expenses	28	(94,559)	(92,341)	(181,962)	(182,685)
Operating profit before allowances		48,428	45,668	96,085	87,739
Write-back/(allowances) of credit impairment losses	29	4,075	(4,209)	2,065	(4,081)
Profit before zakat and taxation		52,503	41,459	98,150	83,658
Zakat		(863)	(406)	(1,310)	(643)
Profit before taxation		51,640	41,053	96,840	83,015
Taxation		(10,688)	(9,056)	(21,223)	(18,320)
Net profit after zakat and taxation		40,952	31,997	75,617	64,695
Attributable to:					
- Equity holders of the Bank		33,485	25,882	61,216	53,640
- Non-controlling interests		7,467	6,115	14,401	11,055
		40,952	31,997	75,617	64,695
Earnings per share:					
- basic/fully diluted (sen)		4.29	3.32	7.85	6.88

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

Condensed Interim Financial Statements
Unaudited Statement of Comprehensive Income
for the financial period ended 30 June 2019

The Group	Individual Quarter		Cumulative Quarter	
	Current Financial Period 30-06-2019 RM'000	Preceding Year Corresponding Period 30-06-2018 RM'000	Current Financial Period-to-date 30-06-2019 RM'000	Preceding Year Corresponding Period-to-date 30-06-2018 RM'000
Net profit after zakat and taxation	40,952	31,997	75,617	64,695
Other comprehensive income:				
<u>Items that may be reclassified subsequently to profit or loss :</u>				
Net fair value changes in financial investments at FVOCI	59,629	(24,939)	128,602	(27,287)
Net credit impairment losses change in financial investments at FVOCI	(7,179)	(85)	(5,557)	(132)
Net gain on financial investments at FVOCI reclassified to profit or loss on disposal	(32,784)	(113)	(40,003)	(1,032)
Deferred tax on financial investments at FVOCI	(7,703)	6,253	(22,587)	6,796
<u>Items that may not be reclassified subsequently to profit or loss :</u>				
Net loss on disposal in financial investments at FVOCI (non-recycle to profit or loss)	2,452	-	2,755	-
Other comprehensive income for the period, net of tax	<u>14,415</u>	<u>(18,884)</u>	<u>63,210</u>	<u>(21,655)</u>
Total comprehensive income for the period	<u>55,367</u>	<u>13,113</u>	<u>138,827</u>	<u>43,040</u>
Attributable to:				
Equity holders of the Bank	47,900	7,086	124,426	32,073
Non-controlling interests	7,467	6,027	14,401	10,967
Total comprehensive income	<u>55,367</u>	<u>13,113</u>	<u>138,827</u>	<u>43,040</u>

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

Condensed Interim Financial Statements
Unaudited Income Statements
for the financial period ended 30 June 2019

The Bank

	Note	Individual Quarter		Cumulative Quarter	
		Current Financial Period 30-06-2019 RM'000	Preceding Year Corresponding Period 30-06-2018 RM'000	Current Financial Period-to-date 30-06-2019 RM'000	Preceding Year Corresponding Period-to-date 30-06-2018 RM'000
Interest income	23	73,112	75,213	148,579	145,609
Interest expense	24	(58,871)	(57,001)	(119,216)	(108,585)
Net interest income		14,241	18,212	29,363	37,024
Fee and commission income	25(a)	22,681	30,025	42,129	58,789
Fee and commission expense	25(b)	-	-	-	-
Net fee and commission income		22,681	30,025	42,129	58,789
Net gain and losses on financial instruments	26	38,729	22,750	78,437	47,730
Other operating income	27	34,377	23,448	37,731	27,826
Net income		110,028	94,435	187,660	171,369
Other operating expenses	28	(55,044)	(52,630)	(108,982)	(107,981)
Operating profit before allowances		54,984	41,805	78,678	63,388
Write-back /(allowances) of credit impairment losses	29	4,062	(4,215)	2,072	(4,087)
Profit before zakat and taxation		59,046	37,590	80,750	59,301
Zakat		(738)	(319)	(1,103)	(475)
Profit before taxation		58,308	37,271	79,647	58,826
Taxation		(5,932)	(4,372)	(11,246)	(9,814)
Net profit after zakat and taxation		52,376	32,899	68,401	49,012
Attributable to:					
- Equity holders of the Bank		52,376	32,899	68,401	49,012
Earnings per share:					
- basic/fully diluted (sen)		6.71	4.22	8.77	6.28

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2018.

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

Condensed Interim Financial Statements
Unaudited Statement of Comprehensive Income
for the financial period ended 30 June 2019

The Bank	Individual Quarter		Cumulative Quarter	
	Current Financial Period 30-06-2019 RM'000	Preceding Year Corresponding Period 30-06-2018 RM'000	Current Financial Period-to-date 30-06-2019 RM'000	Preceding Year Corresponding Period-to-date 30-06-2018 RM'000
Net profit after zakat and taxation	52,376	32,899	68,401	49,012
Other comprehensive income:				
<u>Items that may be reclassified subsequently to profit or loss :</u>				
Net fair value changes in financial investments at FVOCI	59,629	(24,939)	128,602	(27,287)
Net credit impairment losses change in financial investments at FVOCI	(7,179)	(85)	(5,557)	(132)
Net gain on financial investments at FVOCI reclassified to profit or loss on disposal	(32,784)	(111)	(40,003)	(1,030)
Deferred tax on financial investments at FVOCI	(7,703)	6,253	(22,587)	6,796
<u>Items that may not be reclassified subsequently to profit or loss :</u>				
Net loss on disposal in financial investments at FVOCI (non-recycle to profit or loss)	2,452	-	2,755	-
Other comprehensive income for the period, net of tax	14,415	(18,882)	63,210	(21,653)
Total comprehensive income for the period	66,791	14,017	131,611	27,359
Attributable to equity holders of the Bank:				
Total comprehensive income	66,791	14,017	131,611	27,359

Affin Hwang Investment Bank Berhad

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Condensed Interim Financial Statements

Unaudited Statement of Changes in Equity for the financial period ended 30 June 2019

	Attributable to equity holders of the Bank								
	Share Capital RM'000	Regulatory reserve RM'000	Foreign exchange reserve RM'000	Stock options reserve ^ RM'000	FVOCI revaluation reserves RM'000	Retained profits RM'000	Sub-total RM'000	Non- controlling interests RM'000	Total equity RM'000
The Group									
At 1 January 2019	999,800	28,357	593	8,328	3,968	450,591	1,491,637	65,773	1,557,410
Comprehensive income:									
Net profit for the financial period	-	-	-	-	-	61,216	61,216	14,401	75,617
Other comprehensive income, (net of tax) -									
- Financial investments at FVOCI (debt instruments)	-	-	-	-	63,210	-	63,210	-	63,210
- Net gain/(loss) transferred to retained profits (non-recycle to PL)	-	-	-	-	2,755	(2,755)	-	-	-
Total comprehensive income	-	-	-	-	65,965	58,461	124,426	14,401	138,827
Options exercised during the period*	-	-	-	(8,328)	-	8,328	-	-	-
Dilution of interest in subsidiaries	-	-	-	-	-	12,807	12,807	31,967	44,774
Transfer from regulatory reserve	-	(669)	-	-	-	669	-	-	-
Dividend paid	-	-	-	-	-	-	-	(18,500)	(18,500)
At 30 June 2019	999,800	27,688	593	-	69,933	530,856	1,628,870	93,641	1,722,511

* On March 2019, the options holders have fully exercised the employee stock option incentive scheme.

^ The stock option reserves represents the fair value of the options of a subsidiary's employee stock option incentive scheme.

	Attributable to equity holders of the Bank								
	Share Capital RM'000	Regulatory reserve RM'000	Foreign exchange reserve RM'000	AFS revaluation reserves RM'000	FVOCI revaluation reserves RM'000	Retained profits RM'000	Sub-total RM'000	Non- controlling interests RM'000	Total equity RM'000
The Group									
At 1 January 2018									
- As previously reported	999,800	11,790	151	(14,466)	-	605,611	1,602,886	52,548	1,655,434
- Adjustments arising from adoption of MFRS 9	-	13,186	-	14,466	(9,273)	(21,884)	(3,505)	(7)	(3,512)
- Adjustments arising from adoption of MFRS 15	-	-	-	-	-	(1,262)	(1,262)	-	(1,262)
At 1 January 2018, as restated	999,800	24,976	151	-	(9,273)	582,465	1,598,119	52,541	1,650,660
Comprehensive income:									
Net profit for the financial period	-	-	-	-	-	53,640	53,640	11,055	64,695
Other comprehensive income, (net of tax)									
- Financial investments at FVOCI	-	-	-	-	(21,567)	-	(21,567)	(88)	(21,655)
Total comprehensive income	-	-	-	-	(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)
At 30 June 2018	999,800	26,102	151	-	(30,840)	546,979	1,542,192	54,508	1,596,700

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2018.

Affin Hwang Investment Bank Berhad
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Condensed Interim Financial Statements
Unaudited Statement of Changes in Equity
for the financial period ended 30 June 2019

The Bank

At 1 January 2019

Comprehensive income:

Net profit for the financial period

Other comprehensive income, (net of tax) -

- Financial investments at FVOCI (debt instruments)

- Net gain/(loss) transferred to retained profits (non-recycle to PL)

Total comprehensive income

Transfer from regulatory reserve

Dividend paid

At 30 June 2019

	←----- Non-distributable -----→			← Distributable - →	
	Share Capital RM'000	Regulatory reserve RM'000	FVOCI revaluation reserves RM'000	Retained profits RM'000	Total equity RM'000
At 1 January 2019	999,800	28,357	3,913	431,864	1,463,934
Net profit for the financial period	-	-	-	68,401	68,401
- Financial investments at FVOCI (debt instruments)	-	-	63,210	-	63,210
- Net gain/(loss) transferred to retained profits (non-recycle to PL)	-	-	2,755	(2,755)	-
Total comprehensive income	-	-	65,965	65,646	131,611
Transfer from regulatory reserve	-	(669)	-	669	-
Dividend paid	-	-	-	-	-
At 30 June 2019	999,800	27,688	69,878	498,179	1,595,545

The Bank

At 1 January 2018

- As previously reported

- Adjustment arising from adoption of MFRS 9

- Adjustment arising from adoption of MFRS 15

At 1 January 2018, as restated

Comprehensive income:

Net profit for the financial period

Other comprehensive income, (net of tax)

- Financial investments at FVOCI

Total comprehensive income

Transfer to regulatory reserve

Dividend paid

At 30 June 2018

	←----- Non-distributable -----→			← Distributable - →		
	Share Capital RM'000	Regulatory reserve RM'000	AFS revaluation reserves RM'000	FVOCI revaluation reserves RM'000	Retained profits RM'000	Total equity RM'000
At 1 January 2018	999,800	11,790	(14,762)	-	609,213	1,606,041
- As previously reported	999,800	11,790	(14,762)	-	609,213	1,606,041
- Adjustment arising from adoption of MFRS 9	-	13,186	14,762	(9,328)	(22,109)	(3,489)
- Adjustment arising from adoption of MFRS 15	-	-	-	-	(1,262)	(1,262)
At 1 January 2018, as restated	999,800	24,976	-	(9,328)	585,842	1,601,290
Net profit for the financial period	-	-	-	-	49,012	49,012
- Financial investments at FVOCI	-	-	-	(21,653)	-	(21,653)
Total comprehensive income	-	-	-	(21,653)	49,012	27,359
Transfer to regulatory reserve	-	1,126	-	-	(1,126)	-
Dividend paid	-	-	-	-	(88,000)	(88,000)
At 30 June 2018	999,800	26,102	-	(30,981)	545,728	1,540,649

Affin Hwang Investment Bank Berhad

(Incorporated in Malaysia)

Condensed Interim Financial Statements

Unaudited Statement of Cash Flows

for the financial period ended 30 June 2019

	The Group		The Bank	
	30-06-2019 RM'000	30-06-2018 RM'000	30-06-2019 RM'000	30-06-2018 RM'000
Cash flow from operating activities				
Net profit before tax for the financial period	96,840	83,015	79,647	58,826
Adjustments for items not involving the movement of cash and cash equivalents:				
Interest income				
- financial assets at FVTPL	(9,424)	(9,869)	(9,424)	(9,869)
- financial investments at FVOCI	(103,993)	(100,387)	(103,993)	(100,387)
- financial investments at amortised cost	(1,258)	(1,297)	(1,258)	(1,297)
Dividend income:				
- financial assets at FVTPL	(3,104)	(2,217)	(2,486)	(1,332)
- financial investments at FVOCI	(2,249)	(1,942)	(2,249)	(1,942)
- from a subsidiary	-	-	(31,500)	(21,000)
Property and equipment written-off	4	13	4	13
Gain on disposal of property, plant and equipment	(114)	(121)	(49)	(104)
(Gain)/loss arising from disposal/redemption of:				
- derivative instruments	-	54	-	54
- financial assets at FVTPL	(29,152)	(33,522)	(29,052)	(33,848)
- financial investments at FVOCI	(38,672)	(1,100)	(38,672)	(1,100)
Depreciation of property and equipment	4,706	4,541	2,899	2,984
Depreciation of ROU assets	4,630	-	2,737	-
Amortisation of intangible assets	1,261	1,171	655	630
Net accretion of discounts/(amortisation of premiums)	3,272	2,203	3,272	2,203
Unrealised gain on derivative instruments	(52)	(739)	(52)	(739)
Unrealised (gain)/loss on financial assets at FVTPL	(317)	2,105	3,655	1,189
Expected credit losses ('ECL') made/(written-back) on:				
- securities and placements	(1,738)	(90)	(1,738)	(90)
- other assets	723	394	724	394
- loans, advances and financing and receivables	(931)	3,849	(939)	3,855
- loans and financing commitments and financial guarantee	(22)	(39)	(22)	(39)
Zakat	1,310	643	1,103	475
Unrealised foreign exchange (gain)/loss	(1,151)	2,613	(230)	6,742
Operating loss before changes in operating assets and liabilities	(79,431)	(50,722)	(126,968)	(94,382)
<i>(Increase)/Decrease in operating assets</i>				
Deposits and placements with banks and other financial institutions	-	10,313	-	10,313
Financial assets at FVTPL	(244,068)	(216,679)	(215,208)	(181,050)
Loans, advances and financing	103,818	(180,634)	103,819	(184,017)
Statutory deposits with Bank Negara Malaysia	27,998	(19,702)	28,000	(19,600)
Amt due from ultimate holding company	(65)	-	-	-
Intercompany balances	-	-	(201)	(260)
Trade receivables	(105,034)	(252,080)	(33,664)	(307,281)
Derivative financial assets	(8,700)	(1,059)	(9,664)	(5,188)
Commodity Gold at FVTPL	(4,756)	614	-	-
Other assets	(95,327)	(23,393)	(92,596)	(22,487)
	(326,134)	(682,620)	(219,514)	(709,570)
<i>Increase/(decrease) in operating liabilities</i>				
Deposits from customers	379,035	499,882	379,034	499,882
Deposits and placements of banks and other financial institutions	(399,607)	(28,519)	(399,607)	(28,519)
Repurchase agreements	(142,477)	(537)	(142,477)	(537)
Trade payables	298,220	192,397	12,625	330,957
Amount due to related companies	(776)	45	-	-
Amount due to holding company	(31)	42	-	-
Derivative financial liabilities	9,544	(5,513)	9,544	(5,513)
Other liabilities	(18,319)	(63,620)	8,200	(32,144)
	125,589	594,177	(132,681)	764,126
Cash used in operating activities	(279,976)	(139,165)	(479,163)	(39,826)

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2018.

Affin Hwang Investment Bank Berhad

(Incorporated in Malaysia)

**Condensed Interim Financial Statements
Unaudited Statement of Cash Flows
for the financial period ended 30 June 2019**

	The Group		The Bank	
	30-06-2019	30-06-2018	30-06-2019	30-06-2018
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities (continued)				
Net taxation paid	(23,541)	(14,155)	(12,676)	(8,906)
Zakat paid	(1,476)	(1,231)	(1,135)	(1,231)
Net cash used in operating activities	(304,993)	(154,551)	(492,974)	(49,963)
Cash flow from investing activities				
Proceeds from disposal of property and equipment	152	163	51	104
Purchase of property and equipment	(5,151)	(3,972)	(2,323)	(2,381)
Purchase of intangible assets	(1,019)	(819)	(530)	-
Interest received:				
- financial investments at FVOCI	103,993	100,387	103,993	100,387
- financial investments at amortised cost	1,258	1,297	1,258	1,297
Net disposal/(purchase) of:				
- financial investments at FVOCI	480,716	42,942	480,715	12,341
Net proceeds on redemption of :				
- financial investments at amortised cost	6	(43,815)	7	(40,432)
Dividend income received from:				
- financial investments at FVOCI	2,249	1,942	2,249	1,942
- subsidiary	-	-	31,500	21,000
Exercised of stock options	44,774	-	-	-
Net cash generated from investing activities	626,978	98,125	616,920	94,258
Cash flow from financing activities				
Cash payments for the principal portion of the lease liability	(4,769)	-	(2,822)	-
Cash payments for the interest portion of the lease liability	238	-	140	-
Dividend paid by a subsidiary to minority interest	(18,500)	(9,000)	-	-
Dividend paid	-	(88,000)	-	(88,000)
Net cash used in financing activities	(23,031)	(97,000)	(2,682)	(88,000)
Net increase in cash and cash equivalents	298,954	(153,426)	121,264	(43,705)
Cash and cash equivalents at beginning of the financial period	576,254	539,126	155,823	165,568
Cash and cash equivalents at end of the financial period	875,208	385,700	277,087	121,863
Analysis of cash and cash equivalents				
Cash and short term funds	923,427	434,512	325,306	170,675
Amount held on behalf of clients and commissioned dealer's representatives	(48,219)	(48,812)	(48,219)	(48,812)
Cash and short-term funds and deposits and placements with banks and other financial institutions with original maturity of more than three months	-	-	-	-
Cash and cash equivalents at end of the financial period	875,208	385,700	277,087	121,863

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2018.

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**Notes to the financial statement
for the financial period ended 30 June 2019**

1. Review of financial performance

The Group recorded a higher Profit Before Zakat and Taxation ("PBT") of RM98.2 million for the 6 months period ended 30 June 2019 compared to a PBT of RM83.7 million for the previous corresponding period. The investment bank contributed RM80.8 million (30.6.2018: RM59.3 million) for period ended 30 June 2019 while the asset management business contributed RM50.5 million (30.6.2018: RM46.0 million) to the Group's PBT. Included in the result of the investment bank is interim dividends of RM31.5 million (30.6.2018: RM21.0 million).

Summarised analysis of the Group PBT for the 6 months period ended 30 June 2019 are as follows:

- Net interest income of RM30.3 million was lower than the net interest income of RM37.9 million recorded in the previous corresponding period primarily due to lower net interest margin in the current period under review.
- Net fee and commission income registered a decrease from RM179.8 million in the previous corresponding period to RM158.5 million in the current period under review. The decrease was primarily due to the lower initial service charge, lower unit trust management and incentive fees earned from the asset management business and lower net brokerage income in the current period.
- Net gain and losses on financial instruments registered an increase from RM47.4 million in the previous corresponding period to RM83.1 million in the current period mainly due to higher gains on disposal of financial investments at FVOCI and net unrealised gains of financial assets measured at FVTPL.
- Other operating income registered a slight increase from RM5.3 million to RM6.2 million in the current period mainly due to higher net foreign exchange gain.
- Operating expenses incurred for the period under review were lower at RM182.0 million compared to RM182.7 million incurred in the previous corresponding period contributed mainly by lower personnel costs.
- Net write back of credit impairment losses was mainly due to write back of ECL for securities of RM1.74 million compared to ECL charge of loans amounting to RM3.86 million in the previous corresponding period.

2. Prospect for the current financial year

The Group continues to be cautiously optimistic going into 2H2019 and beyond. The US-China trade war news flows is expected to continue to drive and sustain the liquid and quality Treasury asset prices. However, the performance of the local and regional bourses are expected to be challenging and shall in turn adversely impact the performance of the group, which is highly dependent on the performance of the capital markets.

Locally, Malaysia's aggregate domestic demand is expected to remain healthy, driven largely by expansion in private consumption. The group will continue to be on the look-out for pockets of business opportunities in a highly challenging business environment, whilst the asset management and securities businesses shall continue to grow its business via enhancing the customer experience under current trying conditions. The group will continue to focus on digitalisation efforts to improve operational and business efficiencies.

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 2018. 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 2018.

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Notes to the financial statement for the financial period ended 30 June 2019

3. Basis of preparation (continued)

There are no changes to the accounting policies adopted since the last financial year except for the adoption of MFRS 16 "Leases". The impact of the adoption of the leasing standard and the new accounting policies are disclosed below. The Group and the Bank has adopted MFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the financial year ended 31 December 2018 as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening financial position on 1 January 2019.

Adjustments recognised on adoption of MFRS 16

On adoption of MFRS 16, the Group and the Bank recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of MFRS 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the market's incremental borrowing rate as of 1 January 2019. The weighted average market incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 4.33% for the Group and 3.92% for the Bank.

The remeasurement were recognised as adjustments to the related right-of-use assets immediately after the date of initial application.

Lease commitments	The Group		The Bank	
	30.6.2019	31.12.2018	30.6.2019	31.12.2018
Within one year	5,325	8,759	4,356	6,656
One to five years	4,139	1,676	1,365	827
Total	9,464	10,435	5,721	7,483

Reconciliation between the MFRS 117 operating lease commitments to MFRS 16

	The Group 2019 RM'000	The Bank 2019 RM'000
Operating lease commitments disclosed as at 31 December 2018	10,435	7,483
Discounted using the market's incremental borrowing rate at the date of initial application	(693)	(285)
Add: finance lease liabilities recognised as at 31 December 2018	-	-
(Less): short-term leases recognised on a straight-line basis as expense	(1,027)	(987)
(Less): low-value leases recognised on a straight-line basis as expense	(35)	(30)
(Less): contracts reassessed as service agreements	-	-
Add/(less): adjustments as a result of a different treatment of extension and termination options	4,416	2,222
Add/(less): adjustments relating to changes in the index or rate affecting variable payments	-	-
Lease liability recognised as at 1 January 2019	13,096	8,403

4. Qualification of preceding annual financial statements

The Bank's financial statements for financial year ended 31 December 2018 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.

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**Notes to the financial statement
for the financial period ended 30 June 2019**

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. Material litigations

Material litigation during the financial period ended 30 June 2019 is as follows:

The Bank is the Agent for the syndicated lenders in the syndicated facilities for the sum of up to RM165 million comprising Revolving Credit Facility, Letter of Credit ("LC") Facility and Bank Guarantee ("BG") Facility granted to a borrower. The Bank is also one of the lenders and had granted a BG Facility in the sum of RM25 million to the borrower. The borrower had defaulted in its payment of the syndicated facilities and the Bank and 2 other syndicated lenders ("Plaintiffs") have filed a claim against the borrower on 29 October 2018 claiming for the sums owing to the Plaintiffs. The borrower has filed its Defence and Counterclaim against the Plaintiffs, claiming amongst others, return of the 3rd party charge document given to secure the Syndicated Facility, general damages and cost against the Participating Bank. The Court had fixed the matter for case management on 26 July 2019.

9. Changes in the composition of the Bank

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

10. Dividends

The Directors now recommend the payment of an interim dividend of 7.692 sen per share amounting to RM60,000,000 for the financial year ending 31 December 2019, which is subject to approval from Bank Negara Malaysia.

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Notes to the financial statement for the financial period ended 30 June 2019

11. Securities portfolio

Classification of securities portfolio:

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

	The Group		The Bank	
	30-06-2019 RM'000	31-12-2018 RM'000	30-06-2019 RM'000	31-12-2018 RM'000
<u>At fair value</u>				
<u>Money Market Instruments</u>				
Negotiable Instruments of Deposit	10,101	10,007	10,101	10,007
Malaysian Government Securities	72,908	50,387	72,908	50,387
Malaysian Government Islamic Investment Issues	106,032	10,115	106,032	10,115
	<u>189,041</u>	<u>70,509</u>	<u>189,041</u>	<u>70,509</u>
<u>Quoted securities</u>				
In Malaysia:				
Shares, warrants and REITS	27,104	21,531	27,104	21,531
Unit trusts	267,091	120,143	202,736	89,325
	<u>294,195</u>	<u>141,674</u>	<u>229,840</u>	<u>110,856</u>
<u>Unquoted securities</u>				
Corporate bonds and/or Sukuk in Malaysia	4,390	4,365	13	-
Corporate bonds and/or Sukuk outside Malaysia	31,263	16,276	14,986	-
	<u>35,653</u>	<u>20,641</u>	<u>14,999</u>	<u>-</u>
	<u>518,889</u>	<u>232,824</u>	<u>433,880</u>	<u>181,365</u>

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

	The Group and the Bank	
	30-06-2019 RM'000	31-12-2018 RM'000
<u>At fair value</u>		
<u>Money Market Instruments</u>		
Malaysian Government Islamic Investment Issues	474,107	520,154
Malaysian Government Securities	303,207	247,082
Cagamas Bonds	61,951	101,906
Negotiable Instruments of Deposit	-	10,047
	<u>839,265</u>	<u>879,189</u>
<u>Quoted securities</u>		
In Malaysia:		
REITS	12,796	18,406
Outside Malaysia:		
REITS	-	41,126
<u>Unquoted securities</u>		
Corporate bonds and/or Sukuk in Malaysia	3,659,466	3,926,332
Corporate bonds and/or Sukuk outside Malaysia	128,277	151,299
Shares in Malaysia	21,821	21,821
	<u>4,661,625</u>	<u>5,038,173</u>

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Notes to the financial statement
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11. Securities portfolio (continued)

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

- (a) The Group and the Bank designated certain portfolio of unquoted securities as well as equity securities listed in the local and foreign exchanges at FVOCI as the investments were made for strategic purposes rather than with a view to profit on subsequent sale as follows:

	Carrying Amount at 30-06-2019 RM'000	Dividend Income for the financial period 30-06-2019 RM'000	Dividend Income of equity investments disposed during the period 30-06-2019 RM'000
Quoted securities			
REITs in Malaysia	12,796	594	334
REITs outside Malaysia	-	1,473	1,473
	<u>12,796</u>	<u>2,067</u>	<u>1,807</u>
Unquoted securities	<u>72,915</u>	<u>183</u>	<u>-</u>
	<u><u>85,711</u></u>	<u><u>2,250</u></u>	<u><u>1,807</u></u>
	31-12-2018	31-12-2018	31-12-2018
	RM'000	RM'000	RM'000
Quoted securities			
REITs in Malaysia	18,406	1,133	-
REITs outside Malaysia	41,126	2,754	-
	<u>59,532</u>	<u>3,887</u>	<u>-</u>
Unquoted securities	<u>103,339</u>	<u>270</u>	<u>-</u>
	<u><u>162,871</u></u>	<u><u>4,157</u></u>	<u><u>-</u></u>

- (b) Certain equity instruments were disposed at a fair value amounting to RM77.15 million. The net cumulative realised loss of RM2.76 million, which included a net loss of RM0.30 million arising from a return of investments via special dividend made by RHT Health Trust, was reclassified from FVOCI revaluation reserves to equity during the financial reporting period.

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Notes to the financial statement
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11. Securities portfolio (continued)

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

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

	The Group and the Bank			Total
	12 months ECL Stage 1	Lifetime ECL Not Credit Impaired Stage 2	Lifetime ECL Credit Impaired Stage 3	
	30-06-2019	30-06-2019	30-06-2019	30-06-2019
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial period	1,168	40	17,515	18,723
Transfer between stages:				
Transfer to 12-months ECL (Stage 1)				
- Changes due to change in credit risk	-	-	-	-
Transfer to Lifetime ECL not credit impaired (Stage 2):				
- Changes due to change in credit risk	-	-	-	-
Transfer to Lifetime ECL credit impaired provision (Stage 3):				
- Changes due to change in credit risk	-	-	-	-
Total transfer between stages	-	-	-	-
Derecognised during the financial year (other than write-offs)	(59)	-	(7,073)	(7,132)
New originated or purchased	50	-	-	50
Changes due to change in credit risk	174	(1)	1,352	1,525
Write-offs	-	-	-	-
Other adjustments				
- Foreign exchange and other adjustments	-	-	-	-
At end of the financial period	1,333	39	11,794	13,166

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Notes to the financial statement
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11. Securities portfolio (continued)

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

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

	The Group and the Bank			
	Lifetime ECL		Lifetime ECL	
	12 months ECL	Not Credit	Credit Impaired	Total
	Stage 1	Impaired	Stage 3	
31-12-2018	31-12-2018	31-12-2018	31-12-2018	
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial year	912	4,180	-	5,092
Transfer between stages:				
Transfer to 12-months ECL (Stage 1)				
- Changes due to change in credit risk	-	-	-	-
Transfer to Lifetime ECL not credit impaired (Stage 2):				
- Changes due to change in credit risk	(22)	22	-	-
Transfer to Lifetime ECL credit impaired provision (Stage 3):				
- Changes due to change in credit risk	-	(4,094)	4,094	-
Total transfer between stages	(22)	(4,072)	4,094	-
Derecognised during the financial year				
(other than write-offs)	(537)	-	-	(537)
New originated or purchased	761	-	-	761
Changes due to change in credit risk	54	(103)	13,421	13,372
Other adjustments				
- Foreign exchange and other adjustments	-	35	-	35
At end of the financial year	<u>1,168</u>	<u>40</u>	<u>17,515</u>	<u>18,723</u>

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

	The Group and the Bank			
	Lifetime ECL		Lifetime ECL	
	12 months ECL	Not Credit	Credit Impaired	Total
	Stage 1	Impaired	Stage 3	
30-06-2019	30-06-2019	30-06-2019	30-06-2019	
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial period	4,775,167	73,595	26,540	4,875,302
Transfer between stages:				
Transfer to 12-months ECL (Stage 1)				
- Changes due to change in credit risk	-	-	-	-
Transfer to Lifetime ECL not credit impaired (Stage 2):				
- Changes due to change in credit risk	-	-	-	-
Transfer to Lifetime ECL credit impaired provision (Stage 3):				
- Changes due to change in credit risk	-	-	-	-
Total transfer between stages	-	-	-	-
Derecognised during the financial period				
(other than write-offs)	(3,077,425)	(15,388)	(15,056)	(3,107,869)
New originated or purchased	3,023,498	-	-	3,023,498
Changes due to change in credit risk	(208,585)	(356)	(6,017)	(214,958)
Write-offs	-	-	-	-
Other adjustments				
- Foreign exchange and other adjustments	567	336	(962)	(9)
At end of the financial period	<u>4,513,222</u>	<u>58,187</u>	<u>4,505</u>	<u>4,575,914</u>

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11. Securities portfolio (continued)

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

- (d) Movements in the gross carrying amount of financial investments that contributed to changes in the expected credit losses are as follows (continued):

	The Group and the Bank			
	Lifetime ECL			
	12 months ECL	Not Credit	Lifetime ECL	Total
	Stage 1	Impaired	Credit Impaired	
31-12-2018	31-12-2018	31-12-2018	31-12-2018	
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial year	4,383,487	103,914	-	4,487,401
Transfer between stages:				
Transfer to 12-months ECL (Stage 1)				
- Changes due to change in credit risk	10,062	(10,062)	-	-
Transfer to Lifetime ECL not credit impaired (Stage 2):				
- Changes due to change in credit risk	(10,972)	10,972	-	-
Transfer to Lifetime ECL credit impaired provision (Stage 3):				
- Changes due to change in credit risk	-	(31,787)	31,787	-
Total transfer between stages	(910)	(30,877)	31,787	-
Derecognised during the financial year (other than write-offs)	(1,475,254)	-	-	(1,475,254)
New originated or purchased	1,956,117	-	-	1,956,117
Changes due to change in credit risk	(88,841)	255	(5,228)	(93,814)
Other adjustments				
- Foreign exchange and other adjustments	568	303	(19)	852
At end of the financial year	<u>4,775,167</u>	<u>73,595</u>	<u>26,540</u>	<u>4,875,302</u>

(iii) Financial investments at amortised cost

Unquoted securities

Corporate bonds and/or Sukuk in Malaysia
Redeemable Secured Loan Stocks

The Group and the Bank
30-06-2019 **31-12-2018**
RM'000 **RM'000**

	<u>40,491</u>	40,497
	<u>15,000</u>	15,000
	<u>55,491</u>	55,497
Expected credit loss ("ECL")	<u>(10,935)</u>	(7,116)
	<u>44,556</u>	48,381

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

	The Group and the Bank			
	Lifetime ECL			
	12 months ECL	Not Credit	Lifetime ECL	Total
	Stage 1	Impaired	Credit Impaired	
30-06-2019	30-06-2019	30-06-2019	30-06-2019	
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial period	166	-	6,950	7,116
Changes due to change in credit risk	(11)	-	3,830	3,819
At end of the financial period	<u>155</u>	<u>-</u>	<u>10,780</u>	<u>10,935</u>

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Notes to the financial statement
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11. Securities portfolio (continued)

(iii) Financial investments at amortised cost (continued)

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

	The Group and the Bank			
	Lifetime ECL			
	12 months ECL	Not Credit	Lifetime ECL	Total
	Stage 1	Impaired	Credit Impaired	
31-12-2018	Stage 2	Stage 3	31-12-2018	
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial year	235	-	6,950	7,185
Derecognised during the financial year (other than write-offs)	(487)	-	-	(487)
New originated or purchased	487	-	-	487
Changes due to change in credit risk	(69)	-	-	(69)
At end of the financial year	<u>166</u>	<u>-</u>	<u>6,950</u>	<u>7,116</u>

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

	The Group and the Bank			
	Lifetime ECL			
	12 months ECL	Not Credit	Lifetime ECL	Total
	Stage 1	Impaired	Credit Impaired	
30-06-2019	Stage 2	Stage 3	30-06-2019	
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial period	40,497	-	15,000	55,497
Changes due to change in credit risk	(6)	-	-	(6)
At end of the financial period	<u>40,491</u>	<u>-</u>	<u>15,000</u>	<u>55,491</u>

	The Group and the Bank			
	Lifetime ECL			
	12 months ECL	Not Credit	Lifetime ECL	Total
	Stage 1	Impaired	Credit Impaired	
31-12-2018	Stage 2	Stage 3	31-12-2018	
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial year	40,513	-	15,041	55,554
Derecognised during the financial year (other than write-offs)	(200,034)	-	-	(200,034)
New originated or purchased	200,018	-	-	200,018
Changes due to change in credit risk	-	-	(41)	(41)
At end of the financial year	<u>40,497</u>	<u>-</u>	<u>15,000</u>	<u>55,497</u>

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12. Loans, advances and financing

(i) By Type of Loan/Financing

	The Group and the Bank	
	30-06-2019	31-12-2018
	RM'000	RM'000
Term loans/financing		
- Syndicated term loan/financing	168,730	229,444
- Other term loans/financing	496,928	643,887
Share margin financing	429,475	336,644
Revolving credits	81,065	70,396
Staff loans	5,848	5,494
Gross loans, advances and financing	<u>1,182,046</u>	<u>1,285,865</u>
Less :		
Allowances for impaired loans, advances and financing		
- Expected credit loss ("ECL")	(9,146)	(9,861)
Total net loans, advances and financing	<u>1,172,900</u>	<u>1,276,004</u>

(ii) By Type of Customers

Domestic business enterprises		
- Small medium enterprises	181,360	95,176
- Others	777,621	938,743
Domestic non-bank financial institutions	25,576	57,362
Individuals	196,995	194,047
Foreign individuals	494	537
Total gross loans, advances and financing	<u>1,182,046</u>	<u>1,285,865</u>

(iii) By Interest/Profit Rate Sensitivity

Fixed rate		
- Share margin financing	429,475	336,644
- Other fixed rate loans/financing	36,577	36,585
- Housing loans/financing	3,159	2,628
- Hire purchase receivables	2,657	2,826
Variable rate		
- Cost-plus	654,295	849,595
- BLR plus	21,097	21,125
- Other floating rate	34,786	36,462
Total gross loans, advances and financing	<u>1,182,046</u>	<u>1,285,865</u>

(iv) By Economic Purpose

Purchase of securities	552,029	526,705
Working capital	181,217	221,038
Purchase of transport vehicles	40,024	41,870
Construction	58,940	53,922
Purchase of landed properties (non-residential)	61,213	63,124
Purchase of landed properties (residential)	3,159	2,628
Personal use	32	40
Others	285,432	376,538
Total gross loans, advances and financing	<u>1,182,046</u>	<u>1,285,865</u>

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

(v) By Sector

	The Group and the Bank	
	30-06-2019	31-12-2018
	RM'000	RM'000
Real estate	199,824	228,074
Household	197,489	194,582
Manufacturing	191,120	309,533
Finance, insurance and business services	121,799	131,121
Transport, storage and communication	99,464	106,142
Construction	88,218	109,137
Wholesale retail trade and restaurant and hotels	73,736	86,816
Agriculture	59,367	50,748
Electricity, gas and water	26,173	19,747
Education, health & others	21,098	21,125
Mining and quarrying	5,590	5,591
Others	98,168	23,249
Total gross loans, advances and financing	<u>1,182,046</u>	<u>1,285,865</u>

(vi) By Geographical Distribution

Wilayah Persekutuan	479,026	465,868
Selangor	362,298	393,240
Johor	183,616	243,482
Sabah	49,549	50,499
Sarawak	40,765	41,971
Terengganu	26,173	19,747
Perak	23,728	50,935
Pulau Pinang	12,531	16,740
Negeri Sembilan	3,051	2,411
Kedah	1,309	972
Total gross loans, advances and financing	<u>1,182,046</u>	<u>1,285,865</u>

(vii) By Maturity Structure

Maturing within one year	805,528	684,962
One year to three years	143,657	352,430
Three years to five years	92,975	114,472
Over five years	139,886	134,001
Total gross loans, advances and financing	<u>1,182,046</u>	<u>1,285,865</u>

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Notes to the financial statement
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12. Loans, advances and financing (continued)

(viii) Movement in allowances for loans, advances and financing

Movement in expected credit losses for loans, advances and financing:

	The Group and the Bank			
	Lifetime ECL			Total
	12 months ECL	Not Credit Impaired	Lifetime ECL Credit Impaired	
	Stage 1	Stage 2	Stage 3	
30-06-2019	30-06-2019	30-06-2019		
	RM'000	RM'000	RM'000	RM'000
At beginning of financial period	4,065	223	5,573	9,861
Transfer between stages:				
Transfer to 12-month ECL (Stage 1):				
- Changes due to change in credit risk	-	-	-	-
Transfer to Lifetime ECL not credit impaired (Stage 2):				
- Changes due to change in credit risk	(229)	229	-	-
Transfer to Lifetime ECL credit impaired provision (Stage 3):				
- Changes due to change in credit risk	(44)	(174)	218	-
Total transfer between stages	(273)	55	218	-
Loans/Financing derecognised during the period (other than write-offs)	(176)	-	-	(176)
New loans/financing originated or purchased	68	-	-	68
Changes due to change in credit risk	(930)	232	92	(606)
Other adjustments:				
- Foreign exchange and other adjustments	(1)	-	-	(1)
At end of financial period	2,753	510	5,883	9,146

	The Group and the Bank			
	Lifetime ECL			Total
	12 months ECL	Not Credit Impaired	Lifetime ECL Credit Impaired	
	Stage 1	Stage 2	Stage 3	
31-12-2018	31-12-2018	31-12-2018		
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial year	5,756	775	10	6,541
Transfer between stages:				
Transfer to 12-months ECL (Stage 1):				
- Changes due to change in credit risk	-	-	-	-
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	-	(4,219)	4,219	-
Total transfer between stages	(758)	(3,461)	4,219	-
Loans/Financing derecognised during the financial year (other than write-offs)	(1,889)	(438)	-	(2,327)
New loans/financing originated or purchased	2,168	-	-	2,168
Changes due to change in credit risk	(1,229)	3,347	1,344	3,462
Other adjustments:				
- Foreign exchange and other adjustments	17	-	-	17
At end of the financial year	4,065	223	5,573	9,861

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12. Loans, advances and financing (continued)

(viii) Movement in allowances for loans, advances and financing (continued)

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

	The Group and the Bank			Total 30-06-2019 RM'000
	12 months ECL	Lifetime ECL	Lifetime ECL	
	Stage 1 30-06-2019 RM'000	Not Credit Impaired Stage 2 30-06-2019 RM'000	Credit Impaired Stage 3 30-06-2019 RM'000	
At beginning of financial period	1,191,473	13,541	80,851	1,285,865
Transfer between stages:				
Transfer to 12-months ECL (Stage 1):				
- Changes due to change in credit risk	-	-	-	-
Transfer to Lifetime ECL not credit impaired (Stage 2):				
- Changes due to change in credit risk	(133,686)	133,686	-	-
Transfer to Lifetime ECL credit impaired provision (Stage 3):				
- Changes due to change in credit risk	(20,225)	(13,130)	33,355	-
Total transfer between stages	(153,911)	120,556	33,355	-
Loans/Financing derecognised during the financial year (other than write-offs)	(93,384)	(182)	(1,628)	(95,194)
New loans/financing originated or purchased	182,635	-	-	182,635
Changes due to change in credit risk	(188,810)	(253)	(2,174)	(191,237)
Other adjustments				
- Foreign exchange and other adjustments	(23)	-	-	(23)
At end of financial period	937,980	133,662	110,404	1,182,046

	The Group and the Bank			Total 31-12-2018 RM'000
	12 months ECL	Lifetime ECL	Lifetime ECL	
	Stage 1 31-12-2018 RM'000	Not Credit Impaired Stage 2 31-12-2018 RM'000	Credit Impaired Stage 3 31-12-2018 RM'000	
At beginning of the financial year	1,075,087	29,773	65,910	1,170,770
Transfer between stages:				
Transfer to 12-months ECL (Stage 1):				
- Changes due to change in credit risk	185	(185)	-	-
Transfer to Lifetime ECL not credit impaired (Stage 2):				
- Changes due to change in credit risk	(29,784)	29,784	-	-
Transfer to Lifetime ECL credit impaired provision (Stage 3):				
- Changes due to change in credit risk	(2)	(23,731)	23,733	-
Total transfer between stages	(29,601)	5,868	23,733	-
Loans/Financing derecognised during the financial year (other than write-offs)	(308,826)	(12,679)	(5,572)	(327,077)
New loans/financing originated or purchased	810,372	-	-	810,372
Changes due to change in credit risk	(356,352)	(9,421)	(3,220)	(368,993)
Other adjustments				
- Foreign exchange and other adjustments	793	-	-	793
At end of the financial year	1,191,473	13,541	80,851	1,285,865

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12. Loans, advances and financing (continued)

	The Group and the Bank	
	30-06-2019 RM'000	31-12-2018 RM'000
<u>(x) Movement of impaired loans, advances and financing</u>		
At beginning of the financial period	80,851	65,910
Classified as impaired during the financial period	32,734	23,708
Amount written-off	(1)	-
Amount recovered	(3,180)	(8,767)
At end of the financial period	<u>110,404</u>	<u>80,851</u>
Gross impaired loans as a percentage of gross loans, advances and financing	<u>9.34%</u>	<u>6.29%</u>
<u>(xi) Impaired loans, advances and financing analysed by their economic purpose</u>		
Working capital	68,528	36,545
Construction	21,098	21,125
Purchase of landed properties (non-residential)	12,110	13,010
Other purpose	6,086	7,586
Purchase of transport vehicles	2,582	2,583
Personal use	-	1
Purchase of securities	-	1
Total impaired loans, advances and financing	<u>110,404</u>	<u>80,851</u>
<u>(xii) Impaired loans, advances and financing analysed by their economic sector</u>		
Construction	36,545	36,545
Education, health and others	21,098	21,125
Manufacturing	20,225	-
Finance, insurance and business services	12,110	13,010
Transport, storage and communication	11,758	-
Real estate	5,992	7,492
Mining and quarrying	2,581	2,581
Wholesale retail trade and restaurant and hotels	94	94
Household	1	4
Total impaired loans, advances and financing	<u>110,404</u>	<u>80,851</u>
<u>(xiii) Impaired loans, advances, and financing by geographical distribution</u>		
Sarawak	36,545	36,545
Perak	21,097	21,125
Selangor	50,181	10,170
Wilayah Persekutuan	2,581	13,011
Total impaired loans, advances and financing	<u>110,404</u>	<u>80,851</u>

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13. Trade receivables

	The Group		The Bank	
	30-06-2019 RM'000	31-12-2018 RM'000	30-06-2019 RM'000	31-12-2018 RM'000
Amount in respect of management fees receivable and cancellation of funds' units	160,277	88,908	-	-
Amount due from clients (a)	266,845	180,190	266,845	180,190
Amount due from brokers	46,809	59,657	46,809	59,657
Amount due from Bursa Securities Clearing Sdn. Bhd.	-	40,142	-	40,142
	<u>473,931</u>	<u>368,897</u>	<u>313,654</u>	<u>279,989</u>
Less: Expected credit loss ("ECL") (b)	(252)	(468)	(228)	(452)
	<u>473,679</u>	<u>368,429</u>	<u>313,426</u>	<u>279,537</u>

(a) Movement of impaired amount due from clients

	The Group and the Bank	
	30-06-2019 RM'000	31-12-2018 RM'000
At beginning of the financial period/year	424	1,366
Reclassified to other assets	-	(583)
Addition during the period/year	21	295
Amount recovered	(243)	(654)
At end of the financial period/year	<u>202</u>	<u>424</u>

(b) Movements in allowances for impairment on trade receivables:

	The Group		
	Lifetime ECL Not Credit Impaired	Lifetime ECL Credit Impaired	Total
	30-06-2019 RM'000	30-06-2019 RM'000	30-06-2019 RM'000
Expected credit losses			
At beginning of financial period	54	414	468
Allowance made	48	168	216
Amount written back	(51)	(381)	(432)
At end of financial period	<u>51</u>	<u>201</u>	<u>252</u>

	The Bank		
	Lifetime ECL Not Credit Impaired	Lifetime ECL Credit Impaired	Total
	30-06-2019 RM'000	30-06-2019 RM'000	30-06-2019 RM'000
Expected credit losses			
At beginning of financial period	38	414	452
Allowance made	40	168	208
Amount written back	(51)	(381)	(432)
At end of financial period	<u>27</u>	<u>201</u>	<u>228</u>

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13. Trade receivables (continued)

(b) Movements in allowances for impairment on trade receivables (continued):

	The Group		
	Lifetime ECL Not Credit Impaired	Lifetime ECL Credit Impaired	Total
	31-12-2018 RM'000	31-12-2018 RM'000	31-12-2018 RM'000
Expected credit losses			
At beginning of the financial year	105	1,029	1,134
Reclassified to other assets	-	(420)	(420)
Allowance made	154	212	366
Amount written back	(205)	(407)	(612)
At end of the financial year	<u>54</u>	<u>414</u>	<u>468</u>

	The Bank		
	Lifetime ECL Not Credit Impaired	Lifetime ECL Credit Impaired	Total
	31-12-2018 RM'000	31-12-2018 RM'000	31-12-2018 RM'000
Expected credit losses			
At beginning of the financial year	83	1,029	1,112
Reclassified to other assets	-	(420)	(420)
Allowance made	152	212	364
Amount written back	(197)	(407)	(604)
At end of the financial year	<u>38</u>	<u>414</u>	<u>452</u>

14. Other assets

	The Group		The Bank	
	30-06-2019 RM'000	31-12-2018 RM'000	30-06-2019 RM'000	31-12-2018 RM'000
Other debtors, deposits and prepayments	125,363	32,207	117,772	27,338
Collateral pledged for derivative transactions	3,250	1,298	3,250	1,298
Clearing Guarantee Fund	1,955	2,159	1,955	2,159
Clearing Fund	1,000	1,000	1,000	1,000
Transferable membership	350	200	250	100
Less : Expected credit loss ("ECL") (a)	(2,127)	(1,669)	(2,127)	(1,668)
	<u>129,791</u>	<u>35,195</u>	<u>122,100</u>	<u>30,227</u>

	The Group and the Bank	
	30-06-2019 RM'000	31-12-2018 RM'000
Movement in credit impaired accounts		
At beginning of the financial period/year	1,661	712
Reclassified from trade receivables	-	583
Classified as impaired during the financial period/year	500	1,053
Amount recovered	(22)	(687)
At end of the financial period/year	<u>2,139</u>	<u>1,661</u>

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14. Other assets (continued)

(a) Movements in allowances for impairment on other assets:

	The Group		
	Lifetime ECL Not Credit Impaired 30-06-2019 RM'000	Lifetime ECL Credit Impaired 30-06-2019 RM'000	Total 30-06-2019 RM'000
Expected credit losses			
At beginning of financial period	11	1,658	1,669
Allowance made	-	724	724
Amount written back	(1)	-	(1)
Write-off	-	(265)	(265)
At end of financial period	<u>10</u>	<u>2,117</u>	<u>2,127</u>
	The Bank		
	Lifetime ECL Not Credit Impaired 30-06-2019 RM'000	Lifetime ECL Credit Impaired 30-06-2019 RM'000	Total 30-06-2019 RM'000
Expected credit losses			
At beginning of financial period	10	1,658	1,668
Allowance made	-	724	724
Amount written back	-	-	-
Write-off	-	(265)	(265)
At end of financial period	<u>10</u>	<u>2,117</u>	<u>2,127</u>
	The Group		
	Lifetime ECL Not Credit Impaired 31-12-2018 RM'000	Lifetime ECL Credit Impaired 31-12-2018 RM'000	Total 31-12-2018 RM'000
Expected credit losses			
At beginning of the financial year	13	712	725
Reclassified from trade receivables	-	420	420
Allowance made	27	1,412	1,439
Amount written back	(29)	(886)	(915)
At end of the financial year	<u>11</u>	<u>1,658</u>	<u>1,669</u>
	The Bank		
	Lifetime ECL Not Credit Impaired 31-12-2018 RM'000	Lifetime ECL Credit Impaired 31-12-2018 RM'000	Total 31-12-2018 RM'000
Expected credit losses			
At beginning of the financial year	12	712	724
Reclassified from trade receivables	-	420	420
Allowance made	27	1,412	1,439
Amount written back	(29)	(886)	(915)
At end of the financial year	<u>10</u>	<u>1,658</u>	<u>1,668</u>

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15. Right-of-use assets

	The Group 30-06-2019 RM'000	The Bank 30-06-2019 RM'000
<u>Cost</u>		
At beginning of the financial period	13,096	8,403
Additions	1,011	-
Termination of contracts	(141)	-
Write-off	-	-
At end of the financial period	13,966	8,403
<u>Accumulated Amortisation</u>		
At beginning of the financial period	-	-
Charge for the financial period	4,630	2,737
Termination of contracts	(36)	-
Write-off	-	-
At end of the financial period	4,594	2,737
NBV of Right-Of-Use assets at end of the financial period	9,372	5,666

16. Deposit from customers

	The Group and the Bank 30-06-2019 RM'000	31-12-2018 RM'000
<u>By type of deposits:</u>		
Fixed deposits	4,432,781	4,025,083
Negotiable instruments of deposits	1,010,140	1,009,563
Other deposits	67,766	97,006
	5,510,687	5,131,652
<u>By maturity structure:</u>		
Due within six months	3,712,913	3,861,340
Six months to one year	1,087,485	544,123
More than one year	710,289	726,189
	5,510,687	5,131,652
<u>By type of customer:</u>		
Domestic non-banking financial institutions	3,162,794	2,679,465
Business enterprises	982,030	1,028,397
Domestic banking institutions	1,009,228	1,009,373
Government and statutory bodies	274,106	314,584
Individuals	38,151	42,785
Foreign entities	32,180	16,850
Others	12,198	40,198
	5,510,687	5,131,652

17. Deposit and placements of banks and other financial institution

	The Group and the Bank 30-06-2019 RM'000	31-12-2018 RM'000
Licensed banks	25,306	271,515
Licensed investment banks	-	153,398
	25,306	424,913

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18. Obligations on securities sold under repurchase agreements

	The Group and the Bank	
	30-06-2019	31-12-2018
	RM'000	RM'000
Financial investments at FVOCI	-	142,477

19. Trade payables

	The Group		The Bank	
	30-06-2019	31-12-2018	30-06-2019	31-12-2018
	RM'000	RM'000	RM'000	RM'000
Amount due to clients	171,355	151,463	171,355	151,463
Amount due to brokers	101,088	141,482	101,088	141,482
Amount due to unit trust funds	400,857	260,864	-	-
Amount due to unit holders	192,691	47,089	-	-
Amount due to Bursa Securities Clearing Sdn. Bhd.	33,127	-	33,127	-
	<u>899,118</u>	<u>600,898</u>	<u>305,570</u>	<u>292,945</u>

20. Lease liabilities

	The Group		The Bank	
	30-06-2019	31-12-2018	30-06-2019	31-12-2018
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial period, on adoption of MFRS 16			13,096	8,403
Additions			1,011	-
Termination of contracts			(112)	-
Interest expense			238	140
Lease payment			(4,769)	(2,822)
At end of the financial period			<u>9,464</u>	<u>5,721</u>

21. Other liabilities

	The Group		The Bank	
	30-06-2019	31-12-2018	30-06-2019	31-12-2018
	RM'000	RM'000	RM'000	RM'000
Commissioned dealer's representative trust balances	48,219	48,537	48,219	48,537
Amount payable to dealer's representative	37,701	37,874	37,701	37,874
Accrued employee benefit	47,880	67,703	25,748	30,543
Securities borrowing and lending	127,806	127,194	127,806	127,194
Other liabilities	78,587	92,249	44,410	54,469
ESOS liabilities	-	8,028	-	-
Puttable liabilities	34,328	34,328	-	-
Add: Expected credit loss -loan commitments and financial guarantee (a)	12	34	12	34
	<u>374,533</u>	<u>415,947</u>	<u>283,896</u>	<u>298,651</u>

(a) Movement in expected credit losses ("ECL")

	The Group and the Bank	
	30-06-2019	31-12-2018
	RM'000	RM'000
At beginning of the financial period		34
Net remeasurement of loss allowance		(62)
New loan commitments/financial guarantees issued		40
At end of the financial period		<u>12</u>

	The Group and the Bank	
	30-06-2019	31-12-2018
	RM'000	RM'000
At beginning of the financial year		596
Net remeasurement of loss allowance		(1,797)
New loan commitments/financial guarantees issued		1,235
At end of the financial year		<u>34</u>

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22. Reserves

	The Group		The Bank	
	30-06-2019 RM'000	31-12-2018 RM'000	30-06-2019 RM'000	31-12-2018 RM'000
FVOCI revaluation reserves (a)	69,933	3,968	69,878	3,913
Regulatory reserves (b)	27,688	28,357	27,688	28,357
Stock option reserves (c)	-	8,328	-	-
Foreign exchange reserve	593	593	-	-
	<u>98,214</u>	<u>41,246</u>	<u>97,566</u>	<u>32,270</u>
Retained profits	530,856	450,591	498,179	431,864
	<u>629,070</u>	<u>491,837</u>	<u>595,745</u>	<u>464,134</u>

- (a) The FVOCI revaluation reserves represent the unrealised gains or losses arising from a change in the fair value of investments classified as financial investments at FVOCI, as well as the expected credit loss allowance for financial investments FVOCI. The gains or losses are transferred to the income statement upon disposal or when the securities becomes impaired.
- (b) Pursuant to BNM letter dated 1 November 2017, effective from 1 January 2018, the Bank shall maintain, in aggregate, Stage 1 and Stage 2 provisions and regulatory reserves of no less than 1% of all credit exposures (on and off balance sheet that are subject to MFRS 9 impairment requirement, excluding exposures to and with an explicit guarantee from Malaysian Government), net of Stage 3 provision.
- (c) The stock option reserves in the previous financial year represents the fair value of the options of a subsidiary's employee stock option incentive scheme. On March 2019, the options holders have fully exercised the employee stock option incentive scheme.

23. 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
	30-06-2019 RM'000	30-06-2018 RM'000	30-06-2019 RM'000	30-06-2018 RM'000
Loans, advances and financing				
- Interest income on loans and advances	11,435	14,401	24,482	26,132
- Margin financing	6,948	6,569	12,841	13,112
Money at call and deposit placements with financial institutions	6,416	3,920	9,653	7,520
Financial investments at amortised cost	617	657	1,258	1,297
Financial investments at FVOCI	49,531	51,089	103,993	100,387
Others	522	107	629	275
	<u>75,469</u>	<u>76,743</u>	<u>152,856</u>	<u>148,723</u>
Net accretion of discounts less amortisation of premiums	(1,922)	(1,090)	(3,272)	(2,203)
	<u>73,547</u>	<u>75,653</u>	<u>149,584</u>	<u>146,520</u>
of which:				
Interest income earned on impaired loans, advances and financing	1,140	929	2,156	1,779

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23. Interest income (continued)

	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
	30-06-2019 RM'000	30-06-2018 RM'000	30-06-2019 RM'000	30-06-2018 RM'000
Loans, advances and financing				
- Interest income on loans and advances	11,427	14,393	24,466	26,117
- Margin financing	6,948	6,569	12,841	13,112
Money at call and deposit placements with financial institutions	5,989	3,488	8,664	6,624
Financial investments at amortised cost	617	657	1,258	1,297
Financial investments at FVOCI	49,531	51,089	103,993	100,387
Others	522	107	629	275
	<u>75,034</u>	<u>76,303</u>	<u>151,851</u>	<u>147,812</u>
Net accretion of discounts less amortisation of premiums	(1,922)	(1,090)	(3,272)	(2,203)
	<u>73,112</u>	<u>75,213</u>	<u>148,579</u>	<u>145,609</u>
of which:				
Interest income earned on impaired loans, advances and financing	1,140	929	2,156	1,779

24. Interest expense

	The Group			
	Current Financial Period ended	Preceding Year Corresponding Period ended	Current Financial Period-to-date	Preceding Year Corresponding Period-to-date
	30-06-2019 RM'000	30-06-2018 RM'000	30-06-2019 RM'000	30-06-2018 RM'000
	30-06-2019 RM'000	30-06-2018 RM'000	30-06-2019 RM'000	30-06-2018 RM'000
Deposits from customers	56,755	53,730	112,746	102,180
Deposits and placements of banks and other financial institutions	848	1,841	3,653	3,694
Obligations on securities sold under repurchase agreements	255	611	790	1,028
Interest expense on lease liability	108	-	238	-
Foreign currency borrowings	106	473	288	973
Others	843	346	1,599	710
	<u>58,915</u>	<u>57,001</u>	<u>119,314</u>	<u>108,585</u>

	The Bank			
	Current Financial Period ended	Preceding Year Corresponding Period ended	Current Financial Period-to-date	Preceding Year Corresponding Period-to-date
	30-06-2019 RM'000	30-06-2018 RM'000	30-06-2019 RM'000	30-06-2018 RM'000
	30-06-2019 RM'000	30-06-2018 RM'000	30-06-2019 RM'000	30-06-2018 RM'000
Deposits from customers	56,755	53,730	112,746	102,180
Deposits and placements of banks and other financial institutions	848	1,841	3,653	3,694
Obligations on securities sold under repurchase agreements	255	611	790	1,028
Interest expense on lease liability	64	-	140	-
Foreign currency borrowings	106	473	288	973
Others	843	346	1,599	710
	<u>58,871</u>	<u>57,001</u>	<u>119,216</u>	<u>108,585</u>

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25. 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
30-06-2019	30-06-2018	30-06-2019	30-06-2018	
	RM'000	RM'000	RM'000	RM'000
(a) Fee and commission income :				
Unit trust management and incentive fee	73,606	77,515	144,076	151,639
Initial service charge	19,274	23,926	33,168	61,699
Net brokerage income	14,542	17,370	28,401	37,578
Corporate advisory fees	5,087	3,942	5,888	7,716
Guarantee fees	274	-	2,517	561
Underwriting commissions and placement fees	674	2,112	2,117	2,362
Fees on loans, advances and financing	1,207	2,511	1,915	3,544
Arrangement fees	970	575	1,070	1,425
Agency fees	520	250	1,045	2,045
Private placement Fee	-	2,649	477	2,911
Others	497	1,920	1,164	2,589
	<u>116,651</u>	<u>132,770</u>	<u>221,838</u>	<u>274,069</u>
(b) Fee and commission expense :				
Commission and referral expenses	<u>(33,748)</u>	<u>(39,401)</u>	<u>(63,359)</u>	<u>(94,267)</u>
Net fee and commission income	<u>82,903</u>	<u>93,369</u>	<u>158,479</u>	<u>179,802</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
30-06-2019	30-06-2018	30-06-2019	30-06-2018	
	RM'000	RM'000	RM'000	RM'000
(a) Fee and commission income :				
Net brokerage income	14,542	17,370	28,401	37,578
Corporate advisory fees	4,954	3,821	5,528	7,459
Guarantee fees	274	-	2,517	561
Fees on loans, advances and financing	1,207	2,511	1,915	3,544
Arrangement fees	970	575	1,070	1,425
Agency fees	520	250	1,045	2,045
Underwriting commissions and placement fees	-	1,116	554	1,116
Private placement Fee	-	2,649	477	2,911
Others	214	1,733	622	2,150
	<u>22,681</u>	<u>30,025</u>	<u>42,129</u>	<u>58,789</u>
(b) Fee and commission expense :				
Commission and referral expenses	-	-	-	-
Net fee and commission income	<u>22,681</u>	<u>30,025</u>	<u>42,129</u>	<u>58,789</u>

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26. Net gain and losses on financial instruments

	The Group			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period ended	Period ended	Period-to-date	Period-to-date
30-06-2019	30-06-2018	30-06-2019	30-06-2018	
	RM'000	RM'000	RM'000	RM'000
Gains/(losses) arising on financial assets at FVTPL				
- net gain on disposal	11,876	15,513	29,152	33,522
- unrealised gain/(loss)	(4,974)	(1,978)	317	(2,105)
- gross dividend income	1,954	433	3,104	2,217
- interest income	4,725	5,194	9,424	9,869
Gains/(losses) on derivative instruments				
- net loss on disposal	-	(54)	-	(54)
- unrealised gain/(loss)	(537)	786	52	739
- interest income	711	424	1,117	1,102
- interest expense	(567)	(444)	(960)	(959)
Gains arising on financial investments at FVOCI				
- net gain on disposal	27,514	111	38,672	1,100
- gross dividend income	1,339	1,639	2,249	1,942
	42,041	21,624	83,127	47,373

	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
30-06-2019	30-06-2018	30-06-2019	30-06-2018	
	RM'000	RM'000	RM'000	RM'000
Gains/(losses) arising on financial assets at FVTPL				
- net gain on disposal	11,781	15,513	29,052	33,848
- unrealised gain/(loss)	(7,828)	(581)	(3,655)	(1,189)
- gross dividend income	1,591	162	2,486	1,332
- interest income	4,725	5,194	9,424	9,869
Gains/(losses) on derivative instruments				
- net loss on disposal	-	(54)	-	(54)
- unrealised gain/(loss)	(537)	786	52	739
- interest income	711	424	1,117	1,102
- interest expense	(567)	(444)	(960)	(959)
Gains arising on financial investments at FVOCI				
- net gain on disposal	27,514	111	38,672	1,100
- gross dividend income	1,339	1,639	2,249	1,942
	38,729	22,750	78,437	47,730

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27. Other operating income

	The Group			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period ended	Period ended	Period-to-date	Period-to-date
	30-06-2019	30-06-2018	30-06-2019	30-06-2018
	RM'000	RM'000	RM'000	RM'000
Foreign exchange gain/(loss)				
- realised	3,429	3,548	4,326	7,301
- unrealised	(486)	474	1,151	(2,613)
Gain on disposal of property and equipment	66	22	114	121
Other non-operating income	402	320	580	505
	3,411	4,364	6,171	5,314

	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
	30-06-2019	30-06-2018	30-06-2019	30-06-2018
	RM'000	RM'000	RM'000	RM'000
Foreign exchange gain/(loss)				
- realised	3,284	8,773	5,358	12,682
- unrealised	(855)	(6,907)	230	(6,742)
Gain on disposal of property and equipment	2	22	49	104
Gross dividend income from subsidiaries	31,500	21,000	31,500	21,000
Other non-operating income	446	560	594	782
	34,377	23,448	37,731	27,826

28. 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
	30-06-2019	30-06-2018	30-06-2019	30-06-2018
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
Salaries, allowances and bonuses	50,767	49,285	102,149	100,461
Contributions to defined contribution plan	8,565	8,140	15,859	15,751
Other personnel costs	10,774	12,808	15,820	21,886
	70,106	70,233	133,828	138,098
Promotion and marketing-related expenses				
Business promotion and advertisement	3,395	2,032	5,801	3,900
Travelling and accommodation	1,059	1,000	1,980	1,801
Entertainment	930	781	1,861	1,496
Others	338	338	673	1,277
Dealers' handling fees	300	300	600	600
Commission and brokerage expenses	142	219	299	358
	6,164	4,670	11,214	9,432
Establishment-related expenses				
Rental of premises	837	3,228	1,793	6,393
Depreciation of property and equipment	2,380	2,269	4,706	4,541
Depreciation –ROU Lease	2,331	-	4,630	-
Repair and maintenance	2,563	1,512	5,211	3,503
Electricity, water and sewerage	634	644	1,246	1,260
Amortisation of intangible assets	646	594	1,261	1,171
Insurance and indemnities	286	252	566	489
Others	174	469	307	837
	9,851	8,968	19,720	18,194

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28. Other operating expenses (continued)

	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
	30-06-2019	30-06-2018	30-06-2019	30-06-2018
	RM'000	RM'000	RM'000	RM'000
General administrative expenses				
Telecommunication expenses	2,412	2,372	4,938	4,683
Subscription	2,957	2,668	5,753	4,613
Professional fees	1,782	896	3,083	2,338
Directors' remuneration (b)	502	707	946	1,224
Auditors' remuneration	225	181	425	361
Property, plant and equipment written off	1	1	4	13
Others	559	1,645	2,051	3,729
	<u>8,438</u>	<u>8,470</u>	<u>17,200</u>	<u>16,961</u>
Total other operating expenses	<u>94,559</u>	<u>92,341</u>	<u>181,962</u>	<u>182,685</u>

	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
	30-06-2019	30-06-2018	30-06-2019	30-06-2018
	RM'000	RM'000	RM'000	RM'000
(a) Included in other operating expenses are intercompany charges:				
Establishment-related expenses	1,980	2,099	3,995	4,101
Non establishment-related expenses	1,061	1,117	1,794	2,317
	<u>3,041</u>	<u>3,216</u>	<u>5,789</u>	<u>6,418</u>
Inside Malaysia	2,915	2,915	5,376	5,811
Outside Malaysia	126	301	413	607
	<u>3,041</u>	<u>3,216</u>	<u>5,789</u>	<u>6,418</u>

	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
	30-06-2019	30-06-2018	30-06-2019	30-06-2018
	RM'000	RM'000	RM'000	RM'000
(b) Directors' remuneration				
Group Managing Director				
Fixed and non-deferred remuneration				
- Salary	495	450	990	900
- Other emoluments*	364	396	435	480
Variable and non-deferred remuneration				
- Bonus	1,705	1,950	1,705	1,950
- Estimate money value of benefit-in-kind	15	15	31	31
	<u>2,579</u>	<u>2,811</u>	<u>3,161</u>	<u>3,361</u>
Non-executive directors				
Fixed and non-deferred remuneration				
- Fees	373	583	738	1,046
- Other emoluments*	121	116	192	162
- Estimate money value of benefit-in-kind	8	8	16	16
	<u>502</u>	<u>707</u>	<u>946</u>	<u>1,224</u>

* Other emoluments include allowances and EPF.

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28. Other operating expenses (continued)

	The Bank			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period ended	Period ended	Period-to-date	Period-to-date
	30-06-2019	30-06-2018	30-06-2019	30-06-2018
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
Salaries, allowances and bonuses	32,424	31,789	66,383	67,119
Contributions to defined contribution plan	4,559	4,092	8,724	8,085
Other personnel costs	4,325	2,856	6,874	5,129
	<u>41,308</u>	<u>38,737</u>	<u>81,981</u>	<u>80,333</u>
Promotion and marketing-related expenses				
Business promotion and advertisement	929	841	1,464	1,581
Travelling and accommodation	409	486	816	804
Dealers' handling fees	300	300	600	600
Commission and brokerage expenses	146	219	296	354
Entertainment	204	128	411	269
	<u>1,988</u>	<u>1,974</u>	<u>3,587</u>	<u>3,608</u>
Establishment-related expenses				
Rental of premises	759	2,270	1,599	4,515
Depreciation of property and equipment	1,449	1,494	2,899	2,984
Depreciation –ROU Lease	1,371	-	2,737	-
Repair and maintenance	1,466	948	2,879	2,176
Electricity, water and sewerage	547	548	1,074	1,085
Amortisation of intangible assets	340	314	655	630
Insurance and indemnities	259	239	464	420
Others	64	70	88	140
	<u>6,255</u>	<u>5,883</u>	<u>12,395</u>	<u>11,950</u>
General administrative expenses				
Telecommunication expenses	2,018	1,976	4,149	3,930
Subscription	1,791	1,711	3,589	3,518
Directors' remuneration (b)	463	683	874	1,178
Auditors' remuneration	126	126	252	252
Professional fees	921	124	1,030	176
Property, plant and equipment written off	1	1	4	13
Others	173	1,415	1,121	3,023
	<u>5,493</u>	<u>6,036</u>	<u>11,019</u>	<u>12,090</u>
Total other operating expenses	<u>55,044</u>	<u>52,630</u>	<u>108,982</u>	<u>107,981</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
	30-06-2019	30-06-2018	30-06-2019	30-06-2018
	RM'000	RM'000	RM'000	RM'000
(a) Included in other operating expenses are intercompany charges:				
Establishment-related expenses	1,236	1,270	2,513	2,727
Non establishment-related expenses	443	301	620	609
	<u>1,679</u>	<u>1,571</u>	<u>3,133</u>	<u>3,336</u>
Inside Malaysia	1,679	1,571	3,133	3,336
Outside Malaysia	-	-	-	-
	<u>1,679</u>	<u>1,571</u>	<u>3,133</u>	<u>3,336</u>

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28. Other operating expenses (continued)

(b) Directors' remuneration

	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
30-06-2019	30-06-2018	30-06-2019	30-06-2018	
	RM'000	RM'000	RM'000	RM'000
Group Managing Director				
Fixed and non-deferred remuneration				
- Salary	495	450	990	900
- Other emoluments*	364	396	435	480
Variable and non-deferred remuneration				
- Bonus	1,705	1,950	1,705	1,950
- Estimate money value of benefit-in-kind	15	15	31	31
	<u>2,579</u>	<u>2,811</u>	<u>3,161</u>	<u>3,361</u>
Non-executive directors				
Fixed and non-deferred remuneration				
- Fees	340	567	680	1,014
- Other emoluments*	115	108	178	148
- Estimate money value of benefit-in-kind	8	8	16	16
	<u>463</u>	<u>683</u>	<u>874</u>	<u>1,178</u>

* Other emoluments include allowances and EPF.

29. Write-back /(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
30-06-2019	30-06-2018	30-06-2019	30-06-2018	
	RM'000	RM'000	RM'000	RM'000
Write-back /(allowances) of credit impairment losses:				
Expected credit losses				
- loans, advances and financing and trade receivables	1,019	(4,793)	931	(3,849)
- securities placements	3,363	45	1,738	90
- other assets	(346)	(299)	(723)	(394)
- loan and financing commitments and contingencies	10	807	22	39
Bad debts recovered	29	31	104	33
Bad debts written off	-	-	(7)	-
	<u>4,075</u>	<u>(4,209)</u>	<u>2,065</u>	<u>(4,081)</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
30-06-2019	30-06-2018	30-06-2019	30-06-2018	
	RM'000	RM'000	RM'000	RM'000
Write-back /(allowances) of credit impairment losses:				
Expected credit losses				
- loans, advances and financing and trade receivables	1,018	(4,798)	939	(3,855)
- securities placements	3,363	44	1,738	90
- other assets	(358)	(299)	(724)	(394)
- loan and financing commitments and contingencies	10	807	22	39
Bad debts recovered	29	31	104	33
Bad debts written off	-	-	(7)	-
	<u>4,062</u>	<u>(4,215)</u>	<u>2,072</u>	<u>(4,087)</u>

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30. Capital adequacy

	The Group		The Bank	
	30-06-2019 RM'000	31-12-2018 RM'000	30-06-2019 RM'000	31-12-2018 RM'000
Basel III				
Common Equity Tier (CET) 1 Capital :				
Share capital	999,800	999,800	999,800	999,800
Foreign exchange translation reserve	593	593	-	-
Retained profits	558,544	478,948	525,867	460,221
Unrealised gains on FVOCI instruments	69,933	3,968	69,878	3,913
	1,628,870	1,483,309	1,595,545	1,463,934
Less : Regulatory adjustment				
Goodwill and Intangible assets	(322,860)	(323,102)	(315,838)	(315,963)
Investment in subsidiaries /associates	-	-	(131,384)	(131,384)
Regulatory reserve	(27,688)	(28,357)	(27,688)	(28,357)
55% of unrealised gains on FVOCI instruments	(38,464)	(2,183)	(38,433)	(2,152)
Deferred tax assets	(3,700)	(26,597)	-	(14,506)
Total CET 1 capital	1,236,158	1,103,070	1,082,202	971,572
Additional Tier 1 Capital				
Qualifying non-controlling interests	21,666	19,783	-	-
Total CET 1 capital / Tier 1 capital (a)	1,257,824	1,122,853	1,082,202	971,572
Tier 2 capital				
Expected credit loss for financial assets	29,971	29,215	24,799	26,197
Total Tier 2 capital (b)	29,971	29,215	24,799	26,197
Total Capital (a) + (b)	1,287,795	1,152,068	1,107,001	997,769
Proposed dividends	60,000	-	60,000	-
Capital Ratio				
CET 1 capital ratio	33.914%	30.644%	38.848%	34.177%
Tier 1 capital ratio	34.508%	31.194%	38.848%	34.177%
Total capital ratio	35.331%	32.005%	39.738%	35.099%
CET 1 capital ratio (net of proposed dividends)	32.268%	30.644%	36.694%	34.177%
Tier 1 capital ratio (net of proposed dividends)	32.862%	31.194%	36.694%	34.177%
Total capital ratio (net of proposed dividends)	33.685%	32.005%	37.584%	35.099%
Breakdown of risk-weighted assets in the various categories of risk-weights:				
Credit risk	2,397,704	2,337,222	1,983,881	2,095,749
Market risk	339,589	383,926	343,823	289,550
Operational risk	907,685	878,448	458,053	457,468
Total Risk-Weighted Assets	3,644,978	3,599,596	2,785,757	2,842,767

With effect from 1 January 2018, the total capital and capital adequacy ratios of the Group and the Bank are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework (Capital Components) dated 2 February 2018.

The Group and the Bank are currently adopting Standardised Approach for Credit Risk and Market Risk, the Basic Indicator Approach for Operational Risk. In line with the transitional arrangements under the Bank Negara Malaysia's Capital Adequacy Framework (Capital Components), the minimum capital adequacy requirement for Common Equity Tier 1 Capital Ratio ("CET 1") and Tier 1 Capital Ratio are 7.00% (2018: 6.38%) and 8.50% (2018: 7.88%) respectively for the current financial period. The minimum regulatory capital adequacy requirement at 10.50% (2018: 9.88%) for total capital ratio.

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31. Commitments and contingencies

	The Group and the Bank	
	30-06-2019	31-12-2018
	Principal amount RM'000	Principal amount RM'000
Transaction related contingent Items	91,174	96,674
Forward Asset Purchases	10,000	-
Obligations under underwriting agreements	-	27,000
Commitments to extend credit:		
- maturity not exceeding one year	22,071	24,133
- maturity exceeding one year	10,288	588
Interest rate related contracts:		
- less than one year	845,000	695,000
- one year to less than five years	2,380,000	1,810,000
- more than five years	30,000	30,000
Foreign exchange related contracts:		
- less than one year	4,903,381	2,920,701
- one year to less than five years	406,615	304,689
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	486,315	468,170
Total	9,184,844	6,376,955

32. 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 2019 are as follows:

(i) The aggregate value of outstanding credit exposures with connected parties (RM'000)	612,563
(ii) The percentage of outstanding credit exposures to connected parties as a proportion of credit exposures	9.81%
(iii) The percentage of outstanding credit exposures with connected parties which is non-performing or in default	Nil

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33. 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 directly (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
30-06-2019				
Assets				
Financial assets at FVTPL				
- Money market instruments	-	189,041	-	189,041
- Corporate bonds or sukuk	-	35,653	-	35,653
- Shares, warrants, unit trusts and REITs	294,195	-	-	294,195
Financial investments at FVOCI				
- Money market instruments	-	839,265	-	839,265
- Corporate bonds or sukuk	-	3,787,743	-	3,787,743
- Shares and REITs	12,796	-	21,821	34,617
Derivative financial assets	-	39,760	-	39,760
	306,991	4,891,462	21,821	5,220,274
Liabilities				
Derivative financial liabilities	-	37,651	-	37,651
31-12-2018				
Assets				
Financial assets at FVTPL				
- Money market instruments	-	70,509	-	70,509
- Corporate bonds or sukuk	-	20,641	-	20,641
- Shares, warrants, unit trusts and REITs	141,674	-	-	141,674
Financial investments at FVOCI				
- Money market instruments	-	879,189	-	879,189
- Corporate bonds or sukuk	-	4,077,631	-	4,077,631
- Shares and REITs	59,532	-	21,821	81,353
Derivative financial assets	-	29,857	-	29,857
	201,206	5,077,827	21,821	5,300,854
Liabilities				
Derivative financial liabilities	-	28,107	-	28,107

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33. 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):

Bank	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
30-06-2019				
Assets				
Financial assets at FVTPL				
- Money market instruments	-	189,041	-	189,041
- Corporate bonds and/or sukuk	-	14,999	-	14,999
- Shares, warrants, unit trusts and REITs	229,840	-	-	229,840
Financial investments at FVOCI				
- Money market instruments	-	839,265	-	839,265
- Corporate bonds and/or sukuk	-	3,787,743	-	3,787,743
- Shares and REITs	12,796	-	21,821	34,617
Derivative financial assets	-	39,730	-	39,730
	242,636	4,870,778	21,821	5,135,235
Liabilities				
Derivative financial liabilities	-	37,651	-	37,651
31-12-2018				
Assets				
Financial assets at FVTPL				
- Money market instruments	-	70,509	-	70,509
- Shares, warrants, unit trusts and REITs	110,856	-	-	110,856
Financial investments at FVOCI				
- Money market instruments	-	879,189	-	879,189
- Corporate bonds and/or sukuk	-	4,077,631	-	4,077,631
- Shares and REITs	59,532	-	21,821	81,353
Derivative financial assets	-	29,784	-	29,784
	170,388	5,057,113	21,821	5,249,322
Liabilities				
Derivative financial liabilities	-	28,107	-	28,107

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33. Fair value measurements (continued)

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

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

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

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

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

	The Group and the Bank	
	30-06-2019	31-12-2018
	RM'000	RM'000
Opening	21,821	20,611
FVOCI revaluation reserve	-	1,210
Closing	<u>21,821</u>	<u>21,821</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 2018, 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:

Group	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
30-06-2019							
Assets							
Short term funds	923,427	-	-	-	-	-	923,427
Financial assets at FVTPL	18	-	10,101	9,956	204,620	294,194	518,889
Financial investments at FVOCI	10,257	39,992	150,685	1,726,602	2,648,378	85,711	4,661,625
Financial investments at amortised cost	-	-	44,556	-	-	-	44,556
Loans, advances and financing	431,449	-	183,283	383,874	174,294	-	1,172,900
Trade receivables	473,679	-	-	-	-	-	473,679
Derivative financial assets	5,840	5,814	7,713	19,514	849	30	39,760
Other assets	101,645	712	545	11,650	-	15,239	129,791
Statutory deposits with Bank Negara Malaysia	168,602	-	-	-	-	-	168,602
Amount due from related company	-	-	328	-	-	-	328
Amount due from ultimate holding company	-	-	65	-	-	-	65
Other non-financial assets ⁽¹⁾	-	-	-	-	-	453,537	453,537
Total assets	2,114,917	46,518	397,276	2,151,596	3,028,141	848,711	8,587,159
Liabilities							
Deposits from customers	1,779,227	1,095,868	1,925,303	710,289	-	-	5,510,687
Deposits and placements of banks and other financial institutions	25,306	-	-	-	-	-	25,306
Trade payables	899,118	-	-	-	-	-	899,118
Derivative financial liabilities	6,353	4,596	8,396	18,306	-	-	37,651
Other liabilities	202,950	40,280	65,388	18,106	-	47,809	374,533
Other non financial liabilities ⁽²⁾	-	-	5,325	12,028	-	-	17,353
Total liabilities	2,912,954	1,140,744	2,004,412	758,729	-	47,809	6,864,648
Net liquidity gap	(798,037)	(1,094,226)	(1,607,136)	1,392,867	3,028,141	800,902	1,722,511

(1) Other non-financial assets includes commodity gold at FVTPL, property and equipment, intangible assets, right-of-use assets, taxation recoverable and deferred tax assets.

(2) Other non-financial liabilities include lease liabilities, deferred tax liabilities, 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)

Group 31-12-2018	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
Assets							
Short term funds	624,791	-	-	-	-	-	624,791
Financial assets at FVTPL	7	-	-	80,445	10,698	141,674	232,824
Financial investments at FVOCI	35,776	3,078	191,622	1,988,162	2,656,664	162,871	5,038,173
Financial investments at amortised cost	-	-	1,340	47,041	-	-	48,381
Loans, advances and financing	336,726	1,698	297,913	473,963	165,704	-	1,276,004
Trade receivables	368,429	-	-	-	-	-	368,429
Derivative financial assets	17,953	2,390	3,007	6,273	234	-	29,857
Other assets	14,939	381	5,398	9,643	-	4,834	35,195
Statutory deposits with Bank Negara Malaysia	196,600	-	-	-	-	-	196,600
Other non-financial assets ⁽¹⁾	-	-	-	-	-	451,645	451,645
Total assets	1,595,221	7,547	499,280	2,605,527	2,833,300	761,024	8,301,899
Liabilities							
Deposits from customers	1,896,730	1,311,627	1,197,107	726,188	-	-	5,131,652
Deposits and placements of banks and other financial institutions	424,913	-	-	-	-	-	424,913
Obligations on securities sold under repurchase agreements	142,477	-	-	-	-	-	142,477
Trade payables	600,898	-	-	-	-	-	600,898
Derivative financial liabilities	12,151	1,305	6,762	7,889	-	-	28,107
Other liabilities	209,730	38,882	107,918	59,417	-	-	415,947
Other non financial liabilities ⁽²⁾	-	-	-	-	-	495	495
Total liabilities	3,286,899	1,351,814	1,311,787	793,494	-	495	6,744,489
Net liquidity gap	(1,691,678)	(1,344,267)	(812,507)	1,812,033	2,833,300	760,529	1,557,410

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

(2) Other non-financial liabilities include amount due to holding and related companies.

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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: (continued)

Bank 30-06-2019	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
Assets							
Short term funds	325,306	-	-	-	-	-	325,306
Financial assets at FVTPL	18	-	10,101	-	193,922	229,839	433,880
Financial investments at FVOCI	10,257	39,992	150,685	1,726,602	2,648,378	85,711	4,661,625
Financial investments at amortised cost	-	-	44,556	-	-	-	44,556
Loans, advances and financing	431,449	-	183,283	383,874	174,294	-	1,172,900
Trade receivables	313,426	-	-	-	-	-	313,426
Derivative financial assets	5,840	5,814	7,713	19,514	849	-	39,730
Other assets	98,609	712	545	11,650	-	10,584	122,100
Statutory deposits with Bank Negara Malaysia	168,500	-	-	-	-	-	168,500
Amount due from subsidiaries	-	-	-	474	-	-	474
Other non-financial assets ⁽¹⁾	-	-	-	-	-	489,752	489,752
Total assets	1,353,405	46,518	396,883	2,142,114	3,017,443	815,886	7,772,249
Liabilities							
Deposits from customers	1,779,227	1,095,868	1,925,303	710,289	-	-	5,510,687
Deposits and placements of banks and other financial institutions	25,306	-	-	-	-	-	25,306
Trade payables	305,570	-	-	-	-	-	305,570
Derivative financial liabilities	6,353	4,596	8,396	18,306	-	-	37,651
Other liabilities	192,353	40,280	42,360	8,903	-	-	283,896
Other non-financial liabilities ⁽²⁾	-	-	4,356	9,238	-	-	13,594
Total liabilities	2,308,809	1,140,744	1,980,415	746,736	-	-	6,176,704
Net liquidity gap	(955,404)	(1,094,226)	(1,583,532)	1,395,378	3,017,443	815,886	1,595,545

(1) Other non-financial assets includes property and equipment, intangible assets, right-of-use assets, taxation recoverable, investment in subsidiaries and investment in associated company.

(2) Other non-financial liabilities includes deferred tax liabilities and lease liabilities.

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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 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 31-12-2018							
Assets							
Short term funds	204,360	-	-	-	-	-	204,360
Financial assets at FVTPL	7	-	-	70,502	-	110,856	181,365
Financial investments at FVOCI	35,776	3,078	191,622	1,988,162	2,656,664	162,871	5,038,173
Financial investments at amortised cost	-	-	1,340	47,041	-	-	48,381
Loans, advances and financing	336,726	1,698	297,913	473,963	165,704	-	1,276,004
Trade receivables	279,537	-	-	-	-	-	279,537
Derivative financial assets	17,880	2,390	3,007	6,273	234	-	29,784
Other assets	14,939	381	470	10,747	-	3,690	30,227
Statutory deposits with Bank Negara Malaysia	196,500	-	-	-	-	-	196,500
Amount due from subsidiaries	-	-	-	273	-	-	273
Other non-financial assets ⁽¹⁾	-	-	-	-	-	498,075	498,075
Total assets	1,085,725	7,547	494,352	2,596,961	2,822,602	775,492	7,782,679
Deposits from customers	1,896,730	1,311,627	1,197,107	726,188	-	-	5,131,652
Deposits and placements of banks and other financial institutions	424,913	-	-	-	-	-	424,913
Obligations on securities sold under repurchase agreements	142,477	-	-	-	-	-	142,477
Trade payables	292,945	-	-	-	-	-	292,945
Derivative financial liabilities	12,151	1,305	6,762	7,889	-	-	28,107
Other liabilities	209,729	38,404	50,518	-	-	-	298,651
Total liabilities	2,978,945	1,351,336	1,254,387	734,077	-	-	6,318,745
Net liquidity gap	(1,893,220)	(1,343,789)	(760,035)	1,862,884	2,822,602	775,492	1,463,934

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